



Paper No. 16

JASON P. WEBB
ADVANTIA LAW GROUP
9035 SOUTH 1300 EAST, SUITE 200
SANDY, UT 84094

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OFFICE OF PETITIONS

In re Patent No. 5,415,319 :
Issued: May 16, 1995 : ON PETITION
Application No. 08/206,433 :
Filed: March 7, 1994 :
For: VENDING MACHINE :

This is a decision in response to the renewed petitions under 37 CFR 1.378(e), filed October 23, 2007, requesting reconsideration of a prior decision refusing to accept the delayed payment of a maintenance fee under 37 CFR 1.378(b) and reinstate the above-identified patent.

The request to accept the delayed payment of the maintenance fee and reinstate the above-identified patent is **DENIED**. This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

BACKGROUND

The patent issued on May 16, 1995. The second maintenance fee could have been paid during the period from May 16, 2002 through Monday, November 18, 2002 or with a surcharge during the period from Tuesday, November 19, 2002 through May 16, 2003. Accordingly, this patent expired on May 17, 2003, for failure to timely remit the second maintenance fee. On August 17, 2006, petitioner, Joseph Risolia,¹ filed a petition under 37 CFR 1.378(b) to accept the unavoidably delayed payment of the maintenance fee for the above-identified patent. In a communication date September 12, 2006, the Office stated that it could not decide the petition on its merits because petitioner did not pay the required maintenance fee and late surcharge. On March 19, 2007, petitioner filed a petition under 37 CFR 1.378(b), accompanied by the maintenance fee and late surcharge, which was dismissed by the decision of August 23, 2007.

¹ Petitioner, Joseph Risolia, is also the patentee and President and CEO of InTune Group (InTune). An assignment of the above-identified patent from Mr. Risolia to InTune was recorded in the USPTO on April 13, 2000, at Reel/Frame 010766/0141.

On October 23, 2007, petitioner filed the present petition under 37 CFR 1.378(e), requesting reconsideration of the decision of August 23, 2007, refusing to accept the delayed payment of a maintenance under 37 CFR 1.378(b) and reinstate the above-identified patent, accompanied by a \$400.00 petition fee.

STATUTE AND REGULATION

35 U.S.C. § 41(b) provides that:

The Director shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

- (1) 3 years and 6 months after grant, \$900.
- (2) 7 years and 6 months after grant, \$2,300.
- (3) 11 years and 6 months after grant, \$3,800.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period. The Director may require the payment of a surcharge as a condition of accepting within such 6-month grace period the payment of an applicable maintenance fee. No fee may be established for maintaining a design or plant patent in force.

35 U.S.C. § 41(c)(1) provides that:

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. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(b) provides that:

Any petition to accept an unavoidably delayed payment of a maintenance fee 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.

OPINION

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 and if the surcharge required by § 1.20(i) is paid as a condition of accepting payment of the maintenance fee. 37 CFR 1.378(a).

A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must include the following:

(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.

This petition lacks requirement (3).

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. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are

usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (quoting Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (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). A petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987). Moreover, a patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. See Patent No. 4,409,763, 7 USPQ2d 1798 (Comm'r Pat. 1988).

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

The Office has carefully considered all of the arguments presented in the petition under 37 CFR 1.378(e); however, the showing of record is not sufficient to establish to the satisfaction of the Office that the delay was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

DISCUSSION

With the present petition under 37 CFR 1.378(e), petitioner submitted the "Amended Affidavit of Joseph Risolia in Support of the Petition for Reconsideration in U.S. Patent No. 5,415,319," which substantively amended Mr. Risolia's original affidavit filed on March 19, 2007. Mr. Risolia asserted that he first became aware that the patent had expired at the end of January 2006, when he began to explore the option of licensing or selling another patent. Mr. Risolia stated that his attorney at that time, Mr. Haigh, had reviewed the status of his patent and informed him that the subject patent had expired for failure to pay the maintenance fee. On petition, Mr. Risolia identified several circumstances, which he claimed were beyond his control that contributed to the expiration of this patent.

