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In re Application of :
Benjamin D. Knox :
Application No. 09/348,870 :
Patent No. 6,332,887 :
Filed: July 7, 1999 : DECISION ON RENEWED PETITION
Issue Date: December 25, 2001 : PURSUANT TO
Attorney Docket Number: : 37 C.F.R. § 1.378(E)
66318.0102 :
Title: SPINAL FUSION :
INSTRUMENTATION SYSTEM :
:

This is a decision on the renewed petition filed August 1, 2008, pursuant to 37 C.F.R. § 1.378(e), 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.

This renewed petition pursuant to 37 C.F.R. § 1.378(b) is **DENIED.**¹

¹ 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.

Background And Procedural History

The patent issued on December 25, 2001. The grace period for paying the 3½-year maintenance fee provided in 37 C.F.R. § 1.362(e) expired at midnight on December 25, 2005, with no payment received. Accordingly, the patent expired on December 25, 2005 at midnight.

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.

Petitioner has met the first and second requirements of 37 C.F.R. § 1.378(c). The third requirement has not been met. A discussion 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 delay² is shown to the satisfaction of the Director to have been unavoidable. Rule 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

² 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).

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.³

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."⁴

The burden of showing the cause of the delay is on the person seeking to revive the application.⁵

The portions of the MPEP relevant to the facts as presented

MPEP § 2504: Patents Subject to Maintenance Fees

37 CFR 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:

(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.

3 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).

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

5 Id.

(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.

Maintenance fees are required to be paid on all patents based on applications filed on or after December 12, 1980, except for plant patents and design patents. Furthermore, maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees. Application filing dates for purposes of determining whether a patent is subject to payment of maintenance fees are as follows:

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

(B) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119(a)-(d), the actual United States filing date of the application.

(C) 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.

(D) 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 nonreissue application on which the patent reissued is based.

(E) For an international application that 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.

MPEP § 2506: Times for Submitting Maintenance Fee Payments

37 CFR 1.362(d) sets forth the time periods when the maintenance fees for a utility patent can be paid without surcharge. Those periods, referred to generally as the "window period," are the 6-month periods preceding each due date. The "due dates" are defined in 35 U.S.C. 41(b). The window periods are (1) 3 years to 3 1/2 years after the date of issue for the first maintenance fee payment, (2) 7 years to 7 1/2 years after the date of issue for the second maintenance fee payment, and (3) 11 years to 11 1/2 years after the date of issue for the third and final maintenance fee payment. A maintenance fee paid on the last day of a window period can be paid without surcharge. The last day of a window period is the same day of the month the patent was granted 3 years and 6 months, 7 years and 6 months, or 11 years and 6 months after grant of the patent. 37 CFR 1.362(e) sets forth the time periods when the maintenance fees for a utility patent can be paid with surcharge. Those periods, referred to generally as the "grace period," are the 6-month periods immediately following each due date. The grace periods are (1) 3 1/2 years and through the day of the 4th anniversary of the grant of the patent, (2) 7 1/2 years and through the day of the 8th anniversary of the grant of the patent and, (3) 11 1/2 years and through the day of the 12th anniversary of the grant of the patent. A maintenance fee may be paid with the surcharge on the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant to prevent the patent from expiring. Maintenance fees for a reissue patent are due based upon the schedule established for the original utility patent. The filing of a request for ex parte or inter partes reexamination and/or the publication of a reexamination certificate does not alter the schedule of maintenance fee payments of the original patent. If the day for paying a maintenance fee falls on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee may be paid on the next succeeding day that is not a Saturday, Sunday, or Federal holiday. For example, if the window period for paying a maintenance fee without a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid without surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. Likewise, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid with surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. In the latter situation, the failure to pay the maintenance fee and surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia will result in the patent expiring on a date (4, 8, or 12 years after the date of grant) earlier than the last date on which the maintenance fee and surcharge could be paid. This situation results from the provisions of 35 U.S.C. 21, but those provisions do not extend

the expiration date of the patent if the maintenance fee and any required surcharge are not paid when required. For example, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, the maintenance fee and surcharge could be paid on the next succeeding business day, e.g., Monday, but the patent will have expired at midnight on Saturday if the maintenance fee and surcharge were not paid on the following Monday. Therefore, if the maintenance fee and any applicable surcharge are not paid, the patent will expire as of the end of the grace period as listed above. A patent that expires for failure of payment will expire on the anniversary date the patent was granted in the 4th, 8th, or 12th year after the grant.

