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Paper No. 24

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In re Patent No. 4,681,839  
Issue Date: July 21, 1987  
Application No. 06/422,038  
Filed: September 23, 1982  
Patentee: Mitchell R. Swartz

OFFICE OF PETITIONS  
AND APPEALS  
ON PETITION

This is a decision on the petition filed November 17, 1997, which is being treated as a petition under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee and reinstate the above-identified patent.

The request to accept the delayed payment of the maintenance fee and reinstate the above-identified patent is **DENIED**.

#### BACKGROUND

The above-identified patent (U.S. Patent No. 4,681,839) issued on July 21, 1987, and the first maintenance fee was timely paid on January 22, 1991. The second maintenance fee could have been paid during the period from July 21, 1994 through January 23, 1995 (January 21, 1995 being a Saturday), or with a surcharge during the period from January 24, 1995 through July 21, 1995. The second maintenance fee for the above-identified patent, however, was not timely paid. Accordingly, the above-identified patent expired at midnight on July 21, 1995.

A petition under 37 CFR 1.378(b) (with a check for \$1,655.00) was filed on May 5, 1997, and was dismissed in the decision of October 22, 1997. The instant petition was filed on November 17, 1997, and requests reconsideration of the decision of October 22, 1997, which decision refused to accept the delayed payment of a maintenance fee for and reinstate the above-identified patent.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) provides that:

The Commissioner 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 Commissioner to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable. The Commissioner 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 Commissioner 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:

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)-(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.

37 CFR 1.378(e) provides that:

Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two-months of, or such other time as set in, the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(h). After decision on the petition for reconsideration, no

further reconsideration or review of the matter will be undertaken by the Commissioner. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(i) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

#### OPINION

Petitioner asserts Patent and Trademark Office (Office) error in mailing the Maintenance Fee Reminder to petitioner's previous representative of record (Robert Shaw) as the cause of the delay in payment of the maintenance fee for the above-identified patent. In the instant petition, petitioner does not address the inquiries set forth in the decision of October 22, 1997, but additionally contends that: (1) the proper maintenance fee and surcharge were submitted with the petition under 37 CFR 1.378(b) on May 5, 1997; and (2) the Commissioner in fact accepted petitioner's delayed maintenance fee payment under 35 U.S.C. § 41(c)(1).

Chapter 2500 of the Manual of Patent Examining Procedure (MPEP) provides a general discussion of the procedures related to the payment of maintenance fees, and a copy of this chapter is enclosed with this decision.

While the instant petition is designated as a petition under 37 CFR 1.181 and indicates that no fee is required, 37 CFR 1.378(e) provides, in part, that:

Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to [37 CFR 1.378(a)] may be obtained by filing a petition for reconsideration within two months of, or such other time as set in, the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(h).

The decision of October 22, 1997 specifically indicated that:

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$130 as set forth in 37 CFR 1.17(h). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted above, since, after a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner.

As the instant petition requests reconsideration of the decision of October 22, 1997, which decision refused to accept the delayed payment of the second maintenance fee for the above-identified patent, the instant petition is being treated as a petition under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee and reinstate the above-identified patent, and \$130.00 of the funds submitted on May 5, 1997 will be applied to the \$130.00 petition fee (37 CFR 1.17(h)) required for a petition under 37 CFR 1.378(e).

Petitioner's contention that the proper maintenance fee and surcharge were submitted with the petition under 37 CFR 1.378(b) of May 5, 1997 is not correct. The small entity seven and one-half year (second) maintenance fee (37 CFR 1.20(f)) in effect on May 5, 1997 was \$1,025.00, and the unavoidable late filing surcharge (37 CFR 1.20(i)(1)) in effect on May 5, 1997 was \$680.00.<sup>1</sup> Thus, a total of \$1,705.00 was required on May 5, 1997, leaving a balance then outstanding of \$50.00. Applying \$1,025.00 of the \$1,655.00 paid on May 5, 1997 to the maintenance fee (37 CFR 1.20(f)) would leave a balance of only \$630.00 to be

