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OFFICE OF PETITIONS

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In re Patent No. 4,937,880
Issued: July 3, 1990
Application No. 07/357,357
Filed: May 26, 1989

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ON RENEWED PETITION

This is a decision on the petition under 37 CFR 1.378(e), filed February 7, 2005, to reinstate the above-identified patent.

The renewed petition is DENIED¹.

BACKGROUND

The record reflects that:

- on July 3, 1990, patent application 07/357,357 matured into the subject patent 4,937,880.
- the 11.5 year maintenance fee could have been paid from July 3, 2001, through January 3, 2002, and with a surcharge, as authorized by 37 CFR 1.20(h), from January 4, 2002 through July 3, 2002.
- the 11.5 year maintenance fee was not timely paid and the subject patent expired at midnight on July 3, 2002.
- on September 30, 2004, a petition under 37 CFR 1.378(b) was filed. Petitioner, who is the patentee for the subject patent, maintained that payment of the 11.5 year maintenance fee was the responsibility of the assignee, Citizens State Bank of Sommersville, Texas, hereinafter "Assignee."

¹This decision may be viewed as a final agency action within the meaning of 5 U.S.C. § 704 for the purpose of seeking judicial review. See MPEP 1002.02.

- on December 3, 2004, the petition under 37 CFR 1.378(b) was dismissed. The decision set a two-month non-extendable period to file a renewed petition under 37 CFR 1.378(e). The petition was dismissed because petitioner failed to establish that the delay in paying the maintenance fee, as revealed by examining both the patentee and assignee actions, was unavoidable. Petitioner also failed to establish that the entire period of delay—from the expiration of the patent to the filing of a grantable petition—was unavoidable.
- on February 7, 2005, a petition under 37 CFR 1.378(e) was filed.

STATUTES AND REGULATIONS

35 U.S.C. § 41(b) states, in pertinent part, that:

MAINTENANCE FEES.-- The Director shall charge the following fees for maintaining all patent based on applications filed on or after December 12, 1980:

- (1) 3 years and 6 months after grant, \$900.
- (2) 7 years and 6 months after grant, \$2,300.
- (3) 11 years and 6 months after grant, \$3,800.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office in or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period.

35 U.S. C. § 41(c)(1)

The Director 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 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. The Director may require payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director 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.

35 U.S.C. § 41(h)(1)

Fees charged under subsection (a) or (b) shall be reduced by 50 percent with respect to their application to any small business concern as defined under section 3 of the Small Business Act, and to any independent inventor or non-profit organization as defined in regulations issued by the Director.

37 CFR 1.378(b)

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) through (g);
- (2) The surcharge set forth in § 1.20(i)(1), and
- (3) A showing that delay was unavoidable since reasonable care was taken to ensure 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)

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 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(f). After the decision on the petition for reconsideration, no further review of the matter will be undertaken by the Director. If 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, 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 error by the Patent and Trademark Office.

OPINION

The Director may reinstate a patent if the delay in paying the maintenance fee is shown to the satisfaction of the Director to be have been “unavoidable”. Section 2590 of the Manual of Patent Examining Procedure (“MPEP”) provides, in pertinent part, that, “[a]s 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 late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. Section 711.03(c) of the MPEP explains that the legal standard employed for deciding petitions asserting unavoidable delay is the reasonably prudent person standard and states, in pertinent part, that:

[t]he 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 *Pratt*, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also *Winkler v. Ladd*, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), *aff'd*, 143 USPQ 172 (D.C. Cir. 1963); *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).

The petition for reconsideration under 37 CFR 1.378(c) has failed to establish that the assignee treated the maintenance of the patent as its most important business and acted reasonably and prudently relative to the same. The assignment document, recorded September 10, 2001, assigning to Citizens State Bank of Sommersville, Texas, the entire right, title, and interest to the subject patent is noted. As the owner of the entire right, title, and interest of the subject patent, the assignee was responsible for payment of the 11.5-year maintenance fee² and only the assignee's actions relative to the same will be examined. In determining whether a delay in paying a maintenance fee was unavoidable, it must be determined whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. *Ray v. Lehman*, 55 F.3d 606. As 35 U.S.C. § 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than in response to a specific action by the Patent and Trademark Office, 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. Thus, 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 to ensure the timely payment of the maintenance fees for this patent. There is no showing of record that the assignee took appropriate steps to timely pay the 11.5-year maintenance fee.

