



Paper No. 18

DARBY & DARBY PC  
PO BOX 5257  
NEW YORK NY 10150-5257

**COPY MAILED**

**JUN 22 2005**

**OFFICE OF PETITIONS**

In re Patent No.: 4,993,305  
issue Date: February 19, 1991  
Application No. 07/484,866  
Filed: February 23, 1990  
Inventor: Franz et al.

:  
: ON PETITION  
:  
:  
:  
:

This is a decision on the petition filed March 29, 2005, requesting reconsideration under 37 CFR 1.378(e) and captioned "joint petition for reconsideration and suspension of the rules under 37 CFR 1.183" which is being treated as a petition under 37 CFR 1.183 to waive the timing requirement 1.378(c), or the requirements of 37 CFR 1.378(b) and to accept as either unintentionally delayed, or unavoidably delayed, the 7½ year (and also the 11 ½ year) maintenance fee for the above-identified patent.

The petition requesting reconsideration and waiver is **DENIED**.

BACKGROUND

The above-identified patent issued February 19, 1991. The 3½ year maintenance fee was timely paid with a mail room date of August 3, 1994. Accordingly, the 7½ year maintenance fee was due August 19, 1998, and was payable from February 19, 1998, through August 19, 1998, or with a surcharge, from August 20, 1998, through February 19, 1999. Since this maintenance fee was not timely paid, the patent expired at midnight on February 19, 1999.

A first petition to accept the 7½ (and 11½ ) year maintenance fee(s) as unavoidably delayed under 37 CFR 1.378(b) was filed October 3, 2002, and was dismissed in the decision of January 29, 2003. Thus, the earliest the 7½ year maintenance fee was on file at the USPO was some 32 months after the end of the grace period.

A renewed petition under 37 CFR 1.378(b) was filed March 27, 2003, and was dismissed in the decision of July 10, 2003.

A renewed petition under 37 CFR 1.378(b) was filed August 7, 2003, and was dismissed in the decision of November 17, 2004. Petitioner requested reconsideration and provided answers to several queries for additional information set forth in the adverse decision of July 10, 2003. Petitioner contended that the delay was unavoidable and due to a combination of unlikely circumstances, and specifically asserted that the delay in payment of the maintenance fee was caused at least in part, by (1) the failure of Darby & Darby ("Darby") tax clerk Josue (a.k.a. Josh) Beltran ("Beltran") to follow established Darby procedure(s) when handling the second maintenance fee payment, coupled with his erroneous entry into the Darby database on August 25, 1998, that the maintenance fee in question had been paid, and (2) the failure of tax clerk Lorne Brown ("Brown") to take appropriate action upon his October 2, 1998, receipt of a wire transfer of \$1770 captioned for this patent, as well as upon receipt of a reminder from Computer Patent Annuities (CPA) on or about January 2, 1999, which indicated the maintenance fee remained unpaid for this patent.

A petition under 37 CFR 1.378(c) was filed December 22, 2004, requesting acceptance of the maintenance fees as unintentionally delayed and was dismissed in the decision of February 1, 2005, as time-barred.

The instant petition was filed March 29, 2005, and seeks waiver of the rules.

#### STATUTE AND REGULATION

35 U.S.C. § (2)(b)(2) provides, in pertinent part, that:

The Office...may establish regulations, not inconsistent with law, which...  
(A) shall govern the conduct of proceedings in the Office.

35 U.S.C. § 41(c)(1) provides that:

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 the 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.

37 CFR 1.378(b) provides that:

(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 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(c) provides that:

Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in § 1.362(e) and must include:

- (1) The required maintenance fee set forth in § 1.20 (e)-(g);
- (2) The surcharge set forth in §1.20(i)(2); and
- (3) A statement that the delay in payment of the maintenance fee was unintentional.

37 CFR 1.183 provides that:

In an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived by the Director or the Director's designee, sua sponte, or on petition of the interested party, subject to such other requirements as may be imposed. Any petition under this section must be accompanied by the petition fee set forth in § 1.17(f).



