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Paper No. 30

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MAR 11 2009

OFFICE OF PETITIONS

In re Patent No. 5,609,939 :
Issue Date: March 11, 1997 :
Application No. 08/355,818 : DECISION ON PETITION
Filed: December 14, 1994 : UNDER 37 CFR 1.378(b)
Attorney Docket No. 3893-102463-CON :
For: VIEWING SCREEN FORMED USING :
COHERENT LIGHT :

This is a decision on the reconsideration petition under 37 CFR 1.378(e), filed November 25, 2008, to reinstate the above-identified patent.

The petition is **DENIED**.¹

Background

The patent issued March 11, 1997. The second maintenance fee could have been paid from March 11, 2004, through September 11, 2004, or with a surcharge during the period from September 12, 2004 through March 11, 2005. The fee was not paid. Accordingly, the patent expired at midnight on March 11, 2005, for failure to timely submit the second maintenance fee.

A petition under 37 CFR 1.378(b) was filed on December 3, 2007. The petition was dismissed in a decision mailed September 25, 2008.

The contents of the prior decision on petition, mailed September 25, 2008, is incorporated by reference into the present 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

¹ 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.

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.

Opinion

Petitioner asserts that the delay in payment of the second maintenance fee was unavoidable because a well-trained, experienced employee of his attorney at the time allegedly paid the required fees on November 16, 2004 and received a receipt from the Office. Petitioner argues that relying on the Office receipt of payment constitutes reasonable care.

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.

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, 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, supra; see also* "Final Rules for Patent Maintenance Fees" 49 Fed. Reg. 34716, 34722-34723 (August 31, 1984), *reprinted in* 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statute and regulations, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. The Office's mailing of Maintenance Fee Reminders is carried out strictly as a courtesy. Accordingly, 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/or 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. Rydeen v. Quigg, 748 F. supp. at 900.

A delay resulting from the 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 USPQ2d 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); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978); Ex parte Murray, 1891 Dec. Comm'r Pat. 130, 131 (1891). Applicants are expected to keep abreast of patent regulations. The lack of knowledge of the requirement to pay a maintenance fee and/or 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.

In determining whether a 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, 55 F3d at 608-609, 34 USPQ2D at 1787.

The showing of record does not adequately establish that petitioner's delay in paying the second maintenance fee was unavoidable within the meaning of 35 U.S.C. 41(c) and 37 CFR 1.378(b).

Janis Foreman was the person who attempted to pay the 7 ½ year maintenance fee on November 16, 2004. Exhibit A to her statement provided in the December 3, 2007 petition is a printout of a receipt from the Office that states, "Your Payment has been successfully Completed."

However, the amount specified on the receipt is \$535.00. The 7 ½ year small entity maintenance fee due on November 16, 2004 was \$1,075.00. The surcharge for late payment within 6 months of the 7 ½ year due date was \$65.00. Thus, \$535.00 was an incorrect payment amount.

Deposit account no. 06-0930 had only \$159.00 on November 16, 2004. When the Office attempted to collect the \$535.00 partial payment on November 16, 2004, there were insufficient funds in the deposit account. On November 17, 2004, the deposit account was replenished by \$2,000.00. However, the fact remains that on November 16, 2004, when the Office attempted to collect a partial payment, there were insufficient funds in the designated deposit account.

Petitioner argues that relying on a receipt from the Office stating, "Your Payment has been successfully Completed" constitutes reasonable care. Ms. Foreman completed the maintenance fee payment form properly and submitted it via the Internet. When the receipt was generated, it acknowledged that patentee had correctly followed procedures to authorize payment. However, when the Office attempted to collect the too small amount specified, there were insufficient funds in the designated deposit account.

Petitioner does not contradict that patentee paid an insufficient amount. The fact that petitioner did not know the proper amount to be paid is not unavoidable and does not constitute reasonable care. The USPTO allows partial payments of maintenance fees and relies upon practitioners to know and follow the rules, and in particular to be aware of the amount to be paid for maintaining the patent in force. An agent of petitioner's attorney made a partial payment.

