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In re Patent No. 4,581,863	:	OFFICE OF PETITIONS
Issue Date: April 15, 1986	:	A/C PATENTS
Application No. 06/648,186	:	ON PETITION
Filed: September 6, 1984	:	
Inventor: Kenneth Thaler	:	

This is a decision on the petition under 37 CFR 1.378(e), filed August 29, 1997, requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee under 37 CFR 1.378(b) is DENIED.

BACKGROUND

The patent issued April 15, 1986. The first maintenance fee was timely paid. The second maintenance fee due could have been paid during the period from April 15, 1993 through October 15, 1993, or with a surcharge during the period from October 16, 1993 through April 15, 1994. Accordingly, the patent expired on midnight, April 15, 1994 for failure to timely pay the maintenance fee. 37 CFR 1.362(g).

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed April 1, 1997, and was dismissed in the decision of June 9, 1997.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of June 9, 1997 was filed on November 26, 1997. Accompanying the petition were: a second declaration of Kenneth Thaler (Thaler); a second declaration of Peter Hammond (Hammond); a declaration by Sheldon Burshtein; a declaration by Anne M. Godbout; a declaration by Ursula Roman; and various exhibits supporting the declarations.

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

"The Commissioner 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 Commissioner to have been unavoidable."

37 CFR 1.378(b)(3) states that any petition to accept 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."

OPINION

The Commissioner may accept late payment of the maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable." 35 U.S.C. § 41(c)(1).

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. 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

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

Petitioner urges that the decision of June 9, 1997 be reconsidered in that (1) petitioner has clearly established that Hammond was the attorney retained by petitioner to docket and pay maintenance fees, (2) Hammond has shown that adequate steps were taken to ensure that maintenance fees would be paid in a timely fashion, and (3) that but for an unavoidable clerical error the failure to pay the second maintenance fee would not have occurred.

Petitioner has not carried the burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

The showing of record indicates that upon receiving patent 4,581,863 petitioner retained Hammond to docket and pay maintenance fees. (See second Hammond and Thaler declarations and accompanying exhibits). Hammond's secretary, Contestabile, docketed the first maintenance fee, but apparently not the second and third as was customary. Hammond informed petitioner when the first maintenance fee payment was due, and paid the first maintenance fee upon petitioner's instruction. Between the time when the first and second maintenance fees were due petitioner retained the firm of Blake, Cassels & Graydon (Blake) to act as its representative with regard to litigation in an infringement matter. In the course of its representation Blake requested that Hammond release files relative to such litigation. Although patent 4,581,863 is not mentioned in Blake's request, the litigation apparently concerned the subject matter to which the '863 patent was directed. Apparently based on Blake's representation of petitioner with regard to the litigation, and a request by petitioner for Hammond to discontinue services related to litigation, Hammond believed that he no longer represented petitioner. At the same time Petitioner believed that Hammond was still responsible for docketing the maintenance fees. The second maintenance fee was not paid.

The confusion as to who was responsible for maintaining a maintenance fee docket and timely paying the maintenance fees apparently resulted from miscommunication between petitioner and Hammond. Upon receipt of the letter from petitioner's litigation attorney, Blake, Hammond assumed, without investigating further, that he no longer represented petitioner in any manner. (See first Hammond declaration, ¶ 29-35). A reasonable and prudent person, prior to assuming they were no longer responsible for docketing and paying maintenance fees would have verified such. That Hammond did not verify his status as petitioner's representative cannot excuse the failure to timely pay maintenance fees. Further, petitioner was not prudent in not verifying or having his new attorney, Blake, verify the lines of representation with regard to all of petitioner's patent matters. Had the respective lines of representation been clearly detailed for Hammond the confusion as to who had responsibility for maintenance fees would not have arisen. Moreover, petitioner was put on notice by Hammond when the first maintenance fee was paid that a second maintenance fee would be required at the 7-1/2 year date. Hammond stated he would use his "best endeavours" to remind petitioner of the need to pay this fee. (See Hammond exhibit K). A reasonable and prudent person would verify that Hammond was definitely taking responsibility for the maintenance fee tracking and payment.

Delay resulting from a lack of proper communication between a patentee and that patentee's representative(s) as to the responsibility for scheduling and payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). See, In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). Specifically, delay resulting from a failure in communication between a representative and his client regarding a maintenance fee payment is not unavoidable delay within the meaning of 35 USC 41(c) and 37 CFR 1.378(b). Ray, 55 F.3d at 610, 34 USPQ2d at 1789. That all parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus, their own obligation in this matter, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business within the meaning of Pratt, supra. It is further brought to petitioner's attention that the Office is not the proper forum for resolving a dispute between a patentee and that patentee's representative(s) regarding the scheduling and payment of maintenance fees. Ray, supra.

Even assuming arguendo that petitioner took all prudent and reasonable steps to ensure that Hammond was responsible for

docketing and paying maintenance fees, the petition fails to show unavoidable delay. In order to make a proper showing of unavoidable delay petitioner must show (1) that its counsel was justified in relying on the docketing system, i.e., that the docketing system was highly reliable, and (2) that the docketing errors were the cause of the belated maintenance fee payment.

In the instant case Hammond has asserted that the failure of the docketing system was due to his secretary's failure to properly enter the second and third maintenance fee dates into the system. To Hammond's knowledge this is the only known failure of the docketing system. Thus, it would appear that Hammond was justified in relying on the docketing system then in place. However, Hammond's goes on to state that by 1993 he no longer considered petitioner to be a client. Thus Hammond had no reason to rely upon, or even to check the docketing system regarding petitioner. As such, any docketing errors cannot be said to have been the cause of the failure to pay the maintenance fee. Hammond's mistake as to his belief regarding his responsibilities caused the failure to pay the maintenance fee.

The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). Specifically, petitioner's delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133 or 37 CFR 1.137(a). Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (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).

Finally, Hammond's not having received any notices regarding this patent from the Patent and Trademark Office (Office) is not persuasive of unavoidable delay. Delay resulting from petitioner's lack of receipt of any maintenance fee reminder does not constitute "unavoidable" delay. See Patent No. 4,409,763, supra, aff'd, 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). See also "Final Rules for Patent Maintenance Fees," 49 Fed. Reg. 34716, 34722-23 (Aug. 31, 1984), reprinted in 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). It is solely the responsibility of the patent holder to assure that the maintenance fee is timely paid to prevent

expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the maintenance fee reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office.

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, at 608-609, 34 USPQ2d at 1787. A reasonably prudent patent holder would have exercised due care and diligence to ensure that adequate steps were taken to timely submit the maintenance fee. The record fails to adequately evidence that petitioner exercised the due care and diligence observed by prudent and careful persons, in relation to their most important business. Pratt, supra. This failure precludes a finding of unavoidable delay.

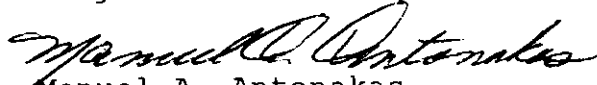
CONCLUSION

The prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the above stated reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. § 41 and 37 CFR 1.378(b).

Since this patent will not be reinstated, petitioner may request a refund by treasury check in the amount of \$1705, by enclosing a copy of this decision with a request for refund to the Office of Finance, Refund Section.

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

Telephone inquiries related to this decision should be directed to Mark Graham at (703)305-9177, or in his absence, Special Projects Examiner Brian Hearn at (703) 305-1820.


Manuel A. Antonakas
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Office of the Deputy Assistant Commissioner
for Patent Policy and Projects

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