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In re Patent No. 4,957,312
Issue Date: September 18, 1990
Application No. 07/447,380
Filed: December 7, 1989
Inventor(s): Peter S. MORELLO

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ON PETITION

This is a decision on the renewed petition, filed May 21, 1998, under 37 CFR 1.378(b) to accept the delayed payment of a maintenance fee for the above-identified patent. This is also a decision on the petition, filed collaterally, pursuant to 37 CFR 1.183 to suspend the rules.

The petition under 37 CFR 1.378(b) is DENIED.

The petition under 37 CFR 1.183 is DISMISSED¹.

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

¹Subject to renewal without prejudice if and when the information being sought becomes available.

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

Acceptance of late payment of a 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 in responding to an Office action 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, 514-515 (D.C. Cir. 1912); and Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. 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, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

Petitioner requests reconsideration of the Decision on Petition, mailed March 17, 1998, based upon petitioner's alleged retention of the law firm of Keck, Mahin & Cate (Keck) and his alleged subsequent instruction that Keck "handle anything and everything about my patent, including defending, enforcing, maintaining, and licensing the patent". Petitioner relies upon the

declaration of Mr. Peter Trzyna, as well as his own declaration, to support a showing of unavoidable delay. Petitioner further requests reconsideration, and suspension of the Rules pursuant to 37 CFR 1.183, based upon his pending suit against Keck for discovery.

Petitioner has not carried the burden of proof to establish to the satisfaction of the Commissioner that the delay in paying the required maintenance fee was unavoidable.

The showing of record, in particular the Consent to Representation, dated December 15, 1993, and the declaration of Mr. Trzyna, fail to establish that Keck was ever engaged to track and pay maintenance fees on behalf of Mr. Morello. Turning first to the Consent to Representation, this document is silent to the duty of Keck to pay maintenance fees in the subject patent, 4,957,312. The document refers to Keck's "representation of you generally, and in particular to [Keck's] representation of you in the transaction in light of [Keck's] representation of Cutting with respect to the patent opinion." The Consent additionally states "Our purpose in requesting your request and waiver simply to inform you of our representation of Cutting in connection with the patent validity opinion and to ensure that you have no objection to that representation." Thus, there is no showing of record in this document that Keck was engaged to pay maintenance fees on behalf of Petitioner. With respect to the declaration of Mr. Trzyna, the declaration is insufficient to show that Keck was retained for the purpose of paying maintenance fees on behalf of Petitioner, and it further fails to show that the subject patent was ever docketed by Keck for such a reason. While it is noted that the declaration, par. 11, enumerates the aspects of patent law capable of being handled by the Intellectual Property Practice Group (IPPG) at Keck, there is no showing that payment of maintenance fees in the *subject patent* was among the duties of the IPPG. The Trzyna declaration at par. 18, refers to an engagement letter (not of record)² dated March 22, 1993, wherein it is noted that the letter "expressly states that the firm is to represent him [Mr. Morello] in the litigation 'and perhaps handling other intellectual property matters.'", thus there is no showing that Keck was retained to pay maintenance fees in the subject patent. Still further, the declaration, par. 25, speculates that Mr. Morello intended that by asking Keck to "do everything to...maintain my patent", he was actually requesting that they

²The Consent to Representation, dated December 15, 1993, signed and dated March 15, 1993 by Mr. Morello, is of record.

pay maintenance fees on his behalf. Further statements by Mr. Trzyna at pars. 27, 47, 51, 52, 57, and 60 are speculative as to what he believes he may have done in connection with payment of maintenance fees in the subject patent, and where the error in payment of fees, had Keck actually been retained to do so, may have arisen.

Assuming arguendo that petitioner did, in fact, engage Keck, and in particular Mr. Trzyna, to track and pay his maintenance fees, the showing of record is insufficient to establish unavoidable delay.

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).

The renewed petition, page 3, indicates that Mr. Trzyna "recalls taking steps to ensure that the maintenance fee would be paid, but does not know whether those steps were actually carried out". The lack of diligence by Mr. Trzyna with respect to this matter is not the action observed by prudent and careful men in relation to their most important business. The 3 ½ year maintenance fee could have been paid in the instant patent between September 18, 1993 and March 17, 1994 without a surcharge, and between March 18, 1994 and September 18, 1994 with a surcharge. The Trzyna declaration, par. 8, indicates that Mr. Trzyna was an income partner at Keck

when the maintenance fee was due, therefore, he would have been capable of monitoring the payment of this fee, had petitioner engaged him to do so. Nevertheless, if Mr. Trzyna overlooked his duty to docket the instant patent for payment of the maintenance fees, then petitioner is reminded that 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). 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 USC 133. Haines v. Quigg, *supra*; 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 any event, petitioner's failure to properly interpret the Consent to Representation dated December 15, 1993 does not constitute unavoidable delay. That is, delay resulting from a failure in communication between a client and a registered practitioner is not unavoidable delay. In Re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988). Specifically, delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for 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 Ray, at 610, 34 USPQ2d at 1789. That both parties failed to take adequate steps to ensure that each fully understood the other party's meaning, and thus their own obligation in the matter of payment of maintenance fees, does not reflect the due care and diligence of prudent and careful persons with respect to their most important business.

