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In re Patent No. 5,709,672 : OFFICE OF PETITIONS
Issue Date: 20 January, 1998 :
Application Number: 08/551,544 :
Filing Date: 1 November, 1995 : ON PETITION
Attorney Docket No.: 43375.0001/D :

This is a decision on the petition filed on 11 February, 2009, pursuant to 37 C.F.R. §1.378(e) requesting reconsideration of a petition for acceptance of payment of a maintenance fee for the above-referenced patent as having been delayed due to unavoidable delay. (See: 37 C.F.R. §1.378(e).¹)

Petitioner submitted a credit card authorization for the fee on renewed petition, and that fee is now charged as authorized.

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

BACKGROUND

Patent No. 5,709,672 (the '672 patent) issued on 20 January, 1998. The first maintenance fee could have been paid during the period from 20 January, 2001, through 20 July, 2001, or, with a surcharge, during the period from 21 July, 2001, through 20 January, 2002. Accordingly, the patent expired after midnight 20 January, 2002, for failure to timely pay the first maintenance fee. (It is noted that no attempt was made to pay the second maintenance fee on or before what would have been the due date of 20 January, 2006.) The original petition under 37 C.F.R.

¹ A grantable petition to accept a delayed maintenance fee payment under 37 C.F.R. §1.378(b) must 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.

² 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 §1002.02.

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§1.378(b) was filed via FAX on 4 September, 2007, and dismissed on 11 September, 2008. The petition for reconsideration was filed on 11 February, 2009.

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 the showing requirement (1) described above.

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.)

OPINION

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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.”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 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 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.⁷

Moreover, it is noted that the Office has no duty to notify patentees/assignees as to the due date(s) of maintenance fees.

In her original petition, Inventor/Assignor and Petitioner herein Hana Illner, M.D. (Dr. Illner), explained that she assigned the instant patent to her employer, the Texas Tech University Health Science Center (TTUHSC) in 1996 in advance of the issuance of the patent, and was assured by TTUHSC officials (including Lance Anderson (Mr. Anderson) now-retired) as recently as late 2005 that the patent was in full force and effect—an assurance that the record evidences ultimately was incorrect because the patent expired in June 2002 for failure to pay the first maintenance fee. Once Dr. Illner learned that the patent had expired, she indicates that she obtained from TTUHSC officials authority to pursue reinstatement of the patent. (13 August, 2007, letter of Craig Bean, Interim Managing Director, Technology Transfer and Intellectual Property, TTUHSC (Bean Letter).) In return for this grant, the university required of Dr. Illner that she dedicate to the institution a fractional interest in any revenues derived.

According to the assignment records of the Office, Texas Tech University is the assignee of the instant patent and Petitioner has no standing to file the instant petition. In order to gain standing, Petitioner should have filed with the Office a release of the property from TTUHSC. Nonetheless, for the assistance of Petitioner, the following information is provided.

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)).

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).

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The petition did not satisfy the requirements of 37 C.F.R. §1.378(b)(3) because it failed to establish unavoidable delay within the meaning of 37 C.F.R. §1.378(b) on the part of the officials of the TTUHSC—the party(ies) responsible for maintaining the '672 patent.

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.⁸ 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 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.⁹

Because 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.¹⁰ 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 C.F.R. §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.¹¹

Petitioner appears to have been unable to address the matter with the step-by-step showing supported by statements of the interested parties/parties responsible for payment of the maintenance fee(s)—combined with documentary support for those showings/statements—as discussed in detail in the guidance in the Commentary at MPEP §2590, and the petition was dismissed on 22 September, 2008.

The Office has made clear to patent holders that they, not the Office, are responsible for ensuring timely payment of maintenance fees due, and that the Office has no responsibility for notifying patent holders of maintenance fee payment due dates.

The Commentary at MPEP §2590 provides in pertinent part:

⁸ See *Commissariat A. L'Energie Atomique v. Watson*, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960).

⁹ 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*.

¹⁰ *Ray*, 55 F.3d at 609, 34 USPQ2d at 1788.

¹¹ *Id.*

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In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. See *Patent No. 4,409,763, supra*. See also Final Rule entitled "Final Rules for Patent Maintenance Fees," published in the *Federal Register* at 49 *Fed. Reg.* 34716, 34722-23 (August 31, 1984), and republished in the *Official Gazette* at 1046 *Off. Gaz. Pat. Office* 28, 34 (September 25, 1984). Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. (Emphasis supplied.)

