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HOWREY LLP-HN
C/O IP DOCKETING DEPARTMENT
2941 FAIRVIEW PARK DRIVE, SUITE 200
FALLS CHURCH VA 22042-7195

MAILED
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OFFICE OF PETITIONS

In re Patent No. 5503481 :
Issue Date: 04/02/1996 :
Application Number: 08/164477 : DECISION ON PETITION
Filing Date: 12/09/1993 :
Attorney Docket Number: :
12350.0006.NPUS00 :

This is a decision on the petition, filed on March 5, 2009, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 1.378(b)¹ the delayed payment of a maintenance fee for the above-referenced patent.

The petition under 37 CFR 1.378(e) is DENIED.²

BACKGROUND

The patent issued April 2, 1996. The first maintenance fee was timely paid. The second maintenance fee could have been paid from April 2 through October 2, 2003, or, with a surcharge during

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 As stated in 37 CFR 1.378(e), no further reconsideration or review of the decision refusing to accept the delayed payment of the maintenance fee under § 1.378(b) will be undertaken. 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 1001.02.

the period from October 3, 2003 through April 2, 2004. Accordingly, the patent expired at midnight April 2, 2004, for failure to timely submit the second maintenance fee.

The petition under 37 CFR 1.378(b) filed on May 23, 2008, was dismissed on August 7, 2008. On October 7, 2008, a request for reconsideration under 37 CFR 1.378(e) was filed. On January 5, 2009, a request for information dismissing the petition was mailed.

The subject request for reconsideration was filed on March 5, 2009.

In the original decision, petitioners stated that responsibility for the tracking and payment of maintenance fees was transferred to the law firm of Arnold, White & Durkee ("AWD") on April 5, 1999.³ As such, petitioners aver that responsibility for docketing the second maintenance fee for timely payment rested with AWD. Petitioners state that "However, the 7.5 year annuity date for the '481 patent was not entered into the [docketing] system despite docketing personnel being given specific instructions to do so."

Petitioners' counsel states, in pertinent part:

Dating back as far as 1992, it was AWD procedure to provide the docketing department with copies of the first page of patents transferred to AWD. This procedure was still in effect in 1999. Docketing personnel reviewing the copies would have been able to enter important dates, such as grant dates and annuity payments into the docket. However, records pulled from the AWD system show that no annuity dates whatsoever were entered for the '481 patent. On the other hand, annuity dates for foreign counterparts to the '481 patent were entered into the system, showing evidence of an established procedure to enter such dates. Accordingly, the failure to enter these dates in the '481 patent record was in error.

In accordance with AWD procedure, docketing personnel were given instructions to pay the '481 patent's

³ It is stated in the original petition that the first maintenance fee payment was timely made, in 1999, by Polster, Lieder, Woodruff & Lucchisi ("Polster"). A review of Office records indicates that Polster was the law firm indicated as the address of the attorneys of record at the time of issuance of the patent. Further, Office financial records reveals this payment was received on December 20, 1999.

maintenance fees. On April 7, 1999, Carolyn Legett, a secretary involved in the '481 file intake, sent an email to docketing with instructions to pay the maintenance fees for the '481 patent. Docketing responded by requesting information, such as the grant date and number of the '481 patent. As stated above, docketing personnel would have used this information to docket the annuity dates. The requested information was sent to docketing on April 7, 1999, in accordance with AWD procedure. However, the annuity dates were never docketed. Accordingly, docketing's failure to docket the annuity dates after receiving instructions to do so, is further proof of an error.

(References to exhibits omitted)

In support, petitioners provided, with the initial petition, a declaration of facts by Carolyn Legett, counsel's secretary, who states that she sent an e-mail to Glen Nath, on April 7, 1999, the AWD docketing manager, informing him that AWD would be responsible for paying the maintenance fees for the subject patent, and requesting that he docket the subject patent file. The email also contains a reply from Nath in which he requests information about the patent, including the patent number and date of issuance, for docketing. A copy of that email has been provided.

In 2000, the original petition states, AWD merged with the Howrey & Simon law firm to form the law firm of Howrey, Simon, Arnold, White & Durkee, now named Howrey LLP ("Howrey").

Petitioners stated that in 2000, the docket records of AWD were transitioned from the proprietary Hewlett Packard docketing system then used to the Alecto docket system. In 2005, the docket records were again transitioned from the Alecto system to counsel's current docketing software, IPMaster.

It is averred by petitioners that the docketing error originally made by AWD employees was carried over into the subsequent docket systems, despite the fact that "Howrey's docketing personnel regularly conducts quality review in order to ensure the integrity of its records."

Petitioners further provided a copy of a "Docket Desk Update" dated August 11, 1992, purporting to show the procedures for docketing patented files transferred-in from other attorneys or law firms.

