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OFFICE OF PETITIONS

In re Patent No. 5,772,630 :
Issue Date: June 30, 1998 : **DECISION ON PETITION**
Application No. 08/619,634 :
Filed: March 27, 1996 :
Attorney Docket No. 149-031 :

This is a decision in response to the petition under 37 CFR 1.378(e), filed on March 30, 2007, requesting reconsideration of a prior decision refusing to accept the delayed payment of a maintenance under 37 CFR 1.378(b) and reinstate the above-identified patent.

The request to accept the delayed payment of the maintenance fee and reinstate the above-identified patent is **DENIED**. This decision is 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 on June 30, 1998. The first maintenance fee could have been paid during the period from June 30, 2001 through December 30, 2001 or with a surcharge during the period from December 31, 2001 through June 30, 2002. Accordingly, this patent expired on July 1, 2002, for failure to timely remit the maintenance fee.

On March 30, 2006, petitioner filed a petition under 37 CFR 1.378(b), which was dismissed by the decision of January 30, 2007. On March 30, 2007, petitioner filed the present petition requesting reconsideration of the decision of January 30, 2007, refusing to accept the delayed payment of a maintenance under 37 CFR 1.378(b) and reinstate the above-identified patent.

STATUTE AND REGULATION

35 U.S.C. § 41(b) provides that:

The Director shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

- (1) 3 years and 6 months after grant, \$900.
- (2) 7 years and 6 months after grant, \$2,300.
- (3) 11 years and 6 months after grant, \$3,800.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period. The Director may require the payment of a surcharge as a condition of accepting within such 6-month grace period the payment of an applicable maintenance fee. No fee may be established for maintaining a design or plant patent in force.

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(b) provides that:

Any 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(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 Director may accept the late payment of a maintenance fee if the delay is shown to the satisfaction of the Director to have been unavoidable. See 35 U.S.C. § 41(c)(1).

Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. 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. 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. In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (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 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).

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 CFR 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 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

The Office has carefully considered all of the arguments presented in the petition under 37 CFR 1.378(e); 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).

DISCUSSION

Petitioner, Biovitrum AB (Biovitrum) (current assignee), explained that on August 15, 2001, the law firm of Pepper Hamilton LLP (previous attorneys of record) sent a letter to their client, Pharmacia & Upjohn AB (Pharmacia) (previous assignee), seeking instructions regarding payment of the first maintenance fee by September 3, 2001. The letter indicated that Pepper Hamilton would authorize their annuity payment service to proceed with payment of the maintenance fee if no instructions were received by that date.

Petitioner asserted that the subject patent was among many patents and applications, which were transferred from Pharmacia to Biovitrum in August and September 2001. Petitioner stated that on August 29, 2001, at the instruction of Pharmacia, responsibility for handling this patent transferred from Pepper Hamilton to Fish & Richardson P.C. On that date, Pepper Hamilton's original file was sent to Fish & Richardson. Fish & Richardson indicated that according to its standard practice for Biovitrum, unless instructed otherwise, it does not docket or handle the payment of maintenance fees for this patent. Instead, Biovitrum instructs its annuity service to attend to the maintenance fee payments. Fish & Richardson asserted that the original file did not contain the letter of August 15, 2001, stating that Pepper Hamilton would proceed with the payment of the maintenance fee if it did not receive instructions from patentee, and thus, Fish & Richardson took no action to pay the maintenance fee upon receiving the file.

Petitioner stated that on September 10, 2001, Pepper Hamilton faxed Pharmacia a reminder copy of the letter of August 15, 2001. Petitioner indicated: "[t]he letter was stamped 'URGENT' and stated '[i]f we do not receive your instructions by close of business today, we will instruct our annuity service to proceed with payment of all fees.'" *Petition dated 03/30/07, pp. 1-2.* Petitioner stated that on September 11, 2001, Biovitrum received from Pharmacia a copy of the September 10, 2001 facsimile. Additionally, petitioner asserted that on September 11, 2001, Pharmacia contacted Biovitrum and told Biovitrum to instruct Pepper Hamilton to pay the fee.¹ Petitioner stated that on September 11, 2001, Biovitrum instructed Pepper Hamilton to pay the first maintenance fee "(circling the instruction to 'pay' the fee and writing by hand '[w]e hereby confirm that the annuity-fee should be paid according to your suggestions')." *Petition, p. 2.*

