



Paper No. 13

NOVARTIS CORPORATION
PATENT AND TRADEMARK DEPT.
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SPECIAL PROGRAMS OFFICE
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ON PETITION

In re Patent No. 4,789,680
Issue Date: 6 December, 1988
Application No. 06/920,623
Filed: 20 October, 1986
Attorney Docket No. CASE 4-14247/+/CIP/CIP

This is a decision on the renewed petition, filed 1 October, 1998, under 37 C.F.R. §1.378(b) to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The Office regrets the delay in addressing this matter.

Petitioner Novartis Corporation was created at the January 1997 merger of Ciba-Geigy AG and Sandoz AG. Ciba-Geigy AG (Basle) was composed, inter alia, of it as the parent company in Basle, Switzerland, and its wholly-owned subsidiary Ciba-Geigy Corporation (CBC) in New York.¹ Inventor René Meier assigned to Basle his rights and interest in what would be Application No. 06/920,623, and those rights to the application and its resulting patent were transferred by Basle to--and the patent issued in the name of--CGC.² However, as will be seen, a decision by Basle while it held the rights controlled all of the events thereafter.

The original petition herein was filed 10 March, 1998, and dismissed on 27 July, 1998 (the July 1998 Decision), for failure to make a satisfactory showing that the delay was unavoidable.

In rejecting the original petition, the decision stated, inter alia:

¹ This arm of Ciba-Geigy Corporation (CGC) sometimes is referred to in the record (e.g., the 1 January, 1972, Research Agreement, etc.) as "Ardley." The company was incorporated in the State of New York on 15 November, 1966, as Ardsley Chemical Corporation, and merged with and changed its name to Geigy Chemical Corporation on 30 December, 1966. (Thereafter, the company accomplished a merger with and name change to Ciba-Geigy Corporation on 21 October, 1970.)

² René Meier assigned his rights to Basle on 8 October, 1986, and Basle, in turn, reassigned its rights to CGC on 3 August, 1988 (Mathias statement, Ex's. 1 & 2).

[T]he showing presented by petitioner fails to adequately establish that the patented file was to be maintained, and further fails to show sufficient cause for the patented file to not have been docketed by the docket coordinator, Carol Holden (Holden).

* * *

[P]etitioner should supply a thorough explanation of the docketing and call-up system, and identify the type of records kept and the person responsible for maintenance of the system.

* * *

Petitioner must provide copies of the records which show the maintenance fees were to be paid, and the contradictory instruction which were not detected by the system. (The July 1998 Decision, at pages 3-4.)

And Petitioner was informed at that time that this would be the only opportunity for reconsideration by the Commissioner.

The patent issued 6 December, 1988. The grace period for paying the first maintenance fee expired at midnight on 6 December, 1992.³ Therefore, this petition was not filed within twenty-four months after the six-month grace period provided in 37 C.F.R. §1.362(e).

Nonetheless, 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 U.S.C. 41(c)(1), and a petition can be filed under 37 C.F.R. §1.378(b).⁴

³ In fact, Petitioner Novartis Corporation's predecessor in title Ciba-Geigy Specialty Chemicals Corporation failed to pay when due--and has attempted to pay upon filing of its original petition:

a) the first maintenance fee due at 3.5 years--6 June 1992--as provided at 37 C.F.R. §1.20(f) (\$1,050.00, and with it the surcharge for unavoidable delay (37 C.F.R. §1.20(i)(1): \$700.00); and

b) the second maintenance fee due at 7.5 years--by 6 June, 1998--as provided by 37 C.F.R. §1.20(f) (\$2,100.00), and with it the surcharge for unintentional delay (37 C.F.R. §1.20(f) (\$1,640.00).

