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OFFICE OF PETITIONS

In re Patent No. 5,762,465 :
Stanley Zackovich :
Issue Date: June 9, 1998 : FINAL AGENCY DECISION
Application No. 08/645,652 :
Filed: May 14, 1996 :
Attorney Docket No. ZA4.P01 :

This is a decision on the petition under 37 CFR 1.378(e), filed on March 14, 2008, requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-referenced patent.

The petition is DENIED.

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.

BACKGROUND

The patent issued June 9, 1998. The grace period for paying the 3-½ year maintenance fee expired at midnight on June 9, 2002, with no payment received.

On July 13, 2005, patentee filed the initial petition asserting that the entire delay in filing the required maintenance fee, from the due date for the required fees until the filing date of a grantable petition was unavoidable, per 37 CFR 1.378(b). The sole evidence submitted in support of this petition was the verified statement of paralegal Amy Matthews.

By decision mailed November 23, 2005¹, the initial petition was dismissed. Patentee's showing of unavoidable delay was insufficient. Ms. Matthews statement failed to show that the delay in paying the maintenance fee resulted from an error (e.g. a docketing error) on the part of an employee in the performance of a clerical function, or otherwise, should be considered unavoidable within the meaning of 37 CFR 1.378(b). In fact, Ms. Matthews's statement supported a conclusion that there was no clerical error. Ms. Matthews stated that the docketing entry was proper, and that the reminders were present, but had not been acted upon. The dismissal requested further evidence of an error, which would meet patentee's burden of establishing unavoidable delay.

On June 8, 2006, patentee filed a REQUEST FOR RECONSIDERATION. Patentee had not received the dismissal. This REQUEST FOR RECONSIDERATION merely constituted another copy of the verified statement of Ms. Matthews. On September 11, 2006, the prior Office decision was re-mailed and the period for reply reset. Prior to receiving the re-mailing, patentee filed a request for reconsideration on August 21, 2006, including the \$400 fee required pursuant to § 1.17(f). Upon receiving the Office's September 11, 2006 letter, on November 13, 2006, patentee resubmitted the Request for Reconsideration filed August 21, 2006.

By decision mailed July 9, 2007 and re-mailed January 17, 2008, the petition was dismissed. Patentee's showing continued to fail to establish that the delay in paying the maintenance fee was unavoidable within the meaning of 37 CFR 1.378(b). Patentee attributed the delay to noting in the docket the wrong person, Mr. Patrick Ballew, as the oversight person for this matter. This explanation raised many questions, especially with respect to the actions of Mr. Ballew at the time.

On March 14, 2008, patentee filed the instant renewed petition. A Supplemental Verified Statement of Patrick H. Ballew, Esq. is submitted on petition. However, as discussed below, the response does not answer the questions raised.

¹ Unfortunately, the decision of November 23, 2005 was returned by the United States Postal Service as undeliverable. Upon becoming aware of this, on June 20, 2006, the decision of November 23, 2005 was re-mailed and the period for reply reset. (Subsequently, a change of address filed June 9, 2006 was made of record).

STATUTES, RULES AND REGULATIONS

35 U.S.C. § 41(c)(1) states that:

The Director may accept the delayed payment of any maintenance fee required ... after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable.

37 C.F.R. §1.378(b) provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee must 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.

Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. 133. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word '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 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also

Winkler v. Ladd, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff'd, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

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; and
- (3) 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 MPEP 711.03(c) (III) (C) (2) (See also In re Egbers, et al., 6 U.S.P.Q.2d 1869 (Commr. Pat. 1988), rev'd on other grounds sub nom, Theodor Groz & Sohne & Ernest Bechert Nadelfabrik KG v. Quigg, 10 U.S.P.Q.2d 1787 (D.D.C. 1988); In re Katrapat, AG, 6 U.S.P.Q.2d 1863 (Commr. Pat. 1988).

However, it is well-established that a delay caused by the mistakes or negligence of one's voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. 133. Haines v. Quigg, 673 F.Supp. 314, 316-317, (1987); Link v. Wabash, 370 U.S. 626, 633-634 (1962). The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives, and applicant is bound by the consequences of those actions or inactions.

Moreover, the showing that the "delay" was "unavoidable," requires not only a showing that the delay which resulted in the abandonment of the application was unavoidable, but also a showing of unavoidable delay until the filing of a petition to revive. See In re Application of Takao, 17 USPQ2d 1155 (Comm'r Pat. 1990). An applicant seeking to revive an "unavoidably" abandoned application must cause a petition under 37 CFR 1.137(a) to be filed without delay (i.e., promptly upon becoming notified, or otherwise becoming aware, of the abandonment of the application). An applicant who fails to file a petition under 37 CFR 1.137(a) (or 1.378(b)) "promptly" upon becoming notified,

or otherwise becoming aware, of the abandonment of the application will not be able to show that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.137(a) was unavoidable. A petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

ON PETITION

Petitioner still has not met his burden of establishing that the entire delay was unavoidable within the meaning of 37 CFR 1.378(b). Petitioner characterizes the delay in paying the maintenance fee as resulting from a docketing error. 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. However, a petitioner stating that there was an error in the docketing system does not make that error of the type that is excusable. The excusable docketing error occurs in the context of there being in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance, and the employee who erred in performing the clerical function being 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. For example, the attorney having a reliable docketing system delegates to a sufficiently trained and experienced employee the clerical function of typing in the due dates for payment of the maintenance fees and in one instance, the employee types in January 10, 2006, rather than the correct date of January 1, 2006.

