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OFFICE OF PETITIONS

In re Patent No. 5,921,693 :
Issue Date: July 13, 1999 :
Application No. 08/831,219 : ON PETITION
Filed: April 2, 1997 :
Attorney Docket No. MAR048 :

This is a decision on the petition filed November 20, 2006 under 37 CFR 1.378(e), requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee under 37 CFR 1.378(b) is DENIED.¹

BACKGROUND

The patent issued July 13, 1999. Accordingly, the first maintenance fee due could have been paid during the period from July 13, 2002 through January 13, 2003, or with a surcharge during the period from January 14, 2003 through July 14, 2003 (July 13 being a Sunday). This patent expired at midnight on July 13, 2003, for failure to timely submit the maintenance fee and by operation of law. See 35 USC § 41(b).

A petition under 37 CFR 1.378(b) to accept late payment of the first maintenance fee was filed August 1, 2006. Petitioner asserted that the delay in payment was unavoidable due to the patentee's belief that the firm who handled the prosecution of the above-identified application was docketing and tracking the patent. The petition was dismissed in a decision on September 19, 2006. The decision held that the record failed to disclose that adequate steps were taken by patentee on patentee's behalf to schedule or pay the first maintenance fee when it fell due, and therefore, had not shown that the entire delay in timely paying the maintenance fees was unavoidable. The decision requested petitioner to provide supporting documents and statements regarding the steps taken by patentee or on behalf of patentee to docket, track and pay the maintenance fee for the above-identified patent and to detail the business routine in place for clerical functions, including training and experience of employees, to avoid errors in its performance.

The instant petition requesting reconsideration was filed November 20, 2006.

¹ 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. No further consideration or reconsideration of this matter will be given. See 37 CFR 1.378(e).

STATUTE AND REGULATION

35 U.S.C. § 41(b) states in pertinent part that:

The Director shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

- (1) 3 years and 6 months after grant, \$900.²
- (2) 7 years and 6 months after grant, \$2,300.
- (3) 11 years and 6 months after grant, \$3,800.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period.

35 U.S.C. § 41(c)(1) states that:

The Commissioner 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 Commissioner 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 Commissioner may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been unavoidable. See 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

² Maintenance fees in effect as of the date the first petition were filed on August 1, 2006. The fees are subject to an annual adjustment on October 1. See 35 U.S.C § 41(f). The fees are reduced by fifty (50) percent for, as here, a small entity. See 35 U.S.C. § 41(h)(1).

applications have adopted the "reasonably prudent person" standard in determining if the delay in responding to an Office action 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, 514-515 (D.C. Cir. 1912); and Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. 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, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

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. 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). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. 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. As 35 USC § 41(b) 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, 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 by the responsible party to ensure the timely payment of the maintenance fee for this patent. Id.

Petitioner has not shown steps were taken by the responsible party to ensure the timely payment of the first maintenance fee for the above-identified patent. The focus must be on the rights of the parties as of the time of expiration of this patent in order to determine the party responsible to ensure timely payment of the maintenance fee for this patent. See Kim v. Quigg, 718 F.Supp. 1280, 1284, 12 USPQ2d 1604, 1607 (E.D. Va. 1989). Office records indicate that the patentee (Martiniak) owned the rights to the above-identified patent when the first maintenance fee fell due on January 13, 2003, as well as some six months later when this patent expired by operation of law at midnight on July 13, 2003. As the patent holder at the time of expiry of the above-identified patent, Martiniak was responsible for payment of the maintenance fees. As such, it was incumbent upon Martiniak to implement steps to schedule and pay the fee, or obligate another to make the payment. See California Medical Products v. Technol Med. Prod. 921 F.Supp. 1219, 1259 (D.Del. 1995). It was also incumbent on Martiniak to have himself docketed this patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to its most important business, or to have engaged another for that purpose. See Id.

On review, the record shows that Martiniak had no system in place to docket and track maintenance fee payments for the above-identified patent since he "was unaware that the maintenance fee was

due.” See ¶4 of Martiniak’s Declaration. The Letters Patent contains a Maintenance Fee Notice that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. Accordingly, a reasonably prudent patentee would have inquired to see if his/her patent was subject to maintenance fees. Furthermore, delay resulting from the lack of knowledge or improper application of the patent statute, rules of practice or the MPEP does not constitute “unavoidable” delay. See Haines, 673 F. Supp. at 317, 5 USPQ2d at 1132; Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm’r Pat. 130, 131 (1891). As such and since the record is absent of any steps taken by Martiniak to ensure timely payment of the maintenance fee, 37 CFR 1.378(b)(3) precludes acceptance of a belated maintenance fee. Ray, supra.

Martiniak, however, states that, to the best of his knowledge, his “patent was being handled by Leary & Associates” and that he “assumed this included tracking and reminders of maintenance fees.” See ¶2 of Martiniak’s Declaration. Thus although Martiniak states that he was unaware maintenance fees were due, Martiniak argues that he engaged Leary & Associates (Leary) to docket and track maintenance fee payments for the above-identified patent. Even where another is obligated and relied upon to pay the maintenance fees, such asserted reliance per se does not provide a petitioner with a showing of unavoidable delay within the meaning of 37 CFR § 1.378(b) and 35 U.S.C. § 41(c). California, supra. Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the obligated party acted reasonably and prudently. Id.