⁴ 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:

(1) payment of the appropriate maintenance fees;

I. BACKGROUND

A. Payment Windows

After the issuance of the patent on 6 December, 1988, the windows for payment of the first maintenance fee opened and closed as follows:

- the first window opened on 6 December, 1991, and closed on 6 June, 1992, for payment without surcharge;
- the second window opened on 7 June, 1992, and closed at midnight on 6 December, 1992, for payment with surcharge under 37 C.F.R. §1.20(h);
- the third window opened on 7 December, 1992, and closed at midnight 6 December, 1994, for payment with surcharge for unintentional delay under 37 C.F.R. §1.20(i)(2); and
- the fourth window also opened on 7 December, 1992, for payment with surcharge for unavoidable delay under 37 C.F.R. §1.20(i)(1).

As noted above, payment of the first maintenance fee was not tendered until the filing of the original petition on 10 March, 1998--well after the deadline for payment unintentionally delayed (37 C.F.R. §1.20(i)(1), and allowing only payment unavoidably delayed (37 C.F.R. §1.20(i)(1)).

B. Persons and Statements

The record contains statements--supporting either the original or renewed petition--from the following persons:

Hans-Gunther Foraita (Mr. Foraita): the Novartis employee who discovered on 25 August, 1997, that the instant patent had expired, and reported that finding to Klaus von Bredow (see: below) (original petition);

Michael W. Glynn (Mr. Glynn): presently Vice President and Corporate Patent Counsel for Novartis Corporation, and prior to the merger was Vice President and Corporate

(2) payment of the surcharge set forth at 37 C.F.R. §1.20.(i)(1); and

(3) an adequate showing that the delay was unavoidable, since reasonable care was taken to ensure that the maintenance fee would be paid timely.

Patent Counsel for CGC (original petition);

Norbert Gruenfeld (Mr. Gruenfeld): patent agent in the CGC New York patent department from 1981 until retirement in 1997 (renewed petition);⁵

Carol Holden (Ms. Holden): from 1974 and prior to 1997 merger to form Novartis, was employed within the CGC Patent Department, and from 1986 through 1996 was the U.S. Docket Coordinator for CGC (original petition);

Dieter Werner Knaus (Mr. Knaus): patent administrator in charge of coordination and organization of the worldwide payment of maintenance fees of Ciba-Geigy's patent portfolio, commencing in 1989 (renewed petition);

Marla J. Mathias (Ms. Mathias): in October 1998 was Pharmaceuticals Sector Patent Counsel for Novartis,⁶ and previously: became patent counsel with CBC in New York in 1991, was promoted to Pharmaceuticals Division Patent Counsel in September, 1995 (renewed petition);

Hans Rudi Meyer (Mr. Meyer): head Pharmaceuticals Section of the Ciba-Geigy AG (Basle) Patent Department from 1970 until retirement in 1990 (renewed petition);

Heinz Mostosi (Mr. Mostosi): head of Patent Administration for Ciba-Geigy AG (Basle) beginning in 1983 (renewed petition);

Henry Nowak (Mr. Nowak): attorney, Patent Department of Novartis, and employed within CBC Patent Department since April 1995 (original petition);

James L. Stanton (Mr. Stanton): Beginning in 1988, Executive Director of Cardiovascular Chemistry for the Pharmaceuticals Division of CGC, with duties included service as coordinator between his division's research department and the patent administrator with CBC patent department in New York (renewed petition);

Klaus von Bredow: (Mr. von Bredow): Novartis Patent Specialist charged with overseeing the integration of the Ciba-Geigy and Sandoz patent departments (original petition).

⁵ Beginning in 1960, Gruenfeld was a senior scientist in Chemistry Research, Pharmaceuticals Division, Geigy Corporation, and, after the 1970 merger, for CGC.

⁶ As of this writing, is no longer with Petitioner's offices.

