



Paper No.11

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OFFICE OF PETITIONS

In re Patent No. 5,184,857 :  
Issue Date: February 9, 1993 :  
Application No. 07/879,294 : DECISION ON PETITION  
Filed: May 7, 1992 :  
Title: Removeable Side Molding to :  
Protect the Side of a Vehicle :

This is a decision on the "RENEWED PETITION TO COMMISSIONER UNDER 37 CFR 1.181(a)(3); 1.182 AND 1.183 TO ACCEPT UNAVOIDABLY DELAYED PAYMENT OF MAINTENANCE FEE IN AN EXPIRED PATENT", filed March 3, 2005, which is being treated as a petition for reconsideration under 37 C.F.R. 1.378(e) to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DENIED**. This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

**Procedural History:**

- The above-identified patent issued on February 9, 1993.
- The second maintenance fee could have been timely paid during the period from February 9, 2000 through August 9, 2000, or with a late payment surcharge during the period from August 10, 2000 through February 9, 2001.
- No second maintenance fee was received, and as such, the patent expired on February 10, 2001.
- The 2 year time period for filing a petition under 37 C.F.R. § 1.378(c) expired on February 9, 2003.
- Patentee filed a petition to revive under 37 C.F.R. § 1.378(b) on August 30, 2004
- The petition was dismissed in a decision mailed on January 25, 2005.

- The instant renewed petition under 37 C.F.R. § 1.378(b) was filed on March 3, 2005.

**Evidence Presented on Petition:**

There is no dispute of the facts in this case. Petitioner entered into negotiations to purchase the above identified patent in October of 2003, after the patent had already expired, and in fact, after the 2 year time period for filing a petition under 37 C.F.R. § 1.378(c) had lapsed. According to petitioner, the previous owner of the patent, Mr. Michael Hawkins (the sole inventor), led petitioner to believe that the second maintenance fees had been timely paid. Petitioner admits that Mr. Hawkins was not able to provide any documentation showing timely payment of the second maintenance fee. Moreover, petitioner is not able to supply any information as to why the second maintenance fee was not timely paid. According to petitioner, the previous owner believed he had paid the maintenance fee, but his records "are in a mess" and he is now refusing to cooperate with petitioner.

Petitioner states that he acted in good faith and he was as prompt as possible under the circumstances. Accordingly, petitioner requests that the Director reinstate the patent because the expiration was not of petitioner's making and was beyond his control.

**Relevant Statutes, Rules and Regulations:**

35 U.S.C. § 41(c)(1) states 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 C.F.R. § 1.378(b) provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee 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.

§ 1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay 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 (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).

Moreover, delay resulting from the lack of knowledge or improper application of the patent statutes, rules of practice or the Manual of Patent Examining Procedure, however, does not constitute "unavoidable" delay. See id.; Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); 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 (1891).

#### Opinion:

Petitioner had no rights in the patent at the time of expiration. Rather, the patentee, Mr. Hawkins, owned the patent at the time of expiration, which ownership continued until the patent was eventually assigned to petitioner on December 11, 2003. As such, petitioner must establish that Mr. Hawkins' delay in paying the maintenance fee was unavoidable. See MPEP 711.03(c), section E, See also Kim v. Quigg, 718 F.Supp. 1280, 12 USPQ2d 1604 (E.D. Va. 1989) (In Kim, the court held that because the plaintiffs had no legal or equitable ownership in a patent application at the

time of abandonment, whether they acted as reasonably prudent persons was irrelevant).

Petitioner has not provided any evidence to establish that Mr. Hawkins' delay in paying the second maintenance fee was unavoidable. Specifically, petitioner has failed to provide a showing of the steps Mr. Hawkins had in place to ensure the timely payment of the maintenance fee, as required under 37 C.F.R. § 1.378(b)(3).

Unfortunately for petitioner, the delay resulting from Hawkins' failure to take steps to timely pay the maintenance fee is binding on petitioner as successor in title. See id. It is immaterial that petitioner may have acted with promptness upon becoming the owner and learning of Hawkins' failure to pay the second maintenance fee.

In addition, petitioner's delay in filing the initial petition under 37 C.F.R. § 1.378(b) following the assignment has not been shown to be unavoidable. The record is clear that petitioner was aware that the second maintenance fee was not posted for the instant patent at least as early as October 26, 2003. Petitioner asserts that he relied upon patentee's October 26, 2003 e-mail that the fee was paid. However, this e-mail is not without uncertainty, as evidenced by Mr. Hawkins' statement: "I am reviewing my records because it would be unfortunate, if, as you suggest, there was a lack of posting of my payments for keeping my patent current." A reasonably prudent person in relation to his or her most important business would have further investigated this matter and requested proof of payment of the maintenance fee. Petitioner, however, took no further action until payment of the third maintenance fee was refused by the Office approximately 10 months later.

Petitioner states that this situation is not provided for in the rules. On the contrary, 37 C.F.R. § 1.378 provides for the late acceptance of maintenance fees. Under 37 C.F.R. § 1.378(b), it was incumbent upon petitioner to show the steps Mr. Hawkins had in place to pay the second maintenance fee. In the absence of any showing of the steps in place, 37 C.F.R. § 1.378(b) precludes acceptance of the maintenance fee.

With respect to petitioner's assertion that "justice requires suspension of the regulations in order to make petitioner whole", this argument is not persuasive. Petitioner was not prevented from confirming that the patent was in good standing before purchase. Petitioner could have investigated the matter with a patent attorney or the USPTO as part of his due diligence. Accordingly, justice does not require that the Commissioner act in equity and suspend the regulations "in order to make Petitioner whole." Moreover, the requirement that the delay be unavoidable is statutory and therefore cannot be waived. 37 C.F.R. § 1.378(b)(3) merely sets forth how to prove this statutory requirement. See Ray v. Lehman, 34 USPQ 2d (Fed. Cir. 1995) ("The PTO's regulations merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these as requirements in addition to proving unavoidable delay, but as the very element of unavoidable delay").

**Conclusion:**

The prior decision which refused to accept under 37 C.F.R. § 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(c)(1) and 37 C.F.R. § 1.378(b). As stated in 37 C.F.R. § 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since this patent will not be reinstated, the \$1,045 and \$1610 maintenance fees and the \$700 surcharge fee, all submitted by petitioner on August 25, 2004, are refundable. Petitioner may request a refund by writing to: Mail Stop 16, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450. Petitioner should enclose a copy of this decision with the request. The \$400 fee (\$130 filed March 2, 2005, \$270 filed May 18, 2005) for requesting reconsideration is not refundable.

Telephone inquiries concerning this communication should be directed to Petitions Attorney Cliff Congo at (571)272-3207.



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