

The instant petition requests reconsideration of the decision of September 20, 2005. The request for reconsideration is accompanied by declarations of Jonas Gullikson, Carl Tyren, and copies of financial documents from RSO Corporation N.V. ("RSO").

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...after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable.

Any petition under 37 CFR 1.378(b) a 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(l)(1); and
- (3) A showing that the delay was unavoidable since reasonable care was taken to ensure 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

A petition under 37 CFR 1.378(b) for the acceptance of an unavoidably delayed payment of maintenance fee is considered under the same standard as that for reviving an application unavoidably abandoned under 37 CFR 1.137(a) because 35 U.S.C. § 41(c)(1) uses the identical language, *i.e.*, "unavoidable" delay.² Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was

²Ray 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)).

unavoidable.³ In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."⁴ 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.⁵

As to item (3), the showing of record is not sufficient to establish to the satisfaction of the Director that delay was unavoidable within the meaning of 37 CFR 1.378(b).

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.⁶ However, "The question of whether an applicant's delay in prosecuting an application was unavoidable [will] be decided on a case by case basis, taking all of the facts and circumstances into account."⁷ Nonawareness of the content of, or misunderstanding of PTO statutes, PTO rules, the MPEP or Official Gazette notices, do not constitute unavoidable delay.⁸ The statute requires a "showing" by petitioner. Therefore, petitioner has the burden of proof.

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.⁹

³Ex 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).

⁴Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute unavoidable delay); Vincent v. Mossinghoff, 1985 U.S. Dist. Lexis 23119, 13 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (Plaintiffs through their counsel's actions or their own must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications).

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

⁶The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee...at any time...if the delay is shown to the *satisfaction of the Commissioner* to have been unavoidable (emphasis added).

⁷ Smith v. Mossinghoff, 671 F.2d at 533.

⁸Id. at 538.

⁹ In re Mattullath, 38 App. D.C. 497, 514-15 (1912)(quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff'd, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

PETITIONER'S ARGUMENT

Petitioner contends the owner of the patent for dates in question was RSO. Petitioner further argues that RSO was financially unable to make the maintenance fee payment.

APPLICATION OF THE UNAVOIDABLE STANDARD TO THE PRESENT FACTS

A review of the Patent and Trademark Office's assignment records shows the above-identified patent was not assigned to RSO Corporation until June 13, 2005. The fact that the face of the patent indicates that RSO was the assignee does not in itself indicate that RSO was the assignee at the time the above-identified patent expired. Petitioner states Mr. Tyren was obligated to assign his interest in the patent based upon an employee agreement. However petitioner has failed to provide the employment agreement or any evidence that substantiates RSO was the assignee at the time the maintenance fee was not paid.

Assuming arguendo that RSO was the assignee at the time the patent expired, the petition neglects to establish why Mr. Tyren, as a principal in a limited liability corporation failed to pay the maintenance fee when it was evident that RSO did not intend to pay the maintenance fee.¹⁰ Someone treating the patent as their most important business would have paid the maintenance fee .

Further, the declarations of Gullikson and Tyren clearly show RSO's intent to allow the patent to expire.¹¹ RSO reached a decision that the above-identified patent lacked sufficient commercial value to justify the expense of paying the maintenance fee. Such a conclusion of lack of commercial value is neither unavoidable nor is it unintentional. A deliberate act is not rendered unintentional or unavoidable when an applicant or assignee reviews the same facts a second time, which changes their minds as to the appropriate action to pursue.¹²

As to petitioner's argument that RSO was incapable of making the maintenance fee payment due to lack of revenues, the evidence provided does not support such a finding. Petitioner has provided statements of operations for years 1999, 2000, 2001, 2003 and 2004. The 1999 statement shows RSO had total assets of \$106,528 (including \$1633.00 cash at banks) and \$2,880 general & administrative expenses . The 2000 statement shows total assets of \$106,260 (including \$1365 cash at banks) and \$4,383 general & administrative expenses. The 2001 statement shows total assets of \$104,895 and general & administrative expenses of \$1,595. The 2003 statement shows total assets of \$104,895 and general & administrative expenses of \$2,575. The 2004 statement shows \$0 total assets and \$0 in general & administrative expenses. Even to the extent that petitioner claims RSO did not have sufficient revenues to pay the maintenance fee, a review of the documents submitted shows

¹⁰Carl Tyren declaration, para. 1.

¹¹Tyren declaration, para. 4. and Jonas Gullikson declaration, para. 4.

¹²In re Application G, 11 USPQ2d 1378 (Comm'r Pat. 1989).

that RSO over the past four years had total assets of at least \$104,000. Further review shows that RSO expended over \$11,000 dollars over the past four years on general and administrative expenses. The general and administrative expenses were paid yet petitioner failed to pay the business expense associated with maintaining a patent. Thus, petitioner did not treat the patent as its most important business. Accordingly the evidence presented demonstrates there were sufficient funds from which petitioner could have paid the 3.5 year maintenance fee which at the time in question ranged from \$425-\$440.¹³

In summary, petitioner has not made a sufficient showing of unavoidable delay in timely paying the maintenance fee.

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 will be forwarded to petitioner.

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

The application is being forwarded to Files Repository.

Telephone inquiries should be directed to Petitions Attorney Charlema R. Grant at (571) 272-3215.



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Office of the Deputy Commissioner
for Patent Examination Policy

¹³The 3.5 year maintenance fee was \$425.00 from October 1, 2000 to September 30, 2001. The 3.5 year maintenance fee was \$440.00 from October 1, 2001 to September 30, 2002.