



Paper No. 37

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**SEP 25 2002**

**OFFICE OF PETITIONS**

In re Application of	:	
Dahlstrom et al.	:	
Application No. 07/210,214	:	
Patent No. 5,006,349	:	DECISION ON PETITION
Filed: 17 June, 1988	:	
Issued: 9 April, 1991	:	
Attorney Docket No. LL11.12-0020	:	

This is a decision on the petition under 37 CFR 1.378(e),<sup>1</sup> filed on 6 June, 2002, 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 request to accept the delayed payment of the maintenance fee is **DENIED**.<sup>2</sup>

BACKGROUND

The patent issued on 9 April, 1991. The first maintenance fee was timely paid. The second maintenance fee could have been paid

<sup>1</sup>A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) 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.

<sup>2</sup>This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

during the period from 9 April, 1998, to 8 October, 1998, or, with a surcharge during the period from 9 October, 1999, to 9 April, 1999. Accordingly, this patent expired on 10 April, 1999, for failure to timely remit the maintenance fee.

A first petition to accept late payment of the maintenance fee under 37 CFR 1.378(b) was filed on 16 October, 2001. Petitioners asserted that the delay in payment of the first maintenance fee was unavoidable due to a docketing error on the part of counsel. The petition was dismissed in the decision of 20 November, 2001, because petitioners failed to provide an adequate, verified showing that the delay was unavoidable.

A request for reconsideration was filed on 22 January, 2002. In response, a Request for Information was mailed on 19 March, 2002. Specifically, petitioners were instructed to provide statements by all persons with direct knowledge of the circumstances of the delay as well as information regarding the training provided to the personnel response for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

The present petition requesting reconsideration of the previous decision under 37 CFR 1.378(e) was filed on 6 June, 2002.

#### STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Commissioner may accept the payment of any maintenance fee required subsection (b) of this section . . . after the six-month grace period if this 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.

37 CFR 1.378(b)(3)(e) states that:

(e) Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in, the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in 1.17(h). After decision on the petition for reconsideration, no reconsideration or review of the matter will be undertaken by the Commissioner. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in 1.20(I) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

#### OPINION

The Commissioner may accept late payment of the maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable."<sup>3</sup>

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.<sup>4</sup> Decisions reviving abandoned applications

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<sup>3</sup>35 U.S.C. § 41(c)(1).

<sup>4</sup>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)).



have adopted the reasonably prudent person standard in determining if the delay was unavoidable.<sup>5</sup> In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."<sup>6</sup> 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.<sup>7</sup>

Petitioner asserts unavoidable delay in that petitioners' counsel "reasonably relied upon worthy and reliable employees to ensure that the docketing and maintenance [fee] system performed accurately."

Petitioners assert that docketing error was the cause of delay in timely submitted the second maintenance fee payment. 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 that 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.<sup>8</sup>

An adequate showing requires:

- (1) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as

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<sup>5</sup>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 man 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).

<sup>6</sup>Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

<sup>7</sup>Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

<sup>8</sup>See MPEP 711.03(c) (III) (C) (2).



they know them.

(2) Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.

(3) Petitioner must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

Petitioners again argue that the delay was caused because counsel's maintenance fee payment clerk, Krista Boddie, did not send a maintenance fee reminder to the client, or track the maintenance fee for the present patent as she was trained to do. Ms. Boddie apparently did not believe that petitioner's counsel was responsible for payment of the maintenance fee on the present patent because of a handwritten note by Stacey (Kelm) Siedel ("the Siedel note") attached to the file indicated that a maintenance fee reminder should not be sent because assignee Land-O-Lakes ("LOL") would pay the maintenance itself. Petitioners provided a statement from Stacey (Kelm) Siedel, administrative assistant to attorney Z. Peter Sawicki and Ms. Siedel, stating that she had no recollection of placing the note on the file, or as to why the note would have been attached to the file.

In the Request for Information mailed on 19 March, 2002, petitioners were informed that (a) they must provide statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them and that (b) they must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks. Specifically, petitioners were informed that they should attempt to obtain statements from, *inter alia*, inventor Gaffney and his attorney, Mr. Bains, as their names appeared on the note which Ms. Boddie found on the file.

Petitioners have not carried their burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

Petitioners state that no statements are required from Messrs. Gaffney and Bains because "[they] were adverse parties during an interference proceeding" involving the present patent, and that contacting them would put them on notice as to petitioners' current predicament. Petitioners further assert that Gaffney and Bains have no direct knowledge relating to the delay in the payment of the present maintenance fee. Petitioners' contention is not well taken, however. While petitioners may believe that Gaffney and Bains have no direct knowledge relating to the delay, the fact that their names are referenced on the document at the center of this controversy (the Siedel note) makes it highly probable that they do have at least some knowledge about the circumstances of the delay. The Office cannot presume that Gaffney and Bains have no knowledge of the delay simply because petitioners believe they are adverse parties and desire not to inform them of the delay in payment of the maintenance fee.

