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**MAILED**  
**OCT 01 2010**  
**OFFICE OF PETITIONS**

In re Patent of Scott Oh :  
Patent No. 6,530,507 :  
Issue Date: March 11, 2003 : Decision on Petition  
Application No. 09/909,703 :  
Filing Date: July 19, 2001 :  
Attorney Docket No. 2075-3-01 :

This is a decision on the renewed petition under 37 C.F.R. § 1.378(e), filed March 15, 2010, to reinstate the above-identified patent.

The petition is **DENIED**. This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. *See* Manual of Patent Examining Procedure § 1002.02. The terms of 37 C.F.R. § 1.378(e) *do not apply* to this decision.

Since this patent will not be reinstated, the Office has credited the \$490 maintenance fee and the \$700 surcharge back to Deposit Account No. 50-2290. However, the \$400 fee for requesting reconsideration is not refundable. Therefore, the \$400 fee has been charged to petitioner's deposit account per the general fee authorization in the petition.

**Facts**

The law firm of Lee & Hong handled prosecution of the application. The Office notes the firm is now named Lee, Hong, Degerman, Kang & Waimey.

The patent issued March 11, 2003.

The law firm did not believe it was obligated to notify the assignee of maintenance fee due dates.

The law firm clearly stated the assignee was responsible for docketing due dates in a letter mailed April 1, 2003. The letter stated, with emphasis added,

The patent will expire twenty years after the [date] the application was filed. However, during the course of the term, maintenance fees will be due and payable after the 3rd, 7th, and 11th year. *[Each] maintenance fee must be [timely] paid ... or the patent will lapse.*

We will endeavor to remind you of upcoming due dates. However, please appreciate that, due to the long time-frame involved, *we can not be responsible for the non-payment of maintenance fees or for the non-notification of maintenance fee due dates.* Accordingly, we strongly recommend that these due dates be docketed by your office and/or the patent owner.

The prior petition filed December 1, 2009, indicated the assignee expected the law firm to remind the assignee of due dates for maintenance fees despite the letter above. The current petition asserts “the assignee was unaware that the maintenance fee must be paid periodically to avoid a lapse of the patent due to their inexperience with maintenance fees.”

The law firm did not notify the assignee when the 3.5 year maintenance fee became due.

The 3.5 year maintenance fee could have been paid from March 11, 2006, to September 11, 2006, or with a surcharge from September 12, 2006, to Monday, March 12, 2007. Accordingly, the patent expired as of midnight on March 12, 2007.

On May 21, 2009, the law firm discovered the patent had expired. The discovery led the law firm to investigate the circumstances surrounding the expiration of the patent. As a result, the law firm discovered two other patents had expired. The law firm immediately notified the assignee of the expiration of the patents.

On May 22, 2009, the law firm attempted to file an electronic petition under 37 C.F.R. § 1.378(c) to reinstate the instant patent. However, the attempt was unsuccessful because the attempt was made more than twenty-four months after expiration of the patent.

As a result of the attempt to obtain relief under 37 C.F.R. § 1.378(c), the law firm began investigating the possibility of filing a petition under 37 C.F.R. § 1.378(b).

The petition states, with respect to the date of July 10, 2009, “At the indicated time, research into this matter found that the presently known facts did not support the instant petition and the petition was not actively pursued at that time.”

The petition states, with respect to the date of November 30, 2009, “Further consideration of the facts surrounding the delayed payment of maintenance fees were discussed internally [at the law firm and] it was agreed that the facts noted herein were sufficient to support the instant petition and the instant petition was prepared.”

A petition under 37 C.F.R. § 1.378(b) was filed December 1, 2009.

A decision dismissing the petition was mailed January 14, 2010.

The instant petition was timely filed on Monday, March 15, 2010.

### Law

35 U.S.C. § 41(b) states in pertinent part that, “Unless payment of the applicable maintenance fee is received . . . on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period.”

35 U.S.C. § 41(c)(1) states that, “The Director may accept the payment of any maintenance fee . . . after the six month grace period **if the delay is shown to the satisfaction of the Director to have been unavoidable.**” (emphasis added)

37 C.F.R. § 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

A showing that . . . reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee . . . became aware of . . . the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date, and the manner in which patentee became aware of the expiration of the patent.

35 U.S.C. § 41(c)(1) requires a petitioner provide a “showing” of unavoidable delay. Therefore, a petitioner has the burden of proof.

In order for a party to establish unavoidable delay, the party must show “reasonable care was taken to ensure that the maintenance fee would be promptly paid.”<sup>1</sup> The level of “reasonable care” required to be shown is the same as the level of “care or diligence . . . generally used and observed by prudent and careful men in relation to their most important business.”<sup>2</sup> When determining if a petition has established a period of delay was unavoidable, the Office will take “all facts and circumstances into account” and will decide each petition “on a case-by-case basis.”<sup>3</sup>

### Discussion

37 C.F.R. § 1.378(b) requires a party to “enumerate the steps taken to ensure timely payment of the maintenance fee.” In other words, a failure by a party to take, or obligate another party to take, steps to ensure timely payment of maintenance fees, will “preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b)(3).”<sup>4</sup> “In view of the

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<sup>1</sup> 37 C.F.R. § 1.378(b).

