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Paper No. 32

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In re Patent No. 4,814,269
Issue Date: March 21, 1989
Application No. 06/842,228
Filed: March 21, 1986
Inventor: Abraham Karpas

ON PETITION

This is a decision on the petition filed May 11, 1998 under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee is DENIED.

BACKGROUND

The patent issued March 21, 1989. The first maintenance fee could have been paid from March 21, 1992, through September 21, 1992, or with a surcharge during the period from September 22, 1992, through March 21, 1993. Accordingly, the patent expired at midnight March 21, 1993, for failure to timely submit the maintenance fee.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on September 30, 1997, and was dismissed in the decision of March 25, 1998.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of March 25, 1998 was filed on May 11, 1998.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

"The Commissioner may accept the payment of any maintenance fee required by subsection (b) of this section... after the six-month grace period if the delay is shown to the satisfaction of the Commissioner to have been unavoidable."

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."

OPINION

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 USC 41(c)(1).

Petitioner requests reconsideration in that petitioner again asserts that the delay in payment of the maintenance fee was unavoidable due to petitioner's reliance on his registered practitioner, D. Hight (Hight) to track the maintenance fee, the large sums of moneys paid to Hight, which was sufficient to cover the maintenance fees, and further, petitioner's lack of awareness of the dissolution of Hight's firm.

Petitioner has not carried the burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

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. 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 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, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 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 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, 5 USPQ2d 1130 (N.D. Ind. 1987).

As 35 U.S.C. § 41(c) 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) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible person to ensure the timely payment of the maintenance fees for this patent. Id. When the issue of reinstatement is addressed, the focus must be on the rights of the parties as of the time of abandonment. See Kim v. Quigg, 718 F.Supp. 1280, 1284, 12 USPQ2d 1604, 1607 (E.D. Va. 1989). Petitioner, as the patentee, who has not further conveyed his right title and interest in this patent was responsible for the maintenance fee payment, unless he can show that another had assumed that obligation. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995).

The showing of record does not clearly support petitioner's contention that Hight had assumed the obligation to monitor and track the maintenance fee payment. While petitioner asserts that he had paid large sums of money to Hight in 1989, the showing of record does not reveal that such sums were for future maintenance fee payments, or that Hight had been engaged by petitioner to track and pay the maintenance fee in question. In the absence of a showing that Hight had been so obligated, then it remained petitioner's burden to take adequate steps to pay the maintenance fees for this patent. Assuming for the sake of argument that petitioner had so obligated Hight, then petitioner remains bound by the delay resulting from the business decisions, actions and inactions in this matter, including any business decisions,

actions, or inactions, which resulted in the lack of scheduling and timely payment of the maintenance fees for this patent. See, Winkler v. Ladd, 221 F.Supp 550, 552, 138 USPQ 666, 667 (D.D.C. 1963). Moreover, if Hightet did not perform according to that aforementioned obligation, then petitioner's failure to timely and diligently monitor Hightet's performance under that obligation is not unavoidable delay. See Futures Technology Ltd. v. Quigg, 684 F.Supp. 430, 7 USPQ2d 1588 (E.D. Va. 1988). In this regard, there is no showing that Hightet had billed petitioner and petitioner had paid, Hightet to make the first maintenance fee payment, or further, that Hightet or any one else represented to petitioner that the payment had been made.

In any event, while petitioner chose to rely upon Hightet, such reliance *per se* does not provide petitioner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 USC 41(c). California, supra. Rather, such reliance merely shifts the focus of the inquiry from petitioner to whether Hightet acted reasonably and prudently. Id. Nevertheless, petitioner is bound by any errors that may have been committed by Hightet. California, supra.

While petitioner apparently contends that he was not apprised by Hightet of the need to pay maintenance fees, such does not warrant a finding of unavoidable delay. 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). Moreover the showing of record, apparently due to the dissolution of Hightet's firm, lacks any evidence that Hightet had duly docketed this patent for payment of the maintenance fee in a reliable system as would be relied on by a prudent and careful person with respect to his most important business. Moreover, the record lacks any showing that Hightet took any measures to inform petitioner of the dissolution of his firm, and the need for petitioner to take appropriate steps to ensure timely payment of the maintenance fee. The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the inventors, and petitioner is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962) 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). Specifically, petitioner's delay caused by mistakes or omissions of petitioner's voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 41(c) or 37 CFR 1.378(b). See Haines v. Quigg, supra; Smith v. Diamond, id; Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, id.

