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Paper No. 9

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In re Patent No. 4,908,212 :
Issue Date: March 13, 1990 :
Application No. 07/296,998 : ON PETITION
Filed: January 13, 1989 :
Inventor: Ik Boo Kwon et al :

This is a decision on the petition, filed April 24, 1998, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee under 37 CFR 1.3787(b) is DENIED.

BACKGROUND

The patent issued March 13, 1990. Accordingly, the first maintenance fee due could have been paid during the period from March 15, 1993 (March 13, 1993 being a Saturday) through September 13, 1993, or with a surcharge during the period from September 14, 1993 through March 14, 1994 (March 13, 1994 being a Sunday). The above-identified patent expired as of midnight, March 13, 1994. A Notice of Patent Expiration was printed March 29, 1994, and the expiration was also reported in the *Official Gazette Patent and Trademark Office* issue of March 29, 1994.

A petition under 37 CFR 1.378(b) to accept late payment of the first maintenance fee was filed September 15, 1997, and was dismissed in the decision of February 24, 1998.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of February 24, 1998 was filed on April 24, 1998. Accompanying the petition were: a declaration from Kyu-Sik Kim (a representative of Lotte Confectionery Co. Ltd, the assignee); a declaration of Kyong-Shik Kim (Korean patent counsel); a declaration of Marjorie Campbell; and a declaration of Christine Lee.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

> "The Commissioner may accept the payment of any maintenance fee required by subsection (b) of this section... after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable."

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

> "A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date, and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly."

OPINION

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 USC 41(c)(1).

Acceptance of late payment of a maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 41(c)(1) uses the identical language, i.e. "unavoidable delay". Ray v. Lehman, 55 f. 3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications have adopted the "reasonably prudent person" standard in determining if the delay in responding to an Office action was unavoidable. Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887)(the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912); and Ex parte Henrich,

1913 Dec. Comm'r Pat. 139, 141. In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay. Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Petitioner continues to assert that all parties involved in the expiration of the above identified patent exercised due care and diligence, and that the failure to timely pay the maintenance fee was due to a failure of the mail system. That is, petitioner contends that the instant maintenance fee file was forwarded, along with the Notice of Expiration, from the Pittsburgh, PA office of Armstrong, Westerman, Hattori, McLeland and Naughton (AWHM&N) to their DC office for transfer to Nikaido, Marmelstein, Murray & Oram (NMMO), but the file was never received in the DC office of AWHM&N.

Petitioner has not carried the burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

The showing of record fails to show that due care and diligence was observed with the docketing of the patented file for payment of the first maintenance fee. In particular, petitioner has, notwithstanding the request in the decision of February 24, 1998 (at 3) still not established exactly who was responsible for payment of the maintenance fees. The letter of Kyong-Shik Kim, (K.S. Kim, petitioner's Korean patent agent) of July 30, 1992 (Exhibit 1 in the original Charles Marmelstein declaration) indicates that U.S. Application 873,482, and all other cases handled by members of Nikaido, Marmelstein, Murray & Oram (NMMO) were to be transferred to NMMO. However, the aforementioned letter fails to specifically identify the instant patent. Then, the renewed petition (at page 4) asserts that the instant patent file was not one of the cases transferred to NMMO in the K.S. Kim letter because the instant patent file was being handled by Ronald J. Kubovcik (Kubovcik). Hence, petitioner has continued to fail to establish who was in charge of the maintenance fee file of the instant patent, and has further failed to show that K.S. Kim had made a clear designation as to who was responsible for the instant patented file. Assuming, *arguendo,* that petitioner did rely upon Kubovcik or NMMO for payment of the maintenance, such reliance *per se* does not provide petitioner

with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 USC 41(c). See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259. (D.Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from petitioner to whether his allegedly appointed representative(s) acted reasonably and prudently. Id. Nevertheless, petitioner is bound by any errors that may have been committed by his representative. California, supra. However, as petitioner has failed to establish who it had engaged to pay the maintenance fees, then petitioner must provide a showing that it had such steps in place as would be employed by a prudent and careful person, to ensure timely payment of the maintenance fees. Id. However, petitioner apparently took no steps on its own, as it believed, through miscommunication, that it had appointed another to undertake that obligation. Delay resulting from a lack of proper communication between a patentee and that patentee's representative(s) as to the responsibility for scheduling and payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). See, In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). Specifically, delay resulting from a failure in communication between a patent holder and his representative regarding a maintenance fee payment is not unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). Ray, 55 F.3d at 610, 34 USPQ2d at 1789. That all parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus, their own obligation in this matter, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business within the meaning of Pratt, supra. It is further brought to petitioners' attention that the Office is not the proper forum for resolving a dispute between a patentee and that patentee's representative(s) regarding the scheduling and payment of maintenance fees. Ray, supra.

