



Paper No. 19

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**OFFICE OF PETITIONS**

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In re Patent No.:5,100,001	:
Issue Date: March 31, 1992	: ON PETITION
Application No. 07/646,098	:
Filed: January 25, 1991	:
Inventor: Triglia et al.	:

This is a decision on the petition refiled by facsimile transmission July 17, 2006, which is being treated as a petition originally filed March 30, 2004, and supplemented April 27, 2004, which collectively are being treated as a petition filed under 37 CFR 1.378(e) requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The petition to accept the delayed payment of the maintenance fee is **DENIED**.

BACKGROUND

The above-captioned patent issued March 31, 1992. As the first maintenance fee was not timely paid, the patent first expired midnight March 31, 1996. However, the patent was retroactively reinstated by the favorable decision mailed May 22, 1997, on the petition filed under 37 CFR 1.378(c) on February 21, 1997. Accordingly, the second (7 1/2 year) maintenance fee was due September 30, 1999, and could have been paid from March 31, 1999, through September 30, 1999, or with a surcharge, from October 1, 1999, through March 31, 2000. Accordingly the patent expired March 31, 2000, for failure to timely pay the second maintenance fee.

A petition requesting acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b) was filed January 2, 2004, which petition was dismissed in the decision mailed January 30, 2004.

A renewed petition requesting reconsideration was filed March 30, 2004, and supplemented April 27, 2004. A request for a copy of the March 30, 2004, petition was mailed May 16, 2006, and, while unfortunately misdirected, was fulfilled July 17, 2006.

STATUTE AND REGULATION

35 U.S.C. § 41(b) states in pertinent part that:

"The Commissioner shall charge the following fees for maintaining in force all patents based on applications filed on or after December 1, 1980:

- (1) 3 years and 6 months after grant, \$910<sup>1</sup>.
- (2) 7 years and 6 months after grant, \$2090.
- (3) 11 years and 6 months after grant, \$3220.

Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period."

35 U.S.C. § 41(c)(1) states that:

"The Director 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 Director to have been unavoidable."

37CFR 1.378(a) provides that:

The Director may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Director to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. If the Director accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

37 CFR 1.378(b) states:

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.

37 CFR 1.378(e) states:

Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(f). After the decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Director. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(i) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee

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<sup>1</sup> Maintenance fees in effect as of the date the first petition was filed on January 2, 2004. The fees are reduced by 50% for a small entity pursuant to 35 U.S.C. § 41(h)(1).

under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

### OPINION

Petitioner again asserts that the delay in payment of the second maintenance fee was unavoidable in that the three patent attorneys who were assisting patentee were "removed from service" and that, notwithstanding his representation by registered practitioners, he was not aware of the need to pay a maintenance fee due to his experience with his 2 pre 1980 patents.

Petitioner has not met his burden of proving to the satisfaction of the Director that the delay in payment of the maintenance fee was unavoidable within the meaning of 35 USC 41(c)(1) and 37 CFR 1.378(b)(3).

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". 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).

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable. Cf. Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960)(35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a maintenance fee is unavoidable. See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd 937 F.2d 623 (Fed. Cir. 1991)(table), cert. denied, 502 U.S. 1075 (1992); Ray v. Lehman, supra.

As 35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the second maintenance fee for this patent. Id. It was incumbent on petitioner to have docketed this patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to his or her most important business, or to have engaged another for that purpose. See California Medical Products v. Technol Med. Prod., 921 F. Supp. 1219, 1259 (D.Del. 1995) While petitioner contends that a Mr. Lofaro, the former CEO of Innovative Product Development Corp. ("Innovative") was the responsible person, and speculates that Mr. Lofaro may have had some steps in place, it is pointed out that Mr. Lofaro had been fired in 1998 which is some 2 years before expiry, and there is no showing that petitioner or anyone else at Innovative thereafter assumed control of the steps to pay the maintenance fee. However, even if another, such as Mr. Lofaro, has been relied upon to pay

the maintenance fees, such asserted reliance *per se* does not provide a petitioner with a showing of unavoidable delay within the meaning of 37 CFR § 1.378(b) and 35 USC § 41(c). Id. Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the obligated party acted reasonably and prudently. Id. Nevertheless, a petitioner is bound by any errors that may have been committed by the obligated party. Id. While there is no showing that Mr. Lofaro had any steps in place as would a reasonable and prudent person, even if Mr. Lofaro had, petitioner is bound by his reliance on Mr. Lofaro. California, Id.

