UNITED STAT RTMENT OF COMMERCE
Patent and Trademark Office
ASSISTANT SECRETARY AND COMMISSIONER OF
PATENTS AND TRADEMARKS
Washington, D.C. 20231

JJGJr.08-99

Paper No. 15

GEORGE H. SPENCER
VENABLE, BAETJER,
HOWARD & CIVILETTI, L.L.P.
SUITE 300 EAST
100 NEW YORK AVE., N.W.
WASHINGTON, DC 20005

COPY MAILED

SEP 30 1999

SPECIAL PROGRAMS OFFICE
DAC FOR PATENTS

In re Patent No. 4,593,893 :
Issue Date: 10 June, 1986 :
Application No. 06/717,986 : ON PETITION
Filed: 29 March, 1985 :
Attorney Docket No. SCHAD 0001 :

This is a decision on the renewed petition, filed 13 July, 1998, under 37 C.F.R. §1.378(b) to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The Office regrets the delay in addressing this matter.

The original petition was filed 6 February, 1998, and dismissed on 12 May, 1998, for failure to make a satisfactory showing that the delay was unavoidable. At that time Petitioner was informed that this would be the only opportunity for reconsideration by the Commissioner.

The patent issued 10 June, 1986. The grace period for paying the second maintenance fee expired at midnight on 10 June, 1994. Therefore, this petition was not filed within twenty-four months after the six-month grace period provided in 37 C.F.R. §1.362(e).

Nonetheless, the Commissioner may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable," 35 U.S.C. 41(c)(1), and a petition can be filed under 37 C.F.R. §1.378(b). [1]

---

[1] 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:
(1) payment of the appropriate maintenance fees;
(2) payment of the surcharge set forth at 37 C.F.R. §1.20.(i)(1); and
(3) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely.

I. BACKGROUND

Persons/Offices

The persons/offices involved here are:

- Walter Suter: Inventor/Petitioner (Petitioner);
- Suter Form-o-Tronic: Petitioner's company (SFOT);
- Notburga Hahn-Rumo: secretary (Ms. Hahn-Rumo) to Petitioner Mr. Suter;
- Novator AG: a Zurich-based patent-law firm (Novator) engaged by Petitioner/SFOT to handle patent matters, including maintenance fee payments, on behalf of Petitioner/SFOT;
- William White: a Swiss patent attorney (Mr. White) engaged in July 1992 by Novator to run as managing partner under contract its patent operations, and who took with him in September, 1993 to Novator from his former firm of Isler & Pedrazzinni (I&P) the representation of Petitioner/SFOT;
- Meinrad Helbing: bookkeeper (Mr. Helbing) at Novator, who worked with Mr. White to service Novator accounts;
- Dr. Ernest Brem: a member of the Board of Directors of Novator since 1986 (Dr. Brem).
- Dr. Werner P. Mattle and Dr. P. Eglin: physicians who have treated Mr. White for heart ailments (Dr. Mattle and Dr. Eglin, respectively).
- George H. Spencer: Petitioner's Counsel in the United States (Counsel)[2]--who has represented Petitioner continuously in this matter since the application was filed on 29 March, 1985. Counsel makes a point that, in most cases, his office has no contact with the client, but rather has all dealings with the "local"--in this case, Swiss--patent firm. Nonetheless, it is Petitioner that Counsel represents in this matter and not Mr. White/Novator.

---

[2] Formerly of the law firm Spencer & Frank (also known briefly as Spencer, Frank & Schneider) (Spencer & Frank), which firm now is known as and Venable, Baetjer, Howard & Civiletti, L.L.P (Venable).

Payment Windows

After the issue of the patent on 10 June, 1986, the windows for payment of the second maintenance fee opened and closed as follows:

- the first opened on 10 June and closed on 10 December, 1993, for payment without surcharge;
- the second opened on 11 December, 1993, and closed at midnight on 10 June, 1994 for payment with surcharge under 37 C.F.R. §1.20(h);
- the third opened on 11 June, 1994, and closed at midnight 10 June 1996, for payment with surcharge for unintentional delay under 37 C.F.R. §1.20(i)(2); and
- the fourth also opened on 11 June, 1994, for payment with surcharge for unavoidable delay under 37 C.F.R. §1.20(i)(1).

