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OFFICE OF PETITIONS

In re Application of	:	
Hidehiro Kume et al.	:	
Application No. 07/430,132	:	
Patent No. 5,181,193	:	DECISION ON RENEWED PETITION
Filed: November 1, 1989	:	UNDER 37 C.F.R. §1.378(E)
Issue Date: January 19, 1993	:	
Attorney Docket Number: 35529	:	
Title: OPTICAL PICKUP DEVICE	:	
FOR A RECORDING AND/OR	:	
REPRODUCING APPARATUS	:	

This is a decision on the renewed petition under 37 C.F.R. §1.378(e), filed on December 27, 2005[1], requesting reconsideration of a prior decision pursuant to 37 C.F.R. §1.378(b)[2], which refused to accept the delayed payment of maintenance fees for the above-referenced patent.

The present patent issued on January 19, 1993. The grace period for paying the 3-½ year maintenance fee provided in 37 C.F.R. §1.362(e) expired at midnight on January 19, 1997, with no

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1 The petiton contains a certificate of mailing dated December 20, 2005.
2 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) - (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.

payment received. Accordingly, the patent expired on January 19, 1997 at midnight. A petition under 37 C.F.R. §1.378(b) was filed on September 1, 2005, which was dismissed via the mailing of a decision on October 20, 2005. A renewed petition was timely filed on December 27, 2005.

With the present renewed petition, Petitioner's representative has included declarations from Messrs. Dunham, Horowitz, Maioli, and Phillips, and Mses. Widenhouse, Barbee, Bernstein, Farnacci, Larmon, and Testaiuti, along with a plurality of exhibits.

It is noted that one of the Maioli declarations does not appear to be associated with the present patent, in that the header indicates that it is associated with patent number 5,172,361 (07/789,448).

Also, the amended declaration of Mr. Phillips does not appear to be associated with the present patent, in that the header indicates that it is associated with patent numbers 4,875,044 (07/127,279), 4,882,732 (07/116,208), 4,953,031 (07/447,078), 5,151,941 (07/588,715), and 5,181,195(07/700,866).

Furthermore, the declaration of Ms. Widenhouse does not appear to be associated with the present patent, in that the header indicates that it is associated with patent numbers 5,168,362 (07/691,817) and 5,172,361 (07/789,448).

Similarly, the declaration of Ms. Bernstein does not appear to be associated with the present patent, in that the header indicates that it is associated with patent number 5,151,941 (07/588,715 - erroneously listed as "588,715").

It is further noted that the declaration of Ms. Farnacci does not appear to be associated with the present patent, in that the header indicates that it is associated with patent numbers 5,172,361 (07/789,448) and 5,168,362 (07/691,817).

Moreover, the declaration of Ms. Testauiti does not appear to be associated with the present patent, in that the header indicates that it is associated with patent numbers 5,168,362 (07/691,817) and 5,172,361 (07/789,448).

It is noted that Petitioner's representative has filed substantially similar petitions in the patents which are associated with application numbers 07/110,452, 07/116,208, 07/127,279, 07/430,134, 07/447,078, 07/556,443, 07/588,715,

07/597,332, 07/641,681, 07/691,817, 07/700,866, 07/789,448, 07/795,791, and 08/432,901.

The request to accept the delayed payments of the maintenance fees associated with each of these patents is **DENIED**[3].

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 delay[4] is shown to the satisfaction of the Director to have been unavoidable.

§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 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[5].

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account." [6] Nonetheless, a petition cannot be granted where a Petitioner's representative has failed to meet his or her burden of establishing that the delay was "unavoidable."[7]

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3 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.

4 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).

5 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).

6 Smith v. Mossinghoff, 671 F.2d at 538, 213 U.S.P.Q. at 982.

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

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).

Docketing error

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay.

Such a showing should identify the specific error, the individual who made the error, and the business routine in place for performing the action which resulted in the error. The showing must establish that the individual who erred was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care. The showing should include information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

(1) the error was the cause of the delay at issue,
(2) a business routine was in place for performing the clerical function that could reasonably be relied upon to avoid errors in its performance, and;
(3) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

See MPEP 711.03(c)(III)(C)(2).

