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OFFICE OF PETITIONS

In re Patent of :
Pilz et al. :
Patent No. 5,867,965 :
Issue Date: 02/09/1999 :
Application No 08/823689 : DECISION
Filing or 371(c) Date: 03/25/1997 : ON PETITION
Title of Invention: :
TILE SETTING MACHINE :

This is a decision on the correspondence filed February 23, 2009, to reinstate the above-identified patent. The correspondence is properly treated as a request for reconsideration of petition under 37 CFR 1.378(e).

The petition is **DENIED**.

This is a final agency decision within the meaning of 35 U.S.C. § 704.

Background

The patent issued February 9, 1999. Patentee could have paid the three and one half (3½) year maintenance fee between February 9, 2002, and August 9, 2002, without a surcharge, or within the six (6) month grace period between August 10, 2002 and February 9, 2003. Patentee failed to do so; accordingly, the patent became expired on February 10, 2003.

The November 5, 2008 petition

Petitioner/Patentee filed a petition to reinstate the patent on November 5, 2008, wherein Patentee asserted that payment of the maintenance fee was unavoidably delayed because since the year 2000, Petitioner was away on business and his companies' bank manager was responsible for maintaining the patent. Petitioner stated that he went to the bank – Petitioner did not say when – and that the bank manager had been removed and was nowhere to be found. Petitioner stated that accounts were opened in his name, and that he was in debt for almost \$400,000.00, and it took two (2) years to clear his accounts, the final clearing having been completed in May 2008.

Petitioner stated that he was making minimum payments here and there to keep him going, and thought he was only behind a couple of years, and that he did not find out about the five (5) years (that payment of the maintenance fee was delayed), until he wanted to show a copy of his patent to an interested party. Petitioner did not state when this occurred.

The December 19, 2008 Decision dismissing the November 5, 2008 petition

The November 5, 2008 petition was dismissed in a Decision mailed December 19, 2008, for failing to meet the requirements of a grantable petition Under 37 CFR 1.378(b). The Decision initially noted that there were two inventors of this patent: Mr. Jack Pilz and Mr. Dario Sanchez. There was also no assignment recorded for the patent. The record did not disclose any statement from Mr. Pilz, other than his signature on the petition. The Statement accompanying the petition was signed only by inventor Dario Sanchez, and detailed the difficulties that Mr. Sanchez experienced with the failure to timely pay the maintenance fee. Patentees were advised that a statement of unavoidable delay must include why the delay was unavoidable by ALL OF THE PATENT OWNERS. It is not enough that the payment of the maintenance fee was unavoidably delayed on the part of one of two patent owners, both patent owners must demonstrate that the delay in paying the maintenance fee was unavoidable. Petitioner was advised that an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

The Decision noted that Petitioner had asserted that the bank manager was responsible for payment of the maintenance fee, and that while Petitioner had averred that the bank manager disappeared, there was no information provided as to when this disappearance occurred. The Petitioner was informed that he must account for the entire period of the delay in paying the maintenance fee. In this instance, the period that must be accounted for is from the time the maintenance fee was due, on February 9, 2003, to the present. Petitioner was required to account for the entire period of the delay and demonstrate why payment of the maintenance fee was unavoidable for the entire period of delay.

Petitioner had not demonstrated that the bank manager was a responsible party, such that reliance upon the bank manager was reasonable. To the contrary, Petitioner has demonstrated that the bank manager was not a responsible party. Petitioner provided in the petition that the bank manager was nowhere to be found, and that accounts were opened in his name, and that he was in debt for almost \$400,000.00, and it took two (2) years to clear his accounts, said final clearing was completed in May 2008.

The decision noted that, assuming, arguendo, Petitioner learned of the bank manager's disappearance in 2006 ((two (2) years before the accounts were finally cleared-up in 2008)), the disappearance of the bank manager should have prompted Petitioner to check on the status of his patent. Petitioner stated that it was not until he wanted to show his patent to an interested party that he learned about the patent having expired five years earlier; however, the Decision stated that a reasonably prudent person in the exercise of due care and diligence with regards to his patent would have taken steps in 2006 to find out about the status of his patent.

The Decision also informed Petitioner that the required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which Petitioner became aware of the expiration of the patent, and the steps taken to file the petition promptly. Petitioner had failed to enumerate any steps taken to ensure timely payment of the maintenance fee. Petitioner provided that it was the bank manager's responsibility to pay the maintenance fee and that Petitioner was away from home on business for long periods of time; however, Petitioner was advised that the lack of knowledge of the requirement to pay a maintenance fee and the failure to receive a Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the Petitioner to the Office.

Further to this, Petitioner had not explained what inventor Pilz was doing to monitor and ensure timely payment of the maintenance fee.

