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**OFFICE OF PETITIONS**

In re Application of :  
James F. Maxwell et al. :  
Application No. 08/069,776 :  
Patent No. 5,388,893 : DECISION ON RENEWED PETITION  
Filed: June 1, 1993 : UNDER 37 C.F.R. §1.378(E)  
Issue Date: February 14, 1995 :  
Title: PAVEMENT GRINDER AND :  
TRENCH OPENING MILL AND METHOD :

This is a decision on the renewed petition under 37 C.F.R. §1.378(e), filed on November 29, 2006<sup>1</sup>, requesting reconsideration of a prior decision pursuant to 37 C.F.R. §1.378(b)<sup>2</sup>, which refused to accept the delayed payment of maintenance fees for the above-referenced patent.

<sup>1</sup> A petition was received on November 17, 2006, however the latter petition explicitly requests the withdrawal of this first petition. See petition of November 29, 2006, page 2.

<sup>2</sup> 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) - (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.

The request to accept the delayed payments of the maintenance fees associated with this patent is **DENIED**<sup>3</sup>.

The patent issued on February 14, 1995. The grace period for paying the 7½-year maintenance fee provided in 37 C.F.R. §1.362(e) expired at midnight on February 14, 2003, with no payment received. Accordingly, the patent expired on February 14, 2003 at midnight.

A petition under 37 C.F.R. §1.378(b) was filed August 18, 2006, along with the surcharge associated with a petition to accept late payment of a maintenance fee as unavoidable, the 7½ and 11½-year maintenance fees, and a statement of facts.

With the original petition, Petitioner met the first and second requirements above.

The third requirement above will be discussed below.

#### The standard

35 U.S.C. §41(c)(1) states:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay<sup>4</sup> is shown to the satisfaction of the Director to have been unavoidable.

§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<sup>5</sup>.

<sup>3</sup> This decision may be regarded as a final agency action within the meaning of 5 U.S.C. §704 for the purposes of seeking judicial review. See MPEP 1002.02.

<sup>4</sup> 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).

<sup>5</sup> 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.

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account<sup>6</sup>." Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable<sup>7</sup>."

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) and 37 C.F.R. 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, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 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 C.F.R. 1.378(b).

Furthermore, under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. Thus, in support of an argument that the delay in payment was unavoidable, evidence is required that despite reasonable care on behalf of the patentee and/or the patentee's agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid<sup>8</sup>.

Even if the Office were required to provide notice to applicant of the existence of maintenance fee requirements, such notice is provided by the patent itself.<sup>9</sup>

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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).

<sup>6</sup> *Smith v. Mossinghoff*, 671 F.2d at 538, 213 U.S.P.Q. at 982.

<sup>7</sup> *Haines*, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

<sup>8</sup> See MPEP 2590 (Manual of Patent Examining Procedure, Rev. Aug. 1, 2001).

<sup>9</sup> See *Ray v. Lehman*, 55 F.3d 606, 610; 34 USPQ2d 1786, 1789 (Fed. Cir. 1995).

Docketing error

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay.

Such a showing should identify the specific error<sup>10</sup>, the individual who made the error, and the business routine in place for performing the action which resulted in the error. The showing must establish that the individual who erred was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care. The showing should include information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

- (1) the error was the cause of the delay at issue,
- (2) a business routine was in place for performing the clerical function that could reasonably be relied upon to avoid errors in its performance, and;
- (3) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

See MPEP 711.03(c)(III)(C)(2).

An adequate showing should include (when relevant):

- (1) statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them;
- (2) a thorough explanation of the docketing and call-up

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<sup>10</sup> Petitioner must identify the error which caused the delay. If the specific error cannot be identified, Petitioner must identify any and all possible causes and prove that any of them, if they were the true cause, constitute unavoidable delay. A full and complete discussion for each possible error must be presented. Petitioner is reminded that he has the burden of proof.

- system in use;
- (3) identification of the type of records kept;
  - (4) identification of the persons responsible for the maintenance of the system;
  - (5) copies of mail ledger, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing;
  - (6) include an indication as to why the system failed in this instance, and;
  - (7) information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

**Portions of the Code of Federal Regulations and the MPEP relevant to the abandonment of this application**

37 C.F.R. §1.2 sets forth, *in toto*:

All business with the Patent and Trademark Office should be transacted in writing. The personal attendance of applicants or their attorneys or agents at the Patent and Trademark Office is unnecessary. The action of the Patent and Trademark Office will be based exclusively on the written record in the Office. No attention will be paid to any alleged oral promise, stipulation, or understanding in relation to which there is disagreement or doubt.

37 C.F.R. §1.362 sets forth, *in pertinent part*:

(a) Maintenance fees as set forth in §§1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.

(d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:

- (1) 3 years through 3 years and 6 months after grant for the first maintenance fee,
- (2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and
- (3) 11 years through 11 years and 6 months after grant for the third maintenance fee.

