UNITED STA DEPARTMENT OF COMMERCE
Patent and Trademark Office
ASSISTANT SECRETARY AND COMMISSIONER OF PATENTS AND TRADEMARKS
Washington, D.C. 20231

Paper No. 30

ABRAHAM KARPAS
UNIVERSITY OF CAMBRIDGE
DEPARTMENT OF HAEMATOLOGY
MRC CENTRE, HILLS ROAD
CAMBRIDGE CB2 2QH
GREAT BRITAIN

COPY MAILED

MAR 25 1998

OFFICE OF PETITIONS
A/C PATENTS

In re Patent No. 4,814,269
Issue Date: March 21, 1989
Application No. 06/842,228
Filed: March 21, 1986
Inventors: Abraham Karpas

DECISION DISMISSING PETITION

This is a decision on a petition filed September 30, 1997 under 37 C.F.R. § 1.378(b) to accept delayed payment of a maintenance fee so as to reinstate an expired patent.

The petition is dismissed.

Any request for reconsideration of this decision must be submitted within TWO MONTHS from the mail date of this decision. Extensions of time under 37 C.F.R. § 1.136(a) are permitted. The reconsideration request should include a cover letter entitled "Renewed Petition under 37 C.F.R. § 1.378(b)."

If reconsideration of this decision is desired, a petition for reconsideration under 37 C.F.R. § 1.378(a) must be filed within TWO MONTHS from the mail date of this decision. No extension of this two-month time limit can be granted under 37 C.F.R. § 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee set forth in 37 C.F.R. § 1.17(h). After a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner of Patents and Trademarks. Any petition for reconsideration accordingly should include an exhaustive attempt to provide any omitted items noted *infra*. Petitioner should seek the services of a patent attorney or agent registered to practice before the U.S. Patent and Trademark Office (PTO).

The PTO issued U.S. Patent No. 4,814,269 to Petitioner on March 21, 1989. The first maintenance fee could have been paid from March 21, 1992 through September 21, 1992, without a surcharge, or from September 22, 1992 through March 22, 1993, with a surcharge. Because the fee was not received withing this time, the patent expired on March 21, 1992. On September 30, 1997 Petitioner filed the instant petition to accept delayed payment of the maintenance fee so as to reinstate the patent.

A petition to accept an unavoidably 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 required maintenance fee, unless previously submitted; (2) payment of the surcharge set forth in 37 C.F.R. § 1.20(i)(1); and (3) an 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. In this case, Petitioner omits items (1) and (3).

Regarding omitted item (1), a failure to establish status as a small entity in any application (or patent) before paying or at the time of paying any fee precludes payment of the fee in the amount established for small entities. 37 C.F.R. § 1.28(e). Any person seeking to establish status as a small entity must file a statement in accordance with 37 C.F.R. § 1.27 in the application before or with the first fee paid as a small entity. Such a statement must include the appropriate averment under § 1.27. In this case, Petitioner fails to specify the type of small entity and to include the appropriate averment. Instead, he "trusts that [his] firm qualifies for the small entity status." (Letter from Karpas to Assistant Commissioner for Patents of 9/11/97.) This trust fails to establish status as a small entity. The amounts established for small entities, therefore, are not available to Petitioner. The maintenance fee due at three-and-a-half years by other than a small entity is $1050 see 37 C.F.R. § 1.18(a), and the surcharge for payment after expiration is now $700. As Petitioner originally submitted $510, (Pet. at 2), the difference of $540 is now due.

If Petitioner can establish status as a small entity, however, he will be permitted to pay reduced fees for a small entity. Copies of forms PTO/SB/09-12, which enable a patentee to claim small entity status, are enclosed. The PTO does not give advisory opinions as to whether or not a specific individual qualifies for status as a small entity. M.P.E.P. § 509. A list of registered practitioners in Petitioner's vicinity is enclosed, should petitioner require assistance. The maintenance fee due at three-and-a-half years by a small entity is currently $525. 37 C.F.R. § 1.20(e). Therefore, should petitioner renew this petition AND establish small entity status, then petitioner owes an additional $15.

