



Paper No. 24

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In re Patent No. 4,943,684	:	SPECIAL PROGRAMS OFFICE
Issue Date: July 24, 1990	:	DAC FOR PATENTS
Application No. 07/391,669	:	ON PETITION
Filed: August 8, 1989	:	
Inventor: Karl H. Kramer	:	

This is a decision on the petition filed October 17, 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 July 24, 1990. The first maintenance fee could have been paid from July 26, 1993 (July 24, 1993 being a Saturday), through January 24, 1994, or with a surcharge during the period from January 25, 1994, through July 25, 1994 (July 24, 1994 being a Sunday). Accordingly, the patent expired at midnight July 24, 1994, for failure to timely submit the maintenance fee.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on November 20, 1997, and was dismissed in the decision of March 26, 1998.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of March 26, 1998 was filed on October 17, 1998.

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

While the instant petition was not timely filed within the non-extendable two month period set forth pursuant to 37 CFR 1.378(e) in the decision of March 26, 1998, that has not precluded a decision on the merits of the belated request. Extensions of time were not authorized.

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).

Petitioner (EXPRS Corporation, the successor in title to First Eastern Equities, Inc. (FEEI), who was the patent holder at the time of expiration) requests reconsideration in that FEEI was never made aware of the allowance and issuance of the instant patent as FEEI's counsel withheld, and did not forward, the Letters Patent upon receipt after publication. Petitioner further contends that the withholding was due to fees owed to FEEI's counsel, and for the same reason, while the patent was docketed for maintenance fee payment, FEEI's counsel did not send a maintenance fee reminder to FEEI. As such, petitioner asserts the delay was unavoidable due to FEEI's lack of knowledge of the patent, and the obligation to pay the maintenance fees.

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

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, 608-09, 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 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, 514-15 (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).

As 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, 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 person to ensure the timely payment of the maintenance fees for this patent. Id. When the issue of reinstatement is addressed, the focus must be on the rights of the parties as of the time of abandonment. See Kim v. Quigg, 718 F.Supp. 1280, 1284, 12 USPQ2d 1604, 1607 (E.D. Va. 1989). As FEEI was the party in interest at the time of expiration, it is the actions or inactions of FEEI that are material. Id. Whether petitioner exercised diligence subsequent to its acquisition of its title in the patent is immaterial to, and does not overcome, the delay attributable to FEEI which resulted in expiration, and the lack of a more timely submission of a petition seeking reinstatement. Id.

While petitioner also asserts that FEEI was unaware of the need to pay maintenance fees, delay resulting from FEEI's lack of receipt of any maintenance fee reminder(s), or FEEI's being

unaware of the need for maintenance fee payments, does not constitute "unavoidable" delay. See Patent No. 4,409,763, supra, aff'd, Rydeen v. Quigg, supra. See also "Final Rules for Patent Maintenance Fees," 49 Fed. Reg. 34716, 34722-23 (Aug. 31, 1984), reprinted in 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statutes and regulations, the Office has no duty to notify patentee of the requirement to pay maintenance fees or to notify patentee when the maintenance fee is due. While the Office mails maintenance fee reminders strictly as a courtesy, it is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. The failure to receive the Reminder does not relieve the patentee of the obligation to timely pay the maintenance fee, nor will it constitute unavoidable delay if the patentee seeks reinstatement under the regulation. Rydeen, Id. Moreover, a patentee who is required by 35 USC 41(c)(1) to pay a maintenance fee within 3 years and six months of the patent grant, or face expiration of the patent, is not entitled to any notice beyond that provided by publication of the statute. Id. at 900, 16 USPQ2d at 1876.

Furthermore, 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. While petitioner asserts that FEEI did not receive the Letters Patent and, by implication, did read the Notice, FEEI's failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. The mere publication of the statute was sufficient notice to FEEI of the need to pay the maintenance fee. Rydeen, supra. Moreover, FEEI's counsel, as a registered practitioner, was aware of the need to schedule and pay maintenance fees. Petitioner correctly notes that the letters patent was mailed to FEEI's counsel's address on the date of issue. See 37 CFR 1.315. It follows that FEEI was also constructively aware of issuance of the patent, as well as the need to schedule and pay maintenance fees. See Rosenberg v. Carr Fastener Co., 51 F.2d 1014, 10 USPQ 106 (2d Cir. 1931), cert. denied, 284 U.S. 652 (notice to applicant's attorney is notice to applicant). As the Court noted in Sontag Chain Stores Co. v. National Nut Co., 310 U.S. 281, 295, 45 USPQ 448 (1940), upon issuance of a patent and its recordation in the Patent Office, "constructive notice of [its] existence goes thus to all the world."

While FEEI's counsel is asserted to have withheld from FEEI the facts of issuance of the above-captioned patent and maintenance fee notification, the Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily

chosen representatives of the inventors, and FEEI 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. Ouigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). Specifically, petitioner's delay caused by mistakes or omissions of FEEI's voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 41(c) or 37 CFR 1.378(b). See Haines v. Ouigg, supra; Smith v. Diamond, id; Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, id. Even assuming, *arguendo*, that FEEI is not bound by the mistakes or omissions of its counsel, diligence on the part of FEEI would still be essential to show unavoidable delay. See Douglas v. Manbeck, 1991 U.S. Dist. LEXIS 16404, 21 USPQ2d 1697, 1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (applicant's failure to take any action with respect to his application for a period in excess of two and one half years overcame and superseded any omissions on the part of its duly appointed counsel). However, petitioner has not shown any diligence on the part of FEEI in this matter, much less that FEEI diligently inquired of its counsel as to the status of the application and patent, and that FEEI was rebuffed or the status not accurately represented such that FEEI was "unavoidably" prevented from taking further action in this case. The actions of FEEI's counsel did not discharge the duty of FEEI to exercise diligence in this matter, and diligence on the part of FEEI is essential to show unavoidable delay, notwithstanding any possible acts of omission or commission on the part of FEEI's counsel. See, Douglas, supra; Kim v. Ouigg, supra. In any event, the PTO is not the forum for resolving a dispute between FEEI and its representative as to who bore the responsibility for scheduling and payment of the maintenance fee for this patent. Ray, supra.

Unfortunately for petitioner, the delay resulting from the lack of diligence of FEEI or the actions or inactions of its representative is not unavoidable delay, and that delay is binding upon petitioner as successor in title to FEEI. See, Winkler v. Ladd, 221 F.Supp 550, 552, 138 USPQ 666, 667 (D.D.C. 1963); Kim v. Ouigg, supra.

CONCLUSION

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 above stated reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41(c) (1) and 37 CFR 1.378(b).

Since this patent will not be reinstated, maintenance, surcharge, and extension of time fees totaling \$3040 are refundable, and will be sent by Treasury Check in due course.

The \$130 fee for requesting reconsideration is not refundable.

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken. This may be viewed as a final agency action within the meaning of 5 USC 704.¹

This patent file is being forwarded to the Files Repository.

Telephone inquiries regarding this decision should be directed to Special Projects Examiner Brian Hearn at (703) 305-1820.



for
Stephen G. Kunin
Deputy Assistant Commissioner
for Patent Policy and Projects

¹ See MPEP 1002.02.