Petitioners state that Howrey learned of the expiration of the patent on March 21, 2008, when Howrey's annuity service, Thomson, attempted to pay the third maintenance fee, and notified Howrey that the patent had expired for failure to pay the second maintenance fee.⁴

The initial petition under 37 CFR 1.378(b) was dismissed because petitioners provided neither a showing of evidence that Nath was provided the maintenance fee docketing information requested, nor a showing of the steps, if any, that were taken to enter the patent information in counsel's docketing system. In this regard, it is noted that petitioners assert that since the dates for the foreign counterpart patents were entered into counsel's docketing system, the failure to enter the subject patent is necessarily evidence of a docketing error.

Petitioners were requested to provide statements from Legett and Nath explaining what efforts were taken to obtain the required information and docket the patent in counsel's docketing system. Simply put, petitioner's counsel has not provided a showing of the steps in place to ensure that all patents are properly docketed for payment of the maintenance fees. Petitioners were further requested to provide information on training and supervision of personnel who managed the docketing system, and to provide statements of facts from any persons with first-hand knowledge of the review of this docket record, explaining the procedures for review and why the error was not more timely discovered.

In response to the request for reconsideration filed on October 7, 2008, a request for information was mailed on January 5, 2009.

The request for information mailed on January 5, 2009 stated that while the Office notes the declaration of Legett, and her statement therein that she provided the information requested by Nath on 4/7/99, it is unclear whether this information was provided by telephone or email. The Office requested that petitioners clarify whether the information regarding the patent was forwarded by Leggett to Nath by email, telephone conversation, or other method.

⁴ The initial petition states that counsel's current docketing system, IPMaster, calculates maintenance fees from the issue date of the patent and not based upon previous maintenance fee payments. Accordingly, it appears that the failure to docket the second maintenance fee in IPMaster would not affect the docketing of the third maintenance fee in that system.

Additionally, petitioners were requested to explain who, other than Nath, was involved in the docketing of applications and issued patents, identify the individual responsible for docketing the subject patent at AWD, and explain in particular what the error was which caused the second maintenance fee not to be docketed. Further, petitioners were requested to show what steps were in place to track and confirm the entry of docketing information, and what efforts were made to ensure that the information was properly entered in the database.

It is also noted that in the request for information, The US Patent Docketing Guidelines, Exhibit C(1) of the Request for Reconsideration, stated that Field 8 Requires an Action Person to be filled in. It is handwritten on the instructions that this is "not a required field". As this information appears to have been created to track who was entering the application or patent information in the docketing system, petitioners were requested to explain, if entry of this information is not required, how AWD kept track of who entered the docketing information.

Lastly, the request for information noted that the copy of the screen shot as Exhibit E(1) of the Request for Reconsideration, showing the subject patent as docketed in AWD's docketing system, states that "MA F STEINHEIDER" is the responsible attorney. Petitioners were asked to explain whether the responsible attorney verified that docketing information for tracking and paying the second maintenance fee was entered. Petitioners were also asked to explain the responsible attorney's procedure for verifying that the proper maintenance fee information was in fact timely docketed for payment.

In response, the subject request for reconsideration was filed on March 5, 2009.

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 1.378(b)(3) states that any petition to accept an unavoidably 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.

37 CFR 1.378(c)(3)(1) provides that a petition to accept an unintentionally delayed payment of a maintenance fee must be filed within twenty-four months of the six-month grace period provided in § 1.362(e)

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".⁵ 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."⁶ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁷ 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. § 133.⁸ 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.⁹ However, a

⁵ 35 U.S.C. § 41(c)(1).

⁶ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁷ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁸ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁹ 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

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.¹⁰ In view of In re Patent No. 4,409,763,¹¹ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

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

As 35 U.S.C. § 41(c) 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 U.S.C. § 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.¹² That is, an adequate showing that the delay was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent.¹³

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable.¹⁴ Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Director that the delay in payment of a maintenance fee is unavoidable.¹⁵

With regard to period (1), above, 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;

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).

¹⁰ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

¹¹ 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).

¹² Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

¹³ Id.

¹⁴ Cf. Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960) (35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing).

¹⁵ See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992); Ray v. Lehman, supra.

(2) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance;

(3) and 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.¹⁶

An adequate showing requires:

(A) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them.

(B) Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.

(C) Petitioner must supply 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.

The petition lacks items (1) and (2).

In the request for information mailed on January 5, 2009, petitioners were requested to provide evidence that Nath was provided the information requested, and to obtain statements from Legett and Nath explaining what efforts were taken to enter the patent information in counsel's docketing system.

