



Paper No. 21

MICHAEL J. HUGHES
IPLO - INTELLECTUAL PROPERTY LAW OFFICES
1901 SOUTH BASCOM AVENUE, SUITE 660
CAMPBELL, CA 95008

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OFFICE OF PETITIONS

In re Patent No. 5,305,976 :
Issue Date: April 26, 1994 :
Application No. 07/973,278 : ON PETITION
Filed: November 9, 1992 :
Title: STAKE SUPPORTED POST :

This is in response to the submissions of January 9, 2004, and supplemented on August 16, 2004, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of the *first* maintenance fee for the above-identified patent and for the petition under 37 CFR 1.378(b) and 37 CFR 1.378(c) to accept the unavoidably, or in the alternative, unintentionally delayed payment of the *second* maintenance fee for the above-identified patent.

Please note, the decision on petition, mailed November 8, 2004, is hereby vacated and replaced by the instant decision.

Regarding the petition under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of the first maintenance fee:

The request to accept the delayed payment of the first maintenance fee is DENIED.

BACKGROUND

The patent issued April 26, 1994.

Accordingly, the first maintenance fee due could have been paid during the period from April 26, 1997 through October 26, 1997, or with surcharge during the period from October 27, 1997 through April 26, 1998.

The grace period for paying the first maintenance fee expired at midnight on April 26, 1998.

A first petition to accept late payment of the maintenance fee under 37 CFR 1.378(b) was filed on October 2, 2003. The petition was dismissed in the decision of November 10, 2003, on the grounds that petitioner had not carried the burden of proof to establish to the satisfaction of the Director that the delay was unavoidable.

STATUTE AND REGULATION

35 USC 41(c)(1) states:

"The Director may accept the payment of any maintenance fee required by subsection (b) of this section... after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable."

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

"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."

OPINION

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable"; 35 USC 41(c)(1).

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 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. 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). 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). Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay. Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

A petition to accept the delayed payment of a maintenance fee under 35 USC 41(c) and 37 CFR 1.378(b) must be accompanied by:

- (1) an adequate, verified showing that the delay was unavoidable, since reasonable care was taken to insure 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,
- (2) payment of the appropriate maintenance fee, unless previously submitted, and
- (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1).

The instant petition does not satisfy requirement (1), above.

Petitioner's primary assertion is that the failure to timely pay the first maintenance fee for this patent resulted from the actions and/or inaction of his patent agent, Paul B. Fihe (Fihe).

In the "Augmented Statement of Facts of Jack D. Blanchard," Petitioner states, "I was informed in 1997 by my then patent agent, Paul B. Fihe of Soquel, California, that the maintenance fee was due on the Patent." Mr. Blanchard claims to have forwarded a payment of \$500 to Fihe at that time and assumed the maintenance fee payment had been made. It is noted that petitioner has not submitted any documentary evidence of the check for \$500.00 allegedly sent to Paul B. Fihe. Furthermore, petitioner located information that indicates Fihe died on March 8, 1997.

Petitioner has not provided a documented showing to indicate if any steps were in place by any of the parties involved to track and ensure the timely payment of the first maintenance fee. As 35 USC 41(c) requires the payment of fees at specified intervals to maintain a patent in force, 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 at 609, 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 USC 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 fees for this patent. Id.

Mr. Blanchard, as the patent owner, is the party ultimately responsible for the payment of the first maintenance fee. Petitioner has not submitted any documentary evidence that shows Fihe, Mr. Blanchard or anyone else was tracking the maintenance fee payment with a reliable system to ensure the timely payment of the maintenance fee. See, In re. Katrapat, 6 USPQ2d 1863 (Comm' r Pat. 1988). Furthermore, even assuming that Fihe had been engaged by the patentee to track and pay the first maintenance fee, such does not automatically provide petitioner with a showing that the delay was unavoidable. See California Medical Products v. Technol. Med. Prod., 921 F.Supp 1219, 1259 (D.Del. 1995); Ray, 55 F.3d at 609, 34 USPQ2d at 1788. Rather, this merely shifts the inquiry from petitioner to whether Fihe acted reasonably and prudently. Id. However, the Patent and Trademark Office must rely on the actions or inactions of petitioner's voluntarily chosen representative, and the patentee

is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). As no information or documentary evidence has been submitted regarding the actual actions and/or inactions of Fihe, there is no evidence that Fihe was tracking the fee payment on a reliable system, nor of any steps taken by Fihe to ensure the timely payment of the first maintenance fee for this patent.