Further, petitioner has failed to explain the circumstances regarding his receipt of the Notice of Patent Expiration, mailed by the PTO on April 26, 1994³, and why, upon receipt of this communication, diligent and appropriate action was not undertaken. Petitioner's receipt of the Notice of

³This was noted in the letter to Petitioner dated August 29, 1997, in response by an inquiry on petitioner's behalf from Senator Edward M. Kennedy.

Patent Expiration⁴ was a clear indication that Keck had not paid the maintenance fees, yet petitioner failed to take any steps at that time to investigate or correct the matter. Petitioner alleges that he did not discover that his patent had expired until May 13, 1997, more than three years after the notice of Patent Expiration was mailed. He waited nearly three years from the date of patent expiration to file the first petition under 37 CFR 1.378(b) despite the fact that he had received notification that his patent had expired. 37 CFR 1.378(b), however, requires a showing of the steps taken to promptly seek reinstatement, once the patentee becomes aware of the expiration. Petitioner's protracted delay in seeking reinstatement further militates away from a finding of unavoidable delay.

Assuming arguendo, that petitioner would not be bound by the mistakes or negligence of Keck or Mr. Trzyna, 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). Although the declaration of Mr. Morello documents the events which transpired between his alleged discovery that the patent was expired and the filing of the first petition, the record lacks an adequate showing of petitioner's diligence in this matter during the entire period extending from the year that the maintenance fee could have been paid, which started September 18, 1993, until the filing of the first petition in September 1997, some four years, which would be necessary to support a finding of unavoidable delay. *Id.* Specifically, diligence on the part of the owner is necessary to show unavoidable delay when that owner's agent(s) fails to take timely and proper steps with respect to a proceeding before the Patent and Trademark Office. *Futures Technologies v. Quigg*, 684 F.Supp. 430, 431, 7 USPQ2d 1588, 1589 (E.D. Va. 1988). However, petitioner has not shown diligence with respect to any aspect of the payment of the maintenance fee for this patent, or its reinstatement. Petitioner's lack of due diligence with respect to this patent, for a period of time of almost three

⁴A change of address was submitted with Petitioner's maintenance fee payments on February 17, 1998. The record shows that petitioner has been receiving correspondence at the address previously of record as recently as March 17, 1998, thus it cannot be alleged that such Notice was sent to the wrong address. Further, petitioner is required to keep the Office apprised of any such address changes, MPEP §601.03, 37 CFR 1.33 and 1.363.

years, overcame and superseded any negligence by its representative. Douglas, supra; Haines v. Quigg, supra. The delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person, petitioner would have been able to act to correct the situation in a more timely fashion. Haines v. Quigg, supra; Douglas, supra. With respect to the petition filed pursuant to 37 CFR 1.183 requesting suspension of the two (2) month period for response, the petition is dismissed. Petitioner seeks a waiver or suspension of the rule "to provide Peter Morello the opportunity to exercise Federal law and obtain the required showing". Suspension of the rules under 37 CFR 1.183 may be granted in an "extraordinary situation, when justice requires". The facts presented on the record do not establish an extraordinary situation. Petitioner has not established any special circumstances or equities that would require suspension of the rules in the interests of justice. In support of the Petition for Suspension, Petitioner relies upon the Declarations of Messrs. Trzyna and Morello. Petitioner's suit against Keck for discovery of documents and other information required for a showing that a late-paid maintenance fee was unavoidable does not constitute an "extraordinary situation" for the following reasons. Review of the instant petition shows that indefinite suspension of the rules is sought. Further, the petition does not present factual information indicating that the records being sought actually exist. The instant petition merely speculates that the evidence required for the showing of unavoidable delay "is believed to exist and be obtainable from or through Keck", as noted on page 3 of the instant petition. Whereas page 3 of the instant petition also indicates that to Mr. Trzyna's recollection, evidence of a docketing system existed, there is no indication that evidence of the existing docketing system will show that the subject patent was processed in this docketing system. Turning to the declaration of Mr. Trzyna, as previously noted, it was speculated that records and docketing entries pertaining to the subject patent exist. Therefore, petitioner's arguments are unpersuasive. Indefinite suspension of the Rules to permit petitioner to pursue what, in the end, given the showing of record, may be an unfortunate exercise in futility, is not justified.

CONCLUSION

The prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above identified patent has been reconsidered. For the above stated reasons, however, 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).

Since this patent will not be reinstated, the maintenance fee and the surcharge fee submitted by petitioner are refundable. Petitioner may request a refund in writing from the Office of Finance and include a copy of this decision with the request. The \$130 fee for requesting reconsideration filed with the petition of May 22, 1998, and the \$130 fee for the petition pursuant to 37 CFR 1.183 are not refundable.

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

Telephone inquiries regarding this decision should be directed to B. Dayoan at (703) 305-9282, or, in her absence, to Special Projects Examiner Brian Hearn at (703) 305-1820.



Manuel A. Antonakas
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