(e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:

- (1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.
- (2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and

(3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.

(f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.

(g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.

MPEP 2515 sets forth, *in pertinent part*:

If a patent expires because the maintenance fee and any necessary surcharge have not been paid in the manner required by 37 C.F.R. 1.366, the patentee could proceed under 37 C.F.R. 1.378 (see MPEP § 2590), if appropriate, or could file a petition under 37 C.F.R. 1.377 (see MPEP § 2580) within the period set therein seeking to have the maintenance fee accepted as timely even though not all of the required identifying data was present prior to expiration of the grace period

MPEP 2575 sets forth, *in pertinent part*:

Under the statutes and the regulations, the Office has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to ensure that the maintenance fees are paid to prevent expiration of the patent. The Office will, however, provide some notices as reminders that maintenance fees are due, but the notices, errors in the notices or in their delivery, or the lack or tardiness of notices will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by operation of law. The notices provided by the Office are courtesies in nature and intended to aid patentees. The Office's provision of notices in no way shifts the burden of monitoring the time for paying maintenance fees on patents from the patentee to the Office.

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

Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee and surcharge, as set by 35 U.S.C. 41(c) and 37 C.F.R. 1.378(b)(3). The period for paying the 7½-year maintenance fee without the

surcharge extended from February 14, 2002 to August 14, 2002 and for paying with the surcharge from August 15, 2002 to February 14, 2003. Thus, the delay in paying the 7½-year maintenance fee extended from February 14, 2003 at midnight to the filing of the original petition on August 18, 2006.

Petitioner has identified the error which was the cause of the delay at issue, and has provided a thorough explanation of the docketing and call-up system in use.

As set forth in the original petition under 37 C.F.R. §1.378(b), Petitioner began the representation of the Patentee subsequent to the submission of the 3½-year maintenance fee, and the present patent was not entered properly into the docketing system at the outset of this representation<sup>11</sup>. The 3½-year maintenance fee was received in the Office on July 30, 1998, and the present law firm began representing this Patentee in the summer of 2001<sup>12</sup>.

Attorney Krieger has set forth that he "did not notify the docket clerk to enter the 5,388,893 patent into our docket system<sup>13</sup>." Since the patent was not entered into the docket system, no notification was provided by the system when the time for the 7½-year maintenance fee arrived, and consequently, the maintenance fee was not timely submitted.

The procedure set forth in MPEP 711.03(c)(II)(C)(2) pertaining to docketing errors concerns a method where a similar mistake could be characterized as unavoidable, but only when the actor was an employee such as a docket clerk or a paralegal. When the actor is a registered member of the patent bar, he is held to a higher standard than one of these aforementioned employees. As such, Mr. Krieger's "oversight," which directly resulted in the expiration of this patent, cannot be characterized as unavoidable.

Nine months after the expiration of the present patent, on November 13, 2003, the failure to initially enter this information was discovered. Mr. Krieger was made aware of this problem, and he then directed one Ms. Rimal, a docket clerk, to resolve the issue<sup>14</sup>.

11 Original petition, pages 2-3.

12 Id at 2

13 Original petition, page 3.

14 Original Petition, page 3 and Krieger declaration of facts, submitted with original petition, paragraphs 10-11.

Ms. Rimal has set forth:

it was the policy of Kirton & McConkie, during my employment, that all docketing entries were verified by the responsible attorney...the responsible attorney verifies that the call to the maintenance fee branch of the USPTO had been placed and that all past fees had been paid."

Rimal declaration, paragraphs 11 and 14.

Thus, firm policy dictated that when a patent was entered into the docket system, a call was placed to the maintenance fee branch of the Office, in order to verify that all maintenance fees had been paid. Ms. Rimal has set forth that a note appears in the file, dated November 13, 2003, which indicates that a call had been placed to the Office, and that she had been informed that all past maintenance fees had been paid. As such, a reminder to pay the second maintenance fee was not placed into the docket system (as set forth above, on November 13, 2003, the window for submitting the second maintenance fee had already closed). Ms. Rimal has no recollection of the specifics of that phone call, but she supposes that either the Office misinformed her of the prior payment, or she transposed a digit when relaying the patent number to the Office<sup>15</sup>.

In an e-mail to the client dated November 13, 2003, Mr. Krieger informed the client that the next maintenance fee would not be due until August 14, 2006.

The effect of this omission was not appreciated until the week of August 7, 2006, when the docketing system generated a reminder to submit the 1½-year maintenance fee<sup>16</sup>. At which time, a paralegal by the name of Tamara Dodd discovered that the second maintenance fee had not been paid.

The decision on the original petition inquired why Mr. Krieger failed to realize that the second maintenance fee had not been submitted, when the failure to enter the patent into the docketing system was brought to his attention on November 13, 2003. With this renewed petition, Petitioner has explained that Office policy is to verify that past maintenance fee payments had been paid by calling the maintenance fee branch of the Office to verify that the past payments had been paid<sup>17</sup>. Ms.

