



Paper No. 18

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OFFICE OF PETITIONS

In re Patent No. 5,626,430 :
Issue Date: May 6, 1997 :
Application No. 08/237,552 : FINAL AGENCY DECISION
Filed: May 3, 1994 :
Title: ADAPTABLE PRESSURING WRITING :
INSTRUMENT HOLDER :

This is in response to the Renewed Petition, filed August 23, 2004, under 1.378(e) to accept the unavoidably delayed payment of the first maintenance fee in the above-identified patent. This request is made, in light of, the supplement to petition entitled "Request for Reconsideration of Dismissal," filed September 24, 2004.

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

BACKGROUND

The patent issued May 6, 1997. The grace period for paying the 3-½ year maintenance fee ended at midnight on May 6, 2001, with no payment received. Thus, the patent expired on May 6, 2001.

On July 16, 2004, the initial petition was filed by sole patentee Carl Bistrack. Petitioner contended that the delay in payment of the maintenance fee was unavoidable due to a lack of funds of the company that holds the instant patent to either pay a patent attorney or to pay the maintenance fee. Mr. Bistrack stated that he had to assume the responsibility of future tracking of patent maintenance fees. However, he had little funds and had to assume other low paying jobs. He stated that he did not have sufficient funds for any and all maintenance fees until 2003. At which point, in July of 2003, he contacted the United States Patent and Trademark Office but was misinformed that the maintenance fee was due May 6, 2004. He did not realize that the patent was expired until a call to the Office in or about July 2004.

By decision mailed August 23, 2004, the petition was dismissed for failure to make an adequate showing of unavoidable delay

within the meaning of § 1.378(b). Petitioner did not submit detailed financial records to support a conclusion that the delay in payment of the maintenance fee was unavoidable due to financial hardship. Petitioner alleged, but did not show, that he had a tracking system in place to ensure timely filing of the maintenance fee. (On the same date as the dismissal, petitioner filed this renewed petition, which was supplemented on September 24, 2004.)

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) provides that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the 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. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(a) provides that:

The Director may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. If the Director accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

37 CFR 1.378(c) provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section 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 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.

OPINION

The window for paying the first maintenance fee without surcharge was open from May 6, 2000 to November 6, 2000. The grace period for paying the first maintenance fee with a late surcharge ran from November 7, 2000 and through the day of the 4th anniversary of the grant of the patent, May 6, 2001.

The initial petition to accept the delayed payment of the maintenance fee was dismissed because patentee did not show that despite reasonable care on his part and reasonable steps to ensure timely payment or timely reinstatement, the maintenance fee was unavoidably not paid and the petition was not filed until July 16, 2004. Petitioner indicated that the failure to pay the maintenance fee was due in part to financial hardship. However, patentee failed to submit evidence in support of his claim that neither himself nor the company to whom the patent was assigned had sufficient funds to pay the maintenance fee. Moreover, although patentee indicated that he was charged with tracking future maintenance fee payments, he did not detail the system in place to ensure timely payment of the fees.

Further, petitioner attributed the delay in submitting payment with a petition to reinstate from July 2003 to July 2004 to being informed by the patent office in a telephone inquiry that the fee was not due until May 6, 2004. Petitioner stated that had he been given the correct information, there is no doubt he would have paid the older patent fees first to keep it in force - or in this case to revive the patent. Petitioner states that there was sufficient funding available at that time to pay all needed maintenance fees on both patents.

On instant request for reconsideration, patentee continues to maintain that the delay in paying the maintenance fee was unavoidable based on the inability to pay during the year in question. Patentee still does not detail the system that he had in place to ensure timely payment of the maintenance fee. Rather, in support of the request for reconsideration, patentee submits the tax return/balance sheet for Dexterity Technologies Corp for the year 2000. In addition, patentee sent in his personal tax return for the year 2000 and copies of leases, utility bills, and reasonable estimates of food, clothing, and medical expenditures for the year.

Petitioner's evidence and arguments have been considered and it is concluded that petitioner has not carried his burden of proof that the entire delay in payment of the maintenance fee was unavoidable within the meaning of 37 CFR 1.378. Petitioner's evidence supports a conclusion that as of November 6, 2000, patentee may not have had sufficient funds to pay the maintenance fee. Moreover, the evidence is consistent with a conclusion that

the assignee did not have sufficient funds as of November 6, 2000 to pay the maintenance fee.

