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OFFICE OF PETITIONS

Paper No. 23

**DORSEY & WHITNEY LLP**  
**INTELLECTUAL PROPERTY DEPARTMENT**  
**SUITE 1500**  
**50 SOUTH SIXTH STREET**  
**MINNEAPOLIS MN 55402-1498**

In re Patent No. 6,496,328 :  
Issue Date: December 17, 2002 :  
Application No. 09/475,420 : ON PETITION  
Filed: December 30, 1999 :  
Attorney Docket No. 14317 :

This is a decision on the petition filed June 17, 2008, under 37 CFR 1.378(e), to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent. This is also a decision on the petition filed December 8, 2008, under 37 CFR 1.378(c) to accept the unintentionally delayed payment of a maintenance fee for the above-identified patent.

It is noted that the first paragraph of the petition filed June 17, 2008 states the request is under 37 CFR 1.138(e) but this is assumed to be a typographic error and petitioner intended to say 37 CFR 1.378(e).

The petition under 37 CFR 1.378(e) is **DENIED**.

The petition under 37 CFR 1.378(c) is **GRANTED**.

**BACKGROUND**

The patent issued December 17, 2002. The first maintenance fee was due June 17, 2006, and could have been paid from December 17, 2005 through June 17, 2006, or with a surcharge during the period from June 18, 2006 through December 17, 2006. Accordingly, the patent expired at midnight December 17, 2006, for failure to timely pay the first maintenance fee.

A first petition to accept the three and one-half year maintenance fee as unavoidably delayed under 37 CFR 1.378(b) was filed April 24, 2007 with a duplicate was filed July 20, 2007. A request for information was mailed February 20, 2008 and a Response to Request for Information

was filed March 17, 2008. The petition under 37 CFR 1.378(b) was dismissed in a Decision mailed May 14, 2008.

**As to the petition under 37 CFR 1.378(e):**

The instant petition under 37 CFR 1.378(e) was filed June 17, 2008. Petitioner requests reconsideration of the Decision mailed May 14, 2008 indicating that the delay was unavoidable due to the fact that when petitioner attempted to pay the maintenance he could not do so as the maintenance fee had already been paid.

**STAUTE AND REGULATION**

35 U.S.C. § (2)(B)(2) provides, in part, that:

The Office-- may, establish regulations, not inconsistent with law, which

(A) shall govern for the conduct of proceedings in Office.

35 U.S.C. § 41(c)(1) provides that:

The Director 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 Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director 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 Director 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(b) provides that:

(b) 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) through (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(f). After the decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and 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

Petitioner requests reconsideration of the previous adverse decision on the petition filed under 37 CFR 1.378(b) and submits that the attempt to pay the three and one-half year maintenance fee was timely but that the fee had already been paid. The Office would not accept petitioner's fee submission. Therefore, the expiry of the instant patent was unavoidable. Petitioner has not met his burden of proving to the satisfaction of the Director that the delay was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. § 133 because 35 U.S.C. § 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 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 (D.C. Cir. 1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32 33 (Comm'r Pat. 1887) see also 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).

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable. Cf. Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960)(35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff'd* 937 F.2d 623 (Fed. Cir. 1991)(table), *cert. denied*, 502 U.S. 1075 (1992); Ray v. Lehman, *supra*.

As 35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 USC § 133, a 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 v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). 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) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the maintenance fee for this patent. Id.

Petitioner asserts that Computer Packages Inc. (CPI) handles maintenance fee payments for petitioner. On March 29, 2006, petitioner instructed CPI to pay the maintenance fee in the above identified patent. CPI went to the USPTO website on June 16, 2006 to pay the maintenance fee and discovered the maintenance fee had already been paid. Petitioner also received a Notice of Special Acceptance of Patent Maintenance Fee dated June 13, 2006 which further confirmed payment of the maintenance fee. At this point, petitioner was apparently satisfied that the maintenance fee had, in fact, been paid and accepted. On January 17, 2007, petitioner received a Notice of Patent Expiration. There had been no correspondence from the USPTO indicating that there was a problem with the submission of the maintenance fee between the time of the Notice of Acceptance and the Notice of Patent Expiration.

Evidence submitted by petitioner and review of the application record indicate that a three and one-half year maintenance fee intended for another patent had been erroneously applied to the above-identified patent. At the time CPI tried to pay the maintenance fee this erroneous fee was of record. It appears CPI, seeing that the maintenance fee had been paid (erroneously), decided not to attempt to pay the maintenance fee. Subsequently, the mistakenly applied maintenance fee error was discovered and the fee was withdrawn. Apparently, petitioner was never informed of

the withdrawal of the fee and the next Office correspondence was the Notice of Patent Expiration.

An adequate showing requires statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts, as they know them. In the Request for Information mailed February 20, 2008, Petitioner was requested to provide evidence from CPI that a timely payment was mailed or transmitted to the Office on or before December 17, 2006. If such evidence could be provided, the petition would be treated under 37 CFR 1.377. Petitioner's remarks concerning his telephone conversation with petitions examiner Friedman in regard to the provided evidence that examiner Friedman missed when preparing the May 14, 2008 petition dismissal are not convincing. A review of the patent file indicates no such evidence of petitioner having tried to pay the maintenance fee was ever provided.

