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OFFICE OF PETITIONS

In re Patent No. 5819049 :
Issued: 10/06/1998 :
Application No. 08/808799 : DECISION ON PETITION
Filed: 02/28/1997 :
For: MULTI-MEDIA RECORDING :
SYSTEM AND METHOD :

This is a decision on the petition under 37 CFR 1.378(e), filed on 16 April, 2007, requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b)¹ the delayed payment of a maintenance fee for the above-referenced patent. Receipt is also acknowledged of the supplemental papers filed on 19 July, 2007.

The request to accept the delayed payment of the maintenance fee is DENIED.²

BACKGROUND

The patent issued on 6 October, 1998. The first maintenance fee could have been paid during the period from 9 October, 2001, through 8 April, 2002, or, with a surcharge, during the period from 9 April through 6 October, 2002. The patent expired at

¹A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must be 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.

²This 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.

midnight on 6 October, 2002, for failure to timely pay the first maintenance fee.

On 8 November, 2006, a petition under 37 CFR 1.378(b) was filed. The petition was dismissed on 15 April, 2007. On 16 April, 2007, the present request under 37 CFR 1.378(e) was filed.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Director 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 Director 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 Director 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 Director to have been "unavoidable."³

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.⁴ Decisions reviving abandoned applications have adopted the reasonably prudent person standard in

³ 35 U.S.C. § 41(c)(1).

⁴ 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)).

determining if the delay was unavoidable.⁵ In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."⁶ 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.⁷

Petitioner, inventor Sandra P. Reitmann, asserts unavoidable delay on several grounds. First, that her former patent attorney, Ivar M. Kaardal, who was subsequently excluded from practice before the USPTO, did not inform her that maintenance fees were due. Second, petitioner asserts medical and financial hardship, stating that "during 2001-2002, I was completely overwhelmed by the combination of numerous medical, employment, home, personal, financial, and social situations that unquestionably affected my ability to function." Third, petitioner further states that she was not aware until April, 2006, that the patent had expired.

Fourth, in the request for reconsideration filed on 16 April, 2007, petitioner avers, in pertinent part, that she was mentally incapacitated during the period from 2001-2005. In support, a medical report from Jonathan H. Mack, Psy.D., has been included, attesting to such fact.

This petition does not satisfy the requirement of 37 CFR 1.378(b)(3). The statements presented in the petition fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 CFR 1.378(b).

At the outset, with regard to petitioner's contention that she was unaware that maintenance fees were due, it is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent.

Petitioner is reminded that 37 CFR 1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for petitioner's showing of the steps taken to pay the fee.⁸ A delay resulting from a lack of knowledge or improper application of the

⁵ 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).

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

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

⁸ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

patent statute, rules of practice, or the MPEP does not constitute an "unavoidable" delay.⁹ Therefore, petitioner's lack of awareness that maintenance fees were required does not serve to excuse a delay in timely paying them, or relieve petitioner of the duty to show that she had steps in place to track and timely pay the maintenance fees. In the absence of a showing of the steps taken by or on behalf of petitioner, 37 CFR 1.378(b)(3) precludes acceptance of the maintenance fee.

Additionally, petitioners' preoccupation with other matters which took precedence over the above-identified maintenance fee does not constitute unavoidable delay.¹⁰ Likewise, the failure to receive a maintenance fee reminder does not constitute unavoidable delay. Nor does the patentee's lack of knowledge of the need to pay the maintenance fee constitute unavoidable delay.¹¹

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable.¹² 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. Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Director that the delay in payment of a maintenance fee is unavoidable.¹³

As 35 USC § 41(b) 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 USC § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of

⁹ See Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ 1130, 1132 (N.D. Ind. 1987), Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); 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 (1891).

¹⁰ See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

¹¹ See In re Patent No. 4,409,763, 7 USPQ2d 1798 (Comm'r Pat. 1988), aff'd Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990); aff'd without opinion (Rule 36), 937 F.2d 623 (Fed. Cir. 1991), cert. denied, 60 U.S.L.W. 3520 (January 27, 1992).

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).

¹² See Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960).

¹³ See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd 937 F.2d 623 (Fed. Cir. 1991)(table), cert. denied, 502 U.S. 1075 (1992); Ray v. Lehman, supra.

such maintenance fees.¹⁴ 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 party to ensure the timely payment of the second maintenance fee for this patent.¹⁵

There are three periods to be considered during the evaluation of a petition under 37 CFR 1.378(b):

- (1) The delay in reply that originally resulted in expiration;
- (2) The delay in filing an initial petition pursuant to § 1.378(b) to revive the application; and
- (3) The delay in filing a *grantable* petition pursuant to § 1.378(b) to revive the application.¹⁶

As such, petitioner's showing of evidence with regards to period (1) is not persuasive because it suggests that petitioner, despite her own declaration that "as far as I knew, my Patent was fine" petitioner apparently knew in March, 2004, that some action was required on her patent, but did not take any steps until over 2 ½ years later to pay the maintenance fee

The showing of record is that rather than unavoidable delay, petitioner was preoccupied with other matters during the time the maintenance fees on the present patent were due. Petitioner's preoccupation with other matters which took precedence over timely payment of the maintenance fee in the present patent does not constitute unavoidable delay.¹⁷

With regard to attorney Kaardal, no showing has been provided that petitioner had established any agreement with Kaardal to track and pay the maintenance fee. While petitioner alleged chose to rely upon Kaardal, 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 U.S.C. § 41(c).¹⁸ Rather, such reliance merely shifts the focus of the inquiry from petition to

¹⁴ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

¹⁵ Id.

¹⁶ See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. 53131 at 53158 (October 10, 1997).