However, as previously stated, petitioner needs to show that petitioner knew of the requirement to pay the maintenance fee and desired to pay the maintenance fee, but simply could not have afforded to pay the fee when due because of financial hardship. A showing of financial hardship does not excuse a failure to have a system in place to ensure timely payment of the maintenance fee.

Petitioner has not disclosed a system in place designed to ensure the timely payment of the maintenance fee.

Moreover, petitioner's actions in 2003 indicate that he did not have a system in place to ensure timely payment of the maintenance fee. Any such system to be effective would include the due dates for the maintenance fees to avoid expiration of the patent. The fact that petitioner had to call the Office in 2003 indicates that petitioner was not just prevented from timely paying the maintenance fee due to a lack of funds, but that there was also a lack of knowledge of the due dates for the maintenance fee. Petitioner's calls indicate that he relied on the Office to advise him of when the fee was due and that in 2000 he did not have records to advise himself of the due date (or that the due date had passed and the patent expired). Specifically, he states that he did not realize the patent was expired until a call to the Office in or about July 2004.

Moreover, a person seeking reinstatement of an expired patent should not make a statement that the delay in payment of the maintenance fee was unavoidable unless the entire delay including the delay from the date it was discovered that the maintenance fee was not paid timely up until the maintenance fee was actually paid, was unintentional and unavoidable. As language in 35 U.S.C. 41(c)(1) is identical to that in 35 U.S.C. 133 (i.e., "unavoidable" delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. 133. See *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), *aff'd sub nom. Rydeen v. Quigg*, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff'd*, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992)). Furthermore, the phrase "unless the petition is filed under [35 U.S.C.] 133 or 151" signifies that petitions to revive filed on the basis of "unavoidable" delay (under 35 U.S.C. 133 or 151) are a subset of petitions to revive filed on the basis of unintentional delay. That is, "unavoidable" delay and "unintentional" delay are not alternatives; "unavoidable" delay is the epitome of "unintentional" delay. Any petition to revive an abandoned application or lapsed patent must meet the minimal "unintentional" delay threshold.

Furthermore, the USPTO has long indicated that the delay resulting from a deliberative "business decision" to not take a required, timely action is a delay that precludes revival or reinstatement under the even less stringent standard of unintentional delay. As such, where the responsible person permits an application to become or remain abandoned (e.g. due to

a conclusion that 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), or a patent to remain expired (for the same aforementioned reasons), the continued abandonment of such application or continued expiration of such patent is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered to be as "unintentional" within the meaning of 37 CFR 1.137(b) or 37 CFR 1.378(c). See *In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989). Such intentional action or inaction precludes a finding of unintentional delay, even if such is due, in whole or in part, to a good faith error on petitioner's part.

Inasmuch as petitioner states that he had sufficient funds to pay the maintenance fee in July of 2003, it is concluded that any financial hardship had ceased by that point. Thus, the question is whether the delay in submission of the petition and late maintenance fee a year later, in July 2004, was unavoidable within the meaning of 37 CFR 1.378. Petitioner indicates that the decision to wait to submit the petition and maintenance fee was a deliberately chosen course of action. Petitioner indicates that he chose to pay the other patent and wait to pay this maintenance fee until May 6, 2004. As such, it is concluded that the delay was not unintentional. Thus, on this basis, a finding that the entire delay in paying the maintenance fee was unavoidable is precluded.

It is further noted that reliance on oral advice from USPTO employees does not constitute unavoidable delay. Thus, the fact that petitioner intentionally chose not to pay the maintenance fee based on oral advice from USPTO employees does not excuse the failure to promptly submit a petition to reinstate or to pay the maintenance fee.

Despite the showing of financial hardship, petitioner has not met his burden as 1) petitioner has not shown that steps were in place to ensure timely payment of the maintenance fee, 2) the evidence indicates that the delay in submitting the maintenance fee was intentionally delayed from July 2003 to July 2004, and 3) delay based on reliance on oral advice from USPTO employees does not constitute unavoidable.

CONCLUSION

Petitioner has failed to meet his burden of proving to the satisfaction of the Director that the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. §41(c) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and this patent remains expired. The petition is denied.

The USPTO will not further consider or reconsider this matter. See 37 CFR 1.378(e).

The maintenance fee and surcharge will be refunded to petitioner under separate cover by the Office of Finance.

The patent file is being returned to files repository.

Telephone inquiries related to this decision may be directed to Senior Petitions Attorney Nancy Johnson at (571) 272-3219.

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