<sup>2</sup> *In re Mattulath*, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912). See also *Ray v. Lehman*, 55 F.3d 606, 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995) (citations omitted) (“[I]n determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person.”)

<sup>3</sup> *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982).

<sup>4</sup> Manual of Patent Examining Procedure (“MPEP”) § 2590 (8th ed., Rev. 8, July 2010).

requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, [a] patentee's lack of knowledge of the need to pay the maintenance fee ... [will] not constitute unavoidable delay."<sup>5</sup>

The Court of Appeals for the Federal Circuit has recognized the requirement for a showing steps were taken to ensure timely payment of a maintenance fee is reasonable. In *Ray v. Lehman*,<sup>6</sup> the court stated, with emphasis added,

Ray also takes issue with the PTO's regulation . . . arguing that it "creates a burden that goes well beyond what is reasonably prudent." We disagree. The PTO's regulation merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these as requirements additional to proving unavoidable delay, but as the *very elements of unavoidable delay*.<sup>7</sup>

In *Femspec, L.L.C. v. Dudas*,<sup>8</sup> a federal district court recognized the existence of a *narrow* exception to the rule that a failure by a party to take, or obligate another party to take, steps to ensure timely payment of maintenance fees will preclude a finding of unavoidable delay.<sup>9</sup> In *Femspec*, the court discussed "the seminal case of *In re Mattullath*, 1912 Dec. Comm'r Pat. 490, 38 App.D.C. 497 (D.C. Cir. 1912)" and recognized a lack of knowledge of a *fact*, such as a widow's lack of knowledge of the existence of a patent application filed by her deceased husband, can support a finding of unavoidable delay when coupled with proof a party has acted reasonably and prudently.<sup>10</sup>

The record in this case fails to establish the assignee took any steps to ensure timely payment of the 3.5 year maintenance fee. The petition does not assert the assignee's failure to take steps to ensure timely payment of the 3.5 year maintenance fee was the result of a lack of knowledge of the existence of the patent or a similar fact. Instead, the petition asserts the assignee's failure to take steps to ensure timely payment of the maintenance fees was the result of the assignee being "unaware that ... maintenance fee[s] must be paid periodically to avoid [the] lapse of the patent due to their inexperience with maintenance fees." In view of the assignee's failure to take any steps to ensure timely payment of the 3.5 year maintenance fee for the instant patent, the showing of record is insufficient to demonstrate unavoidable delay.

Even if a lack of knowledge of the legal need to pay maintenance fees for patents could support a finding of unavoidable delay in some case, the record in this case would be insufficient to

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<sup>5</sup> *Id.* (citations omitted).

<sup>6</sup> 55 F.3d 606, 609, 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995).

<sup>7</sup> *Id.* at 609.

<sup>8</sup> 2007 U.S. Dist. LEXIS 8482, \*(N.D. Cal. 2007).

<sup>9</sup> *Id.* at \*17.

<sup>10</sup> *Id.* at \*16-\*27.

establish unavoidable delay. The law firm sent the assignee a letter discussing maintenance fees on April 1, 2003. The petition does not assert the assignee failed to receive and read the letter. The petition fails to establish a reasonable and prudent person could have read the letter without realizing maintenance fees must be timely paid in order to maintain a patent. Therefore, *even if* delay resulting from a lack of knowledge of the need to pay maintenance fees could constitute unavoidable delay in some circumstances, the instant record would be insufficient to demonstrate unavoidable delay.

A petition under 37 C.F.R. § 1.378(b) can only be granted if a petition establishes the entire delay in the submission of the maintenance fee was unavoidable. A portion of the delay in the submission of the prior petition and maintenance fee in the case was the result of a belief the facts were insufficient to support a petition under 37 C.F.R. § 1.378(b). However, delay in filing a petition based on a belief a petition will be unsuccessful is not unavoidable delay.

In view of the prior discussion, the petition has failed to establish the entire delay in payment of the 3.5 year maintenance fee was unavoidable.

### Decision

The prior decision which refused to accept the delayed payment of the 3.5 year maintenance fee under 37 C.F.R. § 1.378(b) has been reconsidered. For the reasons stated herein, the record is insufficient to establish the entire delay in the payment of the maintenance fee was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 C.F.R. § 1.378(b). Therefore, the petition is **denied**.

As stated in 37 C.F.R. § 1.378(e), the Office will not further consider or review the matter of the reinstatement of the patent.

The patent file is being forwarded to Files Repository.

Telephone inquiries may be directed to Petitions Attorney Steven Brantley at (571) 272-3203.



Anthony Knight  
Director  
Office of Petitions