



Paper No. 13

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OFFICE OF PETITIONS

In re Patent No. 5,375,275 :
Issued: 27 December, 1994 :
Application No. 08/143,615 : DECISION ON PETITION
Filed: 1 November, 1993 :
Attorney Docket No. KAPPLER.10 :

This is a decision on the petition under 37 CFR 1.378(e), filed on 15 May, 2002, and supplemented on 26 July, 2002, and 19 February, 2003, requesting reconsideration of a prior decision which refused to accept under 37 CFR 1.378(b)¹ the delayed payment of a maintenance fee for the above-referenced patent.

The request to accept the delayed payment of the maintenance fee is **DENIED**.²

BACKGROUND

The patent issued on 27 December, 1994. The first maintenance

¹A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) 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.

²This 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.

fee could have been paid during the period from 29 December, 1997, through 29 June, 1998, or, with a surcharge during the period from 30 June to 28 December, 1998. Accordingly, this patent expired on 29 December, 1998, for failure to timely remit the first maintenance fee.

A petition under 37 CFR 1.378(b) to accept late payment of the maintenance fee was filed on 31 January, 2002, and was dismissed in the decision of 22 April, 2002.

In response, the present petition under 37 CFR 1.378(e) was filed on 15 May, 2002, and supplemented on 26 July, 2002.

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 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

The Commissioner may accept late payment of the maintenance fee under 35 U.S.C. § 41(c) and 37 CFR 1.378(b) if the delay is shown to the satisfaction of the Commissioner to have been "unavoidable."³

³35 U.S.C. § 41(c)(1).

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.⁴ Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁵ In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."⁶ 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.⁷

Petitioner asserts unavoidable delay in that assignee Kappler Safety Group ("Kappler") "consistently attempted to ascertain the status of its property and Patent Owners asserted reliance on the Patent Attorney, with whom the Patent Owner had an ongoing professional relationship in other matters, alone should be sufficient to establish the case as one in which the level of diligence and care are acceptable."

Petitioner has not carried its burden of proof to establish to the satisfaction of the Commissioner that the delay was unavoidable.

The gravamen of petitioner's argument is that since Veal was managing a variety of intellectual property matters for Kappler at the time the first maintenance fee was due for the present patent, petitioner Kappler was justified in assuming that Veal had assumed responsibility for and was tracking and monitoring the maintenance fee payments for the present patent. As petitioner states "[t]his is not a case where counsel was engaged and left to their own doings, under a mere assumption that all

⁴Ray 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)).

⁵Ex 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 man 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).

⁶Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁷Haines v. Quiqq, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

would be well."⁸ While conceding that failure of communication between an attorney and his client does not constitute unavoidable delay.⁹ Petitioner seeks to differentiate this case from that of *In re Kim*,¹⁰ on the grounds that more than a single communication occurred between petitioner and counsel. For the reasons discussed below, any difference between the situation in *Kim* and the facts of the present situation is more apparent than real because the record shows that, despite several communications between petitioner and counsel, petitioner's counsel had never agreed to maintain the present patent.

At the outset, while it is true that more than a single communication transpired between Kappler and Veal, the communications that occurred show, at best, that Kappler and Veal were never in agreement as to whether maintenance fees for the present patent were to be docketed and tracked by Kappler or by Veal. A review of the record reveals that a letter dated 23 January, 1997, from Don Kelley, Treasurer and CFO of Kappler to patent attorney Joe Beaumer, a copy of which was forwarded to attorney Veal, stated that files referenced therein were to be transferred from Kappler to Veal. No U.S. patents were listed in that letter. Likewise, letters dated 11 April, 1997, from the law firm of Armstrong, Westerman, Hattori, McLeland & Naughton to Veal, and 26 February, 1997, from attorney Beaumer to Veal regarding the transfer of Kappler patent and trademark files to Veal make no mention of the present patent. Furthermore, letters dated 22 April and 23 July, 1997, from Veal to Mr. Kelley at Kappler, apparently sent to confirm receipt of and responsibility for tracking of the maintenance fees for Kappler patent files by Veal, make no mention of the present patent. The first mention of the present patent is on the listing of patents dated 25 February, 1998, sent by Veal to Langley. In his declaration, dated 22 October, 2001, attorney Veal states

