



Anthony G. Eggink
Eggink & Eggink
3100 First National Bank Building
332 Minnesota Street
St Paul MN 55101

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OFFICE OF PETITIONS

In re Patent No.: 5,329,646 :
Issue Date: July 19, 1994 : ON PETITION
Application No. 08/055,684 :
Filed: April 29, 1993 :
For: Drain Flusher Device :

This is a decision on the petition under 37 CFR 1.378(e), filed on January 8, 2007 requesting reconsideration of a prior decision refusing to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.¹

The petition under 37 CFR 1.378(e) is **DENIED**.²

BACKGROUND

The patent issued July 19, 1994. The 3.5 year maintenance fee could have been paid from July 19, 1997 to January 19, 1998, or with a surcharge during the period from January 20, 1998 to July 19, 1998. Petitioner did not do so. Accordingly, the patent expired at midnight on July 19, 1998.

A petition to accept the delayed payment of the maintenance fee pursuant to 37 CFR 1.378(b) was filed on September 1, 2005 and dismissed on February 21, 2006.

The petition filed January 8, 2007 requests reconsideration of the decision of February 21, 2006. The request for reconsideration is accompanied by the declaration of attorney Anthony G. Eggink.

¹ It is noted that petitioner has provided a postcard receipt to establish that a request for reconsideration was previously submitted on April 25, 2006. The original request for reconsideration petition has not been located.

² This decision may be viewed as a final agency action within the meaning of 5 U.S.C. §704 for purposes of seeking judicial review. See MPEP 1002.02.

STATUTES 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...after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable.

A petition under 37 CFR 1.378(b) 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 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.

OPINION

A petition under 37 CFR 1.378(b) for the acceptance of an unavoidably delayed payment of maintenance fee is considered under the same standard as that for reviving an application unavoidably abandoned under 37 CFR 1.137(a) because 35 U.S.C. § 41(c)(1) uses identical language, *i.e.*, "unavoidable" delay.³ Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁴ In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."⁵ Finally, a petition to revive an application as unavoidably abandoned cannot be

³ 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)).

⁴ 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 man 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).

⁵ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. 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).

granted where petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.⁶

As to item (1), a review of the record shows that the \$3,900.00 submitted towards the maintenance fee and surcharge was refunded on September 15, 2006.

As to item (3), the showing of record is not sufficient to establish 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).

The general standard applied by the Office requires petitioner to establish that the patentee or his successor in interest treated the patent the same as a reasonable and prudent person would treat his or her most important business.⁷ However, “[t]he 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.”⁸ Lack of knowledge of the content of, or misunderstanding of the patent statutes, rules, or the MPEP does not constitute unavoidable delay.⁹ The statute requires a “showing” by petitioner of unavoidable delay. Therefore, petitioner has the burden of proof.

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.¹⁰

PETITIONER’S ARGUMENT

Petitioner contends the 3.5 year maintenance fee was unavoidably delayed because an employee informed attorney Eggink that Cherne Industries Incorporated (“Cherne”) did not wish to pursue the payment of the maintenance fee for the above-identified patent. The declaration of Niles P. Rogers, vice president at Cherne during the time period in question states that it was the practice to designate an employee of the engineering department to monitor the required payments of the maintenance fees. Rogers states Engineering Manager Mark Ameli, was the designee responsible for notifying and obtaining authorization from Mr. Rogers to make maintenance fee payments. Attorney Eggink states that he notified Mr. Ameli in 1997 of the requirement to pay the 3.5 year maintenance fee payment. Mr. Ameli informed attorney Eggink not to pay the maintenance fee. Rogers states that Ameli did not review the required payment with him. Mr. Ameli was

⁶ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁷ 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).

⁸ Smith, 671 F.2d at 538.

⁹ Id.

¹⁰ 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 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff’d, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm’r Pat. 139, 141 (1913).

terminated August 1998. Petitioner did not become aware that the patent was expired until July 2005.

APPLICATION OF THE UNAVOIDABLE STANDARD TO THE PRESENT FACTS

Petitioner's arguments have been considered but are unpersuasive. In general a grantable petition under 37 CFR 1.378 (b) must show 1) petitioner knew of the need to make the maintenance fee payment, 2) implemented a reliable docketing system to track the relevant dates 3) treated the payment of the maintenance fee (and later the filing of a petition to reinstate) as his most important business 4) was prevented from making the payment and 5) must show the entire delay in making the payment was unavoidable.

Although it is evident that petitioner was aware that maintenance fee payments were required, petitioner has failed to provide evidence that a reliable docketing system to track the relevant dates. Attorney Eggink states that upon the issuance of a patent the future maintenance fees were docketed via both electronic and hard copy. In support of this contention, a copy of "a U.S. Patent Docketing System Page" has been submitted. It is unclear if this page is being submitted to demonstrate attorney Eggink's electronic or "hard copy" of the docketing system. The page consists of a paper, which has columns titled issue, patentee/assignee, patent number, 1st maintenance fee, 2nd maintenance fee, 3rd maintenance fee and status. The page provided is blank, thus the evidence provided does not support a claim that the docketing system, which may have been in place, was reliable. Furthermore, there is no evidence that the patent was ever entered into the system.