An adequate showing should include (when relevant):

(1) statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them;
(2) a thorough explanation of the docketing and call-up system in use;
(3) identification of the type of records kept;
(4) identification of the persons responsible for the maintenance of the system;
(5) copies of mail ledger, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing;
(6) include an indication as to why the system failed in this instance, and;
(7) information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

Portions of the Code of Federal Regulations and the MPEP relevant to the abandonment of this application

37 C.F.R. § 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.
(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.
[49 FR 34724, Aug. 31, 1984, added effective Nov. 1, 1984; paras. (a) and (e), 56 FR 65142, Dec. 13, 1991, effective Dec. 16, 1991; paras. (c)(4) and (e) revised and para. (h) added, 58 FR 54504, Oct. 22, 1993, effective Jan. 3, 1994]

MPEP 2515 Information Required for Submission of Maintenance Fee Payment states, in 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

2575 Notices

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.

Application of the standard to the current facts and circumstances

As set forth in the original petition under 37 C.F.R. §1.378(b), Petitioner's representative uses an index-card based system of tracking the maintenance fees for the patents for which it is responsible for. Lewis Eslinger was the attorney responsible for the payment of the maintenance fees for this patent. When he retired in 1995, Mr. Maioli assumed responsibility for the payment of the maintenance fees for this patent[8].

Petitioner's representative has no centralized department for ensuring the timely submission of maintenance fees - instead, it is up to each attorney to ensure that the maintenance fees are timely submitted for each of the patents for which he/she is responsible[9].

When a Notice of Allowance and Issue Fee due is received in the law firm, a docket clerk opens a computer program and inputs the issue date. The computer program then calculates the due dates for the 3 maintenance fees, and generates 3 maintenance fee prompts for each maintenance fee due date - 3 months after the payment window opens, on the date the maintenance fee is due, and when the window closes. The docket clerk handwrites the 3 maintenance fee due dates on the Notice of Allowance and Issue Fee due, and forwards the Notice to the responsible attorney.

When the letters patent arrives at the firm, the docket clerk will open the same computer program and double-check to make sure that the data was entered and computed correctly. The letters patent is then forwarded to the responsible attorney.

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8 Original petition, pages 3 and 4. Renewed petition, pages 2-3.
9 Dunham declaration, submitted with the renewed petition on 07/116,208, 07/556,443, 07/588,715, 07/597,332, 07/789,448 and 07/761,817, paragraph 8, page 4.

Once the letters patent is received, an index card is prepared for each patent. Each patent is listed on an individual index card. The index card is then filed in a drawer, and Petitioner's representative has a series of drawers arranged which correspond to particular dates. The index card is filed in a portion of a drawer which is assigned a date according to 3 years from the issue date.

When the 3-year period expires, the card is removed from the drawer and a letter is sent to the client, along with a list of all of the patent numbers for which maintenance fees are due. If no instructions are received to the contrary, payment is submitted to the Office. When payment is sent, the date on which the maintenance fee was submitted is indicated on the card along with a checkmark, and the card is moved to the file which corresponds to the time period during which the subsequent maintenance fee will be due.

Petitioner's representative has set forth that the file has been searched, and it appears that a card was either not created or not filed[10]. However, it is noted that it is equally possible that a card was created and was later either lost or destroyed.

With this renewed petition, Petitioner's representative has asserted that the responsible employee is either Ms. Valdez or Ms. Taylor[11].

Petitioner's representative has submitted an amended declaration of Mr. Phillips to set forth the efforts which have been expended to locate a plurality of docket clerks which were involved in the activities which led to the failure to timely submit the maintenance fee for this patent. Mr. Phillips sets forth that he "engaged an investigator" to attempt to locate Mses. Valdez and Taylor, along with others[12]. The investigator merely obtained address records from the New York State Department of Motor Vehicles, but did not procure any phone numbers.

It is noted that the New York State Department of Motor Vehicles might not have the current address of an individual who has since moved to another state.

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10 Original petition, page 6.
11 Renewed petition, page 3.
12 Amended declaration of Phillips, paragraph 4.

