



Paper No. 18

BRET E. FIELD  
BOZICEVIC, FIELD & FRANCIS, LLP  
200 MIDDLEFIELD ROAD, SUITE 200  
MENLO PARK, CA 94025

**COPY MAILED**

**AUG 05 2002**

**OFFICE OF PETITIONS**

**DENIAL OF PETITION**

In re Patent No. 5,283,257  
Issue Date: February 1, 1994  
Application No. 07/911,681  
Filed: July 10, 1992  
Attorney Docket No. STAN243

:  
:  
:  
:  
:  
:

This is a decision on the petition under 37 CFR 1.378(e), filed January 29, 2002 (certificate of mailing date January 7, 2002), requesting reconsideration petition under 37 CFR 1.378(b) to accept an unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DENIED**.<sup>1</sup>

**Background**

The patent issued February 1, 1994. The grace period for paying the 3 1/2 year maintenance fee expired at midnight on February 1, 1998. Accordingly, the patent expired on February 2, 1998. A petition treated under 37 CFR 1.378(b), filed on October 1, 2001, was dismissed on November 9, 2001 for failure to show the entire delay in paying the maintenance fee was unavoidable.

**Statute and Regulation**

37 CFR 1.378(a) provides that the Commissioner may accept the payment of any maintenance fee due on a patent based on an 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 or unintentional. The appropriate surcharge set forth in § 1.20(i) must be paid as a condition of accepting payment of the maintenance fee. The surcharges set at 37 CFR 1.20(i) are established pursuant to 35 USC 41(c) and, therefore, are not subject to small entity provisions of 35 USC 41(h). No separate petition fee is required for this petition. If the Commissioner accepts payment of the maintenance fee upon petition, the patent shall be considered as not having

---

<sup>1</sup> This decision may be viewed as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02. The provisions of 37 CFR 1.137(d) do not apply.

expired but will be subject to the intervening rights and provisions of 35 USC 41(c)(2).

The patent statute at 35 USC 41(c)(1) provides as follows:

"The Commissioner may accept the payment of any maintenance fee required by subsection (b) of this section... 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 statute's promulgating rule, 37 CFR 1.378(b), provides that any petition to accept the delayed payment of a maintenance fee must include the following:

- (1) the required maintenance fee set forth in 37 CFR 1.20(e) - (g);
- (2) the surcharge set forth in 37 CFR 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 required 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.

Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Such a statement must be verified if made by a person not registered to practice before the Patent and Trademark Office. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

#### **Analysis**

Petitioner asserts that the assignee of the above-identified patent did not decide whether or not to pay the 3 ½ year maintenance fee which was due without surcharge on August 1, 1997. The assignee's typical practice is to notify the inventor when the decision to maintain is not reached by the assignee. In this instance, assignee's records indicate the presence of a copy of a notification letter, dated May 15, 1997, addressed to Dr. Randall E. Morris, one of the inventors of the above-identified patent. Petitioner's records do not indicate the letter was ever mailed. Petitioner states that petitioner's normal practice is to consider an inventor's advice in determining whether or not to pay the maintenance fee. If petitioner determines not to pay the maintenance fee, then the inventor has the opportunity to pay it. Petitioner has no record of any communication between Dr. Morris and petitioner from May 15, 1997 to the fall of 2000.

Dr. Morris asserts in his September 20, 2001 declaration that he possesses no record of receiving the notification letter. Dr. Morris states that he would have recommended that petitioner pay the maintenance fee. Dr. Morris states that if petitioner chose not to pay the maintenance fee, Dr. Morris would have paid maintenance fee because he believed that the patent would be of particular value.

Petitioner argues that as a result of the lack of communication between assignee and inventor, whether due to petitioner not sending the letter, or the United States Postal Service (USPS) not delivering the notification letter, that the maintenance fee was not paid in a timely manner and the patent expired. Petitioner argues that the system in place was reasonable and that it unavoidably failed, resulting in the expiration of the above-identified patent.

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

Petitions for the delayed payment of maintenance fees under 35 USC 41(c)(1) are treated under the same standard as petitions for revival of abandoned applications under 35 USC 133 because both statutory provisions use the same language, i.e., "unavoidable" delay. Ray v. Leyman, 55 F.3d 606, 608-609, 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), aff'd, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992)). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable as follows:

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 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, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-168 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); 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 in 35 USC 133 for a showing of unavoidable delay requires not only a showing that the delay which resulted in the abandonment of the application was unavoidable (or expiration of the patent as it applies to 35 USC 41(c)(1)),

but also a showing of unavoidable delay from the time an applicant becomes aware of the abandonment of the application until the filing of a petition to revive (or a petition under 37 CFR 1.378(b) to reinstate the patent under 35 USC 41(c)(1)). See In re Application of Takao, 17 USPQ2d 1155 (Comm'r Pat. 1990). 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, 316-317, 5 USPQ2d 1130, 1131-1132 (N.D. Ind. 1987).

