



Paper No. 32

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**OFFICE OF PETITIONS**

In re Patent No. 4,920,575 :  
Issued: 1 May, 1990 :  
Application No. 07/298,828 : **DECISION ON PETITION**  
Filed: 18 January, 1989 :  
Attorney Docket No. 260815 :

This is a decision on the petition under 37 CFR 1.378(e), filed on 10 December, 2002, requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b)<sup>1</sup> the delayed payment of the maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee is **DENIED**.<sup>2</sup>

BACKGROUND

The patent issued on 1 May, 1990. The first maintenance fee was timely paid. The second maintenance fee could have been paid during the period from 1 May, 1997, through 3 November, 1997, or, with a surcharge during the period from 4 November, 1997, to 1

<sup>1</sup>A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must be include

- (1) the required maintenance fee set forth in § 1.20(e) through (g);
- (2) the surcharge set forth in § 1.20(I)(1); and
- (3) a showing that the delay was unavoidable since reasonable care was

taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

<sup>2</sup>This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

May, 1998. Accordingly, this patent expired on 2 May, 1998, for failure to timely remit the second maintenance fee.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on 31 January, 2002, and was dismissed in the decision of 11 October, 2002.

STATUTE AND REGULATION

35 U.S.C. § 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 under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable."<sup>3</sup>

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.,

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<sup>3</sup>35 U.S.C. § 41(c)(1).

"unavoidable" delay.<sup>4</sup> Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.<sup>5</sup> In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."<sup>6</sup> 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.<sup>7</sup> In view of In re Patent No. 4,409,763,<sup>8</sup> this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

Petitioner, assignee Kappler Safety Group ("Kappler"), claims unavoidable delay in submitting the maintenance fee due to (a) a docketing error, (b) failure of communication between Kappler and its patent counsel, Veal & Associates, and (c) a failure to pay the maintenance fee on the part of a third-party payor, Computer Patent Annuities (CPA).

In its renewed petition, petitioners asserts unavoidable delay in that counsel's legal assistant, Tiffany McClain, docketed the third maintenance fee for payment when the second maintenance fee had not been paid.

This petition does not satisfy the requirement of 37 CFR 1.378(b)(3). The statements presented in the petition fail to satisfy the showing required to establish unavoidable delay within the meaning of 37 CFR 1.378(b).

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided

<sup>4</sup>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)).

<sup>5</sup>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 man 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).

<sup>6</sup>Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

<sup>7</sup>Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

<sup>8</sup>7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

it is shown that:

- (1) the error was the cause of the delay at issue;
- (2) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance;
- (3) and the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.<sup>9</sup>

An adequate showing requires:

- (A) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them.
- (B) Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.
- (C) Petitioners must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

The present petition lacks the showing required by (1), (2), and (3) above.

In the present request for reconsideration, petitioners again assert that Veal, rather than Kappler, was responsible for tracking and timely paying the maintenance fee. Petitioners additionally state:

The only question that is unanswered in this petition is why did Ms. McClain indicate that the third maintenance

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<sup>9</sup>See MPEP 711.03(c) (III) (C) (2).

fee was the next due payment. Four years after the act in a situation that was a routine transaction rather than a memorable event, that question probably cannot be answered to anyone's satisfaction and to expect that it could be answered would simply invite a fabrication of a reason as to why. In all probability it occurred because Robert Veal thought the maintenance fee had been paid as well.

Petitioners further assert that Ms. McClain's declaration established that she did in fact docket the case on the tickler card system and with CPA.

In regard to petitioners' contention that Veal, not Kappler, was responsible for tracking the payment of the maintenance fee for the present patent, a close inspection reveals that the present patent was in fact included on the list accompanying the letter dated 6 October, 1998, from Veal to Kappler detailing which Kappler-owned patents were being tracked by Veal. Although this document, the only direct evidence that Veal was engaged in tracking and monitoring the maintenance fee for the present patent, was dated after the expiration of the period for payment of the maintenance fee for the present patent, it will be assumed in this decision, nonetheless, for purposes of considering the evidence in the light most favorable to petitioners, that Veal, rather than Kappler, was in fact responsible for docketing and tracking payment of the second maintenance fee for the present patent.