C. Events

The application (No. 06/920,623 (the '623 application)) for the instant patent was filed on 20 October, 1986, as a continuation-in-part of prior application No. 06/733,347 (the '347 application).⁷ On the recommendation of a 10 October, 1986, letter from von Bredow, the '347 application was abandoned in favor of '623. Thereafter the '623 application was prosecuted to a patent (No. 4,789,680--the '680 patent or the instant patent).⁸

Within the CGC Patent Department docketing systems,⁹ the '623 application (and the resulting '680 patent) were docketed under the case number designation of 4-14247/+/CIP/CIP. This designation indicated that:

- the case was from the Pharmaceutical Division (the prefix "4");
- was of the (Ciba-Geigy internally identified) case family "14247";
- possessed additional subject matter over its 14247-family predecessor (the suffix "+");¹⁰ and
- was a continuation-in-part of a continuation-in-part (the suffix "CIP/CIP").¹¹

Moreover and maybe most importantly, the '623 application--through its 4-14247-family lineage--claimed priority to Swiss applications¹² that a companion line of cases, designated as the 4-15323 family,¹³ could not claim. In particular, the '623 application addressed a line of triazole compounds that possessed, inter alia, antiepileptic

⁷ This application was itself a continuation in part of Application No. 06/562,257.

⁸ The Gruenfeld and von Bredow statements.

⁹ These systems were identified as Patsys I, and, later, Patsys II.

¹⁰ The case contained subject matter from a case family No 4-15323, and--as later discovered--not otherwise being prosecuted in the United States by CGC or by Basle.

¹¹ The Mostosi statement, as well as those of Gruenfeld and von Bredow.

¹² The Swiss Application Nos. 7526/82-4 and 5860/83-2.

¹³ Which claimed priority to Swiss Application No. 7663/85-5.

properties¹⁴ through their abilities to address and affect the operations of individual neuron receptors.

Basle held an annual review/conference, at which time decisions were made by its management as to:

- continuing prosecution of applications and payment of maintenance fees, or
- abandonment of applications or patents.

The results of these conferences were forwarded by Basle to CGC for agreement or alternative action,¹⁵ with the effect that Basle also maintained, intended or not, the controlling application/maintenance docketing system--at least with regard to the '623 application and the '680 patent.¹⁶

At the 22 December, 1987, meeting, it was decided in Basle:

. . . to abandon the subject matter of Case 4-14247. * * *
Based on this . . . meeting decision, Case 4-14247 (meaning the family of cases containing the designation "4-14247") was included on the list of cases recommended for abandonment in the [1 March, 1988,] Annual Review letter prepared and sent by . . . Dr. Hans-Gunther Foraita, to the Ciba-Geigy Corporation Patent Department in Ardsley, New York.¹⁷

A Basle Form 209 directive (memorandum) of that same date directed the abandonment of the case--though Mr. Meyer suggests the directive was only a recommendation in the United States because the case had "R.A," or Research Agreement status, "meaning the US patent rights belonged to Ciba-Geigy Corporation and therefore Ciba-Geigy Corporation had the ultimate decision for the patent rights."

¹⁴ The Mostosi, Gruenfeld and von Bredow statements.

¹⁵ Statements of Holden (now deceased), Knaus, Stanton and Gruenfeld.

¹⁶ At the time of the filing of the original petition, the statements of Mr. Glynn, Ms. Holden and Mr. Nowak suggested that a docketing error at CGC resulted in the failure to pay the first maintenance fees. As part of the renewed petition filing, Ms. Mathias set forth in her statement the results of her investigation into the matter--including her conclusion that a 6 February, 1992, memo sent by FAX from Basle to CGC Patent Administration led to CGC allowing the patent to expire.

¹⁷ Statement of Mr. Meyer.

(In fact, the record reveals, CGC did not acquire the rights to the '623 application and the '608 patent until August 1988. (See: Fn. 2.))

Mr. Meyer indicates that he discovered the error of the December 1987 decision, and in a letter of 31 May, 1988, he alerted Mr. Gruenfeld (then at the Basle office in Hawthorne, New York) that the 4-14247/=CIP/CIP case, the by-then-allowed '623 application, "should be retained" because of its lineage of Swiss application priority filings.

