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Paper No. 9

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OFFICE OF PETITIONS

In re Patent No. 6,148,458 :
Issue Date: November 21, 2000 :
Application No. 09/437,115 :
Filed: November 10, 1999 :
Attorney Docket No. N/A :
For: BEDDING SYSTEM WITH A LOWER
SHEET HAVING TRANSVERSE POCKETS

ON PETITION

This is a decision on the reconsideration petition under 37 CFR 1.378(e) filed August 27, 2008, to reinstate the above-identified patent.

The petition is **DENIED**.¹

Background

The patent issued November 21, 2000. The 3 ½ year maintenance fee could have been paid from November 21, 2003 through May 21, 2004, or with a surcharge during the period from May 22, 2004 through November 21, 2004. The Office has no record of receiving the full 3 ½ year maintenance fee in a timely fashion. Accordingly, the patent expired at midnight on November 21, 2004.

A petition under 37 CFR 1.378(b) was filed on April 7, 2008 (certificate of mailing date April 1, 2008). The petition was dismissed in a decision mailed August 15, 2008.

¹ This decision may be viewed as a final agency action within the meaning of 5 USC § 704 for purposes of seeking judicial review. See MPEP 1002.02. The terms of 37 C.F.R. 1.137(d) do not apply to this decision.

Applicable Statute and Regulation

35 U.S.C .41(c)(1) states that:

“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, 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) states that:

Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

- (1) the required maintenance fee set forth in §1.20 (e)-(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.

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. Such a statement must be verified if made by a person not registered to practice before the Patent and Trademark Office. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

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 unavoidable.” Therefore, petitioner has the burden of proof.

Opinion

The instant reconsideration petition does not contain any additional information regarding the nature of the delay that resulted in the expiration of the patent. While the Office appreciates that patentee has "learned some valuable lessons..." through this experience, the Office cannot reinstate this patent absent persuasive evidence of unavoidable delay. Because petitioner has not provided additional salient information, the following opinion is in large part taken from/paraphrased from the August 15, 2008 decision on petition.

Patentee James D. Hires asserts that the delay in payment of the 3 ½ year maintenance fee was unavoidable because he was not aware that maintenance fees amounts can change from year to year. Mr. Hires attempted to pay the 3 ½ year maintenance fee on July 8, 2003. Mr. Hires mailed a check for \$425.00 to the Office. On July 28, 2003, the Office mailed Mr. Hires a Notification of Non-Acceptance of Patent Maintenance Fee that informed Mr. Hires the fee was paid too early, as the window period was to open on November 21, 2003. The Notice did not address the sufficiency of payment, i.e., the \$20.00 short fall in payment. On November 21, 2003, patentee allegedly attempted to pay the 3 ½ year maintenance fee again. The Office has no record of receiving correspondence from petitioner dated November 21, 2003. The Office has no record of negotiating petitioner's \$425.00 check dated November 21, 2003. Nevertheless, even if the Office had negotiated the check, it still would not have covered the whole fee due, which was, \$445.00.

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

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. 133 because 35 U.S.C. 41(c)(1) uses the identical language, i.e., "unavoidable delay". Ray v. Lehman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In Re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat 1898)). 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 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); 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).

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. Consequently, a reasonably prudent person in the exercise of due care and diligence will take steps to ensure the timely payment of maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. Thus, it follows

that an adequate showing of unavoidable delay in payment of a maintenance fee, 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 the patent. Id. 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.

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, a 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 Rules for Patent Maintenance Fees" 49 Fed. Reg. 34716, 34722-34723 (August 31, 1984), reprinted in 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statute and regulations, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. The Office's mailing of Maintenance Fee Reminders is carried out strictly as a courtesy. Accordingly, 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/or 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. Rydeen v. Quigg, 748 F. supp. at 900.

It was incumbent upon the party in interest to undertake the obligation to pay the fee or to engage a third party to monitor and track the first maintenance fee payment. Reliance *per se* on a third party for tracking a maintenance fee does not provide a patent holder with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. 41(c).

Petitioner has not demonstrated, via a documented showing, that he docketed this patent for the first maintenance fee payment in a reliable tracking system. Petitioner has not provided a description of petitioner's maintenance fee reminder system in the present reconsideration petition or the original reinstatement petition.

However, even if petitioner had provided documentary evidence that the due date for the maintenance fee was docketed in a reliable tracking system and that through some unforeseeable circumstances the check for \$425.00 was not received in the Office, the petition could **still** not be granted because petitioner was not aware of the proper fee amount due.

The petition states that patentee was relying on information his former attorney gave him in presumably late 2000 as to the necessity to pay maintenance fees on the patent and how much the amounts would be. Relying on stale information, petitioner attempted to pay the wrong amount of money too early. He allegedly attempted again to pay the wrong amount of money within the window period. As stated above, the Office has no record of negotiating the \$425.00 check dated 11/21/03. Even if the Office had negotiated it, it would have been only a partial payment.

Petitioner admits that he did not know that his patent had expired or that maintenance fees increase from time to time. However, A Notice was published in the *Federal Register* on November 27, 2002, and in the *Official Gazette of the United States Patent and Trademark Office* on November 26, 2002 that stated that any fee amount paid on or after January 1, 2003 was subject to a new fee schedule, as outlined in the Notice.

A delay resulting from the lack of knowledge or improper application of the patent statute, rules of practice or the MPEP does not constitute an "unavoidable" delay. See *Haines v. Quigg*, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (N.D. Ind. 1987), *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). Applicants are expected to keep abreast of patent regulations. There is no exemption for *pro se* applicants/patentees. The lack of knowledge of the requirement to pay a maintenance fee and/or 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.

Relying on stale information from a former attorney does not render the delay unavoidable. A reasonable and prudent person would have verified that the information in the former attorney's letter was up to date when mailing the Office a maintenance fee payment several years after the letter was written.

The record, as it stands now, fails to show that patentee took the due care of a reasonably prudent and careful person, in relation to his most important business. *Pratt, supra*.

Decision

The prior decision which refused to accept under 37 CFR 1.378(b) 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 U.S.C. 41(c)(1) and 37 CFR 1.378(b). 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.

In due course, the Office will schedule a Treasury check refund of \$2,345.00, which corresponds to the maintenance fee and surcharge paid. The reconsideration fee of \$400.00 will be retained.

The patent file is being forwarded to Files Repository.

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

A handwritten signature in black ink, appearing to read "Charles Pearson". The signature is written in a cursive style with a long horizontal stroke at the end.

Charles Pearson
Director
Office of Petitions