Commissioner of Patents and Trademarks
Patent and Trademark Office (P.T.O.)

IN RE PATENT NO. 4,409,763
Serial No. 246,612
June 8, 1988
***1** Issue Date: October 18, 1983

For: POST AND BEAM BUILDING
Filed: March 23, 1981

James E. Denny

Deputy Assistant Commissioner for Patents

REQUEST FOR RECONSIDERATION OF DECISION OF DECEMBER 16, 1987

DECISION ON RECONSIDERATION

A request for reconsideration of the Patent and Trademark Office (PTO) decision of December 16, 1987 was filed on February 19, 1988 under 37 C.F.R. § 1.378(e) together with a petition under 37 C.F.R. § 1.183 for waiver of requirement of PTO interpretation of 37 C.F.R. § 1.378(b) requiring long- term calendar systems, by patentee Robert J. Rydeen and his attorney, Charles E. Bruzga. The request for reconsideration was supplemented by Attorney Bruzga in the Memorandum filed on March 17, 1988.

BACKGROUND

Chronology of Events

On October 18, 1983, patent application Serial No. 246,612 filed by inventor Robert J. Rydeen matured into Patent No. 4,409,763. The patent application was prosecuted by Attorney Charles E. Bruzga as a sole practitioner outside his employment with the General Electric Company. The patent in question was the only one prosecuted to issuance by Attorney Bruzga as a sole practitioner. The Letters Patent was sent to Attorney Bruzga. The inside cover of the Letters Patent contained a notice regarding maintenance fees. Since there was no warning such as 'This is your Final Notice', Attorney Bruzga considered the notice as a mere announcement that maintenance fees would become due during the life of the patent, rather than something that should be docketed by establishing a long-term calendar system. Attorney Bruzga relied on the PTO to send him a notice of maintenance fees due and mailed the patent to the inventor, Mr. Robert Rydeen.

The PTO mailed a reminder of maintenance fees due on May 24, 1987 to the correspondence address of record in Schenectady, New York. The reminder was returned to the PTO because the forwarding time to the attorney's new address in New York City had expired. The reminder was remailed to Attorney Bruzga's new address which was apparently obtained from the PTO attorney roster. The maintenance fee envelope containing Attorney Bruzga's earlier address was placed in a larger envelope

containing the new address, but having the name Charles E. Grizza.

The maintenance fee reminder was received by Mr. Bruzga's law firm about one week before expiration of the grace period. Ms. Dorothy Jenkins, the receptionist for the law firm, forwarded the envelope within hours of receipt to the docket clerk.

Ms. Annemarie Giuriceo states that she is the docket clerk for the law firm and as such would forward to the maintenance fee clerk all correspondence relating to maintenance fees. Her duties are the same as those of her predecessor, Mr. Charles Rodriguez, who was the docket clerk at the time of receipt of the maintenance fee reminder in question.

***2** Ms. Ellen Meilman, the maintenance fee clerk, allowed the maintenance fee reminder to remain in her in-box for a week, at most, before acting on it on October 19, 1987. On that day she left the reminder with Mr. Bruzga after a delay of several hours as a result of some confusion related to the incorrect name used on the outer envelope and the fact that the patent in question was not in the law firm's records. Ms. Meilman did not review the due date for the fee because she did not expect it to be imminent.

Mr. Bruzga received the maintenance fee reminderabout 4 p.m. or 5 p.m. on October 19, 1987, the last day of the six-month grace period. On that day, Mr. Bruzga was engaged in completing another application. Furthermore, he was unaware of the urgent nature of the fee due date. The next day, upon review of the maintenance fee reminder, Mr. Bruzga realized that he had missed the deadline for payment by one day.

The petition to accept delayed payment of the maintenance fee was filed on November 9, 1987.

Maintenance Fee Statute and History

On December 12, 1980, Public Law 96-517 was enacted establishing the requirement to pay a first maintenance fee three (3) years and six (6) months after the grant of the patent. The relevant portion is contained in 35 U.S.C. 41(c):

> (c) . . .. Fees for maintaining a patent in force will be due three years and six months, seven years and six months, and eleven years and six months after the grant of the patent. Unless payment of the applicable maintenance fee is received in the Patent and Trademark Office on or before the date the fee is due or within a grace period of six months thereafter, the patent will expire as of the end of the such grace period. . . .