MPEP § 2515: Information Required for Submission of Maintenance Fee Payment states, *in pertinent part*:

If a patent expires because the maintenance fee and any necessary surcharge have not been paid in the manner required by 37 C.F.R. 1.366, the patentee could proceed under 37 C.F.R. 1.378 (see MPEP § 2590), if appropriate, or could file a petition under 37 C.F.R. 1.377 (see MPEP § 2580) within the period set therein seeking to have the maintenance fee accepted as timely even though not all of the required identifying data was present prior to expiration of the grace period.

MPEP § 2575 sets forth, *in pertinent part*:

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.

Procedural History

An original petition pursuant to 37 C.F.R. § 1.378(b) was filed on March 28, 2008, and was dismissed via the mailing of a decision on June 16, 2008.

This renewed petition was filed on August 1, 2008. On September 10, 2008, a Request for More Information was mailed, which set a one-month period for response. A response was received on October 7, 2008.

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.

The period for paying the 3½-year maintenance fee without the surcharge extended from December 25, 2004 to June 25, 2005 and for paying with the surcharge from June 26, 2005 to December 25, 2005. Thus, the delay in paying the 3½-year maintenance fee extended from December 25, 2005 at midnight to the filing of the original petition on March 28, 2008.

With the original petition, Petitioner established that Patentee and his representative communicated solely by e-mail. In June of 2005, Patentee's representative sent an e-mail to the Patentee, informing him of the need to submit a maintenance fee, and instructions on how this payment could be effectuated via the Office's website. Patentee's representative heard no response. Unbeknownst to Patentee's representative, the Patentee had previously changed his e-mail address, and consequently, the Patentee did not receive this e-mail.⁶ The Patentee has established that he did not inform his representative of this change in contact information.⁷

In January of 2008, Patentee's representative attempted to contact the Patentee via e-mail about an unrelated matter, and learned that the e-mail address that was on file was no longer valid. Patentee's representative was able to locate the Patentee's postal address, and sent him a letter 8 days after learning of the invalidity of the e-mail address.⁸

During the prosecution of this application and the issuance of this patent, Petitioner was a member of the law firm of Heller Eherman LLP (Heller).⁹ When this patent issued, Patentee's representative forwarded the Letters Patent to Patentee, "with a cover letter...indicating that Heller had docketed the maintenance

⁶ It has been speculated that this e-mail was received at the Patentee's former e-mail address, but that this account was not accessed by the Patentee subsequent to the receipt of said e-mail. However, this appears to amount to mere supposition and conjecture.

⁷ Knox affidavit provided with original petition, paragraph 8.

⁸ Remenick affidavit provided with original petition, paragraphs 10-14.

⁹ Original petition, page 2.

fee due dates and would make every effort to inform Patentee in advance of those due dates."¹⁰ Three years later, in December of 2004, Patentee's representative transferred to the law firm of Powell Goldstein LLP (Powell), and "Patentee requested that responsibility for the Patent be transferred to Attorney and Powell."¹¹ Hence, "Powell entered the maintenance fee due dates into its docket system...[i]t was while the Patent was with Powell that the maintenance fee became due."¹²

The decision on the original petition set forth, in pertinent part:

First, the petition does not enumerate the steps taken to ensure timely payment of the maintenance fee. Patentee's representative has referred to a docket system that was in place at the law firm of Powell Goldstein, however it does not appear that a description of that system has been provided with this petition.

Second, it has not been established that the actions of the Patentee were consistent with those of a reasonably prudent individual, acting in relation to his most important business. The Patentee has set forth that he "relied" on his representative to provide "advance notification of the maintenance fee due dates"¹³. However, a reasonably prudent individual, acting in relation to his most important business, would not rely on his representative to provide notification to him regarding a particular matter, and then fail to inform his representative of a change in contact information.

