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**MAILED
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OFFICE OF PETITIONS**

In re Patent No. 6,229,265 :
Issue Date: May 8, 2001 :
Application No. 08/477,893 : **DECISION ON PETITION**
Filed: June 7, 1995 :
Inventor: Schroeder-Perry et al. :

This is a decision on the request for reconsideration, filed October 11, 2010, of a petition under 37 C.F.R. 1.378(b) to accept an unavoidably delayed payment of a maintenance fee in an expired patent.

The petition is **DENIED¹**.

BACKGROUND

The patent issued May 8, 2001. The 3.5-year maintenance fee could have been paid from May 8, 2004, through November 8, 2004, or with a surcharge during the period from November 9, 2004 through May 8, 2005. Accordingly, the patent expired at midnight May 8, 2005, for failure to timely submit the first maintenance fee.

On March 1, 2010, petitioner Becky J. Schroeder-Perry (Schroeder-Perry) filed a first petition to accept an unavoidably delayed payment of the maintenance fee under 37 C.F.R. 1.378(b). Non-payment of the maintenance fee was allegedly unavoidable due to the death of co-inventor Charles F. Schroeder (Schroeder), who also acted as the prosecuting patent attorney.

This petition was dismissed on August 11, 2010 and required that any petition for reconsideration explain with a documented showing the steps in place by patentee(s) to ensure that the fee would be timely paid, and how the system failed in this instance.

The request for reconsideration, filed October 11, 2010, attempted to address this request through the presentation of a Supplemental Declaration from Schroeder-Perry.

The declaration of Schroeder-Perry explains, "I entrusted my father, a co-inventor and experience patent attorney, to handle all matters associated with this patent. Further, "a maintenance fee reminder was mailed from the United States Patent and Trademark Office to my father's home residence on November 24, 2004. In accordance with his patent practice, my father would have docketed this information and noted that the maintenance fee could be paid anytime until May 8, 2005 (with a small surcharge fee). Thus, my father took reasonable steps to ensure payment of the maintenance fee prior to the May 8, 2005 due date." Finally, "My father died on March 24, 2005 prior to the maintenance fee due date of May 8, 2005. I do not know why my father did not pay this maintenance fee prior to his death but I understand that there is no obligation to pay the maintenance fee sooner than the May 8, 2005 due date."

It is the patentee's discretion to delay action until the end of the time period for reply. However, in doing so, the applicant must assume the risk attendant to such delay. See Ex parte Warren, 1901 Dec. Comm'r Pat. 137 (Comm'r Pat. 1901). In addition, the USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and petitioner is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987); California, 921 F.Supp. 1219, 1259 (D.Del. 1995). Specifically, petitioner's delay caused by the mistakes or omissions of her voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133. See Haines v. Quigg, *supra*; 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). It follows that such is not unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). Ray, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995).

The Request for Reconsideration has been considered and the Petition of March 1, 2010 has been reconsidered.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

35 U.S.C. § (2)(B)(2) provides, in part, that:

The Office-- may, establish regulations, not inconsistent with law, which

(A) shall govern for the conduct of proceedings in Office.

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 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-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.

37 CFR 1.378(b) provides that:

(b) Any 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.

OPINION

Petitioner request reconsideration of the previous adverse decision on the petition filed under 37 CFR 1.378(b) and submits that due to have a process in place to pay the maintenance fee due, the expiry of the instant patent is unavoidable.

Petitioner has not met the burden of proving to the satisfaction of the Director that the delay in payment of the maintenance fee was unavoidable within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b)(3).

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.”

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 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 in responding to an Office action was unavoidable. 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); and 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). Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay. Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

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, 55 F.3d at 609, 34 USPQ2d at 1788. 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.

Unfortunately, the record does not show that either Schroeder or petitioner had any steps in place to ensure payment of the maintenance fee at the time it fell due, rather, the record shows that: (1) Petitioner relied upon Schroeder to pay maintenance fees; (2) Schroeder passed before after the first maintenance fee was due; and (3) Petitioner was unaware of the need to pay maintenance fees. No explanation of: a docketing and call up system in use, the types of records kept, or any personnel responsible for such a system was provided by petitioner.

Accordingly, it follows that neither Schroeder nor petitioner 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).

Although petitioner states that her father must have had steps in place, since he received the reminder notice from the USPTO, the record fails to show what, if any, steps within the meaning of 37 CFR 1.378(b)(3) were taken by or on behalf of petitioner to schedule or pay the maintenance fee. Petitioner is reminded that 37 CFR 1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for petitioner's showing of the steps taken to pay the fee. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. 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. See also Korsinsky v. Godici, 2005 US Dist. LEXIS 20850 at *13 (S.D. N.Y. 2005), *aff'd sub nom*; Korsinsky v. Dudas, 2007 US Dist. LEXIS 7986 (Fed. Cir. 2007); 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 precluded acceptance of the maintenance fee); California, supra; MMTC v. Rogan, 369 F.Supp2d 675 (E.D. Va 2004)(passive reliance on USPTO 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, 496 F.Supp.2d 643 at 650 (E.D. Va 2007)(delay not unavoidable where no steps shown to be employed to remind responsible party to timely pay maintenance fees.)

As the patent holder at the time of expiration, it was incumbent on petitioner to have 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). During the fee payment period from May 8, 2004 to May 8, 2005, petitioners allege Schroeder was engaged for tracking and paying the maintenance fee. However, 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.

The facts are that the fee was not paid because steps were not in place to actually pay the fee. These are not the actions of a prudent and careful person with respect to his or her most important business, and as such precludes a reasonable and rational finding that the delay in payment of the maintenance fee was unavoidable. Rather, a prudent and careful person with respect to his or her most important business, would have initiated its own steps to track and pay the fee. See California, supra (noting that "if [the patent attorney] had ceased representing [the patent owner] for some reason, [the patent owner] would have been obligated at that time to either familiarize himself with the maintenance fee requirements or retain new counsel..."); Femspec, at * 26-*27 (quoting California); Burandt, supra.

DECISION

Petitioner has failed to meet the burden of proving to the satisfaction of the Director that the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of

35 U.S.C. § 41(c) 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).

Any inquiries concerning this communication may be directed to Petitions Examiner Liana Walsh at (571) 272-3206.



Anthony Knight
Director, Office of Petitions
cb/db

¹ This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of obtaining judicial review. See MPEP 1002.02.