As noted above, payment of the second maintenance fee was not tendered until the filing of the original petition on 6 February, 1998--well after the deadline for payment unintentionally delayed (37 C.F.R. §1.20(i)(1), and allowing only payment unavoidably delayed (37 C.F.R. §1.20(i)(1)).

Events

A. There is no information in the record suggesting that, when the maintenance-fee payment window opened 10 June, 1993, Counsel, his firm Frank & Schneider, or the Swiss patent firm I&P--all of whom represented Petitioner/SFOT--were aware or made Petitioner/SFOT aware of the payment due.[3]

Moreover, the narrations and documents entered of record by the Petitioner indicate no action taken--such as the generation of advisory letters, docket lists or the like--to prepare for maintenance-fee payments by anyone likely to be responsible for such duties--i.e., I&P and/or Counsel/Spencer & Frank--before or on 10 June, 1993.

Therefore, as to an inquiry of whether or not the parties (I&P, Counsel/Spencer & Frank, Petitioner/SFOT) had in place a method for seeing that the fees for this patent were timely paid on 10 June, 1993, the date on which the first payment window opened and the fees became due, the answer is: No.

---

[3] For his part, Mr. White had been at Novator for nearly a year by this time, was still three (3) months away from taking on for Novator from his old firm I&P the responsibilities for this patent.

B. Counsel indicates generally that:

- his office has represented clients of I&P, including Petitioner/SFOT,[4] for many years, and continued to represent Petitioner/SFOT through Mr. White once he moved to Novator;[5] and

- while his office enjoyed a relationship with I&P such that I&P would request Counsel take action and/or pay costs on behalf of a client and Counsel would be certain of prompt reimbursement, Counsel's experience was that he would have to require advance payment from Mr. White and Novator, and so such was the financial agreement of their engagement (though there is no documentation to that effect other than Counsel's statement).

In fact, there is no suggestion that Counsel/Spencer & Frank played any role in events in the period from 10 June, 1993, through 10 December, 1993, although they did receive a 8 September, 1993, letter from I&P to the effect that matters for Petitioner no longer were to be handled by I&P but by Novator.

Mr. White's health is alleged to be an issue in the matter--i.e., that he became too ill to attend to the matter in the manner he wished:

- during a period of slightly more than two years--16 September, 1991, to 14 December, 1993, Mr. White was under treatment for a heart ailment by Dr. Mattle, and was seen by the doctor at his office on no less than 12 occasions;

- there is no information on his condition from December 1993 through January 1996;[6] and

- according to the certificate of Dr. Eglin, Mr. White received emergency medical treatment in January 1996 for acute heart ailment--later diagnosed to be a serious illness--and this condition continued thereafter to impair Mr. White's ability to work.

---

[4] In fact, the record herein indicates that Counsel/Spencer & Frank have represented Petitioner/SFOT in this matter since the filing of the application on 29 March, 1985.

[5] This is incorrect. The record indicates that Mr. White left I&P to become Managing Partner of Novator effective 1 July, 1992, but did not bring the Suter/SFOT work to Novator until September 1993--fifteen (15) months later.

[6] While there are certificates from Dr. Mattle and Dr. Eglin for the periods of September 1991 through December 1993 and January 1996 through the June 1998 filing, respectively, there is no documentation regarding and no reference to Mr. White's health in the two-year period of December 1993 to January 1996.

Whatever Mr. White's health problems in the period, he was in sufficient health to win the position of Novator's managing partner in July 1992 and draw from his former employer to his new one in September 1993 patent work for the client Petitioner/SFOT. That work included the payment of maintenance fees for this patent.

On 8 September, 1993, I&P sent to Mr. White a letter and inventory turning over to Novator the patent work for Petitioner/SFOT.[7] However, between 8 September and 10 December, 1993, there is no evidence of action by Mr. White/Novator with regard to this patent.

And there is no evidence in the record of action by Petitioner/SFOT with regard to this patent in the period of 10 June through 10 December, 1993.

