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OFFICE OF PETITIONS

In re Patent No. 5862529 :
Issued: 01/26/1999 :
Application No. 08/590296 : ON PETITION
Filed: 01/23/1996 :
Atty Docket No. 0003366USO/3174 :

This is a decision on the petition under 37 CFR 1.378(e),¹ filed on 11 May, 2007, requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-referenced patent.

The request to accept the delayed payment of the maintenance fee is **DENIED**.²

BACKGROUND

The patent issued on 26 January, 1999. The first maintenance fee could have been paid during the period from 28 January through 28 July, 2002, or, with a surcharge during the period from 29 July, 2002, through 26 January, 2003. Accordingly, this patent expired at midnight on 26 July, 2003, for failure to timely remit the

¹ A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must be 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.

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

first maintenance fee. The petition under 37 CFR 1.378(b) filed on 8 December, 2006, was dismissed on 12 March, 2007. This request for reconsideration, accompanied by payment of the maintenance fees and the reconsideration fee of \$400.00, was filed on 11 May, 2007.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required subsection (b) of this section which is made within twenty-four months after the six-month grace period if this 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.

37 CFR 1.366(a) states that:

The patentee may pay maintenance fees and any necessary surcharges, or any person or organization may pay maintenance fees and any necessary surcharges on behalf of a patentee. Authorization by the patentee need not be filed in the Patent and Trademark Office to pay maintenance fees and any necessary surcharges on behalf of the patentee.

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

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 late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable".³ A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."⁴ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁵ Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35 U.S.C. § 133.⁶ Under 35 U.S.C. § 133, the Director may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Director to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁷ However, 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.⁸ In view of In re Patent No. 4,409,763,⁹ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

This petition does not satisfy the requirement of 37 CFR 1.378(b)(3). The statements presented in the petition fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 CFR 1.378(b).

A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) must be accompanied by (1) an adequate, verified 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

³ 35 U.S.C. § 41(c)(1).

⁴ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁵ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁶ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁷ 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 men 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).

⁸ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁹ 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

became aware of, the expiration of the patent, (2) payment of the appropriate maintenance fee, unless previously submitted, and (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1).

In the original petition, filed on 8 December, 2006, petitioners asserted that the payment of the maintenance fee was delayed because petitioners' former patent attorney, Richard A. Jordan, failed to pay the maintenance fee or inform petitioners that it was due. Petitioners further aver that attorney Jordan became ill and ceased to practice, but failed to notify either the USPTO to petitioners that he was no longer practicing.

The petition was dismissed in a decision mailed on 12 March, 2007, which stated that if petitioners could not establish that Jordan had docketed the maintenance fee, then the burden shifted to petitioners to show that the maintenance fee had been docketed. Petitioners were also encouraged to attempt to contact Jordan and request that he explain whether or not the patent had been docketed for payment of the maintenance fee.

In the present renewed petition, petitioners state that they did attempt to contact Jordan, but were unable to reach him. Petitioners have provided documentation that they located the address of attorney Jordan, but that he refused to answer phone calls or to accept mail from petitioners.

Petitioners argue, in their renewed petition, that their reliance upon attorney Jordan was reasonable, and that Jordan's failure to take steps to timely pay the maintenance fee constitutes unavoidable delay.

Petitioners further aver, in pertinent part:

To penalize the petitioners for the failure of their licensed attorney to timely pay the maintenance fees due in this case, would be contrary to the clear and unambiguous meaning of the requirements of the regulations set forth in 37 CFR. It is absolutely inappropriate for the USPTO to demand that the petitioners investigate the docketing system and all personnel employed by their licensed patent attorney to ensure that it is sufficient to ensure the timely payment of maintenance fees.

Petitioners' arguments have been considered, but are not persuasive.

A petition to accept the delayed maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) must be accompanied by (1) an adequate, verified 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, (2) payment of the appropriate maintenance fee, unless previously submitted, and (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1). This petition lacks requirement (1).

The Director may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable".¹⁰

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

As 35 USC § 41(b) 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 USC § 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.¹¹ That is, 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 by the responsible party to ensure the timely payment of the first maintenance fee for this patent.¹²

However, petitioners have not provided the requisite showing of the steps taken by the responsible party to ensure the timely payment of the first maintenance fee. In this regard, while the office acknowledges petitioners' efforts to contact their former attorney, the failure of that attorney to provide a showing of the steps taken to ensure timely payment of the maintenance fee does not constitute unavoidable delay.

