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SEP 02 2004

OFFICE OF PETITIONS
Decision on Petition

In re Patent of :
Mihkel Orav :
Patent No. 5,419,567 :
Issue Date: May 30, 1995 :
Application No. 08/002,632 :
Filing Date: January 11, 1993 :
Attorney Docket No. 93-MO-1 :

This is a decision on the renewed petition under 37 CFR § 1.378(b), filed October 14, 2003, and supplemented March 16, 2004 and May 28, 2004, to reinstate the above-identified patent.

The petition is **DENIED**.¹

Since this patent will not be reinstated, maintenance fees and surcharges submitted by petitioner will be scheduled for a refund. The \$130 fee for requesting reconsideration is not refundable. Therefore the Office will refund \$2,170.²

Background

The patent issued May 30, 1995. The 3.5 year maintenance fee could have been paid from May 30, 1998 through November 30, 1998, or with a surcharge during the period from December 1, 1998 to May 30, 1999. Petitioner did not do so. Accordingly, the patent expired May 31, 1999.

A petition under 37 CFR 1.378(c) was filed on February 24, 2003. The petition was dismissed on March 3, 2003. A petition under 37 CFR 1.378(b) was filed June 16, 2003, and was dismissed in the decision of August 18, 2003.

Applicable Statutes and Regulation

35 U.S.C. § 41(b) states in pertinent part that, "Unless payment of the applicable maintenance fee is received . . . on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period."

35 U.S.C. § 41(c)(1) states that, "The Commissioner may accept the payment of any maintenance fee . . . after the six month grace period **if the delay is shown to the satisfaction of the Commissioner to have been unavoidable.**" (emphasis added)

¹ This decision may be viewed as a final agency action within the meaning of 5 USC § 704 for purposes of seeking judicial review. See MPEP 1002.02. The terms of 37 CFR 1.378(e) *do not apply* to this decision.

² Some confusion appears to exist concerning prior payments of \$1,075 and \$15. Office records indicate these fees were refunded, during September of 2003, by electronic transfer directly back into the account upon which the check for these fees was written. If concerns still exist, petitioner may contact the Office of Finance at 703-305-8083 or 703-305-8051, or write to the Office of Finance at: Mail Stop 16, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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

A showing that . . . reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee . . . 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.

Opinion

Petitioner must establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.³ However, "The question of whether an applicant's delay in prosecuting an application was unavoidable [will] be decided on a case-by-case basis, taking all of the facts and circumstances into account."⁴ The statute requires a "showing" by petitioner. Therefore, petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. It is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable.

Facts:

On Tuesday, February 17, 1998, petitioner's attorney notified him that the 3.5 year maintenance fee was due. Specifically, the attorney sent a facsimile transmission stating,

MIKE, IF YOU WISH TO MAINTAIN THIS PATENT PLEASE SEND CHECK FOR \$590 ASAP. FEE AND TRANSMITTAL MUST BE FILED AT US PATENT OFFICE BY MAY!!

Petitioner circled "\$590 ASAP." and connected the circle to another circle which included the words "TO HOWARD." Below the words "TO HOWARD", but outside the second circle, petitioner wrote, "I'M GOING TO TALK TO HIM ON THURSDAY".

The record fails to indicate petitioner gave any oral instructions to his assistant, who is also his wife, regarding payment of the fee. Petitioner states she was given instructions by her receipt of the marked up facsimile transmission.

The June 16, 2003 petition states that, upon receipt of the marked up facsimile transmission, the assistant/wife "believed that she had been instructed to wait until after the expected Thursday conversation to prepare and mail the check." A statement by the wife has not been submitted.

³ The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard. 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee ... at any time ... if the delay is shown to the satisfaction of the Commissioner to have been unavoidable." (emphasis added).

⁴ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (1982).

The record fails to indicate whether or not the instant patent was discussed at the Thursday meeting.

The record fails to establish that the assistant/wife inquired about the maintenance fee after the Thursday meeting.

The attorney interpreted petitioner's failure to respond to his letter as an indication that petitioner did not wish to pay the maintenance fee and the attorney did not pay the maintenance fee.

On or about February 12, 2003, petitioner's assistant, while searching the PTO website, discovered the expiration of the instant patent.

Analysis:

Petitioner bears the burden of proof. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable. The written record fails to prove that petitioner treated the payment of the maintenance fee the same as a reasonable and prudent person would treat his or her most important business.

The Office has considered the entire record in rendering a decision on the instant decision. Factors which have been considered include, but are not limited to:

- (1) the foreseeable likelihood of the error which led to non-payment of the fee,
- (2) the foreseeable harm which could result if the error occurred, and
- (3) the burden which would have been imposed by petitioner if he took precautions to eliminate or reduce the possibility of the error.

As to (1), a foreseeable likelihood existed that the assistant would misunderstand or misconstrue the instructions. A failure to communicate and misunderstandings are a risk any time one interacts with another human being. Therefore, the risk of a misunderstanding was foreseeable.

The degree of the risk than an error would occur was significant. The assistant was only given instructions via the marked up copy of the facsimile transmittal. The record fails to indicate that a regular business routine existed whereby petitioner would circle a dollar amount to a third party, write "TO [the name of the party]," give the sheet to the assistant without further instruction, and have the assistant successfully pay the fee. The marked up copy does indicate that a fee is owed to the attorney as soon as possible and before May, but does not explicitly state that it should be paid or when it should be paid. The record fails to indicate the assistant paid *all* bills. If petitioner paid some of the bills, then the marked up copy might be construed as an intent on the part of petitioner to pay the fee himself and an instruction to the assistant to keep the letter for petitioner's records. Even if the instructions would normally be clear, the addition of "I'M GOING TO TALK TO HIM ON THURSDAY," created a significant likelihood of confusion or misunderstanding. It is foreseeable that a person reading the paper would assume that the language bears some form of relation to the language indicating that \$590 needed to be paid to the attorney if petitioner wished to maintain the patent. It is foreseeable that a person might interpret petitioner's addition to mean that the fee would be discussed on Thursday and that petitioner would pay the fee at that time or instruct payment of the fee after the meeting.

As to (2), the foreseeable degree of harm was immense. In order to establish unavoidable delay, petitioner must prove that he treated the patent the same as he would treat his most important business. The foreseeable harm was the expiration of the patent and the loss of petitioner's most important business.

As to (3), one can never fully eliminate the risk of a misunderstanding. However, small steps could have significantly reduced the probability of a misunderstanding. Petitioner could have provided oral instructions. Petitioner could have provided clearly written instructions or more detailed, explicit instructions. Petitioner could have refrained from adding to the letter language informing the assistant he would be meeting with the attorney in two days or less. If it was necessary to inform her of the meeting, such information could have provided separately in order for her to add such a meeting to his calendar.

Objective consideration of the marked up facsimile transmittal form indicates a significant and foreseeable likelihood that the instructions would be misunderstood. The impact of a misunderstanding could be drastic. The burden required to reduce the risk was minor. A reasonable and prudent person, treating the patent as his or her most important business, would have ensured that instructions to his or her assistant were clear and concise and would have taken steps necessary to reduce or eliminate any factors which created a chance for a misunderstanding.

Decision

The prior decision which refused to accept under 37 CFR § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the reasons herein and stated in the previous decision, the entire delay in this case cannot be regarded as unavoidable within the meaning of 35 USC § 41(c)(1) and 37 CFR § 1.378(b). Therefore, the petition is **denied**.

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

The patent file is being forwarded to Files Repository.

Telephone inquiries may be directed to Petitions Attorney Steven Brantley at (571) 272-3203.



Charles Pearson
Director
Office of Petitions