A delay resulting from the 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 USPQ2d 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); *Potter v. Dann*, 201 USPQ 574 (D.D.C. 1978); *Ex parte Murray*, 1891 Dec. Comm'r Pat. 130, 131 (1891). 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: (1) the applicant's reliance upon oral advice from Office employees; or (2) the Office's failure to advise the applicant of any deficiency in sufficient time to permit the applicant to take corrective action. *See In re Sivertz*, 227 USPQ 255, 256 (Comm'r Pat. 1985); *see also In re Colombo, Inc.*, 33 USPQ2d 1530, 1532 (Comm'r Pat. 1994) (while the Office attempts to notify applicants of deficiencies in their responses in a manner permitting a timely correction, the Office has no obligation to notify parties of deficiencies in their responses in a manner permitting a timely correction).

MPEP 2522 states: A payment of less than the required amount, a payment in a manner other than that set forth in 37 CFR 1.23, or the filing of an authorization to charge a deposit account having insufficient funds, will not constitute payment of a maintenance fee on a patent. The authorization is required to permit the immediate charging of the maintenance fee to the

deposit account. An authorization would be improper if it only authorized the maintenance fee to be charged at a later date, e.g., on the last possible day of payment without surcharge. Such an authorization would not serve as payment of the maintenance fee. Any payment which fails to result in the entire proper amount of the maintenance fee being present on the due date will not constitute payment of the maintenance fee.

MPEP 2590(I) states: 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.

Petitioner does not dispute the fact that the incorrect maintenance fee was submitted and as set forth in the MPEP, such payment does not constitute payment of the maintenance fee. Therefore, there is not substantial evidence to support petitioner's contention that he was unavoidable delayed in paying the maintenance fee.

An adequate showing of **diligence** is the touchstone of a successful petition to reinstate under an unavoidable standard. Petitioner's deposit account did not have sufficient funds on November 16, 2004 to cover the fees due. It was petitioner's responsibility to ensure that an adequate amount of money was present in the deposit account to pay patent related bills. Petitioner did not fulfill this responsibility.

The Office will attempt to mail a notice of fee deficiency but the failure to do so or petitioner's failure to receive such notice does not relieve petitioner of the duty to pay the maintenance fee in full before the due date. 35 U.S.C. 41(b) states:

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.

Therefore, petitioner is under a statutory obligation to submit the maintenance fee before the due date or within the grace period, notwithstanding any inference of not receiving any communication.

Petitioner argues that there is not substantial evidence on the record for the Director's position (See page 1 of Petition for Reconsideration, last sentence). Petitioner has the burden of proof and must supply the evidence to show that he was unavoidably delayed from paying the maintenance fee.

35 U.S.C. § 41(c)(1) authorizes the Director to accept a delayed maintenance fee payment "if the delay is shown to the satisfaction of the Director to have been unavoidable." 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 the 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 applicant's petition was unavailing); see also In re Application of G, 11 USPQ2d 1378, 1380 (comm'r Pat. 1989) (petition under 37 CFR 1.137(b) denied because the applicant failed to carry the burden of proof to establish that the delay was unintentional).

Petitioner has failed to carry his burden of proof to establish to the satisfaction of the Director that the delay in payment of the second 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).

Petitioner does not dispute the fact that the incorrect maintenance fee was submitted and as set forth in the MPEP as cited *supra*, such payment does not constitute payment of the maintenance fee. Therefore, there is not substantial evidence to support petitioner's contention that he was unavoidable delayed in paying the maintenance fee.

Petitioner requests that, if the patent is not reinstated, "the factual record be completed by placing the appropriate documents in the record." Petitioner does not explicitly request which documents petitioner would like to be entered into the record. However, it is assumed that petitioner is requesting that the Office enter financial records from deposit account no. 06-0930 into the application file.

The attorney who filed this petition is not an authorized user of deposit account no. 06-0930. Therefore, the attorney who filed this petition cannot access the records of deposit account no. 06-0930. Only authorized users of the deposit account are entitled to deposit account statement information. The Privacy Act of 1974 prohibits other disclosure of that information. The Act (5 U.S.C. 552a) states that in general "[N]o agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains." While the Office is in possession of the financial records, acceding to petitioner's request would be a violation of the law.

If petitioner wishes to include financial records in the application file, which is available to the public as it is a patented file, **an authorized user of deposit account no. 06-0930** may order a copy of the deposit account statement for November 2004 from Finance Branch. Any non-essential information should be redacted from any documents before submitting them to the Office to be included in the application file.

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, 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.

In due course, the Office will refund \$3,060.00, which corresponds to the maintenance fee and surcharge paid, to petitioner's deposit account. The reconsideration fee of \$400.00 will be charged to the same deposit account.

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