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15 Rimal declaration, paragraphs 16 - 22.

16 See original petition, page 3.

17 Rimal declaration, paragraph 12.

Rimal has supposed that either she received incorrect information from the Office during this telephone call, or that she gave the incorrect patent number to the Office.

It is clear that Mr. Krieger failed to adequately investigate and correct the prior error after becoming aware that the patent was mistakenly never docketed on November 13, 2003.

Specifically, upon becoming aware that the patent was never docketed, he should have known that the maintenance fee would not have been paid prior to the expiration of the patent nine months earlier. Petitioner provides no compelling argument why it would have been reasonable for him to believe that the maintenance fee would have been paid by the firm where the firm never docketed the maintenance fee. Furthermore, a reasonably prudent person, knowing that the maintenance fee was never docketed and treating this patent as his most important business, would not have relied upon oral hearsay to confirm payment of the maintenance fee, but rather would have consulted the firm's own documentary proof of timely payment of the maintenance fee, e.g. chased check, deposit account statements, etc. The absence of any such documentary evidence in the firm's records should have raised a red flag that the maintenance fee was not paid.

Moreover, Ms. Rimal has indicated that she does not specifically recall this phone call<sup>18</sup>, and as such, her statements of the contents thereof amount to mere supposition and conjecture. Secondly, Rule §1.2 clearly indicates that "no attention will be paid to any alleged oral promise, stipulation, or understanding in relation to which there is disagreement or doubt."

It appears that both Mr. Krieger and Ms. Rimal were able to omit the entry of patents into the docket system, and there do not appear to have been any checks on the proper entry of all patents for which Mr. Krieger was responsible, nor does it appear that there was any supervision of his work. It follows that in the absence of any checks or supervision, Petitioner cannot fairly assert that he "reasonably (emphasis added) relied on the docketing system to provide reminders of actions due, including the maintenance fees for any of Kirton & McConkie's clients<sup>19</sup>." If both the attorney and a docket clerk were free to omit patents from this docket system, it does not appear that

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<sup>18</sup> Rimal declaration, paragraph 22.

<sup>19</sup> Krieger declaration, paragraph 9.

the firm had in place a business routine which could reasonably be relied upon to avoid errors in its performance.

Furthermore, it does not appear that it was reasonable for Mr. Krieger to rely on the work of Ms Rimal, in that she did not have sufficient training and experience. The assignee of this patent retained this law firm in August of 2001<sup>20</sup>. Ms. Rimal was hired in July of 2001, and received two months of training in the docket system<sup>21</sup>. As such, she had only been on the job for one month and was still in training when the failure to enter the present patent into the docketing system occurred.

Ms. Rimal has asserted that "it was the policy of Kirton & McConkie, during my employment, that all docketing entries were verified by the responsible attorney...the responsible attorney verifies that the call to the maintenance fee branch of the USPTO had been placed and that all past fees had been paid<sup>22</sup>." It is clear that Mr. Krieger was in charge of reviewing the work of this trainee, and due to his failure to instruct her to enter the present patent into the docketing system, she failed to complete this task. But for this oversight, the present patent would have been entered into the docketing system, the maintenance fee would have been paid, and the present patent would not have expired<sup>23</sup>.

Finally, Petitioner has not provided examples of other work functions carried out by Ms. Rimal.

### Conclusion

The prior decision which refused to accept, under 37 C.F.R §1.378(b), the delayed payment of the maintenance fees for this patent, has been reconsidered. For the above stated reasons, the delay in these cases cannot be regarded as unavoidable within the meaning of 35 U.S.C. §41(c)(1) and 37 C.F.R. §1.378(b).

Since this patent will not be reinstated, Petitioner is entitled to a refund of the surcharge and maintenance fees, but not the \$400 fee associated with the filing of the instant renewed

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20 Hansen declaration, paragraph 7.

21 Rimal declaration, paragraphs 1 and 4.

22 Rimal declaration, paragraphs 11 and 14.

23 Hansen declaration, paragraph 11.

petition under 37 C.F.R. §1.378(e). These fees will be refunded to Petitioner's Deposit Account in due course.

Telephone inquiries regarding *this decision* should be directed to Senior Attorney Paul Shanoski at (571) 272-3225<sup>24</sup>. All other inquiries concerning examination procedures should be directed to the Technology Center.

A handwritten signature in cursive script, appearing to read "Charles Pearson".

Charles Pearson  
Director  
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<sup>24</sup> Petitioner will note that all practice before the Office should be in writing, and the action of the Office will be based exclusively on the written record in the Office. See 37 C.F.R. §1.2. As such, Petitioner is reminded that no telephone discussion may be controlling or considered authority for any further action(s) of Petitioner.