Mr. Phillips reviewed the old personnel files of these employees, and retrieved phone numbers from the same. No mention has been made of any other searches which were performed for these individuals, by either the retained investigator or Mr. Phillips (such as an online search of various online directories) so it must be concluded that no other search was performed.

On October 20, 2005, Mr. Phillips telephoned Ms. Valdez, and the same agreed to discuss the matter with him on October 24, 2005[13]. Petitioner's representative has failed to explain why Mr. Phillips did not merely discuss the matter with her while he had her on the phone. Ms. Valdez could not be reached by phone on the agreed date, so Mr. Phillips waited until November 14, 2005[14] to attempt to reach her again. Why he chose to wait over three weeks before calling again, when such an important matter as a patent was at stake, has not been revealed.

On October 21, 2005, Mr. Phillips sent Ms. Valdez a letter via Express Mail[15].

On November 14, 2005, Mr. Phillips telephoned the home of Ms. Taylor's parents and left a message[16].

Mr. Phillips was not able to confirm the whereabouts of Mses. Valdez or Taylor.

Calling a phone number obtained from an old employment record and mailing a letter **does not constitute a diligent effort to locate** an individual. There is no indication that Mr. Phillips consulted any directories (in print or online) or consulted any online databases in an effort to find Mses. Taylor or Valdez. Senior Attorney Paul Shanoski conducted an online search using LexisNexis® and has found several potential addresses for these individuals. It is not clear what prevented both Petitioner's representative and his investigator from doing the same.

Petitioner's representative has included a declaration of facts from one Ms. Widenhouse, where it is set forth that Mr. Phillips requested that he perform an inventory of the Sony patents, to determine How many patents were assigned to Sony and named

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13 Amended declaration of Phillips, paragraph 6.
14 Amended declaration of Phillips, paragraph 7.
15 Amended declaration of Phillips, paragraph 5.
16 Amended declaration of Phillips, paragraph 10.

Maioli, Dowden, or Eslinger as a legal representative[17]. Ms. Widenhouse was also asked to review all the index cards that were prepared for this client[18]. It was determined that there were 526 Sony patents, and out of these 526 patents, index cards had not been located for 38 of them[19].

The entire period of delay cannot be Considered to have been "Unavoidable"

In light of the dismissal of his petitions, on January 26, 2006, **Petitioner's representative submitted** a **request for a refund of the submitted maintenance fees and surcharges he had filed**[20]. The submission was signed by Mr. Maioli. The Office, as requested, refunded these fees on March 7, 2006. Petitioner's representative filed subsequent petitions seeking the revival of these expired patents. Due to the request for a refund of the maintenance fees, at least a portion of the period of delay was **intentional**.

Petitioner's representative has Failed to Enact Steps which could have been Reasonably Relied upon Ensure the Timely Submission of the Maintenance Fees

Petitioner's representative has filed a plurality of petitions, seeking the revival of patents which have expired for failure to timely submit the maintenance fee. These maintenance fees were not submitted because **the index card tracking system which Petitioner's representative has implemented does not work.** As set forth in the Widenhouse declaration of facts, Mr. Phillips requested that Ms. Widenhouse perform an inventory of the Sony patents, to determine how many index cards were not prepared for this client. Out of a sample of 530 Sony patents, index cards had not been prepared for 38 of them. As such, this constitutes a 7 percent error rate.

The business system which Petitioner's representative has enacted for tracking maintenance fees is completely dependent on the accurate preparation of index cards, and it is clear that 7 percent of the time, index cards are not created. In other

17 Widenhouse declaration, paragraph 2.
18 Widenhouse declaration, paragraph 3.
19 Widenhouse declaration, paragraph 4. See also Dunham declaration, submitted with the renewed petition under 37 C.F.R. §1.378(e) for 07/556,443, 07/588,715, 07/597,332, 07/700,866, 07/691,817, and 07/789,448, paragraph 14b, page 7.
20 It is noted that similar petitions were filed in application numbers 07/110,452, 07/641,681, and 08/432,901.

words, for every 100 maintenance fees which Petitioner's representative is responsible for paying, 7 of them will be missed. **This is a high error rate**, and evinces the failure of Petitioner's representative to enact steps which can be reasonably relied upon to ensure the timely submission of maintenance fees.

