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**OFFICE OF PETITIONS**

In re Application of	:	
William C. Stone	:	
Application No. 07/855,675	:	
Patent No. 5,368,018	:	DECISION ON RENEWED PETITION
Filed: March 23, 1992	:	PURSUANT TO 37 C.F.R.
Issue Date: November 29, 1994	:	§ 1.378(E)
Title: BREATHING APPARATUS	:	
MOUTHPIECE	:	

This is a decision on the renewed petition filed on October 16, 2007, pursuant to 37 C.F.R. § 1.378(e)<sup>1</sup> requesting reconsideration of a prior decision pursuant to 37 C.F.R. § 1.378(b), which refused to accept the delayed payment of maintenance fees for the above-referenced patent.

<sup>1</sup> Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. § 1.378(b) must include:

- (1) The required maintenance fee set forth in 37 C.F.R. §1.20 (e) through (g);
- (2) The surcharge set forth in 37 C.F.R. § 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.

The request to accept the delayed payment of the maintenance fee is DENIED<sup>2</sup>.

The patent issued on November 29, 1994. The grace period for paying the 7½-year maintenance fee provided in 37 C.F.R. § 1.362(e) expired at midnight on November 29, 2002, with no payment received. Accordingly, the patent expired on November 29, 2002 at midnight.

Two original petitions were concurrently filed on November 17, 2006, pursuant to 37 C.F.R. §§ 1.378(b)<sup>3</sup> and (c)<sup>4</sup>, to reinstate the above-identified patent.

Each of these petitions was misplaced in the Office, and Petitioner submitted a partial copy of these petitions on February 2, 2007.

A decision was mailed on April 30, 2007 which dismissed the petition pursuant to Rule §1.378(c) as untimely, and further dismissed the petition pursuant to Rule § 1.378(b), for the original submission of November 17, 2006 was not located in the paper file, and the submission of February 2, 2007 did not

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

3 Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. §1.378(b) must include:

- (4) The required maintenance fee set forth in 37 C.F.R. §1.20 (e) through (g);
- (5) The surcharge set forth in 37 C.F.R. §1.20(i)(1), and;
- (6) 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.

4 A grantable petition pursuant to 37 C.F.R. §1.378(c) must be accompanied by:

- (1) The maintenance fee as set forth in 37 C.F.R. §§ 1.362(e) and 1.20;
- (2) The surcharge for accepting a maintenance fee after expiration of a patent for non-timely payment of a maintenance fee, as set forth in 37 C.F.R. § 1.20;
- (3) A statement that the delay was unintentional from a proper party in interest, and;
- (4) The petition must be filed within 24 months of the date of expiration.

contain declarations of facts from people having firsthand knowledge of the facts set forth therein. Subsequent to the mailing of this decision, it appears that the original submission of November 17, 2006 was located and matched with the paper file: consequently, a decision was mailed on August 16, 2007, dismissing the petition pursuant to Rule § 1.378(b) for failure to establish that the entire period of delay was unavoidable.

Petitioner has submitted the surcharge associated with a petition to accept late payment of a maintenance fee as unavoidable, the 7½ and 11½-year maintenance fees, and a statement of facts.

Petitioner has met the first and second requirements set forth in 37 C.F.R. §1.378(b). A discussion of the third requirement follows.

#### The standard

35 U.S.C. §41(c)(1) states:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay<sup>5</sup> is shown to the satisfaction of the Director to have been unavoidable. §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 37 C.F.R. § 1.137(a). 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<sup>6</sup>.

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<sup>5</sup> This delay includes the entire period between the due date for the fee and the filing of a grantable petition pursuant to 37 C.F.R. §1.378(b).

<sup>6</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 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).

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account." Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable<sup>7</sup>."

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 C.F.R. § 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. § 41(c) and 37 C.F.R. § 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 C.F.R. § 1.378(b).

The burden of showing the cause of the delay is on the person seeking to revive the application<sup>8</sup>.

A delay caused by an applicant's lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP is not rendered "unavoidable" due to either the applicant's reliance upon oral advice from USPTO employees or the USPTO's failure to advise the applicant to take corrective action<sup>9</sup>.

The Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and the applicant is bound by the consequences of those actions or inactions<sup>10</sup>. Specifically, petitioner's delay caused by the mistakes of negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. § 133<sup>11</sup>.

The actions of the attorney are imputed to the client, for when a petitioner voluntarily chooses an attorney to represent him, the petitioner cannot later avoid the repercussions of the actions or inactions of this selected

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7 Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

8 Id.

9 See In re Sivertz, 227 USPQ 255, 256 (Comm'r Pat. 1985).

10 Link v. Wabash, 370 U.S. 626, 633-634 (1962).

11 Haines, 673 F.Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32; 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. 103, 131 (Comm'r Pat. 1891).

representative, for clients are bound by the acts of their lawyers/agents, and constructively possess "notice of all facts, notice of which can be charged upon the attorney"<sup>12</sup>."

Courts hesitate to punish a client for its lawyer's gross negligence, especially when the lawyer affirmatively misled the client," but "if the client freely chooses counsel, it should be bound to counsel's actions"<sup>13</sup>."

Presuming for the purposes of discussion that it was an act/omission of Counsel that contributed to any of the delay herein, the act(s) or omissions of the attorney/agent are imputed wholly to the applicant/client<sup>14</sup> in the absence of evidence that the attorney/agent has acted to deceive the client.<sup>15</sup>

**Portions of the Code of Federal Regulations and the MPEP  
relevant to the abandonment of this application**

37 C.F.R. § 1.362 Time for payment of maintenance fees.

(a) Maintenance fees as set forth in §§ 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.

(b) Maintenance fees are not required for any plant patents or for any design patents. Maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees.

(c) The application filing dates for purposes of payment of maintenance fees are as follows:

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<sup>12</sup> Link at 633-634.

<sup>13</sup> Inryco, Inc. v. Metropolitan Engineering Co., Inc., 708 F.2d 1225, 1233 (7th Cir. 1983). See also, Wei v. State of Hawaii, 763 F.2d 370, 372 (9th Cir. 1985); LeBlanc v. I.N.S., 715 F.2d 685, 694 (1st Cir. 1983).

<sup>14</sup> The actions or inactions of the attorney/agent must be imputed to the petitioners, who hired the attorney/agent to represent them. Link v. Wabash Railroad Co., 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962). The failure of a party's attorney to take a required action or to notify the party of its rights does not create an extraordinary situation. Moreover, the neglect of a party's attorney is imputed to that party and the party is bound by the consequences. See Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); Herman Rosenberg and Parker Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

<sup>15</sup> When an attorney intentionally conceals a mistake he has made, thus depriving the client of a viable opportunity to cure the consequences of the attorney's error, the situation is not governed by the stated rule in Link for charging the attorney's mistake to his client. In re Lonardo, 17 USPQ2d 1455 (Comm'r. Pat. 1990).

(1) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.

(2) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119, the United States filing date of the application.

(3) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.

(4) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original non-reissue application on which the patent reissued is based.

(5) For an international application which has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.

(d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:

(1) 3 years through 3 years and 6 months after grant for the first maintenance fee,

(2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and

(3) 11 years through 11 years and 6 months after grant for the third maintenance fee.

(e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:

(1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.

(2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and

(3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.

(f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.

(g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.

(h) The periods specified in §§1.362 (d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based.

[49 FR 34724, Aug. 31, 1984, added effective Nov. 1, 1984; paras. (a) and (e), 56 FR 65142, Dec. 13, 1991, effective Dec. 16, 1991; paras. (c)(4) and (e) revised and para. (h) added, 58 FR 54504, Oct. 22, 1993, effective Jan. 3, 1994]

MPEP § 2575: Notices

Under the statutes and the regulations, the Office has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to ensure that the maintenance fees are paid to prevent expiration of the patent. The Office will, however, provide some notices as reminders that maintenance fees are due, but the notices, errors in the notices or in their delivery, or the lack or tardiness of notices will in no way relieve a patentee from the responsibility to make timely payment of each maintenance fee to prevent the patent from expiring by operation of law. The notices provided by the Office are courtesies in nature and intended to aid patentees. The Office's provision of notices in no way shifts the burden of monitoring the time for paying maintenance fees on patents from the patentee to the Office.

