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OFFICE OF PETITIONS

ON PETITION

In re Patent of Novinsky :
Patent No. 5,213,323 :
Application No. 07/949,699 :
Filed: September 23, 1992 :
Issued: May 25, 1993 :
For: Portable Training Pitching Mound :

This is a decision on the renewed petition under 37 CFR § 1.378(b), filed April 18, 2002, to reinstate the above-identified patent.

The petition is **DENIED**.[1]

Since this patent will not be reinstated, the maintenance fees and surcharge, minus $130, will be scheduled for a refund. The $130 fee for requesting reconsideration is not refundable.

Background

The patent issued May 25, 1993. The 3.5 year maintenance fee could have been paid from May 25, 1996 through November 25, 1996, or with a surcharge during the period from November 26, 1996 to May 25, 1997. Petitioner did not do so. Accordingly, the patent expired May 26, 1997.

A petition under 35 USC 41(c)(1) and 37 CFR 1.378(b) was filed February 13, 2002, and was dismissed in the decision of March 13, 2002.

Applicable Statutes and Regulation

35 U.S.C. § 41(b) states in pertinent part that, "Unless payment of the applicable maintenance fee is received . . . on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period."

35 U.S.C. § 41(c)(1) states that, "The Commissioner may accept the payment of any maintenance fee . . . after the six month grace period **if the delay is shown to the satisfaction of the Commissioner to have been unavoidable."** (emphasis added)

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

> A showing that . . . reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee . . . became

[1] This decision may be viewed as a final agency action within the meaning of 5 USC § 704 for purposes of seeking judicial review. See MPEP 1002.02. The terms of 37 CFR 1.378(e) *do not apply* to this decision.

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.

Opinion

Petitioner must establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.[2] However, "The question of whether an applicant's delay in prosecuting an application was unavoidable [will] be decided on a case-by-case basis, taking all of the facts and circumstances into account."[3] Nonawareness of the content of, or a misunderstanding of, PTO statutes, PTO rules, the MPEP, or Official Gazette notices, does not constitute unavoidable delay.[4] The statute requires a "showing" by petitioner. Therefore, petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. It is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable.

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[2] The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard. 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee ... at any time ... if the delay is shown *to the satisfaction of the Commissioner* to have been unavoidable." (emphasis added).

"In the specialized field of patent law, ... the Commissioner of Patent and Trademarks is primarily responsible for the application and enforcement of the various narrow and technical statutory and regulatory provisions. His interpretation of those provisions is entitled to considerable deference." Rydeen v. Quigg, 748 F.Supp. 900, 904, 16 U.S.P.Q.2d (BNA)1876 (D.D.C. 1990), aff'd without opinion (Rule 36), 937 F.2d 623 (Fed. Cir. 1991) (citing Morganroth v. Quigg, 885 F.2d 843, 848, 12 U.S.P.Q.2d (BNA) 1125 (Fed. Cir. 1989); Ethicon, Inc. v. Quigg, 849 F.2d 1422, 1425, 7 U.S.P.Q.2d (BNA) 1152 (Fed. Cir. 1988) ("an agency' interpretation of a statute it administers is entitled to deference"); see also Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837, 844, 81 L. Ed. 694, 104 S. Ct. 2778 (1984) ("if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute.")).

"The critical phrase 'unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable' has remained unchanged since first enacted in 1861." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982). The standard for "unavoidable" delay for reinstating a patent is the same as the unavoidable standard for reviving an application. See Ray v. Lehman, 55 F.3d 606, 608-609, 34 U.S.P.Q.2d (BNA) 1786, 1787 (Fed. Cir. 1995) (citing In re patent No. 4,409,763, 7 U.S.P.Q.2d (BNA) 1798, 1800 (Comm'r Pat. 1990; Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982). The court in In re Mattullath, accepted the standard which had been proposed by Commissioner Hall which "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, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)).

[3] Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (1982).

[4] See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D. D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute "unavoidable" delay)); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D. D.C. 1985) (Plaintiffs, through their counsel's actions, **or their own**, must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

Petitioner is responsible for having knowledge of the need to pay maintenance fees and knowing steps to ensure that the patent information was correctly entered into the tracking system.