Likewise, petitioners' statement that "the only reason Mr. Gaffney or Mr. Bains name was on the Post-It note was due to a misunderstanding by Ms. Siedel" seems a conclusion not substantiated by the facts at hand. Ms. Siedel's statement of lack of recollection about the note does not prove that the note was meaningless or the result of a misunderstanding. Obviously, the Siedel note was not the product of a vacuum, and its purpose and meaning can neither be overlooked nor determined without statements from all parties involved. Lastly, as described below, in her declaration Jo M. Fairbairn, Ms. Boddie's direct supervisor, states that the Siedel note resulted from an interference and license agreement, presumably that involving Messrs.. Gaffney and Bains.

In her declaration, Ms. Fairbairn states:

However, because of the latent ambiguity in the note, because of [Ms. Boddie]'s lack of knowledge at (sic) to the interference and license agreement that caused the note to be made and since we refer to our maintenance fee letters to clients as "reminder letters", even I would have interpreted the note as meaning that Land O'Lakes was paying the fees themselves directly. The fact that the note was initialed by "SAK" who was administrative assistant to Z. Peter Sawicki lends further credence to this interpretation being thought by Krista Boddie to be reasonable...Any such



notation made by Ms. Kelm would have been thought credible...Further, since the file in question was reviewed, most likely, while standing beside the desk of Christine Johnson, it would be likely that Krista Boddie saw the note, and formed the reasonable judgement that no reminder letters were needed and Land O'Lakes would pay the maintenance fee directly.

If, as Ms. Fairbairn states, it is indeed the case that Ms. Boddie acted reasonably and prudently in relying on the language of the Siedel note and not sending maintenance fee reminders, such a statement is tantamount to the lack of a proper business routine to avoid the error which occurred. Rather than a docketing error on the part of a reliable and trusted employee, it appears, as stated in the first decision dismissing this petition, that Ms. Boddie acted within her discretion in deciding not to send the maintenance fee reminder in light of evidence (i.e. the Siedel note attached to the file) suggesting that the patentee itself would be responsible for tracking and making payment of the maintenance fee. Also, it is again noted, as petitioners stated in their original petition, that a shell file was never created for this patent, in contravention of petitioners' standard business routine. It now appears that if the stated business routine of creating a shell file for this patent had been followed, the Siedel note in question would not have been attached to the shell file, or the information entered in the shell file in such a way that the maintenance fee clerk would have easily understood what action should be performed on the file.

Additionally, in that petitioners now state, in the declaration of Ms. Fairbairn, that the Siedel note pertained to an interference and license agreement, and that Ms. Boddie was unaware of the origin of the note, it appears that Ms. Boddie may have not been trained or experienced in all matters relating to the management of files for maintenance fee purposes.

Lastly, the statement in Ms. Fairbairn's declaration that "[i]n hind sight, it can be seen that [the note in question] meant that we were to pay the maintenance fees without prior client consent," is inconsistent with the plain language of the note. The note states "Do not send reminder to Brent. LOL is supposed to pay the maintenance fees." The Siedel note states that Land O'Lakes, not petitioner's counsel is responsible for paying the maintenance fees. Any other interpretation is contrary to the plain language of the Siedel note, as such, it cannot be concluded that Ms. Boddie made an error in not sending the



maintenance fee reminders or tracking the maintenance fee for the present patent.

In summary, it appears that the delay in payment of the maintenance fee in this patent occurred because of a combination of factors: namely, the failure of petitioners to follow their stated business routine combined with the exercise of reasonable judgement by the maintenance fee clerk. While the delay may have been unintentional, the showing of record falls short of being one of unavoidable delay.

In summary, the showing of record fails to demonstrate the due care of a reasonably prudent patentee, and as such, precludes a finding of unavoidable delay.

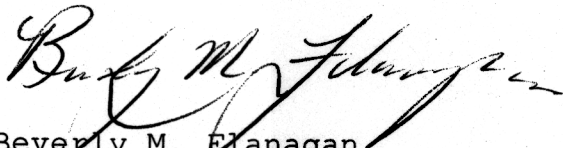
CONCLUSION

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).

Since this patent will not be reinstated, a refund check covering the maintenance fee and surcharge fee, less the \$130.00 fee for the present request for reconsideration, has been scheduled.

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

Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 703.308.6918.



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