**Application of the standard to the current facts and  
circumstances**

Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee and surcharge, as set by 35 U.S.C. 41(c) and 37 C.F.R. § 1.378(b)(3).

The arguments and exhibits submitted on renewed petition have been reviewed and considered, and they have not been deemed to be persuasive.

The period for paying the 7½-year maintenance fee without the surcharge extended from November 29, 2001 to May 30, 2002 and for paying with the surcharge from May 31, 2002 to November 29, 2002. Thus, the delay in paying the 7½-year maintenance fee extended from November 29, 2002 at midnight to the filing of the present petition on February 2, 2007 (which was originally presented, along with a declaration of facts and a plurality of exhibits, on November 17, 2006).

The underlying facts are summarized as such:

- On November 29, 1994, the present patent issued.
- The inventor, Mr. Stone, was the president of a company by the name of Cis-Lunar Development Laboratories, Inc., which dealt with a plurality of law firms.

- The CEO of Cis-Lunar, one Richard R. Nordstrom, managed the patent portfolio of the business entity, including the present patent<sup>16</sup>.
- In 1989, Cis-Lunar retained the services of the law firm of Mark Maurase and White, and worked with a member of this firm by the name of Paul Devinsky<sup>17</sup>.
- Stone had no involvement with the prosecution of any patent application or the maintenance fees for the patents of Cis-Lunar<sup>18</sup>.
- Cis-Lunar's law firms dealt exclusively with Nordstrom in regards to any intellectual property issues.
- Pages 2-3 of the original petition sets forth: "Nordstrom decided whether to maintain or abandon particular applications and/or patents whether foreign or domestic with unfettered discretion...Nordstrom never contacted Stone on any issues...including dealings with patent counsel."
- On page 3 of the original petition, it is set forth "Nordstrom was completely **in charge** (emphasis included) of the business end of Cis-Lunar and that included handling all patent related matters for the company."
- In 1997, Nordstrom consolidated all legal matters with the firm of Palmer and Dodge but for patent matters, since Palmer and Dodge did not have a patent practice<sup>19</sup>.
- On November 17, 1997, Nordstrom retained the law firm of Samuels, Gauthier & Stephens LLP (SGS) to handle its patent matters<sup>20</sup>.
- Nordstrom sent a letter to the law firm of Noble and Lipstein, requesting the return of all of Cis-Lunar's Intellectual Property records to the law firm of Palmer and Dodge<sup>21</sup>. The decision on the original petition indicated that it did not appear that the contents of these records, Cis-Lunar's relationship with Noble and Lipstein, or how this law firm obtained these records had been revealed. It does not appear that his has been addressed on renewed petition.
- Noble and Lipstein indicated that all records had been transferred to Mr. Tomasevich of Palmer and Dodge<sup>22</sup>.

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16 Original Stone declaration of facts, paragraph 12.