Petitioner's Response to the Request for Information, filed March 17, 2008, included various documents generated by CPI and a USPTO Maintenance Fee Statement. The CPI documents do not support petitioner's allegations that CPI made any attempt to pay the maintenance fee. The USPTO Maintenance Fee Statement merely shows that on June 16, 2006 the maintenance fee was paid, this being the erroneously applied maintenance fee.

The record fails to show that adequate steps within the meaning of 37 CFR 1.378(b)(3) were taken by or on behalf of petitioner to investigate why the maintenance fee had already been paid if he had not previously authorized such payment. Apparently petitioner and CPI were willing to accept the fact that the maintenance fee had been paid even though neither party had paid it. There is no indication that petitioner contacted the Office in an attempt to discover the nature of the fee payment and what petitioner's obligation at that point might be. The Notice of Special Acceptance of Patent Maintenance Fee, mailed June 13, 2006 noted that the Patent number and the application serial number on the maintenance fee payment received June 6, 2006 did not match. This should have been another indicator to petitioner that there might be a problem with the maintenance fee payment, but the record shows no action on petitioner's part in response to this Notice. Petitioner is reminded that 37 CFR 1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for petitioner's showing of the steps taken to pay the fee.

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.

The record further does not support a finding of unavoidable delay, as petitioner has not shown adequate diligence in this matter. That is, a showing of diligence in matters before the USPTO on the part of the party in interest is essential to support a finding of unavoidable delay herein. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiries into the status of the application coupled with affirmative misrepresentations by its fiduciary as to its true status which prevented more timely action showed unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his duly appointed representative); R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Il. 2000)(failure of patent owner to itself track or obligate another to track the maintenance fee and its failure to exercise diligence for a period of seven years, precluded acceptance of the maintenance fee); MMTC v. Rogan, 369 F.Supp2d 675 (E.D. Va 2004)(passive reliance on reminder notice resulting in failure to take any steps to ensure payment of the maintenance fee is not unavoidable delay); Femspec v. Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D.Ca 2007)(lack of any steps in place to maintain patent in force by estate executor unfamiliar with patent law is not unavoidable delay); Burandt. v. Dudas, *supra* (delay not unavoidable where no steps shown to be employed to remind responsible party to timely pay maintenance fees, no inquiry by patent holder of responsible party or Patent and Trademark Office as to whether maintenance fees would, or already had been paid). The delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person, upon discovering from CPI that the maintenance fee had already been paid he would have made inquiries to the USPTO as to who had paid the maintenance fee and why they had paid it. This would have led to the discovery that it had been paid in error and was not meant for the instant patent. This discovery would have been in June of 2006 and would have provided ample time for petitioner to timely pay the three and one-half year maintenance fee since it could have been paid from June 18, 2006 through December 17, 2006 with a surcharge. Further, petitioner admits having received a Notice of Special Acceptance of Patent Maintenance Fee, mailed June 16, 2006 which was around the same time the CPI discovered the maintenance fee had already been paid. This Notice indicated that the Patent number and Serial Number for the maintenance fee payment did not match and gave a contact number if there were any questions. Upon receiving a Notice of maintenance fee payment for a payment the petitioner was not able to make an indication that two identifiers did not match (and thus might be the source of the payment confusion), a reasonably prudent person would have made inquires to the USPTO to clear up the maintenance fee payment issue.

#### DECISION

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, **this patent will not be reinstated, and this patent remains expired.** The petition is denied.

**As to the petition under 37 CFR 1.378(c):**

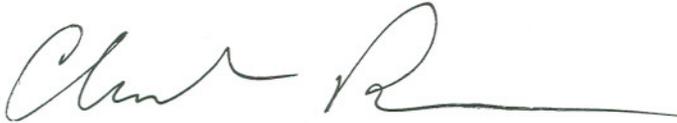
This patent expired on December 18, 2006 for failure to pay the three and one-half year maintenance fee. Since this petition was submitted within twenty-four months after the six-month grace period provided in 37 CFR 1.362(e), the petition was timely filed under the provisions of 37 CFR 1.378(c). The petition is **granted**.

The petition states that the entire delay in payment of the maintenance fee from the due date for the maintenance fee until the filing of a grantable petition under "37 C.F.R. §1.38(c) was unintentional and /or unavoidable." 37 CFR 1.378(c) requires a statement that "the delay in payment of the maintenance fee was unintentional." Since the statement appearing in the petition varies from the language required by 37 CFR 1.378(c)(3), the statement will be construed as the statement required by 37 CFR 1.378(c)(3). If this is an incorrect reading of the statement appearing in the petition, petitioner must promptly notify the Office.

The maintenance fee is hereby accepted and the above identified patent is reinstated as of the mail date of this decision.

This patent file is being returned to the Files Repository.

Telephone inquiries should be directed to Carl Friedman at (571) 272-6842.

A handwritten signature in black ink, appearing to read "Charles Pearson", with a long horizontal flourish extending to the right.

Charles Pearson  
Director, Office of Petitions