While petitioner alleged chose to rely upon Veal, 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 U.S.C. § 41(c).<sup>10</sup> Rather, such reliance merely shifts the focus of the inquiry from petitioner Kappler to whether Veal acted reasonably and prudently.<sup>11</sup> As such, assuming that Veal had been so engaged, then it is incumbent upon petitioner to demonstrate, via a documented showing, that Veal had docketed this patent for the second maintenance fee payment in a reliable tracking system.<sup>12</sup>

Here, the showing of record is unambiguous that the second maintenance fee was never docketed for payment. The tickler card

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<sup>10</sup>See California Med. Prod. v. Technol. Med. Prod., 921 F. Supp. 1219, 1259 (D. Del. 1995).

<sup>11</sup>Id.

<sup>12</sup>Id.

and CPA input form presented both reflect a docketing of the third maintenance fee, not the second. Petitioners, in essence, concede that they can discern neither the error which resulted the lack of evidence that the second maintenance fee payment had been docketed and paid nor the circumstances which led attorney Veal to believe that the second maintenance fee had been paid at the time the third maintenance fee payment was docketed. Rather, in that attorney Veal assumed that the second maintenance fee had been paid, the showing is that of inadvertence or mistake on the part of petitioner's counsel rather than unavoidable delay. At the least, despite petitioners' reliance on Veal's "redundant" tracking system, there was a lack of checks on the operation of the docketing system. Surely, had the docket records been timely reviewed by an individual, it would have been discovered that the second maintenance fee had not been paid. Additionally, a review of financial records would reveal that a disbursement of funds for the maintenance fee payment had never been made. Here, the critical error appears to be the reliance on an assumption that all was well rather than an actual verification that the required task had been performed. Furthermore, given the fact that several other Kappler-owned patents that were to be maintained by Veal have expired due to failure to timely paid maintenance fees, serious questions exist as to whether petitioners' maintenance fee tracking system can be considered a reliable system in the context of the present petition.

The U.S. 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.<sup>13</sup> Specifically petitioner's delay caused by the mistakes or negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. § 41(c)(1) or 37 CFR 1.378(b).<sup>14</sup> Petitioner was not forced, but rather made a conscious decision to obtain the services of the chosen representative in payment of the maintenance fees for this patent, and therefore must be held accountable for his actions, or lack thereof, before the Office.

Lastly, petitioners state that Ms. McClain's declaration

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<sup>13</sup>Link v. Wabash, 370 U.S. 626, 633-34 (1962).

<sup>14</sup>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).

establishes that she did docket the case on the ticker file and with CPA. As stated above, the showing of record supports petitioners' assertion in that the third maintenance fee payment was docketed. No evidence has been presented, however, supporting an allegation that the second maintenance fee payment was ever docketed in a tickler file, with CPA, or in any other system.

In summary, the showing of record fails to demonstrate the due care of a reasonably prudent patentee, and as such, precludes a finding of unavoidable delay.

#### CONCLUSION

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

Since this patent will not be reinstated, a refund check covering, the maintenance fee and surcharge fee of \$2,020.00 and \$700.00, as well as the duplicate payment of \$2,720.00 submitted on 13 June, 2002 will be refunded to counsel's deposit account, 50-0376 as authorized in the petition filed 22 October, 2001. The \$130.00 fee for the present request for reconsideration will not be refunded.

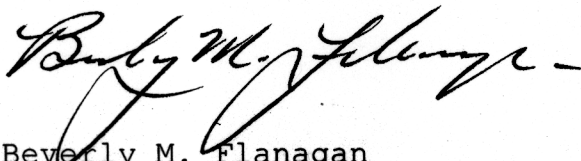
As stated in 37 CFR 1.378(e), no further reconsideration or review of this matter will be undertaken.

The change of correspondence address filed with the present petition cannot be accepted because there is no indication that petitioner herein was ever empowered to prosecute the instant application. If petitioner desires to receive future correspondence regarding this application, the appropriate power of attorney documentation must be submitted. If the new power of attorney and/or change of address is signed by an assignee, the assignee must comply with the requirements of 37 CFR 3.73(b). Although petitioner has provided a completed form 37 CFR 3.73(b), the power of attorney itself is not signed by the president of the assignee.

A courtesy copy of this decision will be mailed to petitioner. All future correspondence, however, will be mailed solely to the

correspondence address of record. If petitioner desires to receive future correspondence regarding any Maintenance Fee Reminder which may be mailed concerning this patent, a Fee Address should be submitted to Maintenance Fee Division.

Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 703.308.6918.



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