



Paper No. 15

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**JUN 14 2006**  
**OFFICE OF PETITIONS**

In re Patent of King et al. :  
Patent No. 5,387,062 :  
Issue Date: February 7, 1995 : Decision on Petition  
Application No. 08/158,206 :  
Filing Date: November 29, 1993 :  
Attorney Docket No. A-1 Security :

This is a decision on the renewed petition under 37 CFR 1.378(b), filed April 12, 2006, to reinstate the above-identified patent.

The petition is **DENIED**. 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. The terms of 37 CFR 1.378(e) *do not apply* to this decision.

Since this patent will not be reinstated, the Office will schedule a refund of maintenance fees and surcharges submitted by petitioner. The Office charged \$1,775 to a credit card on November 8, 2005, for the 7.5 year maintenance fee and surcharge. The \$1,775 will be credited back to the credit card.

**Background**

The 7.5 year maintenance fee could have been paid from February 7, 2002, through August 7, 2002, or with a surcharge during the period from August 8, 2002, through February 7, 2003. Petitioner did not pay the 7.5 year maintenance fee. As a result, the patent expired on February 8, 2003.

A petition under 35 U.S.C. 41(c)(1) and 37 CFR 1.378(b) was filed November 7, 2005, and was dismissed in the decision of February 8, 2006.

**Applicable Statutes and Regulations**

35 U.S.C. 41(b) states in pertinent part that, "Unless payment of the applicable maintenance fee is received . . . on or before the date the fee is due or within a grace period of six months thereafter, the patent shall expire as of the end of such grace period."

35 U.S.C. 41(c)(1) states that, "The Commissioner may accept the payment of any maintenance fee . . . after the six month grace period **if the delay is shown to the satisfaction of the Commissioner to have been unavoidable.**" (emphasis added)

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

A showing that . . . reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee . . . 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.

### Opinion

**Petitioner must establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.**

The general unavoidable 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. However, the question of whether [delay] was unavoidable [will] be decided on a case-by-case basis, taking all of the facts and circumstances into account."<sup>1</sup> The statute requires a "showing" by petitioner. Therefore, petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable.

### Facts

The patent issued February 7, 1995.

Petitioner states a manual Tickler file was created to ensure maintenance fees would be timely paid for patents. During October of 1995, petitioner relocated its business. The tickler file was placed in a cardboard box and placed in a file storage room at the new location.

The 3.5 year maintenance fee was due from February 7, 1998, through August 7, 1998, or with a surcharge during the period from August 8, 1998, through February 7, 1999.

Petitioner failed to timely pay the 3.5 year maintenance fee. As a result, the patent expired February 8, 1999.

A petition under 37 CFR 1.378(c) was filed on June 28, 1999. Frank McCarthy, the president of A-1 Security Manufacturing Corporation, signed the petition.

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<sup>1</sup> Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (1982).

Petitioner alleges the Office manager was responsible for maintaining patent files and reviewing the tickler files prior to her resignation. Office manager Liz Pearce resigned on July 14, 1999. Subsequently, McCarthy transferred responsibility for the patent to the chief engineer.

The instant petition states,

While our Engineer did maintain Patent files, he was not informed of and remained unaware of the need to follow-up on renewal payments due for patents.<sup>2</sup>

The USPTO mailed a decision reinstating the patent on September 29, 1999.

The tickler files were not removed from storage.

On an unknown date, the tickler files suffered water damage as a result of significant roof leaks in the storage room.

The 7.5 year maintenance fee could have been paid from February 7, 2002, through August 7, 2002, or with a surcharge during the period from August 8, 2002, through February 7, 2003.

Petitioner relocated its offices during December of 2002 and January of 2003. Petitioner states,

[The] water damaged files were mistakenly moved to a remote location adjacent to [petitioner's] existing headquarters. At this stage, the files were out of sight and inadvertently out of mind.<sup>3</sup>

Petitioner did not pay the 7.5 year maintenance fee. As a result, the patent expired on February 8, 2003.

A third party indicated interest in purchasing petitioner. As a result, during October of 2005, petitioner researched its patent holdings. During the research, petitioner discovered the expiration of the instant patent.

A petition under 37 CFR 1.378(b) was filed on November 7, 2005.

A decision dismissing the November 7, 2005 petition was mailed on February 8, 2006.

The instant petition was filed on April 12, 2006.

### Analysis

Petitioner had a Tickler file system in storage. The patent expired for failure to pay the 3.5 year fee. A petition had been filed to reinstate the patent and the petition had been granted. The Office manager allegedly responsible for maintaining patents had resigned. Petitioner knew that

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<sup>2</sup> Page 1.

<sup>3</sup> Page 1 of the April 12, 2006 petition.

the steps in place had failed to ensure timely payment of the 3.5 year maintenance fee. At this point in time, Frank McCarthy was aware of the vital importance of timely paying maintenance fees to prevent the expiration of patents.

After the reinstatement of the patent, a reasonable and prudent person, treating the patent the same as he would treat his most important business, would have taken steps to ensure the patent would not eventually expire a second time for failure to timely pay the 7.5 year fee maintenance fee.

Petitioner could have removed the Tickler file system from storage. Petitioner did not. A reasonable and prudent person, treating the patent the same as he would treat his most important business, would not have continued to rely on a tickler system sitting in storage.

Petitioner could have created a new system to monitor future due dates for maintenance fees. Petitioner did not.

McCarthy chose to rely on the chief engineer to ensure maintenance fees would be timely paid. However, the record fails to indicate McCarthy ever informed the engineer of the existence of maintenance fees or had any reasons to conclude the engineer was aware of the need to pay maintenance fees.

Petitioner was a small company with less than 10 employees. The record fails to discuss any reasons to conclude McCarthy could not have *easily* informed the engineer that McCarthy was relying on him to ensure maintenance fees would be timely paid. A reasonable and prudent person, treating the patent the same as a reasonable and prudent person would treat his most important business, would have ensured the engineer knew, or was informed of, the need to pay maintenance fees for patents prior to relying on the engineer to ensure maintenance fees would be timely paid.

The evidence presented by petitioner fails to establish petitioner treated the patent, and payment of required fees, the same as a reasonable and prudent person would treat his or her most important business.

### **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 USC 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.

The patent file is being forwarded to Files Repository.

Telephone inquiries may be directed to Petitions Attorney Steven Brantley at (571) 272-3203.

A handwritten signature in cursive script, appearing to read "Charles Pearson", with a long horizontal flourish extending to the right.

Charles Pearson  
Director  
Office of Petitions