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Paper 25

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**SEP 25 2002**

**OFFICE OF PETITIONS**

**DECISION ON PETITION**

In re Patent No. 5,372,006  
Issue Date: 13 December, 1994  
Application No. 08/014,550  
Filed: 8 February, 1993  
Attorney Docket No. 49630-00613

This is a decision on the petition filed on 5 November, 2001, and supplemented (in response to the 13 February, 2002, Request for Information) on 20 February, 2002, under 37 C.F.R. §1.378(b)<sup>1</sup> to reinstate the above-identified patent (Patent No. 5,372,006 (the '006 patent)).

The original petition was filed on 9 August, 2001 (the original petition), and dismissed on 4 September, 2001 (the September 2001 decision), under 37 C.F.R. §1.378, subsection (b), for failure to make a satisfactory showing that the delay was unavoidable.

At that time Petitioner was informed that he must provide any and all supporting documentation with the renewed petition, if filed.<sup>2</sup>

This petition and the supplement followed. The supporting documentation filed with the renewed petition is described, infra.

### I. JURISDICTION

The '006 patent issued on 13 December, 1994. The grace period for paying the first maintenance fee expired at midnight on 13 December, 1998. Thus, the original petition, filed 9 August, 2001, was not timely filed within twenty-four months after the six-month grace period provided in 37 C.F.R. §1.362(e).

Thus, Petitioner's only avenue for relief is under 37 C.F.R. §1.378(b).

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 U.S.C. 41(c)(1), and a petition can be filed under 37 C.F.R. §1.378(b).

### II. UNDERLYING STATUTES, REGULATIONS AND CASE LAW

Under the applicable provisions of 35 U.S.C. §41(b) and (c):

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<sup>1</sup> A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. 41(c) and 37 C.F.R. §1.378(b) must be accompanied by:  
(1) payment of the appropriate maintenance fees;  
(2) payment of the surcharge set forth at 37 C.F.R. §1.20.(i)(1); and  
(3) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely.

<sup>2</sup> September 2001, at page 1.

- the Commissioner shall charge fees for maintaining in force all patents filed on or after 12 December, 1980, at the 3-year-6-month, 7-year-6-month, and 11-year-6-month intervals; and
- unless payment of the applicable maintenance fee is received in the Office on or before the date the fee is due or within a grace period of six months thereafter when the grace-period surcharge is paid with maintenance fee, the patent will expire as of the end of the grace period; except that
- the Commissioner may accept the payment of any maintenance fee required by the statute if the payment is made:

--within 24 months after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unintentional;<sup>3</sup> 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.

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. 133 because 35 U.S.C. 41(c)(1) uses the identical language, *i.e.*, "unavoidable" delay.<sup>4</sup>

In determining if a delay was unavoidable, decisions on reviving abandoned applications have adopted the standard of the reasonably prudent person acting in their most important business matters.<sup>5</sup>

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."<sup>6</sup>

Finally, a petition to revive an application or patent as unavoidably abandoned or expired cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.<sup>7</sup>

The regulations at 37 C.F.R. §1.378(b)(3) require a showing that:

- "the delay was unavoidable since reasonable care was taken to ensure that the maintenance

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<sup>3</sup> The burden is less onerous to show unintentional delay under the provisions of 37 C.F.R. §1.378(c), the application of that portion of the regulation is limited to those cases in which the 24-month time limitation is satisfied. The payment was not tendered herein within that period.

<sup>4</sup> 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)).

<sup>5</sup> 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, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

<sup>6</sup> Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

<sup>7</sup> Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

fee would be paid timely," and

- the showing must "enumerate the steps taken to ensure timely payment of the maintenance fee" as well as the reasons why payment was not timely made.

This showing should include, but is not limited to, docket records, tickler reports, and file jacket entries for this application, and documents regarding the alleged cause of the delay and copies of any documents referred to in petitioner's statement as to the cause of the unavoidable delay are required.

All the causes which contributed to the failure to timely pay the maintenance fee must be presented and supported with appropriate evidence.<sup>8</sup>

Further, petitioner should identify the party(ies) responsible for making the payment: A showing must be made (with supporting documents) outlining the efforts made to ensure timely payment of the maintenance fee--including scheduling and calendaring information, appointment of an individual with the authority and responsibility to pay the fee, and detailing of the causes for a failure in that process.

