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In re Patent No. 4,383,790  
Issue Date: May 17, 1983 :  
Application No. 06/237,461 : ON PETITION  
Filed: February 23, 1981 :  
Patentee: Fred T. Smith :

This is a decision on the petition under 37 CFR 1.378(e), filed October 1, 1997, requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(c) the delayed payment of a maintenance fee and reinstate the above-identified patent.

The petition to accept the delayed payment of the maintenance fee and reinstate the above-identified patent is **DENIED**.

#### BACKGROUND

The above-identified patent (U.S. Patent No. 4,383,790) issued on May 17, 1983. The first and second maintenance fees were timely paid. Therefore, the third maintenance fee could have been paid during the period from May 17, 1994 through November 17, 1994, or with a surcharge during the period from November 18, 1994 through May 17, 1995. The third maintenance fee for the above-identified patent, however, was not timely paid. Accordingly, the above-identified patent expired at midnight on May 17, 1995.

A petition under 37 CFR 1.378(c) was filed on May 16, 1997, and was dismissed in the decision of August 4, 1997. The instant petition under 37 CFR 1.378(e) was filed on October 1, 1997, and includes, *inter alia*, a declaration from Dan W. Burns dated May 6, 1997 (Burns decl.), a declaration from Gary L. Roubos dated March 7, 1997 (Roubos decl.), a declaration from Ellsworth Roston dated March 11, 1997 (Roston decl.), a declaration from Mary F. Downs dated May 19, 1997 (Downs decl.), a copy of a letter dated March 24, 1988 from Dan W. Burns to Gary L. Roubos (Burns-Roubos letter), a copy of a letter dated April 15, 1988 from Gary L.

Roubos to John M. Jarboe (Roubos-Jarboe letter), a copy of a licensing agreement dated April 6, 1979 between Sargent Industries, Inc. and the Heil Co., a copy of a licensing agreement dated May 2, 1990 between Sargent Industries, Inc. and the Heil Co., and copies of Ellsworth Roston's maintenance fee docket report for the above-identified patent. The instant petition under 37 CFR 1.378(e) requests reconsideration of the decision of August 4, 1997, and acceptance of the delayed payment of a maintenance fee for and reinstatement of the above-identified patent.

Petitioner, the assignee of the above-identified patent, asserts that: (1) Delaware Capital Formation, Inc. (DCF) is the current assignee of the above-identified patent; (2) the above-identified patent was assigned to Sargent Industries, Inc. (Sargent) when it issued in January of 1984; (3) Sargent was acquired by Dover Corporation (Dover) in 1984; (4) Dover transferred ownership of the above-identified patent to DCF in 1993; and (5) Dover owns DCF<sup>1</sup> (Dover and DCF are collectively referred to as "Dover").

Petitioner (Dover) further asserts that: (1) Dan W. Burns (Burns) proposed an agreement (Dover-Burns agreement) with Gary L. Roubos (Roubos) of Dover for Burns to manage the worldwide licensing activities of a portfolio of patents owned by Dover and known as the "Gar Wood" or "LP 1000" patents<sup>2</sup>; (2) this agreement was accepted by Roubos on behalf of Dover;<sup>3</sup> and (3) the "Gar Wood" or "LP 1000" patents include U.S. Patent Nos. 4,427,231, 4,383,796, 4,383,790, 4,382,740, 4,378,190, 4,371,306, 4,371,304.<sup>4</sup> Petitioner further asserts that in the course of exercising his responsibilities under the Dover-Burns agreement, Burns communicated with Ellsworth Roston (Roston), a registered practitioner, concerning maintenance fee payments for the patents involved in the Dover-Burns agreement.<sup>5</sup>

Patent and Trademark Office (PTO) records indicate that a petition under 37 CFR 1.378(b) was filed in U.S. Patent No. 4,371,306, and that a petition under 37 CFR 1.378(c) was filed in the above-identified patent (U.S. Patent No. 4,383,790) and U.S.