It should be noted that Petitioner's representative has in place a parallel computerized docketing system, but it appears that when an index card is not created, the maintenance fee for the corresponding patent will not be paid. As set forth in paragraph 14e on page 8 of the Dunham declaration, submitted with the renewed petition on 07/556,443, 07/588,715, 07/597,332, 07/700,866, 07/789,448 and 07/691,817:

…it is clear that there is a strong positive correlation between the presence or absence of a card for a patent in the card file and the date on which the patent was reported and sent to Sony…

Therefore, Petitioner's representative has in place two docketing systems: an index card based system, and a computer based system. However, if an index card is not properly prepared, the entire system will fail:

> If a card had properly been created for the maintenance fee docket reminder system for the subject patent, then the subject patent would have been listed in the letter and the maintenance fee would have been paid.
>
> Original petitions for 07/556,443, 07/588,715, 07/691,817, 07/700,866, 07/116,208, 07/127,279, page 5, 07/597,332 pages 5-6 The clerical error in failing to make the maintenance fee index card resulted in the failure to make the first, second, and third maintenance fee payment for this patent.
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> Renewed petition under 37 C.F.R. §1.378(e), for 07/597,332 and 07/556,443, page 6.

The reason that the system will fail if an index card was not properly prepared, even though there is an entirely separate parallel computerized system in operation, is that the computerized docketing system is not relied upon:

> While the subject patent and the maintenance fee due dates were docketed in the computerized docketing database, the computerized docketing database was not the primary system relied upon by the undersigned attorney for the payment of maintenance fees, as he continued to use the docket card reminder system…
>
> Original petitions for 07/556,443, 07/588,715, 07/691,817, 07/700,866, 07/116,208, and 07/127,279, 07/597,332, page 8.

Therefore, the timely submission of a maintenance fee is entirely dependent upon the proper preparation and filing of an index card. If an index card is not properly prepared and filed, the maintenance fee will not be timely paid, even if the reminder appears in the computerized docketing system.

For example, with 07/700,866, Petitioner's representative explains a situation where Ms. Valdez failed to prepare an index card[21]. It seems that the letters patent was received by the firm, and forwarded to Mr. Eslinger. The assignee requested a copy of the letters patent, and sent a facsimile to Mr. Maioli. Normally, upon the mailing of a letters patent, an index card would have been created. In this circumstance however, Mr. Maioli instructed his secretary to retrieve the letters patent and send it to the assignee - thus the letters patent was not mailed via the proper channel, and Ms. Valdez consequently never prepared a maintenance fee reminder index card for this patent:

> By taking the Letters Patent from what apparently was a backlog of patents to be sent and cards to be made, when the time came for Miss Valdez (or other legal assistant) to make the card, the patent was not there. Therefore, Miss Valdez (or other legal assistant) did not make a card for the present patent because the patent had already been sent off and was not in her possession any longer.
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> Renewed petition, 07/800,866, pages 5-6.

As such, Petitioner's representative's system is not one which can be reasonably relied upon - since there is no single centralized department preparing these cards, it appears rather simple for a seemingly innocuous disruption in the workflow to have disastrous ramifications. When Mr. Maioli sent his secretary to obtain the letters patent, this resulted in a failure to prepare an index card, and the maintenance fee payment was consequently missed. Why Mr. Maioli's unnamed secretary failed to prepare an index card prior to mailing the letters patent however, has not been addressed.

Finally, it appears that this system was destined to fail from the start. The entire system is dependent upon the proper preparation of index cards, yet it does not appear that Petitioner's representative is in the practice of preparing a master list of index cards which have been created, so that a reviewer could determine whether a card has been prepared for every patent. Furthermore, Mr. Maioli appears to have entrusted

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21 Renewed petition under 37 C.F.R. §1.378(e), 07/800,866, page 5.

the review of these index cards to an individual who he did not believe had any idea that she should have been conducting this review (see the discussion of Ms. Frusci below).

Mr. Maioli has Failed to Establish that Reliance upon the Employees constituted Due Care

The degree of supervision of Mses. Valdez's or Taylor's work has not been revealed.

Examples of other work functions carried out by them has not been provided, and it does not appear that any checks were made on their work, to assure proper execution of assigned tasks.

