



Paper No. 11

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OFFICE OF PETITIONS

In re Patent No. 4,863,204	:	
Issued: 5 September, 1989	:	
Application No. 07/178,381	:	ON PETITION
Filed: 6 April, 1988	:	
For: ARTICLE HANDLING TOOL	:	

This is a decision on the petition under 37 CFR 1.378(e), filed on 20 January, 2006, requesting reconsideration of a prior decision which refused to accept under § 1.378(b)¹ the delayed payment of a maintenance fee for the above-referenced patent.

The petition is **DENIED**.

BACKGROUND

The patent issued 5 September, 1989. The first and second maintenance fees were timely paid. The third maintenance fee could have been paid from 5 September, 2000, through 5 March, 2001, or, with a surcharge during the period from 6 March through 5 September, 2001. Accordingly, the patent expired at midnight on 5 September, 2001, for failure to timely submit the maintenance fee. The petition filed on 31 October 2005, was dismissed on 22 November, 2005.

¹ A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) 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.

On 20 January 2006, petitioner filed the present paper requesting reconsideration of the prior decision, along with the required payment of \$400.00.

Petitioner, successor in interest to deceased inventor Gerald L. Peters ("Peters"), again asserts that the delay in payment of the maintenance fee was unavoidable due to illness and death of Peters, who was responsible for payment of the maintenance fees. Petitioner states that Peters had originally contracted with Computer Patent Annuities (CPA) to pay the maintenance fees, and that CPA had paid the first maintenance fee. At the time the second maintenance fee was due, Peters paid the maintenance fee himself in response to CPA's notice that the fee was due, and informed CPA that he would be tracking the third payment himself. Petitioners further assert that "[a]fter a long illness and extended hospitalization" Peters died on 5 December, 2001, three (3) months after the expiration of the patent.

In the renewed petition, petitioner provides additional documentation concerning the illness and death of patentee Gerald L. Peters.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required subsection (b) of this section which is made within twenty-four months after the six-month grace period if this 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.

37 CFR 1.378(b)(3) states that any petition to accept an unavoidably 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".² A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."³ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁴ Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35 U.S.C. § 133.⁵ Under 35 U.S.C. § 133, the Commissioner may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Commissioner to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁶ However, 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.⁷ In view of In re Patent No. 4,409,763,⁸ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

This petition does not satisfy the requirement of 37 CFR 1.378(b)(3). The statements presented in the petition fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 CFR 1.378(b).

² 35 U.S.C. § 41(c)(1).

³ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁴ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982)

⁵ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁶ 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).

⁷ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁸ 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) must be accompanied by (1) an adequate, verified 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, (2) payment of the appropriate maintenance fee, unless previously submitted, and (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1).

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.⁹ That is, an adequate showing that the delay 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 to ensure the timely payment of the maintenance fees for this patent.¹⁰

The showing of record is that after issuance, the patent was docketed for payment of the maintenance fees with Computer Patent Annuities (CPA). After payment of the second maintenance fee, however, patentee Gerald L. Peters ("Peters") requested CPA remove the present patent from its tracking system.

Upon Mr. Peters' illness in mid-2001, avers petitioner, his son, Larry D. Peters ("Peters II") assumed responsibility for payment of the maintenance fees on his father's patents.

As stated in the "Statement Showing Unavoidable Delay" accompanying the petition filed on 31 October, 2005:

Among the measures undertaken by Mr. Peters to ensure timely payment of the maintenance fees was the entry of his patent into the database of Computer Patent Annuities (CPA) CPA remitted payment of the 4th year maintenance fee to the PTO on February 18, 1993 . . . and sent a notice to Mr. Peters dated October 3, 1996 . . . concerning payment of the 8th year maintenance fee. However, rather than paying the

⁹ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

¹⁰ Id.

8th year fee through CPA, Mr. Peters paid the fee himself directly to the PTO on March 5, 1997

Apparently unaware that Mr. Peters had already paid the 8th year fee himself, on August 3, 1997, CPA sent a reminder notice to Mr. Peters Since he had already paid the fee to the PTO, Mr. Peters returned the notice card to CPA with the word "NO" encircled, thereby indicating that that the patent was to be removed from CPA's database. On Mr. Peters' copy of the original October 3, 1996 notice form he entered the notation: "August, 1st 1997 Removed From List." Mr. Peters was thus aware that CPA would not provide any further notices to him regarding the [instant] patent, and instead, given the important of the patent to his business . . . he undertook other measures to ensure that the timely payment of the maintenance fee would be made. To that end, he kept a complete file of maintenance fee records and correspondence . . . including the January 16, 1990 letter from Wigman & Cohen informing him of the due dates for each of the maintenance fee payments It is, therefore, apparent that he was aware of the due date for the final payment and would certainly have personally attended to payment of the same (as he did with the 8th year fee) had he not been ill and hospitalized during the period in which the payment became due.