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<sup>1</sup> Petition of May 16, 1997 at 1-2.

<sup>2</sup> Roubos decl., ¶¶ 4-5; Burns-Roubos letter.

<sup>3</sup> Roubos decl., ¶¶ 5; Roubos-Jarboe letter.

<sup>4</sup> Burns decl., ¶¶ 4 and 6.

<sup>5</sup> Petition of October 1, 1997 at 5.

Patent Nos. 4,427,231, 4,383,796, 4,382,740, and 4,378,190. No petition under 37 CFR 1.378 was filed in U.S. Patent No. 4,371,304. The petition under 37 CFR 1.378(b) was filed in U.S. Patent No. 4,371,306 was denied in a decision dated March 3, 1998.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) provides that:

The Commissioner may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable. The Commissioner may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Commissioner accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(a) provides that:

The Commissioner may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Commissioner to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. If the Commissioner accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

37 CFR 1.378(c) provides that:

(c) Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months

after the six-month grace period provided in § 1.362(e) and must include:

- (1) The required maintenance fee set forth in § 1.20(e)-(g);
- (2) The surcharge set forth in § 1.20(i)(2); and
- (3) A statement that the delay in payment of the maintenance fee was unintentional.

#### OPINION

Petitioner asserts that there are two possible causes of the delay in payment of the third maintenance fee for the above-identified patent: (1) Burns exceeded his authority to exercise judgment and instructed Roston not to pay the third maintenance fee for the above-identified patent; or (2) Roston mistakenly believed that he had been instructed not to pay the third maintenance fee for the above-identified patent. Petitioner argues that neither of these alternatives constitutes an intentional delay, and, as such, petitioner is entitled to reinstatement of the above-identified patent pursuant to 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(c).

The Commissioner may accept the payment of any maintenance fee required by 35 U.S.C. 41(b) which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unintentional. See 35 U.S.C. § 41(c)(1).

The "unavoidable" standard in 35 U.S.C. § 41(c)(1) is identical to the "unavoidable" standard in 35 U.S.C. § 133 for reviving an abandoned application because 35 U.S.C. § 41(c)(1) uses the same language (*i.e.*, "unavoidable" delay). See Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (citing In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd, Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990)). Likewise, the "unintentional" standard in 35 U.S.C. § 41(c)(1) is the same as the "unintentionally" standard in 35 U.S.C. § 41(a)(7) because 35 U.S.C. § 41(c)(1) uses the same word ("unintentional"), albeit in a different part of speech (*i.e.*, the adjective "unintentional" rather than the adverb "unintentionally"). With regard to the "unintentional" delay standard:

Where the applicant deliberately permits an application to become abandoned (*e.g.*, due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to

justify continued prosecution), the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered as "unintentional" within the meaning of [37 CFR] 1.137(b). . . . An intentional delay resulting from a deliberate course of action chosen by the applicant is not affected by: (1) the correctness of the applicant's (or applicant's representative's) decision to abandon the application or not to seek or persist in seeking revival of the application; (2) the correctness or propriety of a rejection, or other objection, requirement, or decision by the Office; or (3) the discovery of new information or evidence, or other change in circumstances subsequent to the abandonment or decision not to seek or persist in seeking revival.

See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131, 53158-59, 1203 Off. Gaz. Pat. Office 63, 86 (discussing the meaning of "unintentional" delay in the context of the revival of an abandoned application).

35 U.S.C. § 41(c)(1) authorizes the Commissioner to accept a delayed maintenance fee payment "if the delay is shown to the satisfaction of the Commissioner to have been unintentional." 35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was intentional, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unintentional. Cf. Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960) (35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing); see also In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989) (petition under 37 CFR 1.137(b) denied because the applicant failed to carry the burden of proof to establish that the delay was unintentional).

Petitioner has failed to carry its burden of proof to establish to the satisfaction of the Commissioner that the delay in payment of the third maintenance fee for the above-identified patent was unintentional within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(c).