Therefore, as to an inquiry of whether or not there is evidence that the parties had in place a method for seeing that the fees for this patent were timely paid as of the time the first payment window closed and the second opened, the answer is: No.

C. The record indicates that, on 29 December, 1993, almost four (4) months after Mr. White/Novator received the I&P letter/inventory of the Petitioner/SFOT patent responsibilities, Mr. White alerted Petitioner/SFOT to maintenance fees due on other patents in that portfolio.

However, this patent is not listed in that communication.

Mr. White scheduled and held a meeting with Petitioner/SFOT to discuss patent matters on 5 January, 1994. Petitioner's secretary Ms. Hahn-Rumo was present at that meeting, wherein Ms. Hahn-Rumo states that Petitioner affirmed his intention that Mr. White/Novator keep certain patents in force.

While this patent is among those listed for consideration on the items to be abandoned or maintained, unlike most of the other patents listed, there is no due ("Fallig") date and no indication of any specific action to be taken with regard to this patent. However, Petitioner states that his initials and the statement "ja for 1994" ("yes for 1994") are his directions to Mr. White to maintain all patents not crossed out on the page, including this patent, but maintenance fees were paid on all the patents listed except this one.

---

[7] Nonetheless, almost four (4) months later when Mr. White alerted Petitioner/SFOT to maintenance fees due on other patents in his 29 December, 1993, Novator letter (listing patents on which maintenance fees--what the translation of Mr. White's letter termed "annuities"--were due), this patent was not listed.

Mr. White states that:

- I&P had directed Spencer & Frank in September 1993 to notify Novator of patent due dates, and

- Spencer & Frank notified Novator (belatedly, says Mr. White) on 10 March, 1994.[8]

The record evidences that Mr. White then waited until 1 June, 1994, to respond by FAX to the 10 March letter from Spencer & Frank. Mr. White indicated therein that his bookkeeper--Mr. Helbing--required from Spencer & Frank a debit note in order to pay the fees.

The record further reflects that:

- on 1 June, 1994, the materials/information requested by Mr. White were faxed from Spencer & Frank to Mr. White--with a notation reflecting the quickly approaching 10 June deadline for fee payment and that Spencer & Frank would not be in a position to advance the funds for Novator (and Petitioner/SFOT); but

- Novator did not forward the funds to Spencer & Frank until several days later when a check dated 6 June, postmarked 9 June, was sent via international mail, rather than courier or wire transfer, and arrived 14 June, 1994--four (4) days after the payment deadline.

Therefore, as to an inquiry of whether or not there is evidence that the parties had in place a method for seeing that the fees for this patent were timely paid as of the time the second payment window closed and the third and fourth opened, the answer is: No.

D. The record reflects that Spencer & Frank wrote Novator/Mr. White on 15 June, 1994:

- reporting the late arrival of and returning the Novator check;

- stating that the Novator check was dated 6 June but postmarked 9 June, 1994;

---

[8] Contrary to the earlier assertion by Counsel, the 10 March, 1994, letter from Spencer & Frank did not require advance payment of fees, but rather stated: "[t]he total cost for attending t o the payment of the second maintenance fee is $1,350.00 (the official fee is $1,000.00 and our agency fee is $350.00). If payment accompanies your instruction to submit the maintenance fee, our agency fee is reduced by $100.00. (If for making such payment you first need our debit note, please let me know." (Emphasis supplied.) As will be seen, infra, this is not the stance of Counsel/Spencer & Frank less than three months later on 1 June, 1994.

- suggesting that Novator had ignored the urgency of Spencer & Frank's 1 June and 8 June,[9] 1994, faxes; and

- stating that the alternatives remaining available were to petition for acceptance of the maintenance fee either as unavoidably delayed or unintentionally delayed, and setting forth the respective surcharges.

Further, the 15 June Spencer & Frank letter stated that the difficulties of succeeding on a petition for unavoidable delay made it more prudent financially to pay the higher surcharge for a petition alleging unintentional delay.