However, the showing of record is that petitioner did not have the third maintenance fee payment for the present patent docketed. Rather, as petitioner states in the request for reconsideration, Peters II erroneously believed that the present patent was docketed with CPA for payment of the third maintenance fee. As such, although Peters II, as the successor in interest, may have assumed that the patent was docketed for payment, the showing of record clearly indicates that, contrary to Peters' II belief, the patent was **not** docketed for payment of the third maintenance fee.

Petitioner argues that the delay should be considered unavoidable because Peters II was ignorant of the fact that the present patent had been removed from CPA's database.

Petitioner's argument has been considered, but is not persuasive. Petitioner, in essence, argues that Peters II believed that since Peters had docketed some patents with CPA, Peters must have docketed all of his patents with CPA. However this belief was not based on the actions of a reasonably prudent person in

pursuit of his most important business. Had Peters II reviewed the showing of evidence described in the original petition, he would have discovered that the present patent was not docketed for payment of the third maintenance fee.

More to the point, had the patent been entered in a reliable tracking system, that tracking system would have provided indication to Peters II in 2000 or 2001 that the third maintenance fee in the present patent was due. The mere fact that Peters was aware in 1997 that CPA would not track the third maintenance fee payment and that he "kept a complete file of maintenance fee records and correspondence...informing him of the due dates for each of the maintenance fee payments"¹¹ does not constitute a showing that steps were in place to ensure that the third maintenance fee was timely paid.

Petitioner avers that the fact that Peters II was not aware that the patent had been removed from CPA's database should be considered unavoidable in view of *In re Mattullath*.¹² However, unlike the petitioner in *Mattullath*, who had no personal involvement with the application at issue,¹³ petitioner Peters II was actively involved in running his father's business and, as such, would be expected to have access to all of the files created by his father, including those pertaining to the present patent. Certainly petitioner Peters II was aware of the existence of the patent, as well as the need to schedule and pay maintenance fees.¹⁴ As such, a reasonably prudent person conducting his most important business would have investigated and verified that the present patent, as well as all of Peters' other patents, were in fact docketed in a reliable tracking system upon assuming responsibility for paying the maintenance fees.

In summary, as petitioner states, "[w]hether Mr. Peters understood that he would no longer receive notices from CPA in respect of the '204 patent cannot be determined."¹⁵ However, the fact remains that Peters did, in fact, request that CPA remove the present patent from its tracking system. Further, there is

¹¹ Page 2, "Statement Showing Unavoidable Delay" accompanying petition filed 31 October, 2005.

¹² 38 App. D.C. 497 (D.C. Cir. 1912).

¹³ *Id.*, at 512.

¹⁴ 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). As the Court noted in *Sontag Chain Stores Co. v. National Nut Co.*, 310 U.S. 281, 295, 45 USPQ 448 (1940), upon issuance of a patent and its recordation in the Patent Office, "constructive notice of [its] existence goes thus to all the world."

¹⁵ Page 6, petition filed 20 January, 2006.

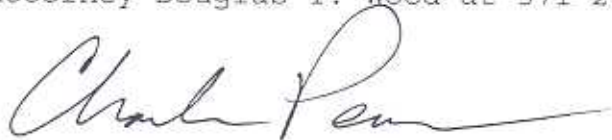
has been no showing of steps in place to independently tracking the due date for the third maintenance fee, and ensure timely payment thereof, after the patent was removed from CPA's docketing system. As such, while this is an unfortunate situation, it does not rise to the level of unavoidable delay.

CONCLUSION

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

The petition under 37 CFR 1.378(e) is DENIED. As stated in 37 CFR 1.378(e), no further reconsideration or review of the decision refusing to accept the delayed payment of the maintenance fee under § 1.378(b) will be undertaken. This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review.¹⁶

Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 571-272-3231.



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¹⁶ See MPEP 1001.02.