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**SPECIAL PROGRAMS OFFICE
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In re Patent No. 4,563,808 :
Issue Date: January 14, 1986 :
Application No. 06/632,667 :
Filed: July 20, 1984 :
Inventor: Robert J. Lender :

ON PETITION

This is a decision on the petition, filed November 27, 1996, and supplemented April 13, 1998, under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under § 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 is **Denied**. This is a final agency action. See MPEP 1002.02.

BACKGROUND

The patent issued January 14, 1986. The first maintenance fee was timely paid. The second maintenance fee could have been paid during the period from January 14, 1993 through July 14, 1993, or with a surcharge during the period from July 15, 1993 through January 14, 1994. As no payment was timely received, this patent expired at midnight on January 14, 1994.

A first petition to accept late payment of the maintenance fee under 37 CFR § 1.378(b) was filed October 10, 1996 on behalf of the assignee at the time of expiration above-identified patent, Kollmorgen Corporation (Kollmorgen), which remains as the assignee. Petitioner asserted that the delay in payment of the second maintenance fee was unavoidable due to the failure of Patrick Walsh (Walsh) counsel for the previous assignee Electric Indicator Company (Elinco), to notify either Elinco or Kollmorgen that the maintenance fee was due; and that petitioner could not have reasonably known that Walsh would leave the practice of law and not perform his duties with respect payment of the second maintenance fee.

The petition was dismissed in the decision of September 24, 1997 on the ground that the record was unclear as to (1) who was responsible for payment of the maintenance fee, and (2) what steps were in place, by that party, to ensure that the

maintenance fee would be timely paid. Even assuming that Kollmorgen was the responsible party, the decision found that the record lacked a showing that Kollmorgen took any steps with regard to maintenance fee scheduling or payment. The petition requested further information from Walsh.

The instant petition requesting reconsideration of the previous decision was filed December 27, 1996, which, as filed, asserted that Walsh refused to provide any information or assistance with respect to the petition to revive. The petition was supplemented April 13, 1998, with *inter alia*, a statement by Walsh to the effect that Walsh had docketed the instant patent for maintenance fee purposes on his home computer, which, however, suffered a hard disk failure in 1993, such that records in support of his contentions cannot be produced.

STATUTE AND REGULATION

35 USC § 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 if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable"; 35 USC 41(c)(1).

Petitioner requests reconsideration of the decision of October 31, 1996 in that notwithstanding the assignment of the instant

patent to Kollmorgen, (1) Walsh cannot locate his files for the above-captioned patent but is certain that he is the attorney of record, (2) Walsh severed his relationship with the firm of Wyatt Gerber in Stamford Connecticut (the correspondence address of record) and left the active practice of law in April 1991, but (3) moved his files to his home where (4) he maintained a docketing system on his personal computer, which (5) suffered a hard disk failure on or about 1993, and (6) a maintenance fee reminder and Notice of Patent Expiration were both mailed to Walsh at the correspondence address of record, but were returned as undeliverable. Kollmorgen contends that based upon the foregoing, the delay was unavoidable in that Walsh failed to notify petitioner that the maintenance fee was due, and, under the circumstances of this case, should not be bound by the actions of Walsh, as petitioner did not select Walsh as its representative.

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

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 USC 133 because 35 USC 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).

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. 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. However, the showing of record fails to set forth any steps taken by Kollmorgen to pay the second maintenance fee. In the absence of a showing of any steps taken by Kollmorgen, 37 CFR 1.378(b)(3) precludes the acceptance of the maintenance fee.

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, 55 F.3d at 608-609, 34 USPQ2d at 1787. The party whose delay is relevant is the party in interest at the time action is needed to be taken. See, Kim v. Quigg, 718 F.Supp. 1280, 12 USPQ2d 1604 (E.D. Va 1989). As Kollmorgen was the party in interest when the second maintenance fee was payable and due, it was incumbent upon Kollmorgen to itself engage a third party to monitor and track the second maintenance fee payment, or itself undertake that obligation. In view of Kollmorgen's admission on the record that Kollmorgen was unaware of the need to pay maintenance fees, the issue devolves to Walsh's actions. However, reliance *per se* on a third party for tracking a maintenance fee does not provide a patent holder with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 USC 41(c). Rather, such reliance merely shifts the focus of the inquiry from petitioner to whether that third party acted reasonably and prudently.

