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

IN RE KATRAPAT, AG REEXAMINATION PROCEEDING
Control No. 90/000,900
April 6, 1988
***1** Filed: November 6, 1985

For: U.S. Patent No. 3,957,084

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DECISION GRANTING PETITION

A. Background

Katrapat's 'Petition to Revive a Reexamination Proceeding or, in the Alternative, for Board Review of the Examiner's Rejection of Claims 1-4 of the Patent,' filed on December 14, 1987, is currently before the Commissioner for consideration on the merits pursuant to an October 29, 1987, remand order in Katrapat, A.G. v. Quigg, Civil Action No. 87-0250-LFO (D.D.C.). The proceedings in the Patent and Trademark Office (PTO) which led up to the civil action are briefly as follows.

On January 23, 1986, the PTO granted a request filed by Advance Machine and Engineering Company ('Advance') for reexamination of Katrapat's U.S. Patent No. 3.957,084 ('the '084 patent'). A patent owner's statement was received from Katrapat on March 27, 1986, and on May 29, 1986, the PTO received a reply from Advance.

On June 18, 1986, an examiner mailed a non-final first Office action in which the patentability of the subject matter of claims 5-16 of the '084 patent was confirmed and claims 1-4 were rejected under 35 U.S.C. § 102(a) as anticipated by prior art cited in the reexamination request. The examiner set a shortened statutory period of two months for Katrapat's response to the Office action, making a response due by August 18, 1986.

A response was not received by the PTO until August 29, 1986, when the PTO received an amendment wherein Katrapat proposed to add claims 17 and 18 to the '084 patent and argued that these new claims as well as original claims 1-4 are not anticipated by the prior art. This response bears an 'Express Mail' date of August 28, 1986, which means that the response was ten days late. The response was accompanied by a 'Petition to Waive the Rules Pursuant to 37 C.F.R. 1.183,' wherein Katrapat requested a waiver of the rules so that its late response

could be treated as though it had been filed on time. Supporting affidavits were provided by Katrapat's counsel in the reexamination proceeding and the records clerk whose docketing error allegedly caused the delay in responding to the June 18, 1986, Office action.

In a decision dated October 21, 1986, the Assistant Commissioner for Patents denied the above petition on the ground that although Katrapat had shown that the delay in filing the response was due to a docketing error which occurred when counsel's law firm was being readied for relocation, such an error does not constitute an 'extraordinary situation' requiring relief under § 1.183.

On October 23, 1986, the PTO notified Katrapat that the reexamination proceeding was considered terminated and that a certificate would issue. See 37 C.F.R. § 1.550(d). On November 4, 1986, Katrapat requested reconsideration of the Assistant Commissioner's initial decision, which request was denied on December 3, 1986.

***2** On February 2, 1987, Katrapat filed a 'Notice of Appeal' to the Board of Patent Appeals and Interferences (board) on the theory that the rejection of claims 1-4 became 'final' when Katrapat's request for reconsideration was denied. The 'Notice of Appeal' was accompanied by a 'Petition to the Commissioner of Patents and Trademarks Under Rule 1.183,' wherein Katrapat requested that the Commissioner suspend the rules relating to appeals and hold the appeal in abeyance pending a judgment in a civil action (the above- identified civil action), which was being filed that same day.

On February 10, 1987, reexamination certificate No. B1 3,957,084 was issued, in which the patentability of claims 5-16 was confirmed and claims 1-4 were cancelled.

Katrapat's February 2, 1987, petition was dismissed by the Assistant Commissioner in a decision dated February 26, 1987, on the grounds that (1) the denial of Katrapat's request for reconsideration did not make the June 18, 1986, Office action 'final' for the purpose of appeal to the board and (2) the reexamination proceeding was terminated on February 10, 1987, when the reexamination certificate issued.