While petitioner also apparently asserts that he was unaware of the need to pay maintenance fees, delay resulting from petitioner's lack of receipt of any maintenance fee reminder(s), or petitioner's being unaware of the need for maintenance fee payments, does not constitute "unavoidable" delay. See Patent No. 4,409,763, supra, aff'd, Rydeen v. Ouigg, supra. See also "Final Rules for Patent Maintenance Fees," 49 Fed. Reg. 34716, 34722-23 (Aug. 31, 1984), reprinted in 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statutes and regulations, the Office has no duty to notify patentee of the requirement to pay maintenance fees or to notify patentee when the maintenance fee is due. While the Office mails maintenance fee reminders strictly as a courtesy, it is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. The failure to receive the Reminder does not relieve the patentee of the obligation to timely pay the maintenance fee, nor will it constitute unavoidable delay if the patentee seeks reinstatement under the regulation. Rydeen, Id. Moreover, a patentee who is required by 35 USC 41(c)(1) to pay a maintenance fee within 3 years and six months of the patent grant, or face expiration of the patent, is not entitled to any notice beyond that provided by publication of the statute. Id. at 900, 16 USPQ2d at 1876.

Furthermore, 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. While petitioner asserts that petitioner did not read the Notice, petitioner's failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. The mere publication of the statute was sufficient notice to petitioner. Rydeen, supra. Moreover, Hight, as a registered practitioner, was aware of the need to schedule and pay maintenance fees. Petitioner should note that the letters patent was mailed to counsel's address on the date of issue. See 37 CFR 1.315. It follows that petitioner was also constructively aware of the need to schedule and pay maintenance fees. See Rosenberg v. Carr Fastener Co., 51 F.2d 1014, 10 USPQ 106 (2nd Cir. 1931), cert. denied, 284 U.S. 652 (notice to applicant's attorney is notice to applicant).

Even assuming, *arguendo*, that petitioner is not bound by the mistakes or omissions of Hight, diligence on the part of petitioner would still be essential to show unavoidable delay. See Douglas v. Manbeck, 1991 U.S. Dist. LEXIS 16404, 21 USPQ2d 1697, 1700 (E.D. Pa. 1991), aff'd, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992). However, petitioner has not shown adequate

diligence in this matter, particularly in view of petitioner's more careful attention given maintaining to his other patent U.S. 4,863,730, which also issued in 1989, in force (see petition of September 30, 1997 (at 4). Indeed, petitioner apparently gave no thought to this patent for a period in excess of five years. See, Douglas, supra (applicant's two and one half year lack of diligence with respect to his patent application overcame and superseded any actions or omissions on the part of his registered representative, which precluded a finding of unavoidable delay). Indeed, in view of petitioner's actions with respect to maintaining his other patent, issued in the same year, in force, petitioner has failed to demonstrate why he was "unavoidably" prevented from taking a more timely intervention with respect to this patent.

CONCLUSION

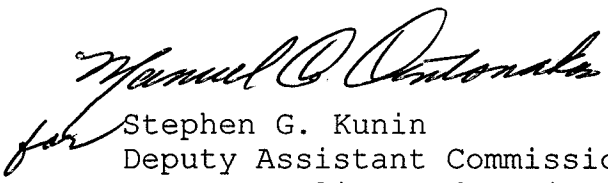
The prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above identified patent has been reconsidered. For the above stated reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b).

Since this patent will not be reinstated, the \$525 first maintenance fee and the \$680 surcharge fee submitted by petitioner is refundable, less the \$130 owed for requesting reconsideration pursuant to 37 CFR 1.17(h). A Treasury Check for US \$1075 will be mailed to petitioner in due course.

As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken. This may be viewed as a final agency action within the meaning of 5 USC § 704.¹

The file is being forwarded to the Files Repository.

Telephone inquiries regarding this decision should be directed to Brian Hearn at (703) 305-1820.


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

¹ See MPEP 1002.02.