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**OFFICE OF PETITIONS**

In re Patent No. 5,536,656 :  
Issue Date: July 16, 1996 :  
Application No. 08/193,809 : **ON PETITION**  
Filed: February 9, 1994 :  
Patentee(s): Paul Kemp, et. al. :

This is a decision on the petition under 37 CFR 1.378(e), filed on March 4, 2011, requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee under 37 CFR 1.378(b) is **DENIED**.

#### **BACKGROUND**

The above patent issued July 16, 1996. The third maintenance fee was not timely paid. However, a petition to reinstate the expired patent under the provisions of 37 CFR 1.378(c) was filed on August 5, 2010. On August 12, 2010 and on August 25, 2010, a petition under 1.378(b) was filed. On August 26, 2010, a decision granting the petition under 37 CFR 1.378(c) was granted<sup>1</sup>. In the decision mailed on January 4, 2011, the decision granting the petition under 37 CFR 1.378(c) was vacated since the petition was filed more than twenty-four (24) months after expiration; the petition under 37 CFR 1.378(b) was dismissed for failure to provide an adequate showing of unavoidable delay. On March 4, 2011, the present request for reconsideration was filed.

The third year maintenance fee could have been paid during the period from July 16, 2007 through January 16, 2008, or with a surcharge during the period from July 17, 2008 through July 16, 2008. This patent expired at midnight on July 16, 2008, for failure to pay the third maintenance fee.

<sup>1</sup> This decision crossed with the filing of the petition under 37 CFR 1.378(b) filed on August 25, 2010.

### STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

"The Commissioner 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 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."

### OPINION

Petitioner requests that the decision of January 4, 2011, be reconsidered, given that the delay was unavoidable in that a docketing error and a "mailing error by the USPTO contributed to the docketing error that led to the unavoidable failure of KLN&F to pay the 11.6 [sic:11.5] year maintenance fee payment."

Petitioner has not met his burden of proving to the satisfaction of the Director that the delay was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

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. 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:

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. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and

instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514 15 (D.C. Cir. 1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32 33 (Comm'r Pat. 1887) see also Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. 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).

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. 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). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. 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*.

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 such maintenance fees. Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). 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 maintenance fee for this patent. Id.

As the patent holder at the time of expiration, it was incumbent on petitioner to have itself docketed this patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to his most important business, or to have engaged another for that purpose. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Even where another has been relied upon to pay the maintenance fees, such asserted reliance per se does not provide a petitioner with a showing of unavoidable delay within the meaning of 37 CFR § 1.378(b) and 35 USC § 41(c). Id. Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the obligated party acted reasonably and prudently. Id. Nevertheless, a petitioner is bound by any errors that may have been committed by the obligated party. Id.

Petitioner asserts KLN&F: (1) was obligated to track and pay the maintenance fee; (2) had a system in place to track and pay the maintenance fee due; and (3) had an employee sufficiently trained and experienced with regard the function and routine for its performance.

Petitioner further asserts that had the USPTO properly mailed the Maintenance Fee Reminder and the Notice of Patent Expiration to KLN&F, the docketing error would not have occurred.

Petitioner has not carried his burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

A review of the petition and evidence presented on March 4, 2011, fails to provide a showing of any steps that Organogenesis or KLN&F had in place to ensure timely submission of the maintenance fee, as required by 37 CFR 1.378(b)(3), after the files were transferred from Hale & Dorr, LLP ("H&D") to KLN&F in 2005. Petitioner has failed to provide a documented showing of the steps in place to ensure timely payment of the third maintenance fee. As stated in the decision mailed January 4, 2011, 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, it is noted that "Exhibit C," which is a letter from H&D to KLN&F and Organogenesis dated September 19, 2005, states that once the files are transferred from H&D, each file will have its own docket and the enclosed dockets are for courtesy and should not be used to enter dates and deadlines into the database. It also states that since there is a large volume of cases they will transfer them without jeopardizing response due dates. The letter further states that a review of the docket through October has been made and that H&D would handle several items prior to the transfer, but suggests a conference call to organize the transfer. There is no evidence that the conference call between H&D and KLN&F and/or Organogenesis took place. Nor is there any evidence of any discussions with regards to steps to ensure timely payment of the maintenance fee for the above-referenced patent. Based on the letter, it appears as though, KLN&F would use their own docketing system for tracking payment of the maintenance fees for the above-referenced patent. There is nothing in the letter that suggests that H&D would handle payment of the maintenance fee for the above-referenced patent.

