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**APR 24 2006**

**OFFICE OF PETITIONS**

In re Patent No. 5,708,548 :  
Issue Date: January 13, 1998 :  
Application No. 08/653,397 :  
Filed: May 24, 1996 :  
Attorney Docket No. 197-03 :

**DECISION ON PETITION  
UNDER 37 CFR 1.378(b)**

This is a decision on the **renewed** petition filed May 21, 2004<sup>1</sup> under 1.378(e) requesting reconsideration of the prior decision under 1.378(c) to accept an unintentionally delayed payment of a maintenance fee of the above-identified patent.

The petition under 37 CFR 1.378(c) is **DENIED**.

**BACKGROUND**

The patent issued on January 13, 1998. Accordingly, the first maintenance fee (3 ½ year) could have been paid during the period from January 13, 2001 through July 13, 2001 without a surcharge, or during the period from July 14, 2001 through January 13, 2002 with a surcharge. Because the first maintenance fee was not received within either of the aforementioned periods of time, the patent expired midnight on January 13, 2002.

A first petition to accept the 3 ½ year maintenance fee as unintentionally delayed under 37 CFR 1.378(c) was filed on December 24, 2003, and was dismissed in the petition decision of March 22, 2004. The dismissal decision stated that petitioner's deliberate course of action in failing to pay the fee was nonetheless, intentional, and petitioner's later discovery that the patent was

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<sup>1</sup> The copy of the renewed petition under 37 CFR 1.378(e) is dated February 2, 2005. While the petition decision of March 22, 2004 set forth a two-month response period for reconsideration under 37 CFR 1.378(e), the Auto-Reply Facsimile Transmission receipt filed with the duplicate petition shows that the petition was earlier filed on May 21, 2004. Accordingly, the copy of the petition supplied will be accepted in place of the reply shown to have been received by the USPTO on May 21, 2004.

commercially viable and the maintenance fee should have been paid does not negate the fact that petitioner intentionally did not pay the maintenance fee.

The instant petition is a renewed petition under 37 CFR 1.378(e) filed on May 21, 2004. In support of the request for reconsideration, petitioner submitted declarations by James Baker and Bruce Miller.

### STATUTE AND REGULATION<sup>2</sup>

35 USC § 41(c)(1) provides 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. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(a) provides that:

The Director may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. If the Director accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

37 CFR 1.378(c) provides that:

Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in § 1.362(e) and must include: (1) The required maintenance fee set forth in § 1.20 (e) through (g); (2) The surcharge set forth in § 1.20(i)(2); and (3) A statement that the delay in payment of the maintenance fee was unintentional.

37 CFR 1.378(e) provides that:

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

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<sup>2</sup> MPEP 8<sup>th</sup> Edition, Second Rev. May. 2004

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(f). After the decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director. 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.

MPEP 711.03(c) Section 1. Unintentional Delay provides that:

The legislative history of Public Law 97-247, § 3, 96 Stat. 317 (1982), reveals that the purpose of 35 U.S.C. 41(a)(7) is to permit the Office to have more discretion than in 35 U.S.C. 133 or 151 to revive abandoned applications in appropriate circumstances, but places a limit on this discretion stating that "[u]nder this section a petition accompanied by [the requisite fee] would not be granted where the abandonment or the failure to pay the fee for issuing the patent was intentional as opposed to being unintentional or unavoidable." H.R. Rep. No. 542, 97th Cong., 2d Sess. 6-7 (1982), *reprinted in* 1982 U.S.C.C.A.N. 770-71. **A delay resulting from a deliberately chosen course of action on the part of the applicant is not an "unintentional" delay within the meaning of 37 CFR 1.137(b).** (emphasis added)

Where the applicant deliberately permits an application to become abandoned (e.g., due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered as "unintentional" within the meaning of 37 CFR 1.137(b). See *In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989). An intentional course of action is not rendered unintentional when, upon reconsideration, the applicant changes his or her mind as to the course of action that should have been taken. See *In re Maldague*, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).

A delay resulting from a deliberately chosen course of action on the part of the applicant does not become an "unintentional" delay within the meaning of 37 CFR 1.137(b) because: (A) the applicant does not consider the claims to be patentable over the references relied upon in an outstanding Office action; (B) the applicant does not consider the allowed or patentable claims to be of sufficient breadth or scope to justify the financial expense of obtaining a patent; (C) the applicant does not consider any patent to be of sufficient value to justify the financial expense of obtaining the patent; (D) the applicant does not consider any patent to be of

sufficient value to maintain an interest in obtaining the patent; or (E) the applicant remains interested in eventually obtaining a patent, but simply seeks to defer patent fees and patent prosecution expenses.

