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In re Patent No. 4,999,118 :
Issue Date: March 12, 1991 :
Application No. 07/265,194 : ON PETITION
Filed: October 31, 1988 :
Patentee: Beltcho A. Beltchev :

This is a decision on the petition under 37 CFR 1.1378(e),[1] filed by facsimile on December 8, 1997, copy filed on December 11, 1997, requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee and reinstate the above-identified patent.

The petition to accept the delayed payment of the maintenance fee and reinstate the above-identified patent is **DENIED**.

BACKGROUND

The above-identified patent (U.S. Patent No. 4,999,118) issued on March 12, 1991. Therefore, the first maintenance fee could have been paid during the period from March 14, 1994 (March 12, 1994 being a Saturday) through September 12, 1994, or with a surcharge during the period from September 13, 1994 through March 13, 1995 (March 12, 1995 being a Sunday). Accordingly, this patent expired at midnight on March 12, 1995 for failure to timely pay the first maintenance fee. See MPEP 2506.

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[1] In accordance with the authorization provided in the instant petition, the $130.00 petition fee (37 CFR 1.17(h)) for the instant petition under 37 CFR 1.378(e) will be charged to Deposit Account No. 11-1227.

A petition under 37 CFR 1.378 was filed by Arthur O. Klein (Klein), a person not currently registered to practice before the Patent and Trademark Office (PTO), on August 13, 1997 and August 23, 1997. The petition of August 13, 1997 (and August 23, 1997) was refused consideration in the decision of September 23, 1997. The affidavit by petitioner, Beltcho A. Beltchev (Beltchev), submitted with the petition of August 13, 1997 was designated as a "petition under 37 CFR 1.378" and submitted by facsimile on October 1, 1997. The submission of October 1, 1997 was treated as a petition under 37 CFR 1.378(b), and was dismissed in the decision of October 14, 1997. The instant petition under 37 CFR 1.378(e) requests reconsideration of the decision of October 14, 1997, and acceptance of the delayed payment of a maintenance fee for and reinstatement of the above-identified patent.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) provides that:

> The Commissioner 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 Commissioner to have been unintentional, 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. The Commissioner 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 Commissioner 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 CFR 1.378(a) provides that:

> The Commissioner may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Commissioner to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. If the Commissioner accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be

subject to the conditions set forth in 35 U.S.C. 41(c)(2).

37 CFR 1.378(b) provides that:

> Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:
> (1) The required maintenance fee set forth in § 1.20 (e)-(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.

37 CFR 1.378(e) provides that:

> Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two-months of, or such other time as set in, the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(h). After decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(i) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

OPINION

The Commissioner may accept the payment of any maintenance fee required by 35 U.S.C. § 41(b) at any time after the six-month grace period in 35 U.S.C. § 41(b) "if the delay is shown to the satisfaction of the Commissioner to have been unavoidable." See 35 U.S.C. § 41(c)(1).

As the language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (*i.e.*, "unavoidable" delay), a delayed maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. § 133. See 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), aff'd, Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990)). Decisions on reviving abandoned applications 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 Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also 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). The requirement for a showing of unavoidable delay requires a showing that the entire delay until the filing of a grantable petition was "unavoidable." Cf. In re Application of Takao 17 USPQ2d 1155 (Comm'r Pat. 1990)(requirement in 35 U.S.C. § 133 for a showing of unavoidable delay requires a showing that the delay until the filing of a petition to revive was "unavoidable"). 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).

Petitioner (Beltchev) argues that: (1) the pre-1993 Bulgarian law of inventions prohibited Bulgarian citizens from personally filing patent applications in foreign countries; (2) under the pre-1993 Bulgarian law of inventions, the Bulgarian government was in full control of and owned all patents; (3) the 1993 change in the Bulgarian law of inventions is unclear as to the responsibilities of the Bulgarian Industrial Association (BIA)[2] to pay maintenance fees for foreign patents or to notify Bulgarian patentees of an intention not to pay a maintenance fee; (4) petitioner (Beltchev) was never notified by the BIA that the first maintenance fee for the above-identified patent was never paid; and (5) upon becoming aware of BIA's non-payment of the first maintenance fee for the above-identified patent in late 1996, petitioner acted promptly to seek reinstatement of the above-identified patent. The instant petition includes: (1) a declaration by petitioner (Beltchev) dated December 4, 1997 (Beltchev decl. (December 4, 1997)); (2) a declaration by petitioner dated November 30, 1997 (Beltchev decl. (November 30, 1997)); (3) a statement by Bojidar Danev (Danev), the president of the BIA, dated November 28, 1997; (4) a copy of sections of the Law on Inventions and Rationalizations of the People's Republic of Bulgaria/1983/ and the Related Art. 227 of the Penal Code /1983-1993/ and English translation thereof (1983-1993 Law of Inventions); and (5) a copy of sections of the Law on Patents in force from June 1, 1993 and English translation thereof (June 1, 1993 Law of Inventions).

