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OFFICE OF PETITIONS

In re Patent No.5,652,463 :
Issue Date: 29 July, 1997 :
Application No. 08/452,024 : DECISION ON PETITION
Filed: 26 May, 1995 :
Attorney Docket No. 011608-011 :

This is a decision on the petition filed on 5 December, 2011, properly treated as a petition under 37 C.F.R. §1.378(b) and (e) requesting acceptance of payment of a maintenance fee for the above-referenced patent as having been delayed due to unavoidable delay.

The petition pursuant to 37 C.F.R. §1.378(b) and (e) is **DENIED**;

This is a final agency action within the meaning of 5 U.S.C. §704.

A petition to accept the delayed payment of a maintenance fee under 35 USC §41(c) and 37 C.F.R. §1.378(b) must be accompanied by:

- (1) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely;*
- (2) payment of the appropriate maintenance fee, unless previously submitted; and*
- (3) payment of the surcharge set forth in 37 C.F.R. §1.20(i)(1).*

The instant petition fails to satisfy requirement (1), listed/described above.

BACKGROUND

Patent No. 5,652,463 (the '463 patent) issued on 29 July, 1997. The third maintenance fee could have been paid during the period from 29 July, 2008, through midnight 29 January, 2009, or, with a surcharge, during the period from 30 January, 2009, through midnight 29 July, 2009.

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Accordingly, the patent expired after midnight 29 July, 2009, for failure to pay timely the third maintenance fee

The original petition (with fee) pursuant to 37 C.F.R. §1.378(b) was filed on 16 August, 2011, and dismissed on 3 October, 2011. The petition for reconsideration was filed on (Monday) 5 December, 2011.

STATUTE AND REGULATION

The grant of authority at 35 U.S.C. §41(c)(1) provides 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.

The regulations 37 C.F.R. §1.378(b)(3) thus set forth 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. (Emphasis supplied.)

PETITIONER'S CONTENTION

Petitioner, Interconnect Systems, Inc. (ISI), through Louis Buldain (Mr. Buldain), ISI Vice-President of Finance, and Counsel Jaye G. Heybl (Reg. No. 42,661) sought relief pursuant to the regulations at 37 C.F.R. §1.378, and averred unavoidable delay. As outlined above, Patent No. 5,652,463 (the '463 patent) issued on 29 July, 1997. The third maintenance fee could have been paid during the period from 29 July, 2008, through midnight 29 January, 2009, or, with a surcharge, during the period from 30 January, 2009, through midnight 29 July, 2009. Accordingly, the patent expired after midnight 29 July, 2009, for failure to pay timely the third maintenance fee.

DECISION

The Director may accept late payment of the maintenance fee under 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b) if the delay is shown to the satisfaction of the Director to have been "unavoidable."¹

¹ 35 U.S.C. §41(c)(1).

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.² Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.³ In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."⁴ Finally, a petition to revive an application or reinstate a patent as abandoned or expired due to unavoidable delay cannot be granted where a Petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.⁵

Petitioner's First Presentment
as to Unavoidable Delay

Petitioner Jaye G. Heybl (Reg. No. 42,661) sought relief on behalf of patentees/assignees pursuant to the regulations at 37 C.F.R. §1.378, averring unavoidable delay.

Patent No. 5,652,463 (the '463 patent) issued on 29 July, 1997. The third maintenance fee could have been paid during the period from 29 July, 2008, through midnight 29 January, 2009, or, with a surcharge, during the period from 30 January, 2009, through midnight 29 July, 2009. Accordingly, the patent expired after midnight 29 July, 2009, for failure to pay timely the first maintenance fee.

The entirety of the original petition statement was set forth in the petition of Mr. Heybl/Petitioner as follows:

Our firm was just made aware of the due date of the maintenance fee as we just took over the case.

There was no further statement or documents from Petitioner, the assignee or any prior firm.

(A review of Office records as to assignments indicates an assignment recordation shortly before expiration of the patent.)

Thus, according to the original petition, the matter was not otherwise addressed from before expiration of the patent until the Petitioner's involvement, which culminated in the filing of the original petition.

² *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)).

³ *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 Matullath*, 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).

⁴ *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

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

Petitioner's Present Presentment
as to Unavoidable Delay

On submission of the instant petition, Petitioner Heybl presented the following in support of the showing of unavoidable delay:

- A statement (approximately three (3) pages) of Louis Buldain (Mr. Buldain), Vice President of Finance of averred assignee Interconnect Systems, Inc. (ISI); and
- The one- (1-) page printout dated "10/03/2011" of the Patent Bibliographic Data for the instant matter.

