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Paper No. 16  
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JUL 27 2006

In re Patent No. 4,953,956 :  
Issue Date: September 4, 1990 :  
Application No. 07/205,367 :  
Filed: June 10, 1988 :  
Attorney Docket No. (None) :

**OFFICE OF PETITIONS**  
ON PETITION

This is a decision on the petition timely filed April 10, 2006<sup>1</sup> under 37 CFR 1.378(e), requesting reconsideration of a prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent.

The request to accept the delayed payment of the maintenance fee under 37 CFR 1.378(b) is DENIED.<sup>2</sup>

BACKGROUND

The patent issued September 4, 1990. Accordingly, the third maintenance fee due could have been paid during the period from September 4, 2001 through March 4, 2002, or with a surcharge during the period from March 5, 2002 through September 4, 2002. This patent expired at midnight on September 4, 2002, for failure to timely submit the maintenance fee.

A petition under 37 CFR 1.378(b) to accept late payment of the third maintenance fee was filed November 25, 2005. Petitioner ("Carpenter") asserted that the delay in payment was unavoidable due to Carpenter's misunderstanding that the third maintenance fee was due in the sixteenth year. Carpenter further explained he was experiencing financial problems, which prevented him from paying the third maintenance fee payment when it fell due.

The petition was dismissed in the decision of February 8, 2006. The decision held that, *inter alia*, the record failed to disclose any steps that were taken by Carpenter to schedule or pay the third maintenance fee when it fell due, and, that in the event that Carpenter did demonstrate that steps were taken to ensure timely payment of the maintenance fee, Carpenter did not show to the satisfaction of the Director that the entire delay in timely paying the maintenance fee was unavoidable based on financial difficulties.

The instant petition was filed April 10, 2006.

<sup>1</sup> See 37 CFR 1.7(a).

<sup>2</sup> This decision may be viewed as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02. No further consideration or reconsideration of this matter will be given. See 37 CFR 1.378(e).

STATUTE AND REGULATION

35 U.S.C. 41(b) states in pertinent part 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.<sup>3</sup>
- (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.

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 Commissioner to have been unavoidable.

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

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 late payment of the maintenance fee if the delay is shown to the satisfaction of the Director to have been "unavoidable"; 35 U.S.C. 41(c)(1).

Carpenter requests reconsideration, asserting that the delay in making the third maintenance fee payment was unavoidable due to financial problems. He states he was aware of the requirement to pay maintenance fees, but a combination of choices (e.g., accrued debt, living in Northern California, having three children to support, making a career change, and going through a divorce) made the

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<sup>3</sup> Maintenance fees in effect as of the date the first petition were filed on November 25, 2005. The fees are subject to an annual adjustment on October 1. See 35 U.S.C 41(f). The fees are reduced by fifty (50) percent, as here, for a small entity. See 35 U.S.C. 41(h)(1).

delay in paying the third maintenance fee until the filing of the November 25, 2005 petition unavoidable.

Petitioner has not met his burden of proving to the satisfaction of the Director that the entire delay in payment of the maintenance fees was unavoidable within the meaning of 35 U.S.C. 41(c)(1) and 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, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications have adopted the "reasonably prudent person" standard in determining if the delay in responding to an Office action 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 and observed 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); and Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. 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, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

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 or her burden to establish that the delay was unavoidable. Cf. 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). 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 was 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)(table), cert. denied, 502 U.S. 1075 (1992); Ray v. Lehman, supra.

As 35 U.S.C. 41(b) 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, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. That is, 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 by the responsible party to ensure the timely payment of the maintenance fee for this patent. Id. Petitioner, as the patent holder, was ultimately responsible for payment of the maintenance fee. As such, it was also incumbent upon Carpenter to implement steps to schedule and pay the fee, or obligate another to make the payment. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Carpenter was responsible for docketing or tracking the above-identified patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to its most important business, or to have engaged another for that purpose. See Id.

The renewed petition fails to address the reasonable steps taken by Carpenter to ensure timely payment of the third maintenance fee. In the present petition, Carpenter states that he was “aware of the requirement to pay maintenance fees[,]” but provides no explanation as to the steps taken to schedule and pay the third maintenance fee. Carpenter further stated in the November 25, 2005 petition that he “thought [the third maintenance fee] was due during the 16<sup>th</sup> year of issue[,]” demonstrating he had no steps in place to schedule the third maintenance fee payment when it was due on the twelfth anniversary of the granting of the above-identified patent. As such, petitioner has provided no evidence, such as tracking the maintenance fee or engaging another to track the maintenance fee, that there were steps in place to ensure timely payment of the maintenance fee when it fell due on September 4, 2002. In the absence of any steps taken, 37 CFR 1.378(b)(3) precludes acceptance of a belated maintenance fee. Ray, supra.

