



Paper No. 16

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OFFICE OF PETITIONS

In re Patent No. 5,581,257 :  
Issue Date: December 3, 1996 : Decision on Petition  
Application No. 08/298,070 :  
Filing Date: August 30, 1994 :  
Attorney Docket No. 91-4878USP :

This is a decision on the reconsideration petition under 37 CFR 1.378(e) filed August 19, 2005 and supplemented on October 30, 2006 in response to a Request for Information, mailed July 10, 2006, to reinstate the above-identified patent.

The petition is **DENIED**.<sup>1</sup>

### Background

The patent issued December 3, 1996. The 3 ½ year maintenance fee could have been paid from December 3, 1999 through June 3, 2000 without a surcharge, or from June 4, 2000 through December 3, 2000 with a surcharge. The Office did not receive a timely payment. Accordingly, the patent expired December 4, 2000 for failure to timely submit the first maintenance fee.

A petition under 37 CFR 1.378(b) was filed on January 31, 2005. The petition was dismissed in a decision mailed June 15, 2005. On August 15, 2005 petitioner filed a reconsideration petition under 37 CFR 1.378(e) and a constructive petition under 37 CFR 1.183 to waive 37 CFR 1.378(b) to the extent that the rule requires one prove the entire delay was unavoidable. Instead, petitioner believed the first two years of delay should be excused under the unintentional delay standard. In response, on August 19, 2005, the Office mailed a Request for Information and a dismissal of the constructive petition under 37 CFR 1.183.

The contents of the prior decision on petition and the Request for Information are incorporated by reference into the present decision.

<sup>1</sup> This decision may be viewed as a final agency action within the meaning of 5 USC § 704 for purposes of seeking judicial review. See MPEP 1002.02. The terms of 37 C.F.R. 1.137(d) *do not apply* to this decision.

### **Applicable Statute and Regulation**

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 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.”

37 CFR 1.378(b) states that:

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)-(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.

### **The Burden of Proof**

The statute requires a “showing” by petitioner. Specifically 35 U.S.C. 41(c)(1) states, "The Director may accept the payment ... if the delay is shown to the satisfaction of the Director to have been unavoidable." Therefore, petitioner has the burden of proof.

### **Opinion**

Petitioner asserts that the delay in payment of the first maintenance fee was due to a docketing error. Petitioner contends that the docketing report for the above-identified patent shows the first maintenance fee and surcharge as being paid, and that caused petitioner to believe that the first maintenance fee was, in fact, timely paid. When petitioner attempted to pay the second maintenance fee on April 30, 2004, the Office did not accept the payment because the patent expired on December 4, 2000 for failure to timely pay the 3 ½ year maintenance fee.

The showing of record is inadequate to establish unavoidable delay within the meaning of 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, 608-609, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In Re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat 1898)).

Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay 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 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); 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).

35 U.S.C. 41(c) 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. Consequently, a reasonably prudent person in the exercise of due care and diligence will take steps to ensure the timely payment of maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. Thus, it follows that an adequate showing of unavoidable delay in payment of a maintenance fee, 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 the patent. Id. 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.

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

Per MPEP 2590 Acceptance of Delayed Payment of Maintenance Fee in Expired Patent to Reinstate Patent, I. Unavoidable Delay: Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. Thus, evidence that despite 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, could be submitted in support of an argument that the delay in payment was unavoidable. For example, an error in a docketing system could possibly result in a finding that a delay in payment was unavoidable if it were shown that reasonable care was exercised in

designing and operating the system and that the patentee took reasonable steps to ensure that the patent was entered into the system to ensure timely payment of the maintenance fees.

Petitioner has failed to establish that the system used to track maintenance fee due dates is reliable. The August 15, 2005 Declaration of Louis M. Heidelberger page 2, paragraph 5, states that the Docketing Clerk enters the date upon which a maintenance fee is due into the CPI Docketing Database record corresponding to the pertinent patent after an Office generated maintenance fee reminder is received by the Intellectual Property Group at the firm. The October 30, 2006 response to Request for Information reaffirms that the due dates for maintenance fees are entered into the docketing system based on receipt of a maintenance fee reminder from the Office.

As stated above, the Office mails maintenance fee reminders as a courtesy. Patentees are responsible for monitoring and paying maintenance fees when they are due. The 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. Accordingly, a reasonably prudent patentee would have inquired to see if his/her patent was subject to maintenance fees and would have made provisions himself/herself or through a representative to see that the maintenance fees were timely paid. Relying on receipt of an Office maintenance fee reminder as a triggering mechanism for entry of maintenance fee due dates into a docketing system is not a prudent course of action.

