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OFFICE OF PETITIONS

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In re Patent No. 5,775,452 :
Issued: July 7, 1998 :
Application No. 08/593,324 : ON PETITION
Filed: January 31, 1996 :
For: ELECTRIC SCOOTER :

This is a decision on the petition under 37 CFR 1.378(e), filed October 30, 2008.

The petition is **DENIED**¹.

BACKGROUND

The patent issued July 7, 1998. The 3.5 year maintenance fee was timely paid. The 7.5 year maintenance fee could have been paid from July 7, 2005 to January 7, 2006 without a surcharge or from January 8, 2006 to July 7, 2006 with a surcharge. The maintenance fee, however, was not submitted. Accordingly, the patent expired July 7, 2006 for failure to timely submit the 7.5-year maintenance fee.

A petition under 37 C.F.R. § 1.378(b) to accept late payment of the maintenance fee was filed July 17, 2008. A decision dismissing the petition under 37 CFR 1.378(b) was mailed September 16, 2008 and is hereby incorporated by reference.

Petitioner under 37 CFR 1.378(e) in seeking reconsideration of the decision under 37 CFR 1.378(b) attributes the failure to timely pay the maintenance fee to miscommunication between patentee and its legal representatives Fenwick & West LLP.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

In accordance with 35 USC 41(c)(1), “[t]he Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-

¹ 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.

month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.”

In accordance with 37 CFR 1.378(b), “[a]ny petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section 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.”

FACTS

Petitioner advises that patentee first became aware that the patent was expired on or about July 15, 2008 upon receipt of an email to this effect from counsel. Petitioner advises that patentee depended on counsel to make sure “all of our important patents were taken care” of. Petitioner previously indicated that Patmont Motor Werks closed and reestablished in Nevada in 2003, which caused “address change confusions with its IP legal counsel.” Petitioner previously asserts that patentee’s patent term firm was unable to correctly notify Patmont Motor Werks Inc. or Steven J. Patmont in Nevada that the maintenance fee was not paid. Petitioner previously indicated that “unfortunate miscommunication created an unintended result.”

Petitioner also asks for reconsideration of the previous decision “because it was only 10 days after the cut off time to pay the maintenance fee with a surcharge.”

Petitioner further advises that since the expiration of the patent, patentee has set up a calendar to provide notification that maintenance fees are due.

Petitioner has included a copy of an email communication between John McNelis, Steve Patmont, and Tianne Simpson.

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.”² 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” delay³. Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable⁴. Further, decisions on revival are made on

² 35 U.S.C. 41(c)(1).

³ 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)).

⁴ 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

a “case-by-case basis, taking all the fact and circumstances into account⁵.” Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petition has failed to meet his or her burden of establishing the cause of the unavoidable delay⁶.

In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F3d at 608-609, 34 USPQ2D at 1787. It is incumbent upon the patent owner to implement steps to schedule and pay the fee, or obligate another to do so. See California Medical Products v. Technol. Med. Prod., 921 F.Supp 1219, 1259 (D. Del. 1995). That is, 37 CFR 1.378(b)(3) requires a showing of the steps in place to pay the maintenance fee, and the record currently lacks a sufficient showing that any steps were emplaced by petitioner or anyone else. In the absence of a showing that patentee or anyone else was engaged in tracking the maintenance fee due dates, and that party had in fact been tracking the due dates with a reliable tracking system, such as would be used by prudent and careful men in relation to their most important business, petitioner cannot reasonably show that the delay was unavoidable delay. In re Katrapat, 6 USPQ2d 1863, 1867-1868 (Comm’r Pat. 1988); California, supra.

In essence, patentee must show that he was aware of the need to pay the maintenance fee, and to that end was tracking it, or had engaged someone to track it before the expiration, but when the fee came due, was "unavoidably" prevented from making the maintenance fee payment from the time the payment was due until the filing of a grantable petition. Petitioner has failed to meet this burden.