Furthermore, the instant 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. While the record is not clear as to whether petitioner read the Maintenance Fee Notice, petitioner’s failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay. Ray, 55 F.3d at 610, 34 USPQ2d at 1789. The mere publication of the statute was sufficient notice to petitioner. Rydeen, supra.

The Office also has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. While the Office mails maintenance fee reminders strictly as a courtesy, as was done here on March 19, 2002, 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 a 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, supra. A patentee, who is required by 35 U.S.C. 41 to pay a maintenance fee, or face expiration of the patent, is not entitled to any notice beyond that provided by publication of the statute. Id. Thus, petitioner’s allegations that he provided the Office with a change of address<sup>4</sup> and failed to receive a reminder to pay maintenance fees does not relieve him of the obligation to pay the maintenance fee in a timely fashion, nor will it constitute unavoidable delay if the patentee seeks reinstatement. Id.

Additionally, Petitioner’s financial problems are not relevant to determining whether Carpenter has met his burden of proving to the satisfaction of the Director that the entire delay in payment of the maintenance fees was unavoidable since he has not demonstrated that there were steps in place to pay the third maintenance fee when the fee fell due. However, even if Petitioner had demonstrated that he had steps in place to pay the third maintenance fee payment when it fell due, the renewed petition further does not demonstrate a showing of unavoidable delay based upon Carpenter’s financial problems, establishing that his financial condition during the entire period of delay was such as to excuse the delay. See Ex Parte Murray, 1891 Dec. Comm’r Pat. 130, 131 (1891).

Petitioner states that he “was not in a position to pay the fee because of poor financial decisions by his wife[,]” and their situation required a debt service since their debt was greater than their income.

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<sup>4</sup> The Office has no record that a change of address was filed.

Petitioner, in the request for reconsideration, provided slightly more detail of his financial situation from 2001 through 2005. These documents include expenses and debt. However, the Income and Expense Declaration filed March 16, 2005 from the Superior Court of California, Sonoma County demonstrates that Carpenter was earning an average monthly income of \$3915.58 and had \$6849.00 in liquidity (cash, checking accounts, savings accounts, etc). Additionally, the document entitled, "Application for Order and Supporting Declaration," filed with the Superior Court of California, Sonoma County shows Carpenter's annual income was: \$11,808 for 2001; \$4,747 for 2002; \$21,728 for 2003; \$11,643 for 2004. The document further shows that the combined annual income of Carpenter and his wife was approximately: \$58,000 for 2001; \$60,000 for 2002; \$93,000 for 2003; \$94,000 for 2004. All this information shows that Carpenter had sufficient funds to pay the third maintenance fee when it fell due on September 4, 2002 but chose to direct his fund to other expenses other than the maintenance fee payment. This information also fails to support Carpenter's allegations that he was in financial difficulty during the *entire* period from the date of expiry of the above-identified patent until the filing of a grantable petition.

In conclusion, petitioner has not shown that he was aware of the need to pay the maintenance fee when the fee came due and thus cannot meet his burden of proving to the satisfaction of the Director that the entire delay in payment of the maintenance fee was unavoidable within the meaning of 35 U.S.C. 41(c)(1) and 37 CFR 1.378(b)(3). Additionally, the financial records disclose that Carpenter had sufficient funds to pay the third maintenance fee when it fell due and has, therefore, not carried his burden of establishing that the entire delay in paying the maintenance fee was unavoidable due to financial difficulties.

#### DECISION

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

Petitioner may request a refund of the maintenance fee payment (\$1900) and the surcharge (\$700) by writing: Mail Stop 16, Director of the U.S. Patent and Trademark Office, P.O. Box 1450, Alexandria, VA 22313-1450. The \$400 fee under 37 CFR 1.17(f) for requesting reconsideration, however, is not refundable. A copy of this decision should accompany petitioner's request.

The patent file is being returned to the Files Repository.

Telephone inquiries regarding this decision should be directed to Denise Pothier at (571) 272-4787.



Charles Pearson  
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