On August 27, 1982, Public Law 97-247 was enacted, providing for reinstatement of a patent which expired for failure to pay maintenance fees upon a showing of 'unavoidable' delay.

On September 25, 1984, final rules for patent maintenance fees were published. 1046 O.G. 28 (September 25, 1984).

On November 8, 1984, Public Law 98-622 was enacted, extending the

Commissioner's authority to accept late payment of maintenance fees for unavoidable delay to applications filed on or after December 12, 1980 and before August 27, 1982.

OPINION

The Commissioner may accept late payment of the maintenance fee if the delay is shown to the satisfaction of the Commissioner to have been 'unavoidable'; 35 U.S.C. 41(c)(1).

Unavoidable delay under 35 U.S.C. 41(c)(1) is considered to be the same standard as that for reviving an abandoned application under 35 U.S.C. 133. 'Unavoidable delay' must be decided on a 'case-by-case basis, taking all of the facts and circumstances into account.' Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). The standard for 'unavoidable delay' is the 'reasonably prudent person' standard. Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887); In re Mattullath, 38 App. D.C. 497, 514- 515 (D.C. Cir. 1912).

***3** Petitioner attempts to establish unavoidable delay by outlining the circumstances surrounding late receipt of the reminder notice. It is initially noted that reminder notices are mailed out merely as a courtesy. Under the statutes and regulations, the PTO has no duty to notify patentees when their maintenance fees are due. It is the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of a reminder notice will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the PTO. See 1046 O.G. 28. Since patentees are expected to maintain their own record systems to ensure timely payment of the maintenance fee, petitioner should not have relied on receipt of the reminder notice as the sole means to ensure timely payment of the maintenance fee.

This is particularly so when petitioner did not take the necessary steps to file a change of address in the patent file in question. 37 C.F.R. § 1.33(d), effective November 1, 1984, put petitioner on notice that the correspondence address of record in the patent file will be used for all correspondence relating to maintenance fees unless a separate 'fee address' is provided. Petitioner's filing of his change of address with the Office of Enrollment and Discipline in 1986 did not change the correspondence address for this patent. Therefore, the reminder notice was initially mailed to petitioner at an out-of-date address and could not be delivered. Petitioner's failure to file a change of address in the patent file is not unavoidable within the meaning of 35 U.S.C. 41(c)(1)

Under 37 C.F.R. § 1.378(b), a showing that 'reasonable care was taken to ensure that the maintenance fee would be paid timely' will be evidence of unavoidable delay. While there is no requirement in 37 C.F.R. § 1.378(b) for a long-term calendar system, petitioner's failure to record the due date for payment of the maintenance fees in this case cannot support a finding of unavoidable delay.

Petitioner states that he had no actual knowledge of the PTO interpretation of 37 C.F.R. § 1.378 that '[A]n argument that the

patentee was ignorant of the requirement to pay maintenance fees would not constitute a showing of unavoidable delay.' Petitioner further states that he has no actual knowledge that the PTO would not provide timely notice of maintenance fees becoming due. Petitioner, as a registered attorney, has an obligation to stay abreast of the current statutes, rules and procedures. Note 37 C.F.R. § 10.77. In fact, had petitioner read the maintenance fee rule package published September 25, 1984 at 1046 O.G. 28, petitioner would have known that patentees were expected to maintain their own record systems and could have easily retrieved the sole patent he had prosecuted as a sole practitioner. Accordingly, petitioner's lack of actual knowledge of the PTO's rules and procedures is not unavoidable within the meaning of 35 U.S.C. 41(c)(1).

***4** The showing of record fails to establish that the patentee or petitioner took any steps to ensure timely payment of the maintenance fee as required by 37 C.F.R. § 1.378(b)(3).

Petitioner argues in favor of acceptance of delayed payment of maintenance fees by alluding to the commercial success of the patent. The PTO cannot apply the patent statutes and rules selectively, based on commercial success of a patent. It would be appropriate, however, for petitioners or those acting on their behalf to exercise extraordinary care to insure that so valuable a property not be lost through failure to follow laws and regulations. See Ex parte Ilgner, 1906 C.D. 182.