However, in the absence of any steps taken, 37 CFR 1.378(b)(3) precludes acceptance of the belated maintenance fee. Ray, supra. The record fails to show that adequate steps within the meaning of 37 CFR 1.378(b)(3) were taken by or on behalf of petitioner to schedule or pay the maintenance fee. Petitioner is reminded that 37 CFR 1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for his showing of the steps taken to pay the fee. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. In the absence of a showing of the steps taken by or on behalf of petitioner, 37 CFR 1.378(b)(3) precludes acceptance of the maintenance fee. Since petitioner admits that he was unaware of the need to pay the second maintenance fee, any contention that he had any steps in place to pay the fee, or had obligated another to track and pay this fee, must be regarded as untenable.

Moreover, petitioner's lack of awareness of the need to pay the second maintenance fee is not persuasive of unavoidable delay. A patentee who is required by 35 USC 41(c)(1) to pay a maintenance fee within 7 years and six months of the patent grant, or face expiration of the patent, is not entitled to any notice beyond that provided by publication of the statute. Rydeen at 900, 16 USPQ2d at 1876. A party does not have had a right to personalized notice that this patent would expire if the maintenance fee was not paid, as the publication of the statute was sufficient notice. See Rydeen 749 F.Supp at 907, 16 USPQ2d at 1882. Furthermore, the instant Letters Patent contains a Maintenance Fee Notice that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. While petitioner asserts that he never received the letters patent, and by implication, did not read the Notice, petitioner's failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. The mere publication of the statute was sufficient notice to petitioner of the need to pay the maintenance fee. Rydeen, supra. Moreover, petitioner's first counsel, Mr. Jack Kramer (see "combined declaration and power of attorney" executed by the named inventors of January 24, 1991 appointing Jack Kramer as their registered representative), as a registered practitioner, was aware of the need to schedule and pay maintenance fees. It should be noted that that the instant Letters Patent was mailed to counsel Kramer's address on the date of issue. See 37 CFR 1.315. It follows that petitioner was also constructively aware of issuance of the patent, as well as the need to schedule and pay maintenance fees. See Rosenberg v. Carr Fastener Co., 51 F.2d 1014, 10 USPQ 106 (2nd Cir. 1931), cert. denied, 284 U.S. 652 (notice to applicant's attorney is notice to applicant). As the Court noted in Sontag Chain Stores Co. v. National Nut Co., 310 U.S. 281, 295, 45 USPQ 448 (1940), upon issuance of a patent and its recordation in the Patent Office, "constructive notice of [its] existence goes thus to all the world."

If Kramer did not adequately inform petitioner of the need to track and pay maintenance fees, that is (or was) a matter between Kramer and petitioner; the USPTO is not the proper forum for resolving a dispute between a patent owner and his representative as to who bore the responsibility for paying a maintenance fee. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. Similarly for the three attorneys from the firm of Fitzpatrick Cella Harper & Scinto ("FCH&S"), who, petitioner asserts, have destroyed their files: there is no showing that they or anyone else at FCH&S had any steps in place to track the second maintenance fee. Again, in the absence of a showing of the steps in place to pay the fee, 37 CFR 1.378(b) precludes acceptance of the belated fee and reinstatement of the patent. The showing regarding FCH&S (the billing for the month of November 1996, Exhibit 1 of the petition filed April 27, 2004) is merely that related to the petition filed November 15, 1996 to reinstate this patent after its first expiry. There is simply no showing that anyone at FCH&S had been engaged for, and was in the process of, tracking the subsequent maintenance fees for this patent. As to petitioner's complaint that Kramer failed to inform him about maintenance fees and observation that the FCH&S records for this patent have been destroyed, if either or both of Kramer and FCH&S overlooked any duty that

each or both may have owed petitioner in this matter, then petitioner is reminded that the USPTO must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and petitioner is bound by the consequences of those actions or inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962); Huston v. Ladner, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987); California, supra. Specifically, petitioner's delay caused by the mistakes or omissions of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC § 41. See 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).

Further, the record does not support a finding of unavoidable delay, since petitioner has not shown adequate diligence in this matter. That is, a showing of diligence in matters before the USPTO on the part of the party in interest is essential to support a finding of unavoidable delay herein. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiry into the status of the application is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his duly appointed representative); R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Ill. 2000)(failure of patentee to exercise diligence for a protracted period precluded acceptance of the maintenance fee). 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; Donnelley, supra. That this lack of diligence may have been due in whole or in part to a lack of knowledge of the need to pay the maintenance fees is, however not a basis for excusing the delay. See Rydeen, supra.

#### DECISION

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and this patent remains expired. The petition is **denied**.

The USPTO will not further consider or reconsider this matter. See 37 CFR 1.378(e).

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.

The maintenance fee and post expiration surcharge have already been refunded.

This patent file is being returned to the Files Repository.

Any inquiries concerning this communication may be directed to Petitions Examiner Brian Hearn at (571) 272-3217.



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