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Paper No. 12

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JAN 20 2010

In re Patent of	:	
Kwag et al.	:	
Patent No. 6482930	:	
Issue Date: 11/19/2002	:	
Application No.: 09/690385	:	DECISION
Filing or 371(c) Date: 10/17/2000	:	ON PETITION
Title of Invention: NOVEL MONOMERIC	:	
NEODYMIUM CARBOXYLATE AND	:	
ITS USE IN POLYMERIZATION	:	
OF CONJUGATED DIENE	:	

This is a decision on the petition under 37 CFR § 1.378(e), to reinstate the above-identified patent, filed June 15, 2009.

The petition is **DENIED**.

This decision is a final agency action within the meaning of 5 U.S.C. §704 for purposes of seeking judicial review.

Background

The patent issued November 19, 2002. Patentee could have paid the three and one half (3½) year maintenance fee between November 19, 2005, and May 19, 2006, without a surcharge, or within the six (6) month grace period between May 20, 2006 and November 19, 2006. Patentee failed to do so; accordingly, the patent became expired on midnight of November 19, 2006.

The June 15, 2009 petition

Patentee/Petitioner, Davidson, Davidson, Kappel, LLC, (“DDK”), filed a petition to reinstate the above-identified patent on June 15, 2009, and provided that DDK was responsible for maintaining the database that included the docketing of the maintenance fee due dates for the present patent. During the period that the maintenance fee was due, petitioner provided that Ms. Magnolia Almonte handled the docketing department. A copy of Ms. Almonte’s resume was filed with the petition.

Petitioner provided that the maintenance fee due dates for the present patent were properly docketed, and filed a printout of the docketing for the present patent. The maintenance fee

information was transmitted by DDK to Dennemeyer & Co. Ltd. (“Dennemeyer”), petitioner’s annuity payment service. Dennemeyer received information in the database for this patent from DDK’s docketing department. Dennemeyer sent to DDK quarterly lists of annuities which were coming due, three months in advance. As such, petitioner provides, the quarterly list containing this case would have been received from Dennemeyer in January 2006. A copy of the quarterly list from Dennemeyer dated January 10, 2006 was enclosed with the petition.

A review of the quarterly list from Dennemeyer to DDK revealed that the present patent was listed thereon, with a due date of May 19, 2006. Petitioner stated that it is their policy that their docketing department contact the client, in this instance the law firm of K.N.K. International Patent & Law Office (“KNK”), in Seoul, Republic of Korea, and request instructions regarding payment of annuities, and to then pay the maintenance fee if so instructed. This policy was outlined in a letter to KNK, dated December 3, 2002, a copy of which was enclosed with the present petition. Despite these procedures, petitioner stated that KNK has no record of receiving a request for instructions regarding payment of annuities from petitioner. A signed statement from Jinyoung Kim of KNK supporting this statement was enclosed¹. The statement of Mr. Kim averred that upon reviewing the records of KNK regarding the present patent, and based upon Mr. Kim’s personal knowledge, KNK did not receive any instructions regarding payment of the maintenance fee from DDK. Mr. Kim further provided that upon receiving information from Petitioner that the maintenance fee had not been paid, he contacted KNK’s client, Korea Kumho Petrochemical Co., Ltd. Thereafter KNK was able to give final instructions to pay the maintenance fee to Petitioner herein, DDK.

The April 16, 2009 Decision dismissing the petition

The petition was dismissed in a Decision mailed April 16, 2009. The Decision dismissing the petition noted that petitioner had not explained the exact circumstances that caused the error. Petitioner had only stated that KNK did not receive a request for instructions regarding the payment of the maintenance fee. Petitioner had not explained why KNK did not receive the request for instructions.

The Decision further noted that a breakdown of communication between petitioner and their client is not considered to be grounds for granting a petition for late payment of the maintenance fee under the unavoidable standard. *See, Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995).

The Decision also noted that while petitioner had provided information as to the docketing clerk at DDK, Ms. Almonte – that she was the docketing clerk responsible for handling DDK’s docketing of the present patent’s maintenance fee due dates, and a copy of Ms. Almonte’s resume – petitioner had not asserted that Ms. Almonte made any error.

The Decision informed petitioner that petitioner was required to identify the error that was the cause of the delay, and that an adequate showing of unavoidable delay also requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. A statement from Ms. Almonte was required.

¹ The statement did not identify the position Mr. Kim held at KNK.

Moreover, the Decision informed petitioner that petitioner had not provided any statement as to the training of Ms. Almonte at DDK that would demonstrate that reliance upon Ms. Almonte to properly perform the clerical function was reasonable. Petitioner filed a copy of Ms. Almonte's resume, which included Ms. Almonte's experience prior to the relevant time period; however, the Decision provided that what is required is evidence of the training and supervision of Ms. Almonte during her employment with petitioner, from a person with firsthand knowledge of Ms. Almonte's training and experience, i.e. Ms. Almonte's trainer/supervisor, attesting to the training and supervision of Ms. Almonte, such that reliance upon Ms. Almonte to perform the clerical task putatively resulting in the delayed payment of the maintenance fee, was reasonable.