Petitioner must "provide any *direct evidence* proving exactly"<sup>9</sup> what records and systems were in place to satisfy the showing required under 37 C.F.R. §1.378(b). As the court found in Krahn:

The Commissioner did not abuse his discretion in ruling that this evidence was insufficient to prove an unavoidable delay \* \* \*. The \* \* \* procedure[s] set out in the PTO regulations were specifically designed to provide patent applicants with a clear procedure to protect themselves from exactly the situation which has arisen in this case. Plaintiff failed to follow these procedures. The Commissioner properly ruled that the alternative means employed by the plaintiff were inadequate \* \* \*. Plaintiff still failed to provide any direct evidence proving exactly [his allegations]. The procedures set out in the PTO's regulations are designed to provide the type of direct evidence needed \* \* \*. Had plaintiff's counsel followed these procedures, as a 'prudent and careful man' would have done in conducting 'his most important business,' then he would have been able to produce sufficient evidence to support a showing of unavoidable delay." (Emphasis supplied.)<sup>10</sup>

### III. BACKGROUND

#### Persons/Offices

- Jean-Pierre Lair (Mr. Lair/Inventor/Petitioner): Petitioner;
- Aeronautical Concept of Exhaust (ACE): Petitioner's business enterprise and assignee;

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<sup>8</sup> The showing must also enumerate 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. The showing can be verified by using the attached petition form which includes a declaration according to 37 C.F.R. §1.68. Statements from all persons who contributed to the delay are also required.

<sup>9</sup> See: Krahn v. Commissioner, 15 USPQ2d 1823 (E.D. Va. 1990).

<sup>10</sup> Krahn, at 1825.

- Lydia Lair (Ms. Lair): at times pertinent hereto, vice president of ACE;
- Harold H. Dutton, Jr. (Mr. Dutton/Petitioner's former Counsel): (a) prosecuted the application for the '006 patent from filing (1993) to issue (1994); (b) notified Petitioner in December 1997 that the first maintenance fee was due; (c) received a notice in February 1999 from the Office 2000 that the fee had not been paid and the patent had expired; (d) notified Lair in the Spring of 2000 that he believed the Office had erred in the notice and would investigate; (e) died in July of 2000;
- Elizabeth von Keller (Ms. von Keller): an attorney, and the Receiver for Mr. Dutton's law practice;
- Akin Gump Strauss Hauer & Feld LLP (Akin Gump): Counsel alleged to have been engaged by ACE to undertake responsibility for the instant patent sometime during the period of late October 2000 to early December 2000;
- Collier Shannon Scott (Collier Shannon): Counsel (formerly Collier Shannon Rill & Scott PLLC) engaged to represent ACE in the period between April 2000 and August 2000 in connection with a patent-licensing dispute involving a number of ACE patents, including the instant patent;
- Patrick J. Coyne (Mr. Coyne): a member of the Collier firm;
- Frank Koszorus, Jr. (Mr. Koszorus): a member of the Collier Shannon firm;
- David R. Yohannan (Mr. Yohannan): an attorney with the Collier Shannon firm;
- Amy Waldron (Ms. Waldron): an employee of the Collier Shannon firm identified as "an Intellectual Property Specialist (paralegal)."

#### Payment Windows

After the issue of the '006 patent on 13 December, 1994, the windows for payment of the first maintenance fee opened and closed as follows:

- the first window opened on 13 December, 1997, and closed at midnight on Monday, 15 June, 1998, for payment without surcharge;
- the second opened on 16 June, 1998, and closed at midnight on Monday, 14 December, 1998, for payment with surcharge under 37 C.F.R. §1.20(h);
- the third opened on 15 December, 1998, and closed at midnight on 13 December, 2000, for payment as unintentionally delayed under 37 C.F.R. §1.20(i)(2); and
- the fourth also opened on 15 December, 1998, for payment as unavoidably delayed under 37 C.F.R. §1.20(i)(1).

As noted above, payment of the first maintenance fee was not tendered until the filing of the petition on 9 August, 2001--well after the deadline for payment unintentionally delayed (37

C.F.R. §1.20(i)(1), and allowing only payment unavoidably delayed (37 C.F.R. §1.20(i)(1)).