The statement of Mr. Buldain attests as follows:

- At times pertinent to the matter (though dates are unstated) Mr. Buldain was an employee of ISI and, *inter alia*, managed legal matter for ISI, which—in conjunction with an unnamed outside patent Counsel—calendared due dates for maintenance fees on ISI patents.⁶
- ISI's unnamed outside Counsel provided reminders of the due dates for maintenance fees and ISI then "takes reasonable care to ensure that these due dates are met."⁷
- Hestia Technologies, Inc., (Hestia) was the original assignee of the instant matter.⁸
- On 30 December, 2008—approximately seven (7) months before the instant patent expired for failure to pay the third maintenance fee—"ISI acquired Hestia's assets, including its patents and pending patent applications. [The instant matter] was one of several patents that comprised an asset acquired by ISI in the transaction."⁹
- James Koh (Mr. Koh) was the employee of Hestia prior to the ISI acquisition who "was the Hestia employee responsible for calendaring and maintaining Hestia's patents."¹⁰
- Mr. Koh did not become an ISI employee—he is believed to have returned to his home country of Korea after the ISI acquisition of Hestia.¹¹
- It is thought that Mr. Koh kept the Hestia patents maintenance records in his computer—which was acquired by and delivered to ISI but because it was an old computer was delivered "to be used in the [ISI] manufacturing area."¹² (Emphasis supplied.)

⁶ Buldain Statement, Page 1, Paragraph 1.

⁷ Buldain Statement, Page 1, Paragraph 1.

⁸ Buldain Statement, Page 1, Paragraph 2.

⁹ Buldain Statement, Pages 1-2, Paragraph 2.

¹⁰ Buldain Statement, Page 2, Paragraph 3.

¹¹ Buldain Statement, Page 2, Paragraph 3.

¹² Buldain Statement, Page 2, Paragraph 4.

- “ISI takes care to ensure that the maintenance fees for its patents are paid in a timely fashion and it is believed that Hestia did the same.”¹³, ¹⁴ (Emphasis supplied.)
- “However, James Koh (sic) computer was misplaced, along with his calendar of maintenance fee due dates, and James Koh left the country.”¹⁵
- Mr. Buldain “was not aware that this maintenance fee was due to be paid, and then eventually became late.”¹⁶
- When Mr. Buldain “was made aware that the maintenance fee was late and that this patent had become abandoned (sic), [he] contacted Koppel, Patrick, Heybl & Philpott to take steps to revive (sic) the patent.”¹⁷
- “Payment of the maintenance fee for the above-referenced patent was unavoidably delayed through the confusion of the Hestia acquisition, a responsible employee leaving the country, and the lost calendar of maintenance fee due dates.”¹⁸

Unsaid expressly in the statement of Mr. Buldain was that the Hestia data as to the maintenance of the instant patent never was incorporated into the ISI maintenance records and/or those of its unnamed outside Counsel.

ISI, through Mr. Buldain, provided no statement/showing:

- At all from Hestia’s former Counsel—whether in-house or outside;
- At all from ISI’s former and present Counsel—whether in-house or outside;¹⁹
- That the instant patent, as an asset acquired from Hestia, ever was incorporated into the records of ISI and/or its unnamed outside Counsel—or that ISI ever knew where that information was so as to make such an effort.

Thus, there is at best an insufficient showing of record as to the docketing/calendaring of maintenance fees for the instant matter or specifically in whom such responsibility for docketing lay, and or who performed the administrative task of docketing the maintenance fee schedule in this matter, and whether they did so erroneously.

¹³ Buldain Statement, Page 2, Paragraph 5.

¹⁴ Mr. Buldain’s Statement does not address the attachment of the page identified as Patent Bibliographic Data, however, the Office acknowledges its presence for the purpose of the history that it provides.

¹⁵ Buldain Statement, Page 2, Paragraph 5.

¹⁶ Buldain Statement, Page 2, Paragraph 5.

¹⁷ Buldain Statement, Page 3, Paragraph 6.

¹⁸ Buldain Statement, Page 3, Paragraph 6.

¹⁹ Office records reflect that the instant patent assignment was recorded on behalf of ISI on 17 July, 2009.

As a result, there is no showing of a failure that was systemic—such as that which occurs when a computer or computer program fails.

It appears that what occurred possibly was an error of another form: plain human error, which is a delay that is not unavoidable but unintentional—however such a consideration is not before the Office.

In any case, such facts as have been recited do not suggest diligence—at least a level of diligence as required herein—on the part of those who were supposed to attend to this matter.

The provisions of 35 U.S.C. §41(c)(1) do 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.²⁰ The provisions of 35 U.S.C. §133 do 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/assignee'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.²¹

This the Petitioner and/ or patentee has/have not done.

At bottom, the question is one of diligence.²²

DECISION

The Director may accept late payment of the maintenance fee under 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b) if the delay is shown to the satisfaction of the Director to have been “unavoidable.” A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b) must be accompanied by:

- (a) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely;
- (b) payment of the appropriate maintenance fee, unless previously submitted; and
- (c) payment of the surcharge set forth in 37 C.F.R. §1.20(i)(1).