For the reasons discussed below, the record supports the following findings of fact:

(1) When the third maintenance fee payment for the above-identified patent was due,<sup>6</sup> Roston was Dover's representative of record to the PTO for the above-identified patent.

(2) When the third maintenance fee payment for the above-identified patent was due, Roston did not intend to make the payment.

(3) The delay in paying the third maintenance fee for the above-identified patent was not unintentional on the part of Roston.

(4) Roston did not misstate any material fact to Burns or anyone at Dover concerning the non-payment of the third maintenance fee for the above-identified patent.

(5) Burns did not, on or before the date the third maintenance fee payment for the above-identified patent was due, instruct Roston to make the third maintenance fee payment for the above-identified patent.

(6) When the third maintenance fee payment for the above-identified patent was due, Burns did not intend to make the payment or cause the payment to be made.

(7) The delay in paying the third maintenance fee for the above-identified patent was not unintentional on the part of Burns.

(8) No person at or on behalf of Dover, on or before the date the third maintenance fee payment for the above-identified patent was due, instructed Burns or Roston to make the third maintenance fee payment for the above-identified patent.

(9) When the third maintenance fee payment for the above-identified patent was due, no person at or on behalf of Dover intended to make the payment or cause the payment to be made.

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<sup>6</sup> The third maintenance fee payment for the above-identified patent was due (with the surcharge under 37 CFR 1.17(h)) on May 17, 1995.

(10) The delay in paying the third maintenance fee for the above-identified patent was not unintentional on the part of Dover.

(11) Dover delegated to Burns the authority to exercise judgment and decide whether to pay or not pay the third maintenance fee for the above-identified patent.

*(1) When the third maintenance fee payment for the above-identified patent was due, Roston was Dover's representative of record to the PTO for the above-identified patent:*

The declaration under 37 CFR 1.63 filed in application No. 05/876,644 appointed a power of attorney to Ellsworth Roston and Charles H. Schwartz, and that appointment carried over to the application for the above-identified application by operation its filing under former 37 CFR 1.60 (which uses a copy of the oath or declaration from the prior application). This appointment of a power of attorney to Ellsworth Roston was not revoked until October 1, 1997.<sup>7</sup> Thus, Ellsworth Roston was the representative of record on May 17, 1995, the day the third maintenance fee payment for the above-identified patent was due (with the surcharge under 37 CFR 1.17(h)).

*(2) When the third maintenance fee payment for the above-identified patent was due, Roston did not intend to make the payment:*

While petitioner asserts that Roston mistakenly believed that he had been instructed not to pay the third maintenance fee for the above-identified patent, this assertion is not supported by the record. With regard to payment of the maintenance fees for the patents involved in the Dover-Burns agreement, Burns indicates:

In accordance with this procedure, the first and second maintenance fees were paid for the patents in the LP-1000 patent portfolio identified above, including the '306 patent.

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<sup>7</sup> While an assignee may revoke a previous power of attorney, an assignment will not itself operate as a revocation of any previous power of attorney. See 37 CFR 1.36.

I have no recollection concerning the third maintenance fee payment due at 11½ years after issuance of the '306 patent, nor have I been able to locate any copies of correspondence concerning the maintenance fee payments.

Burns decl., ¶¶ 19-20.<sup>8</sup>

Roston indicates that he recently destroyed the files of all of his abandoned (expired) patents and patent applications, and that the file of the above-identified patent was among the destroyed files since it lapsed (expired) for non-payment of a maintenance fee.<sup>9</sup> Roston, however, provides an explanation of the procedures in place to avoid an inadvertent failure to pay a maintenance fee.<sup>10</sup> This procedure is designed to require written instructions from a client before a maintenance fee due date is permitted to pass without payment.<sup>11</sup> Roston states that the entries in his maintenance fee docket report show that his office received instructions from Burns not to pay the third maintenance fee for each of the above-identified patents, and that it is his belief that the third maintenance fee for the above-identified patent was not paid because he received instructions from Burns not to pay such maintenance fee.<sup>12</sup> Petitioner also provides copies of Roston's maintenance fee docket report, which contains the notation "abandoned - Burns" for each of U.S. Patent Nos. 4,427,231, 4,383,796, 4,383,790, 4,382,740, 4,378,190, 4,371,306, and 4,371,304.

