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Paper No. 14

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JUN 16 1999

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In re Patent No. 4,897,600 :
Issue Date: January 30, 1990 :
Application No. 07/122,201 :
Filed: January 13, 1987 :
Inventor: Hagmann et al. :

ON PETITION

This is a decision on the petition, filed May 27, 1998, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee is DENIED.¹

BACKGROUND

The patent issued January 30, 1990. Accordingly, the first maintenance fee due could have been paid during the period from February 1, 1993 (January 30, 1993 being a Saturday) through July 30, 1993 or with a surcharge during the period from August 2, 1993 (July 31, 1993 being a Saturday) through January 31, 1994 (January 30, 1994 being a Sunday). The above-identified patent expired as of midnight, January 30, 1994, for failure to timely pay the maintenance fee. 37 CFR 1.362(g).

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on January 30, 1998, and was dismissed in the decision of March 27, 1998.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of March 27, 1998 was filed on

¹ This decision may be treated as a final agency action. See 37 CFR 1.378(e) and MPEP § 1002.02.

May 27, 1998. Accompanying the petition were declarations by Leslie W. Langbein (general counsel for petitioner), a declaration by Mark J. Hagmann, (a named inventor and professor for the real party of interest), a second declaration of Thomas A. Breslin (also employed by the real party of interest), and four exhibits.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

"The Commissioner may accept the payment of any maintenance fee required by subsection (b) of this section... after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable."

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

"A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise 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, and the steps taken to file the petition promptly."

OPINION

The Commissioner may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable"; 35 USC 41(c)(1).

Acceptance of late payment of a maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 41(c)(1) uses the identical language, i.e. "unavoidable delay". Ray v. Lehman, 55 f. 3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications have adopted the "reasonably prudent person" standard in determining if the delay in responding to an Office action was unavoidable. Ex

parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912); and Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay. Haines v. Ouigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Petitioner (Florida International University, the real party in interest) requests reconsideration in that: (1) petitioner had prudently engaged Harry Barron (Barron), who was at that time a highly regarded registered representative, to file and prosecute this application, (2) petitioner asserts that Barron was responsible for maintenance fee tracking and payment, (3) Barron is assumed to have had a reliable docketing system, as Barron has declined to communicate on this matter with petitioner, and (4) in any event, as evidenced by his disbarment proceedings, Barron had, since 1993, developed a history of deceiving his clients, and, as such, Barron's delay and negligence should not, under the circumstances of this case, be imputed to petitioner.

Petitioner has not carried the burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

In 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. Ray, 55 F.3d at 608-609, 34 USPQ2d at 1787. The showing of record does not support petitioner's contention that Barron had assumed the obligation to track the maintenance fee payment for this patent. Rather, the transmittal letter for this patent from Barron to petitioner, bearing the date March 13, 1990, (instant petition, Exhibit #3, third communication) merely sets forth in pertinent part that:

You will have to pay maintenance fees on the patent prior to three and one half, seven and one half and eleven and one half years after the issue date or the patent will lapse.

The above-quoted section of the communication from Barron merely put petitioner on notice of the need for petitioner to schedule and pay maintenance fees for this patent; it does not state that Barron had assumed that obligation on behalf of petitioner.²

Petitioner's contention that petitioner had relied upon Barron, and was prudent in such reliance, to prosecute this application likewise does not support the contention that petitioner had engaged Barron to track the maintenance fee payment, much less that petitioner was prudent in assuming that Barron had been so engaged. There is a significant difference between simply replying within a few months to a specific written notice from the PTO during the prosecution of an application, and scheduling, in the absence of any written notice from the PTO, an event like a maintenance fee payment for a patent some three to four years later. As 35 U.S.C. § 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Id. However, there is no showing that either Barron, or petitioner, had docketed this patent for maintenance fee payment. In light of the foregoing, the

² Such is reinforced by comparison with Barron's transmittal letters bearing the dates November 24, 1993, and May 22, 1992 for U.S. Patent Nos. 5,252,849 and 5,113,864, respectively, (Exhibit #3, first and second communications), which contain an additional paragraph not found in the above-noted communication. The additional paragraph begins: "[p]lease keep me informed of your address so we may remind you when these [maintenance] fees are due..." Petitioner has not shown that after receipt of the latter communications, petitioner diligently, and prudently, obtained a similarly worded obligation for this patent from Barron.

contention that Barron had been so obligated, much less that petitioner was prudent in relying upon Barron for that purpose, is untenable.