It should be noted that petitioner asserts that he sent a check for \$500.00 to Fihe to pay the first maintenance fee. However, as Fihe died on March 8, 1997, this would have occurred almost two months before the first maintenance fee could even have been submitted. This action, in fact, brings into question the accuracy and reliability of any system Fihe may have had in use to track and ensure payment of the first maintenance fee. Furthermore, please note, petitioner's unsubstantiated assertion that he sent Fihe a check for \$500.00 to pay the first maintenance fee bears no relationship as to the reality of the actual timing of the required maintenance fee payment for the above-identified patent.

Additionally, the record 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). That is, even assuming Fihe had been contractually obligated to track the maintenance fees for the above-identified patent, it nevertheless was incumbent on petitioner to diligently monitor Fihe's performance under the contract. Id. Petitioner has not provided any showing that indicates that petitioner diligently monitored Fihe's performance. The death of Fihe did not relieve petitioner from his obligation to exercise diligence in this matter before the USPTO. Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd* 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992); R.R. Donnelley & Sons v. Dickinson, 123 F.Supp. 2d 456, 460, 57 USPQ2d 1244 (N.D. Ill. 2000). As the death of petitioner's representative, Fihe, which occurred some eight (8) years earlier, appears to have come as a surprise to the patentee, it indicates that the petitioner has not been in contact with the putative fee tracker, and has not diligently monitored Fihe's performance. The delay is not unavoidable, because had petitioner exercised the due care of a reasonable prudent person, petitioner would have been able to act to correct the situation in a more

timely fashion. Haines v. Quigg, supra; Douglas, supra; Donnelley, supra.

CONCLUSION

The prior decision, mailed November 10, 2003, which refused to accept under 37 CFR 1.378(b) the delayed payment of the first maintenance fee for the above-identified patent has been reconsidered. Again, please note, the decision on petition, mailed November 8, 2004, is hereby vacated and replaced by the instant decision. For the above stated reasons, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41(c) and 37 CFR 1.378(b) and the request to accept the delayed payment of the first maintenance fee is DENIED.

Regarding the petition under 37 CFR 1.378(b) and 37 CFR 1.378(c) to accept the unavoidably, or in the alternative, unintentionally delayed payment of the second maintenance fee for the above-identified patent:

The patent issued April 26, 1994. The grace period for submitting the second maintenance fee expired at midnight on April 26, 2002.

- Under 37 CFR 1.378(b):

The petition under 37 CFR 1.378(b) is dismissed.

As petitioner's request for reconsideration under 37 CFR 1.378(e) has been denied, the first maintenance fee has not been accepted as unavoidably delayed and the above-identified patent will not be reinstated. As such, review of the instant petition shall not occur and the petition is dismissed as untimely as the request to accept the late payment of the first maintenance fee has been denied.

- Under 37 CFR 1.378(c):

The petition under 37 CFR 1.378(c) is dismissed.

Again, as petitioner's request for reconsideration under 37 CFR 1.378(e) has been denied, the first maintenance fee has not been accepted as unavoidably delayed and the above-identified patent will not be reinstated. As such, review of the instant petition shall not occur and the petition is dismissed as untimely as the request to accept the late payment of the first maintenance fee has been denied.

It is noted that petitioner states in the instant petition, "It is acknowledged that, while the failure to promptly pay the 3.5 year maintenance fee on the Patent was unavoidable, the same factors leading to that conclusion may not be present with respect to the 7.5 year fee..."

Please note, MPEP 2590 states:

"A person seeking reinstatement of an expired patent should not make a statement that the delay in payment of the maintenance fee was unintentional unless the entire delay was unintentional..." (Emphasis added)

As petitioner has sought to reinstate the patent under the unavoidable standard in regards to the delayed payment of the first maintenance fee, the period of the first maintenance fee must be included in the period of time referred to in the request to reinstate the patent for delay in payment of the second maintenance fee. As such, a petition under 37 CFR 1.378(c) is not appropriate in this instance.

As the above-identified patent will not be reinstated, the fees submitted January 9, 2004, totaling \$4295.00, will be refunded to deposit account no. 08-3240. The \$130.00 fee for requesting reconsideration is not refundable.

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

The file will be returned to Files Repository.

Telephone inquiries concerning this matter may be directed to
Petitions Attorney Edward Tannouse at (571)272-3228.



Charles Pearson
Director
Office of Petitions
United States Patent and Trademark Office

cc.
JACK D. BLANCHARD
P.O. BOX 8527
CHICO, CA 95927