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Paper 31

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OFFICE OF PETITIONS

In re Patent No. 5,370,680 :
Issue Date: December 6, 1994 :
Application No. 07/889,504 :
Filed: May 27, 1992 :
Attorney Docket No: 2005-IV-Pet-680 :

This is a decision on the paper filed August 26, 2008, in response to the Request for Information mailed June 26, 2008 and requesting reconsideration of a prior decision mailed August 30, 2005, refusing to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent. The response is treated as a petition under 37 CFR 1.378(e).

The petition under 37 CFR 1.378(e) is **DENIED**.¹

BACKGROUND

The patent issued on December 6, 1994. The second maintenance fee due could have been paid during the period from December 6, 2001 to June 5, 2002 or, with a surcharge during the period from June 6, 2002 to December 6, 2002. Accordingly, this patent expired on December 7, 2002 for failure to timely remit the maintenance fee.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on March 8, 2005 in which petitioners asserted that the delay was unavoidable because in spite of assurances from an otherwise reliable staff person that the second maintenance fee had been paid, the maintenance fee was not paid. Petitioners claim that they only learned that the patent had expired on March 4, 2005 as a result of a their attorney's review of intellectual property references contained in an SEC filing that the instant patent was listed.

¹This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

Petitioners argued that payment of the maintenance fee was a function reasonably expected to be performed by a clerical employee, that they relied on the assurances of the clerical employee that the maintenance fee had been paid and that the delay in timely payment of the maintenance fees was unavoidable due to an error on the part of an employee in the performance of their duties. While petitioners argued that they relied on an otherwise reliable employee, the evidence provided was not sufficient. Petitioners did not identify the employee who gave the incorrect information regarding the status of the maintenance fees, did not provide statements by all persons with direct knowledge of the delay, setting forth the facts as they knew them, or provide information regarding the training provided to that employee, the degree of supervision of their work and checks on the described work which were used to assure proper execution of assigned tasks. Thus, the decision was dismissed in a decision mailed June 1, 2005 for failure to provide a sufficient showing that the delay in paying the maintenance fee was unavoidable.

A request for reconsideration filed August 30, 2005 identified the "otherwise reliable" employee as Tina Pollaro, a CPA and Controller of the Company but also noted that as of August 2000, Ms. Pollaro was no longer with the company.

A review of the request for reconsideration did not reveal that petitioner had responded to the requirement for proof or met its burden. Therefore, a Request for Information was mailed September 29, 2006. The request for information noted that while petitioners listed all of Ms. Pollaro's duties, petitioners failed to show the relationship between any error that could have been committed by Ms. Pollaro and the payment of the maintenance fee that was not due and payable until at least December 6, 2001, in view of the fact that Ms. Pollaro was no longer employed by the company when the maintenance fee became due.

Petitioners needed to show that the company was diligent in this matter throughout the period in question and that the unavoidable delay could be attributed to an error committed by Ms. Pollaro.

As was indicated in the decision mailed June 1, 2005, the Request for Information required a showing 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.²

An adequate showing as it relates to an error on the part of an employee requires:

²See 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.C. 1988); In re Katrapat, 6 USPQ2d 1863, 1867-68 (Comm'r Pat. 1988).

- (1) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them;
- (2) 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; and
- (3) Submission of 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.

The Request For Information also noted that petitioner needed to show that steps were taken to ensure the timely payment of the maintenance fees for this patent,³ and that the company had a system for tracking and paying maintenance fees after Ms. Pollaro left the company in August 2000.

In response to the Request for Information, the instant petition under 37 CFR 1.378(e) purports to provide additional explanations as to why petitioners believe the payment of the second maintenance fee was delayed and why that delay was unavoidable.

STATUTE AND REGULATION

35 USC 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. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee.

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". 35 USC 41(c)(1).

³Id.

Acceptance of a late maintenance fee on the basis of unavoidable delay is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 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. In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912) ("The word '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"); 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).