Carol Titus (Titus), a practitioner at Leary, explains that the patent agency (Leary, Titus & Aiello and later Leary) handling Martiniak’s application dissolved in April 2002 and that letters were mailed to all current clients, asking the client to instruct them on what action should be taken with respect to their files. See ¶2 of Titus’ Declaration. Martiniak states he does not recall receiving any letter regarding the firm’s dissolution (¶3 of Martiniak’s Declaration), and Titus states, “[w]e did not receive a reply from Mr. Martiniak and no further actions were taken on his file.” See ¶2 of Titus’ Declaration. From these statements, there is no evidence that the firm Martiniak purportedly engaged to docket and track the maintenance fee payments, had steps in place to pay the first maintenance fee payment for the above-identified patent when it fell due. In the absence of a showing that Martiniak was engaged in tracking the maintenance fee due dates or that an obligated party had in fact been tracking the due dates with a reliable tracking system, petitioner cannot reasonably show that the delay was unavoidable. In re Katrapat, 6 USPQ2d 1863, 1867-1868 (Comm’r Pat. 1988); California, supra. Thus regardless of whether Martiniak had or not had engaged the firm to docket and track maintenance fee payment, the evidence shows that the law firm had no steps in place to docket, track or pay the first maintenance fee, and the record fails to disclose that the patentee or those engaged on his behalf took reasonable steps to ensure timely payment of the maintenance fee when it fell due.

Additionally, the reliability of Leary’s docketing system is debatable. Titus states that the patent agency that handled Martiniak’s application dissolved in April 2002. See ¶2 of Titus’ Declaration. Titus also declares that during the time of dissolution, “[t]racking of the docket was maintained for several months while the files were transferred or otherwise dispositioned . . . There were no deadlines for Mr. Martiniak’s file during this time period.” See ¶2 of Titus’ Declaration. What time period during dissolution “several months” encompasses is not clear. The first maintenance fee

payment, however, for the above-identified patent could have been made as early as July 13, 2002, which may have included the several months during dissolution that Leary continued to track and maintain its docket during the dissolution of April 2002. Moreover, Titus explains, “[i]n early July 2005, I reviewed Mr. Martiniak’s file. I noted the dates involved and did some additional research to contacted [sic] Mr. Martiniak regarding his file.” See ¶3 of Titus’ Declaration. The record does not explain why Titus, after receiving no reply from Martiniak from the form letter mailed to him some time around April 2002 and almost two years after the first maintenance fee due date, reviewed the file for the above-identified application. These issues do not demonstrate Martiniak had docketed the above-identified patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to its most important business, or to have engaged another for that purpose.

Petitioner has also attempted to explain the delay in paying the first maintenance fee by addressing a typographical error in a previously filed petition under 1.378(c), which is not the subject of the present request for reconsideration.³ While the typographical error was an unfortunate occurrence, a petitioner is bound by any errors that may have been committed by the obligated party.

California, supra. Moreover, petitioner is reminded that there are three periods to be considered during the evaluation of a petition under 37 CFR 1.378: (1) the delay in paying the first maintenance fee that originally resulted in expiry of the patent; (2) the delay in filing an initial petition pursuant to 37 CFR 1.378 to reinstate the patent; and (3) the delay in filing a grantable petition pursuant to 37 CFR 1.378 to reinstate the patent. This typographical error only explains portions of the delay in periods (2) and (3), and is not the only cause of the delay in paying the first maintenance fee for the above-identified patent. Thus while the above typographical error explains portions of the delay, the delay in paying the first maintenance fee that originally resulted in expiry of the patent, as discussed above, has not been explained to the satisfaction of the Director such that the entire delay in payment of the maintenance fee was unavoidable.

In conclusion, petitioner has not met his burden of proving to the satisfaction of the Director that the entire delay in payment of the maintenance fees was unavoidable within the meaning of 35 U.S.C. 41(c)(1) and 37 CFR 1.378(b)(3). The absence of any steps in place to docket, track and pay the maintenance fee payments for the above-identified patent when the fee fell due fails to demonstrate Martiniak or any obligated party acted reasonably and prudently such that the entire delay in paying the first maintenance fee was unavoidable.

³ A typographical error on the Credit Card Payment Form accompanied the petition under 1.378(c) filed on July 19, 2005, and the maintenance fee payment, therefore, was not timely received. The October 3, 2005 dismissal cautioned petitioner that he was time barred from petitioning further under 37 CFR 1.378(c), which required payment within twenty-four months after the six month grace period. Petitioner sought a waiver under 37 CFR 1.183 of the time requirement on January 6, 2006. However, 35 U.S.C. § 41(c) also requires payment within twenty-four months after the six month grace period. The petition under 1.183 was dismissed, because the Office is without authority to waive statutory requirements.

DECISION

The prior decision, which refused to accept the delayed payment of a maintenance fee for the above-identified patent under § 1.378(b), has been reconsidered. For reasons previously stated and given above, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since this patent will not be reinstated, the maintenance fee (\$450) and surcharge (\$700) remitted by petitioner twice, totaling \$2300, will be refunded by Treasury check in due course. The \$400 fee under 37 CFR 1.17(f) for requesting reconsideration is not refundable.

The patent file is being returned to the Files Repository.

Telephone inquiries regarding this decision should be directed to Petitions Examiner Denise Pothier at (571) 272-4787.

A handwritten signature in black ink, appearing to read "Charles Pearson", with a long horizontal flourish extending to the right.

Charles Pearson
Director
Office of Petitions