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MAILED

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OFFICE OF PETITIONS

In re Patent No. 5,127,398 :
Issue Date: July 7, 1992 :
Application No. 07/340,250 :
Filed: April 19, 1989 :
Title. Breathing Apparatus :
Mouthpiece :

ON PETITION

This is a decision on the petition under 37 CFR 1.378(e), filed March 3, 2008.¹

The petition is **DENIED**². No further consideration of this matter will be undertaken by the Office.

BACKGROUND

The patent issued July 7, 1992. The 11.5 year maintenance fee could have been paid from July 7, 2003 to January 6, 2004, or with a surcharge during the period from January 7, 2004 to July 7, 2004. Petitioner did not do so. Accordingly, the patent expired July 8, 2004.

A petition under 37 C.F.R. § 1.378(b) to accept late payment of the maintenance fee was filed November 17, 2006. A decision dismissing the petition under 37 CFR 1.378(b) was mailed January 3, 2008 and is hereby incorporated by reference.

Petitioner asserts that the delay in submitting the maintenance fee and the submission of the original petition to reinstate the patent was due to financial circumstances, the fact Samuels, Gauthier & Stevens ("SGS") retained Cis-Lunar's patent files, and Cis-Lunar's reliance upon patent counsel to notify of upcoming maintenance fee due dates.

¹ The required petition fee, while referenced in the petition was not received. Therefore, the required petition fee of \$400.00 has been charged to petitioners' deposit account as authorized.

² 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.

STATUTES AND REGULATIONS

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.

A petition under 37 CFR 1.378(b) 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 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 Moreover, a late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. 133 because 35 U.S.C. 41(c)(1) uses the identical language, i.e., "unavoidable" delay⁴. Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable⁵. Further, decisions on revival are made on a

³ 35 U.S.C. 41(c)(1).

⁴ See, Ray v. Lehman, 55 F3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)).

⁵ See, 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

"case-by-case basis, taking all the fact and circumstances into account⁶." 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 delay⁷.

In essence, petitioner must show that he was aware of the need to pay the maintenance fee, and to that end was tracking it, or had engaged someone to track it before the expiration, but when the fee came due, was "unavoidably" prevented from making the maintenance fee payment due. In determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray, 55 F3d at 608-609, 34 USPQ2D at 1787. It is incumbent upon the patent owner to implement steps to schedule and pay the fee, or obligate another to do so. See California Medical Products v. Technol. Med. Prod., 921 F.Supp 1219, 1259 (D. Del. 1995). That is, 37 CFR 1.378(b)(3) requires a showing of the steps in place to pay the maintenance fee, and the record currently lacks a showing that any steps were emplaced by petitioner or anyone else. In the absence of a showing that petitioner or anyone else was engaged in tracking the maintenance fee due dates, and that party had in fact been tracking the due dates with a reliable tracking system, such as would be used by prudent and careful men in relation to their most important business, petitioner cannot reasonably show that the delay was unavoidable delay. In re Katrapat, 6 USPQ2d 1863, 1867-1868 (Comm'r Pat. 1988); California, supra.

Petitioner insists that the eight-month delay in submitting the original petition was due to financial circumstances. However as noted in the January 3, 2008 petition decision any argument regarding financial hardship must include a complete showing, with supporting documentation. Information is required of the financial condition of petitioner or the party responsible for payment of the maintenance fee. Such showing should include all income, expenses, assets, credit, and obligations, which made

Mattullath, 38 App. D.C. 497, 514-515 (D.C. Cir. 1912), Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

⁶ See, Smith v. Mossinghoff, 671 F.2d 533, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁷ See, Haines v. Quigg, 673 F.Supp. 314, 5 USPQ2d 1130 (N.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).

the delay in payment of the 11.5 year maintenance fee and until the filing of the petition on or about November 17, 2006, "unavoidable." A monthly breakdown is preferred. Petitioner failed to submit the required evidence to establish the delay in submitting the original petition was unavoidable.

Petitioner contends that the maintenance fee was unavoidably delayed because SGS retained the patent files. Petitioner continues to argue that it was reasonable to rely on the services of SGS to track the maintenance fees. The Office is not convinced this was the cause of the delay; petitioner could have obtained information required to submit the maintenance fee from the Patent Office.

Petitioner contends that the revocation of power of attorney made on February 3, 2002 was a partial revocation, which did not apply to the patented files. A review of the record shows that the January 3, 2002 letter (exhibit J) makes no equivocation that power of attorney for SGS to represent Cis-Lunar was revoked. "You are hereby formally notified that your power of attorney to represent Cis-Lunar is revoked". The letter does not indicate that SGS retained any portion of the powers of attorney. It is further noted this same notice also informs SGS that Cis-Lunar would not be paying the outstanding bill until new investment capital was obtained. Thus, it was not realistic or reasonable to believe that SGS would continue to represent Cis-Lunar when the expectation to receive payment for services rendered would at best be substantially delayed. Further, the March 13, 2002 letter (exhibit D) from SGS to Cis-Lunar clearly informed petitioner that the maintenance fees would no longer be tracked and provided the due dates for all of the patents including the above-identified patent. It is noted that petitioner states he did not receive this letter. However, this letter does show that SGS did not believe that they maintained any authority over any applications or patented files.