Showing

In addition to the fee and transmittal, attached to the seven- (7-) page petition for reconsideration are:

- a copy of the September 2001 decision (Exhibit A);
- a copy of a letter dated 11 December, 1997, from Mr. Dutton to Mr. Lair and ACE notifying them of the due date for the first maintenance fee for the '006 patent (Exhibit B);
- a copy of a letter dated 16 December, 1997, from Ms. Lair to Mr. Dutton informing him that ACE wished to maintain the '006 patent (Exhibit C);
- a copy of a letter dated 29 December, 1997, from Mr. Dutton to Mr. Lair and ACE invoicing them for payment of the first maintenance fee for the '006 patent and informing them that he would send to them a copy of the Office payment receipt--the attached invoice billing \$175.00 for professional services and \$525.00 for disbursement of a patent maintenance fee (Exhibit D);
- a copy of the ACE check number 6850 dated 17 February, 1998, payable to Mr. Dutton in the amount of \$2,948.51--the "For" area of the check is blank (Exhibit E);<sup>11</sup>
- a copy of a maintenance fee transmittal form signed by Mr. Dutton, dated 27 February, 1998, identifying the '006 patent and specifying a total payment of \$525.00 (Exhibit F).

Petitioner was asked on 13 February, 2002, to clarify certain issues of timing and representation that remained unclear.

In response to this request, Petitioner filed on 20 February, 2002, a fifteen- (15-) page supplemental narrative (the supplemental narrative) with:

- the declaration of Mr. Coyne;<sup>12</sup> and

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<sup>11</sup> Other than a modest relationship in timing, Petitioners have offered no other documents or explanation into the record that would correlate this check in the amount of \$2,948.51 and the billing from Mr. Dutton to ACE in the amount of \$700.00 (Exhibits D and E, respectively).

<sup>12</sup>The declaration of Mr. Coyne accompanying the supplemental narrative is as follows:

DECLARATION OF PATRICK J. COYNE

I, Patrick Coyne declare that:

1. I am over the age of 21 and competent to make this declaration. All statements made in this declaration are based on my personal knowledge, information, and belief.
2. During all times relevant for this declaration, I have been a member of [Collier Shannon]. My duties include providing patent and non-patent related legal services. I am the immediate supervisor of [Ms. Waldron, a Collier Shannon] Intellectual Property Specialist.
3. In August of 2000, I was engaged in representing [ACE] in connection with a licensing matter that involved a number of ACE's patents, including the ['006 patent]. My engagement, and that of my firm, was expressly limited to the representation of ACE in connection with the licensing matter, and did not authorize me or my firm to represent ACE in connection with patent matters before the United States Patent

- an unsigned copy of a letter dated 6 April, 2000, from Mr. Koszorus to Mr. Lair stipulating terms of engagement for representation of ACE in a dispute with "Mr. Ron Brown and Calcor Aero Systems, Inc., concerning the Patent License Agreement of [16 September, 1994]" (exhibit A);
- a of a letter dated 15 June, 2001, from Mr. Yohannan to Ms. Lair thanking her for the opportunity to assist ACE in it patent and trademark matters, transmitting a copy of a Status Table (document #51717, redacted as filed), and acknowledging receipt of files from Akin Gump (exhibit B).

For completeness of the record because this is a final agency action, it is worth reviewing materials filed in support of the original petition on 9 August, 2001, to determine whether all the materials when considered together constitute satisfaction of Petitioner's evidentiary burden.

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and Trademark Office ("PTO"). A copy of the letter establishing the bounds of [the Collier firm's] engagement at the time is attached hereto as Exhibit A.

4. During August of 2000, and in connection with the ACE licensing matter, I was informed by Jean-Pierre Lair of ACE (collectively, the "Patentee") that an issue might exist with respect to he maintenance fee payment for the ['006 patent]. Patentee informed me that his patent counsel, [Mr. Dutton], paid the first maintenance fee for the ['006 patent], but that the PTO had no record of receiving the maintenance fee. He further told me that Dutton had recently died, possibly before rectifying the maintenance fee issue with the PTO.

5. I requested that [Ms. Waldron] determine whether the PTO listed the '006 patent as being expired for failure to pay the maintenance fee. Ms. Waldron confirmed that he '006 patent had expired for non-payment of the maintenance fee.

6. I subsequently contacted the receiver of [Mr. Dutton's] law practice, [Ms. von Keller] and requested confirmation that [Mr. Dutton] had paid the fee. Ms. von Keller informed me that the fee had been paid but that [Mr. Dutton's] business records were in disarray. Ms. von Keller stated that she had searched [Mr. Dutton's] records and that she would also make available [Mr. Dutton's] records to conduct further searching for evidence of payment of the '006 patent maintenance fee. At the time, which was late August to early September of 2000, I instructed Ms. Waldron to assist Ms. von Keller in finding physical evidence of the maintenance fee payment. I specifically offered Ms. Waldron's assistance to review [Mr. Dutton's] business records to that end because the '006 patent was among the patents that we were assisting Patentee in licensing. This instruction was pursuant to our involvement in the licensing matter and was not intended to create a representation of Patentee before the PTO where none was authorized.

