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**OFFICE OF PETITIONS**

Patent Number: 5936183 :  
Issue Date: 08/10/1999 :  
Application Number: 08/991268 : DECISION ON PETITION  
Filing Date: 12/16/1997 :  
For: NON-LETHAL AREA DENIAL :  
DEVICE :

This is a decision in response to the "PETITION UNDER 37 CFR 1.181 AND/OR 37 CFR 1.183 FOR SUSPENSION OF THE RULES" ("Renewed Petition") filed on July 26, 2007, requesting (a) that the Director of the USPTO exercise his supervisory authority under 37 CFR 1.181(a)(3); and (b) waiver of the rules to allow reconsideration of the final agency action mailed on May 22, 2007.

The petition is **DENIED**.

Petitioner avers, in pertinent part:

TASER respectfully submits that the root cause of the failure to pay the maintenance fee was Resnick's indication to the Tachner Firm that TASER did not need Tachner's assistance. Resnick's indication effectively instructed the Tachner Firm not to inform TASER of maintenance fee deadlines, including the 4<sup>th</sup> year maintenance fee deadline of the [subject] patent.

Petitioner further asserts "the arguments proffered in TASER's original petition were based on mistaken facts provided to TASER by the Tachner Firm." See Renewed Pet. at 2. In the original petition, petitioner stated that Tachner's Office Manager, Janis Foreman, contacted Resnick to inquire as to whether the

maintenance fee for the subject patent should be paid, but that no response was received from Resnick.

In support of its renewed petition, petitioner has one new declaration from Ms. Foreman (hereinafter "the Foreman declaration") in which she states that she now believes that before August 2003, she telephoned Resnick's office to ask for authorization to pay the first maintenance fee, and that she spoke with "either Resnick or someone else at his office" who stated that the subject patent had been assigned to another company and that the new assignee was responsible for payment of the maintenance fee. As such, the maintenance fee was not paid by Tachner's office.

Essentially, petitioner seeks waiver of the rules under 37 CFR 1.183, or that the Director exercise his supervisory authority under 37 CFR 1.181 to reconsider the final agency action because Foreman's statement constitutes corrected new evidence.

Petitioner's argument has been considered, but is not persuasive.

First, with regard to 37 CFR 1.181(a)(3), a petition under 37 CFR 1.181, requesting that the Director of the USPTO exercise his supervisory authority and vacate the examiner's decision, will not be entertained except where there is a showing of clear error. See Ex parte Hartley, 1908 C.D. 224, 136 O.G. 1767 (Comm'r Pat. 1908). MPEP 720.05. Although petitioner brought forth a corrected declaration as alleged "new evidence," there has been no showing of clear error upon which the Director of the USPTO could exercise his supervisory authority.

Second, petitioner has not made a showing sufficient to justify waiver of the rules. In particular, 37 CFR 1.183 states that only in an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, *sua sponte*, or on petition of the interested party, subject to such other requirements as may be imposed. Petitioner, has not, however, shown an extraordinary circumstance where justice requires suspension of the rules.

At the outset, petitioner has not explained why the alleged new evidence in the Foreman declaration was not discovered prior to the filing of the request for reconsideration under 37 CFR

1.378(e).<sup>1</sup> In fact, the initial decision of which petitioner sought reconsideration expressly stated:

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378 (e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136 (a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of 400.00 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below, since, after a decision on the petition for reconsideration or review of the matter, no further reconsideration or review of the matter will be undertaken by the Commissioner.

See August 22, 2006, decision (emphasis added). Accordingly, petitioner was given express notice that any lacking items should be provided with any request for reconsideration and after a reconsideration decision, no further review would be undertaken.

After subsequently mailing a final agency action (i.e., the reconsideration decision) on May 22, 2007, petitioner retained new counsel, Marc Sockol, on June 20, 2007. Petitioner avers that Sockol spoke to Tachner and Foreman in July 2007, and, it was then discovered that Foreman's earlier declaration was in error. The showing of record is that, rather than an extraordinary circumstance, petitioner's earlier counsel either failed to fully investigate the facts and circumstances surrounding the expiration of the patent prior to petition for reconsideration under 37 CFR 1.378(e) or one of the declarants (Janice Foreman) was not fully prepared or she simply recollected new or corrected facts later. Regardless, the alleged "new" or "corrected" evidence in the Foreman declaration does not flow from the type of "extraordinary" circumstance that would justify waiver of the rules, nor does it alter the final agency decision issued on May 22, 2007.

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<sup>1</sup> 37 CFR 1.378(e), in pertinent part, states "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(f). After the decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director." (emphasis added).

