



Paper 16

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MAILED

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In re Patent No. 5,363,704
Issue Date: November 15, 1994
Application No. 07/913,498
Filed: July 14, 1992
Attorney Docket No: 979-316

OFFICE OF PETITIONS
ON PETITION

This is a decision on the "PETITION FOR RECONSIDERATION" filed April 7, 2008, in response to a prior decision mailed February 5, 2008, refusing to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The petition under 37 CFR 1.378(e) is **DENIED**.¹

BACKGROUND

The patent issued November 15, 1994. The second maintenance fee due could have been paid during the period from November 15, 2001 through May 15, 2002 or with a surcharge during the period from May 16, 2002 through November 15, 2002. The third maintenance fee due could have been paid during the period from November 15, 2005 through May 15, 2006 or with a surcharge during the period from May 16, 2006 through November 15, 2006. This patent expired on November 15, 2002 for failure to timely remit the second maintenance fee.

In a petition filed July 2, 2007, petitioners, Actaris Holding Luxembourg, SA, (Actaris), assignee and owner of U.S. Patent No. 5,363,704, asserted that the delay in payment of the first maintenance fee was unavoidable in that in spite of instructions from Feray Lenne Conseil of Antony FRANCE (Feray Lenne) the law firm retained by the assignee for the management of its patent portfolio, to Computer Patent Annuities (CPA) to pay the second maintenance fee, CPA did not do so, that the patentee was not aware of the non-payment of the maintenance fee and that they only learned that the maintenance fees had not been paid after CPA attempted to pay the third maintenance fee.

The petition was dismissed in a decision mailed February 5, 2008 because the record was devoid of any evidence to show that CPA received instructions to pay the maintenance

¹This 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.

fees, that Feray Lenne had a system for tracking instructions to CPA or a system that put them on notice that the second maintenance fee therefore had not been paid. Thus, no evidence was provided to establish that the delay by the firm charged with payment of the maintenance fee was unavoidable. The decision reminded that in the absence of an adequate showing of the diligence of their chosen agent throughout the period in question, the actions or inactions of their agents would remain imputed to the assignees.²

The decision further advised that it would be incumbent upon the petitioner to demonstrate, via a documented showing, that the entire delay was unavoidable which would include from the time the maintenance fee was due until the time petitioners became aware that the maintenance fee had not been paid, as well as from that point until the filing of the instant petition and that any showing of unavoidable delay must include a statement from the principals responsible for payment of the maintenance fees as to why action was not taken to timely submit the required maintenance fee while the patent was under their control.

The instant petition under 37 CFR 1.378(e) purports to provide additional explanations as to why petitioners believe the payment of the second maintenance fee was delayed and why that delay was unavoidable.

STATUTE AND REGULATION

35 USC 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.

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. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee.

OPINION

The Director may accept late payment of the maintenance fee if the delay is shown to

²See In re Lonardo, 17 USPQ2d 1455 (Comm'r Pat. 1990).

the satisfaction of the Director to have been "unavoidable". 35 USC 41(c)(1).

Acceptance of a late maintenance fee on the basis of unavoidable delay 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. In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912)("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"); 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).

On reconsideration petitioner renews the argument that the delay in timely payment of the maintenance fee was the result of an error made by CPA, and Feray Lenne's reliance on CPA was reasonable under the circumstances.

By way of new evidence, petitioner submits a copy of the service agreement between Feray-Lenne and CPA signed February 14, 2002 to show that it was CPA's responsibility to track and pay the maintenance fees, evidence of instructions to CPA to pay maintenance fees, and details of the Patentee's system for tracking and timely payment of maintenance fees.

Petitioner argues that the application of the standard of unavoidable delay to the current facts and circumstances is the same as in *Ex Parte Pratt*, 39 Off. Gaz. 1549 (1887); 1887 C.D. 31.

In *Ex Parte Pratt*, the patentee entrusted prosecution of patent to an attorney, and the attorney gave proper instructions to his clerk to prepare and file an amendment to the application, responsive to an Office Action. The attorney took no further action, as entrusting the clerk to follow the instructions was reasonable under the circumstances, but the clerk failed to file the amendment, because the clerk left the employ of the attorney while the attorney was out of town, without having filed the amendment, about a month after having received instructions from the attorney. Significantly, the

attorney's only system for ensuring the timely filing of the amendment in response to the Office Action was to instruct his clerk to prepare and file the amendment. As a result, the application went abandoned, but upon petition and explanation by the attorney, the Commissioner believed that the delay under such circumstances was unavoidable because such delay was due to "the reliance upon the belief that the directions had been complied with and the amendment filed." *Ex parte Pratt*.