First, Mr. Risolia stated that the damage and flooding caused by Hurricane Irene on October 15, 1999, crippled the operation of his business and destroyed records, including calendars and recorded dates for maintenance fees, as well as correspondence relating to his patents. Mr. Risolia indicated that due to the damage and loss, he relocated his business InTune in June of

2001. Mr. Risolia stated that any business records that remained were also moved to the new facility. Mr. Risolia asserted: "However, I am unaware of any patent records or docketing records that survived the hurricane." *Affidavit of 10/23/07, p. 3.*

Mr. Risolia explained that at the time of the hurricane, he had a business relationship with registered patent attorney, Robert M. Downey, wherein Mr. Downey agreed to track all of his intellectual property and inform him of important events, including but not limited to maintenance fee due dates. Mr. Risolia indicated that Mr. Downey informed him that he used a standard docketing system to monitor the due dates. Mr. Risolia stated that the damage of Hurricane Irene did not destroy the records kept by Mr. Downey. Mr. Risolia also averred that he contacted Mr. Downey about continuing to work together and maintaining the same relationship and responsibilities that they had prior to the hurricane. Mr. Risolia explained that he did not create a second tracking system to monitor the maintenance fee due dates because InTunes' operating capital was low. Rather, Mr. Risolia stated that he completely relied on Mr. Downey to track and provide him notice of the maintenance fee due dates.

Second, petitioner explained that due to the events of 9/11, InTune lost a substantial amount of its revenue from its vending machine sales, and had to let go of all of its independent contractors and employees. Mr. Risolia asserted "any employees that may have had a recollection of due dates and patent maintenance fee deadlines were no longer responsible to me or InTune." *Affidavit of 10/23/07, p. 4.* However, Mr. Risolia stated that his business relationship with Mr. Downey continued during this time because his docketing services were prepaid. Mr. Risolia asserted that Mr. Downey was to keep track of the fee deadlines and to contact Mr. Risolia of the due dates.

Third, petitioner averred that due to the detection of anthrax in South Florida, InTune received virtually no mail or deliveries that were purportedly sent from November 2001 through November 2002. Mr. Risolia indicated that the USPS was forced to alter its methods of delivering mail, particularly regarding mail from Boca Raton, Florida, the location of Mr. Downey's office. Mr. Risolia asserted that Mr. Downey's office sent him reminder letters dated May 23, 2002, and November 12, 2002, to pay the maintenance fee for this patent. However, Mr. Risolia indicated that he did not receive the letters and that the letters were not returned to Mr. Downey.

Fourth, Mr. Risolia stated that the hurricane season of late 2002 destroyed InTune's only remaining computers, which included all of its electronic docketing records that were stored on those computers. Mr. Risolia explained:

During this time, InTune Group never received a notice of a maintenance fee due, and InTune Group had no knowledge of a maintenance fee due for the '319 patent.... It was later determined that the maintenance fee for the '319 patent was due on November 16, 2002..... Without any record of this maintenance fee due, and without any notice, InTune Group failed to pay this maintenance fee. Due to the

destruction of mine and In-Tune Group's paper docketing records by Hurricane Irene, the letting-go of all of In-Tune Group's independent contractors and employees as a result in the dip in the economy caused by 9/11, the lack of mail delivery caused by the detection of anthrax in the mail, and the hurricane season of 2002 which destroyed all of my computers and electronic docketing records, both mine and [InTune] Group's paper and electronic docketing records unavoidably failed. Further, because of the failure of the US Postal Service, the reminder notices generated by [the] docketing system of Robert M. Downey were not delivered to me, and, accordingly, I was not provided the opportunity to pay the fee due."

Affidavit of 10/23/07, pp. 6.

Fifth, Mr. Risolia asserted from January 2003 through January 2006, he suffered immense pain and incapacitation stemming from a head-on car crash. Petitioner said that he continued to take prescription drugs until mid-2004, which altered his cognitive skills and caused him to disregard his business and patents. Letters from Mr. Risolia's physicians accompany the petition. Specifically, Mr. Risolia contended:

... [D]uring the surcharge period of the maintenance fee window of the '319 patent, I was incapacitated physically and mentally and therefore not able to pay or cause to be paid any maintenance fees despite having prudently delegated tracking due dates to my attorney and relied on the U.S. Postal Service. Because of my diminished cognitive ability and understanding during this time, I believe that if I did receive a notice late or a telephone call from my attorney, I was unable to understand the meaning of its contents and consequently disregarded it.... I understand that if I had known about the maintenance fee that was due on the '319 patent, I could have paid that fee as late as May 2003; however, I had no knowledge of such a maintenance fee deadline.... The maintenance fee for the '319 patent was due on November 16, 2002, and I could have paid that fee as late as May 2003.

Affidavit of 10/23/07, pp. 7-8. Petitioner also provided the USPTO with the Affidavit of Maria Risolia, the wife of Joseph Risolia, attesting to his physical and mental state and the care she provide him after his car accident in January 2003.

