



Paper No. 16

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Patentee: Conner et al.  
Patent No. 5,579,393  
Application No. 08/263,143  
Filed: June 21, 1994  
Issue Date: November 26, 1996  
Title of Invention: SYSTEM AND METHOD  
FOR SECURE MEDICAL AND DENTAL  
RECORD INTERCHANGE

**COPY MAILED****MAR 17 2006****OFFICE OF PETITIONS****ON PETITION**

This is a decision on the petition filed under 37 CFR 1.378(e), filed on September 18, 2005 requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of the maintenance fee for above-identified patent.

The request to accept the delayed payment of the maintenance fee is **Denied**.<sup>1</sup>

#### **BACKGROUND**

The patent issued November 26, 1996. The 3.5 year maintenance fee could have been paid from November 26, 1999 to May 26, 2000, or with a surcharge during the period from May 27, 2000 to November 26, 2000. Petitioner did not do so. Accordingly, the patent expired at midnight March 27, 2000.

A petition to accept the delayed payment of the maintenance fee pursuant to 37 CFR 1.378(b) was filed on November 23, 2004 and dismissed on July 8, 2005.

The instant petition requests reconsideration of the decision of July 8, 2005. The request for reconsideration is accompanied by a supplemental declaration of Robert W. O'Neel III, and supplemental declaration of Glenn M. Smith.

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<sup>1</sup>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

**STATUTE AND REGULATION**

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.

Any petition under 37 CFR 1.378(b) a 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(l)(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 the identical language, *i.e.*, "unavoidable" delay.<sup>2</sup> Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.<sup>3</sup> In addition, decisions on revival are made on a "case-by-case basis, taking all

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<sup>2</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. 1988)).

<sup>3</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 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).

the facts and circumstances into account."<sup>4</sup> Finally, a 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>5</sup>

Misunderstanding of PTO statutes, PTO rules, the MPEP or Official Gazette notices, do not constitute unavoidable delay.<sup>6</sup> The statute requires a "showing" by petitioner. Therefore, petitioner has the burden of proof.

The instant petition asserts that the delay in submitting the maintenance fee was due to a clerical error of a docket clerk employed at O'Brien.

The petition under 37 CFR 1.378(e) has been considered. However, 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). A showing of unavoidable delay requires a showing that the **entire** delay in filing a grantable petition under 37 CFR 1.378(b) was unavoidable. In re Application of Takao, 17 USPQ2d 1155,1158 (Comm'r Pat. 1990). For reasons below, the record fails to establish that the entire delay was unavoidable.

A. The delay caused by the failure to docket the maintenance fee due date has not been shown to be unavoidable.<sup>7</sup>

Petitioner insists there was a reliable tracking system in place. The calendaring systems were computerized to electronically track due dates and provide reminders in advance of deadlines. Hard copies of the Calendar were printed on a regular basis and distributed to the attorneys responsible for the work. Due dates were moved only after the responsible attorney confirmed that the action required was completed. Petitioner states the standard docketing procedure included a docket clerk would check all documents and determine due dates. All due dates were entered by the docketing clerk into the electronic docketing system. After docketing the document and office file would be forwarded to the attorney responsible who would double check the due dates.

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<sup>4</sup>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).

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

<sup>6</sup> Id.

<sup>7</sup>It should be noted unavoidable error is not limited to errors on the part of an employee but unavoidable errors due to clerical error are usually restricted to employees.

As set forth in MPEP 711.03(c), a delay resulting from an error on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown :

*A) the error was the cause of the delay;*

*B) there was in place a business routine for performing the clerical function which could reasonably be relied upon to avoid errors in its performance; and*

*C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.*

While the record shows that the O'Brien Firm had a system in place for docketing due dates<sup>8</sup>, the record does not sufficiently show that the employees responsible for utilizing the system were sufficiently trained and experienced such that reliance on employees represented the exercise of due care. The first petition indicated the calendaring error was that of attorney Smith<sup>9</sup>. On renewed petition, petitioner now argues that the calendaring error was due to docket clerks at the O'Brien Firm.

To the extent the error was caused by the O'Brien docket clerks. Petitioner has failed to identify any information regarding the docket clerks. Petitioner has failed to provide information regarding the training provided to the clerk (s) responsible for the docketing error and the degree of supervision received. It is not sufficient to merely state the areas of training the docket clerks received.<sup>10</sup> To establish an employee was sufficiently trained specifics as to the training and supervision received should have been provided. The training and supervision of the docket clerks help establish whether it was an exercise of due care to rely upon them. Nor has petitioner identified the persons responsible for the maintenance of the system or provided statements by all parties with direct knowledge of the circumstances surrounding the delay. Sufficient evidence to substantiate the allegations of docket error has not been provided.