The record further does not support a finding of unavoidable delay, as petitioner has not shown adequate diligence in this matter. As early as September 19, 2005, Organogenesis was aware that maintenance fees were required in this patent. Organogenesis knew that fees were required and that H&D were relieved of their duties. Organogenesis should have made an inquiry with H&D and/or KLN&F to ascertain that the transfer of responsibilities regarding this patent occurred properly. There is no evidence that Organogenesis made any effort to ascertain that the transfer of the patent portfolio and especially, the responsibilities with respect to this patent occurred. A reasonably prudent person in relation to their most important business would have made such an inquiry. The record fails to document any activity by patentee (Organogenesis) with respect to ascertaining the filing of the third maintenance fee payment. Even if the Office assumes that H&D and/or KLN&F were engaged to track the fee payment for this patent that does not relieve Organogenesis from their obligation to show diligence. Diligence on the part of the patentee is essential to show unavoidable delay. As such, patentee's lack of diligence precludes a finding of unavoidable

delay. That is, a showing of diligence in matters before the USPTO on the part of the party in interest is essential to support a finding of unavoidable delay herein. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiries into the status of the application coupled with affirmative misrepresentations by its fiduciary as to its true status which prevented more timely action showed 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 duly appointed representative); R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Ill. 2000)(failure of patent owner to itself track or obligate another to track the maintenance fee and its failure to exercise diligence for a period of seven years, precluded acceptance of the maintenance fee); MMTC v. Rogan, 369 F.Supp2d 675 (E.D. Va 2004)(passive reliance on reminder notice resulting in failure to take any steps to ensure payment of the maintenance fee is not unavoidable delay); Femspec v. Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D.Ca 2007)(lack of any steps in place to maintain patent in force by estate executor unfamiliar with patent law is not unavoidable delay); Burandt v. Dudas, *supra* (delay not unavoidable where no steps shown to be employed to remind responsible party to timely pay maintenance fees, no inquiry by patent holder of responsible party or Patent and Trademark Office as to whether maintenance fees would, or already had been paid). The delay was not unavoidable, because had patent holder exercised the due care of a reasonably prudent person by verifying with KLN&F which maintenance fees it was tracking, petitioner would have been able to act to correct the situation in a more timely fashion. Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987); Douglas, *supra*; Donnelley, *supra*; Burandt, *supra*.

The record does not recount a situation where any person or firm, on and after the alleged transfer in 2006 of this patent to KLN&F: falsely represented to Organogenesis that the maintenance fee was being tracked by that entity on Organogenesis's behalf; or falsely represented to Organogenesis that the maintenance fee had been paid on Organogenesis's behalf; or falsely represented to Organogenesis that this patent had been maintained in force on Organogenesis's behalf, such that Organogenesis was "unavoidably" prevented from taking more timely action in this matter. Cf. Futures, *supra*. Rather the record shows that on and after the alleged transfer in 2006 of this patent to KLN&F, Organogenesis was and remained able to freely communicate with e.g., H&D and KLN&F, as to whether this or any of the Organogenesis patents was being tracked, whether the fee had been paid, or whether the patent was in force, and even the USPTO as to whether the fee had been paid, or whether the patent was in force. However, Organogenesis took no further action after the alleged transfer in 2006 of this patent to KLN&F, with respect to tracking, paying, or checking the status of this patent until August 2010. The record showing of this protracted absence of due care and diligence by Organogenesis is inconsistent with the actions of a prudent and careful person with respect to his most important business, and as such precludes a reasonable and rational finding that the delay in payment of the maintenance fee was unavoidable.