Thus, there is no adequate showing of "an extraordinary situation" in which "justice requires" suspension of the time period set forth in 37 CFR 1.378(e) or waiver of any other rules.

Furthermore, even if waiver of the rules were justified under 37 CFR 1.183, the showing of record does not support a finding that the delay in payment of the maintenance fee was unavoidable. 37 CFR 1.183 requires an adequate showing of "an extraordinary situation" in which "justice requires" waiver of the rules. The first Foreman declaration states in pertinent part, that Foreman believes she telephoned Resnick at his office to ask for authorization to pay the 4<sup>th</sup> year maintenance fee, but that she did not receive a response." In her new declaration, by contrast, Ms. Foreman states that she recalls speaking to Resnick or someone else at his office, who informed Foreman that Resnick had assigned the '183 patent to another company and that the new assignee was responsible for payment of the maintenance fee. In essence, the only new evidence brought forth is that Foreman did not pay the maintenance because she was told by Resnick or another person in Resnick's office not to pay the maintenance fee rather than because she did not receive a response from Resnick.

Both of these declarations concern ordinary, routine matters, and the mere fact that a declarant has a later remembrance of a minor conversation is not an extraordinary circumstance in which justice requires waiver of the rule. Rather, the matter of whether Foreman did or did not speak to Resnick or one of his employees is inconsequential, as Foreman apparently learned at that time that Resnick was not going to pay the maintenance fee, as it is undisputed that Foreman wrote "NOT US- NEW ASSIGNEE TO PAY" on her docket sheet. Simply put, it is of no consequence whether Foreman now remembers talking to Resnick or his associates or not, as the conclusion is the same: Resnick neither paid or intended to pay the maintenance fee. As the showing of record is that the same result: non-payment of the maintenance fee by Resnick would have occurred under the scenarios described in both the first and second Foreman declaration, petitioners have not satisfied the requirements of 37 CFR 1.183.

It is also noted that the only "new" or "corrected" evidence submitted in support of the present petition is the Foreman declaration. The other declarations and statements either simply restate old evidence, or make factual assertions supporting Petitioner's re-framed argument that the alleged "root cause" (see Renewed Petition at 15) of the expiration of the patent is due to Resnick's, and its counsel's [Tachner], failure to pay the maintenance fee, or failure to inform TASER of the requirement to pay the maintenance fee, after ownership of the present patent

was transferred to Taser on June 27, 2003. That is, TASER believed Tachner, as Resnick's registered patent practitioner, would continue to be responsible for tracking and paying the maintenance fee in the present patent, or notifying TASER thereof even after the assignment took place.

Clearly, the two parties (Resnick and TASER) misunderstood who was responsible to maintain the subject patent after the assignment took place. See, e.g., Declaration of Douglas Klint, Vice President and CEO of TASER. Klint states that he believed that Tachner would continue to track and pay the maintenance fees for the subject patent, until November 2004, notwithstanding the assignment of the application from Resnick to TASER on June 27, 2003. See also Foreman Declaration, which states in pertinent part that she believed before August 2003, Tachner was no longer responsible for tracking and paying the patent maintenance fees after the June 27, 2003, assignment. In fact, before August 2003, Foreman entered into docket records "new assignee to pay" to indicate that she, as Tachner's office manager, believed that the new assignee, not Tachner, was responsible for payment of the maintenance fee. See also Declaration of Patrick Smith, CEO of TASER, who states he believed that Tachner was responsible for tracking and paying the maintenance fees even after assignment. See also Declaration of Jodie Miller, secretary and docket clerk for Tachner's law firm, who states that before August 2003, she believed Tachner no longer bore responsibility for tracking and paying the maintenance fees in the subject patent because of an assignment that took place on June 27, 2003. This confusion and miscommunication between the parties did not relieve Taser of the obligation to maintain its patent once ownership had transferred in June 2003. See e.g., California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995); See, Winkler v. Ladd, 221 F.Supp 550, 552, 138 USPQ 666, 667 (D.D.C. 1963) (delay caused by a failure to act by or on behalf of the party in interest at the time the action needs to be taken is binding); see also Burandt v. Dudas, 496 F.Supp.2d 643, 647 (E.D. Va. 2007) (patent owner is responsible for payment of maintenance fees).