It is not entirely clear why these cards were not created. The index cards should have been prepared prior to mailing the letters patent to the client. An individual by the name of Ms. Frusci was an assistant to Mr. Eslinger. It is noted that Ms. Fruschi is now Ms. Testauiti[22]. Ms. Taylor was the employee who was normally in charge of mailing the letters to the clients, inquiring whether they wished to have the maintenance fee submitted. At one point, however, Ms. Taylor had fallen behind, and Ms. Frusci was enlisted to help reduce the backlog. However, since this was

> "not a part of Ms. Frusci's regular duties, she apparently did not check to see whether a file card had been prepared before sending out the issued Letters Patent. Thus, once the patent was gone, there was no impetus to prepare the card."
>
> 07/691,817, Renewed petition under 37 C.F.R. §1.378(e), page 5, and 07/879,448, Renewed petition under 37 C.F.R. §1.378(e), page 5. See also 07/556,443, Renewed petition under 37 C.F.R. §1.378(e), pages 5-6, 07/430,132, Renewed petition under 37 C.F.R. §1.378(e), page 11, and 07/641,681, Renewed petition under 37 C.F.R. §1.378(e), page 6.

Hence, it appears that Ms. Valdez/Taylor had failed to prepare an index card. Since the firm does not seem to check on the work of its employees, perform any check to ensure that index cards are properly created, or keep any master list of index cards, it appears that there existed but one opportunity to catch this mistake, and ensure that timely submissions of future maintenance fees would not be missed - and that single opportunity was the preparation of the letter. Had an experienced employee who had been properly trained been assigned

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22 Phillips declaration, paragraph 2, submitted with 07/691,817.

to mail these letters, she would have known that it was important to check to ensure that an index card had been prepared. However, since the preparation of these letters was not one of Ms. Frusci's regular duties, it stands to reason that she was not trained in these matters, and as such, did not recognize the need to check to ensure that an index card had been prepared.

However, Ms. Testauiti's declaration directly contradicts this portrayal of the events, in that she has asserted that she did in fact prepare these letters as part of her regular duties. She has attested:

> one of my responsibilities as a paralegal when I started my employment at Cooper and Dunham was to report the issuance of U.S. patents to Sony Corporation...the way I would report issued U.S. patents to Sony is as follows. To report the issuance of a patent, I would obtain the firm's physical file for the patent from the file area and prepare a letter reporting to Sony the issuance of the patent...in addition to reporting the issued patents to Sony corporation, I prepared index cards for some[23] patents (emphasis added) in order to keep a record of when maintenance fees were due.
>
> Testauiti declaration, paragraphs 3-4, submitted with 07/597,332 and 07/556,443.

This discrepancy is further compounded in part by Mr. Maioli's assertion that

> Beginning in February of 1992, shortly after her employment by the firm, Ms. Frusci undertook to send out some of the backlog of unsent patents (as well as currently issued patents) to Sony. However, in the initial weeks of her performance of this task, she apparently did not check to see whether a file card for a patent had been prepared before sending out the issued Leters Patent.
>
> Renewed petition under 37 C.F.R. §1.378(e) for 07/597,332, page 6. See also, Renewed petition under 37 C.F.R. §1.378(e) for 07/556,443, page 6, which contains the same information, except

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23 This admission makes it clear that the index cards were prepared only for some patents. It is not clear why index cards were not prepared for each of the patents. However, this admission that index cards were not prepared for all of the patents shows that index cards were only prepared some of the time. Since Petitioner's representative's system was entirely dependent on the proper preparation and filing of these index cards, this statement establishes that the system which Petitioner's representative enacted to track his maintenance fees was not one which could have been reasonably relied on.

> that it sets forth that Ms. Frusci began her employment not in February of 1992, but rather one year later on February 18, 1993.

If Ms. Frusci undertook this task shortly after her employment by the firm, it is not clear how this task did not constitute one of her regular duties. It appears that Mr. Maioli, Ms. Testauiti, or both are confused as to their recollection of the events.