**Likewise, a change in circumstances that occurred subsequent to the abandonment of an application does not render "unintentional" the delay resulting from a previous deliberate decision to permit an application to be abandoned.** These matters simply confuse the question of whether there was a deliberate decision not to continue the prosecution of an application with why there was a deliberate decision not to continue the prosecution of an application. (emphasis added)

### OPINION

A petition to accept the unintentionally delayed payment of a maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(c) must be accompanied by: (1) a statement that the delay was unintentional; (2) payment of the appropriate maintenance fee, unless previously submitted; (3) payment of the surcharge set forth in 37 CFR 1.20(i)(2). The petition lacks item (1) above.

The "unavoidable" standard in 35 U.S.C. § 41(c)(1) is identical to the "unavoidable" standard in 35 U.S.C. § 133 for reviving an abandoned application because 35 U.S.C. § 41(c)(1) uses the same language (i.e., "unavoidable" delay). See *Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(citing *In re Patent No. 4,409,763*, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), *aff'd*, *Rydeen v. Quigg*, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990)). Likewise, the "unintentional" standard in 35 U.S.C. § 41(c)(1) is the same as the "unintentionally" standard in 35 U.S.C. § 41(a)(7) because 35 U.S.C. § 41(c)(1) uses the same word ("unintentional"), albeit in a different part of speech (i.e., the adjective "unintentional" rather than the adverb "unintentionally"). With regard to the "unintentional" delay standard:

Where the applicant deliberately permits an application to become abandoned (e.g., due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered as "unintentional" within the meaning of [37 CFR] 1.137(b). . . . An intentional delay resulting from a deliberate course of action chosen by the applicant is not affected by: (1) the correctness of the applicant's (or applicant's representative's) decision to abandon the application or not to seek or persist in seeking revival of the application; (2) the correctness or propriety of a rejection, or other objection, requirement, or decision by the Office; or (3) the discovery of new information or evidence, or other change in circumstances subsequent to the abandonment or decision not to seek or persist in seeking revival.

See *Changes to Patent Practice and Procedure*, Final Rule Notice, 62 Fed. Reg. 53131, 53158-59 (October 10, 1997), 1203 *Off. Gaz. Pat. Office* 63, 86 (October 21, 1997) (discussing the meaning of "unintentional" delay in the context of the revival of an abandoned application). As explained in MPEP 2590, the USPTO applies the same unintentional delay standard to revival of an abandoned application, or reinstatement of an expired patent.

35 U.S.C. § 41(c)(1) authorizes the Commissioner to accept a delayed maintenance fee payment "if the delay is shown to the satisfaction of the Commissioner to have been unintentional." 35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was intentional, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unintentional. *Cf. Commissariat A. L'Energie Atomique v. Watson*, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960) (35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing); see also *In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989) (petition under 37 CFR 1.137(b) denied because the applicant failed to carry the burden of proof to establish that the delay was unintentional).

The evidence provided by the petitioner is not sufficient to establish to the satisfaction of the Commissioner that the delay was unintentional within the meaning of 35 U.S.C. 41(c)(1) and 37 CFR 1.378(c).

Petitioner asserts in the instant petition that the patentee "unintentionally delayed payment of the maintenance fee based on misleading information from another party that he chose to rely on in error. Had applicant been properly informed as to the utility and value of his patent, he would have paid the maintenance fee in a timely fashion." Patentee never intended to abandon the invention covered by the claims, but was caused to allow the patent to become abandoned based upon erroneous information.

The submitted declarations show that Bruce Miller (hereinafter Miller), the patentee, was given information from James Baker (hereinafter Baker), an electrical engineer, that a specific embodiment in the patent was not operational as intended, whereupon the patentee misunderstood that to mean that the patent had no value, and therefore failed to maintain the patent. The patentee later discovered that the patented claims were viable as evidenced by interest shown by a company called Benoit Laflamme of Gecko Electronique Inc. (hereinafter Gecko) of Quebec, Canada<sup>3</sup>. Therefore, the petitioner asserts that failure to pay the maintenance fee timely was unintentionally based upon inaccurate information about the patented claims.

