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OFFICE OF PETITIONS

In re Patent No. 5,887,889 :
Issue Date: March 30, 1999 :
Application No. 08/916,849 : ON PETITION
Filed: August 22, 1997 :

This is a decision on the petition under 37 CFR 1.378(e), filed March 4, 2008.¹

The petition is DENIED². No further consideration of this matter will be undertaken by the Office.

BACKGROUND

The patent issued March 30, 1999. The 3.5 year maintenance fee could have been paid from March 30, 2002 to September 30, 2002, or with a surcharge during the period from October 1, 2002 to March 30, 2003. Petitioner did not do so. Accordingly, the patent expired March 31, 2003. It is also noted that petitioner has provided the 7.5 year maintenance fee as well.

A petition under 37 C.F.R. § 1.378(b) to accept late payment of the maintenance fee was filed May 31, 2007. A decision dismissing the petition under 37 CFR 1.378(b) was mailed January 4, 2008 and is hereby incorporated by reference.

Petitioner asserts that the entire delay was unavoidable since reasonable care was taken to ensure that the first maintenance fee would be paid. Prior to November 2002, Townsend utilized the services of Computer Packages, Inc. ("CPI") software as a docketing system. In November of 2002 Townsend began using

¹ The required petition fee, while referenced in the petition was not received. Therefore, the required petition fee of \$400.00 has been charged to petitioners' deposit account as authorized.

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

docketing software from Dennemeyer & Company ("Dennemeyer"). Both systems enabled the tracking of maintenance fee due dates through the generation of patent maintenance docket reports. These docket reports listed all U.S. files having maintenance fee due in the month specified. (Renewed Petition page 15). Townsend's policy was to generate monthly patent maintenance docket reports for files having maintenance fees due six (6) months from the month following the report generation date (Laboy, para. 4 and 5). Both systems allowed for the generation of four types of reminder letters including a general reminder letter requesting instructions, a pay first reminder letter requesting instructions and payment, an auto-pay reminder letter requesting instructions but stating that Townsend will pay the fee due in the absence of instructions and a courtesy letter that advises the client of the approaching due date. (Laboy, para. 6). Townsend's policy required docketing a six-month status-check after the maintenance fee transmittal form was submitted to the USPTO. (Renewed Petition page 14).

The CPI software enabled the assignment of statuses such as removed, transferred and abandoned files. The Dennemeyer system allowed for the "undocketing" of a 6-month status check actions.

The maintenance fee for the above-identified patent was never paid because several clerks failed to follow the docketing system in place. Petitioner under 37 CFR 1.378(e) in seeking reconsideration of the decision under 37 CFR 1.378(b) attributes the failure to timely pay the maintenance fee to docketing error. Petitioner insists that the unavoidable standard allows Townsend to rely on worthy and reliable employees. Petitioner argues the missteps occurred unexpectedly and support a finding of unavoidable error.

Petitioner states that Employee A made the initial docket entry into the docket system. Employee B was responsible for generating the Patent Maintenance Report and preparing the initial reminder letter. The initial maintenance fee reminder letter was mailed to Patentee B.O.B. Trailers on June 3, 2002. A final reminder letter was mailed to patentee on August 7, 2002. Petitioner asserts Townsend's financial records indicate that \$645.00 check from patentee had been received and cashed on August 12, 2002. Employee E was responsible for depositing the funds to a trust account. The trust account receipt is e-mailed to the docketing department on a daily basis. The e-mail included the specific maintenance fee to be paid. After employee B received the trust account e-mail, Employee B generated the documents to pay the maintenance fee via facsimile. A copy of

the maintenance fee payment would be sent to Employee A, who would set up a six-month status check action in the docketing system. Petitioner contends the receipt of the Maintenance Fee Statement acted as official confirmation that the maintenance fee was received by the USPTO. Upon receipt of the Maintenance Fee Statement, the six-month status check was undocketed. The month and year that the Maintenance Fee Statement was also logged into the remarks statement of the docket system. Petitioner argues that either the e-mail was not sent to employee B or employee B failed to pay the maintenance fee. Petitioner has not been able to retrieve e-mails sent to employee B during August 2002. Since the 3.5 year maintenance fee was never paid, a six month status check was never set in the docketing system.

Since the maintenance fee was not paid and an Abandonment of TTC Matter/Closure of File" form was not completed to change the status to abandoned, the status of the patent did not change. The patent continued to show up on the monthly patent maintenance Fee docket report for the next ten months.

