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OFFICE OF PETITIONS

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In re Patent No. 5,966,962 :  
Issue Date: October 19, 1999 :  
Application No. 09/075,429 : ON PETITION  
Filed: May 8, 1998 :  
Attorney Docket No. 13737.02-962 :

This is a decision on the petition for reconsideration, filed December 29, 2008, which is being treated as a petition under 37 CFR 1.378(e), to reconsider the decision refusing to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

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

**BACKGROUND**

The patent issued on October 19, 1999. Accordingly, the first maintenance fee (3 ½ year) could have been paid during the period from October 19, 2002 through April 19, 2003 without a surcharge, or during the period from April 20, 2003 through October 19, 2003 with a surcharge. Because the first maintenance fee was not received within either of the aforementioned periods of time, the patent expired at midnight on October 19, 2003 for failure to timely submit the first maintenance fee. If the patent had not expired, a seven and one half (7 ½) year second maintenance fee should have been paid from October 19, 2006 through April 19, 2007 without a surcharge or with a surcharge during the period from April 20, 2007 through October 19, 2007.

A petition to accept to accept the three and one-half year maintenance fee as unavoidably delayed under 37 CFR 1.378(b) was filed February 21, 2008 and was dismissed in a decision mailed October 28, 2008.

The instant request for reconsideration was filed December 29, 2008.

Petitioner requests reconsideration of the decision mailed October 28, 2008. Petitioner states that the delay in paying the maintenance fee was unavoidable due to the fact that patentee's attorney, the person responsible for paying the maintenance fee, failed to do so and when contacted by the

patentee to confirm payment indicated that it had been paid. In fact, the attorney had not paid the maintenance fee.

### STAUTE AND REGULATION

35 U.S.C. § (2)(B)(2) provides, in part, that:

The Office-- may, establish regulations, not inconsistent with law, which

(A) shall govern for the conduct of proceedings in Office.

35 U.S.C. § 41(c)(1) provides that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the 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. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(b) provides that:

(b) Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section 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 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(e) provides that:

Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(f). After the decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and surcharge set forth in § 1.20(i) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

### OPINION

Petitioner requests reconsideration of the previous adverse decision on the petition filed under 37 CFR 1.378(b) and submits that applicant's attorney, Emmet Pugh (Pugh) was responsible for payment of the maintenance fee. The petition sets forth a three step process that was in place to make timely payment of maintenance fees:

- a) instructing the patent attorney to pay the maintenance fee,
- b) providing payment to the patent attorney for the maintenance fee,
- c) seeking and receiving subsequent confirmation from the patent attorney that the maintenance fee was paid.

Since the patentee had followed all three steps and received confirmation from Pugh that the maintenance fee was paid, when it had not, petitioner takes the position that the expiry of the instant patent was unavoidable. Petitioner has not met his burden of proving to the satisfaction of the Director that the delay was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

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" delay. Ray v. Lehman, 55 F.3d 606, 608 09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications 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. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or

imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514 15 (D.C. Cir. 1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32 33 (Comm'r Pat. 1887) see also Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. In addition, decisions on revival are made on a "case by case basis, taking all the facts and circumstances into account." Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

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. 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). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. 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*.

As 35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 USC § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the maintenance fee for this patent: Id.

According to the petition, patentee depended completely on his attorney, Pugh, to make the maintenance fee payments in a timely manner. The petition indicates that Pugh had been a reliable veteran attorney, that Pugh and patentee had been aware of the maintenance fee due date and that patentee had sent instructions to pay the maintenance fee and payment for the maintenance fee to Pugh. For unknown reasons, Pugh failed to pay the maintenance fee and patentee did not find out about this until September of 2007 when his new attorney had told him so.

Patentee had no system of his own in place for monitoring the payment of maintenance fees other than reliance on Pugh's confirmation. Such a system is not reliable, for as happened here, patentee is depending on misinformation rather than a factual confirmation. The petition states that there was no way for patentee, Mr. Murray, to know that Pugh had not paid the 3 ½ year maintenance fee, the implication being that relying on Pugh's statement that the fee had been paid was all that patentee could do. A reasonably prudent person in conducting his most

important business would, despite petitioner's arguments to the contrary, require evidence that the task had been completed. Rather than relying merely on Pugh's word, patentee could have requested proof such as the Office acknowledgement of payment or patentee could have contacted the Office directly to confirm payment.