### OPINION

Petitioner requests suspension of the rules such that the USPTO, in recognition of the alleged mingling of facts in support of the contention that the delay was unintentional or unavoidable, will accept the delayed payment of the maintenance fees for this patent. Petitioner further asserts that as he may rely only on either unavoidable delay under 37 CFR 1.1378(b) or unintentional delay under 37 CFR 1.378(c), and where, as here, the facts of both kinds are a present and intermingled, waiver is justified.

Petitioner has failed to meet his burden of showing that waiver of the rules is proper such that the maintenance fee may be considered by the USPTO, much less accepted, under other than either the unintentional or the unavoidable standard of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b) and (c).

In this regard, the governing statute, 35 U.S.C. § 41(c)(1), is explicit in that there are but two standards under which Congress has authorized the Director to accept a delayed maintenance fee and reinstate an expired patent: either the unavoidable, or the unintentional. A commonly accepted principle of statutory construction is: *expressio unius est exclusio alterius* (the mention of one thing implies exclusion of another thing), namely absent legislative intent to the contrary, when a statute expressly provides a specific remedy for a specific situation, the statute is deemed to exclude other remedies for such situation. See National R.R. Passenger Corp. v. National Ass'n Of R.R. Passengers, 414 U.S. 453, 458 (1974); see also Botany Worsted Mills v. United States, 278 U.S. 282, 289 (1929) ("when a statute limits a thing to be done in a particular mode, it includes the negative of any other mode"). That is, the patent statute at 35 U.S.C. § 41(c)(1), (and its promulgating regulation 37 CFR 1.378) provides a specific mechanism whereby an applicant may petition the USPTO to accept a maintenance fee that was unavoidably, or unintentionally, delayed. Since there is a specific mechanism in place to seek to remedy a belated maintenance fee, then it is inappropriate for the USPTO to contemplate circumventing that mechanism by creating another remedy merely upon request of petitioner. Accordingly, to the extent the instant petition requests acceptance of the maintenance fee under a standard other than unintentional or unavoidable, that request must be **denied**. Nevertheless, while the petition can only be considered under the two extant standards previously noted, the possibility of waiver *within* each standard will also be considered.

### WITH RESPECT TO THE UNINTENTIONAL DELAY STANDARD

Petitioner was apprised in the decision of January 29, 2003, (at 6) that as the first petition--and thus the first proffer of the delayed maintenance fee-- was filed more than 24 months ( *i.e.*, 32 months) after the grace period ended on February 29, 1999, he was precluded from seeking "acceptance" *i.e.*, reinstatement of this patent under the unintentional standard. As this time period is also expressly recited in the statute, that 24 month period may not be extended or excused by the USPTO. See 35 U.S.C. § 41(c)(1). That is, the maintenance fee would have to have been received by the USPTO no later than 24 months from the February 19, 1999, date of expiry, *viz* February 19, 2001. Since the maintenance fee in question was not received any earlier than October 3, 2002, the petition considered under 37 CFR 1.378(c) must be refused as irrevocably time barred, as indicated in the decision of February 1, 2005, at 2-3.

Petitioner however, apparently requests that this 24 month time period be suspended such that the fee can be accepted under the unintentional delay standard. Unfortunately, even if the maintenance fee is herein considered to have been unintentionally delayed, the 24 month period within which that fee had to be sent to the USPTO for acceptance under that standard is statutory as well as regulatory. That is, the USPTO lacks both the discretion and the authority to waive this 24 month time period, which is a requirement of law. The USPTO simply has neither the discretion or the authority to relax any requirement of § 41(c)(1). See Baxter Int'l, Inc. v. McGaw, Inc., 149 F.3d 1321, 1334, 47 USPQ2d 1225, 1234-1235 (Fed. Cir. 1998) (the USPTO cannot, by rule, or waiver of the rules, fashion a remedy that contravenes 35 U.S.C. §§ 112, 120); A. F. Stoddard v. Dann, 564 F.2d 556, 566, 195 USPQ 97, 105 (D.C. Cir 1977), (since the USPTO is an executive branch agency, it must follow the strict provisions of the applicable statute). Accordingly, since the 24 month time period cannot be suspended or excused, the



petition to accept the maintenance fee, under the unintentional delay standard of § 41(c)(1) and 37 CFR 1.378(c), must be **denied**.

