



Polster, Lieder, Woodruff & Lucchesi, L.C.  
12412 Powerscourt Dr. Suite 200  
St. Louis MO 63131-3615

In re Patent No. 5,761,073 :  
Issued: June 2, 1998 :  
Application No. 08/663,553 : ON PETITION  
Filed: June 13, 1996 :  
Title: PROGRAMMABLE APPARATUS :  
FOR SYNCHRONIZING FREQUENCY AND :  
PHASE OF TWO VOLTAGE SOURCES :

**MAILED**  
**DEC 20 2010**  
**OFFICE OF PETITIONS**

This is a decision on the petition under 37 CFR 1.378(e), filed May 24, 2010 and supplemented on June 18, 2010.<sup>1</sup>

The petition is DENIED<sup>2</sup>.

#### BACKGROUND

The patent issued June 2, 1998. The 7.5 year maintenance fee could have been paid from June 2, 2005 to December 1, 2005, or with a surcharge during the period from December 2, 2005 to June 2, 2006. Petitioner did not do so. Accordingly, the patent expired at midnight on June 2, 2006.

A petition under 37 C.F.R. § 1.378(b) to accept late payment of the maintenance fee was filed February 22, 2010. A decision dismissing the petition under 37 CFR 1.378(b) was mailed March 23, 2010 and is hereby incorporated by reference.

The instant petition requests reconsideration of the March 23, 2010 decision. The request for reconsideration is accompanied by declarations of Evelyn Knebel, Kenneth Parker, Laurie Poss, Richard Haferkamp and Carmela de la Cruz.

#### STATUTE AND REGULATION

35 U.S.C. § 41 (c) (1) states that:

The Director may accept the payment of any maintenance fee

<sup>1</sup> The required petition fee of \$400.00 has been received.

<sup>2</sup> 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.

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.

A petition under 37 CFR 1.378(b) to accept an unavoidably delayed payment of a maintenance fee 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 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

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."<sup>3</sup> 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" delay<sup>4</sup>. Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable<sup>5</sup>. Further, decisions on revival are made on a "case-by-case basis, taking all the fact and circumstances into account<sup>6</sup>." Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has

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<sup>3</sup> 35 U.S.C. 41(c)(1).

<sup>4</sup> 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)).

<sup>5</sup> 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).

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

failed to meet his or her burden of establishing the cause of the unavoidable delay<sup>7</sup>.

Petitioner asserts that the delay in submitting the 7.5 year maintenance fee was unavoidable because it was based on docket error. Petitioner states that although the law firm of Thompson Coburn ("Thompson") used Computer Packages, Inc. ("CPI") docketing system, a docketing error by a former Thompson Docket Administrator Ms. de la Cruz, resulted in the expiration of the instant patent.

Petitioner contends that Kenneth Parker, Vice President of Finance at Basler Electronic Company ("Basler") indicated a desire to maintain the instant patent by filling out the form provided by Thompson (exhibit A). The form provided patentee three options, allow the patent to expire, pay large entity status or pay small entity. Mr. Parker states that he completed the section indicating that the large entity fee should be paid. The form was executed by Mr. Parker and contains a date of October 15, 2005. The Thompson file does not include a copy of the instruction to pay the maintenance fee from Mr. Parker. Mr. Parker states it would have been the custom and practice in handling such documents to give Ms. Knebel, former executive secretary, the document for mailing. A copy of the signed instruction form was however located in the file maintained by Basler. Petitioner states that the instruction letter may have been mishandled by clerical staff or the post Office. Consequently, exhibit A was never considered by Thompson Patent staff.

Further, petitioner contends that an e-mail from Mr. Parker to Ms. de la Cruz (exhibit E), dated November 21, 2005 was erroneously interpreted, which resulted in clerical error. The e-mail stated "In reference to the subject matter, we have processed a payment to extend the patent accordingly. Also please change the contact information from Tom Kobylarek to myself. My information is shown below". Petitioner maintains that the e-mail incorrectly was construed to mean that Basler or an intermediary would handle payment of the maintenance fee. As such, Ms. de la Cruz failed to make the entry in the docketing system to pay the second maintenance fee.

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<sup>7</sup> 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).

After the e-mail was sent, Basler electronically submitted the maintenance fee to Thompson in the amount of \$2,600 on or about December 1, 2005.