Assuming, *arguendo*, that petitioner did rely upon Barron for payment of the maintenance fees notwithstanding the lack of a documented showing to that effect, such reliance *per se* does not provide petitioner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 USC 41(c). See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259. (D.Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from petitioner to whether Barron acted reasonably and prudently. Id. Nevertheless, petitioner is bound by any errors that may have been committed by Barron. California, supra. That is, assuming that Barron had been properly appointed to conduct petitioner's matters, including matters pertaining to the payment of the maintenance fee, then petitioner remains bound by the decisions, actions, or inactions, of Barron, including the decisions, actions, or inactions, which resulted in the lack of timely payment of the maintenance fees for this patent. See, Winkler v. Ladd, 221 F. Supp 550, 552, 138 USPQ 666, 667 (D.D.C. 1963). As such, assuming that Barron had been engaged to pay the maintenance fee, then it was incumbent upon petitioner to have demonstrated, via a documented showing, that Barron had docketed this patent for payment of the maintenance fee in a reliable tracking system. California, supra; see also, In re Katrapat, 6 USPQ2d 1863, 1867-1868 (Comm'r Pat. 1988). Petitioner's assertion that California supports petitioner's contention that, as a reasonably prudent person, petitioner can rely upon its retained counsel Barron in this regard, must fall of its own weight. Rather, counsel in California testified that he routinely undertook, *sua sponte*, to track maintenance fee payments for *all* of his clients. Here, unlike in California, there is no firsthand statement from petitioner's retained counsel, Barron, to that effect, notwithstanding the express failure of the above-noted communication from Barron to mention such an undertaking by Barron for this patent. Since petitioner concedes that Barron has not supplied any details as to his maintenance fee tracking system, petitioner is unable to demonstrate that the instant patent was entered therein, much less that the system was sufficiently reliable for its intended purpose. It follows that even if petitioner had demonstrated that Barron was tracking the maintenance fee payment, there is no adequate showing that the fee would have been timely paid.

If, on the other hand, Barron overlooked his alleged duty to docket the instant patent for payment of the maintenance fees, then petitioner is reminded that the Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992). Specifically, petitioner's delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b)(3). Haines v. Ouigg, *supra*; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 130, 131 (Comm'r Pat. 1891).

Further, there is no need in this case to determine the obligation between Barron and petitioner vis-a-vis maintenance fees, since the record fails to show that either Barron or petitioner took adequate steps to ensure timely payment of the maintenance fee for this patent. See In re Patent No. 4,461,759, 16 USPQ2d 1883, 1884 (Comm'r Pat. 1990). The Office is not the proper forum for resolving a dispute between a patent owner and his representative as to who bore the responsibility for paying a maintenance fee. See Ray, 55 F.3d at 610, 34 USPQ2d at 1789.

In any event, delay resulting from a failure of communication between a patent owner and his representative as to the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). Id. While the declaration of Thomas A. Breslin (Breslin) (Acting Vice President of Research and Graduate Studies of the party of interest) asserts (declaration of Breslin filed May 27, 1998 at ¶¶ 5-6) that Breslin "believed" that Breslin "had reached such an agreement with Mr. Barron" such "belief" does not constitute adequate support of the contention. That both parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus their own obligation in the matter of payment of maintenance fees, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business.

Petitioner's reliance on In re Lonardo, 17 USPQ2d 1455 (Comm'r Pat. 1990) to support petitioner's contention the delay herein is unavoidable, or, in any event, should not be imputed to petitioner, is misplaced. In that case, while the application

was abandoned as a result of the illness of Lonardo's attorney, the delay was held unavoidable due to (1) the affirmative misrepresentations of the true status of the application by the attorney to Lonardo, due to counsel's illness, (2) the showing of diligence by Lonardo with respect to his efforts to obtain from his attorney the status of the application, and (3) an adequate showing of the nature and extent of the attorney's illness. Here there is no adequate showing of any illness suffered by Barron at the time the maintenance fee was due, or of any diligence by petitioner in contacting Barron, much less of any misrepresentations by Barron, by communication, invoice or otherwise, regarding (1) assumption of the obligation of tracking and timely payment of the second maintenance fee, and (2) misrepresenting the status of the maintenance fee payment, or the true status of this patent. Likewise, the showing pertaining to the disbarment proceeding is unavailing. There is no mention in the aforementioned proceeding of Barron's failure to diligently represent petitioner, or even mention of this patent as an example of Barron's negligent performance of duties. While petitioner points to several instances of Barron's negligence, such does not establish that Barron was negligent with respect to the maintenance fee payment for this patent, even assuming, for the sake of argument, that Barron had been so obligated.

