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APR 18 2011

OFFICE OF PETITIONS

In re Patent No. 6,477,964	:	
Issue Date: November 12, 2002	:	
Application No. 09/418,259	:	DECISION ON PETITION
Filed: October 15, 1999	:	
Attorney Docket No. 1001/TYGARD	:	
	:	

This is a decision on the renewed petition under 37 CFR 1.378(b), filed August 25, 2010, to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition 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.

Procedural History:

- The above-identified patent issued on November 12, 2002.
- The first maintenance fee could have been timely paid during the period from November 12, 2005 through May 12, 2006, or with a late payment surcharge during the period from May 13, 2006 through November 12, 2006.

- No maintenance fee was received, and as such, the patent expired on November 13, 2006.
- The 2 year time period for filing a petition under 37 C.F.R. § 1.378(c) expired on November 13, 2008.
- Patentee filed a petition to accept the unavoidably delayed payment of the maintenance fee under 37 C.F.R. § 1.378(b) on May 10, 2010.
- The petition was dismissed in a decision mailed on June 25, 2010.

Evidence Presented on Petition and Renewed Petition:

Petitioner explains that assignee Tygard Machine and Manufacturing Co. (hereinafter "Tygard Machine") had the following system in place for payment of maintenance fees. When Tygard Machine received a patent, their office manager would notify Computer Patent Annuities (hereinafter "CPA") to add the patent to Tygard Machine's portfolio, such that CPA would track the deadlines for payment of the maintenance fees. When a maintenance fee became due, CPA would send Tygard Machine a notification. The office manager would then consult with the president of Tygard Machine, Ed Tygard, to determine whether the maintenance fee should be paid, and then to instruct CPA accordingly. Tygard Machine would normally send the instructions to CPA by fax, and would send the payment to CPA by mail.

At the time the instant patent issued on November 12, 2002, the office manager of Tygard Machine was Tom Clemmens. According to Clemmens, he remembers receiving the instant letters patent (because it was the first time he had seen a ribboned copy of a U.S. patent), remembers consulting Ed Tygard concerning the payment of the maintenance fee, and remembers receiving an instruction from Tygard to notify CPA to add the patent to Tygard Machine's portfolio. In addition, Clemmens remembers recording the need to contact CPA on his "office list" - a computer file of tasks he needed to perform. However, Clemmens does not have a specific recollection of contacting CPA concerning the patent, but feels certain he did so, as he specifically remembers placing that task on his office list, and if the task was not performed, it would have remained "unchecked" on his office list. As Clemmens feels certain that he called CPA to add the instant patent to Tygard Machine's portfolio, "the failure to pay the maintenance fee for this patent could only be due to a mistake by CPA and was not the fault of Tygard Machine". Unfortunately, Tygard Machine no longer has any of the computers

from the time when Clemmens was employed as an office manager (2002 - 2004), so no records exist, including Clemmen's "office list". No back-ups of files were kept.

The fact that the maintenance fee was not paid was not discovered until January of 2010, shortly after Tygard Machine discovered that a competitor was manufacturing a similar device. After conducting a review of the facts, Tygard Machine filed the petition under 37 C.F.R. § 1.378(b) on May 10, 2010.

Arguments Presented on Petition and Renewed Petition:

Petitioner argues that Tygard Machine took reasonable care to ensure that the maintenance fee for the instant patent would be timely paid. Specifically, Clemmens was experienced, competent, and reliable, and had been properly trained concerning dealings with CPA. When the instant patent issued, Mr. Tygard instructed Clemmens to contact CPA to arrange for payment of the maintenance fees. Clemmens recalls recording the need to contact CPA on his office list. Furthermore, petitioner argues that as a precaution, CPA was recorded as the maintenance fee address for the patent, yet petitioner never heard from CPA concerning a Maintenance Fee Reminder. Petitioner was under the belief that doing such would act as a "safeguard", but latter learned from CPA that they would not contact a patentee if a Maintenance Fee Reminder was received for a patent that was not in their system. In view of the above, petitioner argues that it is "believed" that the failure to pay the maintenance fee was not the fault of Tygard Machine, and was therefore unavoidable.

Relevant Statutes, Rules and Regulations:

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. 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 C.F.R. § 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:

§ 1.378(b)(3) is at issue in this case. 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). Finally, 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).

While the delay in payment of the maintenance fee may have been unintentional, petitioner has failed to provide an adequate showing that the delay was unavoidable. Here, it is apparent that a breakdown in the system occurred. However, at issue is where the breakdown happened. Petitioner "believes" that the breakdown occurred on the part of CPA. However, based on the evidence presented on petition, petitioner has not established conclusively that this was the case. There is a probability that Clemmens failed to call CPA, as Clemmens has no recollection of having done so. Furthermore, no computer records of Clemmen's "office list" exist, which would corroborate whether this task was performed.

Regarding petitioner's argument concerning the Maintenance Fee Reminder, it is settled that delay resulting from petitioner's lack of receipt of any maintenance fee reminder(s) does not constitute "unavoidable" delay. See In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)), aff'd, Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd, 937 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (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). Under the statutes and regulations, the Office has no duty to notify patentee of the requirement to pay maintenance fees or to notify patentee when the maintenance fee is due. While the Office mails maintenance fee reminders strictly as a courtesy, it is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. The failure to receive the Reminder does not relieve the patentee of the obligation to timely pay the maintenance fee, nor will it constitute unavoidable delay if the patentee seeks reinstatement under the regulation. Rydeen, 748 F. Supp at 905.

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 F.3d at 608-609, 34 USPQ2d at

1787. The showing of record does not support petitioner's contention that CPA had assumed the obligation to monitor and track the maintenance fee payment. Assuming *arguendo* that they had, petitioner has provided no evidence that CPA exercised the due care of a reasonably prudent person in this instance.

Conclusion:

The prior decision which refused to accept under 37 C.F.R. § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. For the above stated reasons, however, the delay in this case cannot be regarded as unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 C.F.R. § 1.378(b). As stated in 37 C.F.R. § 1.378(e), no further reconsideration or review of this matter will be undertaken.

Since this patent will not be reinstated, the \$490 maintenance fee and the \$700 surcharge fee submitted by petitioner are being refunded under separate cover. The \$400 fee for requesting reconsideration is not refundable.

Telephone inquiries concerning this communication should be directed to Petitions Attorney Cliff Congo at (571)272-3207.



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Director
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