



Paper No. 16

Vairex Corporation
3026 Valmont Road
Boulder, CO 80301
Attn: Ski Milburn, CEO

COPY MAILED

SEP 16 1998

SPECIAL DELIVERY OFFICE
SEP 16 1998

In re Patent No. 4,907,950 :
Issue Date: March 13, 1990 :
Application No. 07/238,093 : ON PETITION
Filed: August 29, 1988 :
Inventor: Michel Pierrat :

This is a decision on the petition, filed April 27, 1998, 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 is DENIED.

BACKGROUND

The patent issued March 13, 1990. Accordingly, the first maintenance fee due could have been paid during the period from March 15, 1993 (March 13, 1993 being a Saturday) through September 13, 1993, or with a surcharge during the period from September 14, 1994 through March 14, 1994 (March 13, 1994 being a Sunday). The above-identified patent became abandoned as of midnight, March 13, 1994 for failure to pay the maintenance fee.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on July 29, 1997, and was dismissed in the decision of February 26, 1998.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of February 26, 1998 was filed on April 27, 1998. Accompanying the petition was correspondence from petitioner's former attorney, Mr. E. T. Barrett (Barrett), to Mr. Scott Mattes (Mattes), who is a representative of the assignee, Vairex Corporation (Vairex).

STATUTE AND REGULATION

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"; 35 USC 41(c)(1).

Acceptance of late payment of a 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 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).

Petitioner requests reconsideration in that: (1) patent owner, Vairex, relied upon its duly appointed attorney, Mr. E. T. Barrett (Barrett), for payment of the maintenance fees, (2) notwithstanding an October 18, 1993 letter from Barrett advising each client to maintain its own docketing system for payment of maintenance fees, which letter specifically indicated the above-identified patent had a maintenance fee due at the time of the letter, Vairex relied upon Barrett for timely payment of patent maintenance fees, and (3) petitioner never realized that the instant patent was not in force until June 26, 1997, and that the maintenance fee would have been timely paid had Barrett not been incapacitated by illness.

Petitioner has not carried the burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

The showing of record, and most significantly the letter from Barrett dated October 18, 1993, indicates that Vairex was duly informed of its need to maintain its own docketing system for payment of the maintenance fees, as well as the need for Vairex to immediately pay the maintenance fee for the instant patent. Petitioner has asserted that in the past, Barrett would routinely indicate that he (Barrett) would not continue prosecution of certain other patent matters for Vairex due to Vairex's failure to pay Barrett, but Barrett would in fact continue to perform those certain duties in due course despite not being paid. As such, petitioner asserts, it was reasonable in relying upon Barrett for payment of the maintenance fees despite the October 18, 1993 letter.

Assuming, *arguendo*, that petitioner did rely upon Barrett for payment of the maintenance fees despite the letter of October 18, 1993, such reliance *per se* does not provide petitioner with a showing of unavoidable delay within the meaning of 37 CFR

1.378(b) and 35 USC 41(c). See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from petitioner to whether Barrett acted reasonably and prudently. Id. Nevertheless, petitioner is bound by any errors that may have been committed by Barrett. California, supra. As such, assuming that Barrett had been engaged to pay the maintenance fee, then it was incumbent upon petitioner to have demonstrated, via a documented showing, that Barrett had docketed this patent for payment of the maintenance fee in a reliable tracking system. Id. However, petitioner has failed to show that any tracking system was employed by either Barrett or by Vairex. Petitioner asserts that Barrett demonstrated his careful attention to the dates on which money was needed for other patent related matters, and further, that Barrett sent a maintenance fee reminder for Patent No. 4,914,330, which maintenance fee was due near the same time that the maintenance fee for the above identified patent was due. Petitioner then queries "[h]ow is it that Mr. Barrett failed to pay the '950 maintenance fee and also failed to send a reminder notice to Vairex even though he did send one for the '330 patent?" Nevertheless, it remains petitioner's burden to answer the query, by way of a showing that establishes that the delay herein was unavoidable. It is manifest that Barrett did not have the instant patent docketed for payment, particularly in view of Barrett's letter of October 18, 1993 which informed Vairex of the need to either pay the maintenance fee by October 26, 1993 or provide its own docketing system for the above-identified patent. In the absence of a showing of any steps taken by Barrett, or anyone else, to track and pay the maintenance fee, 37 CFR 1.378(b)(3) precludes reinstatement.