The August 19, 2005 reconsideration petition Heidelberg declaration p. 5, paragraph 9, states that a Notice of Patent Expiration was either never received by the Docketing Clerk or the Due Dates were never entered into the CPI Docketing Database. Petitioner has since stated that the Notice of Patent Expiration and maintenance fee reminder have been located at the correspondence address of record. In addition, petitioner has provided a copy of a docket record that shows the 3 ½ year maintenance fee was due on June 3, 2000 and that the grace period ran until December 3, 2000. In addition, the docket report shows the 7 ½ year maintenance fee was due on June 3, 2004. Therefore, it appears the due dates were entered into the system.

However, the response dates for the 3 ½ year maintenance fee payment and the grace period surcharge are incorrect. If the 3 ½ year maintenance fee was paid on June 3, 2000, why would the grace period surcharge be paid on December 3, 2000?

The Office contends that the maintenance fee discrepancies in the docket record are not isolated incidents. The docket record is rife with inconsistencies with respect to other due dates. Examples include: Four of the columns are labeled "Base," "Due," "Final," and "Response." For each entry, the dates below these four columns are *identical*. The record has a date under Response of 10/22/1996 for "Issue Fee Due." However, the response, in the form of the issue fee, was mailed to the Office on September 9, 1996, and received on September 13, 1996. The line for the entry "Response to OA 2ND E" has a date under the header "Response" of April 28, 1996. An actual response was filed with a three-month extension of time on May 28, 1996. The Office is unable to understand the conflict in the dates entered on the docket record and actual dates various actions were taken.

Thus, it appears that the docketing report is not reliable. Petitioner agrees with the Office in the October 30, 2006 response to the Request for Information. On page 2, Petitioner states, "...[T]he information entered in the docket sheet appears to have been incorrectly entered or altered, and as such, although unknowingly and incorrectly relied upon by the Petitioner, is not reliable."

Therefore, the docketing record is unreliable. As stated above, relying on receipt of an Office maintenance fee reminder as a triggering mechanism for entry of maintenance fee due dates into a docketing system is not a prudent course of action.

The person allegedly responsible for entering information into the docketing database is Edna Schmittinger. Petitioner has provided a blanket statement as to the sufficiency of docket training by qualified Reed Smith Staff and/or by CPI provided to docketing personnel. This statement is insufficient to prove that relying on Ms. Schmittinger represented the exercise of due care. Petitioner has not described Ms. Schmittinger's training or experience or reliability. Petitioner has only stated that she worked from Reed Smith, LLP from August 15, 1988 to July 18, 2003 and is no longer employed by Reed Smith, LLP. Petitioner states that petitioner is not able to provide specific details of the handling of mail and the entry of information into the docketing system for this matter, other than those general details of the firm's accepted operation procedures. It is noted that petitioner has not provided any evidence that attempts to contact Ms. Schmittinger or other individuals with knowledge of pertinent events or training were undertaken.

In addition, petitioner has not provided specific information as to how many patents maintained by the law firm have unintentionally or unavoidably expired over the past 10 years.

In short, petitioner has not described the exact cause of the docketing error, petitioner has not established that the docketing system itself is reliable, and petitioner has not established that relying on Ms. Schmittinger was prudent. Numerous docket entries were created during prosecution of the application and after its patenting and most are unreliable.

The record, as it stands now, fails to show that petitioner took the due care of a reasonably prudent and careful person, in relation to his most important business. Pratt, supra. The record fails to establish that reasonable care was exercised in operating the docketing system and that petitioner took reasonable steps to ensure timely payment of the maintenance fee. An allegation of general failure of the docketing system cannot establish unavoidable delay. Specific evidence is required.

### **Decision**

The prior decision which refused to accept under 37 CFR 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the reasons herein and stated in the previous decision and request for information, the entire 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). Therefore, the petition is **denied**.

As stated in 37 CFR 1.378(e), the Office will not further consider or review the matter of the reinstatement of the patent.

Deposit account no. 18-0586 will be refunded \$2,750.00, which corresponds to the maintenance fees and surcharges paid. The reconsideration fee of \$400.00 will be retained.

The patent file is being forwarded to Files Repository.

Telephone inquiries may be directed to Petitions Attorney Shirene Willis Brantley at (571) 272-3230.

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