In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F.3d at 609-609, 34 USPQ2d at 1787. The party whose delay is relevant is the party in interest at the time action is needed to be taken. In Re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). At the time the first maintenance fee was due, The Board of Trustees of the Leland Stanford Junior University (Stanford) was the assignee of record. It was incumbent upon Stanford to undertake the obligation to pay the fee or to engage a third party to monitor and track the first maintenance fee payment. See California Medical Products v. Technology Med. Prod., 921 F.Supp. 1219 (D.Del.1995).

Stanford could not decide whether or not to pay the maintenance fee for this patent, so Stanford deferred payment and wrote a letter to Dr. Morris to obtain his input in the matter and to ascertain whether he wanted to pay the maintenance fee. Unfortunately, it can not be ascertained whether the letter was mailed to or received by Dr. Morris. Stanford did nothing further about paying the maintenance fee. Stanford's inaction was and is tantamount to an intentional choice not to make payment.

Dr. Morris and the second inventor executed an assignment to Stanford. An assignment of the entire right, title, and interest, passes both legal and equitable title. See, Wende v. Horine, 191 F. 620,621 (C.C.N.D. Ill. 1911). Stanford, as owner of the patent, was free to deal with the patent as Stanford willed. See, Garfield v. Western Electric Co., 298 F. 659 (S.D.N.Y. 1924). Stanford chose not to pay the maintenance fee when it was due. It follows that it is immaterial to the delay during the time the patent was in force, that Dr. Morris may have been unaware of, or would not have acquiesced to, Stanford's actions or inactions. See, Kim v. Quigg 718 F. Supp. 1280, 12 USPQ2d 1604 (E.D. Va 1989). That Dr. Morris may have acted with dispatch to pay the maintenance fee is immaterial to and does not overcome the delay attributable to Stanford.

It was Stanford's responsibility to pay the maintenance fee in a timely manner. While it is assignee's purported policy to seriously consider the inventors' comments regarding the maintenance of patents, Stanford did not follow-up with Dr. Morris after the May 15, 1997 letter was believed to have been mailed.

As 35 USC 41(c) 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. Consequently, a reasonably prudent person in the exercise of due care and diligence will take steps to ensure the

timely payment of maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. Thus, it follows that an adequate showing of unavoidable delay in payment of a maintenance fee, within the meaning of 35 USC 41(c) 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 patent. Id.

Stanford has no record of mailing the May 15, 1997 notification letter. Stanford has provided no evidence that mailing the notification letter and waiting for a response from the inventor are parts of a reliable system for paying maintenance fees. If the notification letter and subsequent response were part of the system in place for paying maintenance fees, Stanford would have had records to keep track of the communications between the inventor and Stanford.

Petitioner has not asserted that it would have paid the maintenance fee had it received input from Dr. Morris. Even if petitioner were to assert this, the fact that petitioner did not docket the mailing of the notification letter and did not have an entry noting a deadline for paying the maintenance fee or a reminder to follow up with Dr. Morris prior to the expiration of the patent establishes that input from Dr. Morris was not part of a reliable system to ensure timely payment of maintenance fees. Not maintaining records of the mailing of the notification letter and subsequent response or lack thereof shows that either those two activities are not part of the system or the system itself is not reliable.

Stanford, as the owner of the patent, was solely responsible for paying the maintenance fee. It was incumbent on Stanford to have a reliable system in place to ensure the maintenance fee was timely paid. Stanford abdicated its decision making to Dr. Morris when Stanford allegedly mailed the notification letter to him and did not follow up with him. Stanford did not revisit its preliminary assessment to refrain from paying the maintenance fee. In the end, it was Stanford, the assignee of the entire interest, that chose not to pay the maintenance fee. The fact that Dr. Morris would have probably paid the maintenance fee had he received the notification letter does not negate the fact that Stanford was solely responsible for paying the maintenance fee and did not have safeguards in place to ensure that Dr. Morris' input (if part of Stanford's system to timely pay maintenance fees) was considered prior to the expiration of the 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 USC 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee.

### Opinion

The prior decision of November 9, 2001 has been reconsidered, but for the reasons given in the previous decision and those noted above, the delay in this case has not been shown to have been unavoidable within the meaning of 35 USC 41(c) and 37 CFR 1.378(b)(3). Accordingly, the

patent will not be reinstated under the provisions of 35 USC 41(c) and 37 CFR 1.378(b)(3), and the patent remains expired.

Pursuant to petitioner's authorization, the 3 ½ year maintenance fee (\$440.00), the 7 ½ year maintenance fee (\$1,010.00) and the surcharge for submitting a maintenance fee after expiration of the patent due to unavoidable delay (\$700.00) will be credited to deposit account no. 50-0815.

This expired patent file is being forwarded to the Files Repository.

Telephone inquiries related to this decision should be directed to Petitions Attorney E. Shirene Willis (703) 308-6712.



Beverly M. Flanagan  
Supervisory Petitions Examiner  
Office of Petitions  
Office of the Deputy Commissioner  
for Patent Examination Policy