



Paper No. 23

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**OFFICE OF PETITIONS**

In re Patent No.:5,239,060  
issue Date: August 24, 1993  
Application No. 07/136,618  
Filed: December 22, 1987  
Inventor: Kunkel

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: ON PETITION  
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This is a decision on the petition filed October 30, 2003 under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The petition to accept the delayed payment of the maintenance fee is **DENIED**.

BACKGROUND

The original patent issued August 24, 1993. Accordingly, the first (3 ½ year) maintenance fee was due February 24, 1997, and could have been paid from August 26, 1996 ( August 24 being a Saturday), through February 24, 1997, or with a surcharge, from February 25, 1997 through August 25, 1997 (August 24, being a Sunday). Accordingly the patent expired August 24, 1997, for failure to timely pay the maintenance fee.

A petition requesting acceptance of the delayed payment of the 4 and 8 year maintenance fees was filed April 1, 2003, which petition was dismissed in the decision mailed August 26, 2003.

The instant petition was filed October 30, 2003.

STATUTE AND REGULATION

35 U.S.C. § 41(b) states in pertinent part that:

"The Commissioner shall charge the following fees for maintaining in force all patents based on applications filed on or after December 1, 1980:

- (1) 3 years and 6 months after grant, \$880<sup>1</sup>.
- (2) 7 years and 6 months after grant, \$2020.
- (3) 11 years and 6 months after grant, \$3100.

Unless payment of the applicable maintenance fee is received in the Patent and

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<sup>1</sup> Maintenance fees in effect as of the date the first petition was filed on April 1, 2003.

Trademark Office 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 required by subsection (b) of this section... after the six-month grace period if the delay is shown to the satisfaction of the Director 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

Petitioner, the assignee Children's Medical Center (CMCC) requests reconsideration and asserts that the delay in payment was unavoidable in that the actions of each of the two involved law firms: Fish & Richardson (F&R) and Hamilton Brook Smith & Reynolds (HBSR) demonstrate unavoidable delay. Petitioner specifically asserts that the delay in payment is unavoidable since CMCC had engaged the prosecution firm of F&R to also track the fee payment, and while F&R had docketed the payment (Young decl. Exhibit A)<sup>2</sup>, F&R ultimately deleted the docket entry for this patent (Young decl. Exhibit B) in the apparent belief that obligation had been assumed by HBSR. In this regard, petitioner asserts, CMCC had directed HBSR to assume responsibility for prosecution of pending domestic and foreign applications related to the above-identified patent, and had directed that its corresponding files be forwarded from F&R to HBSR. Petitioner proffers the 4 and 8 year maintenance fees.

Petitioner has not met his burden of proving to the satisfaction of the Commissioner that the delay in payment of the maintenance fee was unavoidable within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b)(3).

A late 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. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

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<sup>2</sup> Susan R. Young is the annuity manager at F&R.

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable. 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). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff'd* 937 F.2d 623 (Fed. Cir. 1991)(table), *cert. denied*, 502 U.S. 1075 (1992); Ray v. Lehman, *supra*.

As 35 USC § 41(b) 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 USC § 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 by the responsible party to ensure the timely payment of the maintenance fee for this patent. *Id.*

Petitioner, as patent holder, was ultimately responsible for payment of the maintenance fee. As such, it was incumbent upon petitioner to implement steps to schedule and pay the fee, or obligate another to make the payment. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). While petitioner asserts that F&R was initially tracking the fee payment, since F&R deleted this patent from its docketing system, coupled with the fact that there is no showing that either petitioner or HBSR was thereafter tracking the payment, means that there were no steps taken by or on behalf of petitioner to pay the maintenance fee within the meaning of 37 CFR 1.378(b)(3) after F&R's deletion of this patent from its docketing system. However, in the absence of any steps taken, 37 CFR 1.378(b)(3) precludes acceptance of the belated maintenance fee. Ray, *supra*.

Furthermore, while F&R had temporarily docketed this patent for payment in its docketing system, this does not provide petitioner with an adequate showing of unavoidable delay. See California Medical Products v. Technol. Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995); *Id.* Rather, this merely shifts the inquiry from petitioner to whether F&R acted reasonably and prudently. *Id.* However, petitioner is bound by any mistakes that F&R may have made. *Id.* In this case, F&R nullified any steps that were in place by deleting this patent from its docketing system, in its apparent belief that F&R was no longer obligated in this matter. See Young decl., ¶ 4; Exhibit B. If F&R overlooked any duty that F&R may have owed petitioner in this matter, then petitioner is reminded that the USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and petitioner 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); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987); California, *supra*. Specifically, petitioner's delay caused by the mistakes or omissions of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133. See Haines v. Quigg, *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). It follows that such is not unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). Ray, *supra*. Thus, even if F&R's initial tracking steps should, or would, inure to the benefit of petitioner, F&R's decision that it no longer was obligated to petitioner and thus, to delete the fee payment from its docketing system, is likewise binding on petitioner. Since such an error could have been avoided by the exercise of the ordinary care and diligence that is observed by prudent and careful persons with respect to their most important business, petitioner has failed to show the delay in payment of the maintenance fee is unavoidable. Here, the delay in payment was compounded because F&R did not act on the Notice of Expiration received September 26, 1997, and thereafter inform HBSR (or petitioner) of expiry.

