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Patricia Weiner  
Rt. 2 box 188  
La Honda CA 94020

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MAY 12 2005

**OFFICE OF PETITIONS**

In re Application of :  
Patricia Wiener :  
Application No. 08/191,373 :  
Patent No. 5,524,679 :  
Filed: February 1, 1994 :  
Issue Date: June 11, 1996 :  
Attorney Docket No.: 14739121 :  
Title: SMART SKIN ARRAY WOVEN :  
FIBER OPTIC RIBBON AND ARRAYS :  
AND PACKAGING THEREOF :

**DECISION ON RENEWED PETITION  
UNDER 37 C.F.R. §1.378(E)**

This is a decision on the renewed petition filed September 7, 2004, under 37 C.F.R. §1.378(e), requesting reconsideration of a prior decision pursuant to 37 C.F.R. §1.378(b)<sup>1</sup>, which refused to accept the delayed payment of two maintenance fees for the above-referenced patent.

The request to accept the delayed payment of the maintenance fee is **DENIED**<sup>2</sup>.

<sup>1</sup> Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. §1.378(b) must include:

- (1) The required maintenance fee set forth in 37 C.F.R. §1.20 (e) through (g);
- (2) The surcharge set forth in 37 C.F.R. §1.20(i)(1), and;
- (3) 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.

<sup>2</sup> This decision may be regarded as a final agency action within the meaning of 5 U.S.C. §704 for the purposes of seeking judicial review. See MPEP 1002.02.

The patent issued June 11, 1996. The grace period for paying the 3½ year maintenance fee provided in 37 CFR 1.362(e) expired at midnight on June 11, 2000, with no payment received. Accordingly, the patent expired on June 11, 2000.

On March 22, 2004, Petitioner filed a petition under 37 C.F.R. §1.137(a), which was dismissed as inappropriate via a decision mailed March 31, 2004.

On April 7, 2004, Petitioner correctly filed a petition under 37 C.F.R. §1.378(b). On May 24, 2004, a Request for Further Information was mailed by the Office. On June 14, 2004, a supplement to this petition was filed, and on July 19, 2004, a decision was mailed which dismissed the petition under 37 C.F.R. §1.378(b).

With the instant petition pursuant to 37 C.F.R. §1.378(e), Petitioner has again failed to meet the showing requirement under 37 C.F.R. §1.378(b). A discussion follows.

### The standard

35 U.S.C. §41(c)(1) states:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay<sup>3</sup> is shown to the satisfaction of the Director to have been unavoidable.

§1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word '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<sup>4</sup>.

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account."<sup>5</sup> Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable."<sup>6</sup>

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3 This delay includes the entire period between the due date for the fee and the filing of a grantable petition pursuant to 37 C.F.R. §1.378(b).

4 In re Mattullath, 38 App. D.C. 497, 514-15 (1912)(quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff'd, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

5 Smith v. Mossinghoff, 671 F.2d at 538, 213 U.S.P.Q. at 982.

6 Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

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. Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 C.F.R. §1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

A delay caused by an applicant's lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP is not rendered "unavoidable" due to either the applicant's reliance upon oral advice from USPTO employees or the USPTO's failure to advise the applicant to take corrective action<sup>7</sup>.

Presuming for the purposes of discussion that it was an act/omission of Counsel that contributed to any of the delay herein, the act(s) or omissions of the attorney/agent are imputed wholly to the applicant/client<sup>8</sup> in the absence of evidence that the attorney/agent has acted to deceive the client.<sup>9</sup>

The Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and the applicant is bound by the consequences of those actions or inactions<sup>10</sup>. Specifically, petitioner's delay caused by the mistakes of negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133<sup>11</sup>.

The actions of the attorney are imputed to the client, for when a petitioner voluntarily chooses an attorney to represent him, the petitioner cannot later distance avoid the repercussions of the actions or inactions of this selected representative, for clients are bound by the acts of their lawyers/agents, and constructively possess "notice of all facts, notice of which can be charged upon the attorney<sup>12</sup>."