Petitioner argues

that just like the situation in *Ex Parte Pratt*, the Petitioner entrusted its attorney, Feray Lenne Conseil, with maintenance of its patent and the attorney gave proper instructions to its agent (CPA) with respect to meeting respective time deadlines established by patent law and regulation. While the attorney in *Ex Parte Pratt* was considered to have acted appropriately for entrusting care of patent deadlines to a disgruntled clerk, Feray Lenne, acting as reasonable and prudent attorneys with respect to their most important business, entrusted management of maintenance fee payments to the most reliable and reputable agent available in the market: CPA, who is similarly relied upon by tens of thousands of patent attorneys.

Petitioner further argues

Just like in *Ex Parte Pratt*, Feray Lenne Conseil trusted that its agent would take care of meeting all patent deadlines according to its instructions (via the written agreement and batch file here), which CPA did for all of the hundred of other U.S. patents in Feray Lenne's batch file, only making an error on this one patent at issue. The Commissioner in *Ex Parte Pratt* believed that the delay was unavoidable where there was a reliance on an agent to comply with instructions to meet patent deadlines. Petitioner requests that the Commissioner equally apply the same standard that it applied in the same situation as before, and find that the delay in question here, was also unavoidable.

Petitioner's arguments and the evidence presented have been considered but are not persuasive. There are many differences between the circumstances in the instant matter and those in *Ex Parte Pratt* and those differences do not support a finding that the delay in payment of the maintenance fee in the instant matter was unavoidable.

While a statement in support of the petition has been submitted by Valerie Feray, a partner in the firm of Feray Lenne agent for Actaris, no statement of facts has been

presented by any person who might have firsthand knowledge of the facts and allegations contained therein. Specifically, no statement has been provided from any principals from CPA to whom payment of the maintenance fee was entrusted.

While reliance has been cited as the reason for the delay, petitioner has also indicated that based on instructions to CPA, CPA took care of all of the hundreds of other U.S. patents in Feray Lenne's batch file, only making an error on this one patent at issue. This suggestion of an error on the part of CPA is not supported by any evidence of how the error occurred. This amounts to supposition and conjecture and a failure to show therefore that CPA exercised diligence as it relates to this matter. This therein is the difference between the circumstances in this matter and the circumstances in *Ex Parte Pratt*.

The failure of CPA to detect that an instruction to pay the maintenance fee on Patent No. 5,363,704 was received by Feray Lenne is the cause of the delay and thus, that error is binding on petitioner. No additional evidence has been provided to refute the claim that due care was not exercised by CPA. Since such an error could have been avoided by the exercise of the ordinary care and diligence that is observed by prudent and careful persons with respect to their most important business, petitioner has failed to show the delay in payment of the maintenance fee is unavoidable.

Petitioner is again reminded that in the absence of an adequate showing of the diligence of their representatives Feray Lenne and CPA in this matter throughout the period in question, the actions or inactions of their agents will remain imputed to the assignees.

CONCLUSION

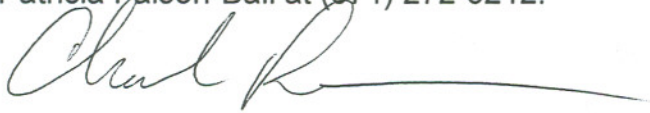
The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the above stated reasons, however, petitioner has not carried the burden of proof to establish to the satisfaction of the Director that the delay was unavoidable and thus 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). In view thereof, this patent will not be reinstated.

Since this patent will not be reinstated, the surcharge fee in the amount of \$7740 submitted with the petition filed July 2, 2007 will be refunded in due course. Deposit account 19-2825 will be charged in the amount of \$400 for treatment of the instant Petition for Reconsideration as required under 37 CFR 1.378(e) and per the telephonic authorization of Joseph Sofer on January 7, 2009.

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.

Telephone inquiries concerning this matter may be directed to Senior Petitions Attorney Patricia Faison-Ball at (571) 272-3212.

A handwritten signature in black ink, appearing to read "Charles Pearson", with a long horizontal flourish extending to the right.

Charles Pearson
Director, Office of Petitions
Office of the Deputy Commissioner