7. During the same period, late August to early September of 2000, I offered Mr. Lair the opportunity to have Collier Shannon represent ACE in connection with its patent portfolio, which included the '006 patent, and which had been handled previously by [Mr. Dutton]. Patentee declined to engage Collier Shannon to represent ACE in connection with patent matters. At that time, I was not aware which firm, if any, Patentee had engaged to represent ACE in connection with its patents. I later learned that Patentee had selected the law firm of [Akin Gump] to represent it in connection with patent matters. Upon information and belief, Akin Gump was engaged by Patentee sometime during the period of late October 2000 to early December 2000. I understand that this representation included the '006 patent.

8. At all times in 2000, neither I nor Collier Shannon were retained by Patentee to represent ACE in connection with the '006 patent, nor were we responsible for payment of the maintenance fee for the '006 patent or the filing of any petitions in connection with the maintenance fee.

9. Upon information and belief, Patentee decided at some time during 2001 that he no longer wished to retain Akin Gump as patent counsel for ACE. Accordingly, in April of 2001, Patentee engaged Collier Shannon to act as ACE's patent counsel in connection with all of its patent matters, which included the '006 patent. At about this time, I assigned [Mr. Yohannan] of my office to attend to intake and handling of the ACE patent matters. A copy of the letter from [Mr. Yohannan] dated [15 June, 2001,] that acknowledges the initiation of the representation of ACE in connection with numerous patent matters, including the '006 patent, is attached hereto as Exhibit B.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the above-reference application or any patent issued thereon.

Signed at Washington, D.C., this 20th day of February, 2002.

/s/ Patrick J. Coyne.

The original petition (with maintenance fee and surcharge) was supported by:

- the declaration of Mr. Lair<sup>13</sup> (with referenced exhibits); and

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<sup>13</sup>The declaration of Mr. Lair accompanying the original petition is as follows:

DECLARATION OF JEAN-PIERRE LAIR

I, Jean-Pierre Lair, declare that:

1. I am over the age of 21 and competent to make this declaration. All statements made in this declaration are based on my personal knowledge, information, and belief.
2. I am the inventor of U.S. Patent No. 5,372,006 [the '006 patent], which issued on [13 December, 1994. Up until July 2000, I and the assignee of the '006 patent, ACE,] were represented in connection with [the '006 patent] by [Mr. Dutton].
3. Dutton sent a letter to me, dated [11 December, 1997], advising that the first maintenance fee for [the '006 patent] was due to be paid between [13 December 1997, and 13 June, 1998]. (Exhibit omitted.) [Ms. Lair] responded to Mr. Dutton by letter dated 16 December, 1997, instructing Mr. Dutton to pay the maintenance fee for matter number L-9212, which is the matter number Dutton used to refer to [the '006 patent]. (Exhibit omitted.)
4. I received a bill from Dutton dated 29 December, 1997], for payment of the maintenance fee for the patent. In the letter forwarding the 29 December bill, Mr. Dutton informed Applicant that the maintenance fee for [the '006 patent] would be paid by Dutton. (Exhibit omitted.)
5. ACE paid the maintenance fee for [the '006 patent], plus Dutton's associated legal fee, prior to the deadline for the maintenance fee payment. ACE sent Mr. Dutton a check dated [17 February, 1998,] for payment of the patent maintenance fee. (Exhibit omitted.) The back of the check indicates that Mr. Dutton deposited it in his account and that the check was processed during February 1998.
6. I was informed by Mr. Dutton during the Spring of 2000 that Mr. Dutton had received notice that [the '006 patent] was considered expired by the United States Patent and Trademark Office ("PTO") for failure to pay the patent maintenance fee. At this time, Dutton further informed me that he had paid the maintenance fee, that the expiration of the patent was due to a PTO error, and that he (Dutton) would see to rectification of the PTO's error.
7. Dutton died in July of 2000, only a few months after having informed me of the controversy with the PTO over the payment of the maintenance fee.
8. At some time during August of 2000, I received Dutton's file relating to [the '006 patent] from [Ms. von Keller], the executrix (sic) of Dutton's estate.
9. Dutton's file relating to [the '006 patent] contained a Maintenance Fee Transmittal Form bearing a 27 February, 1998,] certificate of mailing signed by Dutton. (Exhibit omitted.)
10. A Notice of Patent Expiration dated [19 January, 1999,] and stamped "Received [8 February, 1999,]" by Dutton was found in his file. [The statement references Exhibit F, but the item is found in the record at Exhibit E to the statement.]
11. At the time that Dutton died, ACE was being represented by [Collier Shannon] in connection with a licensing matter that involved [the '006] patent. Collier Shannon was informed in August of 2000 that [the '006 patent] was reported by the PTO to be expired for failure to pay the maintenance fee, that Dutton had been aware of the maintenance fee controversy, and that Dutton had told me that he would rectify the problem.
12. In the fall of 2000, the law firm of [Akin Gump] was retained to represent ACE in connection with patent matters. Dutton's file for the patent was, accordingly, sent to Akin Gump.
13. In April of 2001, Collier Shannon was selected to replace Akin Gump as patent counsel for ACE. Akin Gump was instructed at this time to forward all of ACE's patent files, including the file for [the '006 patent], to Collier Shannon. At this time I began working with [Mr. Yohannan] in connection with the ACE patents, which included [the '006 patent].
14. I spoke with Mr. Yohannan in June and July of 2001 in order to provide him with all of the facts relating to the maintenance fee controversy with the PTO and the actions of previous patent counsel, Dutton.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the above-reference application or any patent issued thereon.