Finally, in that 15 June letter, Counsel: (a) placed the responsibility for the missed deadline on Novator for ignoring faxes and using dilatory methods--rather than courier or wire transfer--for payment; and (b) specified that the petition for late acceptance of the maintenance fee must be filed by 10 June, 1996.

The record reflects that Petitioner did not submit the petition and fees--by 10 June, 1996, and in fact did not do so until 6 February, 1998.

Therefore, as to an inquiry of whether or not there is evidence that the parties had in place a method for seeing that the fees for this patent were timely paid as of the time the third payment window opened and closed, the answer is: No.

E. In the face of the foregoing facts, as to an inquiry of whether or not there is evidence that the parties had in place a method for seeing that the fees were timely paid for this patent as of the time the fourth payment window opened and closed--that for payment with surcharge for unavoidable delay under 37 C.F.R. §1.20(i)(1)--the answer is: No.

Quite simply, the fourth window never could have opened for Petitioner because the record is void of any evidence that the Petitioner and/or his Swiss and/or US counsel ever had in place any method for seeing that the fees were timely paid.

F. Presuming for discussion the accuracy of Petitioner's claim that he did not know that the patent had expired until he learned it from a competitor in an exchange of letters in and about February, 1996, and given that he made a claim against Novator totaling SFranc 800,000 (approximately $1.2 million US) for the loss of the patent, the record is deadly silent as to why Petitioner did nothing to query both Swiss and US counsel as to what might be done to revive the patent--or obtain new counsel who might have

---

[9] The 8 June, 1994, FAX is not of record.

salvaged the patent in the three-plus months then remaining for a petition under 37 C.F.R. §1.378(c).

But that discussion is academic: Petitioner's US and Swiss counsel knew precisely when the patent expired, and neither took any action whatsoever to:

--prevent that expiration, or

--cure the problem

at anytime during twenty-four months in which a petition under 37 C.F.R. §1.378(c) might have been entertained.

II. ANALYSIS

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.[10] Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.[11]

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."[12]

And 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.[13]

The regulations at 37 C.F.R. §1.378(b)(3) require a showing that "the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee

---

[10] Ray v. Lehman, 55 F3d 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)).

[11] 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).

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

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

would be paid timely"--and the showing must:[14] enumerate the steps taken to ensure timely payment of the maintenance fee as well as the reasons why payment was not timely made; present, with appropriate evidence, all the causes that contributed to the failure to timely pay the maintenance fee; and specify 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.

Even if a breach of duty by Petitioner's Swiss[15] and/or US counsel is the cause of the Petitioner's failure to maintain the patent and/or demonstrate unavoidable delay, those actions or inactions are imputed to Petitioner, who selected his counsel. Link v. Wabash Railroad Co., 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962).[16]

The question, therefore, is one of diligence.[17] And the record does not demonstrate Petitioner's diligence as to the patent's maintenance. The question is not why was there so little cooperation between petitioner and his Swiss and US attorneys in getting the maintenance fee paid for this patent--the fact-finding simply demonstrates that there was none.

CONCLUSION

Therefore, the petition for reconsideration is granted to the extent that this review has been made and rendered.

In all further respects, the petition must be and hereby is **DENIED**.

This decision may be viewed as final agency action. See M.P.E.P. 1002.02(b). The provisions of 37 C.F.R. §1.137(d) do not apply to this decision.

The application file is being forwarded to Files Repository.

---

[14] This showing may include, but is not limited to, docket records, tickler reports, and file jacket entries for this application.

[15] On 10 July, 1997, Petitioner/SFOT wrote to Novator, stating a claim against Novator i the amount of SFranc 800,000 (at a conversion rate of about 1.5 dollars to the SFranc, that is a claim of about $1.2 million.

[16] The failure of a party's attorney to take a required action does not create an extraordinary situation. Rather, the neglect of a party's attorney is imputed to that party and the party is bound by the consequences. See Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); Herman Rosenberg and Parker-Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

[17] 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).

Telephone inquiries regarding this decision should be directed to Petitions Attorney John J. Gillon, Jr. at (703) 305-9199.

Stephen G. Kunin
Deputy Assistant Commissioner
for Patent Policy and Projects