Patentee, who is ultimately responsible for ensuring that the maintenance fee would be timely paid, has failed to establish that there was a system in place that would ensure that the maintenance fee would be timely paid or would lead to the conclusion that part of the system would involve Fenwick & West LLP notifying patentee that the maintenance fee was due.

To the extent that patentee engaged Fenwick & West LLP to track the maintenance fee due date of the instant patent, there is nothing in the record that establishes Fenwick & West LLP had steps in place to ensure timely payment of the maintenance fee. Thus, it cannot be found that it was reasonable for patentee to rely upon Fenwick & West LLP for the purpose of tracking the maintenance fee. Further, there is nothing in the record to establish that patentee, who bears the ultimate responsibility for ensuring timely payment of the maintenance fee, made inquiry of Fenwick & West LLP or the Patent and Trademark Office to determine when and if the maintenance fee was due.

It appears that patentee never advised Fenwick & West LLP of its new correspondence address. Thus, even assuming patentee had engaged Fenwick & West LLP to advise patentee that the maintenance fee was due, there is no reasonable expectation that Fenwick & West LLP would in fact have been capable of doing so given the acknowledged miscommunication between patentee

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).

⁵ See, Smith v. Mossinghoff, 671 F.2d 533, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁶ See, Haines v. Quigg, 673 F.Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

and counsel concerning patentee's correspondence address. Moreover, the issues concerning the miscommunication between Fenwick & West LLP and patentee concerning patentee's correspondence address is immaterial in the absence of a showing that (1) the miscommunication could not be avoided and (2) failure to timely pay the maintenance fee was not due to a lack of any steps in place to pay the fee. A failure in communication is not considered to be unavoidable delay. See, In re Kim, 12 USPQ 2d 1595, (Comm. Pat. 1988).

Petitioner requests reconsideration of the previous decision "because it was only 10 days after the cut off time to pay the maintenance fee with a surcharge." While it can be acknowledged that petitioner sought reinstatement of the patent on July 17, 2008 under 37 CFR 1.378(b), 10 days after the maximum period of time for which reconsideration could have been sought pursuant to 37 CFR 1.378(c), the time period for seeking reinstatement pursuant to 37 CFR 1.378(c) is limited to twenty-four months from the date of expiration of the patent. This time period for seeking redress pursuant to 37 CFR 1.378(c) is not subject to extension or waiver by the USPTO. See, 35 USC 41.

Petitioner advises that since the expiration of the patent, patentee has set up a calendar to provide notification of maintenance fees due dates. The fact that patentee has put a system in place to provide future notification of maintenance fee due dates does not negate the fact that patentee has failed to establish that such a system was in force at the time that the maintenance was due for the subject patent.

In view of the totality of evidence of record, it cannot be found that the entire period of time, from the time that the maintenance fee was due until the filing of the instant petition, was unavoidable within the meaning of 35 USC 41 and 37 CFR 1.378(b).

DECISION

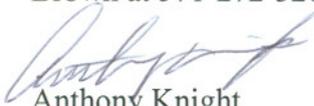
The prior decision dismissing petition under 37 CFR 1.378(b) to accept delayed payment of maintenance fee has been reconsidered. For the reasons set forth herein the delay in payment of the maintenance fee cannot be regarded a unavoidable within the meaning of 35 USC 41 and 37 CFR 1.378(b). Accordingly, the offer to pay the delayed maintenance fee will not be accepted and this patent will not be reinstated.

As indicated in the petition decision mailed September 16, 2008, reconsideration of the decision under 37 CFR 1.378(b) requires the submission of the \$400.00 petition fee. See, 37 CFR 1.378(e). Accordingly, the required petition fee of \$400.00 has been deducted from the \$1,880 previously submitted on July 17, 2008.

Petitioner remains entitled to a refund of \$1,480.00 of the previously submitted \$1,880.00. Petitioner may request a refund of \$1,480.00 by writing to the Finance Office, Refund Section. A copy of this decision should accompany any request for refund.

This file is being forwarded to files repository.

Telephone inquiries concerning this matter may be directed to Petitions Attorney Alesia M. Brown at 571-272-3205.



Anthony Knight
Director
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