Notwithstanding Mr. Meyer's discovery claim, an inquiry by the CGC patent attorney Irving M. Fishman (Mr. Fishman) responded to the 1 March abandonment directive with a 22 March, 1988, telefax transmission asking that Basle confirm that its case numbered 4-14247/+CIP/CIP "IS BEING WITHDRAWN WORLDWIDE" because CGC and Mr. Fishman had a 14 April, 1988, deadline for a response to a non-final Office action. Mr. Von Bredow cabled back on 25 March: "CANNOT CONFIRM THAT CASE IS BEING WITHDRAWN WORLDWIDE. US-APPLICATION IS TO BE KEPT PENDING."¹⁸

Thereafter, Mr. Fishman submitted the Issue Fee and Issue Fee Transmittal (Form PTOL 85B) and the '608 patent issued 6 December, 1988.

A 6 February, 1992, memorandum from Basle to the CGC Patent Department in New York lists patents with remarks, and a designation of "--" (a "double minus") for the '608 patent. According to Mr. Knaus, the designation of "[a] double minus entry would authorize the responsible Patent Department Administration person to enter into the abandonment date field the date when the next maintenance fee would be due for the relevant U.S. patent."¹⁹

Mr. Stanton indicates that he has no records of the February 1992 memorandum, but that:

8. . . . I was not acquainted with all [of] the on-going Basle-originated research and development programs, particularly those which had been canceled in Basle before expanding into worldwide development. In making maintenance fee decisions about U.S. patent rights, I generally deferred to the Basle recommendation on the assumption that patent

¹⁸ Attachments 8 and 9, respectively, to Gruenfeld statement.

¹⁹ Mr. Knaus statement and Ex. B.

subject matter which both a) had not come to my attention as being of interest to the US, and b) was apparently of no interest to the parent company in Switzerland responsible for initially developing the subject matter, would in fact be of no interest to the U.S. Indeed, the world-wide Ciba-Geigy Pharmaceuticals policy was that compounds were only pursued if they would be developed in at least two of the three main markets, specifically the United States, Europe and Japan. If Ciba-Geigy Pharmaceuticals in Europe (Basle) was not interested in a compound, which I presumed was the case by the presence of a negative Basle recommendation on patents whose subject matter was unfamiliar to me, then it would be difficult for Ciba-Geigy Pharmaceuticals in the United States to independently develop the compound.

9. The '680 patent is of considerable interest to Novartis Pharmaceuticals Corporation because it encompasses the compound CGP 33101, which has the proposed INN (International Non-Proprietary Name) generic designation of rufinamide." Rufinamide is the active ingredient of a new drug presently in late-stage clinical trials in the U.S. A New Drug Application (NDA) is expected to be filed with the U.S. Food and Drug Administration ("FDA") in April 2000 and approval by the U.S. FDA is anticipated around June 2001. Novartis Pharmaceuticals Corporation and its predecessor Ciba-Geigy Corporation Pharmaceuticals Division have spent almost a decade and made significant financial investments towards the development of rufinamide because of its potential in the treatment of epilepsy, particularly for children. Many antiepileptic drugs currently available have a number of side effects for a significant percentage of patients who take the medications.

Studies to date demonstrate that rufinamide, given at dosages effective for controlling seizures, is well-tolerated by epileptic patients. * * *

10. * * * While full-scale human clinical trials were ongoing in Europe by 1992, the FDA had permitted only a few limited clinical trials in the United States. It is my belief that, owing

to the early stage of U.S. development of rufinamide in 1992, I did not appreciate the subject matter of the '680 patent, and so therefore agreed with the Basle recommendation to allow the patent to expire.²⁰

(A quick survey of the scientific literature suggests the accuracy of Mr. Stanton's appraisal in his statement that there was a somewhat late appreciation of the rufinamide CGP 33101 compound.²¹)

D. Payment-Window Inquiries

Whether precipitated by the error of classification of status in Basle or the failure in New York to correct the error made in Basle, the election of not to pay the maintenance fee for the 4-14247 family of cases resulted in the failure to pay the maintenance fee for the case numbered 4-14247/+/CIP/CIP during the period beginning 6 December, 1991, and ending at midnight on 6 June, 1992.