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7 See In re Sivertz, 227 USPQ 255, 256 (Comm'r Pat. 1985).

8 The actions or inactions of the attorney/agent must be imputed to the petitioners, who hired the attorney/agent to represent them. Link v. Wabash Railroad Co., 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962). The failure of a party's attorney to take a required action or to notify the party of its rights does not create an extraordinary situation. Moreover, the neglect of a party's attorney is imputed to that party and the party is bound by the consequences. 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).

9 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).

10 Link v. Wabash, 370 U.S. 626, 633-634 (1962).

11 Haines, 673 F.Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32; 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. 103, 131 (Comm'r Pat. 1891).

12 Link at 633-634.

Courts hesitate to punish a client for its lawyer's gross negligence, especially when the lawyer affirmatively misled the client," but "if the client freely chooses counsel, it should be bound to counsel's actions<sup>13</sup>."

### The portions of the MPEP relevant to the facts as presented

#### 2504 Patents Subject to Maintenance Fees

37 CFR 1.362. Time for payment of maintenance fees.

- (a) Maintenance fees as set forth in §§ 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.
- (b) Maintenance fees are not required for any plant patents or for any design patents. Maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees.
- (c) The application filing dates for purposes of payment of maintenance fees are as follows:
  - (1) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.
  - (2) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119, the United States filing date of the application.
  - (3) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.
  - (4) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original non-reissue application on which the patent reissued is based.
  - (5) For an international application which has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.
- (d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:
  - (1) 3 years through 3 years and 6 months after grant for the first maintenance fee,
  - (2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and
  - (3) 11 years through 11 years and 6 months after grant for the third maintenance fee.
- (e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:
  - (1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.
  - (2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and
  - (3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.
- (f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.
- (g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e)

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<sup>13</sup> Inryco, Inc. v. Metropolitan Engineering Co., Inc., 708 F.2d 1225, 1233 (7th Cir. 1983). See also, Wei v. State of Hawaii, 763 F.2d 370, 372 (9th Cir. 1985); LeBlanc v. I.N.S., 715 F.2d 685, 694 (1st Cir. 1983).

of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.

- (h) The periods specified in §§ 1.362 (d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based.

Maintenance fees are required to be paid on all patents based on applications filed on or after December 12, 1980, except for plant patents and design patents. Furthermore, maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees. Application filing dates for purposes of determining whether a patent is subject to payment of maintenance fees are as follows:

- (A) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.
- (B) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119(a)-(d), the actual United States filing date of the application.
- (C) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.
- (D) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original nonreissue application on which the patent reissued is based.
- (E) For an international application that has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.

#### 2506 Times for Submitting Maintenance Fee Payments

37 CFR 1.362(d) sets forth the time periods when the maintenance fees for a utility patent can be paid without surcharge. Those periods, referred to generally as the "window period," are the 6-month periods preceding each due date. The "due dates" are defined in 35 U.S.C. 41(b). The window periods are (1) 3 years to 3 1/2 years after the date of issue for the first maintenance fee payment, (2) 7 years to 7 1/2 years after the date of issue for the second maintenance fee payment, and (3) 11 years to 11 1/2 years after the date of issue for the third and final maintenance fee payment. A maintenance fee paid on the last day of a window period can be paid without surcharge. The last day of a window period is the same day of the month the patent was granted 3 years and 6 months, 7 years and 6 months, or 11 years and 6 months after grant of the patent. 37 CFR 1.362(e) sets forth the time periods when the maintenance fees for a utility patent can be paid with surcharge. Those periods, referred to generally as the "grace period," are the 6-month periods immediately following each due date. The grace periods are (1) 3 1/2 years and through the day of the 4th anniversary of the grant of the patent, (2) 7 1/2 years and through the day of the 8th anniversary of the grant of the patent and, (3) 11 1/2 years and through the day of the 12th anniversary of the grant of the patent. A maintenance fee may be paid with the surcharge on the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant to prevent the patent from expiring. Maintenance fees for a reissue patent are due based upon the schedule established for the original utility patent. The filing of a request for ex parte or inter partes reexamination and/or the publication of a reexamination certificate does not alter the schedule of maintenance fee payments of the original patent. If the day for paying a maintenance fee falls on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee may be paid on the next succeeding day that is not a Saturday, Sunday, or Federal holiday. For example, if the window period for paying a maintenance fee without a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid without surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. Likewise, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid with surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. In the latter situation, the failure to pay the maintenance fee and surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia will result in the patent expiring on a date (4, 8, or 12 years after the date of grant) earlier than the last date on which the maintenance fee and surcharge could be paid. This situation results

