



Paper No. 11

THOMAS, KAYDEN, HORSTEMEYER & RISKEY, LLP
100 GALLERIA PARKWAY
SUITE 1750
ATLANTA, GA 30339

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OFFICE OF PETITIONS

In re Patent No. 5,048,505	:	
Paul W. Hait	:	
Issue Date: September 17, 1991	:	
Application No. 07/669,660	:	FINAL AGENCY DECISION
Filed: March 14, 1991	:	
Attorney Docket No. D-4680	:	
Title: Cooking and Storing	:	
Apparatus	:	

This is a decision on the Request for Reconsideration, filed May 22, 2003, which is properly considered under 37 CFR 1.378(e). Petitioner requests reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee in the above-identified patent.

The request to accept the delayed payment of the maintenance fee is **DENIED**. Please note, pursuant to 37 CFR 1.378(e), this decision is a final agency action within the meaning of 5 USC § 704 for purposes of seeking judicial review. See 37 CFR 1.378(e); MPEP 1002.02.

BACKGROUND

The patent issued September 17, 1991. The grace period for paying the 7 1/2 year maintenance fee provided in 37 CFR 1.362(e) expired at midnight on September 17, 1999, with no payment applied to this patent. A Notice of Patent Expiration was mailed on October 26, 1999.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on September 17, 2001. However, by Notice mailed November 6, 2001, patentee was advised that the petition as filed on September 17, 2001, was not considered on the merits because it did not include the required fees. The Notice set a two-month period for reply, with extensions of time permitted. On May 6, 2002, petitioner filed the required fees along with a four-month extension of time. Accordingly, the

petition was then considered on the merits. By decision mailed March 17, 2003, the petition was dismissed.

The instant petition under 37 CFR 1.378(e) requesting reconsideration of the decision of March 17, 2003 was filed on May 22, 2003.

RELEVANT STATUTE AND REGULATIONS

35 U.S.C. § 41(c) provides that:

(1) The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. ...

37 CFR 1.378(b) further provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must 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.

In evaluating the showing, the unavoidable standard will be used. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. 133. This is a very stringent standard. Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word '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 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff'd, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte

Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913). In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account." Smith, 671 F.2d at 538, 213 U.S.P.Q. at 982. Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

OPINION

Petitioner maintains that the petition now includes 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. Petitioner continues to argue that the delay was unavoidable due to:

1. The death of the attorney who had been handling the files and the consequent disruption in the docketing and reminder system that the attorney, Mr. Wiseman, had in place for docketing due dates and payment dates for Maintenance Fees and other expenses;
2. The untimely bankruptcy filing of Pyromid, Inc., the previous record owner of the present Patent;
3. The inaction of the Bankruptcy Trustee; and
4. The difficulty in extricating the assets of Pyromid, Inc. from the Bankruptcy Court.

Petitioner's arguments and evidence have been considered, but not found sufficient to meet his burden of establishing unavoidable delay. In essence, petitioner attributes the delay in paying the 7th year maintenance fee without surcharge by March 17, 1999, and with surcharge by September 17, 1999, to 2 causes: 1) the death of the attorney and 2) the bankruptcy filing of the assignee company. The record is unclear as to the role of any subsequent assignee.

RE THE ACTIONS OF ATTORNEY WISEMAN

It is well-established that a delay caused by the mistakes or negligence of one's voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. 133. Haines v. Quigg, 673 F.Supp. 314, 316-317, (1987); Link v. Wabash, 370 U.S. 626, 633-634 (1962). The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives, and applicant is bound by the consequences of those actions or inactions. Thus, reliance on an attorney 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). 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 the attorney acted reasonably and prudently. *Id.* Nevertheless, petitioner is bound by any errors that may have been committed by the attorney. California, *supra*.

Petitioner states to show that "attorney Wiseman took all reasonable and prudent steps to insure that his clients were timely reminded of any fees due," he was submitting a copy of a letter sent to inventor Hait regarding another patent (Exhibit A). As this letter advises the inventor that the patent is expired for nonpayment of the maintenance fee, this letter is not persuasive evidence that attorney Wiseman took prudent steps to ensure that maintenance fees were timely paid. A belated notification of fees having not been paid and the patent consequently having expired does not reflect prudent and careful steps in relation to one's most important business. Petitioner does not provide evidence of attorney Wiseman having a system in place to ensure the timely payment of maintenance fees. Petitioner submits no such docket records or other evidence of such a system.