Therefore, as to an inquiry of whether or not the record evidences that the parties had in place a method for seeing the fees for this patent were timely paid as of the time the first payment window opened and closed, the answer is: No.

The record evidences no statement or document supporting a finding that CGC or Basle reviewed the decision not to pay the maintenance fee for the 4-14247 family of cases in general or the case numbered 4-14247/+/CIP/CIP in particular during the period beginning 7 June, 1992, and ending at midnight on 6 December, 1992.

²⁰ Mr. Stanton's statement.

²¹ A search through the National Library of Medicine's Grateful Med search engine of the Medline database provides the following:

(a) Bialer M., et al., *Progress report on new antiepileptic drugs: a summary of the Fourth Eilat conference (EILAT IV)*, Epilepsy Res., 1999 Mar. 34(1): 1-41;

(b) Cardot J.M., et al., *The influence of food on the disposition of the antiepileptic rufinamide in healthy volunteers*, Biopharm Drug Dispos., 1998 May 19(4): 259-62;

(c) Bialer M., et al., *Progress report on new antiepileptic drugs: a summary of the Third Eilat conference (EILAT III)*, Epilepsy Res., 1996 Nov. 25(3): 299-319;

(d) Peruca E., et al., *The clinical pharmacokinetics of the newer antiepileptic drugs*, Clinical Pharmacokinetics, 19196 Jul. 31(1): 29-46;

(e) Cheung W.K., et al., *Intra- and inter-subject variabilities of CGP 33101 after replicate single oral doses of two 200-mg and 400-mg suspension*, Pharm Res., 1995 Dec. 12((12): 1878-82.

Therefore, as to an inquiry of whether or not there is evidence that the parties had in place a method for seeing that the fees for this patent were timely paid as of the time the second payment window opened and closed, the answer is: No.

The record evidences the statement of Mr. Mostosi and a copy of the document entitled "Ergebnisse Jahrensentscheid CNS/93"--translation: "Results of Annual Review [for Central Nervous System cases] CNS/93"--with a blank in the decision column in the line on which the 4-14247 family of cases is listed. And there is no statement or document supporting a finding that CGC or Basle reviewed the decision and elected to pay the maintenance fee for the 4-14247 family of cases in general or the case numbered 4-14247/+/CIP/CIP in particular during the period beginning 7 December, 1992, and ending at midnight on 6 December, 1994.²²

Therefore, as to an inquiry of whether or not there is evidence that the parties had in place a method for seeing that the fees for this patent were timely paid as of the time the third payment window opened and closed, the answer is: No.

The record evidences the statement of Mr. Mostosi²³ and copies of documents such as "Annual Patent Portfolio Review Conference 1994" and "Annual Patent Portfolio Review Conference 1995"--each listing on the lines identifying the 4-14247 family of cases (and compounds identified as CGP 33101 and CGP 35592)--with "Remarks" specifying "USA only," "Decision" specifying "Retain" in each of the two years.²⁴ And while these documents suggest some action by Basle to review the decision not to pay the maintenance fee, there is no statement or document supporting a finding that CGC or Basle acted to pay the maintenance fee for the 4-14247 family of cases in general or the case numbered 4-14247/+/CIP/CIP in particular during the period beginning 7 December, 1992--at least not until the matter was discovered by Mr. Foraita on 25 August, 1997, and reported his finding to Mr. von Bredow that the '608 patent had expired.²⁵

Therefore, as to an inquiry of whether or not there is evidence that the parties had in place a method for seeing that the fees were timely paid for this patent as of the time the fourth payment window opened and closed--that for payment with surcharge for

²² Statement of Mr. Mostosi, and Ex. G.