Even assuming, *arguendo*, that petitioner would not be bound by the mistakes or negligence of Barron, diligence on the part of petitioner would still be essential to show unavoidable delay. See, Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (applicant's lack of diligence over a two and one half year period in taking any action with respect to his application, precluded a finding of unavoidable delay). However, the record lacks an adequate showing of petitioner's diligence in this matter during the entire period extending from the year that the maintenance fee could have been paid, which started January of 1993, until the filing of the first petition in January of 1998, some five (5) years, which would be necessary to support a finding of unavoidable delay. *Id.* Specifically, diligence on the part of the owner is necessary to show unavoidable delay when that owner's agent(s) fails to take timely and proper steps with respect to a proceeding before the Patent and Trademark Office. Futures Technologies v. Quigg, 684 F.Supp. 430, 431, 7 USPQ2d 1588, 1589 (E.D. Va. 1988). However, petitioner has not shown diligence with respect to any aspect of the payment of the maintenance fee for this patent. Petitioner's lack of due diligence with respect to this patent, for a period of time in

excess of five years, overcame and superseded any possible negligence by its representative. Douglas, supra; Haines v. Quigg, supra.

While petitioner points to Barron's lack of cooperation from April 1997 onwards (Breslin declaration filed May 27, 1998, ¶¶ 4-8) petitioner is reminded that this patent expired January 30, 1994, some three years earlier, and further, that the maintenance fee could have been paid for an entire year before that. Since the record fails to adequately demonstrate that Barron had been engaged to track the maintenance fee, the record is unclear as to how Barron could have misrepresented to petitioner the progress in payment of the maintenance fee. Petitioner is reminded that the entire five year delay in payment of the maintenance fee must be demonstrated to have been unavoidable, not just the period from petitioner's belated activity starting in 1997. The delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person, petitioner would have been able to act to correct the situation in a more timely fashion. Haines v. Quigg, supra; Douglas, supra. In this regard, the lack of any billing from Barron for services rendered, much less for the maintenance fee itself, would have prompted a prudent person to make diligent inquiry as to the status of the patent and fee payment from Barron, or even the PTO. See Futures, supra. However, there is no showing of any activity or interest by petitioner in this patent for an extended period of time. While petitioner has included numerous invoices from Barron dated from 1989 through 1995 (Exhibit #4), the invoices do not specifically reference the above-captioned patent after issuance. Where similar title or subject matter is mentioned in the invoices, all are captioned, *inter alia*, Japan, EPO (European Patent Office), or PCT (Patent Cooperation Treaty), which are for services rendered abroad and, as such, are immaterial as to any alleged misrepresentation with respect to the above-captioned domestic patent. Simply put, the exhibits do not support a contention that Barron billed, and thus, misrepresented to petitioner, that the maintenance fee for this patent had been tracked, much less paid, by Barron.

There has been no showing that Barron had effectively docketed the patent for payment of the maintenance fee in a reliable system and had therefore exercised the level of care and prudence necessary to establish unavoidable delay, nor has there been a showing that petitioner exercised the necessary level of care and prudence, in view of the fact that petitioner failed to maintain a docketing system of his own, in the absence of any showing that

Barron had assumed that obligation. California, supra. As such, petitioner's lack of diligence in this matter precludes a finding that the delay in this case reasonably can be considered to have been unavoidable.

CONCLUSION

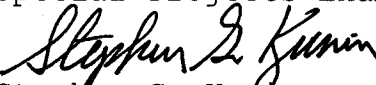
The prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above identified patent has been reconsidered. For the above stated reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b).

Since this patent will not be reinstated, the maintenance fee and the surcharge fee submitted by petitioner, totaling \$2275, have been credited to counsel's deposit account N. 013-2855. The \$130 fee for requesting reconsideration filed with the instant petition is not refundable.

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

This patent is being returned to the Files Repository.

Telephone inquiries regarding this decision should be directed to Special Projects Examiner Brian Hearn at (703) 305-1820.


Stephen G. Kunin
Deputy Assistant Commissioner
for Patent Policy and Projects

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