from the provisions of 35 U.S.C. 21, but those provisions do not extend the expiration date of the patent if the maintenance fee and any required surcharge are not paid when required. For example, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, the maintenance fee and surcharge could be paid on the next succeeding business day, e.g., Monday, but the patent will have expired at midnight on Saturday if the maintenance fee and surcharge were not paid on the following Monday. Therefore, if the maintenance fee and any applicable surcharge are not paid, the patent will expire as of the end of the grace period as listed above. A patent that expires for failure of payment will expire on the anniversary date the patent was granted in the 4th, 8th, or 12th year after the grant.

#### 2542 Change of Correspondence Address

Unless a fee address has been designated, all notices, receipts, refunds, and other communications relating to the patent will be directed to the correspondence address (37 CFR 1.33) used during the prosecution of the application. Practitioners of record when the patent issues who do not wish to receive correspondence relating to maintenance fees must change the correspondence address in the patented file or provide a fee address to which such correspondence should be sent. It is not required that a practitioner file a request for permission to withdraw pursuant to 37 CFR 1.36 solely for the purpose of changing the correspondence address in a patented file.

The correspondence address should be updated or changed as necessary to ensure that all communications are received in a timely manner. A change of correspondence address may be made as provided in 37 CFR 1.33(a). The correspondence address may be changed as provided in 37 CFR 1.33(a)(1) prior to the filing of an oath or declaration. After an oath or declaration has been executed and filed by at least one inventor, the correspondence address may be changed as provided in 37 CFR 1.33(a)(2). Requests for a change of the correspondence address may be sent to the Office of Public Records, Document Services Division, Special Handling Branch during the enforceable life of the patent. To ensure accuracy and to expedite requests for change to the correspondence address, it is suggested that the request include both the patent number and the application number. Form PTO/SB/122 may be used to request a change of correspondence address in a patent application. Form PTO/SB/123 may be used to request a change of correspondence address for an issued patent.

#### **Application of the standard to the current facts and circumstances**

Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee and surcharge.

In the original petition under 37 C.F.R. §1.378(b), submitted April 7, 2004, Petitioner set forth that the application was prosecuted by the law firm of Townsend and Townsend. At some point after the patent had issued, the Petitioner could no longer pay the firm, and Townsend and Townsend consequently ceased representing the Petitioner. Subsequently, Petitioner retained the services of attorney Bill Dana. Petitioner asserted that Townsend and Townsend failed to communicate with her new counsel, and the maintenance fees were not submitted to the Office due to this lack in communication.

In the decision mailed July 19, 2004, the following was proffered:

- It is the responsibility of the Applicant to monitor her patent, and;
- The actions of ones chosen counsel cannot constitute unavoidable delay.

As set forth in the previous decision, Petitioner should be made aware that the standard associated with the filing of a petition under the unavoidable standard is extremely difficult to meet.

Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee and surcharge, for the reasons set forth below.