Petitioner agrees that the Office is not the proper forum for resolving a dispute between a patentee and that patentee's representative(s) as to who bore the responsibility for scheduling and payment of maintenance fees. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. Petitioner also correctly notes that the letter (current petition, Exhibit C, letter dated November 11, 1993 from Donald Lombardi, Director of Technology Transfer at CMCC) to F&R that allegedly transferred the responsibility from F&R to HBSR for, *inter alia*, while perhaps not as clear as possible for a letter drafted by a prudent and careful person with respect to his most important business, nevertheless included as an attachment a list of all related files, including the above-noted patent. Nevertheless, delay resulting from a lack of proper communication between a patentee and that patentee's representative(s) as to the responsibility for scheduling and payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). See, In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). Specifically, delay resulting from a failure in communication between a registered practitioner and his client regarding a maintenance fee payment is not unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). Ray, *Id.* Here, while petitioner clearly transferred the responsibility for prosecution of pending *applications* from F&R to HBSR, there is no showing that petitioner specifically instructed F&R to transfer, and HBSR to assume, the maintenance fee tracking obligation for the above-identified patent, as this application was clearly indicated on the attachment to be a patent that had issued on "8/24/93". That any or all of petitioner, F&R, and HBSR, may have failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus, their own obligation in this matter, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business. Here, HBSR indicated to CMCC on or about May 20, 1994 that it had assigned a docket number of CMCC-153A to the above-identified patent, but did not make clear to CMCC that this did not mean that HBSR had actually docketed this case for maintenance fee payment. See instant Exhibit F, captioned "Exhibit E Brook Decl." However, HBSR, on or about October 24, 1994, sent to CMCC a status report as to all CMCC disclosures, patents and patent applications that HBSR was administering for CMCC. The above-identified patent was conspicuously absent from that report, yet CMCC, as a supposedly prudent and careful person with respect to its most important business, failed to query HBSR or otherwise clarify the matter. See instant Exhibit F, captioned "Exhibit F Brook Decl." Thus CMCC knew, or should have known, that HBSR was not administering the instant patent for CMCC, on or about October 24, 1994.

Even assuming *arguendo* that petitioner should not be bound by the mistakes of his representative, the record does not support a finding of unavoidable delay, as petitioner has not shown adequate diligence in this matter. That is, a showing of diligence in matters before the USPTO on the part of the party in interest is essential to support a finding of unavoidable delay herein. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiry into the status of the application is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his duly appointed representative); See R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Ill. 2000)(failure of successor in title to the patent to exercise diligence for a period of seven years precluded acceptance of the maintenance fee). The delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person upon receipt of the HBSR status report lacking any mention of the above-identified patent, petitioner would have been able to act to correct the situation in a more timely fashion. Haines v. Quigg, *supra*; Douglas, *supra*; Donnelley, *supra*.

While petitioner notes that F&R did not receive any correspondence from the USPTO regarding this patent while it remained in force, petitioner is reminded that a party does not have had a right to personalized notice that this patent would expire if the maintenance fee was not paid, as the publication of the statute was sufficient notice. See Rydeen 749 F.Supp at 907, 16 USPQ2d at 1882. Rather, the ultimate responsibility for keeping track of maintenance fee due dates lies with the patentee, not the USPTO. *Id.* Since the inception of maintenance fees, the USPTO has maintained that it has no duty to notify patentees when their maintenance fees are due, and that the lack of any USPTO notice will in no way shift the burden of monitoring the time for paying the maintenance fees from the patentee to the USPTO. Further, such lack of

notice will not constitute unavoidable delay under the statute. Rydeen, 748 F.Supp at 905, 16 USPQ2d at 1880. Rather, the requirement for notice is only set forth in 35 USC 133 (and § 151), and is not found in 35 USC 41(c)(1) or 37 CFR 1.378(b)(3). Ray, 55 F.3d at 609, 34 USPQ2d at 1788; Rydeen, supra. That F&R did not act upon its receipt of the notice of expiration from the USPTO speaks to petitioner's delay in realization that this patent was expired, but does not overcome the delay leading to expiration resulting from the lack of any steps in place by F&R, HBSR, or petitioner, to track and pay the maintenance fees.

Petitioner was queried as to any clerical errors that may have caused or contributed to the delay in the last decision, but it was also pointed out that in view of the inordinate delay in this case, even if he can establish the existence of a clerical error(s) in this case, it would still be necessary to demonstrate why the lack of assignee diligence for a period of about seven years should not be fatal to reinstatement. See Donnelley supra. Rather, as also noted in Douglas, supra, it would appear that petitioner's lack of diligence would overcome and supersede any delay caused by its representatives.

#### DECISION

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and this patent remains expired. The petition is **denied**.


The USPTO will not further consider or reconsider this matter. See 37 CFR 1.378(e).

This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1001.02.

The maintenance fee and surcharge have been credited to counsel's deposit account.

This patent file is being returned to the Files Repository.

Any inquiries concerning this communication may be directed to Petitions Examiner Brian Hearn at (571) 272-3217.



Charles Pearson  
Director, Office of Petitions  
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