¹⁷ See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

¹⁸ See California Med. Prod. v. Technol. Med. Prod., 921 F. Supp. 1219, 1259 (D. Del. 1995).

whether the attorney or agent acted reasonably and prudently.¹⁹ As such, assuming that the agent had been so engaged, then it is incumbent upon petitioner to demonstrate, via a documented showing, that the attorney or agent had docketed this patent for the first maintenance fee payment in a reliable tracking system.²⁰ If petitioner cannot establish that agent had been so engaged, then petitioner will have to demonstrate what steps were established by petitioner to monitor and pay the maintenance fee.

In this regard, it is also noted that Kaardal was not excluded from practice before the USPTO until 2004, long after the patent had issued and expired. In the previous decision, petitioner was informed that unless petitioner can provide documentation that Kaardal continued to represent petitioner after issuance of the patent, the fact that Kaardal was excluded from practice has no bearing on petitioner's showing, as the record suggests that Kaardal was no longer representing petitioner at the time the maintenance fee was due. Furthermore, assuming, *arguendo*, Kaardal had been employed by petitioner at the time the maintenance fee was due, petitioner is reminded that the United States Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the party, and petitioner is bound by the consequences of those actions or inactions.²¹ Specifically, petitioner's delay caused by the mistakes or omissions of his voluntarily chosen representative(s) does not constitute unavoidable delay within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b)(3).²²

In fact, at the time the maintenance fee fell due the showing of record is that neither Kardaal nor petitioner, had any steps in place to ensure payment of the maintenance fee. Delay resulting from the failure of the patent holder to have any steps in place to pay the fee by either obligating a third party to track and pay the fee, or by itself assuming the obligation to track and pay the fee, is not unavoidable delay.²³

¹⁹ Id.

²⁰ Id.

²¹ 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); Smith v. Diamond, 209 USPQ 1091, 1093 (D.D.C. 1981).

²² Haines v. Quigg, *supra*; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981); California, *supra*.

²³ See R.R. Donnelley & Sons Co. v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244, 1247 (N.D. Ill. 2000); Ray, *supra*; California, *supra*; Femspec v. Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D.Ca 2007).

Moreover, a showing of diligence in matters before the USPTO is essential to support a finding of unavoidable delay herein.²⁴ Here, the showing is that petitioner simply had no system in place to track and pay the maintenance fee. As petitioner has not provided evidence that a system was in place, the delay cannot be construed as unavoidable. The record fails to adequately evidence that petitioner exercised the due care and diligence observed by prudent and careful persons, in relation to their most important business, which is necessary to establish unavoidable delay.²⁵

With regard to petitioner's assertion of financial difficulty, the showing of record is that the delay was not unavoidable because petitioner was receiving income during the period that the maintenance fee was due, but chose to use her funds for other purposes.

In this regard, a showing of diligence in matters before the USPTO is essential to support a finding of unavoidable delay herein.²⁶ There is no "sliding scale" based upon the priority given to this maintaining this patent in force, or more diligently seeking reinstatement, *vis-a-vis* other matters by petitioner; the issue is solely whether the maintenance, or reinstatement, of the patent at issue was actually conducted with the care or diligence that is generally used and observed by prudent and careful persons in relation to their most important business. The delay was not unavoidable, because had petitioner exercised the due care and diligence of a reasonably prudent person, petitioner would have been able to act to pay the fee or seek reinstatement in a timely fashion. The record fails to adequately evidence that petitioner exercised the due care and

²⁴ See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988) (applicant's diligent inquiry into the status of the application is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his counsel).

²⁵ Pratt, *supra*.

²⁶ See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988) (applicant's diligent inquiry into the status of the application is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his counsel).

diligence observed by prudent and careful persons, in relation to their most important business, which is necessary to establish unavoidable delay.²⁷

With regard to petitioner's assertion of incapacitation, petitioner has still not shown that the period of incapacitation coincided with the entire period of delay, as Dr. Mack's evaluation states that petitioner's disorders were "aggravated and inflamed during the 1997-98 and 2001-2005 time frames." As such, it is unclear whether she was disabled from January to November, 2006, when the initial petition under 37 CFR 1.378(b) was filed.

Assuming, *arguendo*, petitioner was disabled during the entire period of expiration of the patent, however, such would still not establish unavoidable delay without a showing of the steps 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.²⁸ Simply put, if petitioner cannot establish that there were steps taken to ensure timely payment of the maintenance fee, the petition cannot be granted.

Lastly, with regard to period (2), petitioner has failed to provide an adequate explanation as to the delay in filing the present petition. As stated above, the showing of record is that rather than unavoidable delay, petitioner was preoccupied with other matters.

As stated previously, the Office is mindful of petitioner's predicament and is aware of the difficult circumstances petitioner has encountered. Nevertheless, the Office is unable to grant the requested relief because petitioner has not provided a showing that the delay was unavoidable.

In summary, the showing of record has been considered, but does not rise to the level of unavoidable delay. Rather, the showing of record is of a lack of diligence on the part of petitioner.

CONCLUSION

The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified

²⁷ Pratt, supra.

²⁸ 37 CFR 1.378(b).

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).

The petition under 37 CFR 1.378(e) is **DENIED**. As stated in 37 CFR 1.378(e), no further reconsideration or review of the decision refusing to accept the delayed payment of the maintenance fee under § 1.378(b) will be undertaken. 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 1001.02.

Since this patent will not be reinstated, a refund check covering, the maintenance fee and surcharge fee, less the \$400.00 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 571-272-3231.

A handwritten signature in black ink, appearing to read 'Charles A. Pearson', with a long horizontal flourish extending to the right.

Charles A. Pearson
Director, Office of Petitions