The record indicates that Roston's failure to pay the third maintenance fee was not due to an unintentional error or oversight, but was due to an instruction from Burns not to pay that maintenance fee. For these reasons, the record supports a finding that, when the third maintenance fee payment for the above-identified patent was due, Roston did not intend to make the payment.

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<sup>8</sup> In view of the execution date and patent referred to in the Burns declaration (as well as the Roston declaration), it appears that these declarations were prepared for use with the petition under 37 CFR 1.378(b) filed in U.S. Patent No. 4,371,306.

<sup>9</sup> Roston decl., ¶8.

<sup>10</sup> Roston decl., ¶6.

<sup>11</sup> Roston decl., ¶6.

<sup>12</sup> Roston decl., ¶¶ 10-11.



*(3) The delay in paying the third maintenance fee for the above-identified patent was not unintentional on the part of Roston:*

In view of (1) the care taken by Roston to ensure that a maintenance fee would be paid in the absence of an instruction not to pay the maintenance fee, (2) the above-mentioned notation ("abandoned - Burns") next to the docket entry for the above-identified patent, and (3) Burns' lack of recollection concerning the third maintenance fee for the above-identified patent, the record supports a finding that Roston's failure to pay the third maintenance fee was the result of a deliberate decision on the part of Roston (due to an instruction from Burns not to pay such maintenance fee), and was not due to an unintentional error or oversight. For these reasons, the delay in paying the third maintenance fee payment for the above-identified patent cannot be considered unintentional on the part of Roston.

*(4) Roston did not misstate any material fact to Burns or anyone at Dover concerning the non-payment of the third maintenance fee for the above-identified patent:*

Burns does not indicate that Roston deceived Burns into believing that Roston timely paid the third maintenance fee for the above-identified patent, or otherwise misstated any material fact concerning Roston's nonpayment of the third maintenance fee for the above-identified patent. Roubos does not indicate that there was any direct contact between Dover and Roston other than Roston's billing Dover for actions taken in response to instructions from Burns.<sup>13</sup> Thus, the record does not indicate that Roston deceived Burns or anyone at Dover into believing that Roston timely paid the third maintenance fee for the above-identified patent, or otherwise misstated any material fact concerning Roston's nonpayment of the third maintenance fee for the above-identified patent.

Petitioner's reliance upon In re Lonardo, 17 USPQ2d 1455 (Comm'r Pats. 1990), is misplaced. In Lonardo, the representative deceived the applicant into reasonably believing that an abandoned application actually issued as a patent, and this deception was determined to vitiate the representative-client relationship. In this case, Roston did not pay the third maintenance fee for the above-identified patent, but there is no showing that Roston deceived Burns or anyone at Dover into believing that Roston timely paid the third maintenance fee for the above-identified patent, or otherwise misstated any material

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<sup>13</sup> Roubos decl., ¶ 12.

fact concerning Roston's nonpayment of the third maintenance fee for the above-identified patent.

For these reasons, the record supports a finding that Roston did not misstate any material fact to Burns or anyone at Dover concerning the non-payment of the third maintenance fee for the above-identified patent.

*(5) Burns did not, on or before the date the third maintenance fee payment for the above-identified patent was due, instruct Roston to make the third maintenance fee payment for the above-identified patent:*

For the reasons above discussed with respect to findings (2) and (3), the record indicates that Roston's failure to pay the third maintenance fee was due to an instruction from Burns not to pay such maintenance fee. For these reasons, the record supports a finding that Burns did not, on or before the date the third maintenance fee payment for the above-identified patent was due, instruct Roston to make the third maintenance fee payment for the above-identified patent.

