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OFFICE OF PETITIONS
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In re Patent No. 4,891,954 :
Issue Date: January 9, 1990 :
Application No. 07/300,444 : ON PETITION
Filed: January 19, 1989 :
Inventor: Van E. Thomsen :

This is a decision on the petition under 37 CFR 1.378(e), filed November 24, 1996, requesting reconsideration of a prior decision which refused to accept under 37 CFR 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 under 37 CFR 1.378(b) is DENIED.

BACKGROUND

The patent issued January 9, 1990. Accordingly, the first maintenance fee due could have been paid during the period from January 11, 1993 (January 9, 1993 being a Saturday), through July 9, 1993, or with a surcharge during the period from July 10, 1993, through January 10, 1994 (January 9, 1994 being a Sunday). Accordingly, the patent expired at midnight on January 9, 1994 for failure to pay the first maintenance fee. See MPEP 2506.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on April 22, 1996 and was dismissed in the decision of September 17, 1996.

The instant petition under 37 CFR 1.378(e) was filed on November 24, 1996.

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 under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable." 35 U.S.C. § 41(c)(1).

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).

In the request for reconsideration, petitioner Sheffield Shipping & Management Ltd. (Sheffield) asserts unavoidable delay based on its allegedly reasonable belief that its previous counsel, Christensen O'Connor Johnson & Kindness (Christensen), was tracking the maintenance fee due dates for the above-identified patent and would notify Sheffield when maintenance fees came due. Petitioner presents a letter from Christensen dated March 16, 1990, which states, *inter alia*, that "[w]e will make every attempt to notify you that maintenance fees can be paid at the three-, seven-, and eleven-year intervals after issuance of your patent."

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

The showing of record indicates a communication failure between patent owner Sheffield and patent counsel Christensen as to whether Sheffield was in fact a client of Christensen and, therefore, whether Christensen intended to track and pay the maintenance fees in the above-identified patent. A failure in communication between applicant and his attorney does not constitute unavoidable dely within the meaning of 37 CFR 1.378(b). In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988).

Sheffield acquired the rights to the patent from Accrue Containers International Inc. (Accrue) prior to its issuance. Christensen, who had been Accrue's patent counsel, paid the issue fee and recorded the assignment from Accrue to Sheffield with the PTO. Subsequent to the patent's issuance, Christensen sent Sheffield the above-referenced letter of March 16, 1990, informing Sheffield of the future maintenance fee due dates and amounts, and of Christensen's intention to remind Sheffield in advance of said due dates. Christensen also suggests Sheffield "place a notation of the due dates on your calendars as a backup."

In response to a letter of April 17, 1990 from Sheffield regarding its possible patent rights in Canada, however, Lee Johnson of Christensen stated the following:

> For the record, we have not considered Sheffield to be a client of the firm. We recorded the assignment and paid the issue fees on behalf of Accrue Containers, who was our client. It was our understanding that Sheffield was advancing the funds for these purposes on behalf of Accrue. We are therefore responding to your questions as a matter of professional courtesy.

Johnson declares (item #6) that "in view of the termination of Accrue as a client ... and because Christensen did not represent Sheffield in connection with the `954 patent, I instructed docketing personnel to remove reminders regarding maintenance fees for the above identified patent from Christensen's computer-based docketing system."

It therefore appears that Sheffield believed that it had engaged Christensen to advise Sheffield when maintenance fees were due, but that Christensen believed it was not so engaged.

If one accepts, *arguendo*, that Sheffield reasonably believed that Christensen would send a reminder when maintenance fees were payable, then Christensen simply failed to track the maintenance fees properly to avoid the expiration of the patent. The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). Specifically, petitioner's delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133 or 37 CFR 1.137(a). Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (D. Ind. 1987); 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).

If one accepts Johnson's declaration that Sheffield was not a client of Christensen, then it must be shown that Sheffield took appropriate steps to ensure that the maintenance fees in the above-identified patent would be paid in a timely manner. The record does not reflect that Sheffield recorded the fee due dates as a backup, as recommended by Christensen. In fact, the record indicates that no steps were taken by Sheffield to ensure timely payment of the maintenance fee, other than its reliance on Christensen to send a reminder at the appropriate time.

That all parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus, their own obligation in this matter, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business within the meaning of Pratt, supra. It is further brought to petitioners' attention that the Office is not the proper forum for resolving a dispute between a patentee and that patentee's representative(s) regarding the scheduling and payment of maintenance fees. Ray, supra. Given the equivocal nature of the phrase "[f]or the record, we have not considered Sheffield to be a client of the firm," a prudent and careful person, acting with regard to his most important business, would

certainly have made further inquiry with Christensen to determine its future intentions with regard to the maintenance fee deadlines for the above-identified patent. The record does not reflect any such inquiry.

Petitioner has failed to establish that he exercised due care and diligence in ensuring that adequate steps were taken to ensure the timely payment of such maintenance fee. Accordingly, the delayed payment of a maintenance fee for the above-identified patent cannot be accepted under the standards of 37 CFR 1.378(b).

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 U.S.C. § 41 and 37 CFR 1.378(b).

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

This patent file is being returned to the files repository.

Telephone inquiries relevant to this decision should be directed to Marc Hoff at (703) 305-9285.

Charles Pearson
Patent Legal Administrator
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