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<sup>1</sup> Effective October 1, 1997, the small entity seven and one-half year (second) maintenance fee (37 CFR 1.20(f)) was increased to \$1,050.00, and the unavoidable late filing surcharge (37 CFR 1.20(i)(1)) was increased to \$700.00. A copy of the fee schedules effective October 1, 1996 and October 1, 1997 are enclosed with this decision.

applied to the unavoidable late filing surcharge (37 CFR 1.20(i)(1)).<sup>2</sup>

Petitioner's contention that the Commissioner in fact accepted petitioner's delayed maintenance fee payment under 35 U.S.C. § 41(c)(1) is likewise not correct. While the Office negotiated the check submitted with the petition of May 5, 1997, this action does not constitute acceptance within the meaning of 35 U.S.C. § 41(c)(1) by the Commissioner of petitioner's delayed payment of the second maintenance fee. The Office negotiates all funds submitted with a petition under 37 CFR 1.378 (regardless of whether the petition is ultimately granted or denied), and refunds the maintenance fee and surcharge if the delayed payment of the maintenance fee is ultimately not accepted. See MPEP 2590. Thus, the ministerial acts of receiving and acknowledging receipt of a petition under 37 CFR 1.378 to accept a delayed payment of a maintenance fee and negotiating the funds submitted with such petition do not constitute acceptance of a delayed maintenance fee payment under 35 U.S.C. § 41(c)(1).

The acceptance (or refusal to accept) a maintenance fee payment is indicated by a decision accepting or refusing to accept the maintenance fee payment. In accordance with 37 CFR 1.181(g), the Commissioner has delegated the authority to decide petitions under 37 CFR 1.378 to accept or refuse to accept a maintenance fee payment (see MPEP 1002.02(b)), and this decision (as well as the decision of October 22, 1997) represents the indication by the Commissioner's designee that, for the reasons discussed below, petitioner's delayed payment of the second maintenance fee will not be and has not been accepted under 35 U.S.C. § 41(c)(1).

Petitioner's request that the delayed payment of the second maintenance fee be accepted under 35 U.S.C. § 41(c)(1) must be **denied** because: (1) the petition lacks the surcharge set forth in 37 CFR 1.20(i)(1) required by 37 CFR 1.378(b)(2); and (2) the patent lacks a showing that the delay in payment of the second

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<sup>2</sup> The decision of October 22, 1997 was in error only to the extent that it indicated that the entire \$700.00 unavoidable late filing surcharge (37 CFR 1.20(i)(1)) was outstanding, and should have indicated that the \$70.00 balance (\$700.00 less \$630.00) of the \$700.00 unavoidable late filing surcharge (37 CFR 1.20(i)(1)) was outstanding. Nevertheless, the salient point remains that the funds submitted with the petition of May 5, 1997 were (and continue to be) inadequate to cover the small entity seven and one-half year (second) maintenance fee (37 CFR 1.20(f)) and the unavoidable late filing surcharge (37 CFR 1.20(i)(1)).

was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3).

As discussed above, \$130.00 of the check for \$1,655.00 submitted on May 5, 1997 has been applied to the petition fee (37 CFR 1.17(h)) required for this petition under 37 CFR 1.378(e), leaving a balance of \$1,525.00. Applying \$1,025.00 of this \$1,525.00 to the small entity seven and one-half year (second) maintenance fee (37 CFR 1.20(f)) leaves a remaining balance of only \$500.00 to be applied to the unavoidable late filing surcharge (37 CFR 1.20(i)(1)). Thus, the instant petition lacks the \$200.00 balance (\$700.00 less \$500.00) of the unavoidable late filing surcharge (37 CFR 1.20(i)(1)).