Third, it has not been established that the actions of Patentee's representative were consistent with those of a reasonably prudent individual, acting in relation to his most important business. Patentee's representative has asserted that he sent an e-mail to the Patentee, notifying him that a maintenance fee was due. Patentee's representative is a registered practitioner, and as such, he either knew or should have known of the extreme consequences that can befall a patentee who fails to submit a maintenance fee in a timely manner. However, the petition is silent as to any efforts that were made to ensure that this communication was received. As such, it appears that Patentee's representative sent this e-mail, and never followed up to determine if it had been received. It is noted that in January of 2008, Patentee's representative was able to ascertain a different manner of contacting the Patentee in a relatively short period of time. Had Patentee's representative acted as a reasonably prudent person, acting in relation to his most important business, he would have sent a letter to the Patentee

¹⁰ Id.

¹¹ Id.

¹² Id.

¹³ Knox affidavit provided with original petition, paragraph 5.

inquiring as to whether the e-mail had been received, and it is likely that the maintenance fee would have been submitted in a timely manner.

Emphases included.

The three points raised in the decision on the original petition:

Regarding the first point, with this renewed petition, Petitioner has not enumerated the steps taken to ensure timely payment of the maintenance fee. 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). As such, the record does not support a finding that the entire period of delay was unavoidable.

Petitioner's representative has asserted that the reminder letter which was sent to Patentee was merely an "unsolicited courtesy,"¹⁴ due to the contention that "Patentee was no longer represented by the law firm which sent the original letter noting the maintenance fee due dates...Patentee respectfully asserts that he was at all times solely responsible for maintenance fee payments."¹⁵ The fact that Patentee was no longer represented by Heller is irrelevant, as Powell undertook the responsibility of tracking the maintenance fees for this patent. See the portion of this decision above contained on the top of the previous page, directed towards Patentee's representative agreeing to transfer responsibility of this patent from Heller to Powell. See also Knox affidavit provided with the original petition, paragraphs 5-6.

¹⁴ Renewed petition, page 3.

¹⁵ Id.

Moreover, the fact that Powell entered "the maintenance fee due dates into its docket system"¹⁶ strongly suggests that Patentee was not "at all times solely responsible for maintenance fee payments," as has been asserted on renewed petition.

Regarding the second point, this point has not been addressed on renewed petition. The finding regarding this point stands: a reasonably prudent individual, acting in relation to his most important business, would not rely on his representative to provide notification to him regarding a particular matter, and then fail to inform his representative of a change in contact information.

Regarding the third point, this point has not been addressed on renewed petition. The finding regarding this point also stands: the actions of Patentee's representative were not in line of a reasonably prudent individual, acting in relation to his most important business, for he undertook minimal effort to contact the Patentee when the time for paying the first maintenance fee arose.

Additional considerations raised in the Request for More Information¹:

With this renewed petition, Petitioner has argued "the delay in making the maintenance fee payment was due to computer problems" experienced by the Patentee,¹⁷ who maintained "all records regarding the above-captioned patent electronically on one personal computer."¹⁸ More specifically, Patentee "noted the maintenance fee due dates into" the calendar function of Microsoft Outlook®.¹⁹ The hard drive within his personal computer suffered a catastrophic failure in May of 2005, and with the crashing of his hard drive, all information located thereon was rendered inaccessible.²⁰

As set forth above, in response to this renewed petition, the Office mailed a Request for More Information on

¹⁶ Original petition, page 2.

¹⁷ Renewed petition, page 2.

¹⁸ Id.

¹⁹ Id.

²⁰ Id.

September 10, 2008. This Office communication made four inquiries regarding the failure of Patentee's hard drive:

1. Patentee will need to establish whether he had in place a back-up copy of his hard drive - specifically the information that he had input into the calendar function of the OUTLOOK® e-mail program.
2. Petitioner has set forth that the Patentee's computer hard drive crashed, and that no data that was contained thereon was able to be recovered. Patentee will need to detail the efforts that he undertook to attempt to recover said data.
3. Patentee will need to provide documentary evidence that substantiates the crashing of the hard drive.
4. Patentee will need to provide documentary evidence that substantiates the efforts that were made to recover the data contained on the hard drive.