The petition and evidence presented demonstrate that Cis-Lunar did not maintain a docketing system. Petitioner is also unable to demonstrate what docketing system was utilized by SGS. However, even if petitioner could provide the details of the docketing system used by SGS, the facts provided establish the due dates for the above-identified patent were not included in the system. In the absence of a showing that any steps had been taken, then 37 CFR 1.378.(e) precludes acceptance of the payment. In other words, if no steps were taken by either petitioner or SGS to track the fee payment, then the concurrent and subsequent financial problems of petitioner would be immaterial to the

delay. The showing must be that when the system indicated the fee fell due, the financial problems of petitioner was "unavoidably" prevented from taking any earlier action with respect to this patent.

Assuming arguendo, SGS was responsible for tracking the maintenance fees, the delay or mistake of petitioner's voluntarily chosen counsel is not unavoidable. 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.⁸ Petitioner had a responsibility to monitor 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. 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. The record lacks any showing that SGS ever represented to petitioner that the maintenance fee had been paid, much less that petitioner ever paid the attorney for services rendered with respect to the maintenance fee payment. A delay 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 Commissioner that the delay was unavoidable within the meaning of 35 USC 151 and 37 CFR 1.137(a). Mossinghoff, 671 F.2d at 536. Case law is clear that the mistakes of an attorney do not rise to the level of unavoidable delay and that the actions of a patentee's representative are imputed onto patentee.⁹

It is solely the responsibility of the patentee to ensure that the maintenance fee is paid timely to prevent expiration of the patent. The Office looks to the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant/patentee and their successors, and the applicant/patentee and their successors are bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). A petitioner who is treating his patent

⁸ Link v. Wabash, 370 U.S. 626, 633-34 (1962).

⁹ See. California v. Medical Products, Inc. v. Tecnol Medical Products, Inc, 921 F. Supp 1219 and Haines v. Quigg 673 F. Supp 314,

as his most important business would have attempted to contact SGS to ensure that appropriate action had been taken on petitioner's behalf. If it was determined SGS had not handled the application as petitioner desired, it is then petitioner's responsibility to either timely seek other counsel or submit the maintenance fee on petitioner's own behalf. Petitioner has failed to provide any evidence that it was agent SGS's duty to inform petitioner of the due date of the maintenance fee.

Petitioner insists that SGS's actions or inactions should not be imputed on patentee because petitioner implies that SGS tried to conceal an error or mistake. Petitioner contends the facts of this case are unique and warrant a finding that patentee should be excused for the failure to timely submit the maintenance fee based on alleged failures and motives of SGS. Petitioner even suggests that the letter (exhibit D) informing petitioner that the maintenance fees were no longer being tracked by SGS was never mailed. However, petitioner presents no evidence to support this contention. No evidence has been presented to establish that SGS mislead or hid any errors or mistakes or to establish SGS's "conduct fell substantially below what is reasonable under the circumstances". Link 370 U.S. at 633 footnote 10. Attempts by SGS to collect for services rendered without mentioning maintenance fee due dates, which had been removed from their docketing system, is not sufficient to establish concealment of an error or mistake.

Petitioner is reminded that the Patent and Trademark Office is not the proper forum for resolving a dispute between petitioner and petitioner's representative.¹⁰

Lastly, the fact that both Stone and Nordstrom did not understand the intricacies of patent law is not sufficient to establish unavoidable delay. Nonawareness of the content of, or misunderstanding of PTO statutes, PTO rules, the MPEP or Official Gazette notices, do not constitute unavoidable delay.¹¹

In view of the totality of the evidence of record, including the exhibits submitted herewith, it cannot be found that the entire time, from the time that the maintenance fee was due until the filing of the instant petition, was unavoidable.

¹⁰ Ray 55 F.3d at 608-09.

¹¹ Mossinghoff, 671 F.2d at 536.

DECISION

The prior decision dismissing petition under 37 CFR 1.378(b) to accept the delayed payment of maintenance fee has been reconsidered. For the reasons set forth herein the delay in payment of the maintenance fee cannot be regarded as unavoidable within the meaning of 35 USC 41 and 37 CFR 1.378(b). Accordingly, the offer to pay the delayed maintenance fee will not be accepted and this patent will not be reinstated.

Since this patent will not be reinstated, a refund covering the maintenance fee (11.5 year) and surcharge fee will be forwarded to petitioner.

This file is being forwarded to files repository.

Telephone inquiries concerning this matter may be directed to the Petitions Attorney Charlema Grant at 571-272-3215.



Charles Pearson
Director
Office of Petitions