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MAILED
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OFFICE OF PETITIONS

In re Patent No. 6,322,169 :
Issue Date: November 27, 2001 :
Application No. 09/554,648 : **DECISION ON PETITION**
Filed: July 14, 2000 :
Attorney Docket No. **16565.0001FPWO** :

This is a decision on the petition filed on October 4, 2010, properly treated as a petition under 37 C.F.R. §1.378(b) and (e) requesting acceptance of payment of a maintenance fee for the above-referenced patent as having been delayed due to unavoidable delay.

The petition pursuant to 37 C.F.R. §1.378(b) and (e) is **DENIED**;

This is a final agency action within the meaning of 5 U.S.C. §704.

BACKGROUND

Patent No. 6,322,169 (the '169 patent) issued on November 27, 2001. The first maintenance fee could have been paid during the period from November 27, 2004, through midnight May 27, 2005, or, with a surcharge, during the period from May 28, 2005, through midnight November 27, 2005. Accordingly, the patent expired after midnight November 27, 2005, for failure to pay timely the first maintenance fee.

The original petition pursuant to 37 C.F.R. §1.378(b) was filed on September 25, 2009, and dismissed on August 2, 2010. The petition for reconsideration was filed on Monday, October 4, 2010.

STATUTE AND REGULATION

The grant of authority at 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...after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable.

The regulations 37 C.F.R. §1.378(b)(3) thus set forth 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. (Emphasis supplied.)

PETITIONER'S CONTENTION

Petitioner, Continental Teves (CT), the assignee, sought relief pursuant to the regulations at 37 C.F.R. §1.378, and averred unavoidable delay. As outlined above, Patent No. 6,322,169 (the '169 patent) issued on November 27, 2001. The first maintenance fee could have been paid during the period from November 27, 2004, through midnight May 27, 2005, or, with a surcharge, during the period from May 28, 2005, through midnight November 27, 2005. Accordingly, the patent expired after midnight November 27, 2005, for failure to pay timely the first maintenance fee.

Petitioner states that:

- In April 2005 Assignee CT specifically instructed its agent, European Patent Annuity Service (EPAS), to allow one U.S. Patent No. 6,322,169 to expire by not paying the maintenance fee;
- Petitioner states that CT had wanted U.S. Patent No. 6,321,884 (the '884 patent) to expire;
- Due to a typographical error, alleged to have been related to a "wrong allocation of an internal file number"¹ in "the patent data sheet[.]"² CT instructed EPAS to allow the '169 patent to expire rather than the '884 patent to expire;
- On March 2, 2006, EPAS, on behalf of CT, sought the assistance of "Walt Zielinski [of the firm of Darby and Darby (Darby)] a U.S. patent attorney *** inform[ed] him of the patent expiration and request[ed] his assistance in reinstating the '169 patent";³
- Mr. Zielinski took up the matter two days later, but his error in identifying the patent not as Patent No. 6,322,169, but as 6,332,169 further complicated the attempt to resolve the matter;⁴

¹ See: September 2009 Petition, FAX of 11 May, 2006 (Exhibit 11).

² See: September 2009 Petition, at page 2.

³ See: September 2009 Petition, at page 3 (and Exhibit 8).

- Further communications between EPAS and Mr. Zielinski on April 28, 2006,⁵ on May 11, 2006,⁶ and again on May 11, 2006,⁷ ensued and the matter became even further complicated/confused when the patent matter under consideration was misidentified, for a third time by a completely different patent number, as U.S. Patent No. 6,321,844;⁸
- Thereafter in 2006, Mr. Zielinski became ill and worked on the instant matter “only 7.0 hours *** through July 2006, and only 0.9 hours the following month of August 2006”;⁹
- Further, “[i]n September 2006, Mr. Zielinski was not able to work on [the] matter at all, and could only spend 2.2 hours in connection with this matter between October 2006 and July 2007 *** [and] finally took an official leave of absence from Darby and Darby due to his health concerns and [did] no further work on [this matter] since July 2007”;¹⁰
- Nothing appears to have occurred toward the process of seeking reinstatement of the ‘169 patent until July 2008,¹¹ and following an EPAS communication to Mr. Zielinski on July 24, 2008,¹² and notification by Mr. Zielinski’s office to EPAS of Mr. Zielinski’s disability, EPAS contacted Mr. Jay Lessler on November 27, 2008, but for a fourth time misidentified the patent in question with the incorrect number 6,322,196, rather than 6,322,169;
- EPAS sent a letter to Mr. Lessler on November 27, 2008¹³—the letter from EPAS was submitted by Petitioners in this regard as Exhibit 15—in an effort to correct the information.¹⁴ According to petitioner, this letter was received by Mr. Lessler.
- On November 28, Mr. Lessler sent a letter to EPAS in an effort to obtain the correct patent number. According to petitioner this letter was received by EPAS.
- In the meantime EPAS sought to notify Mr. Lessler of the correct patent number (the ‘169 patent) in a letter of December 10, 2008, but, according to petitioner, this letter was not received by Mr. Lessler,¹⁵ and it was then that he transmitted his inquiry of June 24, 2009;¹⁶

⁴ See: September 2009 Petition, at page 3 (Exhibit 9).

