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OFFICE OF PETITIONS

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In re Patent No. 6,756,572 :
Issue Date: 06/29/2004 :
Application Number: 10/034,177 : DECISION ON PETITION
Filing Date: 12/28/2001 :
Attorney Docket Number: 2013-3- :
06 :

This is a decision on the petition, filed on February 7, 2011, 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 on June 29, 2004. The first maintenance fee could have been paid during the period from June 29 through December 31, 2007, or, with a surcharge during the period from January 1 through June 29, 2008. Accordingly, the patent expired at midnight on June 29, 2008, for failure to timely submit the first maintenance fee.

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 initial petition under 37 CFR 1.378(b) was filed on September 29, 2010. On December 7, 2010, the petition was dismissed.

Petitioner again asserts that the client was informed, via a letter sent to the client accompanying the original Letters Patent, that counsel would not be responsible for payment of the maintenance fees, and the letter included a recommendation that the patent owner docket the dates for payment of the maintenance fees. The maintenance fee due dates were not docketed by counsel because it was believed that the patentee would tend to the docketing of these maintenance fees.

Petitioner further states that it was discovered on December 11, 2009, by petitioner's registered patent practitioner, Harry Lee, that the patent had become expired. Counsel then contacted patentee by telephone, and the patentee verbally informed attorney Lee that patentee wished to reinstate the patent. However, due to a docketing error, the filing of the petition to reinstate the expired patent was never docketed, and thus, the filing thereof was unavoidably delayed.

In the decision dismissing the petition, petitioner was advised that a showing of unavoidable delay due to docketing error required evidence supporting such a finding. In this case, the showing required was that: (a) the error was the cause of the delay at issue; (b) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and (c) the employee(s) were sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employees represented the exercise of due care. Petitioner was further advised that the following items must be provided: (a) statements by persons with direct knowledge of the circumstances of the delay, setting forth the facts as they know them; (b) a thorough explanation of the docketing and call-up system in use, including, but not limited to, copies of documentation 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, and (c) 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.

Petitioners have provided statements by attorney Lee and Jane Kim, a docketing assistant from 2007 to December, 2009, at

counsel's law firm. Petitioner further states that the former docketing manager, Emily Baldwin, could not be reached to obtain an affidavit or declaration of facts. Petitioner further states that Linda Chung, an employee of counsel's law firm from December 2003 to February 2011, and patent secretary from 2004-2006, and the person who sent the letter accompanying the Letters Patent to patentee, could not be reached to obtain an affidavit or declaration of facts.

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".³ 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."⁴ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁵ 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. § 133.⁶ 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.⁷ However, 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.⁸ In view of In re Patent No. 4,409,763,⁹ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

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.¹⁰ 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.¹¹

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

³ 35 U.S.C. § 41(c)(1).

⁴ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁵ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁶ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁷ 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).

⁸ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁹ 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).

¹⁰ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

¹¹ Id.

petitioner has failed to carry his or her burden to establish that the delay was unavoidable.¹² 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.¹³

There are three periods to be considered during the evaluation of a petition under 37 CFR 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 revive the application; and
- (3) The delay in filing a *grantable* petition pursuant to § 1.378(b) to revive the application.¹⁴

This petition lacks the showing required by period (1).

With regard to period (1), the showing of record is that the delay was not unavoidable. Counsel argues that the facts of the present case are distinguishable from *Ray v. Lehman*¹⁵ in that the client letter, which was received, left an "ambiguity" as to whether petitioner's counsel would track the due dates for the maintenance fee, while in *Ray*, the attorney forwarded a maintenance fee reminder from the USPTO to his client, but the letter did not reach the client because it was returned as undeliverable.¹⁶ Petitioner states that the "the error relates to the misunderstanding as to the party who is to track the maintenance fee due dates."

Petitioner's argument is that the delay was unavoidable because the "ambiguity" in the letter led patentee to rely upon counsel to track and pay the maintenance fee while counsel relied on patentee to track and pay the maintenance fee. Petitioner's point is not well taken, however, because the letter clearly states that counsel "cannot be responsible for the non-payment of maintenance fees or for the non-notification of maintenance fee due dates. Accordingly, we strongly recommend that these due

¹² 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).

¹³ 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*.

¹⁴ See *Changes to Patent Practice and Procedure; Final Rule Notice*, 62 Fed. Reg. 53131 at 53158 (October 10, 1997).

¹⁵ 55 F.3d 606, 609 (Fed. Cir. 1995).

¹⁶ *Id.*, at 607, 34 USPQ2d at 2.

dates be docketed by your office and/or the patent owner as appropriate." Clearly, the plain meaning of the language of the transmittal letter accompanying the Letters Patent indicated that counsel would not be responsible for docketing the due dates and that patentee should docket these due dates or risk having the patent expire for failure to timely pay the maintenance fees. The only course of action for the patentee, acting as a reasonably prudent person acting with regard to his or her most important business (i.e., the maintenance in force of the subject patent) would have been to docket the due dates for the payment of the maintenance fee for the subject patent. As petitioners have provided no evidence that patentee ever docketed the due dates, the showing of record is, rather than unavoidable delay, of a lack of diligence on the part of patentee.

Further, petitioner's argument, that there was no failure of communication because petitioner's counsel did send, and the client allegedly received, the letter informing patentee that patentee should docket the maintenance fee itself, is without merit because it ignores the salient fact that the alleged "ambiguity" was in the content of the letter, rather than whether, or not, said letter was received.

Simply put, if patentee reasonably relied on counsel to docket and track the maintenance fee, but the maintenance fee was not timely paid because counsel did not in fact docket and track the maintenance fee because counsel reasonably believed it was not obligated to docket and track said maintenance fee payment, such would not be unavoidable delay, but rather a delay due to a failure of communication. Conversely, if patentee did not rely on counsel to docket and track the maintenance fee, but patentee did not docket and track the maintenance fee due dates, the showing of record would point not towards a finding of unavoidable delay, but rather towards a finding that the delay resulted from a lack of diligence on the part of patentee. A patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay.¹⁷

The above paragraph notwithstanding, petitioners are reminded that the failure of communication between an applicant and counsel is not unavoidable delay.¹⁸ Specifically, delay

¹⁷ See Patent No. 4,409,763, *supra*; see also "Final Rules for Patent Maintenance Fees" 49 Fed. Reg. 34716, 34722-34723 (August 31, 1984), reprinted in 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984).

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

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 U.S.C. § 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

CONCLUSION

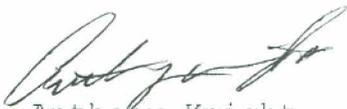
The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the above stated reasons, the delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

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.

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.



Anthony Knight
Director, Office of Petitions

¹⁹ See Ray v. Lehman, 55 F.3d 606, 610, 34 USPQ2d 1786, 1789 (Fed. Cir. 1995).

²⁰ Id.