- the declaration of Ms. Waldron<sup>14</sup> (with referenced exhibits).

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Signed at 1000 South Denver #9107, Tulsa (OK) 74119 this 8 day of August, 2001.

/s/ Jean-Pierre Lair.

<sup>14</sup>The declaration of Ms. Waldron accompanying the original petition is as follows:

DECLARATION OF AMY WALDRON

I, Amy Waldron, declare that:

1. I am over the age of 21 and competent to make this declaration. All statements made in this declaration are based on my personal knowledge, information, and belief.

2. During all times relevant for this declaration, I have been an employee of [Collier Shannon], whose duties include payment of patent maintenance fees.

3. In August of 2000, I was informed by [Mr. Coyne], a Collier Shannon attorney, that a client of Collier Shannon, [Mr. Lair] had been awarded [the '006 patent]. I was also informed that Mr. Lair had been represented by patent attorney [Mr. Dutton], that Dutton had claimed to have paid the first maintenance fee for [the '006 patent], that the U.S. Patent and Trademark Office ("PTO") had no record of receiving the maintenance fee, and that Dutton had recently died before rectifying the maintenance fee issue. I was further informed that because the maintenance fee issue was unresolved, the PTO considered the patent expired for failure to pay the maintenance fee. I was asked to determine the extent of the maintenance fee problem and what could be done to correct it.

4. I contacted the PTO on 28 August, 2000, to confirm that the patent was expired for failure to pay the maintenance fee. The PTO confirmed this information.

During August and September of 2000, I repeatedly contacted the office [Ms. von Keller], the executrix (sic) of the Dutton estate [\*\*\*] to obtain Dutton's file relating to the patent. I hoped to find conclusive evidence of payment of the maintenance fee, such as a copy of a check, in Dutton's file. After several contacts with [Ms. von Keller's] office, was informed that [Mr. Lair] had been provided with Dutton's complete file. I obtained the complete file from Mr. Lair and confirmed the absence of a copy of the check used to pay the maintenance fee.

6. During October of 2000, I contacted [Ms. von Keller's] office again and asked them to search through Dutton's accounting records in hopes of finding conclusive evidence of payment of the maintenance fee, which included searching for a canceled check evidencing the fee payment. I was informed that von Keller's office would so search, but that it would take time to conduct the search.

7. I contacted the Maintenance Fee Division of the PRO in mid-November 2000 to determine the procedure for reviving the patent. The Maintenance Fee Division instructed me to send what evidence of payment we have to them by facsimile. After reviewing the situation with the Maintenance Fee Division, my impression was that the patent might be revived by submitting the Maintenance Fee Transmittal Form (Dec. of Lair, Exhibit D) as evidence of payment of the maintenance fee.

8. On [5 December, 2000], I had a telephone conference with Eleanor of the Assistant Commissioner for Patents Office in order to determine if a formal petition was required to revive the patent. The person to whom I spoke did not know if a petition was required. I prepared and faxed a Request to Reinstate Patent to the Maintenance Fee Division of the PTO, which included the Maintenance Fee Transmittal Form on [5 December].