In or about November 2002, Townsend began to use Dennemeyer software docketing system. On or about April 1, 2003, employee C and a second employee were designated by Townsend to be responsible for payment of maintenance fees. Employee C was responsible for paying the maintenance fees due in odd numbered months, which would have included the above-identified patent. On June 6, 2003, an employee identified as "TIS" who is likely employee C created a "check abandoned status" event with a due date of July 1, 2003. An electronic note in the docket system indicates "sent KTL list of costs for this 6-13-03(tls): e-mailed KTL for instr 6-6-03 (t2s)". Petitioner states that it is believed that KTL is Kevin Lemond, the billing attorney for this case. However, no relevant documents or e-mails related to this note were located. Further, Kevin Lemond states that he has no recollection of communications regarding this note. Employee C should have created a new docketing reminder to provide a later alert as to the status of the maintenance fee. Employee C failed to do so.

Employee D, a docketing assistant, changed the status of the above patent in the docketing system to inactive/abandoned on October 11, 2006. Employee D failed to have the Abandonment of TTC Matter/Closure File form completed by the billing attorney prior to abandoning the above-identified patent. Thus, the error in not paying the maintenance fee was not discovered until March 2007.

Petitioner states that all of the employees were appropriately trained. Petitioner maintains that employee A's training to use the CPI and Dennemeyer docketing systems is self-evident. Employee A also received satisfactory reviews of her work performance. Employee A worked in Townsend's docketing system for over ten years. All subsequent training to the other employees appeared to include "hands-on" training by the previous employee.

Petitioner insists review of the maintenance fees revealed no other docketing errors. Petitioner argues the failure to timely submit the maintenance fee is one failure in an otherwise sound system.

OPINION

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable."³ Moreover, 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" delay⁴. Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable⁵. Further, decisions on revival are made on a "case-by-case basis, taking all the fact and circumstances into account⁶." 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 delay⁷.

³ 35 U.S.C. 41(c)(1).

⁴ See, Ray v. Lehman, 55 F3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)).

⁵ See, 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), Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

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

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

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 it is shown that: (A) the error was the cause of the delay at issue; (B) 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 (C) 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. See, In re Egbers, 6 USPQ2d 1869, 1872 (Comm'r Pat. 1988), rev 'd on other grounds sub nom., Theodor Groz & Sohne & Ernst Bechert Nadelfabrik KG v. Quigg, 10 USPQ2d 1787 (D.D.C. 1988); In re Katrapat, 6 USPQ2d 1863, 1867-68 (Comm'r Pat. 1988).

Petitioner has provided evidence that a system was in place to track and monitor maintenance fee due dates. However, petitioner has failed to establish that the business routine for performing the clerical function could reasonably be relied upon to avoid errors. Petitioner has provided a situation in which at least three if not four clerical employees failed to follow the system in place. (If Employee E failed to send the e-mail four clerks failed to follow the procedures in place). In other words, there were nine steps outlined in the docketing system, which should have been followed to ensure timely submission of the maintenance fee. In this instance, petitioner can only establish two step were properly completed. The only steps, which were properly completed, were the entry of the patent dates in the docketing system and the mailing of the reminder notice. Thus, the clerical functions could not be reasonably relied upon.

Further, the facts provided demonstrate that petitioner is not certain what caused the first docket error. Petitioner cannot determine whether Employee E failed to send Employee B an e-mail that the maintenance fee had been received and the maintenance fee should be forwarded to the USPTO or that Employee B failed to pay the maintenance fee. Since the status of the above-identified patent was not changed, the patent should have been included on the monthly docket report for the next ten months.

The failure to pay the maintenance fee was not discovered until June 6, 2003. Employee C discovered that the maintenance fee for the above-identified patent had not been paid thus the file status had not been changed in the docketing system. Although

Employee C created a "check abandoned status" event with a due date of July 1, 2003, Employee C failed to create a second docketing reminder to ascertain the status of the maintenance fee. Thus, Employee C failed to follow the steps in place.