The record fails to show that Kollmorgen, the assignee at the time the second maintenance fee was due, either had taken any steps itself, or had engaged another, to ensure payment of the maintenance fee for this patent. Petitioner seeks to avoid the consequences of its own inactions by contending that Walsh had docketed the maintenance fee payment. However, by both petitioner's and Walsh's own admissions, the record is devoid of any documentary evidence that Walsh had docketed the second maintenance. Moreover, even assuming that the record showed that Walsh had docketed the second maintenance fee payment, the record is devoid of any showing that Walsh had docketed the second maintenance fee payment on behalf of Kollmorgen. Specifically, as there is no showing that Kollmorgen had engaged Walsh to track the second maintenance fee payment, then Walsh's actions (or inactions) are immaterial to Kollmorgen's obligation to show the steps that Kollmorgen had emplaced to pay the second maintenance fee.

Pursuant to the assignment agreement executed by Elinco, Elinco gave up all legal rights to the patent when the patent was assigned to Kollmorgen. An assignment of the entire right, title, and interest, passes both legal and equitable title. See, Wende v. Horine, 191 F. 620, 621 (C.C.N.D. Ill. 1911). Elinco, as the assignor of its entire interest, could not insist that the maintenance fee be paid by Kollmorgen, or any other party; Kollmorgen was free to deal with the patent as Kollmorgen willed. See Garfield v. Western Electric Co., 298 F.659 (S.D.N.Y. 1924). It follows that as Walsh had been retained by Elinco, and not Kollmorgen, whatever actions Walsh may (or may not) have taken are immaterial to Kollmorgen's burden of proof.

Notwithstanding that Walsh had not been retained by Kollmorgen, petitioner further contends that while it should be permitted to rely upon the actions of Walsh that may be construed as steps towards payment of the maintenance fee (e.g, the docketing of the maintenance fee on Walsh's computer), Kollmorgen should not also be bound by the mistakes of Walsh that led to nonpayment of the maintenance fee. Petitioner's attempt to "have it both ways" fails to demonstrate that the delay was unavoidable. In the absence of a showing that Walsh had assumed the obligation of tracking the maintenance fee on behalf of Kollmorgen, then petitioner must show the steps that Kollmorgen had in place to pay the maintenance fee. See In re Patent No. 4,409,763, 7 USPQ2d 1798, 1801 (Comm'r Pat. 1988).

However, there is no evidence to show that Kollmorgen took any interest, much less any steps, in maintaining this patent by way of payment of the maintenance fee. There is no evidence to show that Kollmorgen, as a reasonably prudent person, took any measure to ensure that Walsh, or anyone else, understood its obligation in this matter with respect to Kollmorgen and that it was being relied upon by Kollmorgen to attend to payment of the maintenance fees. Delay resulting from a lack of proper communication between a patentee and that patentee's putative 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 patent holder and his putative representative 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. It is further brought to petitioners' attention that the Office is not the proper forum for resolving a dispute between a patentee and that patentee's putative representative(s) regarding the scheduling and payment of maintenance fees. Ray, supra.

While petitioner contends that Walsh was tracking the fee payment, petitioner's failure to provide any evidence that Walsh

was engaged by petitioner for payment of the maintenance fees mitigates against finding that the delay herein was unavoidable.¹ The record fails to establish that Walsh, much less patentee, took adequate steps to ensure timely payment of the maintenance fee as required by 37 CFR 1.378(b)(3). Since adequate steps were not taken by either party, 37 CFR 1.378(b) precludes acceptance of the delayed payment of the maintenance fee. Moreover, there is no need in this case to determine the obligation between Walsh and petitioner, since the record fails to show that either Walsh or petitioner took adequate steps to ensure timely payment of the maintenance fee. See In re Patent No. 4,461,759, 16 USPQ2d 1883, 1884 (Comm'r Pat. 1990).

Petitioner cites In re Patent No. 4,349,120, 14 USPQ2d 1911 (Comm'r Pat. 1988) for the proposition that given petitioner's lack of receipt of the letters patent, and petitioner's lack of knowledge of the need to pay maintenance fees, a finding of unavoidable delay is warranted. However, the facts of that case are not remotely applicable to the instant situation: (1) the patentee in the aforementioned case was not represented by counsel registered to practice before the PTO, (2) as the patent issued in 1982, the events pertaining to the first maintenance fee payment (due in 1986) occurred before the requirement to pay maintenance fees was generally known, and (3) the letters patent in that case did not contain any notice that maintenance fees would fall due.

Here, however, the first maintenance fee had been paid by Walsh, a registered practitioner, who petitioner contends had docketed the second maintenance fee payment (Walsh having already paid the first), and further, the second maintenance fee fell due in 1994, by which time the practice was well established.