*(6) When the third maintenance fee payment for the above-identified patent was due, Burns did not intend to make the payment or cause the payment to be made:*

For the reasons discussed above with respect to findings (2) and (3), the record indicates that Roston's failure to pay the third maintenance fee was due to an instruction from Burns not to pay such maintenance fee. There is nothing in the record to suggest that this instruction from Burns to Roston was the result of an unintentional error or oversight on the part of Burns. That is, there is nothing in the record to suggest that this instruction from Burns to Roston was the result of anything other than a deliberate decision on the part of Burns not to make or instruct Roston to make the third maintenance fee payment for the above-identified patent. There is also nothing in the record to show that Burns intended that the third maintenance fee payment be made. For these reasons, the record supports a finding that when the third maintenance fee payment for the above-identified patent was due, Burns did not intend to make the payment or cause the payment to be made.

*(7) The delay in paying the third maintenance fee for the above-identified patent was not unintentional on the part of Burns:*

As discussed with respect to findings (5) and (6), there is nothing in the record to suggest that this instruction from Burns to Roston was the result of anything other than a deliberate

decision on the part of Burns not to make or instruct Roston to make the third maintenance fee payment for the above-identified patent.

In addition, the statement provided by Burns indicates that Burns has no recollection concerning the third maintenance fee for the above-identified patent. A statement that a party has no recollection of the circumstances of a delay in payment of a maintenance fee is not the equivalent of a statement that the delay in payment of such maintenance fee was unintentional. Thus, petitioner has not established that the delay in payment of (or failure to pay) the third maintenance fee for the above-identified patent was unintentional on the part of Burns.

For these reasons, the record supports a finding that the delay in paying the third maintenance fee payment for the above-identified patent was not unintentional on the part of Burns.

*(8) No person at or on behalf of Dover, on or before the date the third maintenance fee payment for the above-identified patent was due, instructed Burns or Roston to make the third maintenance fee payment for the above-identified patent:*

Petitioner indicates that Dover did not directly contact Roston concerning the payment of maintenance fees for the patents involved in the Dover-Burns agreement, and that Dover would have no way of knowing whether Burns was instructing Roston contrary to Dover's best interests.<sup>14</sup> Petitioner specifically indicates that Dover relied upon Burns and Roston to "take all steps" concerning the patents involved in the Dover-Burns agreement.<sup>15</sup> Thus, the showing of record is that Dover was completely divorced from the process for payment of maintenance fees for the patents involved in the Dover-Burns agreement. For these reasons, the record supports a finding that no person at or on behalf of Dover, on or before the date the third maintenance fee payment for the above-identified patent was due, instructed Burns or Roston to make the third maintenance fee payment for the above-identified patent.

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<sup>14</sup> Roubos decl., ¶ 12.

<sup>15</sup> Roubos decl., ¶ 13.

*(9) When the third maintenance fee payment for the above-identified patent was due, no person at or on behalf of Dover intended to make the payment or cause the payment to be made:*

Assuming, *arguendo*, that Dover did not give Burns the authority to decide whether to pay or not pay the maintenance fees for the patents involved in the Dover-Burns agreement, this authority must have been retained by Dover (*i.e.*, a person at Dover). The showing of record, however, is that Dover was completely divorced from the process for payment of maintenance fees for the patents involved in the Dover-Burns agreement. That is, the record does not show that any person (other than Burns or Roston) at or on behalf of Dover took any action or made any decisions concerning the patents involved in the Dover-Burns agreement.

The record does not show that any person at or on behalf of Dover took any action or made any decisions concerning the patents involved in the Dover-Burns agreement. Thus, the record indicates that, when the third maintenance fee payment for the above-identified patent was due, no person (other than Burns or Roston) at or on behalf of Dover had any intent concerning the payment of the third maintenance fee for the above-identified patent.