In February of 1998, John Langley of Kappler called and asked me to provide information on maintenance fees due on Kappler properties. Inasmuch as we did not have the files on the Kappler properties, I had to research the information via the electronic databases available at that time...It was my

⁸Petition under 37 CFR 1.378(e), page 2.

⁹*In re Kim*, 12 USPQ2d 1595 (Comm'r Pat. 1988).

¹⁰*Id.*

understanding that Mr. Langley would advise as to which if any of the patents we were to assume responsibility for and pay the maintenance fees on inasmuch as this would take some review of the cost and value of the various patents...I have no recollection or record that he ever gave his approval.

Additionally, in the petition of 22 October, 2001, attorney Veal states that "[n]ormally, when files are transferred from another office, the physical patent file and all documents are requested by Veal." However, states attorney Veal, there is no showing that present patent file was ever received by Veal. As the present patent was never sent to Veal, Veal had no reason believe that it was responsible for the maintaining fee for the present patent. The showing of record, therefore, is that the communications between Veal and Kappler specifically identified which patents Veal would monitor for Kappler and that the present patent was not one of those Veal agreed to maintain.

Furthermore, the letter dated 6 October, 1998, from attorney Veal to inventor John Langley reads "enclosed herewith is a list of the patents we maintain for Kappler." It is noted that the present patent is not on this list. There is no indication that Kappler reviewed this transmission to verify that it included all of the patents to be maintained by Veal. As attorney Veal states in the petition, "[a]t the time October 6, 1998 letter was sent, it is clear that personnel at Veal & Associates did not understand that Kappler thought Veal was maintaining the patents in issue, or that there was any issue (sic) fee due on any patents maintained by Veal."

The only communication supporting Kappler's assertion that Veal was responsible for monitoring the maintenance fee for the present patent is the letter dated 6 January, 1999, from Ann Holland, Office Manager at Kappler, to attorney Veal purportedly seeking to verify that Veal was responsible for the present patent--a letter which attorney Veal states in his declaration that he has no recollection of ever having received.

The fact that Veal agreed to assume responsibility for other Kappler intellectual properties did not entitle Kappler to assume that the present patent would necessarily be included, particularly when the present patent was not included in the confirmation communications from attorney Veal to Kappler sent on 22 April and 23 July, 1997. Kappler has shown no basis for its belief that the present patent was to be maintained by Veal. The

showing of record is that the present patent was not included because of a failure of communication between attorney and client. Failure of communication between attorney and client is not unavoidable delay.¹¹

In that petitioners assert that responsibility for payment of maintenance fees on all Kappler patents was to be transferred to Veal, attorney Veal's statement in the present request for reconsideration that [i]t is unequivocal that in January, 1997, Kappler personnel sought to consolidate the company's patent work in one law firm" is inconsistent with his earlier statement in his declaration dated 22 October, 2001. In that declaration, attorney Veal states that "at no time prior to this declaration did I consider that Kappler had engaged my firm to maintain all of its patent properties."

It is also noted that petitioner's argument in the present request for reconsideration that inventor Langley was unsuccessful in receiving a response from attorney Veal regarding whether Veal was tracking the present patent is not supported by the showing of record. Rather, the letter dated 6 October, 1998, from attorney Veal to Mr. Langley states which patents were being maintained for Kappler. The present patent is not on that list. As such, the showing of record is that Veal did inform Langley that the present patent was not among those being maintained by Veal. Although Mr. Langley's declaration dated 22 October, 2001, states that he believed that Veal would "attend to the payment of the maintenance fees," it is not clear if he believed that Veal would monitor the maintenance fee for the present patent, and, if Mr. Langley did so believe, the basis for that belief is not clear since the present patent was not included in the correspondence received from Veal.