WITH RESPECT TO THE UNAVOIDABLE DELAY STANDARD

Here, neither the statute nor the regulation imposes a time limit upon acceptance of the maintenance fee under the unavoidable standard. However, the governing statute, § 41(c)(1), nevertheless requires that the delay be shown to the satisfaction of the Director to have been unavoidable. For the reasons given above, however, the USPTO has neither the discretion or the authority to relax any requirement of law. To the extent that petitioner seeks waiver of this requirement, that request must be **denied**. Accordingly, petitioner must show that the delay in payment of the maintenance fee was unavoidable within the meaning of 35 U.S.C. § 41(c)(1).

Petitioner requests reconsideration of the previous adverse decisions on the petition filed under 37 CFR 1.378(b) and submits that as the Darby and Darby tax department is shown to have operated effectively in hundreds upon hundreds of cases, the isolated expiry of this patent is thus shown to have been unavoidable.

Petitioner has not met his burden of proving to the satisfaction of the Director that the delay was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

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:

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 (D.C. Cir. 1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) see also Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. 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).

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable. Cf. Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960)(35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. 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); Ray v. Lehman, supra.

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) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the maintenance fee for this patent. Id.

While the patent owner chose to rely upon Darby & Darby ("Darby") for the maintenance fee payment, such reliance *per se* does not provide the patent holder with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. § 41(c). See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from the patent holder to whether Darby acted reasonably and prudently. Id. Furthermore, the patent holder is bound by any errors that may have been committed by Darby. California, Id.

Unfortunately, the record does not show that Darby was reasonable and prudent in relying on the agencies and instrumentalities of Messrs. Beltran and Brown as "worthy and reliable employees." But see Mattullath, supra. At the time in question (August 1998), the maintenance fee department's supervisor (Jessica Dworkis Tabankin ("Tabankin")) had left Darby's employ some 7 months earlier<sup>1</sup> and had trained only Brown, who in turn, trained Beltran. Messrs. Beltran and Brown each had about 13 months total work experience at Darby, at this time. Thus, Brown had, at most, about 6 months of training and supervision by Tabankin. Tabankin, as supervisor, was not replaced until December 1998, which is after the time in question. Thus, notwithstanding that Messrs. Beltran and Brown were relatively inexperienced employees, Darby did not provide direct supervision or, apparently, review of their assigned tasks to check the performance of their work at the time the errors occurred. Indeed, shortly after Ms. Cindrich became supervisor of their section, Mr. Brown left the employ of Darby in January 1999, and Mr. Beltran was dismissed for cause in October 1999. A further indication that Darby was not reasonable and prudent in relying on such relatively inexperienced and unsupervised employees is that they were backlogged long before by November, 1998, which resulted Ms. Cindrich then being tasked with reducing the billing backlog, before being appointed supervisor on December 7, 1998.<sup>2</sup> Just prior to this, the former supervisor was asked to return to Darby to inspect this very tax section in view of another belated maintenance fee payment that had been mishandled by Messrs. Beltran and Brown and which occurred just prior to the date in question (July 27, 1998), whereupon she detected a large pile of unfiled papers. The concurrent memorialization (petition filed March 27, 2003, Exhibit D, Tab 2) indicates that Messrs. Beltran and Brown were "substantially behind and have been so for sometime," that the maintenance fee "department has been without a working supervisor for sometime" and that at least one piece of maintenance fee correspondence had remained unopened for some time on Beltran's desk after it had been received due to, according to Messrs. Beltran and Brown, their work back log.

Moreover, the petition shows that Mr. Beltran's erroneous indication that the instant maintenance fee had been paid was more involved than a simple clerical misunderstanding or a typographical error in data entry. That is, prior to annotating the database to indicate the fee had been paid, Mr. Beltran, neglected to do the following steps also required by Darby practice and procedure: (1) ensure that the client had prepaid of the appropriate fee, (2) instruct CPA to pay the fee for this patent, and (3) await written confirmation from CPA that the fee had been paid for this patent. Thus, especially given the just prior mishandling of the Israeli patent maintenance fee, the record as a whole does not show that Messrs. Brown and Beltran were "worthy and reliable employees."