The present renewed petition

Petitioner files the present renewed petition and a Statement from Jinyoung Kim and from Cary S. Kappel. Mr. Kim provides that he is familiar with the procedures regarding payment of maintenance fees at KNK International, and that information regarding payment of maintenance fees is only entered at KNK International upon receipt of a reminder letter from DDK. Mr. Kim states that KNK International did not receive a reminder letter from DDK regarding payment of the three and one half (3½) year maintenance fee prior to November 25, 2008. Mr. Kim provides that KNK did not record the due dates for maintenance fees because KNK International believed that DDK would send a reminder indicating the due date information. Mr. Kim states that upon receiving the letter from DDK on November 25, 2008, that the annuity had not been paid, KNK International contacted its client and gave instructions to pay the maintenance fee.

Mr. Kappel, an attorney at DDK, provides, in relevant part, that at the time the three and one half (3½) year maintenance fee was due, docketing and payment of annuities were handled solely by Ms. Maggie Almonte. Mr. Kappel provides that Ms. Almonte is no longer in the employ of DDK, therefore, a statement/declaration regarding her knowledge of any error(s) or circumstances surrounding the failure to pay the maintenance fee associated with the present patent is not available.

Petitioner does provide a statement as to the training and experience of Ms. Almonte; however, the statement from Mr. Kappel states that he was one of the attorneys responsible for "overseeing" the docketing department, but does not state Mr. Kappel's relationship with Ms. Almonte to wit, whether Mr. Kappel was responsible for the training and supervision of Ms. Almonte.

Mr. Kappel reiterates that Dennemeyer sent to DDK quarterly lists of annuities which were coming due, three months in advance, and that the quarterly list containing this case would have been received from Dennemeyer in January 2006. A copy of the quarterly list from Dennemeyer dated January 10, 2006 was enclosed with the original petition, and a duplicate copy of the list has also been included with this petition. Petitioner again provides the policy of DDK with regard to the docketing and payment of maintenance fees, as outlined in the December 3, 2002 letter to KNK International, and avers that despite these procedures, it appears from a review of the available records that Ms. Almonte made an error in not following the policy outlined in the December 3, 2002 letter, by not sending a reminder to KNK. Mr. Kappel draws this conclusion based upon a search of the physical file and of the email correspondence available from Ms.

Almonte's DDK email account, which indicate that there is no record of a reminder from DDK to KNK International regarding the due date of the maintenance fee, and the fact that KNK has no record of receiving a request for instructions regarding payment of annuities from DDK.

Applicable Law, Rules and MPEP

37 CFR 1.378(b) provides that a patent may be reinstated at any time following expiration of the patent for failure to timely pay a maintenance fee. A petition to accept late payment of a maintenance fee, where the delay was unavoidable, must include:

- (A) the required maintenance fee set forth in 37 CFR 1.20(e)-(g);
- (B) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (C) 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. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement. (Emphasis supplied).

As language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (i.e., "unavoidable" delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. *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), *aff'd sub nom. 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)). *See* MPEP § 711.03(c) for a general discussion of the "unavoidable" delay standard.

As 35 U.S.C. § 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 U.S.C. § 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*, 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 U.S.C. § 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 this patent. *Id.* Thus, 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 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the patentee's lack of knowledge of the need to pay the maintenance fee

and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. See Patent No. 4,409,763, *supra*. See also Final Rule entitled “Final Rules for Patent Maintenance Fees,” published in the Federal Register at 49 Fed. Reg. 34716, 34722-23 (August 31, 1984), and republished in the Official Gazette at 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). 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, evidence 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, could be submitted in support of an argument that the delay in payment was unavoidable.

An error in a docketing system could possibly result in a finding that a delay in payment was unavoidable if it were shown that reasonable care was exercised in designing and operating the system and that the patentee took reasonable steps to ensure that the patent was entered into the system to ensure timely payment of the maintenance fees.

A showing of unavoidable delay will (in addition to the above) require: (1) evidence concerning the procedures in place that should have avoided the error resulting in the delay; (2) evidence concerning the training and experience of the persons responsible for the error; and (3) copies of any applicable docketing records to show that the error was in fact the cause of the delay. See MPEP § 711.03(c)(III)(C)(2).

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:

(A) the error was the cause of the delay at issue;

(B) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and

(C) 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 In re Egbers, 6 USPQ2d 1869, 1872 (Comm’r Pat. 1988), *rev’d* on other grounds *sub nom.*, Theodor Groz & Sohne & Ernst Bechert Nadelfabrik KG v. Quigg, 10 USPQ2d 1787 (D.D.C. 1988); In re Katrapat, 6 USPQ2d 1863, 1867-68 (Comm’r Pat. 1988).