The showing of record indicates that there was a failure of the party of interest (Lotte Confectionery Co.) to affirmatively transfer the responsibility for scheduling and paying the maintenance fee for the instant patent file. Conversely, assuming that the obligation had been transferred, the record fails to show that whoever that person or party was, that person or party failed to take reasonable care to ensure payment of the maintenance fee. If Kubovcik was indeed responsible for the scheduling and payment as asserted at page 4 of the renewed petition, then the record lacks a showing of the steps taken by Kubovcik to ensure payment of the maintenance fees. Such lack likewise fails to demonstrate that the delay was unavoidable.

Moreover, petitioner asserts as page 5 of the renewed petition

that AWHM&N records indicate that NMMO was responsible for payment of the maintenance fee. If so, then the record remains unclear as to why AWHM&N retained the patented file. Page 5 of the renewed petition asserts that the patented file "which included the Notice of Lapsed Patent" was sent from the Pittsburgh office to the Washington, D.C. office. Petitioner fails to indicate the date the file was sent, and fails to provide a mail ledger indicating its mailing, but it must have been after receipt of the Notice of Lapsed Patent (i.e. Notice of Patent Expiration) which was mailed by the PTO on March 29, 1994. However, this apparently contradicts the declaration of Marjorie A. Campbell (Campbell) who indicates that the instant patented file was sent to the D.C. office for transfer to NMMO prior to the receipt of the Maintenance Fee Reminder. In particular, the Campbell declaration, in the third full paragraph, states that the patented file was sent to the D.C. office (no date given), and when the Maintenance Fee Reminder was received, Campbell called Jeannette Sullivan of NMMO (on October 29, 1993) because the file was already transferred. Campbell continues to assert that a Notice of Patent Expiration was received on March 29, 1994, but does not indicate if the instant patented file was still with the firm of AWHM&N. Hence, at the very least, AWHM&N became aware of the expiration of the above identified patent in March of 1994. It has been asserted that AWHM&N was not responsible for the maintenance fees despite the fact that they had the file, but there is no explanation for the failure of AWHM&N to affirmatively contact either K.S. Kim or NMMO when they received communications concerning the patented file from the PTO.

The showing of record is that neither AWHM&N nor NMMO ever docketed the maintenance fee for payment. NMMO simply has no evidence that they ever had the instant file, and also has no record that the file was docketed for payment of the maintenance fee. The alleged "oral understanding" between NMMO and AWHM&N with regard to the specific responsibility for paying maintenance fees has not been established to represent the due care and diligence, and has clearly resulted in the failure to pay, and docket to pay, the maintenance fee for the instant patent. Petitioner is reminded that the Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). Specifically, petitioner's delay caused by the mistakes or negligence of his voluntarily chosen

representative does not constitute unavoidable delay within the meaning of 35 USC 133. Haines v. Quigg, supra; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 130, 131 (Comm'r Pat. 1891). Further, there is no need in this case to determine the obligation(s) among petitioner, Korean patent agent Kyong-Shik Kim, and/or AWHM&N, and/or NMMO, as the record fails to show that any of the latter took any steps to ensure timely payment of the maintenance fee. In re Patent No. 4,461,759, 16 USPQ2d at 1884. As such, assuming that petitioner had engaged counsel for payment of the maintenance fees of the above identified patent, then it was incumbent upon petitioner to demonstrate, via a documented showing, that his duly appointed representative had docketed this patent for the first maintenance fee payment in a reliable tracking system. Id. However, no involved party has been able to demonstrate that the patent was docketed for payment of the maintenance fees.

The record fails to adequately evidence that either petitioner or counsel for petitioner exercised the due care observed by prudent and careful men, in relation to their most important business, which is necessary to establish unavoidable delay. Pratt, supra.

CONCLUSION

The prior decision which refused to accept under § 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 USC 41 and 37 CFR 1.378(b).

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since this patent will not be reinstated, the maintenance fees and the surcharge submitted by petitioner totaling $3,750 have been credited to deposit account No. 14-1060. The $130 fee under 37 CFR 1.17(h) has been charged to the same account.

The patent file is being returned to the Files Repository.

Telephone inquiries regarding this decision should be directed to Mike Peffley at (703) 305-9176 or, in his absence, to Brian Hearn at (703) 305-1820.

M. A. Antonakas

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