9. On [20 December, 2000], I was contacted by Sheree Gold of the PTO Maintenance Fee Division regarding the Request to Reinstate Patent. Ms. Gold informed me that because of the amount of time that had lapsed since the fee was due, the only evidence that would be accepted as proof of the fee payment was a canceled check. Ms. Gold also informed me that she would hold the Request and give me a week or two to obtain the canceled check. I telephoned von Keller's office the same day and informed them that the canceled check evidencing the maintenance fee payment was needed for submission to the PTO.

10. On 8 January, 2001, I contacted Janet Munro of von Keller's office to determine whether or not they had yet found the canceled check. Munro reported that they had not yet found the check. I telephoned Ms. Gold of the PTO Maintenance Fee Division the same day and informed her that a copy of the canceled check did not appear to be readily available, and that the Request to Reinstate the patent would be refilled once the check was located.

11. On [29 January, 2001], I sent a letter to von Keller requesting all of Dutton's billing records for Mr. Lair, so that I could search them myself for evidence of payment of the maintenance fee. A copy of the [29 January] letter is attached hereto as Exhibit B.

12. I was contacted by Janet Munro of von Keller's office on [31 January, 2001]. Ms. Munro informed me that the needed billing records were already in the custody of Dutton's widow, and that in order to comply with the request, Dutton's widow would have to send them back to von Keller's office.

13. On [8 March, 2001], I spoke with Ms. Munro of von Keller's office again. While on the telephone with Ms. Munro, we reviewed



#### IV. ANALYSIS

The Statutes and Rules of Practice before the Office provide many tools for applicants, patentees and practitioners to protect their prospective or actual property rights and those of their clients. However, persons who fail to use the tools, fail to gain the protections.

So it is in this matter:

- over the period from 1998 into 1999, Petitioners Mr. Lair/ACE believed that their Counsel Mr. Dutton had paid the first maintenance fee when due;
- to the contrary, when Office records were reviewed, those records indicated that the payment had not been made, and this information was provided by the Office to Mr. Dutton in February 1999 and by Mr. Dutton to Petitioners in the spring 2000; and
- therefore, Petitioners:
  - were aware of what Mr. Lair termed the maintenance-fee "controversy" in spring 2000, and
  - knew that they had not learned from Mr. Dutton that the controversy had been resolved by time of Mr. Dutton's death in July 2000.

From the record it appears clear that Petitioners conveyed this information to Mr. Coyne, Mr. Yohannan and Ms. Waldron at Collier Shannon.

However, from the record it is very unclear whether Petitioners were informed of--in the words of Ms. Waldron--"the maintenance fee problem and what could be done to correct it," or, if so informed whether Petitioners authorized Collier Shannon, Akin Gump or anyone else to effect that correction.

Given that:

- Petitioners acknowledge that at some time between eighteen (18) and twenty-one (21) months after expiration of the '006 patent they were aware the Office contended that the first maintenance fee for it had not been paid; and

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Dutton's bank account statements in an attempt to track down the fee payment. I provided Ms. Munro with Dutton's reference number, the time period during which the check might have been paid or cleared, and the patent number. Ms. Munro, however, was unable to locate or identify the missing check.

14. During the [8 March] teleconference, I also asked Ms. Munro if Dutton's account registers were available for review. Ms. Munro informed me that she did not know, but would check with Dutton's widow. I called Ms. Munro back to check on the status of the request for the account registers on [16 April, 2001], but was forced to leave a message. I have not heard back from von Keller's office.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the above-reference application or any patent issued thereon.

Signed at Washington, D.C., this 8 day of August, 2001.

/s/ Amy Waldron.

- Petitioners were not able to demonstrate that a check or other method of payment had been received and processed by the Office,

Petitioners nonetheless had three (3) months remaining in the twenty-four- (24-) month period after expiration of the patent within which to effect that correction.

(While the twenty-four- (24-) month period is not a time to reconsider mistaken choices,<sup>15</sup> it is a period within which to accomplish decisions made but unperfected.<sup>16</sup>)

All Petitioners had to do was pay during that remaining three (3) months the maintenance fee as unintentionally delayed--and work through the details later.

Yet this Petitioners failed to do.