For these reasons, the record supports a finding that, when the third maintenance fee payment for the above-identified patent was due, no person at or on behalf of Dover intended to make the payment or cause the payment to be made.<sup>16</sup>

*(10) The delay in paying the third maintenance fee for the above-identified patent was not unintentional on the part of Dover:*

For the reasons above discussed with respect to findings (8) and (9), the record indicates that no person (other than Burns or Roston) at or on behalf of Dover had any intent concerning the payment of the third maintenance fee for the above-identified

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<sup>16</sup> Obviously, Dover now wishes that Burns had instructed Roston to pay the third maintenance fee for the above-identified patent was due. Nevertheless, what Dover now wishes or intends and what Dover would have decided or intended had someone at Dover been making decisions concerning the maintenance fee payments for the patents involved in the Dover-Burns agreement are immaterial. The salient point is that there is no adequate showing that, when the third maintenance fee payment for the above-identified patent was due, some person at Dover had an intent that the third maintenance fee for the above-identified patent be paid.

patent. This being the case, the record does not show that any person at or on behalf of Dover intended to pay the third maintenance fee for the above-identified patent, but that this failed to result in payment of the third maintenance fee for the above-identified patent due to an unintentional error or oversight. For these reasons, the record supports a finding that the delay in paying the third maintenance fee payment for the above-identified patent was not unintentional on the part of Dover.

*(11) Dover delegated to Burns the authority to exercise judgment and decide whether to pay or not pay the third maintenance fee for the above-identified patent:*

Petitioner attempts to establish that Dover intended to pay the third maintenance fee for the above-identified patent by arguing that Burns had no authority from Dover other than to instruct Roston to pay the maintenance fee for the above-identified patent. This assertion, however, is not supported by the record.

A review of the Burns declaration fails to reveal a statement by Burns that he had no authority other than to instruct Roston to pay the maintenance fees for the above-identified patent. In addition, a review of the Roubos declaration fails to reveal either an express statement by Roubos that Burns had no authority other than to instruct Roston to pay the maintenance fees for the above-identified patent, or a statement by Roubos as to who had the authority to decide whether to pay or not pay the maintenance fees for the above-identified patent. Moreover, the documents<sup>17</sup> concerning the Dover-Burns agreement fail to reveal that Burns had no authority other than to instruct Roston to pay the maintenance fees for the above-identified patent, or that Burns had any restriction on his authority to decide whether to pay or not pay maintenance fees for the above-identified patent.

Roubos states, *inter alia*, that: (1) Burns was not authorized to act in any way inconsistent with Dover's interests in the above-identified patent; (2) Dover did not anticipate that Burns would instruct Roston not to pay the maintenance fee; (3) Dover relied upon Burns to take steps in Dover's best interest concerning the above-identified patent; and (4) Dover had no reason to anticipate that Burns would take actions inconsistent with Dover's license obligations.<sup>18</sup> These statements, however, are not equivalent to a statement, and do not establish, that Burns

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<sup>17</sup> The Burns-Roubos letter and the Roubos-Jarboe letter.

<sup>18</sup> Roubos decl., ¶¶ 11-14.

had no authority other than to instruct Roston to pay the maintenance fees for the above-identified patent. Obviously, Dover expected Burns to act in Dover's best interests and would not have expressly authorized Burns to act in a manner inconsistent with Dover's interests and license obligations. The issue, however, is whether Dover specifically limited Burns' authority in regard to payment of the maintenance fees for the patents involved in the Dover-Burns agreement.

A decision to pay or not to pay a maintenance fee is simply a business judgment based upon the perceived commercial value of the patent for which the fee is due. A decision not to pay a maintenance fee may be consistent or inconsistent with the best interests of a patentee or assignee, depending upon the specific situation. In any event, the wisdom, prudence, correctness, or appropriateness of a decision by Burns not to pay the third maintenance fee for the above-identified patent is not at issue; the issue is whether Burns had the authority to make such a decision. Roubos' general statements concerning petitioner's (Dover's) expectations of Burns under the Dover-Burns agreement do not establish that Dover specifically limited Burns' authority in regard to payment of the maintenance fees for the patents involved in that agreement.