Further, it seems that an element of the docketing system relied upon the receipt of the reminder, which *may* have been mailed. The failure to receive the reminder notice will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. The Office will attempt to assist patentees through the mailing of a Maintenance Fee Reminder in the grace period. However, the failure to receive a Maintenance Fee Reminder will not relieve the patentee of the obligation to timely pay the appropriate maintenance fees to prevent expiration of the patent, nor will it constitute unavoidable delay if the patentee seeks to reinstate the patent under 37 CFR 1.378(b). See MPEP 2590.

It is clear from the record that the assignee did not treat this patent as a prudent and careful person would treat his or her *most important business*. The showing of record is not sufficient to establish that the delay was "unavoidable" within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). 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.¹⁰ 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. The facts presented fail to show that there was a system in place to ensure timely payment of the maintenance fees.

¹⁰ *Id.*

The decision to not pay the maintenance fee was an intentional act on the part of attorney Eggink who relied upon the intentional statement from Ameli to not pay the maintenance fee. A petition under 37 CFR 1.378 (e) cannot be granted if any of the delay is found to be intentional. A finding of intentional delay precludes acceptance of a maintenance fee under the unavoidable standard.

The “unavoidable” standard in 35 U.S.C. 41(c)(1) is identical to the “unavoidable” standard in 35 U.S.C. 133 for reviving an abandoned application because 35 U.S.C. §41(c)(1) uses the same language (i.e., “unavoidable” delay). See Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (citing In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988), aff’d sub nom. Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), Likewise the “unintentional” standard in 35 U.S.C. §41(c)(1) uses the same “unintentionally” standard in the 35 U.S.C. §41(a)(7) because 35 U.S.C. §41(c)(1) uses the same word (“unintentional”), albeit in a different part of speech (i.e. the adjective “unintentional” rather than the adverb “unintentionally”). With regard to the “unintentional” delay standard:

Where the applicant deliberately permits an application to become abandoned (e.g., due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered as “unintentional” within the meaning of 37 CFR 1.137(b). See In re Application of G, 11 USPQ2d 1378, 1380 (Comm’r Pat. 1989). An intentional course of action is not rendered unintentional when, upon reconsideration, the applicant changes his or her mind as to the course of action that should have been taken. See In re Maldague, 10 USPQ2d 1477, 1478 (Comm’r Pat. 1988). MPEP 711.03(c)(II)(3)(C)(1).

See Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed.Reg. 53131, 53158-59 1203, Off.Gaz.Pat. Office 63, 86 (discussing the meaning of “unintentional” delay in the context of the revival of an abandoned application). Whether the extant situation involves an application that is abandoned or a patent that has expired is not significant since the standards of review in each situation are the same as set forth above.

The decision to not pay the maintenance fee that was due was made by petitioner’s counsel, Eggink. Eggink contacted the person he thought had authority to make decisions with respect to the maintenance fee and permission was not granted. Eggink was petitioner’s attorney at the time the maintenance could have been paid. Based on that information, Eggink intentionally did not pay the maintenance fee. Eggink was the party with authority to make this decision. Petitioner has attempted to show that the decision was made by Ameli as indicated by petitioner, Ameli did not have authority to make this decision without consulting Rodgers. The fact that Eggink made an intentional decision based on information given by someone who was allegedly not in a position to make such decisions is not relevant to the issue here. In fact, it would appear that Ameli would be such person given attorney Eggink’s previous communications with the designee within the engineering department to provide instructions to Eggink with regards to the maintenance fees. Since Ameli was the designee he would be the person charged with contacting Eggink. Previous designees had communicated instructions to Eggink before and

there appears to be no reason for Eggink to doubt the veracity of Ameli's statement that the maintenance fee should not be paid. A persuasive showing that the entire delay in payment of the maintenance fee was unavoidable has not been made.

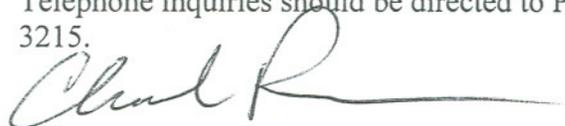
CONCLUSION

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. For the above stated reasons, the delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

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

The application is being forwarded to Files Repository.

Telephone inquiries should be directed to Petitions Attorney Charlema R. Grant at (571) 272-3215.

A handwritten signature in black ink, appearing to read "Charles R.", with a long horizontal flourish extending to the right.

Charles Pearson
Director
Office of Petitions