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OFFICE OF PETITIONS

DaVinci Intellectual Property LLC
2851 N. Burling St Unit 1S
Chicago IL 60657

In re Application of :
Casebolt et al. :
Application No. 09/370,121 :
Patent No. 6,490,153 : DECISION ON RENEWED PETITION
Filed: August 6, 1999 : PURSUANT TO 37 C.F.R.
Issue Date: December 3, 2002 : § 1.378(E)
Attorney Docket No. M-7792-US :
Title: COMPUTER SYSTEM FOR :
HIGHLY-DENSE MOUNTING OF SYSTEM :
COMPONENTS :

This is a decision on the renewed petition filed on May 16, 2012, pursuant to 37 C.F.R. § 1.378(e), requesting reconsideration of a prior decision pursuant to 37 C.F.R. § 1.378(b), which refused to accept the delayed payment of maintenance fees for the above-referenced patent. A supplement to this petition was received on May 24, 2012.

This renewed petition pursuant to 37 C.F.R. § 1.378(e) is **DENIED.**¹

THERE WILL BE NO FUTHER RECONSIDERATION OF THIS MATTER BY THE OFFICE.

Receipt of the \$400 fee that is associated with the filing of this renewed petition is acknowledged.

Background

The patent issued on December 3, 2002. The grace period for paying the 3½-year maintenance fee provided in 37 C.F.R.

¹ This decision is a final agency action within the meaning of 5 U.S.C. § 704 for the purposes of seeking judicial review. See MPEP § 1002.02.

§ 1.362(e) expired at midnight on December 3, 2006, with no payment received. Accordingly, the patent expired on December 3, 2006 at midnight.

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.

An original petition pursuant to 37 C.F.R. § 1.378(b) was filed on February 16, 2012, along with a portion of the 3½-year and 7½-year maintenance fees, the surcharge that is associated with the filing of a petition pursuant to 37 C.F.R. § 1.378(b), and a statement of facts. The petition pursuant to 37 C.F.R. § 1.378(b) was dismissed via the mailing of a decision on March 16, 2012, which indicated the second requirement of 37 C.F.R. § 1.378(b) has been satisfied.

With this renewed petition pursuant to 37 C.F.R. § 1.378(e), Petitioner has included the \$400 fee that is associated with the filing of this renewed petition, a statement of facts, and a copy of an e-mail. Petitioner has further included a statement of facts which contains a description of the manner in which Patentee became aware of the expiration of the patent.²

On May 24, 2012, Petitioner submitted an additional \$520 so as to cover the deficiency in the 3½-year and 7½-year maintenance fees along with an assertion that Petitioner attempted to submit these fees on May 16, 2012 however the credit card submission was not properly processed.

² Arun statement of facts submitted with renewed petition pursuant to 37 C.F.R. § 1.378(e), paragraph 3.

To date, the first and second requirement of 37 C.F.R. § 1.378 (b) have been satisfied. The third requirement remains unsatisfied, as will be discussed below.

The standard

35 U.S.C. § 41(c)(1) states, *in pertinent part*:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay³ is shown to the satisfaction of the Director to have been unavoidable.

37 C.F.R. § 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 37 C.F.R. § 1.137(a). 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.⁴

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

The burden of showing the cause of the delay is on the person seeking to revive the application.⁶

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

⁶ *Id.*

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

The period for paying the 3½-year maintenance fee without the surcharge extended from December 3, 2005 to June 3, 2006 and for paying with the surcharge from June 4, 2006 to December 3, 2006. Thus, the delay in paying the 3½-year maintenance fee extended from December 3, 2006 at midnight to the filing of the supplement to this renewed petition on May 24, 2012.

The record does not contain a showing that the delay was unavoidable, as will now be pointed out.

With the original petition pursuant to 37 C.F.R. § 1.378(b), Petitioner provided an indication of the date on which he became aware of the expiration of the patent via an explanation that on or about August 1, 2011, Patentee learned this patent has expired for failure to submit the 3-½ year maintenance fee,⁷ and alleged the Patentee

engaged the law firm of Skjerven Morill MacPherson LLP to pay the first maintenance fee on April 5, 2007. Further, Applicant engaged the law firm of Skjerven Morrill MacPherson LLP to pay the maintenance fees.

Arun statement of facts submitted with original petition pursuant to 37 CFR § 1.378(b), paragraph 2.

Petitioner further explained that on an unspecified date, he "realized that the law firm of Skjerven Morill MacPherson LLP had gone out of business and was defunct."⁸

First, the record does not contain an enumeration of the steps taken to ensure timely payment of the maintenance fee. An adequate showing that the delay in payment of the maintenance fees 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 to ensure timely payment of the maintenance fees, 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).

⁷ Arun statement of facts submitted with original petition pursuant to 37 C.F.R. § 1.378(b), paragraph 3.

⁸ Id. at 5.

With the original petition pursuant to 37 CFR § 1.378(b), Petitioner included a statement of facts from Mr. Arun, who identified himself as the founder/CEO, and "current investor of with the current Assignee" of this patent. Mr. Arun further asserted "Assignee engaged the law firm of Skjerven Morill MacPherson LLP to pay the first maintenance fee on April 5, 2007," which is four months after the patent had expired for failure to pay the first maintenance fee.