17 Id. at 6.

18 Id. at 5 and 12.

19 Id. at 14.

20 Id. at 22.

21 Id. at 15.

22 Id. at 16.

- On May 20, 1997, Nordstrom severed Cis-Lunar's relationship with Paul Devinsky and requested that all of Cis-Lunar's intellectual property records be sent to Palmer and Dodge<sup>23</sup>.
- On May 28, 1997, Mr. Devinsky sent "the patent files" to Palmer and Dodge<sup>24</sup>.
- On November 25, 1997, Matthew Connors of SGS confirmed receipt of a plurality of files from Palmer and Dodge, including the present patent, and docketed the maintenance fees associated with this patent accordingly<sup>25</sup>. It is noted that this letter instructed Cis-Lunar to "advise us by February 29, 1998 whether you wish to have us take the appropriate steps to secure payment of the May 29, 1998 maintenance fee."
- Nordstrom instructed the law firm of Samuels to submit the 3½-year maintenance fee<sup>26</sup>. Office records confirm that the 3½-year maintenance fee was received on June 15, 1998, along with the surcharge associated with late submission of the same.
- Nordstrom and Stone developed "irreconcilable differences" and in June of 2000, Nordstrom left the company<sup>27</sup>. As such, Stone assumed Nordstrom's responsibilities.
- Cis-Lunar ran into financial difficulties, and was no longer able to meet its financial obligations<sup>28</sup>.
- On page 3 of the petition, it is set forth "when Nordstrom left, so did Cis-Lunar's knowledge and awareness of its intellectual property portfolio." See also Stone declaration of facts, paragraph 35.
- In July of 2001, Cis-Luar ceased operations<sup>29</sup>.
- On January 7, 2002, Mr. Hilton of SGS indicated that certain Cis-Lunar files related to pending applications would be returned to Cis-Lunar<sup>30</sup>. The letter sets forth that SGS is "transferring to you all of our files for Cis-Lunar." Applications 09/740,363 and 09/740,384 are the only two application numbers that appear in this letter.
- The sixth page of the original petition indicates that on January 30, 2002, Cis-Lunar terminated SGS's power of

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23 Id. at 17.

24 Id. at 20.

25 Id. at paragraph 26, and exhibit 14 - letter from SGS to Cis-Lunar.

26 Original Stone declaration of facts, paragraphs 27-28.

27 Id. at 34.

28 Original petition, pages 3-4.

29 Original Stone declaration of facts, paragraph 36.

30 Id. at paragraph 37.

attorney. Petitioner has included a copy of a letter to the Office, revoking the power of attorney granted to SGS.

- In the Fall of 2002, SGS began efforts to collect money it was owed by Cis-Lunar<sup>31</sup>. In November of 2005, Stone retained the present law firm of record, and learned that the patent had expired<sup>32</sup>.
- Stone has indicated that he did not know that maintenance fees were required<sup>33</sup>.
- On February 3, 2002, Mr. Stone sent Mr. Hlton of SGS an e-mail, informing him that "you are hereby formally notified that your power of attorney to represent Cis-Lunar is revoked<sup>34</sup>."
- Petitioner has included a copy of a letter dated March 13, 2002, where SGS informed Cis-Lunar that it would no longer monitor maintenance fee due dates for the present patent for Cis-Lunar, "as we are no longer representing Cis-Lunar as you instructed." It is likely that this letter was generated due to the revocation of power of attorney of February 3, 2002. Stone has asserted that he did not receive a copy of this letter<sup>35</sup>.

Petitioner's arguments and exhibits have been considered, however they have not been deemed to be persuasive, for the reasons set forth below.

1. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. As such, it is the responsibility of the Applicant, Mr. Stone, to monitor his patent. Moreover, the letters patent itself spells out the need for the submission of maintenance fees.

However, it does not appear that Petitioner instituted reasonable steps to ensure timely payment of the maintenance fee.

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31 Petition, page 4. See also original Stone declaration of facts, paragraph 41.

32 Original Stone declaration of facts, paragraph 46.

33 *Id.*

34 Tab 27 of original petition, pages 113 and 168 in the electronic renewed petition.

35 Second Stone declaration of facts, paragraph 20.

A similarly situated reasonable man, acting in relation to his most important business, would have instituted some sort of a system to ensure that at the 7½ year mark, he was reminded that a payment was due. Yet Mr. Stone has indicated that he had no knowledge of the requirement for maintenance fees. As such, it is clear that no steps were in place that would ensure the timely submission of the maintenance fee, and this fact alone precludes the granting of this petition.

2. Mr. Stone has asserted that the revocation of power of attorney was only a partial revocation, and as such, the revocation was limited merely to pending applications. As such, Mr. Stone has asserted that he did not revoke SGS's power of attorney with respect to issued patents<sup>36</sup>. Petitioner has also asserted that the revocation of power of attorney was merely a partial revocation that applied only to "the then pending applications<sup>37</sup>."

