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**OFFICE OF PETITIONS**

In re Application of :  
Mark L. Tykocinski et al. :  
Application No. 07/691,475 :  
Patent No. 5,242,687 :  
Filed: April 25, 1991 :  
Issue Date: September 7, 1993 :  
Attorney Docket No.: TYK01-I1US :  
Title: METHOD OF REDUCING :  
CELLULAR IMMUNE RESPONSES :  
INVOLVING T CELLS USING CD8- :  
BEARING ANTIGEN PRESENTING :  
CELLS :

**DECISION ON PETITION UNDER  
37 C.F.R. §1.378(e)**

This is a decision on the petition filed January 10, 2005, under 37 C.F.R. §1.378(e), requesting reconsideration of a prior decision pursuant to 37 C.F.R. §1.378(b)<sup>1</sup>, which refused to accept the delayed payment of the 7½ year maintenance fee for the above-referenced patent.

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

The patent issued on September 7, 1993. The grace period for paying the 7½ year maintenance

<sup>1</sup> Any petition to accept an unavoidably delayed payment of a maintenance fee filed under 37 C.F.R. §1.378(b) must include:

- (1) The required maintenance fee set forth in 37 C.F.R. §1.20 (e) through (g);
- (2) The surcharge set forth in 37 C.F.R. §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 the purposes of seeking judicial review. See MPEP 1002.02.

fee provided in 37 CFR 1.362(e) expired at midnight on September 7, 2001, with no payment received. Accordingly, the patent expired on September 7, 2001 at midnight.

The original petition was submitted on March 9, 2004, along with the 7½ year maintenance fee and the associated surcharge. The original petition was dismissed via the mailing of a decision on July 9, 2004 for failing to provide a sufficient showing of unavoidable delay, as required under §1.378(b)(3). With this petition under 37 C.F.R. §1.378(e), Petitioner has supplied multiple declarations of fact. Both the fee associated with the filing of this petition and a four-month extension of time have been charged to Petitioner's Deposit Account, as authorized in the petition.

Petitioner has failed to meet the third requirement under 37 C.F.R. §1.378(b) above. This requirement will be discussed below.

### The standard

35 U.S.C. §41(c)(1) states that:

The Director may accept the payment of any maintenance fee... after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable.

§1.378(b)(3) is at issue in this case. Acceptance of a late maintenance fee under the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 37 C.F.R. §1.137(a). 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<sup>3</sup>.

In addition, decisions are made on a "case-by-case basis, taking all the facts and circumstances into account."<sup>4</sup> Nonetheless, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable."<sup>5</sup>

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 to ensure the timely payment of the maintenance fees for this patent. Where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37

<sup>3</sup> 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).

<sup>4</sup> Smith v. Mossinghoff, 671 F.2d at 538, 213 U.S.P.Q. at 982.

<sup>5</sup> Haines, 673 F. Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32.

C.F.R. §1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

A delay caused by an applicant's lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP is not rendered "unavoidable" due to either the applicant's reliance upon oral advice from USPTO employees or the USPTO's failure to advise the applicant to take corrective action<sup>6</sup>.

Presuming for the purposes of discussion that it was an act/omission of counsel that contributed to any of the delay herein, the act(s) or omissions of the attorney/agent are imputed wholly to the applicant/client<sup>7</sup> in the absence of evidence that the attorney/agent has acted to deceive the client.<sup>8</sup>

The Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and the applicant is bound by the consequences of those actions or inactions<sup>9</sup>. Specifically, petitioner's delay caused by the mistakes of negligence of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133<sup>10</sup>.

The actions of the attorney are imputed to the client, for when a petitioner voluntarily chooses an attorney to represent him, the petitioner cannot later avoid the repercussions of the actions or inactions of this selected representative, for clients are bound by the acts of their lawyers/agents, and constructively possess "notice of all facts, notice of which can be charged upon the attorney"<sup>11</sup>.

Courts hesitate to punish a client for its lawyer's gross negligence, especially when the lawyer affirmatively misled the client," but "if the client freely chooses counsel, it should be bound to counsel's actions"<sup>12</sup>.

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<sup>6</sup> See *In re Sivertz*, 227 USPQ 255, 256 (Comm'r Pat. 1985).

<sup>7</sup> The actions or inactions of the attorney/agent must be imputed to the petitioners, who hired the attorney/agent to represent them. *Link v. Wabash Railroad Co.*, 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962). The failure of a party's attorney to take a required action or to notify the party of its rights does not create an extraordinary situation. Moreover, the neglect of a party's attorney is imputed to that party and the party is bound by the consequences. See *Huston v. Ladner*, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); *Herman Rosenberg and Parker Kalon Corp. v. Carr Fastener Co.*, 10 USPQ 106 (2d Cir. 1931).