Petitioner provided the following documents in support of the instant petition: (1) a copy of an Abstract of Judgment rendered by the District Court of Burleson County Texas, (2) a copy of the Notice of Recordation of Assignment Document provided by the Patent and Trademark Office noting the assignment of the interest in the subject patent from the patentee to Citizens Bank, Sommersville, Texas, (3) a letter authored by James C. Rock, President of RBB Safety, Inc. (that is presumably seeking to become a licensee of the patent rights) recollecting on a meeting between himself and representatives of the assignee regarding the subject patent, and (4) a letter authored by Michael Bentke, Vice-President of the assignee, to Mr. Rock explaining the assignee's attorney's position on the draft of the document licensing the invention covered by the subject patent.

² Indeed, this is confirmed by petitioner in the petition filed September 30, 2004, wherein petitioner states, "My bank [Citizens State Bank] had filed a lien against my patent and told me they would take over fees and dues, etc."

The Abstract of Judgment rendered by the District Court of Burleson County, Texas does not address the question of whether the assignee acted reasonably and prudently relative to the maintenance of the subject patent. The only material fact provided by the document is that a judgment was rendered in the matter of *Citizen's State Bank v. Jeffery Beard and Space Face Shield, Inc.* The document filed with the instant renewed petition does not indicate what that judgment was, the responsibilities of the parties pursuant to the judgment and, therefore, carries little evidentiary weight in establishing that the assignee's delay in paying the 11.5-year maintenance was unavoidable.

Likewise, the Assignment document and copy of the Notice of Recordation of Assignment Document do not shed any light as to the reasons for the assignee's failure to timely pay the 11.5-year maintenance fee. These documents only evidence the fact that the patentee executed an assignment document assigning the patentee's rights, title, and interest in the subject patent to the assignee.

As to the letter authored by Mr. James C. Rock, wherein it is alleged that Mr. Rock understood a representative of the assignee to indicate that the assignee's attorney was instructed to pay the maintenance fee, this letter is of no probative value in establishing unavoidable delay. To the contrary, this letter suggests that the failure to pay the 11.5-year maintenance for the subject patent was the result of either a miscommunication between the assignee and its attorney or a breach of duty by the assignee's attorneys, neither of which would support a finding of unavoidable delay. See *Link v. Wabash Railroad Co.*, 370 U.S. 626 (1962); *Haines v. Quigg*, 672 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Finally, relative to the letter authored by Michael Bentke, Vice-President of the assignee, to Mr. Rock explaining the assignee's position on the draft of the document licensing the invention covered by the subject patent, this letter merely relates to licensing of the subject patent and is not probative as to whether the delay in paying the maintenance fee was unavoidable.

To establish that the entire delay in paying the 11.5-year maintenance fee was unavoidable—from the due date for the maintenance fee until the filing of grantable petition, petitioner was charged with proving that the assignee treated the maintenance of the subject patent as its most important business and that the assignee acted reasonably and prudently relative to maintenance of the patent. Pursuant to 37 CFR 1.378(b)(3), this requires a showing of the steps the assignee had in place to ensure the timely payment of the maintenance fee. Petitioner has not met this

burden. The petition is silent as to what actions the assignee took to check the status of the patent, to monitor the patent, and, ultimately, to pay the maintenance fee.

CONCLUSION

For the reasons stated above, the petition under 37 CFR 1.378(e) is **DENIED**. Therefore, the patent will not be reinstated and remains expired.

The fee for the renewed petition is \$400.00, but only \$130.00 was received. The fee for the 11.5-year maintenance fee and surcharge for the unavoidable delay in paying the same will be refunded less \$270.00 for remainder of the fee due for the renewed petition under 37 CFR 1.378(e).

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

This application file is being forwarded to Files Repository.

Telephone inquiries concerning this matter may be directed to Kenya A. McLaughlin, Petitions Attorney, at (571) 272-3222.



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