²³ And others, as well.

²⁴ Statement of Mr. Mostosi, and Ex.s H and I.

²⁵ Mr. Foraita's statement.

unavoidable delay under 37 C.F.R. §1.20(i)(1)--the answer is: No. Quite simply, the fourth window never could have opened for Petitioner because the record is void of any evidence that the Petitioner ever had in place any method for seeing that the fees were timely paid.

Yes: Petitioner had in place a very elaborate system for tracking its applications through prosecution, to grant, and through maintenance fee payments.

And, yes: the '680 patent was originally entered into that system.

But after entry, one set of transactions occurred and another set failed to occur:

- what did occur, clearly from the record, is that a decision was made by management in Basle not to pursue one or more aspects of the 4-1247 family of cases, and--offered the opportunity to counter that Basle's decision--as late as February 1992 the CGC management did not elect to change course; and
- what did not occur, clearly from the record, is that while CGC took the assignment of the 4-1247 family of cases in August 1988--and in particular the case numbered 4-1247/+/CIP/CIP--CGC did not take responsibility for management of the case and its resultant '680 patent.

II. ANALYSIS

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.²⁶ Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.²⁷

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."²⁸

²⁶ Ray v. Lehman, 55 F3d 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)).

²⁷ 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).

²⁸ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

And 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.²⁹

The regulations at 37 C.F.R. §1.378(b)(3) require a showing that "the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely"--and the showing must:³⁰ enumerate the steps taken to ensure timely payment of the maintenance fee as well as the reasons why payment was not timely made; present, with appropriate evidence, all the causes that contributed to the failure to timely pay the maintenance fee; and specify 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.

To determine the nature of delay in payment of a maintenance fee--i.e., whether or not the delay is unavoidable--one must first determine: (a) who was the party responsible for payment of the maintenance fee, and (b) did that party exercise the due care of a reasonably prudent person.³¹ The party whose delay is relevant is the party in interest at the time action is needed to be taken.³²

Petitioner's forerunner subsidiary CGC was the party in interest at that moment. And CGC had the duty to track and monitor (on its own or through a third party) the payment of the first maintenance fee. And reliance *per se* on a third party to track payment of a maintenance fee does not provide to a patent holder a showing of unavoidable delay within the meaning of 37 C.F.R. §1.378(b) and 35 U.S.C. §41(c).

Such reliance only shifts the focus to a determination of the reasonableness and prudence of the third party's actions.

Petitioner has failed to evidence in the record that CGC acted responsibly and prudently--on its own or through Basle--to ensure payment of the maintenance fee for this patent. Moreover, Petitioner cannot avoid the consequences of CGC's inactions and/or contend that Basle and its docketing system had responsibility to see that the maintenance fee was paid.

²⁹ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

³⁰ This showing may include, but is not limited to, docket records, tickler reports, and file jacket entries for this application.

³¹ Ray, 55 F.3d at 608-609, 34 USPQ2d at 1787.

³² Kim v. Quigg, 718 F.Supp. 1280, 1284, 12 USPQ2d 1604, 1607 (E.D. Va. 1989).

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 U.S.C. §41(c) and 37 C.F.R. §1.378(b).³³ Specifically, delay resulting from a failure in communication between a patent holder and his representative regarding a maintenance fee payment is not unavoidable delay within the meaning of 35 U.S.C. §41(c) and 37 C.F.R. §1.378(b).³⁴ 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 the statute, regulation or case law.³⁵ 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 representative(s) regarding the scheduling and payment of maintenance fees.³⁶

Moreover, there is no need in this case to determine the obligation between Petitioner's forerunner entities CGC and Basle, since the record fails to show that either took adequate steps to ensure timely payment of the maintenance fee.³⁷

Assuming for discussion that Petitioner was not be bound by the acts or omissions of Basle or CGC in the period up to and through December 1992, diligence on the part of Petitioner is essential to show unavoidable delay. The record lacks an adequate showing of Petitioner's diligence in this matter during the entire period extending from the date of:

- the expiration of the '680 patent, through the 1993, 1994, and 1995 portfolio reviews--occasions on which the 4-14247 family of cases was considered; and
- the last portfolio review cited by Petitioner until at least the discovery date of the patent expiration, 25 August, 1997,³⁸

³³ In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988).