Further, TASER's allegation that the purchase and sale agreement obligated Tachner (on behalf of Resnick) to maintain responsibility over the patent after the assignment date is not supported by evidence. Note, petitioner has not submitted a copy of any agreement or contract reflecting such an agreement between the parties. In fact, the declarations from the Tachner firm indicate to the contrary. For example, once assignment took place, Janice Foreman (at the Tachner firm) marked her docket as "new assignee to pay." See Foreman Declaration and Miller

Declaration; see also Tachner Declaration ("Before the 4<sup>th</sup> year maintenance fee deadline of August 2003, I learned that Resnick had transferred his assets including the subject patent . . . to Taser. . . [and] . . . I do not recall any discussion with Resnick or TASER regarding the 4<sup>th</sup> year maintenance fee for the '183 patent.").

By not immediately addressing the newly owned '183 patent on June 27, 2003, prior to its expiration on August 10, 2003, the showing of record is that TASER was not acting as a prudent business person dealing with its most important business. 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)); see also 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, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913). Moreover, although the assignment occurred on June 27, 2003, it was not recorded in the United States Patent and Trademark Office (USPTO) until November 2004, over a year later, which is substantially past the three-month time period for secured recordation in the patent statute. See 35 U.S.C. § 261 ("An assignment, grant or conveyance shall be void as against any subsequent purchaser or mortgagee for valuable consideration, without notice, unless recorded in the Patent and Trademark Office within three months from its date or prior to the date of such subsequent purchase or mortgage."). Such a delay in recordation is further evidence showing TASER's lack of diligence and failure to act as a prudent business person dealing with its most important business.

Instead, TASER alleges that it believed, due to miscommunication and misunderstanding of the ownership transfer agreement, Tachner would continue to be responsible for tracking and paying the maintenance fees. Resnick has not confirmed the responsibility alleged by TASER. In fact, Resnick's law firm, the Tachner firm, alleges otherwise, i.e., that well trained employees at the Tachner firm believed they were not responsible to maintain the subject patent because it was assigned on June 27, 2003, and a "new assignee would be responsible." See Declarations of Foreman, Miller and Tachner. Such miscommunication between the assignee (or its lawyers) and assignor (or its lawyers) does not meet the unavoidable standard.

Delay resulting from a failure in communication between a client and a registered practitioner is not unavoidable delay. In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). Specifically, delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b). See Ray, 55 F.3d at 610, 34 USPQ2d at 1789. Moreover, the Office is not the proper forum for resolving a dispute as to the effectiveness of communications between parties regarding the responsibility for paying a maintenance fee. Id.

Furthermore, reliance upon third party prosecution of a patented file without an express contractual obligation designating the third party as the sole payor of the maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 133. See Futures Technology v. Quigg, 7 USPQ2d 1588 (E.D. Va. 1988). Assuming, arguendo, such a contract does exist, petitioner has not shown what steps were taken by petitioner to inquire as to the third party's reasonably diligent efforts to timely pay the maintenance fees. See Winkler v. Ladd, 138 USPQ 666, (Comm'r Pat. 1963). If petitioner can not provide evidence that a third party was contractually obligated to pay the maintenance fees on the instant application and that petitioner has made inquiry of that third party as to the steps taken to timely pay the maintenance fee, then petitioner must indicate what steps were taken by petitioner to ensure timely payment of the maintenance fee.

Here, petitioner TASER apparently relied upon Resnick and/or Tachner to pay the maintenance fee. Petitioners have not shown that any steps were taken by TASER to verify that the maintenance fee had actually been paid. Rather, the showing of record is that petitioners took no steps at all until checking the USPTO website on January 11, 2005, nearly a year and a half after expiration of the patent on August 10, 2003, and did not learn that the patent had expired until November 2005, nearly two years after expiration. As such, the showing of record is that petitioner TASER was not diligent in inquiring whether the maintenance fee had been timely paid.

Petitioner's request to reinstate the present patent under 37 CFR 1.378(b) was twice considered by the USPTO and was denied in the decision mailed on May 22, 2007. As stated in the decision mailed on May 22, 2007, petitioners have not shown that the delay in paying the maintenance fee in the present patent was unavoidable. As such, the decision of May 22, 2007, represents

Patent Number: 5,936,183

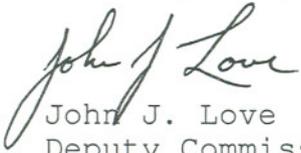
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the conclusion of the consideration by the USPTO of petitioners' request to reinstate the above-identified patent.

The petition is **DENIED**. **This decision is considered a final agency action, and no further petitions or requests for reconsideration will be considered.**

This file is being returned to Files Repository.

Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 571-272-3231.



John J. Love  
Deputy Commissioner for Patent Examination Policy