Regarding item (3), the Commissioner of Patents and Trademarks ("Commissioner") may accept late payment of a maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable." 35 U.S.C. § 41(c)(1). A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. § 133 because 35 U.S.C. § 41(c)(1) uses the identical language, viz., "unavoidable delay." *Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). Thus, in determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for paying the maintenance fee exercised the due care of a reasonably prudent person. *Id.* at 609, 34 USPQ2d at 1787. A petition to revive cannot be granted where a petitioner has failed to meet his burden of establishing unavoidable delay. *Haines v. Quigg*, 673 F. Supp. 314, 316, 5 USPQ2d 1130, 1131 (N.D. Ind. 1987).

Petitioner asserts that the delay in payment of the maintenance fee was unavoidable because his attorney, David Highet (Attorney), failed to notify Petitioner that the fee was due at three-and-a-half years, (Pet. at 4.), and that Attorney's firm then went out of business. Petitioner asserts that this was "the only reason" he did not pay the fee on time. (Letter from Karpas to Bryant of 9/19/97.) The showing of record is inadequate to establish unavoidable delay within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b)(3).

Under 35 U.S.C. § 41(b) a patentee must pay maintenance fees on any patent based on an application filed on or after December 12, 1980. Maintenance fees are required three years and six months, seven years and six months, and eleven years and six months after the grant of such a patent. Unless the PTO receives payment of an applicable maintenance fee on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of such grace period. 35 U.S.C. § 41(b). A patentee is not entitled to any notice beyond the original publication of § 41(b). *Rydeen v. Quigg*, 748 F.Supp. 900, 906, 16 USPQ2d 1876, 1881 (D.D.C. 1980). Thus, Petitioner's argument about the lack of additional notice from Attorney is "irrelevant." *Id.*, 16 USPQ2d at 1881.

Petitioner, moreover, had notices other than the publication of 35 U.S.C. § 41(b). A grant of a patent includes a reminder notice that maintenance fees may be due. M.P.E.P. § 2575. The reminder notice appears on the inside cover of a patent. *See, e.g., Ray,* 55 F.3d at 610, 34 USPQ at 1788; *Patent No, 4,409,763*,7 at 1799. In addition, a notice appears in each issue of the *Official Gazette* that indicates which patents have been granted three, seven, and eleven years earlier, that a window for payment of maintenance fees for the patents has opened, and that payment thereof will now be accepted. M.P.E.P. § 2575. .

Petitioner fails to show that "reasonable care was taken to ensure that the maintenance fee would be paid timely" as required by 37 C.F.R. § 1.378(b)(3). Under the statutes and regulations, the PTO has no duty to notify a patentee when maintenance fees are due for a patent. It is a patentee's responsibility to ensure that maintenance fees are paid on time to prevent a patent from expiring. Specifically, while petitioner chose to rely upon Highet, such reliance *per se* does not provide petitioner with a showing of unavoidable delay within the meaning of 37 CFR 1.378(b) and 35 USC 41(c). See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Rather, such reliance merely shifts the focus of the inquiry from petitioner to whether Highet acted reasonably and prudently. Id. Nevertheless, petitioner is bound by any errors that may have been committed by Highet. California, Id. Rather, it was incumbent upon petitioner to either obligate Highet to track the maintenance fees, or personally learn the details. California, at 1260.

Petitioner should explain *inter alia* in detail the system employed by Highet for ensuring timely payment of the maintenance fee and how that system failed in this instance. If no such system existed, Petitioner must explain why no arrangements were made to ensure that the maintenance fee for this patent would be paid timely.

A statement by all persons with direct knowledge of a cause of unavoidable delay, setting forth the facts as they know them is required. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement. M.P.E.P. § 2590. Because Petitioner blames Attorney for not notifying him that the fee was due, a statement by Attorney explaining why no action was taken to prevent the patent from expiring is required. Petitioner should send a letter (accompanied by a copy of this decision) to Attorney by registered or certified mail, return receipt requested, notifying Attorney that the PTO requests his help in determining the circumstances surrounding the maintenance fee docketing, and expiration of the patent. Attorney's should include with his statement copies of any relevant documents and correspondence between him and Petitioner. If Attorney fails to provide the statement within a period (e.g., one month) specified in the letter, Petitioner should submit a copy of such letter and the return receipt indicating its delivery to Attorney with any renewed petition.