Petitioner asserted that it took reasonable care to ensure that the maintenance fee was timely paid. Petitioner indicated that on December 22, 2005, Master Data Center informed petitioner that its attempt to pay the second maintenance fee was denied by the USPTO because another party previously

¹ The instructions from Pharmacia were sent in a Swedish language e-mail to Christina Elroth, an assistant who is no longer employed by Biovitrum. The USPTO did not receive a copy of this e-mail; however, Lars Höglund, Head of Biovitrum's Patent Department, attested to this fact in his declaration.

paid it. On February 2, 2006, after investigating the matter, petitioner's attorney informed petitioner that the patent had expired for non-payment of the first maintenance fee.

ANALYSIS

In determining whether the delay in paying a maintenance fee was unavoidable, the Office looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. See Douglas v. Manbeck, 21 USPQ2d 1697 (E.D. Pa. 1991). The patent owner at the time of the expiration of the patent is ultimately the person responsible to ensure the timely payment of the maintenance fees. The patent owner may engage another to track and/or pay the maintenance fees; however, merely engaging another does not relieve the patent owner from his obligation to take appropriate steps to ensure the timely payment of such maintenance fees. See California Medical Prods. v. Tecnol Medical Prods., 921 F. Supp. 1219, 1259 (D. Del. 1995)

As previously stated, Biovitrum was the patent owner at the time of the expiration of the patent, and therefore, was ultimately responsible for ensuring the timely payment of the maintenance fee. Petitioner admitted that on August 29, 2001, prior to instructing Pepper Hamilton to pay the first maintenance fee, Pepper Hamilton had transferred the file to Fish & Richardson and was no longer responsible for this patent. The communications of August 15, 2001, and September 10, 2001, were sent from Pepper Hamilton to their then client, Pharmacia. There is nothing in the record that shows that Pepper Hamilton owed a duty to track or pay the maintenance fees on behalf of Biovitrum.

Assuming, *arguendo*, Pepper Hamilton owed a duty to Biovitrum, Dr. Gilberto Villacorta, a former partner at Pepper Hamilton, who was responsible for the patent portfolio, was unable to provide any specific knowledge of the events. In his declaration, he stated that he could "only reasonably presume that the events of September 11, 2001, and the ensuing shock, confusion and uncertainty may have contributed to the ultimate unintentional abandonment of the '630 patent." *Declaration of Villacorta dated 03/30/07, p. 2*. The Office notes that Biovitrum is bound by consequences of the actions or inactions of its duly authorized and voluntarily chosen representatives. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992). Specifically, delay caused by the actions or inactions of a voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. 133. Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130 (D. Ind. 1987) ("If that 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 [that attorney's] action or inaction with regard to the patent application"). The Office further notes that 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)(3). See Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). Moreover, the USPTO is not the proper forum for resolving a dispute between a patent owner and a representative as to who bore the responsibility for paying a maintenance fee. Id.

DECISION

The Office has reconsidered the prior decision refusing to accept the delayed payment of the maintenance fee under 37 CFR 1.378(b) and reinstate the above-identified patent. For the reasons stated, petitioner has failed to show to the satisfaction of the Director that the entire delay in paying the maintenance fee for the above-identified patent was unavoidable within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3). Therefore, the Office is precluded from accepting the delayed payment of the maintenance fee for the above-identified patent. The Director will not undertake any further review or reconsideration of the matter. See 37 CFR 1.378(e).

As the above-identified patent will not be reinstated, the \$900.00 and \$2,300.00 maintenance fees due at 3.5 and 7.5 years, respectively, and the \$700.00 surcharge will be refunded to the Deposit Account.

The patent file is being forward to Files Repository.

Telephone inquiries should be directed to Senior Petitions Attorney Christina Tartera Donnell at (571) 272-3211.



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