The decision on the original petition pursuant to 37 CFR § 1.378(b) indicated, *in pertinent part*:

...as set forth above, the patent expired on December 3, 2006 at midnight. As such, the Assignee engaged a law firm to pay the first maintenance fee *more than four months after the patent had expired for failure to timely submit the same* (emphasis included). It follows the record does not support a finding that any steps were in place to ensure the timely payment of the first maintenance fee.

Moreover, Petitioner will note that a patent holder's reliance upon an attorney does not provide him with an absolute defense, but rather shifts the focus to whether the attorney acted reasonably and prudently.⁹ It is well established that a patent holder is bound by any errors that may have been committed by his attorney.¹⁰ Petitioner will need to establish that any alleged failure of the law firm of Skjerven Morill MacPherson LLP could not have been avoided with the exercise of due care. Whether an action by an attorney constituted a breach of the fiduciary duty of care is of no moment to the issue of whether the entire delay was unavoidable.¹¹

With this renewed petition pursuant to 37 CFR § 1.378(e), the statement of facts from Mr. Arun that was submitted concurrently therewith directly contradicts his previous assertion that the Assignee engaged the law firm of Skjerven Morill MacPherson LLP to pay the first maintenance fee on April 5, 2007. With the statement of facts submitted on renewed petition, Mr. Arun asserts "Assignee engaged the law firm of Skjerven Morill MacPherson LLP to continue to prosecute the applications for

⁹ California Medical Products v. Technol Med. Prod., 921 F. Supp. 1219, 1259 (D. Del. 1995).

¹⁰ Smith v. Diamond, 209 U.S.P.Q. 1091, 1093 (D.D.C. 1981) (citing Link v. Wabash Railroad Co., 370 U.S. 626, 8 L. Ed. 2d 734 (1962)).

¹¹ See Haines v. Quigg, 5 USPQ2d 1130 (N.D. Ind. 1987) (the court, in affirming an Office decision denying revival of an application on the basis of unavoidable delay, stated: "If the attorney somehow breached his duty of care to plaintiff, then plaintiff may have certain other remedies available to him against his attorney. He cannot, however, ask the court to overlook [attorney's] action or inaction with regard to the patent application.")

patent filings as early as 2002 (this is evidenced by the attached email dated May 6th, 2002). Further, Applicant engaged the law firm of Skjerven Morill MacPherson LLP to pay the maintenance fees."¹² The aforementioned e-mail has been included with this renewed petition pursuant to 37 C.F.R. § 1.378(e), and it consists of an e-mail chain between Mr. Arun and one Craig Bristol of the law firm of Skjerven Morill MacPherson LLP. On May 6, 2002, Mr. Bristol inquired if Mr. Arun was interested in retaining the law firm of the law firm of Skjerven Morill MacPherson LLP to prosecute "the two patent applications you purchased from VA software." Mr. Arun did not indicate whether or not he was interested in retaining said law firm, and instead inquired "what your firm typically charges for obtaining patents," and further requested a pricing "break up."

This e-mail does not support a finding that steps were in place to track the maintenance fees for this patent. The Office holds that a general inquiry as to a law firm's pricing structure does not equate to a contractual agreement for a law firm to track maintenance fees for a specific patent. It follows that the record does not support a finding that any steps were in place to ensure the timely payment of the first maintenance fee.

Moreover, *assuming arguendo* that the record supports a finding that steps were in place to track the maintenance fees for this patent, pursuant to California Medical Products, the focus then shifts to whether the law firm of Skjerven Morill MacPherson LLP acted reasonably and prudently, and it is noted with interest that no statement from a member of the law firm of Skjerven Morill MacPherson LLP has been located in the electronic file.

Second, the record does not contain a description of the steps taken to file the petition promptly. Petitioner has indicated he learned of the expiration of this patent on August 1, 2011. With this renewed petition pursuant to 37 C.F.R. § 1.378(e), Petitioner suggests the original petition pursuant to 37 C.F.R. § 1.378(b) was not filed until more than six months had passed, because Mr. Arun spent four months "seeking appropriate patent counsel."¹³ Mr. Arun asserts "it was difficult for us to pursue the reinstatement with other patent attorneys" due to a "lack of records regarding our patent filings,"¹⁴ however a description of

¹² Arun statement of facts submitted with renewed petition pursuant to 37 C.F.R. § 1.378(e), paragraph 2.

¹³ *Id.* at 7 and 8.

¹⁴ *Id.* at 8.

the steps taken to file the original petition has not been located in the electronic record.

Conclusion

The prior decision which refused to accept, under 37 C.F.R. § 1.378(b), the delayed payment of maintenance fees 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).

The surcharge that is associated with the filing of a petition pursuant to 37 C.F.R. § 1.378(b), the 3½-year maintenance fee, and the 7½-year maintenance fee will be refunded to Petitioner's credit card in due course. The \$400 fee that is associated with the filing of this renewed petition cannot be refunded.

Telephone inquiries should be directed to Senior Attorney Paul Shanoski at (571) 272-3225.



Anthony Knight
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