Petitioners contend:

- *In re Mattullath* allows Petitioner to claim "the right to rely upon a 'worthy and reliable' employee";<sup>17</sup> and
- a petition for acceptance of an unintentionally delayed payment was not warranted as of 13 December, 2000.<sup>18</sup>

Petitioner's conclude that they had a right to rely upon Mr. Dutton having done timely the right thing, and they need not take available prophylactic action to prevent the potentially irretrievable loss of their patent. And Petitioners hold to this reliance despite their inability to find--much less present to the Office--a check, a copy of a check, a check register or account statement evidencing the transaction of the check from Mr. Dutton to the Office on behalf of Petitioners.

Petitioners' reliance upon *In re Mattullath* is misplaced.

*In re Mattullath* is one of those cases oft' cited but seldom read.

*In re Mattullath* is the story of a penniless widow who continued from the death of her poor but creative husband in December 1902 in a decade-long effort to locate and prosecute the one item left by him to her: his application for patent for a powered heavier-than-air flying machine filed on 8 January, 1900--almost three years before the first powered flight by the Wright brothers.

Here, like *Mattullath*, death revealed chaos and brought confusion.

However, in *Mattullath*, unlike here:

- until the widow Mattullath located and revived the application, she literally had nothing

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<sup>15</sup> *In re Maldaque*, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).

<sup>16</sup> *In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989).

<sup>17</sup> Petition for reconsideration of 5 November, 2001, at page 3, et seq.

<sup>18</sup> Supplemental narrative of 20 February, 2002, at page 5. et seq.

but a belief; and

- while money was at a premium for the widow Mattullath, even if available, money itself was no relief.

In contrast, here Petitioners had in hand a patent, and though the Office deemed it to have expired, Petitioners also had at hand a remedy because re-instatement was a ready matter under 35 U.S.C. §41(c)(1) and 37 C.F.R. §1.378(c).

Pay the fee. Pay the surcharge. Fight through the details later.

That would have been the prudent route. That would have been the diligent route. That would have satisfied the tests of *Pratt* and *Mattullath* and their progeny.

The first payment window: The statements of Mr. Lair make clear that Petitioners had no system for payment of maintenance fees for the '006 patent, save total reliance on the assurance by Mr. Dutton that he would pay the fee and then send them a copy of the receipt. Petitioners clearly received no receipt, but nonetheless took no action to confirm payment.

Therefore, as to an inquiry of whether Petitioner had in place a method to ensure timely payment of the maintenance fee for the '006 patent in the period from 13 December, 1997, through 15 June, 1998--the period within which the first payment window opened, the fee became due, and the first window closed--the answer is: No.

The second payment window: Thereafter, nothing was done between 16 June, 1998, and midnight 14 December, 1998, to change conditions and/or otherwise place the maintenance fee for the '006 patent in position for payment.

Therefore, as to an inquiry of whether Petitioner had in place a method for seeing that the maintenance fee for the '006 patent was timely paid from 16 June, 1998 through 14 December, 1998--the period within which the second payment window opened, the fee and small surcharge became due, and the second window closed--the answer is: No.

The third payment window: The record fails to reveal that anything was done by Petitioner and/or any Counsel to resolve the payment condition with regard to the '006 patent between 15 December, 1998, and midnight 13 December, 2000.

Therefore, as to an inquiry of whether Petitioner had in place a method for seeing that the fee for the '006 patent was timely paid from 15 December, 1998, and midnight 13 December, 2000--the period in which the third payment window opened, the fee and large surcharge became due, and the third window closed--the answer is: No.

The fourth payment window: Similarly, as to an inquiry of whether or not Petitioner had in place a method for seeing that the fee (with surcharge) for the '006 patent was timely paid as unavoidably-delayed in the fourth window before or after midnight 13 December, 1998, the answer is: No. In truth, the fourth window never could have opened for Petitioner because the record is void of any documentary evidence that the Petitioner had in place the method to ensure

that the fee for the '006 patent was paid timely.

Even if a breach of duty by Petitioner as Counsel<sup>19</sup> is the cause of the failure to maintain the patent and/or demonstrate unavoidable delay, those actions or inactions are imputed to the patent owner, who selected his counsel.<sup>20</sup>

Rather, in the absence of a showing that the attorney/agent has acted to deceive the client,<sup>21</sup> the neglect of a party's attorney is imputed to and binds the party by the consequences.<sup>22</sup>

At bottom, the question is one of diligence.<sup>23</sup> And the record does not demonstrate Petitioners' diligence as to the maintenance of the '006 patent.