Petitioner also asserted financial difficulty; however, Petitioner stated that he made minimal payments to keep things going. The Decision noted that the Petitioner had not provided any evidence outside of his own statements in the petition to support this assertion. The Decision also informed Petitioner that a showing of "unavoidable" delay based upon financial difficulty must establish that the responsible party (i.e., an individual or the company) lacked the financial resources to pay the issue fee for the above-identified application in a timely manner. To establish that the responsible party did not have the financial resources to pay the maintenance fee during the relevant period, Petitioner was advised to provide a month by month accounting of the responsible party's income, profits, credits, and assets, as well as monthly obligations, expenses and bills (such as rent, mortgage, insurance, medical costs, utilities, etc.). Petitioner was also asked to explain how much disposable income or profits the responsible party had on a monthly basis, which could have been used to pay the issue fee in a timely manner. Petitioner was advised that it must provide the Office with copies of any documents that could confirm the responsible party's financial difficulty during the entire period from February 9, 2003, until the date of the filing of a grantable petition.

Petitioner also requested that this information be kept confidential. Petitioner was cautioned to avoid submitting personal information in documents filed in a patent application that may contribute to identity theft. Petitioner was also advised that personal information such as social security numbers, bank account numbers, or credit card numbers (other than a check or credit card authorization form PTO-2038 submitted for payment purposes) is never required by the USPTO to support a petition or an application. If this type of personal information is included in documents submitted to the USPTO, petitioners/applicants should consider redacting such personal information from the documents before submitting them to the USPTO. Petitioner was advised that the record of a patent application is available to the public after publication of the application (unless a non-publication request in compliance with 37 CFR 1.213(a) is made in the application) or issuance of a patent. Furthermore, Petitioner was informed that the record from an abandoned application may also be available to the public if the application is referenced in a published application or an issued patent (see 37 CFR 1.14). Petitioner was advised that Checks and credit card authorization forms PTO-2038 submitted for payment purposes are not retained in the application file and therefore are not publicly available.

Finally, Petitioner was informed that 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 to ensure the timely payment of the maintenance fees for this patent. *Id.* The Decision reiterated that Petitioner had not provided any information regarding any steps taken to ensure timely payment of the maintenance fee. Nor had Petitioner demonstrated that reasonable care was taken to ensure timely payment of the maintenance fee. Petitioner had not accounted for the entire delay, and Petitioner had not provided any statement from all parties with direct knowledge of the cause of the delay, including, but not limited to, inventor Pilz.

The present renewed petition

The present renewed petition is again filed by inventor Dario Sanchez only. No statement from inventor Pilz has been filed with the present renewed petition. The petition consists of 27 pages.

The first page is a cover letter/petition. Eleven pages are letters regarding possible business opportunities for Techbolt Ltd., filed as evidence of business opportunities for Techbolt Ltd., outside of Canada. One page, a copy of a barely legible undated memo, is filed to “show how [petitioner] came together with [the banker] and his brother.” Five pages are filed that relate to and as evidence of a house petitioner built for the banker. Another page is filed “to show the brothers’ involvement in the business to support our [gentlemen’s] agreement.... Just a simple hand shake.” One page is filed to show the banker was involved in the business, and another page to show the brother’s participation in petitioner’s business. Petitioner files a copy of a court document wherein the Bank of Montreal has filed a claim against petitioner, dated July 27, 2004, which petitioner files to demonstrate “the time [he] realized something was going wrong.” Of note is that the patent became expired on February 10, 2003. The original petition was filed November 5, 2008. The renewed petition does not include an explanation as to what, if any, steps were taken between the period between July 27, 2004, and the filing of the original petition on November 5, 2008, to determine the status of the present patent.

Petitioner includes a one-page document to show the date that he finally got his affairs clarified with the bank – March 6, 2006. Again, the renewed petition does not include an explanation as to what, if any, steps were taken between the period between March 6, 2006, and the filing of the original petition to determine the status of the present patent.

Petitioner includes a one-page document to show that the banker has been taken to court; a one-page document to show “how much [his] relationship with [the banker] has affected his economical situation” (a January 21, 2009 letter regarding mortgage arrears); a one page copy of an email dated October 22, 2008, from Paul LeBlanc to Greg Lavigne, the subject is “Accepted: Invention Opportunity,” which is filed to show the date that Petitioner realized the patent fees were not maintained, and a copy of an undated court document wherein The Toronto Dominion Bank has filed a claim against petitioner, which petitioner files to show he has another problem to solve.

Applicable Law, Rules and MPEP

37 CFR 1.378(b) provides that a patent may be reinstated at any time following expiration of the patent for failure to timely pay a maintenance fee. A petition to accept late payment of a maintenance fee, where the delay was unavoidable, must include:

- (A) the required maintenance fee set forth in 37 CFR 1.20(e)-(g);
- (B) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (C) 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 required 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. Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

As language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (i.e., “unavoidable” delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. See 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), aff’d sub nom. 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 MPEP § 711.03(c) for a general discussion of the “unavoidable” delay standard.

Because 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. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. 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 to ensure the timely payment of the maintenance fees for this patent. Id. Thus, where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the patentee’s lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder does not constitute unavoidable delay. See Patent No. 4,409,763, supra. See also Final Rule entitled “Final Rules for Patent Maintenance Fees,” published in the Federal Register at 49 Fed. Reg. 34716, 34722-23 (August 31, 1984), and republished in the Official Gazette at 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statutes and rules, the Office has no duty to notify patentees of

the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee 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. Thus, evidence that despite reasonable care on behalf of the patentee and/or the patentee's agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid, could be submitted in support of an argument that the delay in payment was unavoidable.