Petitioner was advised that its assertion that Burns acted without authority in deciding not to pay the third maintenance fee for the above-identified patent must be supported by a documented showing that Burns lacked such authority. See decision of August 4, 1997 at 4. For the reasons discussed above, the instant petition lacks an adequate showing that Burns exceeded his authority under the Dover-Burns agreement. Therefore, petitioner has failed to carry its burden of proof to establish that if Burns instructed Roston not to pay the third maintenance fee for the above-identified patent, Burns exceeded his authority to exercise judgment under the Dover-Burns agreement.

In any event, the record in fact points to a finding that Dover had delegated to Burns the authority to exercise judgment and decide whether to pay or not pay the maintenance fees for the above-identified patent.

**First:** Burns' responsibilities under the Dover-Burns agreement required Burns to exercise business judgment concerning the patents at issue; Burns' responsibilities were not that of a secretary, clerk, paralegal, or maintenance fee service organization. Absent an express and documented understanding to the contrary, a person having Burns' responsibilities would be expected to make business judgments concerning whether a

maintenance fee should be paid or should not be paid. There is no direct evidence (statements from Burns or Roubos or documented understanding) that Burns and Dover had an understanding that Burns had no authority other than to pay (or instruct another party (Roston) to pay) the maintenance fee for the above-identified patent.

Second: As discussed above, petitioner indicates that Dover did not directly contact Roston concerning the payment of maintenance fees for the patents involved in the Dover-Burns agreement, and that Dover would have no way of knowing whether Burns was instructing Roston contrary to Dover's best interests. Thus, it appears that Burns did not report the results of his interaction with Roston to Dover, and that Dover did not request such information from Burns on any type of routine basis for a period of almost nine (9) years (between March of 1988 and February of 1997). The lack of oversight given by Dover to Burns' interaction with Roston is consistent with the oversight (or lack thereof) that would be given to a person having broad discretion to exercise judgment, and is not consistent with the oversight that would be given to a person charged with performing a purely clerical function.

As discussed above, if Dover did not give Burns the authority to decide whether to pay or not pay the maintenance fees for the patents involved in the Dover-Burns agreement, this authority must have been retained by Dover (*i.e.*, a person at Dover), but the record indicates that Dover was completely divorced from the process for payment of maintenance fees for the patents involved in the Dover-Burns agreement. That (1) petitioner (Dover) has not identified any person at Dover who had the authority to decide to pay or not pay the maintenance fees for the patents involved in the Dover-Burns agreement, (2) Dover gave no oversight to Burns' handling of the maintenance fees for the patents involved in the Dover-Burns agreement, and (3) Dover placed itself (or permitted itself to be placed) in the position of being completely unaware of Burns' instructions to Roston concerning payment (or non-payment) of the maintenance fees for the patents involved in the Dover-Burns agreement (at least until Dover was billed by Roston for a maintenance fee payment), points to the finding that Burns had the authority to decide whether to pay or not pay the maintenance fee for the above-identified patent.

Third: Petitioner asserts that Burns concealed his failure to pay the third maintenance fee for the above-identified patent until Dover discovered in February of 1997 that Burns had failed to pay

the maintenance fees for a number of patents.<sup>19</sup> The record, however, also indicates that the Dover-Burns agreement remains in effect (as of May of 1997).<sup>20</sup> Petitioner has not indicated either that: (1) the Dover-Burns agreement was terminated upon Dover's discovery that Burns concealed his failure to pay the third maintenance fee for the above-identified patent (i.e., petitioner does not dispute the statement by Burns that the Dover-Burns agreement remains in effect); or (2) the Dover-Burns agreement is not still in effect. Dover's continuance of the Dover-Burns agreement for any period after February of 1997 militates against a finding that Burns acted in an *ultra vires* manner under this agreement.<sup>21</sup>

