



Paper No. 14

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**OFFICE OF PETITIONS**

In re Patent No. 5,559,082 :  
Issue Date: September 24, 1996 : Decision on Petition  
Application No. 08/372,202 :  
Filing Date: January 13, 1995 :  
Attorney Docket No. 006401.00556 :

This is a decision on the renewed petition under 37 CFR 1.378(c), filed July 10, 2006, to reinstate the above-identified patent.

The petition is **DENIED**.

#### Background

The patent issued September 24, 1996. The 7 ½ year maintenance fee was due from September 24, 2003, through March 24, 2004, or with a surcharge during the period from March 25, 2004, to September 26, 2004. The fee was not timely paid. Accordingly, the patent expired September 27, 2004.<sup>1</sup>

A petition under 35 U.S.C. 41(c)(1) and 37 CFR 1.378(c) was filed March 8, 2006. The petition was dismissed in a decision mailed May 11, 2006.

#### Applicable Statutes and Regulations

35 U.S.C. 41(b) states in pertinent part that, "Unless payment of the applicable maintenance fee is received . . . on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period."

35 U.S.C. 41(c)(1) states,

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.

<sup>1</sup> Since the 8 year anniversary of the issuance of the patent fell on a Saturday, the maintenance fee could have been paid on Monday, September 26, 2005, and still been considered timely.

37 CFR 1.378(a) states,

The Director may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section).

### **The Burden of Proof**

The statute requires a "showing" by petitioner. Specifically 35 U.S.C. 41(c)(1) states, "The Director may accept the payment ... if the delay is shown to the satisfaction of the Director to have been unintentional." Therefore, petitioner has the burden of proof.

### **Opinion**

Grain Processing Corporation ("GPC") is the assignee of the entire interest in the patent.

Richard Antrim is Vice President of GPC. Antrim is a Ph.D. level scientist and is familiar with both patent laws and patent procedures. Antrim is named as an inventor in approximately 40 U.S. Patents.

GPC entrusted "the internal administration of its patent maintenance fees to Dr. Antrim."<sup>2</sup> Petitioner states, "GPC acted reasonably in delegating the internal administration of maintenance fees to Dr. Antrim."<sup>3</sup>

Prior to the due date for the 7 ½ year fee, GPC's patent counsel contacted Dr. Antrim to determine if the 7 ½ year maintenance fee should be paid. The record fails to indicate if GPC's patent counsel was ever instructed to contact any employee, other than Antrim, for decisions regarding patents.

Dr. Antrim "made a reasonable inquiry within GPC as to the corporate intent of GPC."<sup>4</sup> Dr. Antrim consulted with technical personnel. To the best of Dr. Antrim's knowledge, and the knowledge of the personnel consulted, the product discussed in the patent had not been sold by GPC for *at least* 8 years.<sup>5</sup>

Dr. Antrim determined the 7 ½ year fee should not be paid.

Dr. Antrim contacted GPC's patent counsel and informed counsel not to pay the 7 ½ year fee.

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<sup>2</sup> Page 2 of the March 8, 2006 "Discussion in Support of Petition."

<sup>3</sup> Page 3 of the March 8, 2006 "Discussion in Support of Petition." Page 7 of the March 8, 2006 "Discussion in Support of Petition" states, "GPC acted reasonably in entrusting the administration of its maintenance fee matters to Dr. Antrim."

<sup>4</sup> Paragraph 10 of Antrim's March 7, 2006 declaration.

<sup>5</sup> Paragraph 10 of Antrim's March 7, 2006 declaration.



As a result of Dr. Antrim's instructions, the fee was not paid. As a result, the patent expired September 27, 2005.

Petitioner does not allege GPC's patent counsel should not have accepted instructions from Dr. Antrim.

GPC delegated authority to Dr. Antrim to make maintenance fee decisions. Under the doctrine of respondeat superior, an employer may be held responsible for the conduct of its employees. The Restatement of Agency provides an employer is responsible for the acts of an employee when the employee's actions fall within the employee's scope of employment.<sup>6</sup> Petitioner fails to allege Dr. Antrim improperly acted outside the scope of his job or acted with a motive of harming GPC when he gave instructions to outside patent counsel. Instead, petitioner states, "Dr. Antrim followed normal and reasonably prudent procedures internally in attempting to ascertain the intent of GPC."<sup>7</sup> Dr. Antrim acted with "reasonable prudence."<sup>8</sup> GPC does not allege outside patent counsel or that outside patent counsel acted improperly in accepting the instructions.

During 1994, GPC entered into a contract requiring GPC to either pay maintenance fees for patents covering certain subject matter, such as the instant patent, or notify Esses, Inc. of GPC's desire to allow a covered patent to expire and, upon request, assign the patent to Esses, Inc. A law firm, on behalf of the successor in interest to Esses, Inc., reminded GPC of the contract during February of 2006.

Petitioner discusses the fact Dr. Antrim was unaware of the contract. However, Dr. Antrim's failure to know of the contract, and thereby recognize the value of maintaining the patent, is irrelevant. 35 U.S.C. 41(c)(1) does not discuss the motives or reasons for one intentionally failing to pay a maintenance fee. Instead, the statute simply involves the action of paying, or not paying, the maintenance fee. Antrim intentionally instructed GPC's patent counsel not to pay the 7 ½ year fee. GPC's patent counsel intentionally chose not to pay the 7 ½ year fee. The failure to pay the fee was intentional regardless of the basis for Antrim choosing for GPC not to pay the fee.