In determining whether the delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person. Ray v. Lehman, 55 F.3d 606, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995). The patent owner at the time of the expiration of the patent is ultimately the person responsible to ensure the timely payment of the maintenance fees. The patent owner may engage another to track and/or pay the maintenance fees; however, merely engaging another does not relieve the patent owner from his obligation to take appropriate steps to ensure the timely payment of such maintenance fees. See California Medical Prods. v. Tecnol Medical Prods., 921 F. Supp. 1219 (D. Del. 1995). Moreover, the USPTO must rely on the actions or inactions of duly

authorized and voluntarily chosen representatives of a patentee, and the patentee 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). Specifically, delay caused by the actions or inactions of a voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 U.S.C. § 133. Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ2d 1130 (D. Ind. 1987) (“If that attorney somehow breached his duty of care to plaintiff, then plaintiff may have certain other remedies available to him against his attorney. He cannot, however, ask the court to overlook [the attorney’s] action or inaction with regard to the patent application”). The Office further notes that delay resulting from a lack of proper communication between a patent holder and a registered representative as to who bore the responsibility for payment of a maintenance fee does not constitute unavoidable delay within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3). See Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). Moreover, the USPTO is not the proper forum for resolving a dispute between a patent owner and a representative as to who bore the responsibility for paying a maintenance fee. Id.

It appears that petitioner is arguing that it was reasonable for him to rely on his attorney, Mr. Downey to track the maintenance fees and to notify him of the due dates. Furthermore, petitioner asserts that but for the US Postal Service’s failure to deliver the reminder notices generated by Mr. Downey’s docketing system, Mr. Risolia would have timely paid the 7.5-year maintenance fee. In an e-mail communication from Mr. Downey to Mr. Risolia, dated October 22, 2007, Mr. Downey confirmed that his office sent a letter on May 23, 2002, and again on November 12, 2002, regarding the need to pay the maintenance fee in the present patent. Mr. Downey stated that he did not receive a reply or payment from Mr. Risolia. Mr. Downey further indicated that the letters were sent to Mr. Risolia’s last known address and that his office did not have any other address for him on file.

Initially, the Office notes that petitioner did not provide sufficient evidence to establish that Mr. Risolia did not receive the letters of May 23, 2002, and November 12, 2002, because of a failure of the US Postal Service due to the detection of anthrax. Additionally, it is unclear if Mr. Risolia provided Mr. Downey with a current address for mailing correspondence. Furthermore, petitioner did not explain why Mr. Downey was unable to contact Mr. Risolia by another means such as email or telephone in order to notify him of the maintenance fee due date.

The record does not indicate that Mr. Risolia made any attempts to contact the USPTO or Mr. Downey regarding the status of the patent. Moreover, the evidence presented on petition does not demonstrate that petitioner had a reasonably reliable system in place for payment of the maintenance fee. Petitioner relied sole on Mr. Downey to inform him of the due date to pay the maintenance fee. Even if Mr. Risolia had received the letters from Mr. Downey, Mr. Risolia stated that because of his diminished cognitive ability and understanding during this time, he would have been unable to understand the meaning or the consequences of a notice from his attorney to pay the maintenance fee and would have disregarded it. See Affidavit of 10/23/07, p. 7. Nevertheless, the Office reminds petitioner that he is bound by the consequences of the actions or inactions of Mr.

Downey, his duly authorized and voluntarily chosen representative. Therefore, any delay caused by the negligence or mistakes of petitioner's voluntarily chosen legal representative does not constitute unavoidable delay. Haines v. Quigg, 673 F. Supp. at 317; Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981).

Assuming, *arguendo*, that petitioner was justified in relying upon his former attorney to pay the maintenance fee, such reliance *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). California Medical Products v. Technol. Med. Prod., 921 F.Supp. 1219, 1259 (D. Del. 1995). Again, the Office reminds petitioner that engaging another to track and/or pay the maintenance fees does not relieve the patent owner from his obligation to take appropriate steps to ensure the timely payment of such maintenance fees. Furthermore, a patent owner must enumerate the steps taken to ensure timely payment of the maintenance fee. 37 CFR 1.378(b)(3). That is, a patent owner must show that despite the reasonable care on behalf of the patentee and/or the patentee's agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid. With regard to petitioner's contention that he was unaware that maintenance fees were due, the Office reminds petitioner that it is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. Petitioner is reminded that 37 CFR 1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for petitioner's showing of the steps taken to pay the maintenance fee. Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786,1788 (Fed. Cir. 1995). A delay resulting from a lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP does not constitute an "unavoidable" delay. See Haines v. Quigg, 673 F. Supp. 314, 317, 5 USPQ 1130, 1132 (N.D. Ind. 1987), Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985); Smith v. Diamond, 209 USPQ 1091 (D.D.C. 1981). Therefore, petitioner's lack of awareness that the second maintenance fee was due does not serve to excuse a delay in timely paying it, or relieve petitioner of the duty to show that he had steps in place to track and timely pay the maintenance fees. Likewise, the failure to receive a maintenance fee reminder does not constitute unavoidable delay.