Petitioner has failed to carry his burden of proof to establish to the satisfaction of the Commissioner that the delay in payment of the maintenance fee for the above-identified patent was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3).

As 35 U.S.C. § 41(c)(1) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the PTO under 35 U.S.C. § 133, a

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[2] This entity is referred to in the instant petition as the Bulgarian Industrial Association and the Bulgarian Economic Association (Beltchev decl. (December 11, 1997), ¶ 5), and was referred to in the petition of October 1, 1997 as the Bulgarian Industrial Economic Association (Beltchev decl (July 7, 1997), ¶ 5). It is being referred to in this decision as the Bulgarian Industrial Association (BIA), since that is the title used in the statement by Danev (its president).

reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. That is, 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)(1) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for the above-identified patent. Id. There is no showing that either petitioner (Beltchev) or BIA took any (much less reasonable) steps to ensure the timely payment of the maintenance fees for the above-identified patent. Therefore, 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed maintenance fee for the above-identified patent.

Assuming, *arguendo*, that the 1983-1993 Law of Inventions prohibited Bulgarian citizens from paying maintenance fees on foreign patents, the record indicates that this law was canceled by the June 1, 1993 Law of Inventions. In addition, the decision of October 14, 1997 indicated that paying a maintenance fee does not amount to an exertion of ownership over an application or patent, and specifically stated that:

> There is simply no adequate showing that the law at issue would have prohibited petitioner from paying the maintenance fee prior to March of 1995, since this action would not amount to applying for or owning a patent.

See Decision of October 14, 1997 at 4. The first maintenance fee for the above-identified patent was not payable until March 14, 1994, and was not due until September 12, 1994, nine (9) months after the cancellation of the 1983-1993 Law of Inventions. Petitioner has pointed to nothing in the June 1, 1993 Law of Inventions (or even the 1983-1993 Law of Inventions) that prohibits a Bulgarian citizen from paying a maintenance fee on a foreign patent.[3]

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[3] Petitioner indicates that he doubts that it would have been possible for him to pay the maintenance fee for the above-identified patent. See Beltchev decl. (December 4, 1997), ¶ 5. There is, however, no reasonably specific explanation as to why the Bulgarian law of inventions applicable to the above-identified patent between March of 1994 and March of 1995 would have precluded petitioner from paying the first maintenance fee for the above-identified application. In addition, the record (as discussed below) shows that petitioner did not even try to either convince BIA to pay the first maintenance fee for the above-identified patent or obtain BIA's consent to petitioner

Assuming, *arguendo*, that petitioner (Beltchev) did not have the right to seek reinstatement of the above-identified patent until BIA gave its consent in late 1996,[4] whether petitioner's (Beltchev's) failure to pay the first maintenance for the above-identified patent was "unavoidable" or even "unintentional") is immaterial. See Kim v. Quigg, 718 F. Supp. 1280, 1283-84, 12 USPQ2d 1604, 1607-08 (E.D. Va. 1989)(a mere possibility of acquiring an interest is not a reversionary interest, and does not create any legal or equitable ownership interest in a patent).[5] Danev specifically indicates that BIA deliberately chose not to pay the maintenance fee for the above-identified patent. See Danev statement (November 28, 1997), ¶ 3. A delay caused by a deliberately chosen course of action is not an "unavoidable" delay within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). Cf. In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989)(a delay caused by a deliberate decision to discontinue prosecution of an application is neither an "unavoidable" delay under 35 U.S.C. § 133 and 37 CFR 1.137(a), nor an "unintentional" delay under 35 U.S.C. § 41(a)(7) and 37 CFR 1.137(b)).

Nevertheless, the instant petition lacks an adequate showing as to why: (1) petitioner's (Beltchev's) failure to timely pay the maintenance fee was unavoidable; and (2) petitioner's entire

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paying the first maintenance fee for the above-identified patent.

[4] Petitioner also states that, even now, it is only with BIA's approval that he has the right to apply for reinstatement of the above-identified patent. See Beltchev decl. (December 4, 1997), ¶ 8. It appears that petitioner obtained such consent or approval from BIA no earlier than late 1996. Petition of December 11, 1997 at 2-3.

[5] Under petitioner's charaterization of the relationship of a Bulgarian patentee of a foreign (to Bulgaria) patent and the BIA, it was the BIA (and not the patentee) who posessed all of the attributes of the owner of such patent. Unlike the situation in Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 7 USPQ2d 1588 (E.D. Va. 1988), where the legal assignee was considered to be acting in a fiduciary capacity for the applicant, petitioner's charaterization of the relationship of the BIA to a patentee points to a situation in which BIA not acting in any fiduciary capacity for petitioner, but was acting as the assignee of the entire right, title, and interest (*i.e.*, as the legal and equitable owner).

delay until August of 1997 in paying the first maintenance fee for he above-identified patent was unavoidable.