Furthermore, petitioner's assertion that since the 6 January, 1999, letter from Ann Holland to attorney Veal "was worded such that it required no response, if the recipient agreed with all of the information in the letter" and no response was received, that Kappler was justified in assuming that Veal was maintaining the present patent is not merited. At the outset, assuming, *arguendo*, that the letter did not require a response if Veal agreed with its contents, petitioner Kappler had no way of knowing whether the failure to respond was due to receipt and agreement with the letter or lack of receipt or mishandling thereof. Certainly a prudent and careful individual acting in

¹¹See note 9, supra.

relation to his or her most important business would take steps to confirm whether such a communication had been received. Likewise, petitioner's contention that the letter by its wording required no response if the recipient agreed with its contents is not a reasonable interpretation of the letter itself. The letter requests attorney Veal's "help by checking the attached list to make sure all patents you maintain for Kappler are listed." Nowhere does the 6 January, 1999, letter state that Veal need not respond. Rather, the purpose of the list is to verify that Kappler and Veal were in agreement as to which Kappler patents were to be maintained by Veal. It is to be assumed that had Veal received the list, he would have promptly informed Kappler, his client, as to whether it contained any discrepancy *vel non*. Last, in his declaration dated 22 October, 2001, attorney Veal states that he does not recall receiving the communication from Kappler dated 6 January, 1999. In summary, petitioner essentially seeks to establish Veal's responsibility for tracking the maintenance fee for the present patent based on the lack of a response to a single request for clarification, a communication which counsel declares he did not receive. Such a showing does not rise to the level of unavoidable delay. Rather than unavoidable delay, the showing of record is that a failure of communication occurred between petitioner and counsel.

It is noted that counsel now asserts that since the 6 January, 1999, letter cannot be located in counsel's records, that it may have been lost in the mail, citing delayed receipt in December, 1998, of items that had apparently been mishandled by the U.S. Postal Service. Petitioner's argument is unpersuasive, however. At the outset, letters which are properly mailed are presumed to be timely delivered, and petitioners have provided no evidence to the contrary.¹² Additionally, petitioners have provided no evidence supporting a claim of failure of the mail. Rather than being a "plausible explanation," counsel's assertion amounts to mere speculation.

Petitioner implores the Commissioner not to require Kappler to demonstrate that it was itself tracking the maintenance fees for the present patent in a reliable tracking system. Petitioner complains that requiring such a showing "clearly places on Kappler a burden greater than the standard for reasonable diligence requires," because all Kappler personnel who have submitted declarations state that they believe that Veal was responsible for tracking the maintenance fee for the present

¹²Rosenthal v. Walker, 111 U.S. 185, 193-94 (1884).

patent. Unfortunately, although declarants may believe that Veal intended to track the maintenance fee for this patent, the correspondence filed with the first petition do not substantiate declarants' interpretation.¹³ As attorney Veal himself states in his 22 October, 2001, declaration, Veal agreed to monitor the maintenance fees for some, but not all of Kappler's patents. The showing of record is that the present patent was not among those patents Veal agreed to track. As such, absent a documented showing of a reliable tracking system on the part of Kappler, the showing of record is not of unavoidable delay but rather a failure of communication between an attorney and his client.

Lastly, regarding petitioner's statement that a reasonable person would not have discovered the mistake leading to the delay in payment of the maintenance fee is not supported by the record. Petitioners state that "[g]iven the letters of October 1998 and January 1999 and the failure of the January letter to reach Veal, there would have been no reasonable way for either party to have learned of the failure to pay the maintenance fees prior to the discovery in 2001." This assertion is not supported by the showing of record. First, if Kappler had promptly reviewed the letter to inventor Langley dated 6 October, 1998, it would have discovered that the Veal did not believe it was responsible for maintaining the present patent. Additionally, if Kappler or another entity had been tracking the maintenance fees prior to the purported transfer of the file to Veal, the predicament at hand would not have occurred.