Submitted on Request for Reconsideration

With the renewed petition, Petitioner Dr. Illner averred that:

- Mr. Anderson, TTUHSC Vice-Chancellor David Miller (Mr. Miller) and TTUHSC Office of Technology Commercialization patent agent Roman Aguilera III (Mr. Aguilera) obtained further information for Dr. Illner;¹²
- The foregoing persons, along with Alda Ingram (Mr. Ingram) and Director of the Intellectual Property Office H. Walter Haeussler (Mr. Haeussler)¹³ were employed by TTUHSC to deal with patent issues in the relevant period—with Mr. Haeussler as the most senior of those officials;¹⁴
- An Inteum software application was employed by TTUHSC to manage the technology portfolio;¹⁵
- Outside Counsel was relied upon to give notice for patent maintenance fee payment(s) and the 2 February, 1998, transmittal letter from that Counsel following issue of the '672 patent informed TTUHSC officials of the maintenance fee timetable for the patent—and further informed officials that while Counsel did send out courtesy reminders for

¹² Petition, FAX page 2.

¹³ It appears that this refers to the registered practitioner of Reg. No. 22,480

¹⁴ Petition, FAX page 2-3.

¹⁵ Petition, FAX page 3.

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maintenance fee due dates Counsel “cannot and [does] not undertake any responsibility for reminding you of maintenance fee deadlines” (emphasis the original);¹⁶

- In excess of 100 patents issued to TTUHSC (Office of Technology Commercialization) in the period of 1998 to the present, and the ‘672 patent was the only one to expire/lapse for non-payment of maintenance fees;¹⁷
- Dr. Illner had experienced conflicts and disagreements with Mr. Haeussler in her tenure on the university Intellectual Property Committee, to which conflicts and disagreements Dr. Illner attributes the neglect of Mr. Haeussler in this matter;¹⁸
- In the relevant period the Virginia State Bar and the Pennsylvania Supreme Court had taken action with regard to the status of Mr. Haeussler as a practitioner;¹⁹
- Also Dr. Illner’s status as the only foreign female faculty member “with an active patent at that time” may “explain the different and exceedingly unprofessional treatment of [her] intellectual property ...”;²⁰
- While she cannot point to a software failure in the Inteum program, she relied upon the appropriate TTUHSC officials;²¹
- Despite her retirement, she acted timely; did all in her “powers to untangle the problems ... in the face of considerable absence of help by the responsible parties ...”;
- She has a considerable track record of professional accomplishment and the ‘672 patent is her intellectual property “and represents the highest achievement and recognition of [her] professional career ... [and] its efficacy and usefulness in the treatment of critically ill patients have been tested through clinical trials and the results are still being publicized in peer-reviewed journals.”

There are three periods to be considered during the evaluation of a petition under 37 C.F.R. §1.378(b):

¹⁶ Petition, FAX page 2-3, and page 2-3 of the attached correspondence.

¹⁷ Petition, FAX page 3.

¹⁸ Petition, FAX page 3.

¹⁹ Petition, FAX page 3; Petitioner cites to *Virginia Lawyer Register*, 10 January, 2001, and the Order of the Supreme Court of Pennsylvania, 27 March, 1998 (pursuant to Rule 111(b), Pa.R.C.L.E.), respectively, as authority for these averments.

²⁰ Petition, FAX page 3.

²¹ Petition, FAX page 4.

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- (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.²²

The showing is not persuasive with regards to the delay in reply that originally resulted in expiration (Item 1). There is no documentary evidence of record that TTUHSC, or any employee, division, office or retained firm or service thereof undertook the calendaring and tracking of the payment due-date for satisfaction of the first (or second) maintenance fee as to the instant patent. It appears that Petitioner cannot and does not satisfy the burden of demonstrating that such a system was in place as to the first maintenance fee, and identifying the failure in that system that resulted in the non-payment of the first maintenance fee for the instant patent. (Item 1, above.) As to Item 2, above, it appears that Petitioner cannot and does not satisfy the burden of demonstrating what further system failure caused that non-payment not to be discovered until such time as the instant petition was filed.

And as to items (1) and (2), Petitioner cannot and does not satisfy the burden of demonstrating that each of the delays attendant to the matter was unavoidable.

Most certainly a major obstacle faced by Petitioner is that at the time that the maintenance fee became due and was and remained payable, it was TTUHSC officials, and not Petitioner, who were responsible for and had the authority to determine whether the maintenance fee was to be paid for the '672 patent.

The showing of record as of this writing is that, rather than unavoidable delay, TTUHSC, its offices, personnel, and/or retained Counsel/services, simply did not calendar or otherwise schedule the payment of the first maintenance fee. Notably, however, their lack of attention to and/or preoccupation with other matters which took precedence over timely payment of the maintenance fee in the present patent does not constitute unavoidable delay.²³

Petitioner's arguments have been considered but are not found convincing.

The petition does not satisfy the requirements of 37 C.F.R. §1.378(b)(3) because the statements presented in the petition fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 C.F.R. §1.378(b). (Petitioner's attention is directed to the guidance in the Commentary at MPEP §2590.)