Moreover, 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); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). Specifically, petitioner's delay caused by the actions or inactions 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). In re Mattullath, 38 App. D.C. 497, 514-15 (1912)(quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

Opinion

Initially it is again noted that there are two inventors of the patent: Mr. Jack Pilz and Mr. Dario Sanchez, and no assignment has been recorded with this Office. The record does not disclose any statement from Mr. Pilz, other than his signature on the original petition filed November 5, 2008. The Statement accompanying the original petition was signed only by inventor Dario Sanchez, and detailed the difficulties that Mr. Sanchez experienced with the failure to timely pay the maintenance fee. The present renewed petition is filed by inventor Sanchez only. As stated in the Decision dismissing the November 5, 2008 petition, a statement of unavoidable delay must include an explanation as to why the delay was unavoidable by ALL OF THE PATENT OWNERS. It is not enough that the payment of the maintenance fee was unavoidably delayed on the part of one of two patent owners, both patent owners must demonstrate that the delay in paying the maintenance fee was unavoidable. As stated above, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Here, Petitioner has not provided a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them, and thus failed to demonstrate that the delay in paying the maintenance fee was unavoidable.

Further to this, Mr. Sanchez was required to account for the entire period of the delay in paying the maintenance fee, which, in this instance, is from the time the maintenance fee was due, on February 9, 2003, to the present. With the renewed petition, Petitioner files a copy of a court document wherein the Bank of Montreal filed a claim against petitioner, dated July 27, 2004, which petitioner files to show "the time [he] realized something was going wrong." However, the

renewed petition does not include an explanation as to what, if any, steps were taken between the period between July 27, 2004, and the filing of the original petition on November 5, 2008, to determine the status of the present patent. Petitioner also includes a one-page document to show the date that he finally got his affairs clarified with the bank – March 6, 2006. Again, the renewed petition does not include an explanation as to what, if any, steps were taken between the period between March 6, 2006, and the filing of the original petition on November 5, 2008, to determine the status of the present patent. The rule requires a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely. In this instance, Patentee has not provided any information regarding any steps taken to ensure timely payment of the maintenance fee. Nor has Patentee demonstrated that reasonable care was taken to ensure timely payment of the maintenance fee. Patentee has not accounted for the entire delay, and Patentee has not provided any statement from all parties with direct knowledge of the cause of the delay, including, but not limited to, inventor Pilz.

Petitioner stated in the November 5, 2008 petition that the bank manager was responsible for maintaining the patent; however, again, Petitioner has not demonstrated that reliance upon the bank manager was reasonable. To the contrary, Petitioner demonstrated that the bank manager was not a responsible party. Petitioner provided in the November 5, 2008 petition that the bank manager was nowhere to be found, and that accounts were opened in his name, and that he was in debt for almost \$400,000.00, and it took two (2) years to clear his accounts, said final clearing was completed in May 2008. With the present renewed petition, Petitioner has not filed any evidence to rebut the irresponsibility of the banker, and therefore Petitioner has failed to demonstrate that reliance upon the banker to timely pay the maintenance fee was reasonable.

Assuming, arguendo, that Patentee learned of the bank managers disappearance in 2006 (two (2) years before the accounts were finally cleared-up in 2008), the disappearance of the bank manager should have prompted the Patentee to check on the status of his patent. Patentee states that it was not until October 22, 2008, in an email from Paul LeBlanc to Greg Lavigne, that Petitioner realized the patent fees were not maintained; however, a reasonably prudent person in regard to his most important business, his patent, would have been on notice that the bank manager may not have maintained the patent, and taken steps at that time to find out about the status of his patent.

The required showing must also 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. Here, aside from reliance upon an unreliable bank manager, Patentee has failed to enumerate any steps taken to ensure timely payment of the maintenance fee.

Where the record fails to disclose reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, under 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b) is precluded.

Regarding Petitioner's assertion of financial difficulty; Petitioner files a one-page copy of a letter dated January 21, 2009 to show how much his relationship with the banker has affected his "economical situation"; however, Patentee has failed to account for the period of delay from the

time the maintenance fee payment was due on February 9, 2003, to the filing of the petition on November 5, 2008.

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 to ensure the timely payment of the maintenance fees for this patent. *Id.* Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

Conclusion

Patentee has failed to demonstrate that the failure to pay the maintenance fee was unavoidable.

Decision

The instant petition under 37 CFR 1.378(e) is granted to the extent that the decision of December 19, 2008 has been reconsidered; however, the renewed petition to accept under 37 CFR 1.378(e) the delayed payment of a maintenance fee and reinstate the above-identified patent is **DENIED**.

This patent file is being forwarded to the Files Repository.

Telephone inquiries concerning this matter should be directed to Attorney Derek L. Woods at (571) 272-3232.



Charles Pearson
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