The record fails to show that adequate steps within the meaning of 37 CFR 1.378(b)(3) were taken by or on behalf of petitioner in regard to payment of the maintenance fee. The petitioner describes a multi step process needed to pay the maintenance fees. The process was flawed in that there was no system in place for verifying actual payment of the fees in a timely manner. By specifically handing over responsibility of maintenance fee payments to Pugh and with no system of his own in place to monitor actual payment of maintenance fees, petitioner was bound by the actions (or inactions) of his attorney. The petition indicates that dependence on Pugh to properly handle his patent matters was based on the fact that Pugh was a reliable veteran attorney. In fact, the initial petition filed February 21, 2008 suggests just the opposite. As pointed out on page 10 of that petition, there was evidence that Pugh had never transferred power of attorney to himself when he took over prosecution of the instant application. Pugh had let another application belonging to the patentee go abandoned three times for not filing a timely response. It is not clear from either the first petition or this instant renewed petition whether patentee was aware of these facts but they nonetheless indicate Pugh was not as reliable as suggested.

If petitioner was represented by a registered practitioner the Office must rely on the actions or inactions of the duly authorized and voluntarily chosen representative, and petitioner is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626,633-34 (1962).

The Seventh Circuit has stated, "The other assumption is that, if the complainants failed in their application through the negligence of their attorney, the delay would be unavoidable, which is wholly unwarranted in the law. It is of the very nature of negligence that it should not be unavoidable, otherwise it would not be actionable. The negligence of the attorney would be the negligence of the [client]. The purpose of the statute was to put an end to such pleas, and there would be no limit to a renewal of these applications if every application, however remote, could be considered under the plea of negligence of attorneys, by whom their business is generally conducted." Lay v. Indianapolis Brush & Broom Mfg. Co., 120 F. 831, 836 (903).

The United States Court of Appeals for the Federal Circuit has stated, "If we were to hold that an attorney's negligence constitutes good cause for failing to meet a PTO requirement, the PTO's rules could become meaningless. Parties could regularly allege attorney negligence in order to avoid an unmet requirement." Huston v. Ladner, 973 F.2d 1564, 23 U.S.P.Q.2d (BNA) 1910 (Fed. Cir. 1992).

Petitioner further notes that patentee unfortunately suffered an illness from 2002 to 2005. However, there is no showing that patentee was unable to conduct day to day business. In fact, the petition indicates that patentee kept in contact with Pugh periodically. As such, patentee's illness was not apparently an impediment in any effort to confirm actual payment of the maintenance fee.

Petitioner is reminded that 37 CFR 1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for petitioner's showing of the steps taken to pay the fee.

Decisions on reviving abandoned applications 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. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

The record further does not support a finding of unavoidable delay, as petitioner has not shown adequate diligence in this matter. That is, a showing of diligence in matters before the USPTO on the part of the party in interest is essential to support a finding of unavoidable delay herein. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiries into the status of the application coupled with affirmative misrepresentations by its fiduciary as to its true status which prevented more timely action showed unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his duly appointed representative); R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Il. 2000)(failure of patent owner to itself track or obligate another to track the maintenance fee and its failure to exercise diligence for a period of seven years, precluded acceptance of the maintenance fee); MMTC v. Rogan, 369 F.Supp2d 675 (E.D. Va 2004)(passive reliance on reminder notice resulting in failure to take any steps to ensure payment of the maintenance fee is not unavoidable delay); Femspec v. Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D.Ca 2007)(lack of any steps in place to maintain patent in force by estate executor unfamiliar with patent law is not unavoidable delay); Burandt. v. Dudas, *supra* (delay not unavoidable where no steps shown to be employed to remind responsible party to timely pay maintenance fees, no inquiry by patent holder of responsible party or Patent and Trademark Office as to whether maintenance fees would, or already had been paid). The delay was not unavoidable. Patentee's attorney was specifically instructed by patentee to pay the 3 ½ year maintenance fee and funds were provided for the fee payment. Patentee gave complete and total control of maintenance fee payment to his attorney and had no reliable system in place to monitor actual maintenance fee payment.

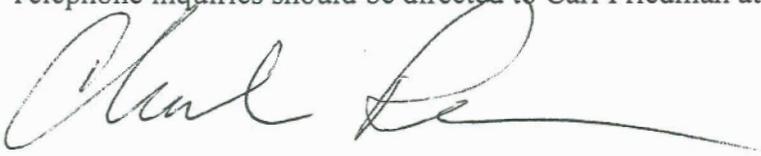
**DECISION**

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and this patent remains expired. The petition is **denied**.

The USPTO will not further consider or reconsider this matter. See 37 CFR 1.378(e). This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

This patent file is being returned to the Files Repository.

Telephone inquiries should be directed to Carl Friedman at (571) 272-6842.

A handwritten signature in black ink, appearing to read "Charles Pearson", with a long horizontal flourish extending to the right.

Charles Pearson  
Director, Office of Petitions