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: (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; (3) and 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.

In the initial petition, petitioner asserted that KLN&F failed to docket the maintenance fee due because of a note, made by Edwards & Angell, on the outer panel of the patent file that stated Hale & Dorr will handle the 7.6 [sic:7.5] and 11.6 [sic:11.5] year maintenance fees. In the instant renewed petition, however, petitioner now makes unsubstantiated assertions as to the docketing system of KLN&F.

An adequate showing requires statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts, as they know them. This showing must include copies of mail ledger, 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 in this instance to provide adequate notice that a reply was due. Petitioner must also 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.

In support of the assertion of docketing error as the cause for the delay petitioner states that KLN&F had a system in place to track and pay the maintenance fee due; and had an employee sufficiently trained and experienced with regard the function and routine for its performance. Specifically, petitioner refers page 4 of the "PROPOSAL" from KLN&F which describes KLN&F's IP group as having a "...docket system [that] is state of the art and we are capable of electronic filing at the US Patent and Trademark Office. We have many thousands of patents and patent applications under management." as evidence that petitioner had a reliable docket system in place to track and pay the maintenance fee due. Furthermore, as evidence that there was an employee sufficiently trained and experienced with regard the function and routine for its performance petitioner again refers to pages 4 and 6 of the "PROPOSAL" which notes: (1) "(t)he IP group has a dedicated infrastructure of experienced and highly qualified paralegals, docket clerks and secretaries."; (2) "(t)he audit will be conducted under the supervision of a senior partner. One or two associates and at least one paralegal will be assigned initially to review each matter to determine its status, whether or not any action need be taken in response to an official communication or otherwise, whether maintenance fees have been paid or not in pending matters or in issued patents."; and (3) "When the audit is complete, all matters will have been entered on our master docket system."

Unfortunately, petitioner has failed to provide statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts, as they know them. Petitioner failed to answer the factual inquiries set forth in the petition decision mailed February 4, 2011, *i.e.*, petitioner failed to: (1) identify the employee responsible for the docketing error; (2) provide any explanation of the docketing system in use; (3) any evidence of the reliability of a docketing system; and (4) provide any evidence of employee training. Despite petitioner's assertions, the statements in the "PROPOSAL" do not identify the employee responsible for the docketing error nor are they evidence of the reliability of a docketing system or employee training.

Accordingly, it follows that neither H&D, KLN&F, nor Organogenesis had any means of tracking and paying the maintenance fee. However 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. 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, upon issuance, the patent grant ordinarily includes a reminder notice that maintenance fees will be due by the day of the 4<sup>th</sup>, 8<sup>th</sup>, and 12<sup>th</sup> year anniversary of the grant of the patent. At the same time, the law is clear that maintenance fees are required to maintain in force all patents based on applications filed on or after December 12, 1980. See 35 U.S.C. 41(b). No further written notice is required for patentees to be aware of this obligation. Whether a maintenance fee reminder, or even a Notice of Patent Expiration, was ever received, it remained the ultimate responsibility of petitioner to ensure that the maintenance fee was paid and timely received to prevent expiration of the patent.

The issue at hand is solely whether the maintenance of the instant patent 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. Here, the delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person, petitioner would have been able to act to correct the situation in a more timely fashion. See Haines v. Quigg, supra; Douglas v. Manbeck, supra (unavoidable delay not shown where no diligence for over 30 months); R.R. Donnelley & Sons v. Dickinson, supra (N.D. Ill. 2000)(a showing of diligence is essential to demonstrate unavoidable delay).

### **DECISION**

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and this patent remains expired. The petition is **denied**.

The USPTO will not further consider or reconsider this matter. See 37 CFR 1.378(e). This 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.

Telephone inquiries related to this decision should be directed to Petitions Examiner Andrea Smith at (571) 272-3226.

A handwritten signature in black ink, appearing to read "Anthony Knight", written in a cursive style.

Anthony Knight  
Director, Office of Petitions