Due to these conflicting statements, it cannot be determined if the preparation of these letters was part of Ms. Frusci's regular job duties or not. One thing is clear, however - Mr. Maioli entrusted the mailing of these letters, and the accompanying responsibility to ensure that an index card had been prepared, to an employee **he did and does not believe was experienced in this matter** at the time of the entrustment.

Mr. Maioli has alleged that Ms. Frusci was an inexperienced employee who was acting outside the scope of her job duties when she was assigned to this task. If this is the case, then it is clear that Ms. Frusci was not sufficiently trained and experienced with regard to the function and routine for its performance. Ms. Frusci has asserted that this task fell within the scope of her job duties, but Mr. Maioli has taken issue with this assertion. Therefore, Mr. Maioli relied on an employee he did not believe to have experience in this task, and therefore, **reliance upon her failed to represent the exercise of due care**. Had Mr. Maioli exhibited due care, he would not have assigned such an important task to a person he believed to have been so inexperienced in regards to this matter. As such, Mr. Maioli did not exhibit due care in the preparation of these letters, and as such, Ms. Talyor's failure to prepare an index card was not discovered until many years later.

Petitioner's representative has Failed to Identify the Cause of the Error

Petitioner's representative has asserted that an index card was not created[24], however it is equally possible that a card was created, and was simply mis-filed.

Petitioner's representative has prepared an inventory of the index cards which are associated with patents which have been assigned to Sony. Petitioner's representative has not been able to locate 38 of them. The failure to locate a particular card

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suggests that the card was never created, however it is equally possible that the card was created, and merely mis-filed. It is not clear whether a mis-filed card would have necessarily shown up during this inventory. Therefore, Petitioner's representative has no way of discerning whether these missing index cards were never prepared, or if they were prepared and merely mis-filed in the wrong location. As such, Petitioner's representative cannot identify with specificity the exact cause for the failure to timely submit the maintenance fee - while he has asserted that a card was not created, it is equally possible that a card was properly created, and simply mis-filed. **As such, Petitioner's representative cannot identify with specificity the exact cause for the failure to timely submit the maintenance fee.**

Petitioner's representative has Failed to Provide Statements from each of the Involved Parties

Petitioner's representative has not provided statements by all persons with direct knowledge of the circumstances surrounding the delay. No statement has been provided from Mr. Eslinger or Valdez or Taylor. As such, any discussion as to their particular culpability towards, or inactions which led to the failure to submit the maintenance fee, amounts to mere speculation.

Pursuant to 35 U.S.C. §41(c)(1), it is the burden of Petitioner's representative to establish to the satisfaction of the Director that the delay was unavoidable. Petitioner's representative has been informed on numerous occasions that statements from these individuals would be required in order for the Office to determine that the failure to timely submit maintenance fees was unavoidable. Petitioner's representative has failed to provide these statements.

Summary

At least a portion of the period of delay was intentional.

The search for the responsible employees fails to constitute a diligent effort.

Petitioner's representative has not shown that steps were in place which would ensure the timely payment of the maintenance fee.

The computerized docketing system was not utilized, and the index card system was not reliable.

Petitioner's representative cannot discern whether an index card was created and mis-filed or never created at all.

Petitioner's representative cannot explain why the card was not prepared or properly filed.

Petitioner's representative has not revealed the degree of supervision of this employees' work.

Petitioner's representative has not provided examples of other work functions carried out by this employee.

It does not appear that any checks were made on her work, to assure proper execution of assigned tasks.

No statement from either the responsible employee or the responsible attorney has been provided.

Conclusion

The prior decision which refused to accept, under 37 C.F.R §1.378(b), the delayed payment of the maintenance fees for the above-identified patent has been reconsidered. For the above stated reasons, the delay in these cases 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's representative is entitled to a refund of the surcharge and maintenance fees, but not the $400 fee associated with the filing of the present renewed petition under 37 C.F.R. §1.378(e). These fees will be refunded to Petitioner's representative's Deposit Account in due course.
Telephone inquiries regarding *this decision* should be directed to the Senior Attorney Paul Shanoski at (571) 272-3225[25]. All

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25 Petitioner's representative 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's representative is reminded that no telephone discussion may be controlling or considered authority for Petitioner's representative's further action(s).

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other inquiries concerning examination procedures or status of the application should be directed to the Technology Center.

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