In this regard, petitioners have provided an additional declaration from Carolyn Legett, in which she states, in essence, that her general practice was to forward the physical file to Nath for docketing. Petitioners further have provided a declaration by Mr. Matthew F. Steinheider, stating that he was not involved in the matters surrounding this patent prior to 2002, and would therefore have no knowledge of the circumstances

¹⁶ See MPEP 711.03(c) (III) (C) (2).

surrounding the docketing, in 1999, of the second maintenance fee.

Petitioners further state, via the declaration of Peggy McQuaid, who was the Director of Administration at AWD in 1999, and now an administrator with Howrey, that various employees were working in the docketing department of AWD at the time the maintenance fee would have been originally docketed. Only two of the eight employees with access to the docketing system could be reached to be interviewed, and neither of those interviewed had recollection of the intake of the subject patent at AWD. Ms. McQuaid's declaration further stated that the AWD docketing system in place in 1999 did not track what data was entered or who entered such data.

Lastly, petitioners state that they have been unable to obtain a declaration from Nath regarding this matter.

Petitioners' argument has been considered, but is not persuasive, as it fails to shed additional light on the cause of the error. Specifically, petitioners have failed to provide statements by all persons with first hand knowledge of the delay. While the Office is mindful of the attempts made by petitioners to contact Nath, as detailed in the declaration of registered patent practitioner John D. Norris provided with the first request for reconsideration, in the absence of such a statement from Nath, or a statement explaining specifically the nature of the docketing error which occurred, and the identity of the person who made the error, the Office is unable reach a conclusion that the delay in payment was, in fact, unavoidable.

Simply put, without a showing of statements of facts by all of the individuals having first-hand knowledge of the facts surrounding the delay, the showing of record is insufficient to support a finding of unavoidable delay, the Office is precluded from determining that the delay was caused by a docketing error without an adequate showing supporting a finding that the cause or source of the error was, in fact, unavoidable. In this case, unfortunately, the showing of record is that none of the individuals from whom statements have been obtained have any knowledge of the facts surrounding the delay.

In summary, rather than unavoidable delay, the showing of record suggests an avoidable mistake occurred on the part of counsel AWD in docketing the second maintenance fee. An avoidable mistake clearly cannot be the cause of unavoidable delay.

Further, with regard to the transition from the AWD docketing system to Howrey's Alecto docketing system in 2001, it is noted that petitioners supplied a third declaration by Brenda Austin. While Ms. Austin's declaration states that docket reports from the AWD system and the Alecto system were visually compared and proofed, the specific procedures by which this process was executed have not been specified, nor have petitioners provided statements of first-hand knowledge by the individuals who performed this transition.

The showing of record is that, due to an unknown error by an unknown individual, the second maintenance fee payment was not docketed or paid. In the absence of specific details with regard to the error which caused the delay, the Office is unable to reach a conclusion that the delay was in fact, unavoidable.¹⁷

Petitioner is reminded that failure of communication between an applicant and counsel is not unavoidable delay.¹⁸ 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 USC 41(c) and 37 CFR 1.378(b).¹⁹ Moreover, the Office is not the proper forum for resolving a dispute as to the effectiveness of communications between parties regarding the responsibility for paying a maintenance fee.²⁰

In summary, the showing of record is inadequate to establish unavoidable delay. Petitioner has provided insufficient evidence to substantiate a claim of docketing error. Petitioner's preoccupation with other matters which took precedence over payment of the maintenance fees for the above-identified patent constitutes a lack of diligence, not unavoidable delay.²¹ As petitioner has not shown that it exercised the standard of care observed by a reasonable person in the conduct of his or her most important business, the petition will be dismissed.²²

CONCLUSION

¹⁷ See Notes 15 and 16, *supra*.

¹⁸ *In re Kim*, 12 USPQ2d 1595 (Comm'r Pat. 1988).

¹⁹ See *Ray*, at 610, 34 USPQ2d at 1789.

²⁰ *Id.*

²¹ See *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

²² See note 6, *supra*.

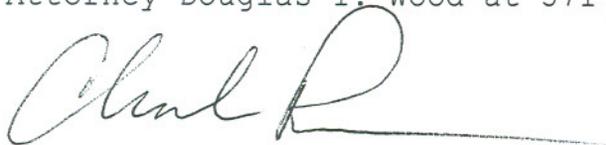
The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. The petition under § 1.378(c) has also been considered. For the above stated reasons, the delay in this case cannot be regarded as unavoidable, or unintentional, 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 to counsel's deposit account. The \$400.00 fee for reconsideration will not be refunded, and will be deducted from the amount refunded.

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

The patent file is being returned to Files Repository.

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

A handwritten signature in cursive script, appearing to read "Charles A. Pearson", with a long horizontal line extending to the right.

Charles A. Pearson
Director, Office of Petitions