Petitioner has not made an adequate showing that the failure to pay the maintenance fee was unavoidable, given the exercise of due care. The period for paying the 3½ year maintenance fee without the surcharge extended from June 11, 1999 to December 11, 1999, and for paying with the surcharge from December 12, 1999 to June 11, 2000. The 3½ year maintenance fee was not paid until 4 years after the expiration of the patent.

On renewed petition, Petitioner has indicated that once financing was secured in May of 2000, the payment in arrears was sent to Townsend and Townsend. Once Petitioner's account with Townsend and Townsend was no longer in arrears, Petitioner believed that her relationship with the firm had been reestablished, and she received "assurances that the maintenance fees would be paid as usual."<sup>14</sup>

Patentee further states that she believes the failure of Townsend and Townsend to pay the maintenance fee was the result of an "internal issue in transmitting the information," that

the attorney did not fail to meet his commitment to us but rather the internal system of a large company failed to receive and act on the information that was received. For all we know a computer error or virus could have been responsible for the situation, neither the attorney's nor our failure, an unavoidable situation.

Petitioner includes with the petition various financial records and correspondence with Townsend and Townsend, offered to show that Petitioner acted reasonably in relying upon Townsend and Townsend to timely pay the maintenance fee.

Petitioner has failed to provide an adequate showing under 37 C.F.R. §1.378(b)(3).

The actions of the attorney are imputed to the client and clients are therefore bound by the actions of their lawyers<sup>15</sup>. Accordingly, where a patentee relies upon counsel to track and pay maintenance fees, the focus shifts to whether counsel's delay was unavoidable<sup>16</sup>. The record fails to enumerate the steps taken by Townsend and Townsend to ensure timely payment of the maintenance fee. Absent such a showing, 35 U.S.C. 41(c) and 37 C.F.R. §1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee based on unavoidable delay. Patentee asserts she believes that the failure of Townsend and Townsend to pay the maintenance fee was the result of an internal issue and speculates that this may have been caused by a computer error or virus. Such assertions do not constitute evidence and, consequently, would not serve to excuse Petitioner's delay even if Petitioner had enumerated the steps required under 37 C.F.R. §1.378(b)(3). Moreover, such assertions are inconsistent with Petitioner's own statement in the petition filed June 17, 2004, that Townsend and Townsend's explanation as to why it did not pay

<sup>14</sup> Renewed petition, page 1, paragraph 2. It is noted that Petitioner has not provided any documentation which would corroborate this allegation.

<sup>15</sup> See Winkler v. Ladd, supra.

<sup>16</sup> California Medical Products v. Technol Medical Products, 921 F. Supp. 1219, 1259 (D. Del. 1995).

the maintenance fee was because as of August 1998, it was no longer handling the case<sup>17</sup>. The assertions are inconsistent with Petitioner's statement in the petition under 37 C.F.R. §1.137(a) filed March 22, 2004, where Petitioner states "the pull out of Townsend and Townsend, due to unavoidable financial considerations, from monitoring the patents and the resultant lack of communication between [Townsend and Townsend and Petitioner's new attorney] was the reason for the maintenance fee not being paid."

### CONCLUSION

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

Since this patent will not be reinstated, the petitioner is entitled to a refund of the surcharge and both the 3 ½ and the 7 ½ year maintenance fees. It is noted that Petitioner has not submitted the \$130 fee associated with the filing of a renewed petition under 37 C.F.R. §1.378(e). A treasury check will be issued in due course, less the required \$130.

As requested in the petition filed April 7, 2004, the correspondence address has been changed. As stated in 37 C.F.R. §1.378(e), no further reconsideration or review of this matter will be undertaken.

The general phone number for the Office of Petitions which should be used for status requests is (571) 272-3282. Telephone inquiries regarding this decision should be directed to Senior Attorney Paul Shanoski at (571) 272-3225.



Charles Pearson  
Director  
Office of Petitions  
United States Patent and Trademark Office

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<sup>17</sup> Petition, page 2, paragraph 2.