While petitioner contends that the only explanation for Barrett's failure to pay the maintenance fee for the instant patent is that Barrett was seriously ill, this contention must fall of its own weight. Petitioner has gone to great lengths to show Barrett's diligence with respect to the '330 patent and other patent related matters. If, as petitioner contends, Barrett was too ill to docket the instant patent for payment, the record remains unclear as to why Barrett was not too ill to docket the '330 patent and attend to numerous other matters as indicated in the communications from Barrett in the years 1991-1994. Rather, petitioner's showing clearly demonstrates that various other patent related matters were carefully attended to by Barrett despite his serious illness. However, petitioner has failed to adequately demonstrate why Barrett's illness gave cause for

unavoidable delay with respect to the payment of maintenance fees for the instant patent. Further, petitioner has failed to provide documentation (e.g. hospital reports, doctor's declarations, etc.) which clearly established the severity of Barrett's illness, including dates of incapacitation. Nor has petitioner shown on the record that Barrett, acting as a reasonable and prudent practitioner, engaged associate counsel to attend to Barrett's pressing patent matters during his incapacitation.

If Barrett did not docket the instant patent for payment of the maintenance fee because of Barrett's belief that Vairex had been informed of their need to maintain their own docketing system in view of the letter of October 18, 1993, then it remains petitioner's burden to show that Vairex had taken steps to ensure that the maintenance fee would be timely paid. If, on the other hand, Barrett overlooked his duty to docket the instant patent for payment of the maintenance fees, then petitioner is reminded that the Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). Specifically, petitioner's delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133. Haines v. Quigg, supra; 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 (Comm'r Pat. 1891).

In any event, petitioner's failure to properly interpret the Barrett communication of October 18, 1993 does not constitute unavoidable delay. That is, delay resulting from a failure in communication between a client and a registered practitioner is not unavoidable delay. In Re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). Specifically, delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). See Ray, at 610, 34 USPQ2d at 1789. That both parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus their own obligation in the matter of payment of

and one half years, which would be necessary to support a finding of unavoidable delay. Id. Specifically, diligence on the part of the owner is necessary to show unavoidable delay when that owner's agent(s) fails to take timely and proper steps with respect to a proceeding before the Patent and Trademark Office. Futures Technologies v. Quigg, 684 F.Supp. 430, 431, 7 USPQ2d 1588, 1589 (E.D. Va. 1988). However, petitioner has not shown diligence with respect to any aspect of the payment of the maintenance fee for this patent, or its reinstatement. Petitioner's lack of due diligence with respect to this patent, for a period of time of four and one half years, overcame and superseded any negligence by its representative. Douglas, supra; Haines v. Quigg, supra. The delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person, petitioner would have been able to act to correct the situation in a more timely fashion. Haines v. Quigg, supra; Douglas, supra.

Petitioner's assertion that Barrett maintained a policy of continuing prosecution of patent matters despite indications to the contrary is likewise not demonstrative of unavoidable delay in payment of the maintenance fees. Rather, that petitioner left such an important matter to the mere chance--or hope--that Barrett might operate contrary to his written communication to petitioner is hardly indicative of the due care and diligence of a prudent and careful person with respect to this most important business. 37 CFR 1.378(b)(3) requires a showing that reasonable care was taken to ensure payment of the maintenance fees and an enumeration of the steps taken to ensure payment and the steps taken to file the petition promptly. Petitioner has not demonstrated reasonable care in relying on Barrett for duties which Barrett expressly indicated that he would not perform.

Finally, petitioner's contentions that Congress did not intend to "penalize" small companies in favor of rich ones in its establishment of the maintenance fee scheme is irrelevant to the question of unavoidable delay *vel non*. However, the standard of unavoidable delay requires that a certain level of reasonable and prudent care must be observed with regard to payment of maintenance fees, and petitioner has failed to establish that this level of care was observed herein. Moreover, that standard is the same for all holders of patents, who seek reinstatement, regardless of the size or worth of the patent holder. Cf. Ray, supra; Rydeen, supra (sole owner of patent must successfully demonstrate unavoidable delay in payment of maintenance fee to

The \$130 fee for requesting reconsideration filed with the petition of April 27, 1998 is not refundable.

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

Telephone inquiries regarding this decision should be directed to Mike Peffley at (703) 305-9176 or, in his absence, to Brian Hearn at (703) 305-1820.



Manuel A. Antonakas
Director, Office of Patent Policy Dissemination
Office of the Deputy Assistant Commissioner
for Patent Policy and Projects

cc: Charles E. Rohrer
P.O. Box 20067
Boulder, CO 80308