GPC seeks to avoid being bound by Dr. Antrim's intentional course of action by asserting Jay Huff's, GPC's in-house counsel, intent to be considered by the Office. Petitioner asserts Jay Huff knew of the contract and therefore would have instructed GPC's patent counsel to pay the fee. However, if GPC wished for Huff's intent to determine when maintenance fees should be paid, GPC could have easily delegated authority to make the decisions to Huff. GPC could have required Antrim to get Huff's approval for all decisions. Petitioner has failed to indicate Antrim was ever instructed to consult with Huff regarding maintenance fee decisions. Instead, petitioner indicates normal procedure was for Dr. Antrim not to contact Huff and Dr. Antrim acted reasonably in not discussing the instant patent with Huff.

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<sup>6</sup> *Restatement (Second) of Agency*, 228, 243 (1957).

<sup>7</sup> Page 4 of the March 8, 2006 of the March 8, 2006 "Discussion in Support of Petition."

<sup>8</sup> Page 2 of the March 8, 2006 of the March 8, 2006 "Discussion in Support of Petition."



Petitioner indicates Dr. Antrim "relied on his own knowledge of GPC's patent-related affairs, which reliance was reasonable in light of his familiarity with GPC's patent matters" when he determined "GPC did not intend to pay the fee."<sup>9</sup> Petitioner states, "Dr. Antrim followed normal and reasonably prudent procedures internally in attempting to ascertain the intent of GPC."<sup>10</sup> Antrim acted with "reasonable prudence."<sup>11</sup> In fact, Dr. Antrim states he "had not heretofore had a need to, and normally [does] not, consult with Mr. Huff, GPC's in-house counsel, in connection with maintenance fee decisions."<sup>12</sup> "Given Dr. Antrim's familiarity with GPC's patent-related matters, Dr. Antrim never before had reasons to consult with Mr. Huff as to payment of maintenance fees."<sup>13</sup>

If a corporation delegates maintenance fee decisions to an employee and the employee intentionally fails to pay a fee, the corporation cannot prove the failure to pay the fee was unintentional by simply finding another employee in the corporation who would have chosen to pay the fee. Otherwise, almost every decision made by a corporation could be found to be unintentional.

Petitioner cites several cases in support of its arguments. For example, GPC cites *In re Patent 4,509,726* (Comm'r Patents 1999). GPC asserts the Office granted a petition to reinstate a patent in that case even though "an employee of the assignee of the patent had expressly instructed that the maintenance fee not be paid."<sup>14</sup> The employee who provided the instructions was an employee American Fence Corporation. However, the petitioner was Allied Tube and Conduit Corporation ("Allied"). The employee who provided the instructions not to pay the fee was not an employee of Allied. Petitioner, Allied, asserted it had acquired title to the patent prior to the expiration of the patent. Therefore, the issue before the Office was: Did *Allied* intentionally fail to pay the maintenance fee? The Office never determined American Fence Corporation's failure to pay the fee was unintentional.

The Office need not distinguish all the other cases cited by petitioner. The facts of the cited cases cannot change the fact GPC intentionally failed to pay the maintenance fee. Even if petitioner could prove the Office has incorrectly reinstated patents where the party in interest intentionally failed to pay a maintenance fee, such proof would not result in the granting of the instant petition. *If* the Office made an error in the past, the Office is not thereafter required to continue repeating such an error.<sup>15</sup>

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<sup>9</sup> Page 4 of the March 8, 2006 of the March 8, 2006 "Discussion in Support of Petition."

<sup>10</sup> Page 4 of the March 8, 2006 of the March 8, 2006 "Discussion in Support of Petition."

<sup>11</sup> Page 2 of the March 8, 2006 of the March 8, 2006 "Discussion in Support of Petition."

<sup>12</sup> Paragraph 13 of Antrim's March 7, 2006 declaration.

<sup>13</sup> Page 5 of the March 8, 2006 of the March 8, 2006 "Discussion in Support of Petition."

<sup>14</sup> Page 6 of the March 8, 2006 petition (emphasis omitted).

<sup>15</sup> See *In re The Boulevard Entertainment, Inc.*, 334 F.3d 1336, 1343, 67 USPQ2d 1475, 1480 (Fed. Cir. 2003) ("The fact that, whether because of administrative error or otherwise, some marks have been registered even though they may be in violation of the governing statutory standard does not mean that the agency must forgo applying that standard in all other cases.")

For the reasons previously discussed, the evidence of record is insufficient to prove GPC's failure to pay the maintenance fee was unintentional.

The Office has charged \$400 to petitioner's deposit account for the fee required for the instant request for reconsideration. Since this patent will not be reinstated, the Office has credited the 7 ½ year maintenance fee and the \$1,640 surcharge to petitioner's deposit account.

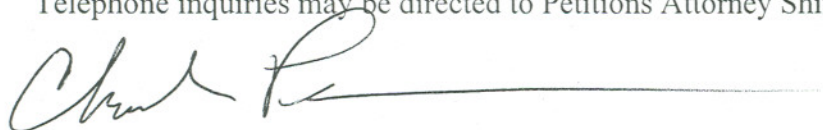
### Decision

The prior decision which refused to accept under 37 CFR 1.378(c) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the reasons herein and stated in the previous decision, the entire delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(c). Therefore, the petition is **denied**.

As stated in 37 CFR 1.378(e), the Office will not further consider or review the matter of the reinstatement of the patent.

The patent file is being forwarded to Files Repository.

Telephone inquiries may be directed to Petitions Attorney Shirene Brantley at (571) 272-3230.

A handwritten signature in black ink, appearing to read 'Charles Pearson', followed by a long horizontal line extending to the right.

Charles Pearson  
Director  
Office of Petitions