While the declarations by Baker and Miller explained the circumstances resulting in the patentee's decision not to maintain the patent, this evidence is not persuasive to support the fact that the failure to timely pay the maintenance fee was "unintentional." It is clear from the record that the patentee's failure to pay the maintenance fee was not due to an inadvertent error or oversight, but

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<sup>3</sup> From the Declaration of Bruce Miller submitted with the first petition filed on December 24, 2003.

due to a deliberate course of action (or inaction) after consultation with Baker. The USPTO has long indicated that the delay resulting from a deliberate decision not to take a required, timely action is a delay that precludes revival or reinstatement under the even less stringent standard of unintentional delay. The reason(s) *why* the patentee might have made a decision not to maintain in force the patent is not to be confused with the fact that there was a deliberate decision. See MPEP 711.03(c) I. Unintentional Delay. An intentional course of action is not rendered unintentional when, upon reconsideration, the responsible person changes his or her mind as to the course of action that that should have been taken. See *In re Maldague*, 10 USOQ2d 1477, 1478 (Comm'r Pat. 1988).

A delay caused by the deliberate decision not to take appropriate action within a statutorily prescribed period does not constitute an unintentional delay within the meaning of 35 U.S.C. § 41. *In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989). Such intentional action or inaction precludes a finding of unintentional delay, even if the responsible party made his decision not to timely take the necessary action with reasonable care and diligence. *In re Maldague*, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988). In this regard, when the maintenance fee fell due, Miller did not intend to make payment or cause payment to be made. As such, the delay resulting from this deliberate action (or inaction) of Miller cannot reasonably be regarded as "unintentional." Moreover, that Miller made an error in judgment, albeit based with reasonable care and diligence, does not convert the ensuing delay into "unintentional" delay within the meaning of 35 U.S.C. § 41 (c)(1) and 37 CFR 1.378(c). *Maldague, supra*. Rather, the showing of record is that, when the maintenance fee was due, Miller decided that there was no compelling reason to continue this patent in force.

Petitioner further asserts that the delayed payment of the maintenance fee was not a change of mind by the patentee upon reconsideration of the circumstances, but rather the patentee was misinformed about the operability of his patent which caused the patentee to abandon the patent by not paying the maintenance fee timely. The patentee never intended to abandon the true technology covered by the patent. Subsequent to the expiration of the patent, Miller discovered that the patented claims were in fact viable. If Miller had been aware that his patented technology was viable prior to the maximum statutory period for payment of the maintenance fee, Miller would have caused the maintenance fee to be submitted in a timely manner.

The discovery of additional information after making a deliberate decision to withhold a timely action is not the "mistake in fact" that might form the basis for acceptance of a maintenance fee pursuant to 35 U.S.C. §41(c)(1) and 37 CFR 1.378(c), under the reasoning of *Maldague*. The discovery of additional, other information is simply a change in circumstances that occurred subsequent to the expiration of the patent. Baker did not misstate any "material fact" about the patent to Miller. That Miller discovered the merit of his patented claims subsequent to the expiration of this patent does not cause the delay resulting from Miller's previous deliberate decision to become "unintentional." *Id.* While petitioner contends that the instant petition is based upon a mistake of fact and not a change of mind after reviewing the facts a second time, the latter condition is precisely the situation herein. The record reveals that Miller reviewed the patent and decided not to pay the maintenance fee. Petitioner now seeks to revisit the decision

and comes to the opposite conclusion - the maintenance fee should have been paid. Petitioner overlooks that salient fact that the entire delay resulting from the decision of Miller, as it results from a conscious and deliberate decision, cannot now be regarded as unintentional. *G, supra; Maldague, supra*. The correctness of Miller's decision to allow the patent to lapse is immaterial to the showing of "intentional" delay.

Petitioner seeks to avoid the consequences of the deliberate decision of Miller by contending that it was an "unintentional" mistake because he was misinformed about the patent by Baker. The USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the patent holder, and petitioner is bound by the consequences of those actions or inactions. See *California Medical Products v. Technol. Med. Prod.*, 921 F.Supp. 1219, 1259 (D.Del. 1995); *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).

### DECISION

The instant petition under 37 CFR 1.378(e) is granted to the extent that the decision of March 22, 2004 has been reconsidered; however, the petition to accept under 37 CFR 1.378(c) the delayed payment of a maintenance fee and reinstate the above-identified patent is **DENIED**.

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

Since the above-identified patent will not be reinstated, the \$455.00 maintenance fee and \$1640.00 surcharge submitted by petitioner have been refunded to counsel's deposit account No. 12-0434. The \$130 fee for requesting reconsideration has been charged to the same account.

This patent file is being forwarded to the Files Repository.

Telephone inquiries concerning this decision should be directed to Amelia Au at (571) 272-7414.



Charles Pearson  
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