It should however be noted the record implies that Employee C informed attorney Kevin Lemond of the need for instruction. Petitioner states no relevant documents or e-mails regarding the electronic note were located. Attorney Lemond states that he has no recollection of communication regarding the note seeking instruction on the status of the patent. Nonetheless, the electronic docket record, which presumably was created on June 6, 2003 and thus contemporaneous versus recollections some four years later shows that Employee C e-mailed a request for instruction on the patent status. As such the record shows that the failure to resolve the open record in the docketing system may have been due to omission or error of attorney Lemond to reply or resolve the open patent record in the docketing system. The U.S. Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and the applicant is bound by the consequences of those actions or inactions.⁸ 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 U.S.C. 133 or 37 CFR 1.137(a).⁹ A delay resulting from an attorney's preoccupation with other legal matters or with the attorney's inadvertence or mistake is not sufficient to establish to the satisfaction of the Commissioner that the delay was unavoidable within the meaning of 35 USC 151 and 37 CFR 1.137(a). Mossinghoff, 671 F.2d at 536. Case law is clear that the mistakes of an attorney do not rise to the level of unavoidable delay and that the actions of patentees representatives are imputed onto patentee.¹⁰

The third clerical error occurred when Employee D incorrectly changed the status in the docketing system to reflect the above-identified patent as inactive/abandoned on October 11, 2006 without obtaining the file closure form from the billing attorney. Due to the closure of the patent in the docketing

⁸ Link v. Wabash, 370 U.S. 626, 633-34 (1962).

⁹ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (D. Ind. 1987).

¹⁰ See. California v. Medical Products, Inc. v. Tecnot Medical Products, Inc, 921 F. Supp 1219 and Haines v. Quigg 673 F. Supp 314,

system, the patent's expiration was not discovered until March 2007.

A docketing system in which the clerical function is not followed cannot be deemed to be reliable. In this instance in which four out of five clerical employees failed to properly complete their clerical functions, cannot be viewed as unexpected failures in an otherwise reliable system. It is foreseeable that avoidable errors will occur when the steps in a docketing system are not followed because clerical staff is not properly trained or supervised.

Petitioner has also failed to provide sufficient evidence to establish that it was reasonable to rely upon the clerical employees involved. Petitioner has failed to provide any evidence to support that any of the clerks were properly trained. The petition and statements of Shirley Laboy, Carla Crowley Earl, and Robin Hess do not provide any specificity regarding the training provided to employees. Details concerning the specific training and experience of employees were not disclosed. It is not sufficient for petitioner to state that employee A's training is "self evident" and simply state the other employees were trained in a "hands-on manner". Accordingly, it cannot be found that reliance on employees whose qualifications are unknown represented the exercise of due care. The failure to procure specific evidence regarding the training received by the clerical staff goes to the failure to make an adequate showing of unavoidable delay.

Petitioner also indicates that all of the employees were appropriately supervised. However, petitioner has failed to provide an explanation as to how the above-identified patent could remain on monthly maintenance fee docket reports from August 2002 until October 2006 without any supervisor resolving the issue. Thus the Office is not convinced that these employees were properly supervised in performing their clerical duties.

The Office also notes that petitioner has failed to provide adequate proof to establish unavoidable delay since reference to employees by letter (A,B,C etc.), rather than name, cannot be relied upon to establish the facts alleged. In addition, statements from the persons involved should be provided. Such statements must be appropriately signed and be in an affidavit or declaration form. The failure to provide sufficient evidence is not unavoidable.

In view of the totality of the evidence of record, including the exhibits submitted herewith, it cannot be found that the entire time, from the time that the maintenance fee was due until the filing of the instant petition, was unavoidable.

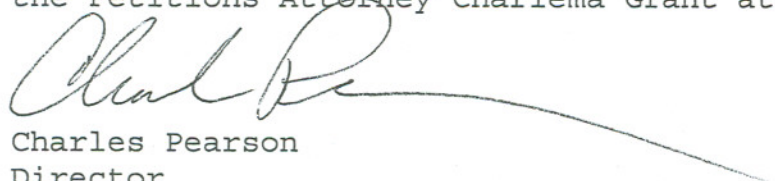
DECISION

The prior decision dismissing petition under 37 CFR 1.378(b) to accept the delayed payment of maintenance fee has been reconsidered. For the reasons set forth herein the delay in payment of the maintenance fee cannot be regarded as unavoidable within the meaning of 35 USC 41 and 37 CFR 1.378(b). Accordingly, the offer to pay the delayed maintenance fee will not be accepted and this patent will not be reinstated.

Since this patent will not be reinstated, a refund check covering the maintenance fee (3.5 and 7.5 year) and surcharge fee will be forwarded to petitioner.

This file is being forwarded to files repository.

Telephone inquiries concerning this matter may be directed to the Petitions Attorney Charlema Grant at 571-272-3215.



Charles Pearson
Director
Office of Petitions