It was Thompson's business routine upon receipt of the form (exhibit A) to pay the maintenance fee on behalf of Basler, and then invoice the client in their regular monthly bill (Affidavit of Karen Bauer, paragraph 9). Since Thompson did not pay the maintenance fee, an outstanding invoice for Basler did not exist. After the business department of Thompson contacted attorney Haferkamp, it was determined that no fees were owed. Thus, the \$2,600 was refunded to Basler.

Petitioner insists the facts surrounding Thompson's refund of the \$2,600 fee to Basler were not such to arouse suspicion in a reasonably prudent person that the maintenance fee had not been paid and that the patent had expired. Petitioner contends the refunded money was presumed to be a duplicate payment. Upon receipt of the check Mr. Parker considered how the refund should be treated from an accounting standpoint. Petitioner further argues the letter from Mr. Haferkamp dated July 5, 2006 to Basler (Exhibit C) did not state that the maintenance fee was not paid or that the patent had expired. Therefore petitioner state nothing in the letter could reasonably trigger a reaction from Parker that the maintenance fee had not been paid.

The petition under 37 CFR 1.378(e) has been considered. However, the showing of record is not sufficient to establish 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 showing of unavoidable delay requires a showing that the **entire** delay in filing a grantable petition under 37 CFR 1.378(b) was unavoidable. In re Application of Takao, 17 USPQ2d 1155, 1158 (Comm'r Pat. 1990). For the reasons below, the record fails to establish that the entire delay was unavoidable.

A. Petitioner has failed to establish the delay in submitting the maintenance fee was unavoidable due to docket delay.

As set forth in MPEP 711.03(c), a delay resulting from an 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:

A) *the error was the cause of the delay;*

*B) there was in place a business routine for performing the clerical function which 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.*

Although petitioner contends that the maintenance fee was not timely submitted because of clerical/docket error. Sufficient evidence has not been provided to establish that Ms. de la Cruz caused the delay. Petitioner contends the incorrect interpretation of the November 21, 2002 e-mail lead to Ms. de la Cruz removing the deadlines in the docket system (Poss declaration, paragraph 7). The Thompson docketing system as of June 30, 2006 indicated that Basler had previously assumed the payment of the maintenance fee. The facts presented indicate that the failure to pay the maintenance fee was due to miscommunication between patentee and Thompson. Delay resulting from a lack of proper communication between an applicant and his representative as to the responsibility for timely filing a communication with the USPTO does not constitute unavoidable delay. See In re Kim, 12 USPQ2d 1595 (Comm'r Pat 1988); Ray v. Lehman 55 F.3d 606 at 610, 34 USPQ2d 1786 at 1789.

Further, assuming arguendo that the actions of Ms. de la Cruz were clerical errors, petitioner has failed to provide any information to establish that Ms. de la Cruz was sufficiently trained and experienced. Ms. Bauer states that Thompson employees were instructed to follow a well established business routine concerning the entry of docket dates for reminders due dates and other actions (Bauer Affidavit, paragraph 5). Beyond providing a blanket statement that Ms. de La Cruz was sufficiently trained no evidence to establish this has been provided. Thus, the Office cannot establish that reliance on Ms. de la Cruz represented exercise in due care. In addition, no evidence has been provided regarding the degree of supervision Ms. de la Cruz received.

B. Delay was caused in part by Kenneth Parker's failure to adequately investigate the return of the \$2,600 and the letter from Attorney Haferkamp.

After the \$2,600 submitted for the payment of the second maintenance fee was refunded, a reasonably prudent person, treating the instant patent as his or her most important business, would have investigated why the maintenance fee was refunded and check whether the patent was still enforce.

The record fails to show that Basler upon notice of the refund of the \$2,600 undertook any investigation as to why the fees were refunded. The contention that the refund of the fees and the letter which accompanied the refund would not trigger a suspicion as to whether the maintenance fee was paid is not well founded. Mr. Parker as a representative of Basler had a duty to exercise due diligence, and this duty was not discharged by the contention of docket/clerical error. See Douglas v. Manbeck, 21 U.S.P.Q.2D (BNA) 1697 (E.D. Pa. 1991), *aff'd* 24 F.3d 1318, 24 USPQ2d 1318 (Fed. Cir. 1992) (applicant's lack of due diligence "overcame and superseded any negligence by the attorney. The delay was not unavoidable, because had the plaintiff exercised the due care of a reasonably prudent person, he would have been able to act to correct the situation in a timely fashion.").

The failure to investigate the return of the \$2,600 resulted in avoidable delay in filing the initial petition.

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 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 covering the maintenance fee 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.



Anthony Knight

Director

Office of Petitions