



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents  
United States Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
www.uspto.gov  
DW Sep-06

Paper No. 16

HESLIN ROTHENBERG FARLEY & MESITI PC  
5 COLUMBIA CIRCLE  
ALBANY NY 12203

**COPY MAILED**

**SEP 21 2006**

**OFFICE OF PETITIONS**

In re Patent No. 5,287,726 :  
Issued: 22 February, 1994 :  
Application No. 07/744,880 : DECISION ON PETITION  
Filed: 14 August, 1991 :  
For: METHOD AND APPARATUS FOR :  
LIQUID COOLED GENERATOR STATOR :  
TEST AND PREPARATION THEREFOR :

This is a decision on the petition under 37 CFR 1.378(e), filed on 22 May, 2006, requesting reconsideration of a prior decision which refused to accept under § 1.378(b)<sup>1</sup> the delayed payment of a maintenance fee for the above-referenced patent.

The petition under 37 CFR 1.378(e) is **DENIED**.

BACKGROUND

The patent issued on 22 February, 1994. The first maintenance fee was timely paid. The second maintenance fee could have been paid during the period from 22 February through 22 August, 2001, or, with a surcharge during the period from 23 August, 2001, through 22 February, 2002. The patent expired at midnight on 22 February, 2002, for failure to timely pay the second maintenance

<sup>1</sup> A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must be 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.

fee. The petition filed on 10 February, 2006, was dismissed on 17 March, 2006.

Petitioner, assignee Mechanical Dynamics & Analysis, Ltd. (hereinafter "MDA") asserts unavoidable delay in that petitioner, which had purchased the rights to the patent in December, 1999, believed that their attorneys, the law firm Lindquist & Vennum (hereinafter "L&V") and/or Churchill Capital (hereinafter "Churchill") which owned MD&A from February, 2000, through 2005, was responsible for tracking and paying the maintenance fees.

In pertinent part, petitioners assert:

Given Churchill Capital's ownership and control over MD&A and Lindquist & Vennum's handling of the assignment and recordation of the '726 patent, MD&A believed that Churchill Capital or Lindquist & Vennum would be docketing and maintaining the '726 patent.

...

In 2000, after MD&A was acquired by Churchill Capital, both [Heslin Rothenberg Farley & Mesiti, P.C. (hereinafter "HSFM)] and MD&A were misled into believing that Lindquist and Vennum was handling the maintenance of the '726 patent. It was entirely reasonable for MD&A to rely on its parent company and the attorneys who effected the transfer and recordation on the '726 patent to docket and maintain the '726 patent.

Petitioners have provided statements by officers and employees of HSFM and MD&A.

#### STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required subsection (b) of this section which is made within twenty-four months after the six-month grace period if this 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.

37 CFR 1.378(b)(3) states that any petition to accept an unavoidably 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.

37 CFR 1.378(c)(3)(1) provides that a petition to accept an unintentionally delayed payment of a maintenance fee must be filed within twenty-four months of the six-month grace period provided in § 1.362(e)

#### OPINION

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable".<sup>2</sup> A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."<sup>3</sup> This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."<sup>4</sup> Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35 U.S.C. § 133.<sup>5</sup> Under 35 U.S.C. § 133, the Director may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Director to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.<sup>6</sup> However, a

<sup>2</sup> 35 U.S.C. § 41(c)(1).

<sup>3</sup> Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

<sup>4</sup> Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

<sup>5</sup> In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

<sup>6</sup> 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

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.<sup>7</sup> In view of In re Patent No. 4,409,763,<sup>8</sup> this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

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

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 identical language (i.e. "unavoidable delay").<sup>9</sup> Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.<sup>10</sup> In this regard:

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.<sup>11</sup>

---

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).

<sup>7</sup> Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

<sup>8</sup> 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

<sup>9</sup> 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. 1989)).

<sup>10</sup> 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 by prudent and careful men in relation to their most important business").

<sup>11</sup> In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-68 (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

As 35 U.S.C. § 41(c) 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.<sup>12</sup> That is, an adequate showing that the delay 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.<sup>13</sup>

Petitioner asserts in pertinent part, that "In 2000, after MD&A was acquired by Churchill Capital, both HRFM and MD&A were misled into believing that [L&V] was handling the maintenance of the '726 patent. It was entirely reasonable for MD&A to rely on its parent company and the attorneys who effected the transfer and recordation on the '726 patent to docket and maintain the '726 patent." As such, the gravamen of petitioner's argument is that John Vanderhoef, as CEO of MD&A, reasonably relied on Churchill, and its predecessors in interest, to track and pay the maintenance fee.

Petitioner's argument has been considered, but is not persuasive.