<sup>8</sup> When an attorney intentionally conceals a mistake he has made, thus depriving the client of a viable opportunity to cure the consequences of the attorney's error, the situation is not governed by the stated rule in *Link* for charging the attorney's mistake to his client. *In re Lonardo*, 17 USPQ2d 1455 (Comm'r. Pat. 1990).

<sup>9</sup> *Link v. Wabash*, 370 U.S. 626, 633-634 (1962).

<sup>10</sup> *Haines*, 673 F.Supp. at 316-17, 5 U.S.P.Q.2d at 1131-32; *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. 103, 131 (Comm'r Pat. 1891).

<sup>11</sup> *Link* at 633-634.

<sup>12</sup> *Inryco, Inc. v. Metropolitan Engineering Co., Inc.*, 708 F.2d 1225, 1233 (7th Cir. 1983). See also, *Wei v. State of Hawaii*, 763 F.2d 370, 372 (9th Cir. 1985); *LeBlanc v. I.N.S.*, 715 F.2d 685, 694 (1st Cir. 1983).

**The portions of the MPEP relevant to the facts as presented**

2504 Patents Subject to Maintenance Fees

37 CFR 1.362. Time for payment of maintenance fees.

- (a) Maintenance fees as set forth in §§ 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.
- (b) Maintenance fees are not required for any plant patents or for any design patents. Maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees.
- (c) The application filing dates for purposes of payment of maintenance fees are as follows:
  - (1) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.
  - (2) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119, the United States filing date of the application.
  - (3) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.
  - (4) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original non-reissue application on which the patent reissued is based.
  - (5) For an international application which has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.
- (d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:
  - (1) 3 years through 3 years and 6 months after grant for the first maintenance fee,
  - (2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and
  - (3) 11 years through 11 years and 6 months after grant for the third maintenance fee.
- (e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:
  - (1) 3 years and 6 months and through the day of the 4th anniversary of the grant for the first maintenance fee.
  - (2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and
  - (3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.
- (f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.
- (g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.
- (h) The periods specified in §§ 1.362 (d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based.

Maintenance fees are required to be paid on all patents based on applications filed on or after December 12, 1980, except for plant patents and design patents. Furthermore, maintenance fees are not required for a reissue patent if the patent being reissued did not require maintenance fees. Application filing dates for purposes of determining whether a patent is subject to payment of maintenance fees are as follows:

- (A) For an application not claiming benefit of an earlier application, the actual United States filing date of the application.

- (B) For an application claiming benefit of an earlier foreign application under 35 U.S.C. 119(a)-(d), the actual United States filing date of the application.
- (C) For a continuing (continuation, division, continuation-in-part) application claiming the benefit of a prior patent application under 35 U.S.C. 120, the actual United States filing date of the continuing application.
- (D) For a reissue application, including a continuing reissue application claiming the benefit of a reissue application under 35 U.S.C. 120, the United States filing date of the original nonreissue application on which the patent reissued is based.
- (E) For an international application that has entered the United States as a Designated Office under 35 U.S.C. 371, the international filing date granted under Article 11(1) of the Patent Cooperation Treaty which is considered to be the United States filing date under 35 U.S.C. 363.