On the other hand, the failure of the attorney to appreciate that a maintenance fee is due in a case or otherwise err in his functions as an attorney is not "unavoidable" delay. It is well-established that a delay caused by the mistakes or negligence of one's voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. 133. Haines v. Quigg, 673 F.Supp. 314, 316-317, (1987); Link v. Wabash, 370 U.S. 626, 633-634 (1962). The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives, and applicant is bound by the consequences of those actions or inactions.

In this instance, patentee attempts to characterize the error as one in a clerical function when the showing suggests that an error of the attorney led to the failure to pay the maintenance fee. There was a system for paying maintenance fees in place. According to the person, Ms. Amy Matthews, identified as responsible for tracking and filing of patent maintenance fee payments, docketing flags or reminders from the office docketing system on paying the maintenance fee were essentially correct. Nonetheless, the maintenance fee was not timely paid.

Petitioner attributes the failure to timely pay the maintenance fee to an error in a clerical function associated with the entry of an oversight person. Specifically, the supervision of Ms. Matthews' work is the responsibility of the practitioner responsible for each trademark or patent matter. In this instance, it is maintained that the lapse in payment occurred because of entry of the wrong oversight person, namely Mr. Patrick Ballew instead of Mr. Chris Svendsen. According to petitioner, this error occurred at the initial entry of the data by Ms. Michelle Bos, after which Ms. Amy Matthews failed to act upon the maintenance fee payment and then did not receive the normally provided oversight. In other words, petitioner argued that but for Mr. Patrick Ballew (instead of Mr. Chris Svendsen) being identified on the docketing report as the wrong oversight person the maintenance fee would have been timely paid.

The evidence indicates that both Ms. Matthews and Mr. Ballew failed to take action. No docketing error in the business routine followed by Ms. Matthews is shown. Ms. Matthews statement failed to show that the delay in paying the maintenance fee resulted from an error (e.g. a docketing error) on the part of an employee in the performance of a clerical function, or otherwise, should be considered unavoidable within the meaning of 37 CFR 1.378(b). In fact, Ms. Matthews's statement supported a conclusion that there was no clerical error. Ms. Matthews stated that the docketing entry was proper, and that the reminders were present, but had not been acted upon.

In considering the evidence, the Office weighed that Mr. Ballew is an attorney. Further, his role in overseeing payment of maintenance fees was not seen as a clerical function, particularly of the type for which an error in performance could constitute an "unavoidable" delay within the meaning of 37 CFR

1.378(b). Overseeing the payment of maintenance fees is not seen as a "business routine for performing the clerical function." His role is seen as a function of an attorney in a patent matter; to tell the clerical person to act on the maintenance fee reminders.

Moreover, upon review of the statements of Ms. Matthews and Ms. Bos, it was concluded that this matter should have been on both Ms. Matthews "personal parallel docketing of all deadlines on a paper calendar" and Mr. Ballew's "regular report generated from the firm docket system, and distributed to all practitioners with responsibility for managing cases, at the beginning of each month for items due in the current month." Further, Ms. Bos' statement indicates that each practitioner reviewed his/her docket items as identified by their initials, client number, and matter number. Further, a review of the docket submitted revealed that it states therein "1st Maintenance Fee Due (3rd-year date)" with an Action Date of June 9, 2001 and "1st Maintenance Fee Due (3 ½ year date)" with an Action Date of December 9, 2001. The Office questioned what happened when the docketing flags and reminders came up? The Office directly questioned what happened on June 9, 2001 and on December 9, 2001? Mr. Ballew has failed to specifically respond to this inquiry. Mr. Ballew simply states that he does not review his docket with respect to patent matters.

This reflects the underlying issue of what type of reliable docketing system would even assign such an attorney for oversight if he does not even review his docket with respect to patent matters? What kept Mr. Ballew (or any other member of the staff) from appreciating these entries and taking action to have them re-docketed to attorney Svendsen or another attorney who purportedly oversees such patent matters.

Having considered the facts and circumstances of this case, it is concluded that the showing that attorney Svendsen's initials should have been associated with this matter instead of attorney Ballew's does not meet the burden of establishing unavoidable delay. This may have been an error but not of the excusable docketing error type. The error, inaction of Mr. Ballew as the attorney listed as responsible for overseeing the patent, does not constitute unavoidable delay.

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. For the above-stated reasons, the 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). This is a final agency action, within the meaning of 35 U.S.C. § 704.

Since this patent will not be reinstated, the maintenance fee(s) and surcharge fee(s) submitted by petitioner will be refunded. The \$400 fee for reconsideration will not be refunded.

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

Telephone inquiries related to this decision may be directed to Nancy Johnson, Senior Petitions Attorney, at (571) 272-3219.



Anthony Knight
Director
Office of Petitions