Petitioner further argues that attorney Wiseman's filing of a petition to reinstate on September 17, 2001, prior to his death on November 13, 2001, shows that attorney Wiseman exercised the due care of a reasonably prudent person. Again, this does not establish that attorney Wiseman had a system in place to ensure timely payment of the maintenance fee. Moreover, petitioner does not adequately explain the delay in filing a petition to reinstate from the expiration of the patent on September 17, 1999 until September 17, 2001. Nor does petitioner explain the delay in filing a petition to reinstate from the mailing of the Notice of Expiration of Patent mailed October 26, 1999. Thus, this evidence is not persuasive that attorney Wiseman acted reasonably and prudently with regard to the initial obligation to pay the maintenance fee timely.

Petitioner argues that the evidence shows that there were no errors committed by attorney Wiseman. Yet it is undisputed that attorney Wiseman made at least one error - he failed to timely pay the maintenance fee.

This error was evident before the death of attorney Wiseman. Although evidence cannot currently be obtained from him, petitioner had the opportunity to obtain such information prior to his death.

Petitioner is bound by the actions of attorney Wiseman. Petitioner has not shown that attorney Wiseman acted with the required degree of care or diligence such that his failure to timely pay the maintenance fee should be considered unavoidable.

RE THE BANKRUPTCY OF PYROMID

Petitioner has failed to meet his burden of showing that his failure to pay the maintenance fee was due to financial hardship. He states that the payment was not made for the simple reason that the Patentee and his company, Pyromid, Inc., did not have any money.

Financial hardship may form the basis for a showing of "unavoidable" delay. Such a showing must establish that petitioner (or the party responsible for making the payment) lacked the financial resources to timely pay the fee at issue or

to file a petition to reinstate earlier. Such a showing must be supported by a complete showing of the responsible person's financial condition during the entire period between and, including income, expenses, assets, credit and obligations, which made the delay in payment of the maintenance fee unavoidable¹.

Petitioner's assertion is unsupported. Petitioner merely states that Chapter 11 bankruptcy was filed on April 21, 1999, prior to the expiration of the instant patent. Subsequently, personal bankruptcy was filed.

Petitioner states that the bankruptcy trustee took over the company, and made no effort to maintain the existing patents. In this argument, petitioner suggests that the bankruptcy trustee was responsible for paying the maintenance fee. Thus, the actions of the bankruptcy trustee are material. If the control of the patent had passed to the bankruptcy trustee during the period for payment of the maintenance fee, then the issue is whether the bankruptcy estate had sufficient funds to maintain the patent. If the bankruptcy trustee made a deliberate decision not to pay the maintenance fee then the delayed payment is neither unintentional or unavoidable.

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, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 USC 41 and 37 CFR 1.378(b).

Since this patent will not be reinstated, the maintenance fee and the surcharge fee submitted by petitioner will be refunded.

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

This file is being forwarded to Files Repository.

¹ However, in regards to submitting such financial information, patentee is reminded that patent applications are generally published before a patent issues. Patentee should consider whether personal information is necessary in a document to be included in a patent application, before submitting the information to the Office. The Office does not require the Social Security Number of an inventor, and there is no need to include this type of personal information in a patent application. Even where the Office does require some degree of confidential information, applicant can still take steps to protect their privacy. For example, a copy of a cancelled check may be necessary to show that a payment was made, but the copy can be redacted before it is submitted to the Office to block the routing number on the check. In addition, since patent applications are published with the correspondence address of the application on the patent application publication, applicants, particularly those applicants who are not using a patent attorney or patent agent, may wish to consider using a business address rather than a home address to preserve privacy. See Reminder of the Proper Procedure for Filing Confidential Information Pursuant to MPEP 724.02, 1282 OG 107 (May 18, 2004).

Telephone inquiries concerning this matter may be directed to Senior Petitions Attorney Nancy Johnson at (571) 272-3219.

A handwritten signature in cursive script, appearing to read "Charles Pearson". The signature is written in black ink and is positioned above the printed name and title.

Charles Pearson
Director
Office of Petitions