The decision of October 14, 1997 indicated:

> In any event, there is no showing as to what steps petitioner took to either: (1) convince BIEA to pay the first maintenance fee for the above-identified patent; or (2) at least obtain BIEA's acquiescence to petitioner paying the first maintenance fee for the above-identified patent. In the absence of a showing that petitioner at least attempted to convince BIEA to pay the first maintenance fee for the above-identified patent, it appears that petitioner simply acquiesced in BIEA's decision to permit the above-identified patent to expire.

See decision of October 14, 1997 at 4-5.

The instant petition, however, lacks a showing that Beltchev took any steps between March of 1994 and March of 1995 to either: (1) convince BIA to pay the first maintenance fee for the above-identified patent; or (2) obtain BIA's consent or acquiescence to petitioner paying the first maintenance fee for the above-identified patent. Rather, the showing of record is that petitioner (Beltchev) simply assumed that BIA had paid the maintenance fee for the above-identified patent. See Beltchev decl. (December 4, 1997), ¶ 8.

In addition, there is no showing that Beltchev took any steps (other than to wait for notification from BIA) to even ascertain from BIA whether the first maintenance fee for the above-identified patent had been paid until late 1996 when petitioner's plans to exploit the above-identified patent had progressed to an advanced stage. See Beltchev decl. (December 4, 1997), ¶ 8. Thus, petitioner's delay until late 1996 in ascertaining whether BIA paid the first maintenance fee for the above-identified patent appears to have been caused by petitioner's plans to exploit the above-identified patent not being at a sufficiently advanced stage to merit such inquiry. Delays resulting from decisions concerning the commercial development or exploitation of an application or patent, however, do not constitute an "unintentional," much less "unavoidable," delay. See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131, 53159 (October 10, 1997), 1203 Off. Gaz. Pat. Office 63, 86 (October 21, 1997)(where the applicant deliberately permits an application to become abandoned due to a conclusion that the invention lacks sufficient commercial value to justify continued prosecution, the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting

delay cannot be considered as "unintentional" within the meaning of 37 CFR 1.137(b)).

There is no explanation as to why petitioner was capable of obtaining information and the right to pay maintenance fees from BIA in late 1996 when petitioner was ready to exploit the above-identified patent, but was incapable of obtaining information and the right to pay maintenance fees from BIA until late 1996 (before petitioner's plans to exploit the above-identified patent had progressed to an advanced stage). It appears that petitioner was simply content to leave the care of (and payment of maintenance fees for) the above-identified patent to BIA before late 1996 (i.e., before, petitioner was ready to commercially exploit the above-identified patent). Thus, there is no basis for concluding that petitioner's delay until late 1996 in ascertaining from BIA whether the first maintenance fee for the above-identified patent had been paid was "unavoidable."

Regardless of whether the 1983-1993 Law of Inventions or the 1993 Law of Inventions were unclear as to BIA's authority or responsibility for paying maintenance fees, a reasonably prudent patentee would have taken some initiative to see that the maintenance fees for the above-identified patent were paid timely, or at least to see whether the maintenance fees for the above-identified patent were paid timely. Simply assuming that others are taking action and waiting for notification from others that action has or has not been taken does not represent the care and diligence that is generally used and observed by prudent and careful persons in relation to their most important business.[6] See Pratt, 1887 Dec. Comm'r Pat. at 32-33. Likewise, it does not constitute taking steps to ensure the timely payment of maintenance fees as required by 37 CFR 1.378(b)(3).

The showing of record is that (until late 1996) petitioner (Beltchev) did not take any, much less reasonable, steps to ensure timely payment of the maintenance fees for the above-identified patent, but simply trusted that BIA would pay or had paid such maintenance fees. Simply trusting that others (BIA) will pay any required maintenance fees does not amount to taking reasonable steps to ensure the timely payment of maintenance fees

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[6] A patentee is not entitled to notice that a maintenance fee is due, and a patentee's failure to receive notice that a maintenance fee is due does not constitute unavoidable delay under 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). See Patent No. 4,409,763, 7 USPQ2d at 1800-01. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. See MPEP 2575 and 2590.

as required by 37 CFR 1.378(b)(3). Therefore, 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee for the above-identified patent.

CONCLUSION

For the above stated reasons, petitioner has failed to carry his burden of proof to establish to the satisfaction of the Commissioner that the delay in payment of the maintenance fee for the above-identified patent was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3). Therefore, 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(2) and (b)(3) preclude acceptance of the delayed payment of the maintenance fee for the above-identified patent.

The instant petition under 37 CFR 1.378(e) is granted to the extent that the decision of October 14, 1997 has been reconsidered; however, the request to accept the delayed payment of the maintenance fee for the above-identified patent is **DENIED**.

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

Telephone inquiries regarding this decision should be directed to Robert W. Bahr at (703) 305-9282.

The patent file is being returned to Files Repository.

Manuel A. Antonakas, Director
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