³⁴ Ray, 55 F.3d at 610, 34 USPQ2d at 1789.

³⁵ Pratt, *supra*.

³⁶ Ray, *supra*.

³⁷ In re Patent No. 4,461,759, 16 USPQ2d 1883, 1884 (Comm'r Pat. 1990).

³⁸ This concedes only for the purpose of discussion that the delay from the 25 August, 1997, discovery date until the 10 March, 1998, filing date--another seven months in a period that totaled more than 63 months--of failure to maintain the '680 patent.

which would be necessary to support a finding of unavoidable delay.³⁹

Diligence on the part of an equitable owner is necessary to show unavoidable delay when that owner's putative agent(s) fails to take timely and proper steps with respect to a proceeding before the Patent and Trademark Office.⁴⁰ And Petitioner has failed to show diligence with respect to payment of the maintenance fee for this patent.

The question, therefore, is one of diligence.⁴¹ And the record does not demonstrate Petitioner's diligence as to the patent's maintenance. (The question is not why was there so little cooperation between petitioner and his Swiss and US attorneys in getting the maintenance fee paid for this patent--the fact-finding simply demonstrates that there was none.)

Finally, where an applicant or patentee deliberately allows an application to become abandoned or a patent to expire due to a conclusion that:

- the claims are unpatentable,
- an Office action rejection cannot be overcome, or
- the invention lacks sufficient commercial value to justify continued prosecution or maintenance,

the abandonment of the application or patent is considered to be a deliberately chosen course of action.

An intentional delay resulting from a deliberate course of action chosen by the petitioner is not affected by:

- the correctness of the petitioner's (or its representative's) decision to abandon the application or patent, or not seek or persist in seeking revival or reinstatement;

³⁹ 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).

⁴⁰ Futures, 684 F.Supp. 430 at 431, 7 USPQ2d at 1589.

⁴¹ See: Changes to Patent Practice and Procedure; Final Rule Notice, 62 Fed. Reg. at 53158-59 (October 10, 1997), 1203 Off. Gaz. Pat. Office at 86-87 (October 21, 1997).

- the correctness or propriety of a rejection, objection, requirement or other decision by the Office; or
- the discovery of new information or evidence, or other change in circumstances subsequent to the abandonment or decision not to seek or persist in seeking revival/reinstatement.

Obviously, delaying the revival/reinstatement of an abandoned application or expired patent--by a deliberately chosen course of action--until the industry or a competitor shows an interest in the invention (a submarine application) is the antithesis of "unavoidable" or "unintentional" delay.⁴²

CONCLUSION

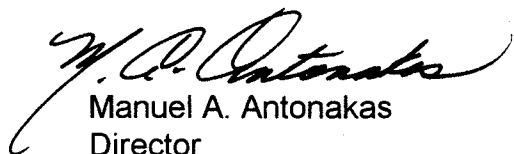
Therefore, the petition for reconsideration is granted to the extent that this review has been made and rendered.

In all further respects, the petition must be and hereby is **DENIED**.

This decision may be viewed as final agency action. See M.P.E.P. 1002.02(b). The provisions of 37 C.F.R. §1.137(d) do not apply to this decision.

The application file is being forwarded to Files Repository.

Telephone inquiries regarding this decision should be directed to Petitions Attorney John J. Gillon, Jr. at (703) 305-9199.



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

⁴² See: In re Maldaque, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).