Further in this regard, the Office does not require petitioners to evaluate the sufficiency of their former counsel's docketing system, but merely to provide a showing that someone, counsel or otherwise, had taken the steps of a reasonable and prudent person in respect to his or her most important business, to track and

¹⁰ 35 U.S.C. § 41(c)(1).

¹¹ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

¹² Id.

timely pay the maintenance fee. If petitioners asserts that they relied upon counsel, then they must shown that counsel had docketed the patent for payment of the maintenance fee. In this case, however, petitioners have not shown that anyone had docketed this patent for the payment of the first maintenance fee.

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 applicant is bound by the consequences of those actions or inactions.¹³ Specifically petitioners' delay caused by the mistakes or negligence of their voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. § 41(c)(1) or 37 CFR 1.378(b).¹⁴ Petitioners were not forced, but rather made a conscious decision to obtain the services of the chosen representative in payment of the maintenance fees for this patent, and therefore must be held accountable for his actions, or lack thereof, before the Office.

Specifically, 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).¹⁵ Furthermore, while petitioners allegedly chose to rely upon counsel, such reliance *per se* does not provide petitioners with a showing of unavoidable delay within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b).¹⁶ Rather, reliance merely shifts the focus of the inquiry from petitioners to whether the practitioner acted reasonably and prudently.¹⁷ Nevertheless, petitioners are bound by any errors that may have been committed by counsel.¹⁸ Furthermore, the failure of communication between an applicant and counsel is not unavoidable delay.¹⁹ Petitioners should also note that the U.S. Patent and Trademark Office is not the proper forum for resolving disputes between patentees and their representatives.

¹³ Link v. Wabash, 370 U.S. 626, 633-34 (1962).

¹⁴ 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).

¹⁵ See Ray, at 619, 34 USPQ2d at 1789.

¹⁶ See California Medical Products v. Technol Med. Prod., 921 F. Supp. 1219, 1259. (D. Del. 1995).

¹⁷ Id.

¹⁸ California, *supra*.

¹⁹ In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988).

As such, any errors or omissions of Jordan did not relieve petitioners from their obligation to exercise diligence with respect to this patent.²⁰ In the absence of an adequate showing of petitioners' diligence in this matter throughout the period in question, the actions or inactions of the registered practitioners will remain imputed to petitioners.²¹

In fact, at the time the maintenance fee fell due the showing of record is that neither Jordan nor petitioners had any steps in place to ensure payment of the maintenance fee. However delay resulting from the failure of the patent holder to have any steps in place to pay the fee by either obligating a third party to track and pay the fee, or by itself assuming the obligation to track and pay the fee, is not unavoidable delay.²²

In summary, the showing of record is inadequate to establish unavoidable delay. Petitioners have not shown that either counsel or petitioner had docketed the patent for payment of the first maintenance fee in a reliable tracking system. Rather, than unavoidable delay, the showing of record is that petitioners failed to take adequate precautions to ensure that maintenance fees were timely paid. Nor have petitioners shown that Jordan was under any obligation, or had any agreement, to track and pay the maintenance fee for the present patent. As petitioners have not shown that they exercised the standard of care observed by a reasonable person in the conduct of his or her most important business, the petition will be denied.²³

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. The petition under § 1.378(c) has also been considered. For the above stated reasons, the delay in this case cannot be regarded as unavoidable, or unintentional,

²⁰ Douglas v. Manbeck, 1991 U.S. Dist. LEXIS 16404, 21 USPQ2d 1697, 1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (applicant's failure over two and one half year period, to exercise any diligence in prosecuting his application overcame and superseded any omissions on the part of his representative).

²¹ See In re Lonardo, 17 USPQ2d 1455 (Comm'r Pat. 1990).

²² See R.R. Donnelley & Sons Co. v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244, 1247 (N.D. Ill. 2000); Ray, *supra*; California, *supra*; Femspec v. Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D. Ca 2007).

²³ See note 7, *supra*.

within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b) and (c).

Since this patent will not be reinstated, the maintenance fee(s) and surcharge fee(s) submitted by petitioner will be refunded by treasury check. The \$400.00 fee for reconsideration will not be refunded.

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

Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 571-272-3231.

A handwritten signature in black ink, appearing to read "Charles A. Pearson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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