During the course of the civil action, Katrapat filed a motion for summary judgment in which it alleged for the first time that MPEP § 2268 is invalid insofar as it requires that petitions concerning late responses in reexamination proceedings be filed under 37 C.F.R. § 1.183, which permits the Commissioner to waive or suspend rules in an 'extraordinary situation, where justice requires.' In Katrapat's view, a reexamination proceeding which has been terminated because a response to an Office action was late should be revivable under the same conditions which permit an abandoned application to be revived, i.e., if the delay can be shown to have been either 'unavoidable' or 'unintentional.'

Because Katrapat had not made this argument previously in the PTO, the Commissioner moved for a remand of the case to the PTO for consideration of a new petition directed to this argument. The motion for remand was granted on October 29, 1987, and on December 14, 1987, Katrapat filed the petition currently under consideration. In this new petition, Katrapat requests that the Commissioner revive the

reexamination proceeding either under 35 U.S.C. § § 305 and 133 and 37 C.F.R. § 1.137(a) on the ground that the delay in filing the response was 'unavoidable' or alternatively under Pub. L. 97-247, § 3(a)(7) (codified at 35 U.S.C. § 41(a)(7)) and 37 C.F.R. § 1.137(b) on the ground that the delay was 'unintentional.' Furthermore, in the event the Commissioner should deny the request to revive the reexamination proceeding, Katrapat requests board review of the examiner's rejection of claims 1-4.

B. A terminated reexamination proceeding may be revived for 'unavoidable' delay under § 133, but not for 'unintentional' delay under § 41(a)(7)

***3** In its new petition, Katrapat argues that MPEP § 2286, which states that petitions regarding late responses in reexamination proceedings shall be filed under 37 C.F.R. § 1.183, is contrary to 35 U.S.C. § 305, which provides that

> [a]fter the times for filing the statement and reply provided for by section 304 of this title have expired, reexamination will be conducted according to the procedures established for initial examination under the provisions of sections 132 and 133 of this title. . . .

In this regard, Katrapat also cites 1980 U.S. Cong. & Admin. News 6460, 6466 ('Section 305 specifies that after the initial exchange permitted under section 304, the PTO will utilize the same procedures it uses for initial examination of patent applications under patent law sections 132 and 133').

35 U.S.C. § 133 reads as follows (emphasis added):

> Upon the failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than thirty days, as fixed by the Commissioner in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable.

While § 133 cannot literally be applied to a reexamination proceeding, inasmuch as a reexamination proceeding does not involve an 'application,' the Commissioner agrees with Katrapat that late responses to Office actions in reexamination proceedings should be judged by the 'unavoidable delay' standard. The reason is that Congress, by expressly referring to § 133 in § 305 of the reexamination statute, apparently intended that termination of reexamination proceedings be analogous to abandonment of patent application proceedings. That is, Congress intended that upon the failure of a patent owner to timely respond to an Office action in a reexamination proceeding, the proceeding must be terminated unless the delay in responding to the Office action can be shown to the satisfaction of the Commissioner to have been 'unavoidable' in the sense of § 133.

Moreover, it would appear that Congress intended that 'unavoidable' in the context of reexamination proceedings have the same meaning it has with respect to abandonment in patent application proceedings:

[The word 'unavoidable'] is applicable to ordinary human affairs, and requires no more or greater care 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 employes , 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.

***4** Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887); In re Matullath, 38 App. D.C. 497, 514-15 (1912); Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 667-68 (D.D.C. 1963), aff'd, 143 USPQ 172, 172 (D.C. Cir. 1964). See also Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913) (delay in responding to Office action due to docketing error held unavoidable in view of counsel's elaborate record system for keeping track of pending applications and employment of all reasonable checks that could be required for preventing such errors); Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982) (delay held not unavoidable, because (1) Smith's excuses contained conflicting statements, (2) preoccupation of Smith's attorney with other legal matters or moving his residence did not relieve Smith of complying with PTO regulations, and (3) Smith's attorney was aware of the due date for response and thus had sufficient time to take action to avoid abandonment).