Petitioner states that "[e]ven if the Patent Office had sent reminder notices out regarding the Maintenance Fees, the letters would have been sent to the prosecution addresses, which have done no good." A delay due to the failure of patentee to provide the Office with a current correspondence address is not unavoidable because it resulted from a lack of diligence on the part of petitioner's counsel in notifying the Office that counsel's correspondence address had changed.¹⁴ The failure to receive a maintenance fee reminder does not constitute unavoidable delay. Nor does the patentee's lack of knowledge of the need to pay the maintenance fee constitute unavoidable

¹³See, e.g. Kim, 12 USPQ2d at 1603.

¹⁴A delay caused by the failure on the part of petitioner, or petitioner's representative, to provide the Patent and Trademark Office with a current correspondence address does not constitute an unavoidable delay. See Ray v. Lehman, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995).

delay.¹⁵ It is solely the responsibility of the patentee to insure that the maintenance fee is paid timely to prevent expiration of the patent.

Contrary to petitioner's assertion, denial of this petition is consistent with the holding in *Kim*. In *Kim*, as in the present situation, petitioner believed his attorney would take "appropriate action", but, because petitioner failed to clearly communicate its intention, the delay was not unavoidable. Here, too, it was never clearly communicated that Kappler intended that Veal track and submit the maintenance fees for the present patent. A "failure of communication" which occurs because a part fails to clearly communicate their intentions does not constitute unavoidable delay.¹⁶ Additionally, in order to establish unavoidable delay, petitioner must demonstrate diligence in prosecution of the matter.¹⁷ In as much as Kappler did not review the communications from Veal to verify that all of the patents Kappler wished that Veal maintain were listed therein, the showing is of a lack of diligence on the part of Kappler.

With regard to petitioner's letter of 19 February, 2003, petitioners cite the multiple patents that have expired due to the same set of circumstances, the contributions made by the patent owner to the field of chemical and biological safety, and the principle of fair and equal treatment. While this is certainly a most unfortunate situation, the U.S. Patent and Trademark Office is charged with applying patent laws and regulations as promulgated by Congress and the office. The Office is not unmindful of the effort expended by petitioner to obtain this and other patents, and that they may represent a significant commercial value to petitioner. Nevertheless, as stated above, an analysis of petitioner's case reveals no basis for granting the relief requested. Although petitioner may be dissatisfied with the outcome of these proceedings, such an outcome does not, in itself, render the decision arbitrary or unfair.

¹⁵See In re Patent No. 4,409,763, 7 USPQ2d 1798 (Comm'r Pat. 1988), aff'd Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990); aff'd without opinion (Rule 36), 937 F.2d 623 (Fed. Cir. 1991), cert. denied, 60 U.S.L.W. 3520 (January 27, 1992). See also "Final Rules for Patent Maintenance Fees," 49 Fed. Reg. 34716, 34722-23 (Aug. 31, 1984), reprinted in 1046 Off. Gaz. Pat. Office 28, 34 (September, 25, 1984).

¹⁶See Ex parte Wright, 1 Gour. 84:16 (Comm'r Pat. Nov. 23, 1889) in Kim, 12 USPQ2d at 1603.

¹⁷See Douglas v. Manbeck, 21 USPQ2d 1697, 1700 (E.D. Pa. 1991), aff'd 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992).

In summary, the showing of record fails to demonstrate the due care of a reasonably prudent patentee, and as such, precludes a finding of unavoidable delay.


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

Since this patent will not be reinstated, a refund check covering, the maintenance fee and surcharge fee, less the \$130.00 fee for the present request for reconsideration, has been scheduled.

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

Telephone inquiries should be directed to Petitions Attorney Douglas I. Wood at 703.308.6918.



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