#### 2506 Times for Submitting Maintenance Fee Payments

37 CFR 1.362(d) sets forth the time periods when the maintenance fees for a utility patent can be paid without surcharge. Those periods, referred to generally as the "window period," are the 6-month periods preceding each due date. The "due dates" are defined in 35 U.S.C. 41(b). The window periods are (1) 3 years to 3 1/2 years after the date of issue for the first maintenance fee payment, (2) 7 years to 7 1/2 years after the date of issue for the second maintenance fee payment, and (3) 11 years to 11 1/2 years after the date of issue for the third and final maintenance fee payment. A maintenance fee paid on the last day of a window period can be paid without surcharge. The last day of a window period is the same day of the month the patent was granted 3 years and 6 months, 7 years and 6 months, or 11 years and 6 months after grant of the patent. 37 CFR 1.362(e) sets forth the time periods when the maintenance fees for a utility patent can be paid with surcharge. Those periods, referred to generally as the "grace period," are the 6-month periods immediately following each due date. The grace periods are (1) 3 1/2 years and through the day of the 4th anniversary of the grant of the patent, (2) 7 1/2 years and through the day of the 8th anniversary of the grant of the patent and, (3) 11 1/2 years and through the day of the 12th anniversary of the grant of the patent. A maintenance fee may be paid with the surcharge on the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant to prevent the patent from expiring. Maintenance fees for a reissue patent are due based upon the schedule established for the original utility patent. The filing of a request for ex parte or inter partes reexamination and/or the publication of a reexamination certificate does not alter the schedule of maintenance fee payments of the original patent. If the day for paying a maintenance fee falls on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee may be paid on the next succeeding day that is not a Saturday, Sunday, or Federal holiday. For example, if the window period for paying a maintenance fee without a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid without surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. Likewise, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, Sunday, or a Federal holiday within the District of Columbia, the maintenance fee can be paid with surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia. In the latter situation, the failure to pay the maintenance fee and surcharge on the next succeeding day that is not a Saturday, Sunday, or a Federal holiday within the District of Columbia will result in the patent expiring on a date (4, 8, or 12 years after the date of grant) earlier than the last date on which the maintenance fee and surcharge could be paid. This situation results from the provisions of 35 U.S.C. 21, but those provisions do not extend the expiration date of the patent if the maintenance fee and any required surcharge are not paid when required. For example, if the grace period for paying a maintenance fee with a surcharge ended on a Saturday, the maintenance fee and surcharge could be paid on the next succeeding business day, e.g., Monday, but the patent will have expired at midnight on Saturday if the maintenance fee and surcharge were not paid on the following Monday. Therefore, if the maintenance fee and any applicable surcharge are not paid, the patent will expire as of the end of the grace period as listed above. A patent that expires for failure of payment will expire on the anniversary date the patent was granted in the 4th, 8th, or 12th year after the grant.

### Application of the standard to the current facts and circumstances

Petitioner should be made aware that the standard associated with the filing of a petition under 37 C.F.R. §1.378(b) is extremely difficult to meet, in that it requires petitioner to establish that the entire period of delay was *unavoidable*.

The record shows that Petitioner acquired an ownership interest in three related patents<sup>13</sup>, including the instant patent, in February 2000, from TKB Associates.<sup>14</sup> Petitioner retained Mr. James Bell, principle partner of TKB Associates, to pay the maintenance fees as they came due and seek reimbursement from Petitioner.<sup>15</sup> Mr. Bell, in turn, relied upon the law firm of Brobeck, Phleger, and Harrison LLP (Brobeck) to track the maintenance fees for these patents at least until 4 January 2001, at which time Mr. Bell instructed the Brobeck firm to transfer all matters to the law firm of Foley & Lardner ("Foley").<sup>16</sup>

Mr. Bell received invoices from the Brobeck firm dated 15 November 2000 and 26 January 2001 concerning payment of maintenance fees relating to the other two related patents.<sup>17</sup> These fees were paid. On 28 February 2001, the Foley firm sent Mr. Bell a letter indicating that the maintenance fee was due for the instant patent.<sup>18</sup> Mr. Bell and/or Mr. Bell's assistant erroneously concluded that the Brobeck firm had already paid this maintenance fee.<sup>19</sup> Petitioner asserts that this error was attributed in part to Brobeck's invoice practice, in which patents are grouped into patent families and individual patent identifiers are not listed on the invoices sent to its clients.<sup>20</sup>

The record is clear that Petitioner relied upon Mr. Bell to pay the maintenance fees. Accordingly, the appropriate focus is upon the actions of Mr. Bell in determining whether the entire delay in paying the maintenance fee was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR § 1.378(b).<sup>21</sup> To establish unavoidable delay, Petitioner must establish that Mr. Bell's actions conformed to that of a prudent and careful man who treated this patent as his most important business.<sup>22</sup> Petitioner's explanation of the delay has been considered, and it has been determined that it fails to meet the standard for acceptance of a late payment of the maintenance fee based on unavoidable delay.

A prudent and careful person, in relation to his most important business, retaining a law firm to track maintenance fees for three related patents, would not have made assumptions regarding which patents the invoices covering payment of maintenance fees pertained. Clearly, Mr. Bell should have known that the failure to pay a maintenance fee would result in expiration of a patent and thus diligence was required to ascertain further clarification if there was any uncertainty. Furthermore, the two invoices received by Mr. Bell were sufficiently itemized to