Request for More Information, pages 3-4.

As set forth above, on original petition, it was asserted that Patentee's representative was responsible for monitoring the due date of the maintenance fees for this patent. With this renewed petition, it has been asserted that Patentee bore the sole responsibility for this monitoring. *Assuming arguendo* that the latter representation is accurate, Patentee's response to the Request for More Information indicates that Patentee's actions were not in line with those of a similarly situated, reasonably prudent and careful man, acting in relation to his most important business, as will now be pointed out.

First, Patentee has indicated that he had no "back-up copy of either the hard drive or the computer or any aspect of Outlook®."²¹ The failure of a computer hard drive, and the subsequent loss of the information contained thereon, is not an unforeseeable series of events. A reasonably prudent and careful man, acting in relation to his most important business, would have made regular and periodic back-ups of the information on his computer hard drive. This advance planning assures the relatively seamless transition from one data-storage medium to the other, resulting in an uninterrupted system for ensuring the timely submission of all maintenance fees associated with a patent for which he had accepted responsibility.

This is especially the case in light of the fact that Petitioner became aware of a problem with this computer more than five

²¹ Response to Inquiry, paragraph 4.

months prior to the complete failure of the hard drive.²² A reasonably prudent and careful man, acting in relation to his most important business, upon experiencing "intermittent computer problems"²³ with the computer which was used to store information that was vital to the maintenance of his most important business, would have gone to the relatively negligible effort and expense of backing up the hard drive.

Second, Patentee has indicated that he undertook no efforts to recover the data: after the crash of his hard drive, he placed the failed computer in his attic. It remained there for one to two years, when the computer was placed in a recycling bin for disposal.²⁴ No effort was made to recover the data stored thereon,²⁵ and a new computer was eventually purchased to replace the computer containing the failed hard drive.²⁶ Patentee recreated the dates in Outlook® as best as he could from memory,²⁷ but it appears that the requirement to submit this maintenance fee was overlooked.

The record does not support a finding that Patentee made any efforts to recover the data from this hard drive subsequent to the failure of the same. A reasonably prudent and careful man, acting in relation to his most important business, would have undertaken reasonable efforts to recover the data from a failed hard drive that contained crucial dates for performing actions necessary for insuring the maintenance of his most important business. Instead, Patentee merely disposed of his computer, without making any efforts to recover the data stored therein.

Regarding the third and fourth additional inquiries raised in the Request for More Information, as Patentee undertook no efforts to recover the lost data, he has no documentary evidence to provide which would substantiate the crash of the hard drive,

22 Renewed petition, page 2. See also Knox affidavit provided with renewed petition, paragraph 4.

23 Knox affidavit provided with renewed petition, paragraph 4.

24 Id. at 5 and 7.

25 In the fifth paragraph of the Response to Inquiry, Patentee asserts that this computer remained in the attic "as we thought that maybe we'd either find a use for it or remember needing a document so badly enough that it would be worth hiring an expert" to recover the data stored thereon. This admission evinces that for at least a portion of the period of delay in issuing the maintenance fee, Patentee was aware of the existence of professional data recovery services.

26 Id. at 6.

27 Id. at 5.

much less any subsequent efforts to recover the lost data contained therein.

Conclusion

The prior decision, which refused to accept, under 37 C.F.R. § 1.378(b), the delayed payment of the maintenance fee for the above-identified patent, has been reconsidered. For the above stated reasons, the delay 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 maintenance fee, but not the \$400 fee associated with the filing of this renewed petition pursuant to 37 C.F.R. § 1.378(e). These fees will be refunded to Petitioner's credit card in due course.

Telephone inquiries regarding *this decision* should be directed to Senior Attorney Paul Shanoski at (571) 272-3225.²⁸



Charles Pearson
Director
Office of Petitions
United States Patent and Trademark Office

²⁸ 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 Petitioner's further action(s).