The instant petition fails to satisfy requirement (a) since the showing of record is inadequate to establish unavoidable delay within the meaning of 37 C.F.R. 1.378(b).

²⁰ See *Commissariat A. L'Energie Atomique v. Watson*, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960).

²¹ 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*.

²² See: *Changes to Patent Practice and Procedure; Final Rule Notice*, 62 Fed. Reg. at 53158-59 (October 10, 1997), 1203 *Off. Gaz. Pat. Office* at 86-87 (October 21, 1997). See also: *Ray v. Lehman*, *supra*.

There are three periods to be considered during the evaluation of a petition under 37 C.F.R. §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 reinstate the patent; and
- (3) The delay in filing a grantable petition pursuant to §1.378(b) to reinstate the patent.

Periods (1) and (2) are relevant to the facts of this case and are discussed below.

Period (1)

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*, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(citing *In re Patent No. 4,409,763*, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988)). Likewise the “unintentional” standard in 35 USC §41(c)(1) uses the same “unintentionally” standard in 35 USC§41(a)(7) because 35 USC §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 regards 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 deliberate chosen course of action, and the resulting delay cannot be considered as “unintentional” within the meaning of 37 CFR 1.137(b). *See: Application of G*, 11 USPQ2d at 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). MPEP 711.03(c)(II)(3)(C)(1).

See Changes to Patent Practice and Procedure; Final Rule Notice, 62 *Fed. Reg.* 53131, 53158-59, 1203 *Off. Gaz. Pat. Office* 63, 86 (discussing the meaning of “unintentional” delay in the context of the revival of an abandoned application). Whether the extant situation involves an application that is abandoned or a patent that has expired is not significant since the standards of review in each situation are the same as set forth above.

Further, it should be pointed out that delay resulting from a deliberate course of action chosen by the patentee is not affected by:

- (A) the correctness of the patentee’s (or patentee’s representative’s) decision to allow the patent to expire or not to seek or persist in seeking reinstatement of the patent;

- (B) the correctness or propriety of a decision by the Office; or
- (C) the discovery of new information or evidence, or other change in circumstances subsequent to the expiration or decision not to seek or persist in seeking reinstatement.

The intentional expiration of a patent precludes reinstatement under either the unavoidable or unintentional standard. See In re Maldague, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988) wherein this standard is discussed in the context of an application.

In this instance, there has been no showing that ISI and/or its unnamed outside Counsel either knew when to pay the maintenance fee in this case, or even knew where to find such information.

ISI had the authority to undertake during and/or after its 30 December, 2008, acquisition of Hestia assets—including the instant patent—actions that might make such information available to ISI (e.g., an audit of intellectual property and any due date requirements attendant to its maintenance).

However, there was no showing that any such action was or actions were taken.

Attendant to acquisition are the requirements of prudence and diligence in the process—as with the prudence and diligence one brings to one's most important business affairs. (See: *Ex parte Pratt*.²³)

That prudence and that diligence have not been demonstrated.

Period (2)

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, see *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 Director 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*.

²³ *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, 514-15 (D.C. Cir. 1912); *Ex parte Henrich*, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

Petitioner contends that “[p]ayment of the maintenance fee for the above-referenced patent was unavoidably delayed through the confusion of the Hestia acquisition, a responsible employee leaving the country, and the lost calendar of maintenance fee due dates.”²⁴

In the absence of a documented showing of the existence of a reliable tracking system, an explanation of the error that occurred, and that a showing that the error occurred despite the exercise of due care, the Office is precluded from finding that the error resulted from unavoidable delay.

Simply put, the burden is on Petitioner, not the Office, to show that the delay was unavoidable.

Petitioner has not met the burden of showing that the delay was unavoidable.

ISI’s error, lack of oversight and/or pre-occupation with other matters and/or unnamed outside Counsel’s lack of oversight—all of which took precedence over or otherwise prevented timely payment of the above-identified maintenance fee or reinstatement of the patent—do not constitute unavoidable delay. (*See: Smith v. Mossinghoff*, 671 F.3d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

In summary, the showing of record is inadequate to establish unavoidable delay. Petitioner has provided insufficient evidence to substantiate a claim of docketing error. ISI’s lack of knowledge and/or preoccupation with other matters which took precedence over payment of the maintenance fees and reinstatement for the above-identified patent constitutes a lack of diligence, not unavoidable delay, *Id.* As Petitioner has not shown that ISI exercised the standard of care observed by a reasonable and prudent person in the conduct of his or her most important business, the petition cannot be granted.

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.

The petition under §1.378(e) has also been considered.

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 C.F.R. §1.378(b) and (e).

The petition under 37 C.F.R. §1.378(e) is **denied**.

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.

²⁴ Buldain Statement, Page 3, Paragraph 6.

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The patent file is being returned to Files Repository.

Telephone inquiries regarding this decision should be directed to John J. Gillon, Jr., attorney, at 571-272-3214.



Anthony Knight
Director
Office of Petitions