13 The other two patents are 5,601,828 and 5,623,056.

14 Second declaration of Uwe Staerz at para. 1.

15 Id. at para. 2.

16 Bell declaration at para. 4.

17 Exhibits E and F of first petition.

18 Second declaration of Bell at para. 6.

19 Id.

20 Page 3 of renewed petition and para. 7 of second Bell declaration.

21 California Medical Products v. Tecnol Medical Products, 921 F. Supp. 1219 (D. Del. 1995)

22 In re Mattullath, 38 App. D.C. 497, 514-15 (1912)(quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)).

place him on notice that the invoices were not directed to the instant patent. Specifically, in the instant patent, the second (7 ½ year) maintenance fee due was due. However, the two invoices received by Mr. Bell each itemized payment for the first maintenance fee.<sup>23</sup> It is also noted that Petitioner has not produced the 28 February 2001 reminder letter from the Foley firm. However, it would appear reasonable to assume that such letter would have specified that the second, or 7 ½ year maintenance fee, was due. Furthermore, given the fact that the law firms were retained to track the maintenance fees and have particular skills in this regard, a reasonably prudent person would not have summarily dismissed the Foley reminder letter as erroneous without further investigation. Even Mr. Bell in this regard acknowledges the firms' expertise: "I kept no docket nor did I participate in any way except to pay the considerable bills- usually out of my pocket alone. I relied upon my patent attorney to keep organized files. When it came to the patent fees the only mechanism we had for paying them was the one I'd used for 30 years- leave it to the pros."<sup>24</sup>

Petitioner asserts that Mr. Bell was also relying upon a "standing order" with the Brobeck firm to pay the maintenance fee for the instant patent using an escrow account. Petitioner will note that, as discussed above, the act(s) or omissions of the attorney/agent are imputed wholly to the applicant/client and therefore would not serve to establish unavoidable delay even if such an instruction existed<sup>25</sup>. Moreover, it is unclear why Mr. Bell would believe that the Brobeck firm would maintain the instant patent even after all matters were transferred to the Foley firm in January 2001 pursuant to Mr. Bell's request.

Finally, it is noted that Mr. Bell admitted in his first declaration that at the time he received the reminder letter from the Foley firm regarding the maintenance fee for the instant patent, Mr. Bell believed that Petitioner, as the new owner of the patent, was responsible for paying the maintenance fee<sup>26</sup>. This suggests that Mr. Bell would not have paid the maintenance fee even if he was aware that the reminder letter pertained to the instant patent. As such, the record fails to adequately show that steps were in place for ensuring that the maintenance fee would be paid in a timely manner, as required under 37 CFR 1.378(b)(3).

## CONCLUSION

The prior decision which refused to accept, under 37 C.F.R §1.378(b), the delayed payment of a maintenance fee for the above-identified patent, has been reconsidered. For the above stated

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23 Specifically, one invoice itemized "Small Entity Maintenance Fee, 4<sup>th</sup> Year", the other invoice itemized "first Maintenance Fee."

24 Second Bell declaration at para. 4.

25 The actions or inactions of the attorney/agent must be imputed to the petitioners, who hired the attorney/agent to represent them. Link v. Wabash Railroad Co., 370 U.S. 626, 633-634, 82 S.Ct. 1386, 1390-91 (1962). The failure of a party's attorney to take a required action or to notify the party of its rights does not create an extraordinary situation. Moreover, the neglect of a party's attorney is imputed to that party and the party is bound by the consequences. See Huston v. Ladner, 973 F.2d 1564, 23 USPQ2d 1910 (Fed Cir. 1992); Herman Rosenberg and Parker Kalon Corp. v. Carr Fastener Co., 10 USPQ 106 (2d Cir. 1931).

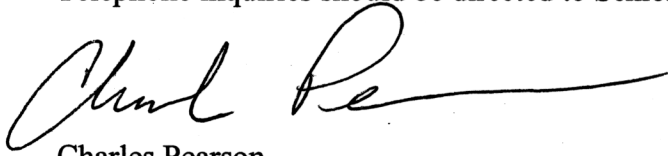
26 Exhibit 2, paragraph 11.

reasons, the delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. §41(c)(1) and 37 C.F.R. §1.378(b).

Since this patent will not be reinstated, the petitioner is entitled to a refund of both the surcharge and 7 ½ year maintenance fee, but not the \$400 fee associated with the filing of this renewed petition under 37 C.F.R. §1.378(e). The maintenance fee and surcharge have been refunded to Petitioner's Deposit Account, as authorized in the petition.

**As stated in 37 C.F.R. §1.378(e), no further reconsideration or review of this matter will be undertaken.**

Telephone inquiries should be directed to Senior Attorney Paul Shanoski at (571) 272-3225.



Charles Pearson  
Director, Office of Petitions  
Office of the Deputy Commissioner  
for Patent Examination Policy