It is further not clear why, as a prudent and careful person with respect to his most important business, Darby overlooked the state of affairs in its maintenance fee department: the lack of a working supervisor over two relatively inexperienced employees for almost an entire year, or why Darby, when confronted with a clearly visible lack of clerical diligence in processing and treating time sensitive maintenance fee-related correspondence, did not sooner apply additional

---

<sup>1</sup> Decl. of Lauri Cindrich, filed March 27, 2003, ¶¶ 5-7

<sup>2</sup>Id.



support staff, or more supervisory control of the tax department personnel.<sup>3</sup> That is, either their workload was so great that it was not reasonable for Darby to expect that Messrs. Beltran and Brown could properly and accurately perform all their required duties in the time allotted, or the workload was reasonable, but due to a lack of adequate supervision and control, Messrs. Beltran and Brown were not held by Darby to reasonable performance standards of quantity, quality, and timeliness. This is exemplified by Brown's failure to take any investigative or confirmatory action upon his receipt of the CPA communication on or about January 2, 1999, which indicated, contrary to Darby records, that the maintenance fee had not yet been paid for this patent. However, whether Messrs. Beltran and Brown were properly trained, supervised, and retained, was a circumstance entirely within the control of Darby. Furthermore, even after Darby was apprised of the findings of Tabankan regarding the maintenance fee section in late 1998, Darby does not appear to have then made any effort to either systematically or randomly check into the accuracy of the work products of Messrs. Beltran and Brown. Had Darby acted as a prudent and careful person, Darby would have been able to correct the matter in a more timely fashion, particularly here as the requisite fee had never been applied to the account for this patent as required by long standing Darby operating procedure, and there was no audit trail of a Darby command to CPA to pay the fee or confirmation from CPA that the fee had been paid.

Petitioner's contention that the numerous successful instances of payment of maintenance fees by the Darby tax department shows the delay herein was unavoidable is not without some force, but overall, is not ultimately convincing in this instance. There is no "sliding scale" based upon the care given to this patent *vis-a-vis* the maintenance in force *vel non* of other patents by the Darby tax department; the issue is solely whether the maintenance of *this* patent was actually conducted with the care or diligence that is generally used and observed by prudent and careful persons in relation to their most important business. Again, whether Messrs. Beltran and Brown were held by Darby to reasonable performance standards of quantity, quality, and timeliness, was a circumstance entirely within the control of Darby. The record fails to show that Messrs. Beltran and Brown were trained, supervised, and retained in a manner consistent with that of a prudent and careful person with respect to his most important business, and Darby's corrective action(s) came too late to avert expiry and was insufficient to contribute to an earlier attempt at reinstatement. The delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person, petitioner would have been able to act to correct the situation in a more timely fashion. See *Haines v. Quigg*, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987); *Douglas v. Manbeck*, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992)(unavoidable delay not shown where no diligence for over 30 months); *R.R. Donnelley & Sons v. Dickinson*, 123 F.Supp. 2d 456, 460, 57 USPQ2d 1244 (N.D. Ill. 2000)(a showing of diligence is essential to demonstrate unavoidable delay).

#### DECISION

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unintentional within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(c), or unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and this patent remains expired. The petition is **denied**. The petition is likewise **denied** as to acceptance of the maintenance fee under any other standard than that previously stated, or waiver of the rules.

The USPTO will not further consider or reconsider this matter. See 37 CFR 1.378(e).

---

<sup>3</sup> The foregoing (*e.g.*, unopened correspondence lying about) also fails to evidence that either employee was making an effort to actively conceal from Darby or otherwise misrepresent the true state of the quantity and timeliness of their performance of assigned duties (or lack thereof).

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. See MPEP 1001.02.

The maintenance fee and surcharge have been credited to counsel's deposit account.

This patent file is being returned to the Files Repository.

Any inquiries concerning this communication may be directed to Petitions Examiner Brian Hearn at (571) 272-3217.

A handwritten signature in cursive script that reads "Charles Pearson". The signature is written in black ink and includes a long horizontal flourish at the end.

Charles Pearson  
Director, Office of Petitions  
Office of the Deputy Commissioner  
for Patent Examination Policy