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OFFICE OF PETITIONS

In re Patent No. 6,086,551 :
Issue Date: July 11, 2000 :
Application No. 09/347,934 : DECISION ON PETITION
Filed: July 6, 1999 :
Title: Flexible Compression and :
Stabilizing Orthotics :

This is a decision on the "REQUEST FOR RECONSIDERATION OF PETITION TO ACCEPT UNAVOIDABLY DELAYED PAYMENT OF MAINTENANCE FEE IN AN EXPIRED PATENT (37 CFR 1.378(a))", filed October 22, 2008, which is being treated as a petition under 37 CFR 1.378(e), to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is DENIED. This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

Procedural History:

- The above-identified patent issued on July 11, 2000.
- The first maintenance fee could have been timely paid during the period from July 11, 2003 through January 11, 2004, or with a late payment surcharge during the period from January 12, 2004 through July 11, 2004.
- No second maintenance fee was received, and as such, the patent expired on July 12, 2004.
- The 2 year time period for filing a petition under 37 C.F.R. § 1.378(c) expired on July 11, 2006.

- Petitioner filed a petition to accept the unavoidably delayed payment of the maintenance fee on July 11, 2008.
- The petition was dismissed in a decision mailed on August 21, 2008.

Relevant Statutes, Rules and Regulations:

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

37 C.F.R. § 1.378(b) provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee must include:

- (1) The required maintenance fee set forth in §1.20(e) through (g);
- (2) The surcharge set forth in §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.

§ 1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned

application under 35 U.S.C. § 133. This is 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. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present. In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

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 cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Moreover, delay resulting from the lack of knowledge or improper application of the patent statutes, rules of practice or the Manual of Patent Examining Procedure, however, does not constitute "unavoidable" delay. See id.; Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); 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 (1891).

Evidence Presented on Petition filed July 11, 2008:

Petitioner purchased the above identified patent on March 22, 2006, after the patent had already expired. According to petitioner, the previous owner of the patent, Cheryl Allen (the sole inventor), led petitioner to believe that the first maintenance fee had been timely paid.

Petitioner stated that he acted in good faith and he was as prompt as possible under the circumstances given the "misleading information" provided by the USPTO database (the Patent Maintenance Fees screen indicated that "currently there are no fees due").

The August 21, 2008 decision:

As set forth in the August 21, 2008 decision on petition, Petitioner had no rights in the patent at the time of expiration. Rather, the patentee, Cheryl Allen, owned the patent at the time of expiration. As such, petitioner must establish that Allen's delay in paying the maintenance fee was unavoidable. See MPEP 711.03(c), section E, See also Kim v. Quigg, 718 F.Supp. 1280, 12 USPQ2d 1604 (E.D. Va. 1989). In Kim, the court held that because the plaintiffs had no legal or equitable ownership in a patent application at the time of abandonment, whether they acted as reasonably prudent persons was irrelevant.

Here, petitioner has not provided any evidence to establish that the delay of the previous owner, Cheryl Allen, to schedule and pay the maintenance fee, was unavoidable. Petitioner has failed to provide a showing of the steps Allen had in place to ensure the timely payment of the maintenance fee, as required under 37 C.F.R. § 1.378(b)(3). Petitioner alludes to the fact that Allen suffered considerable health issues, with hospitalization, but has provided no further evidence that but for Allen's health issues, she would have paid the first maintenance fee.

Unfortunately for Petitioner, the delay resulting from Allen's failure to take steps to pay the maintenance fee is binding on Petitioner as successor in title. See id. It is immaterial that Petitioner may have acted with promptness upon becoming the owner and learning of Allen's failure to pay the first maintenance fee.

Evidence Presented on Renewed Petition:

Petitioner explains that as a result of the death of inventor Cheryl Allen, petitioner is not able to provide evidence surrounding non-payment of the maintenance fee. In addition, petitioner states that he had the opportunity to review the files of Allen on three patents, including the above patent, and nothing in Allen's file indicated that any notice regarding non-payment of the maintenance fees had been received. Lastly, petitioner points out that petitioner represented at the time of sale that applicable maintenance fees had been received.

Opinion:

For the reasons previously set forth in the decision mailed August 21, 2008, the petition is denied. As set forth above, a showing of unavoidable delay pursuant to 37 CFR 1.378(b) "must enumerate the steps taken to ensure timely payment of the maintenance fee....". Petitioner is not able to do so here. It is unfortunate that Petitioner was misled by the Seller to believe that all applicable maintenance fees had been paid. Nevertheless, that does not make the delay unavoidable. Petitioner's recourse lies against the Seller (or the Seller's estate). With respect to petitioner's argument about the lack of a notice regarding non-payment of the maintenance fee, a patent expires by operation of law, not by the mailing of a notice. If there was any confusion about whether the maintenance fee had been paid, petitioner was not precluded from calling the Patent and Trademark Office for clarification. It is noted that the Patent Bibliographic Data screen in PAIR indicates that the patent is expired.

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, however, 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). As stated in 37 C.F.R. § 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since this patent will not be reinstated, the maintenance fee and the surcharge fee submitted by petitioner are refundable. Petitioner may request a refund by writing to: Mail Stop 16, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450. Petitioner should enclose a copy of this decision with the request. The \$400 fee for requesting reconsideration and the is not refundable.

Telephone inquiries concerning this communication should be directed to Petitions Attorney Cliff Congo (571)272-3207.



Charles Pearson
Director
Office of Petitions