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 burden to establish that the delay was unavoidable. See 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 Director to affirmatively find that the delay was avoidable, but only to explain why the petitioner'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 Director 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); Ray v. Lehman, 55 F.3d 606, 34 USPQ2d 1786,1788 (Fed. Cir. 1995). Petitioner acknowledged that did not take any steps to restore any lost information regarding this patent after his records containing the maintenance fee due dates were destroyed on October 15, 1999. Rather, he relied solely on his attorney to track the maintenance fee due dates.

Mr. Risolia also asserted that the delay in paying the maintenance fee was unavoidable to due his medical condition following a car accident in January of 2003. To establish a showing of “unavoidable” delay based upon incapacitation, petitioner must demonstrate that the patentee’s incapacitation was of such a nature and degree as to render the patentee unable to conduct business (e.g., correspond with the Office) during the period when the maintenance fee was due. A statement from the patentee’s treating physician must support a showing of medical incapacitation. The physician’s statement must provide the nature and degree of the patentee’s incapacitation during the period from when the maintenance was due until the filing of a grantable petition.

Mr. Risolia has not provided sufficient evidence to support the showing of incapacitation due to a medical condition. Petitioner submitted letters to the USPTO from Mark Antony La Porta, MD FACP, dated February 8, 2007, and Gaetano J. Scuderi, MD, dated January 30, 2007. Dr. La Porta stated that he attended to Mr. Risolia once in January of 2002, and had a few subsequent conversations with him. Dr. La Porta indicated that the purpose of the visit was a request by Mr. Risolia for a prescription for Cipro after the media attention to the Anthrax scare. Dr. La Porta stated that documents from that period showed that Mr. Risolia had prescriptions for several medications, which he identified in his letter. Dr. La Porta indicated the possible side effects of the medications but did not specify the side effects that Mr. Risolia experienced or to what extent. Dr. Scuderi stated that he saw Mr. Risolia on several occasions during April of 2003. Likewise, Dr. Scuderi identified the typical side effects caused by the medications Mr. Risolia was taking at that time. However, Dr. Scuderi stated that he was not aware of the side effects that Mr. Risolia experienced as Mr. Risolia did not communicate them to him. Dr. Scuderi stated that when he saw Mr. Risolia on April 23, 2003, Mr. Risolia was experiencing significant pain that was “quite incapacitating even limiting his ability to ambulate.” *Letter of 01/30/07, p. 1*

Unfortunately, neither the statement of Dr. La Porta nor Dr. Scuderi set forth the nature and degree of Mr. Risolia’s medical condition during the relevant period (i.e., from the last day for timely payment of the maintenance fee until the date of the filing of a grantable petition). Additionally, neither doctor stated that in their medical opinion Mr. Risolia’s medical condition was of such a degree of severity that it “unavoidably” prevented him from taking any action with respect to this patent. Rather, the doctors’ statements expressed in general terms the typical side effects persons taking the same medications as Mr. Risolia may experience. Furthermore, it appears that the doctors treated Mr. Risolia on only a few occasions in 2003. Although Mr. Risolia’s car accident was a very misfortunate event, he has not made a sufficient showing that he was “unavoidably” prevented from timely paying the maintenance fees because of the nature of his injuries or the medication he was taking.

DECISION

The Office has reconsidered the prior decision refusing to accept the delayed payment of the maintenance fee under 37 CFR 1.378(b) and reinstate the above-identified patent. For the reasons stated, petitioner has failed to show to the satisfaction of the Office that the entire delay in paying the maintenance fee for the above-identified patent was unavoidable within the meaning of 35

U.S.C. § 41(c) and 37 CFR 1.378(b)(3). Therefore, the Office is precluded from accepting the delayed payment of the maintenance fee for the above-identified patent. The Director will not undertake any further review or reconsideration of the matter. See 37 CFR 1.378(e).

As the above-identified patent will not be reinstated, the \$1,150.00 maintenance fee and the \$700.00 surcharge will be refunded to the credit card.

Again, the Office notes that there is no indication that Joseph Risolia ever granted a power of attorney to practitioner, Jason Webb. Moreover, the patent file does not indicate a change of address has been filed in this case, although the address given on the petition differs from the address of record.

The patent file is being forwarded to Files Repository.

Telephone inquiries should be directed to Senior Petitions Attorney Christina Tartera Donnell at (571) 272-3211.

A handwritten signature in black ink, appearing to read "Charles A. Pearson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Charles A. Pearson
Director
Office of Petitions