A "failure of communication" between a petitioner and his attorney does not constitute unavoidable delay. *In re Kim*, 12 USPQ2d 1595, 1603 (Comm'r Pat. 1988). The PTO, moreover, is not the proper forum for resolving a dispute between a patentee and his representative. *Ray v. Lehman*, 55 F.3d 606, 610, 34 USPQ2d 1786, 1789 (Fed. Cir. 1989). In this case, the record lacks evidence of adequate communication between Attorney and Petitioner concerning payment of the maintenance fees. Petitioner alleges that Attorney did not tell him that the fee was due. Petitioner, moreover, admits that he merely "assumed" that Attorney's firm would inform him when maintenance fees were due. (Pet. at 4.) Petitioner "gives no reasons to support the reasonableness," *Kim*, 12 USPQ2d at 1603, of this assumption. The failure of Attorney and Petitioner to communicate about the fees does not amount to unavoidable delay. Moreover, in view of the acknowledged lack of petitioner's awareness of the need to pay maintenance fees, any continued assertion to the affect that former counsel had been engaged to schedule and pay maintenance fees for this patent, would appear untenable.

One is bound by the actions or omissions of his attorney. *Link v. Wabash*, 370 U.S. 626, 633-34 (1962) ("Petitioner voluntarily chose his attorney as his representative in action, and he cannot now avoid the consequences of the acts or omissions of this freely selected agent.") A petitioner's delay caused by the mistakes or negligence of his attorney, moreover, does not constitute unavoidable delay within the meaning of 35 U.S.C. § 133 or 37 C.F.R. § 1.137(a). *Haines v. Quigg*, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (N.D. Ind. 1987); *Smith v. Diamond*, 209 USPQ 1091, 1093 (D.D.C. 1981); *Potter v. Dann*, 201 USPQ 574, 575 (D.D.C. 1978); *Ex parte Murray*, 1891 Dec. Comm'r Pat. 130, 131 (Comm'r Pat. 1891). In this case, Petitioner voluntarily chose Attorney as his representative in prosecuting his application. (Power of Att'y.)

Diligence on the part of an applicant is essential to showing unavoidable delay; the applicant has a duty to ensure that his application is being prosecuted. Negligence of an attorney, moreover, does not discharge the applicant's duty to exercise due diligence. *Douglas v. Manbeck*, 21 USPQ2d 1697, 1700 (E.D. Pa. 1991) (holding that petitioner's delay of two-

and-a-half years in taking any action with resect to his abandoned application overcame and superseded any negligence on behalf of his practitioner). In this case, the PTO issued the patent on March 21, 1989. It was not until May 28, 1997, however, that Petitioner inquired about the status of the patent. The record reflects no diligence by Petitioner to ensure that the maintenance fees were being paid, but rather an assumption which lacks supporting documentation, that Attorney's firm would inform him when the fees were due, notwithstanding his other contemporaneously issued patent for which petitioner apparently successfully obligated another practitioner to track the maintenance fee. (Pet. at 4.) Petitioner must explain why the eight-year delay resulting from his apparent failure to ascertain the status of this patent, or it maintenance fee should be regarded as diligence that could support a finding of unavoidable delay. Copies of any correspondence or other communication with Firm should be included with the explanation.

Petitioner shouls note that if this peittion is not renewed, or if renewed and not granted, then all monies but the $130 fee for requesting reconsideration are refundable. Petitioner should also note that if the petition is given favorable reconsideraiton, then the second maintenance fee (due by March 21, 1997 if the first had been timely paid; now $2100 large entity, $1050 small entity) will be required as a component of a grantable petition.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Assistant Commissioner for Patents
Box DAC
Washington, D.C. 20231

By facsimile: (703) 308-6916
Attn: Office of Petitions

By hand: One Crystal Park, Suite 520
2011 Crystal Drive
Arlington, VA.

Telephone inquiries related to this decision should be directed to Lance Leonard Barry or in his absence to the Office of Petitions at (703) 305-9282.

Abraham Hershkovitz
Director, Office of Petitions
Office of the Deputy Assistant Commissioner
for Patent Policy and Projects

Enclosures:

Verified Statement Claiming Small Entity Status (37 CFR 1.9(f) & 1.27(b)) -- Independent Inventor, PTO/SB/09
Verified Statement Claiming Small Entity Status (37 CFR 1.9(f) & 1.27(b)) -- Small Business Concern, PTO/SB/10
Verified Statement Claiming Small Entity Status (37 CFR 1.9(f) & 1.27(b)) -- Nonprofit Organization, PTO/SB/11
Verified Statement By a Non-Inventor Supporting a Claims by Another for Small Entity Status, PTO/SB/12
Attorneys and Agents Registered to Practice Before the U.S. Patent and Trademark Office 543 (Dec.1, 1996)