⁵ See: September 2009 Petition, at page 4 (Exhibit 10).

⁶ See: September 2009 Petition, at page 4 (Exhibit 11).

⁷ See: September 2009 Petition, at page 4 (Exhibit 12).

⁸ See: September 2009 Petition, at page 4 (Exhibit 12).

⁹ See: September 2009 Petition, at page 4 (Exhibit 13).

¹⁰ See: September 2009 Petition, at page 4 (Exhibit 13).

¹¹ See: September 2009 Petition, at pages 4-5 (Exhibits 14 and 15).

¹² See: September 2009 Petition, at pages 4-55 (Exhibits 14 and 15).

¹³ See: September 2009 Petition, at page 5 (Exhibit 15).

¹⁴ See: September 2009 Petition, at page 5 (Exhibit 15).

¹⁵ See: September 2009 Petition, at page 5 (Exhibit 17).

¹⁶ See: September 2009 Petition, at page 5 (Exhibit 18).

- On July 11, 2009, EPAS confirmed to Mr. Lessler that the patent number in question was 6,322,169,¹⁷ and two months and fourteen days later, on September 25, 2009, the original petition was filed.

On renewed petition, a declaration of Ms Prell-Bscheid was submitted. The facts as set forth in the declaration are as follows:

- EPAS has managed CT's patent matters since March 1987 and placed the '169 patent in its database on 12 April, 2002—roughly five (5) months after the patent issued;¹⁸
- EPAS sent a reminder to CT on 13 January, 2005, that the first maintenance fee for the '169 patent was due on 27 May, 2005,¹⁹ but “CT instructed [EPAS] in April 2005 *** to allow the '169 patent to expire. Along with its instruction, CT sent [to EPAS] a copy of its internally created patent data sheet for the patent to be abandoned”;²⁰
- the April 2005 instruction from CT to EPAS was later found to be erroneous;²¹
- “[i]t is not [the] customary practice at EPAS to conduct detailed audits of [its] client's own internal records in order to verify their accuracy. Rather, when [its] clients' instructions appear to be complete and accurate, [EPAS accepts the instructions] as such and follow them accordingly”;²²
- “[a]bout three months after the '169 patent expired *** CT informed [EPAS] of the error on its above-mentioned patent data sheet and asked us to take action to and reinstate the '169 patent”;²³
- “EPAS became a Darby client in August 2000. In all of [its] experience with this firm, we consistently received reliable and excellent service from the attorneys assigned to [its] cases *** in particular Mr. Walt Zielinski who [EPAS] found to be a responsive, reliable and highly skilled Darby attorney. In fact by March 2006, Mr. Zielinski had established a pattern of diligently handling patent reinstatements for EPAS ***”;²⁴
- EPAS contacted its counsel at Darby for assistance in the matter on 2 March, 2006;²⁵
- the “reasonable expectation [of EPAS] that Mr. Zielinski and other Darby attorneys would exercise diligent care in handing the petition for reinstatement of the '169 patent

¹⁷ See: September 2009 Petition, at page 5 (Exhibit 19).

¹⁸ See: Declaration of Christine Prell-Bscheid, page 2, item 6.

¹⁹ See: Declaration of Christine Prell-Bscheid, page 3, item 7.

²⁰ See: Declaration of Christine Prell-Bscheid, page 3, item 8.

²¹ See: Declaration of Christine Prell-Bscheid, page 3, item 8.

²² See: Declaration of Christine Prell-Bscheid, page 3, item 9.

²³ See: Declaration of Christine Prell-Bscheid, page 4, item 11.

²⁴ See: Declaration of Christine Prell-Bscheid, page 4, item 12.

²⁵ See: Declaration of Christine Prell-Bscheid, page 4, item 11.

[was] further evidenced by the fact that Mr. Zielinski prepared and filed successful petitions to reinstate at least five other U.S. patents *** on behalf of EPAS clients in March 2006 as well;”²⁶

- in all of EPAS’s experience with Darby, Ms. Prell-Bscheid was the primary contact, and in that time “the petition for reinstatement of the ‘169 patent [was] the only petition handled by Darby on behalf of EPAS for which there was a meaningful delay in filing.”²⁷

DECISION

The Director may accept late payment of the maintenance fee under 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b) if the delay is shown to the satisfaction of the Director to have been “unavoidable.” A petition to accept the delayed payment of a maintenance fee under 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b) must be accompanied by:

- (a) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely;
- (b) payment of the appropriate maintenance fee, unless previously submitted; and
- (c) payment of the surcharge set forth in 37 C.F.R. §1.20(i)(1).