Petitioner states that the notice on the original patent was obscured by not being placed on the front cover and that the language used in the notice was not reasonably calculated to apprise the patentee or petitioner that such notice was considered by the PTO as the final notice. Petitioner states that a warning on the patent cover such as 'THIS IS YOUR FINAL NOTICE' would have prompted him to institute a long-term calendar system. The Commissioner finds that the notice on the patent, publication of Public Law 96-517 establishing the requirement to pay maintenance fees, and publication on September 25, 1984 of final rules for patent maintenance fees, constitutes proper notice to patentee and petitioner that maintenance fees will be due 3 1/2 years after issue if the application for the patent was filed on or after December 12, 1980. Furthermore, the PTO Official Gazette publishes a Notice of Maintenance Fees Payable which notes that maintenance fees may now be paid on patents which have patent numbers within a particular range. The Official Gazette of October 21, 1986 contained the notice concerning this patent.

Petitioner argues that the inventor, Robert Rydeen, did not interpret the notice on the patent as a 'Final Notice'; rather, he viewed it as a mere announcement to be prepared to pay fees at various times. Actual knowledge by the patentee is not required in this instance since Mr. Rydeen was presented by counsel. Mr. Rydeen hired Mr. Bruzga to represent him and Mr. Bruzga viewed his own role as one having responsibility for the patent. The acts and ommissions of counsel are at rributable to the patentee. Haines v. Quigg, 673 F.Supp. 314, 5 U.S.P.Q.2d 1130 (N.D. Ind. 1987). See also, Link v. Wabash Railroad Co., 370 U.S. 626, 633-34, 82 S.Ct. 1386, 1390-91 (1962) ('Petitioner voluntarily chose his attorney as his representative in the action and he cannot now avoid the consequence of the acts or omissions of this

freely selected agent . . .. Each party is deemed bound by the acts of his lawyer- agent and is considered to have 'notice of all facts, notice of which can be charged upon the attorney.''); Inryco, Inc. v. Metropolitan Engineering Co., Inc., 708 F.2d 1225, 1233 (7th Cir. 1983).

***5** The expiration of this patent is not a taking of patentee's property without due process of law as argued by petitioner. Public Law 96-517, enacted on December 12, 1980, required that a maintenance fee be paid on or before the fourth anniversary of the grant of the patent to prevent expiration of the patent. This requirement applied to applications filed on or after December 12, 1980. Since this application was filed on March 23, 1981, patentee and petitioner were on constructive notice of the requirement to pay maintenance fees. Furthermore, the patentee and petitioner were on actual notice of the requirement to pay maintenance fees due to the notice on the patent cover. Finally, the Official Gazette of October 21, 1986 gave further notice that a maintenance fee was due on this patent. In reality, the actual grant of the patent on October 18, 1983 was limited by Public Law 96-517 to a grant of only four (4) years unless a first maintenance fee was timely paid. Therefore, patentee's own failure to pay the maintenance fee caused the patent to expire without any actual taking of any patent rights by the Patent and Trademark Office.

Petitioner requests that the requirements of § 1.378(b)(3) be waived. However, the requirements for a showing of unavoidable delay is statutory and cannot be waived. Furthermore, patentee's lack of knowledge of patent statutes and rules does not constitute unavoidable delay within the meaning of 35 U.S.C. 41(c)(1). Therefore, waiver of § 1.378(b)(3) is moot.

CONCLUSION

Petitioner has failed to establish that the delay in payment of maintenance fees was unavoidable as required by 35 U.S.C. 41(c)(1).

Since this patent will not be reinstated, it is appropriate to refund the maintenance fee and surcharge fee submitted by petitioner. Petitioner may obtain a refund of these fees by submitting a request, accompanied by a copy of this decision, to the Office of Finance.

As stated in 37 C.F.R. § 1.378(e), no further reconsideration or review of this matter will be undertaken.

The request for reconsideration is granted to the extent that the prior decision has been reconsidered, but is denied with respect to making any change therein.

THIS IS A FINAL AGENCY DECISION.

7 U.S.P.Q.2d 1798

END OF DOCUMENT