Petitioners' request for reconsideration filed August 30, 2005 stated that the payment of the maintenance fee was the responsibility of and a function performed by Tina Pollaro, on several occasions Ms. Pollaro was asked about the status of all of AA Northvale's patents including whether all maintenance fee payments had been made. Ms. Pollaro replied on each occasion to the best of her knowledge that the maintenance fee payments had been made. The instant request for reconsideration however, indicates that after Ms. Pollaro left the employ of AA Northvale Medical Associates, Inc., in August of 2000. Bill Bierman became the Controller and took over the responsibility for maintaining the files for all of the patents that AA Northvale owned and acquired from other companies. The instant request completely contradicts the previous account which suggested that Ms. Pollaro's error was the cause of the delay as the instant request now places the commission of the error on Mr. Bierman.

The affidavit of André A. DiMino, CEO and CFO of AA Northvale Medical Associates, Inc., submitted in support of the response to the request for information, provides that Mr. Bierman was the Controller for the company, had an accounting degree and was well qualified for the position. Mr. Bierman's responsibilities included maintaining files for the patents owned by AA Northvale and timely payment of maintenance fees.

Mr. DiMino advises that because AA Northvale was a small company, neither mail ledgers, docket sheets, nor file wrappers were used to monitor patent maintenance fees, and that training regarding docketing was not contemplated or provided due to the small number of issued patents owned by the company. However, patentee maintains that when asked as to the status of maintenance fee payments and filings, Mr. Bierman responded that all maintenance fees had been paid and that no maintenance fees were due to be paid for the next several years and thus, patentee relied upon Mr. Bierman's representations and the patent expired.

According to the evidence provided, no statement from either Ms. Pollaro or Mr. Bierman has been provided as they are both no longer in the employ of AA Northvale.

Petitioners have not offered a plausible explanation of how the error occurred other than to say that Mr. Bierman was well qualified to handle the many responsibilities he was entrusted with, including that of maintaining patents owned by AA Northvale.

The evidence presented however, has been considered, but has not been found to be sufficient to meet the burden of establishing unavoidable delay. As petitioners conclude that they had no system for ensuring that maintenance fees would be paid, it is not reasonable to believe those responsible for paying the maintenance fees had been diligent in their responsibilities.

There is a distinct difference between an unavoidable delay which, had there been reasonable care exercised, could not have been prevented and one that was the result of a mistake or negligence. In view of the above and since petitioner has not provided enough information for a determination that reasonable care was in fact exercised to ensure that the maintenance fee would be paid timely and that therein the delay was unavoidable, the arguments fail.

The fact remains, the patentee was not diligent about the matters related to the instant patent and thus the patent expired. On the other hand, had the principals been diligent about the matters related to the instant patent, specifically the payment of the maintenance fee, expiration of the patent would have been avoided.

Finally, 37 CFR 1.378(b)(3) requires that “[t]he showing must enumerate the steps in place to ensure timely payment of the maintenance fee.” In the present case, the patentee has not indicated why it would have been reasonable for Mr. Bierman to believe that the Maintenance Fees had been paid, and therefore has not enumerated any steps that were in place, much less any steps that would have ensured payment of the maintenance fee.

Irrespective of the size of the company, the use of a reliable system could have apprised Mr. Bierman and AA Northvale that the maintenance fees were due and had not been paid. The failure to have some system does not demonstrate that the delay therefore was unavoidable.

As indicated in the case citations above, courts have adopted the “reasonably prudent person” standard in determining whether a delay was “unavoidable” within the meaning of the statute. To establish that the delay was unavoidable, petitioners must show that the parties responsible for payment of the maintenance fee exercised that degree of care or diligence that “is generally used and observed by prudent and careful men in relation to their most important business.” *In re Mattullath, supra* (emphasis added).

CONCLUSION

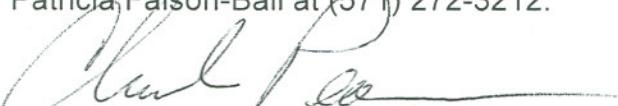
The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the above stated reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b).

The maintenance fee and the surcharge submitted with the petition on March 8, 2005 was refunded on May 7, 2007. The request for reconsideration fee in the amount of \$130 paid August 30, 2005 was insufficient and thus refunded also on May 7, 2007. However, the request for reconsideration fee in the amount of \$400 has been properly charged to the credit card provided.

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

This file is being forwarded to Files Repository.

Telephone inquiries concerning this matter may be directed to Senior Petitions Attorney Patricia Faison-Ball at (571) 272-3212.



Charles Pearson
Director, Office of Petitions
Office of the Deputy Commissioner