This assertion regarding the limitation of the power of attorney is inaccurate. The power of attorney was revoked via the sending of an e-mail from Mr. Stone to SGS on February 3, 2002. The e-mail sets forth, in pertinent part, "[y]ou are hereby formally notified that your power of attorney to represent Cis-Lunar is revoked."

No caveats or limitations were placed on this revocation - this was a full revocation of the power of attorney, and was in no way limited merely to pending applications. A clear reading of the language used in this letter makes it clear that this was a full revocation.

After the issuance of this revocation, it would have been unreasonable for SGS to interpret this as anything less than a full revocation of the power of attorney, and it was equally unreasonable for Mr. Stone to have expected that SGS would continue to protect his interests in regard to any issued patents, after having had issued this complete revocation of power of attorney.

A reasonable and similarly situated man, acting in relation to his most important business, would not continue to rely on a law firm whose power of attorney he had revoked.

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<sup>36</sup> Second Stone declaration of facts, paragraph 12.

<sup>37</sup> Renewed petition, page 5.

3. The decision on the original petition set forth:

Assuming arguendo that the Letters Patent itself failed to provide notice of the need for maintenance fees, the letter of November 25, 1997, from Matthew Connors of SGS to Cis-Lunar makes it clear that Cis-Lunar was informed of the need to submit maintenance fees.

Petitioner has asserted that Mr. Nordstrom is an unsophisticated "layman" who "would not understand the intricacies of the patent laws and necessarily relied on the advice and actions of Cis-Lunar patent counsel with matters before the U.S. Patent and Trademark Office" and that "this reliance...extended to...on properly being informed of the need for payment of maintenance fees in already issued patents<sup>38</sup>."

However, the letter of November 25, 1997 establishes that SGS expressly informed Cis-Lunar of the need to submit maintenance fees. As was set forth in the decision on the original petition:

If this letter was received and read by Mr. Nordstrom, and the same neglected to inform Mr. Stone of the need for maintenance fees upon this departure, this does not absolve Mr. Stone of his responsibility to ensure that all maintenance fees are timely submitted.

Consequently, SGS informed the appropriate officer of Cis-Lunar of the need to pay maintenance fees.

Moreover, as set forth above, the letters patent itself spells out the need for the submission of maintenance fees.

4. Petitioner has not submitted statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them. The decision on the original petition made it clear that statements from Messrs. Nordstrom and a member of SGS, including, but not limited to, Mr. Hilton would be required. It does not appear that these statements have been provided on renewed petition (other than an e-mail from Mr. Hilton to Petitioner concerning the transfer of

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<sup>38</sup> Renewed petition, page 6.

files).

5. Rule § 1.378(b) requires 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 rule sets forth that this showing must enumerate the steps taken to ensure timely payment of the maintenance fee.

Petitioner has suggested that the expiration of this patent is due to the inactions of SGS for failing to live up to "its duty to inform Stone about the maintenance of Cis-Lunar's already issued patents, including the above referenced patent<sup>39</sup>." Petitioner has further asserted that "throughout SGS's aggressive collection efforts against Stone personally, there were numerous opportunities to discuss Cis-Lunar's patent files<sup>40</sup>." Assuming arguendo that the revocation was merely a partial revocation, and assuming arguendo that Petitioner's assertion is correct: the actions of one's chosen counsel cannot constitute unavoidable delay.

Petitioner has alleged that the patent holder relied on his attorney to track his maintenance fees for him, however Petitioner still has not provided the necessary showing to establish that the delay was unavoidable within the meaning of 35 USC 41(c) and 37 C.F.R. §1.378(b). A patent holder's reliance upon an attorney does not provide him with an absolute defense, but rather shifts the focus to whether the attorney acted reasonably and prudently<sup>41</sup>.

As such, it is incumbent upon Petitioner to demonstrate, via a documented showing, that Petitioner's agent had taken reasonable steps to ensure timely payment of the maintenance fee, and that the maintenance fee was unavoidably not paid despite the exercise of reasonable care by patentee's agent. Patentee has provided no such showing and as such has failed to satisfy the evidentiary requirement under 37 C.F.R. 1.378(b)(3). Specifically,

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39 Renewed petition, page 5.