Application of the unavoidable standard to the present facts

The prior decision informed petitioner of the need for petitioner to supply evidence establishing that the entire delay was unavoidable. The prior decision stated,

> The decision will be based solely on the written, administrative record in existence. *It is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable.* A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable.
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> . . .
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> *After a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner.* Therefore, it is extremely important that petitioner supply **any** and **all** relevant information and documentation with his request for reconsideration. The Commissioner's decision will be based solely on the administrative record in existence. Petitioner should remember that it is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable. Therefore, if a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

Petitioner has failed to provide sufficient evidence to establish that the entire delay was unavoidable.

Petitioner asserts financial difficulty as the cause of delay. As stated in the prior decision,

> A showing of "unavoidable" delay based upon financial difficulty must establish that petitioner lacked the financial resources to timely pay the fee at issue or to file a petition to reinstate earlier. Such a showing must be supported by a complete showing of the responsible person's financial condition during the entire period between May 25, 1997 and February 13, 2002, including income, expenses, assets, credit and obligations, which made the delay in payment of the maintenance fee unavoidable. The term "expenses" should be interpreted broadly and includes normal expenses such as utilities and includes purchases such as cars, televisions, etc. Petitioner should provide a month by month analysis of income, expenses, and assets to establish the fact that, at no time, could petitioner have afforded to pay the maintenance fee. . . . Petitioner must prove that petitioner treated the payment of the maintenance fee as petitioner's most important business. If petitioner did not pay the maintenance fee prior to filing the instant petition, due to a conclusion that the invention lacked sufficient commercial value to justify the expense, then the delay is neither unavoidable nor unintentional.[5] If petitioner failed to pay the fee based on the perceived financial value of the patent, then the delay is not unavoidable. Petitioner should provide copies of any documents or records that would confirm the financial difficulty.

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[5] See In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989).

Petitioner has failed to discuss petitioner's income, assets, or expenses during the time period in question. Petitioner has failed to establish that, although petitioner treated the patent as petitioner's most important business, petitioner was simply unable to afford to pay the required fee. The burden of proof is not on the Office to prove that petitioner could have afforded the fee. Instead, the burden is on petitioner to prove that petitioner treated payment of the fee as petitioner's most important business.

The prior decision stated, "Petitioner must establish that petitioner knew of the fee and desired to pay the fee, but simply could not have afforded to pay the fee." (emphasis in original). Petitioner's financial status is irrelevant if petitioner was unaware of the need to pay the fee since, in such a situation, the fee would not have been timely paid even if petitioner had sufficient funds. The record is unclear as to when petitioner first realized the fee was due. Would the fee have been *timely* paid if petitioner had not been suffering financial difficulty?

Petitioner states that, "what made payment unavoidable was not only financial, but emotional turmoil my family was going through." The Office must address the issue- does the evidence which has been presented prove that petitioner treated the patent the same as his most important business? The evidence does not. Petitioner has proven the existence of emotional turmoil but has not proven that he treated the patent the same as he would treat his most important business. Petitioner has not proven that his emotional turmoil was of such nature and degree as to render petitioner unable to conduct business (*e.g.*, correspond with the Office) during the period between May 25, 1997, and February 13, 2002. The record fails to address several issues such as the following: was petitioner able to conduct other business during this time? Was petitioner employed during this time period? Was petitioner able to pay other monetary obligations such as rent, mortgage, insurance, and utilities during this time period? How exactly did the emotional turmoil prevent petitioner from mailing a check for the maintenance fee and later prevent petitioner from filing a check along with a petition to reinstate the patent?

Petitioner has failed to prove that the entire delay was unavoidable. Petitioner has failed to supply evidence sufficient to establish that petitioner treated the patent as his most important business.

Petitioner states that the burden to prove unavoidable delay is "overwhelming" and petitioner compares such a task to an IRS audit. Congress has recognized how difficult the unavoidable standard can be to meet, but has chosen not to alleviate the burden which accompanies the standard. The Commissioner does not have the right to replace Congress' version of justice with his own. The issue before the Office is: has petitioner proven the entire delay was unavoidable? The Office does not have the authority to address the issue: Is it fair to require petitioner to prove that the entire delay was unavoidable?

Decision

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 reasons herein and stated in the previous decision, the entire delay in this case cannot be regarded as unavoidable within the meaning of 35 USC § 41(c)(1) and 37 CFR § 1.378(b). Therefore, the petition is **denied**.

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

The patent file is being forwarded to Files Repository.

Telephone inquiries should be directed to Petitions Attorney Steven Brantley at (703) 306-5683.

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