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<sup>19</sup> The pleadings submitted on 9 August, 2001, as and in support of the original petition under 37 C.F.R. §1.378(b) contain:

--at page 8 of the petition the following statement:

In the fall of 2000, Patentee had retained the law firm of Akin, Gump, Strauss, Hauer & Feld ("Akin Gump") to represent them in patent matters, including those involving the patent that is the subject of this petition. [Reference omitted.] Akin Gump, however, did not become involved in the maintenance fee controversy because of Collier Shannon's earlier involvement.

--at page 3 of the Declaration of Jean-Pierre Lair the following statement:

11. At the time that Dutton died, [Aeronautical Concept of Exhaust, LTD., (ACE)] was represented by [Collier Shannon] in connection with a licensing matter that involved the subject patent. Collier Shannon was informed in August of 2000 that the subject patent was reported by the PTO to be expired for failure to pay the maintenance fee, that Dutton had been aware of the maintenance fee controversy, and that Dutton had told me that he would rectify the problem.

12. In the Fall of 2000, the law firm of [Akin Gump] was retained to represent ACE in connection with patent matters. Dutton's file for the patent was, accordingly, sent to Akin Gump.

and,

--at pages 1-2 in the Declaration of Amy Waldron the following statement:

3. In August of 2000, I was informed by Patrick Coyne, a Collier Shannon attorney, that a client of Collier Shannon, Jean-Pierre Lair, had been awarded U.S. Patent No. 5,372,006 (the "patent"). I was also informed that Mr. Lair had been represented by patent attorney [Dutton], that Dutton had claimed to have paid the first maintenance fee for the patent, that the [USPTO] had no record of receiving the maintenance fee, and that Dutton had recently died before rectifying the maintenance fee issue. I as further informed that because the maintenance fee issue was unresolved, the PTO considered the patent expired for failure to pay the maintenance fee. I was asked to determine the extent of the maintenance fee problem and what could be done to correct it.

Therefore, the record, as it stands, is unclear as to who, if anyone, represented Petitioner during the period in question.

<sup>20</sup> Link v. Wabash Railroad Co., 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962).

<sup>21</sup> When an attorney intentionally conceals a mistake he has made, thus depriving the client of a viable opportunity to cure the consequences of the attorney's error, the situation is not governed by the stated rule in Link for charging the attorney's mistake to his client. In re Lonardo, 17 USPQ2d 1455 (Comm'r. Pat. 1990).

<sup>22</sup> See Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); Herman Rosenberg and Parker-Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

<sup>23</sup> See: Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. at 53158-59 (October 10, 1997), 1203 Off. Gaz. Pat. Office at 86-87 (October 21, 1997). See also: Ray v. Lehman, *supra*.

Direct Evidence

Perhaps as stark as the absence of diligence or attention to the process of maintenance in this matter is the absence of documentation provided by Petitioner in support of--or claimed to be available for--the petition in this record. The expiration/abandonment of this patent took place by operation of law, *inter alia*, for failure to pay timely the maintenance fee. Petitioner's burden, as set out at pages 1-3, require that Petitioner provide . . . *direct evidence* proving exactly"<sup>24</sup> a factual basis supporting the showing of unavoidable delay required for relief to be granted.

Petitioners failed to carry their burden.

Absent such direct evidence, the petition cannot be granted.

IV. CONCLUSION

Thus, Petitioners have failed to make the showing of diligence and attendance to the matters of the instant patent with the care to be devoted to one's most business affairs--with the evidence described above--as required by statute, regulation and extensive case law.

That failure precludes acceptance of the maintenance fee as unavoidably delayed in payment.

Therefore, the petition for reconsideration is granted to the extent that this review has been made and rendered.

In all further respects, the petition must be and hereby is **DENIED**.

This decision may be viewed as final agency action.<sup>25</sup>

The revocation/power of attorney filed 20 February, 2002, is acknowledged.

The application file is being forwarded to Files Repository.

Telephone inquiries concerning this decision may be directed to John J. Gillon, Jr., Senior Attorney, Office of Petitions, at (703) 305-9199.



Beverly M. Flanagan  
Supervisory Petitions Examiner  
Office of Petitions  
Office of the Deputy Commissioner  
for Patent Examination Policy

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<sup>24</sup> See also: Krahn v. Commissioner, 15 USPQ2d 1823 (E.D. Va. 1990) (Emphasis supplied).

<sup>25</sup> Provisions permitting further agency review (such as 37 C.F.R. §1.137(e)) do not apply to this decision.