40 Id. at 7.

41 California Medical Products v. Technol Med. Prod., 921 F. Supp. 1219, 1259 (D. Del. 1995).

Petitioner has failed to describe the docketing system that was implemented by SGS.

Additionally, it is well established that a patent holder is bound by any errors that may have been committed by his attorney<sup>42</sup>. Petitioner has not shown that the alleged failure of the law firm to apprise him of their decision to cease tracking his maintenance fee payments could not have been avoided with the exercise of due care. Whether such action by the attorney constituted a breach of the fiduciary duty of care, as appears to be alleged by Petitioner, is of no moment to the issue of whether the entire delay was unavoidable<sup>43</sup>.

6. Petitioner has set forth that he contracted with SGS to handle Cis-Lunar's intellectual property matters. However, the letter of March 13, 2002 makes it clear that as of this date, the business arrangement ceased. It is difficult for the Office to characterize any reliance that continued past the termination of the representation as reasonable - especially since this letter appears to have been generated in response to the full revocation of power of attorney that was made by Mr. Stone.

7. The decision on the original petition inquired

If he (Mr. Stone) did rely on SGS to represent him in patent matters, and he was not aware of the need for maintenance fees, what precisely did he believe that such representation would entail?

It does not appear that this inquiry has been addressed in the renewed petition.

8. The decision on the original petition further set forth:

Even if Petitioner failed to receive the letter of March 13, 2002, Petitioner was aware that SGS had engaged the

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<sup>42</sup> Smith v. Diamond, 209 U.S.P.Q. 1091, 1093 (D.D.C. 1981) (citing Link v. Wabash Railroad Co., 370 U.S. 626, 8 L. Ed. 2d 734 (1962)).

<sup>43</sup> See Haines v. Quigg, 5 USPQ2d 1130 (N.D. Ind. 1987) (the court, in affirming an Office decision denying revival of an application on the basis of unavoidable delay, stated: "If the attorney somehow breached his duty of care to plaintiff, then plaintiff may have certain other remedies available to him against his attorney. He cannot, however, ask the court to overlook [attorney's] action or inaction with regard to the patent application.")

services of a collection agent, and filed a lawsuit against Cis-Lunar. Did he believe that SGS was still acting to represent the interests of Cis-Lunar, in light of this lawsuit? If so, was this a reasonable expectation?

It does not appear that this inquiry has been addressed in the renewed petition.

9. The decision on the original petition further set forth:

Regarding the alleged failure to receive the letter of March 13, 2002, Petitioner must request that SGS provide to him any tracking information they might have which might evince delivery of this letter, and provide SGS with an appropriate period of time to comply with this request.

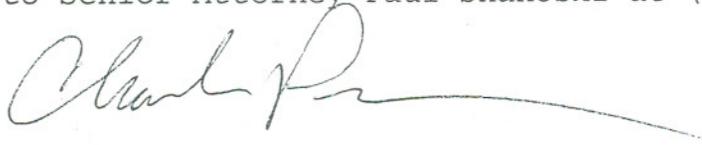
It does not appear that this matter has been addressed in the renewed petition.

#### Conclusion

The prior decision that refused to accept, pursuant to 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, 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).

Since this patent will not be reinstated, Petitioner is entitled to a refund of the surcharge and both the 7½ and the 11½-year maintenance fees, but not the \$400 fee associated with the filing of a renewed petition under 37 C.F.R. § 1.378(e). These fees will be refunded to Petitioner's Deposit Account in due course.

Telephone inquiries regarding this decision should be directed to Senior Attorney Paul Shanowski at (571) 272-3225<sup>44</sup>.

A handwritten signature in cursive script, appearing to read 'Charles Pearson', with a long horizontal flourish extending to the right.

Charles Pearson  
Director  
Office of Petitions

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<sup>44</sup> Petitioner will note that all practice before the Office should be in writing, and the action of the Office will be based exclusively on the written record in the Office. See 37 C.F.R. § 1.2. As such, Petitioner is reminded that no telephone discussion may be controlling or considered authority for any further action(s) of Petitioner.