As the language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (*i.e.*, "unavoidable" delay), a delayed maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. § 133. See 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), aff'd, 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)). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word '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. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913). 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 cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Petitioner has failed to carry his burden of proof to establish to the satisfaction of the Commissioner that the delay in payment of the maintenance fee for the above-identified patent was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3).

Petitioner again asserts Office error in mailing the Maintenance Fee Reminder to petitioner's previous representative of record (Robert Shaw) as the cause of the that the delay in payment of the maintenance fee for the above-identified patent.<sup>3</sup> As stated in the decision of October 22, 1997, a patentee's failure to receive a Maintenance Fee Reminder does not constitute unavoidable delay under 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). See Patent No. 4,409,763, 7 USPQ2d at 1800-01. Under the statutes and regulations, 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 reminder notice will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. Id.; see also MPEP 2575 and 2590.

Assuming, *arguendo*, that the Office has a duty to provide notice that a maintenance fee is due, and that Office error in mailing the Maintenance Fee Reminder resulted in petitioner's non-receipt of such notice, petitioner was still given two (2) notices of the need to timely pay maintenance fees to maintain the above-identified patent in force. First: The Letters Patent contains a Maintenance Fee Notice that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. Accordingly, a reasonably prudent patentee would have inquired to see if his patent was subject to maintenance fees. See Ray, 55 F.3d at 610, 34 USPQ2d at 1788.

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<sup>3</sup> Petitioner also asserts a number of constitutional and civil rights violations by the Office. While petitioner may perceive that his constitutional and civil rights have been violated, this perception stems from petitioner's lack of knowledge of patent, and specifically patent maintenance fee, procedure.

Second: A notice that the maintenance fee due at seven years and six months from the issue date was now payable for utility patents having patent numbers between 4,680,812 through 4,682,370 was published in the Official Gazette at 1164 Off. Gaz. Pat. Office 70 (July 26, 1994) (copy enclosed). See Patent No. 4,409,763, 7 USPQ2d at 1801.

As 35 U.S.C. § 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 U.S.C. § 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)(1) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Id.

The record fails to disclose that the patentee took any, much less reasonable, steps to ensure timely payment of the maintenance fee. Therefore, 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee for the above-identified patent.

#### CONCLUSION

For the above stated reasons, petitioner has failed to: (1) submit the outstanding \$200.00 balance (\$700.00 less \$500.00) of the surcharge set forth in 37 CFR 1.20(i)(1); and (2) carry his burden of proof to establish to the satisfaction of the Commissioner that the delay in payment of the maintenance fee for the above-identified patent was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3). Therefore, 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(2) and (b)(3) preclude acceptance of the delayed payment of the maintenance fee for the above-identified patent.

The instant petition under 37 CFR 1.378(e) is granted to the extent that the decision of October 22, 1997 has been reconsidered; however, the request to accept the delayed payment of the maintenance fee for the above-identified patent is **DENIED**.

Since the above-identified patent will not be reinstated, the \$1,025.00 maintenance fee and the \$500.00 balance of the surcharge fee submitted by petitioner (i.e., the \$1,655.00 less

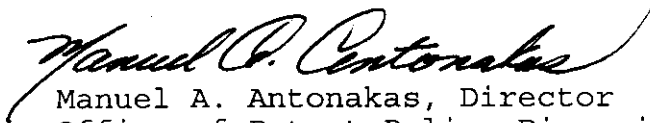


the \$130.00 petition fee under 37 CFR 1.17(h)) on May 5, 1997 will be refunded.

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

Telephone inquiries regarding this decision should be directed to Robert W. Bahr at (703) 305-9282.

The patent file is being returned to Files Repository.



Manuel A. Antonakas, Director  
Office of Patent Policy Dissemination  
Office of the Deputy Assistant Commissioner  
for Patent Policy and Projects

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Attachments: MPEP chapter 2500  
1164 Off. Gaz. Pat. Office 70  
Fee Schedule - FY 1997  
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