If the docket error was caused by Attorney Smith's failure to enter the above-identified patent into the docket system, petitioner is reminded that attorney error is not unavoidable.<sup>11</sup> A delay

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<sup>8</sup>Smith supplemental declaration, paras.12-13.

<sup>9</sup>Petition (November 23, 2004), para. 54 and Smith declaration para. 17..

<sup>10</sup>Smith supplemental declaration, para. 7.

<sup>11</sup>The Petition filed (Nov. 23, 2004) did not indicate whether Attorney Smith was licensed to practice before the USPTO. At no point did petition attorney indicate it was a requirement to

resulting from an attorney's preoccupation with other legal matters or with the attorney's inadvertence or mistake is not sufficient to establish to the satisfaction of the Director that the delay was unavoidable within the meaning of 35 USC 151 and 37 CFR 1.378 Mossinghoff, 671 F.2d at 536. The U.S. Patent and Trademark 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>12</sup> Specifically, petitioner's delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. 133 or 37 CFR 1.137(a).<sup>13</sup> Petitioner is bound to the inaction of attorney Smith even though petitioner contends attorney Smith informed him the maintenance fee had been paid.<sup>14</sup>

B. The delay was caused in part due to failure to communicate with previous attorney of record.

A review of the evidence confirms that the Carr Firm was the correspondence address of record until the submission of the instant petition. Both the reminder notice and the notice of expiration were properly mailed to the correspondence address of record. The correspondence address of record was held by the Carr firm. The Carr firm was not aware that the original assignee Escan had been liquidated and the above-identified patent had been assigned to Young America. Further the attorney of record was not aware of how to contact anyone upon the receipt of the Notice of Expiration. A party treating their patent as their most important business would insure that they could be contacted and make sure that the Patent Office would have a current address where any notices that may have been mailed could have been received. It is well established that a failure in communication between a client and his or her attorney does not constitute unavoidable delay.<sup>15</sup>

The fact that petitioner did not receive any maintenance fee notices because the Carr Firm had not been informed of the assignment of the above-identified and was not aware how to contact a liquidated corporation does not absolve petitioner from the duty to timely submit the maintenance fee payment. Petitioner was under a duty to promptly notify the Office of any change of correspondence address or revocation of power of attorney. See MPEP 711.03 (c)(III)(c)(2).

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in order to submit maintenance fees.

<sup>12</sup>Link v. Wabash, 370 U.S. 626, 633-34 (1962).

<sup>13</sup>Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (D. Ind. 1987); 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 (Comm'r Pat. 1891).

<sup>14</sup>Declaration of Robert O'Neel III, para. 9.

<sup>15</sup> In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988)

It is solely the responsibility of the patentee to ensure that the maintenance fee is paid timely to prevent expiration of the patent. 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. A delay for failure to provide the Patent and Trademark Office with a current correspondence address does not constitute an unavoidable delay.<sup>16</sup>

C. The delay was caused in part by failure to monitor actions of attorney Smith.

Petitioner had a responsibility to monitor Attorney Smith's and/or the law firm's performance under an alleged contract or diligently inquire of the attorney or the USPTO into the status of the patent. No evidence has been provided that any inquiry was made as to the status of the patent until May of 2004, almost four years since the patent expired. Failure to monitor the status of a patent, does not reflect the due care and diligence employed by a prudent and careful person with respect to their most important business and as such cannot demonstrate that the delay was unavoidable delay. Petitioner argues on renewed petition that attorney Smith stated the maintenance fee had been paid. Yet the record continues to lack a showing that the petitioner ever paid the attorney for services rendered specifically for the above-identified patent.

D. Petitioner failed to exercise due diligence.

The expiration of the patent occurred four years prior to the submission of the petition under 37 CFR 1.378(b). Petitioner had a duty to exercise due diligence, and this duty was not discharged by the alleged negligence of a clerk or attorney. See Douglas v. Manbeck, 21 U.S.P.Q.2D (BNA) 1697 (E.D. Pa. 1991), *aff'd* 24 F.3d 1318, 24 USPQ2d 1318 (Fed. Cir. 1992) (applicant's lack of due diligence "overcame and superseded any negligence by the attorney. The delay was not unavoidable, because had the plaintiff exercised the due care of a reasonably prudent person, he would have been able to act to correct the situation in a timely fashion.").

Petitioner has failed to establish that the failure to pay the maintenance fee was unavoidable.

**CONCLUSION**

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<sup>16</sup>See Ray v. Lehman, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995).

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).

Since this patent will not be reinstated, a refund check covering the maintenance fees (3.5 and 7.5 year) and surcharge fee will be forwarded to petitioner.

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 cursive script, appearing to read "Charles Pearson".

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