With regard to reliance on counsel L&V, while petitioner allegedly chose to rely upon L&V, such reliance *per se* does not provide petitioner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 U.S.C. § 41(c).<sup>14</sup> Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the attorney or agent acted reasonably and prudently.<sup>15</sup> As such, assuming that the agent had been so engaged, then it is incumbent upon petitioner to demonstrate, via a documented showing, that the attorney or agent had docketed this patent for the second maintenance fee payment in a reliable tracking system.<sup>16</sup> If petitioner cannot establish that agent had been so engaged, then petitioner will have to demonstrate what steps were established by petitioner to monitor and pay the maintenance fee.

---

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).

<sup>12</sup> Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

<sup>13</sup> Id.

<sup>14</sup> See California Med. Prod. v. Technol. Med. Prod, 921 F. Supp. 1219, 1259 (D. Del. 1995).

<sup>15</sup> Id.

<sup>16</sup> Id.

As petitioner has provided no statements from any persons associated with L&V as to whether or not it had assumed responsibility for the maintenance fee, the showing of record suggests that L&V was not responsible for payment of the maintenance fee, or that the delay, if indeed caused by actions of L&V, was not unavoidable. In this regard, petitioner was advised, in the decision mailed on 17 March, 2006, to provide an exhaustive attempt to explain why the delay was unavoidable. As such, the showing of record is insufficient to establish unavoidable delay.

As stated previously, failure of communication between an applicant and counsel is not unavoidable delay.<sup>17</sup> Specifically, delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b).<sup>18</sup> Moreover, the Office is not the proper forum for resolving a dispute as to the effectiveness of communications between parties regarding the responsibility for paying a maintenance fee.<sup>19</sup>

Additionally, petitioner has provided no statements from any persons associated with Churchill. Again, as petitioners were requested to provide an exhaustive attempt to explain why the delay was unavoidable, it is not understood why no statements from any individuals at Churchill were provided. In the absence of evidence of unavoidable delay, the petition cannot be granted.

Lastly, with regard to petitioner's allegation that Churchill and L&V "misled" MD&A and HRFM to believe that L&V, or Churchill, had assumed responsibility for payment of the maintenance fee, petitioners have presented no showing of acts or omissions evidencing an intent on the part of L&V or Churchill to mislead or deceive MD&A or HRFM. Rather, the showing of record suggests, as petitioners state on Page 12 and 13 of the present renewed petition, that petitioners MD&A and HRFM "assumed" or "believed" that L&V and Churchill would pay the maintenance fee. However, there is no showing that payment of the maintenance fee was ever discussed by the parties, or that MD&A and HRFM ever sought assurances from MD&A or L&V that they would pay the maintenance fee. Rather the showing is that MD&A, HRFM, L&V, and Churchill

---

<sup>17</sup> In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988).

<sup>18</sup> See Ray v. Lehman, 55 F.3d 606, 610, 34 USPQ2d 1786, 1789 (Fed. Cir. 1995).

<sup>19</sup> Id.

all failed to take adequate precautions, as would be taken by a prudent and careful person in relation to his or her most important business, to ensure that the maintenance fee was timely paid. At best, the showing of record is that MD&A and HRFM blindly assumed that L&V and Churchill would take care of all outstanding obligations necessary to maintain the patent in force. Absent a documented showing of intent to mislead or deceive, a bare allegation of such, presented at this late date, does not rise to the level of unavoidable delay.

A delay resulting from a lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP does not constitute an "unavoidable" delay.<sup>20</sup> As the showing of record does not rise to the level of unavoidable delay, the petition will be dismissed.

In summary, petitioner's bare assertion of reliance on L&V and Churchill to pay the maintenance fee, without more, does not support a finding of unavoidable delay. A delay resulting from a lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP does not constitute an "unavoidable" delay.<sup>21</sup> Additionally, petitioners' preoccupation with other matters which took precedence over the above-identified maintenance fee does not constitute unavoidable delay.<sup>22</sup>

#### CONCLUSION

The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. The petition under § 1.378(c) has also been considered. For the above stated reasons, the delay in this case cannot be regarded as unavoidable, or unintentional, within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b) and (c).

Since this patent will not be reinstated, the maintenance fee(s) and surcharge fee(s) submitted by petitioner will be refunded by

---

<sup>20</sup> See Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ 1130, 1132 (N.D. Ind. 1987), 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).

<sup>21</sup> See Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ 1130, 1132 (N.D. Ind. 1987), 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).

<sup>22</sup> See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

treasury check. The \$400.00 fee for reconsideration will not be refunded.

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

Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 571-272-3231.

A handwritten signature in black ink, appearing to read "Charles A. Pearson". The signature is fluid and cursive, with a long horizontal stroke at the end.

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

cc: Robert E. Heslin  
Heslin Rothenberg Farley & Mesiti P.C.  
5 Columbia Circle  
Albany NY 12203