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OFFICE OF PETITIONS

In re Patent No. 6,693,456 :
Issue Date: 02/17/2004 :
Application Number: 09/923,294 : DECISION ON PETITION
Filing Date: 08/03/2001 :
Attorney Docket Number: :
20777000110 :

This is a decision on the petition, filed on September 22, 2010, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 1.378(b)¹ the delayed payment of a maintenance fee for the above-referenced patent.

The petition under 37 CFR 1.378(e) is DENIED.²

¹ A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must be 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.

² As stated in 37 CFR 1.378(e), no further reconsideration or review of the decision refusing to accept the delayed payment of the maintenance fee under § 1.378(b) will be undertaken. This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1001.02.

BACKGROUND

The patent issued February 17, 2004. The first maintenance fee could have been paid from February 17 through August 17, 2007, or, with a surcharge during the period from August 18, 2007, through February 17, 2008. Accordingly, the patent expired at midnight on February 17, 2008, for failure to timely submit the first maintenance fee.

The initial petition under 37 CFR 1.378(b) was filed on April 23, 2010. On July 22, 2010, the petition was dismissed.

In the decision dismissing the petition, petitioners were advised that a showing of unavoidable delay due to docketing error required evidence supporting such a finding. In this case, the showing required was 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(s) were sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employees represented the exercise of due care. Petitioners were further advised that the following items must be provided: (a) statements by persons with direct knowledge of the circumstances of the delay, setting forth the facts as they know them; (b) a thorough explanation of the docketing and call-up system in use, including, but not limited to, copies of documentation which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due, and (c) 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.

In response, the subject request for reconsideration was filed. Petitioners again assert that the delay in payment of the maintenance fee was unavoidable due to a docketing error.

Petitioners state, in pertinent part:

Previously, the issued patent was filed, prosecuted, and maintained by a corporation named Leopard Logic, Inc. (the "First Corporation"). The assets of the

First Corporation were later transferred to the present owner and petitioner, Agate Logic, Inc. ("the Second Corporation"). The First Corporation then completely ceased its operation.

The patent firm for the First Corporation was instructed to transfer the patent files to the patent firm for the Second Corporation. However, it appears that the issued patents of the First Corporation were not transferred in this process. In the docket of the patent firm for the Second Corporation, there are no records of these issued patents.

Currently, there have been two other management teams for the Second Corporation since the initial transfer of the patent files to the Second Corporation and the current management team (the third team) is not aware of what had happened. Thus, the delay in reply that originally resulted in the expiration was entirely unavoidable (and unknown).

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required subsection (b) of this section which is made within twenty-four months after the six-month grace period if this 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.

37 CFR 1.378(b)(3) states that any petition to accept an unavoidably 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.

37 CFR 1.378(c)(3)(1) provides that a petition to accept an unintentionally delayed payment of a maintenance fee must be filed within twenty-four months of the six-month grace period provided in § 1.362(e)

OPINION

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable".³ A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."⁴ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁵ Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35 U.S.C. § 133.⁶ Under 35 U.S.C. § 133, the Director may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Director to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁷ However, 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.⁸ In view of In re Patent No. 4,409,763,⁹ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

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

³ 35 U.S.C. § 41(c)(1).

⁴ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁵ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁶ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁷ 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).

⁸ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁹ 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

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.¹⁰ That is, an adequate showing that the delay 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.¹¹

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.¹² Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Director that the delay in payment of a maintenance fee is unavoidable.¹³

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

(3) and 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.¹⁴

An adequate showing requires:

¹⁰ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

¹¹ Id.

¹² 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).

¹³ 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.

¹⁴ See MPEP 711.03(c)(III)(C)(2).

(A) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them.

(B) Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.

(C) Petitioner must supply 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.

The petition lacks items (1), (2), and (3).

In the Decision on Petition mailed on July 22, 2010, petitioners were requested to provide the information described above. However, the showing provided with the subject renewed petition falls far short of that which is required to show unavoidable delay due to a docketing error.

Petitioners concede that neither the cause of the delay, nor the person whose commission or omission resulted in the error, can be identified. In the absence of a documented showing of the existence of a reliable tracking system, an explanation of the error that occurred, and that a showing that the error occurred despite the exercise of due care, the Office is precluded from finding that the error resulted from unavoidable delay. Simply put, the burden is on petitioner, not the Office, to show that the delay was unavoidable. Petitioners have not met their burden of showing the delay was unavoidable.

Rather the showing of record, that various unidentified managers and other personnel joined and then left the Second Corporation, and that the source of the error which resulted in the delay in payment of the maintenance fee cannot be identified, indicates a preoccupation of petitioner with other matters. As stated previously, petitioners' preoccupation with other matters which

took precedence over the above-identified maintenance fee does not constitute unavoidable delay.¹⁵

In summary, the showing of record is inadequate to establish unavoidable delay. Petitioners have provided insufficient evidence to substantiate a claim of docketing error. Petitioner's preoccupation with other matters which took precedence over payment of the maintenance fees for the above-identified patent constitutes a lack of diligence, not unavoidable delay.¹⁶ As petitioner has not shown that it exercised the standard of care observed by a reasonable person in the conduct of his or her most important business, the petition will be dismissed.¹⁷

CONCLUSION

The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. The petition under § 1.378(c) has also been considered. For the above stated reasons, the delay in this case cannot be regarded as unavoidable, or unintentional, within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b) and (c).

Since this patent will not be reinstated, the maintenance fee(s) and surcharge fee(s) submitted by petitioner will be refunded to counsel's deposit account. The \$400.00 fee for reconsideration will not be refunded, and will be deducted from the amount refunded.

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

The patent file is being returned to Files Repository.

¹⁵ See Smith v. Mossinghoff, 671 F.3d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

¹⁶ See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

¹⁷ See note 7, supra.

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Telephone inquiries should be directed to Senior Petitions
Attorney Douglas I. Wood at 571-272-3231.

A handwritten signature in cursive script, appearing to read 'Anthony Knight', written in dark ink.

Anthony Knight
Director, Office of Petitions