By 1992 when petitioner became the successor in title, much less 1994 when the fee was due, that petitioner may have been unaware of the need for maintenance fee payments, or did not receive the maintenance fee reminder, does not constitute "unavoidable" delay. See Patent No. 4,409,763, supra, aff'd, Rydeen v. Ouigg, 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). Under the statutes and regulations, the Office has no duty to notify patentee of the requirement to pay maintenance fees or to notify patentee when the maintenance fee is due. While the

¹ In view of petitioner's admitted lack of knowledge of the need to pay maintenance fees, see instant petition at 9, any contention that Walsh had been obligated by petitioner to track the maintenance fee payment on behalf of Kollmorgen would appear untenable.

Office mails maintenance fee reminders strictly as a courtesy, it is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. The failure to receive the reminder does not relieve the patentee of the obligation to timely pay the maintenance fee, nor will it constitute unavoidable delay if the patentee seeks reinstatement under the regulation. Rydeen, Id. Moreover, a patentee who is required by 35 USC 41(c)(1) to pay a maintenance fee within 3 years and six months of the patent grant, or face expiration of the patent, is not entitled to any notice beyond that provided by publication of the statute. Rydeen at 900, 16 USPQ2d at 1876.

Furthermore, by the time the instant patent issued, the letters patent contained a Maintenance Fee Notice (Notice) that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. See Ray supra (U.S. Patent No. 4,466,797 issued August 21, 1984 contained a Notice on the inside cover). While the record is unclear if petitioner ever read the Notice after its acquisition of the instant patent, petitioner's failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. Rather, the mere publication of the statute was sufficient notice to petitioner. Rydeen, supra.

Moreover, even assuming, *arguendo*, that Walsh had been engaged to track the maintenance fee payment by, or on behalf of, Kollmorgen, such would not support a finding of unavoidable delay. Rather, petitioner remains bound by the decisions, actions, or inactions, of Walsh, including the decisions, actions, or inactions, which resulted in the lack of timely payment of the maintenance fees for this patent. See, Winkler v. Ladd, 221 F. Supp 550, 552, 138 USPQ 666, 667 (D.D.C. 1963) (delay resulting from a a court-appointed bankruptcy trustee not directly chosen to represent a party's interest is nevertheless binding on that party). Further, delay resulting from Walsh's failure to keep the PTO apprised of a current correspondence address for receiving communications regarding maintenance fee payments is not unavoidable delay. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. Walsh's failure to provide the PTO with a current correspondence address does not excuse petitioner's failure to timely submit the second maintenance fee for this patent. See Rydeen, supra, n.4 (delay in receipt of a maintenance fee reminder due to counsel's obsolete correspondence address on record at the PTO is not unavoidable delay). Lastly, the record is silent as to what steps, if any, Walsh took upon his discovery of the hard disk failure of his computerized scheduling system. In view of the lack of a showing that Walsh

had been engaged by Kollmorgen, however, such is immaterial to the delay herein.

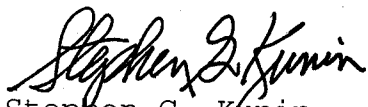
Even assuming, *arguendo*, that petitioner would not be bound by the mistakes or negligence of Walsh, diligence on the part of petitioner would still be essential to show unavoidable delay. See, Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (applicant's lack of diligence over a two and one half year period in taking any action with respect to his application, precluded a finding of unavoidable delay). Moreover, petitioner asserts that petitioner has never seen the letters patent. A careful and prudent person with respect to his most important business, after becoming owner of a valuable business asset such as a patent, would reasonably ensure that he had possession of that property, and further, that such was receiving the due care and attention that such an asset required. However, petitioner has not shown diligence in this matter. The showing of record is that petitioner did not, from becoming owner in 1992 until the filing of the first petition in 1996, make inquiry of Walsh or the Patent and Trademark Office, or anyone else as to whether the patent had successfully been maintained in force, or even obtain the patent. Petitioner's lack of diligence with respect to this patent for a period of four years does not reasonably warrant a finding of unavoidable delay. See Douglas, supra (petitioner's failure to take any action regarding his application for a period of two and one half years overcame and superseded any negligence by his putative representative). Had petitioner exercised reasonable, due care and diligence in this matter, petitioner would have been able to correct the situation in a timely manner. Id. Specifically, diligence on the part of the owner is necessary to show unavoidable delay when that owner's putative representative fails to take timely and proper steps with respect to a proceeding before the Patent and Trademark Office. See Futures Technology Ltd. v. Quigg, 684 F.Supp. 430 at 431, 7 USPQ2d 1588 at 1589 (E.D. Va. 1988).

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 USC § 41(c)(1) and 37 CFR § 1.378(b).

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

Any telephone inquiry regarding this decision should be directed to Brian Hearn at (703) 305-1820.



Stephen G. Kunin
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for Patent Policy and Projects

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