Opinion

35 U.S.C. § 41(c)(1) authorizes the Director to accept a delayed maintenance fee payment “if the delay is shown to the satisfaction of the Director to have been unintentional.” 35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was unintentional, but only an explanation as to why petitioner has failed to carry the burden to establish that the delay was unintentional. 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 Director to affirmatively find that the delay was unavoidable, but only to explain why applicant's petition was unavailing); See, also, In re Application of G, 11 USPQ2d 1378, 1380 (comm'r Pat. 1989) (petition under 37 CFR 1.137(b) denied because the applicant failed to carry burden of proof to establish that the delay was unintentional).

Petitioner has failed to carry its burden of proof to establish to the satisfaction of the Director that the delay in payment of the first maintenance fee was unavoidable within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(c).

Petitioner again explains that nonpayment of the maintenance fee came about because KNK has no record of receiving a request for instructions regarding payment of annuities from petitioner. Petitioner reiterates that it is their policy that their docketing department contact the client, in this instance the law firm of K.N.K. International Patent & Law Office ("KNK"), in Seoul, Republic of Korea, and request instructions regarding payment of annuities, and to then pay the maintenance fee if so instructed. During the period that the maintenance fee was due, petitioner provides that Ms. Magnolia Almonte handled the docketing department of petitioner. A copy of Ms. Almonte's resume is filed with the original petition, and with the renewed petition, petitioner has filed a statement as to the training and experience of Ms. Almonte; however, the statement from Mr. Kappel states that he was one of the attorneys responsible for "overseeing" the docketing department, but does not state Mr. Kappel's relationship with Ms. Almonte to wit, whether Mr. Kappel was responsible for the training and supervision of Mr. Kappel. As such, petitioner has failed to demonstrate that the statement is from a person with firsthand knowledge of Ms. Almonte's training and experience, attesting to the training and supervision of Ms. Almonte such that reliance upon Ms. Almonte to perform the clerical task putatively resulting in the delayed payment of the maintenance fee, was reasonable.

Petitioner provides that the maintenance fee due dates for the present patent were properly docketed, and filed a printout of the docketing for the present patent with the original petition. Petitioner provided that the maintenance fee information was transmitted by DDK to Dennemeyer & Co. Ltd., and that Dennemeyer received information in the database for this patent from DDK's docketing department. Petitioner again notes that Dennemeyer sent to DDK a quarterly list that included the present patent, and the maintenance fee due date, on January 10, 2006.

Petitioner is also required to identify the error that caused the delay. In this regard, petitioner provides, based upon the facts available to petitioner, what appears to be the error that caused the delay - Ms. Almonte made an error in not following the policy outlined in the December 3, 2002 letter, by not sending a reminder to KNK, Mr. Kappel. However, petitioner has failed to explain the error that caused the delay. See, California Medical Products, Inc. v. Tecnol Medical Products, Inc., 921 F. Supp. 1219, 1258-1260 (D.Del. 1995) (evidence before the PTO included (1) identification of the employee who was in the performance of the clerical function that caused the delay - Ms. Eveleth Thurber, the attorney's secretary and patent docket clerk; (2) identified the error that the employee made that was the cause of the delay at issue - Ms. Thurber mistakenly docketed the reissue patent by its issue date and not by the issue date of the original patent. "This mistake caused the incorrect calculation of the maintenance fee due dates on the

docket sheet” TecnoI at 1258. (Emphasis supplied); (3) evidence of the business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance – the case states that “Thurber maintained a docket on an office personal computer in order to track maintenance fees. The general practice in Strauss’s office was to docket the patents by the issue date on the face of the patent. In accordance with this usual practice, Thurber mistakenly docketed the ‘219 patent by its issue date and not by the issue date of the parent.” Id. Here, petitioner is only able to provide that the facts available to petitioner indicate what the error appears to have been from a review of the available records. Petitioner has failed to identify the error that caused the delay.

Further to this, as to the exact circumstances that caused the error, an adequate showing of unavoidable delay requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. (Emphasis supplied). Petitioner states that it appears from a review of the available records that Ms. Almonte made an error in not following the policy outlined in the December 3, 2002 letter, by not sending a reminder to KNK. Mr. Kappel draws this conclusion based upon a search of the physical file and of the email correspondence available from Ms. Almonte’s DDK email account, which indicate that there is no record of a reminder from DDK to KNK International regarding the due date of the maintenance fee, and the fact that KNK has no record of receiving a request for instructions regarding payment of annuities from DDK. However, petitioner provides that Ms. Almonte is no longer in the employ of DDK, therefore, a statement/declaration regarding her knowledge of any error(s) or circumstances surrounding the failure to pay the maintenance fee associated with the present patent is not available.

Finally, it is again noted that a breakdown of communication between petitioner and their client is not considered to be grounds for granting a petition for late payment of the maintenance fee under the unavoidable standard. *See, Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995).

Decision

The instant petition under 37 CFR 1.378(e) is granted to the extent that the decision of June 15, 2009 has been reconsidered; however, the renewed petition to accept under 37 CFR 1.378(e) the delayed payment of a maintenance fee and reinstate the above-identified patent is **DENIED**.

This patent file is being forwarded to the Files Repository.

Telephone inquiries concerning this matter should be directed to Attorney Derek L. Woods at (571) 272-3232.



Charles Pearson
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