The instant petition fails to satisfy requirement (a) since the showing of record is inadequate to establish unavoidable delay within the meaning of 37 C.F.R. 1.378(b).

There are three periods to be considered during the evaluation of a petition under 37 C.F.R. §1.378(b):

- (1) The delay in reply that originally resulted in expiration;
- (2) The delay in filing an initial petition pursuant to §1.378(b) to reinstate the patent; and
- (3) The delay in filing a grantable petition pursuant to §1.378(b) to reinstate the patent.

Periods (1) and (2) are relevant to the facts of this case and are discussed below.

Period (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*, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(citing In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988)). Likewise the “unintentional” standard in 35 USC §41(c)(1) uses the same “unintentionally” standard in 35 USC §41(a)(7) because 35 USC §41(c)(1) uses the same word (“unintentional”), albeit in a different part of

²⁶ See: Declaration of Christine Prell-Bscheid, page 4, item 13.

²⁷ See: Declaration of Christine Prell-Bscheid, page 5, item 14.

speech (i.e., the adjective “unintentional” rather than the adverb “unintentionally”). With regards to the “unintentional” delay standard:

Where the applicant deliberately permits an application to become abandoned (e.g., due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be a deliberate chosen course of action, and the resulting delay cannot be considered as “unintentional” within the meaning of 37 CFR 1.137(b). See In re Application of G, 11 USPQ2d at 1380 (Comm’r Pat. 1989). An intentional course of action is not rendered unintentional when, upon reconsideration, the applicant changes his or her mind as to the course of action that should have been taken. See In re Maldague, 10 USPQ2d 1477, 1478 (Comm’r Pat. 1988). MPEP 711.03(c)(II)(3)(C)(1).

See Changes to Patent Practice and Procedure; Final Rule Notice, 62 *Fed. Reg.* 53131, 53158-59, 1203 *Off. Gaz. Pat. Office* 63, 86 (discussing the meaning of “unintentional” delay in the context of the revival of an abandoned application). Whether the extant situation involves an application that is abandoned or a patent that has expired is not significant since the standards of review in each situation are the same as set forth above.

Further, it should be pointed out that delay resulting from a deliberate course of action chosen by the patentee is not affected by:

- (A) the correctness of the patentee’s (or patentee’s representative’s) decision to allow the patent to expire or not to seek or persist in seeking reinstatement of the patent;
- (B) the correctness or propriety of a decision by the Office; or
- (C) the discovery of new information or evidence, or other change in circumstances subsequent to the expiration or decision not to seek or persist in seeking reinstatement.

The intentional expiration of a patent precludes reinstatement under either the unavoidable or unintentional standard. See In re Maldague, 10 USPQ2d 1477, 1478 (Comm’r Pat. 1988) wherein this standard is discussed in the context of an application.

In this instance, EPAS made the intentional decision to not pay the maintenance fee in this case. EPAS had the authority to make that decision and not transmit the maintenance fee. Petitioner has attempted to show that CT’s instructions to EPAS were later discovered to be incorrect. However, the correctness of CT’s instructions to EPAS are not material since EPAS had the authority to pay and intentionally do not pay the maintenance fee. The discovery of new information after the fact does not change an intentional act into an unintentional one. Thus the petition cannot be granted.

Period (2)

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, see *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 Director 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*.

Petitioner concedes that neither the cause of all of the delays, nor the persons whose commissions or omissions resulted in the multiple errors, can be identified. In the absence of a documented showing of the existence of a reliable tracking system, an explanation of the error that occurred, and that a showing that the error occurred despite the exercise of due care, the Office is precluded from finding that the error resulted from unavoidable delay. Simply put, the burden is on Petitioner, not the Office, to show that the delay was unavoidable. Petitioner has not met the burden of showing that the delay was unavoidable.

CT's error, along with EPAS's lack of oversight and pre-occupation with other matters and later misidentification of the patent involved, along with Darby's attorneys' lack of oversight—all of which took precedence over or otherwise prevented timely payment of the above-identified maintenance fee or reinstatement of the patent—do not constitute unavoidable delay. *See Smith v. Mossinghoff*, 671 F.3d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

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

CONCLUSION

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(e) has also been considered.

For the above stated reasons, the delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. §41(c)(1) and 37 C.F.R. §1.378(b) and (e).

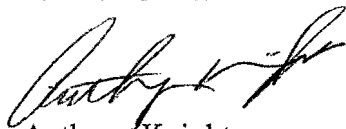
Patent No. 6,322,169
Application No. 09/554,648

The petition under 37 C.F.R. §1.378(e) is **denied**.

Since this patent will not be reinstated, a refund check covering, the maintenance fee and surcharge fee, less the \$400.00 fee for the present request for reconsideration, has been scheduled.

The patent file is being returned to Files Repository.

Telephone inquiries regarding this decision should be directed to John J. Gillon, Jr., attorney, at 571-272-3214.



Anthony Knight
Director
Office of Petitions