Fourth: While petitioner has sought reinstatement of a number of patents involved in the Dover-Burns agreement, petitioner is not seeking reinstatement of all of the patents involved in the Dover-Burns agreement. That is, while Burns' failure to pay maintenance fees has resulted in the expiration of all of the patents involved in the Dover-Burns agreement, petitioner has not sought reinstatement of U.S. Patent No. 4,371,304. This militates against a finding that Dover wanted Burns to pay the maintenance fees for all of the patents involved in the Dover-Burns agreement (much less that Dover actually limited Burns only to paying the maintenance fees for all of the patents involved in the Dover-Burns agreement), and toward a finding that Dover either had no understanding with Burns on this matter or expected Burns to exercise his business judgment as to whether maintenance fees on any particular patent should be paid or not be paid.

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<sup>19</sup> Petition of October 1, 1997 at 7-8; Roubos decl., ¶¶ 14-15.

<sup>20</sup> Burns decl., ¶ 7.

<sup>21</sup> Petitioner's reliance upon Lonardo vis-a-vis Burns is misplaced. While a representative exercises his or her legal judgment during the prosecution of an application, the decision of whether to prosecute remains with the client (or applicant). In this case, the record supports the finding that Dover gave Burns the responsibility of exercising his business judgment as to whether the maintenance fees should be paid (or not paid) for the patents involved in the Dover-Burns agreement. Burns was not simply Dover's representative before the PTO. In any event, the premise of Lonardo is that the representative's deceptions vitiates the attorney-client relationship. Dover, however, did not terminate the Dover-Burns agreement immediately upon discovering that Burns concealed his failure to pay the third maintenance fee for the above-identified patent.



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For the above reasons, the record supports a finding that Dover expressly permitted Burns to exercise his business judgment in regard to whether the maintenance fees for the patents involved in the Dover-Burns agreement should be paid or not be paid. Therefore, Burns' decisions in the exercise of his judgment on whether to pay or not to pay the third maintenance fee for the above-identified patent is binding on Dover. See Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667 (D.D.C. 1963) (part assignee who permits assignee of the remaining part interest to represent its interest in the prosecution of an application is bound by the decisions of the assignee of remaining part interest).

#### CONCLUSION

35 U.S.C. § 41(c)(1) authorizes the Commissioner to accept the delayed payment of a maintenance fee under 35 U.S.C. § 41(b) if, *inter alia*, "the delay is shown to the satisfaction of the Commissioner to have been unintentional." In this case, petitioner has failed to carry its burden to establish that the delay in paying the third maintenance fee payment for the above-identified patent was not unintentional on the part of Roston, Burns, or some other person at or acting on behalf of Dover.

In addition, the record indicates that the cause of the delay in payment of the third maintenance fee for the above-identified patent was due to Burns instructing Roston not to pay the third maintenance fee for the above-identified patent, and that Dover delegated to Burns the authority to exercise judgment and decide whether to pay or not pay the third maintenance fee for the above-identified patent. Obviously, a delay resulting from a deliberate decision by the relevant party (Burns) not to pay a maintenance fee cannot reasonably be characterized as an "unintentional" delay within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(c). That Dover now seeks to revisit Burns' decision does not cause the delay resulting from Burns' deliberate decision not to pay the third maintenance fee for the above-identified patent to become an "unintentional" delay under 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(c).

The instant petition under 37 CFR 1.378(e) is granted to the extent that the decision of August 4, 1997 has been reconsidered; however, the petition to accept under 37 CFR 1.378(c) the delayed payment of a maintenance fee and reinstate the above-identified patent is DENIED.

Since the above-identified patent will not be reinstated, the \$3080.00 maintenance fee and \$1600.00 surcharge submitted by petitioner will be refunded.

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

Telephone inquiries regarding this decision should be directed to Robert W. Bahr at (703) 305-9282.

The patent file is being returned to Files Repository.



Manuel A. Antonakas, Director  
Office of Patent Policy Dissemination  
Office of the Deputy Assistant Commissioner  
for Patent Policy and Projects

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