²² See *Changes to Patent Practice and Procedure: Final Rule Notice*, 62 Fed. Reg. 53131 at 53158 (October 10, 1997).

²³ See *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

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The petition was not filed and payment was not first submitted herein until 4 September, 2007—thus, the only payment was on submission of the petition pursuant to the regulations at 37 C.F.R. §1.378(b).

The delay was not unavoidable—had assignee wished the instant patent to be maintained and exercised the due care and diligence of a reasonably prudent person, it/they would have paid in a timely fashion. The record fails to adequately evidence that they have 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 delay²⁴ as to payment of the first maintenance fee for this specific patent.

The record fails to disclose that the assignee took reasonable steps to ensure timely payment of the maintenance fee.

In fact, the record indicates that no steps were taken by assignee to ensure timely payment of the maintenance fee—at least none until assignee found that expiration likely would bar commercialization of the matter.

Since no steps were taken by assignee, the provisions of 37 CFR 1.378(b) precludes acceptance of the delayed payment of the maintenance fee due to unavoidable delay.

Petitioner appears unable to satisfy the explicit requirements set forth in the 11 September, 2008, decision as to Petitioner's burden on renewed petition:

The regulations at 37 C.F.R. §1.378(b)(3) state 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.

In any future filing, this showing should include, but is not limited to, docket records, tickler reports, and file jacket entries for this application, and documents regarding the alleged cause of the delay and copies of any documents referred to in Petitioner's

²⁴ Pratt, supra.

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statement as to the cause of the unavoidable delay are required. All the causes which contributed to the failure to timely pay the maintenance fee must be presented and supported with appropriate evidence.²⁵ (In general, a Petitioner should identify the party(ies) responsible for making the payment: A showing must be made (with supporting documents) outlining the efforts made to ensure timely payment of the maintenance fee--including scheduling and calendaring information, appointment of an individual with the authority and responsibility to pay the fee, and detailing of the causes for a failure in that process.)

Petitioner appears unable to submit substantial documentation satisfying the showing— and so has failed to do so.

Thus, this petition does not satisfy the requirement of 37 C.F.R. §1.378(b)(3). As discussed below, the statements and documents presented in the petition fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 C.F.R. §1.378(b).

This the assignee failed to do, and so with regard to items (1) and (2), above, to be considered during the evaluation of a petition under 37 C.F.R. §1.378(b), there is no showing of unavoidable delay in the reply (payment of the maintenance fee) that originally resulted in expiration. Petitioner, who had no authority to act at the time, cannot make these statements for the assignee.

From the outset, as thoroughly discussed above, the showing is not persuasive with regards to the delay in reply that originally resulted in expiration.

As noted above, Office policy and practice has been and remains that patent holders are responsible for calendaring/docketing their maintenance fees, and the Office bears no duty or responsibility to provide Notice to patent holders when their maintenance fee payments are due. Thus, the TTUHSC's failure to act timely and properly is controlling.

Under the facts presented as discussed above, a basis for a finding that the delay was unavoidable has not been set forth by Petitioner.

It is noted that Petitioner has presented a theory as to why the maintenance fee was not paid based upon alleged discrimination. While the allegation is noted, no evidence has been supplied to support such and allegation. Moreover, even if such evidence was supplied to the Office, no

²⁵ The showing must also enumerate 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. Statements from all persons who contributed to the delay are also required.

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action could be taken since the Office cannot provide a forum for resolution of disputes.²⁶ In the decision mailed on 11 September, 2008, Petitioner was reminded to include an exhaustive attempt to provide the information required, since, after a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director.

In this regard, a showing of diligence in matters before the Office is essential to support a finding of unavoidable delay herein.²⁷ There is no "sliding scale" based upon the priority given to 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 assignee exercised the due care and diligence of a reasonably prudent person, assignee would have been able to act to pay the fee or seek reinstatement in a timely fashion. The record fails to adequately evidence that assignee exercised the due care and diligence observed by prudent and careful persons, in relation to it/his most important business, which is necessary to establish unavoidable delay.²⁸

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 it has not been shown that the delay in payment of the maintenance fee was unavoidable.

CONCLUSION

The prior decision which refused to accept under 37 C.F.R. §1.378(b) the delayed payment of a maintenance fee for the above-identified 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 C.F.R. §1.378(b).

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

²⁶ See: *Ray v. Lehman*, 34 USPQ 1786, at 1787 (Fed. Cir. 1995).

²⁷ 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).

²⁸ *Pratt, supra.*

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As stated in 37 C.F.R. §1.378(e), no further reconsideration or review of the decision refusing to accept the delayed payment of the maintenance fee under 37 C.F.R. §1.378(e) will be undertaken.

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.)

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 C.F.R. §1.378(e), no further reconsideration or review of this matter will be undertaken.

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

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

Charles A. Pearson
Director, Office of Petitions