Furthermore, while a reasonable misinterpretation of a regulation may be the basis for a holding of unavoidable delay, In re Decision Dated February 18, 1969, 162 USPQ 383 (Comm'r Pat. 1969), misapplication or total ignorance of a rule may not. See Vincent v. Mossinghoff, 230 USPQ 621, 624 (D.D.C. 1985) (counsel's misapplication of certified mailing rule does not constitute unavoidable delay); Potter v. Dann, 201 USPQ 574 (D.D.C. 1978) (Markey, C.J., sitting by designation) (counsel's total unawareness of applicable rules is not basis for finding unavoidable delay).

It should be noted that while, for the foregoing reasons, a petition to revive a terminated reexamination proceeding on the ground of unavoidable delay is appropriately filed under 35 U.S.C. § 133, filing such a petition under 37 C.F.R. § 1.137(a) would be inappropriate, because § 1.137(a) is limited to revival of an 'application' and a reexamination proceeding does not involve an application.

Inasmuch as the 'unavoidable delay' standard is statutory rather than merely regulatory, and because 37 C.F.R. § 1.183 does not empower the Commissioner to waive statutory requirements, Brenner v. Ebbert, 398 F.2d 762, 764, 157 USPQ 609, 610 (D.C. Cir. 1968), petitions under § 1.183 concerning untimely responses in reexamination proceedings henceforth will be dismissed as inappropriate. MPEP § 2268 will be amended in due course to provide that petitions concerning untimely responses in reexamination proceedings should be filed under 35 U.S.C. § 133, not 37 C.F.R. § 1.183.

***5** Katrapat alternatively argues that a reexamination proceeding which has been terminated due to an untimely response may be revived pursuant to Pub. L. 97-247, § 3(a)(7) (codified at 35 U.S.C. §

41(a)(7)) and 37 C.F.R. § 1.137(b), which permit an 'unintentionally' abandoned application to be revived by a petition, proided it is accompanied by the appropriate fee and the petition is filed within one year of the date of abandonment. Katrapat argues that because these statutory and regulatory provisions were adopted in 1982, two years after the adoption of the reexamination statute, Congress must have intended that they apply to terminated reexamination proceedings as well as abandoned patent application proceedings. But Katrapat has not identified, nor is the Commissioner aware of, anything in the statute or the legislative history which supports this argument. In fact, this argument runs counter to the language of the above sections, which specifically provide for revival of only unintentionally abandoned applications. Had Congress intended to additionally permit revival of unintentionally terminated reexamination proceedings, it could have demonstrated such intent by amending § 305 to specifically refer to 35 U.S.C. § 41(a)(7) as well as to § 133, but it did not do so.

More important, permitting revival of unintentionally terminated reexamination proceedings under the conditions set forth in 37 C.F.R. § 1.137(b), i.e., up to one year after abandonment, manifestly would be inconsistent with the statutory requirement for 'special dispatch' in the conduct of reexamination proceedings. 35 U.S.C. § 305.

C. Katrapat has demonstrated that the delay was 'unavoidable'

Katrapat's new petition, which is accompanied by new supporting affidavits by counsel and the records clerk as well as an affidavit by the operations supervisor, includes the following explanation of why Katrapat's response was late:

> . . . Katrapat's attorneys [utilize] a computerized docketing system to insure that responses are timely filed. All PTO mail is delivered to the Intellectual Property records clerk, who notes on the first sheet the date of receipt, the due date and the file number and enters this data in a hardcopy log. Once a month, the records clerk enters the data from the hardcopy log into the computer, which generates dockets for individual patent attorneys. These dockets cover a rolling two-month period. As soon as she has finished her monthly entry, the records clerk instructs the computer operator to copy the patent docket data set to tape. The data set is also copied to tape once a week during the weekly system backup and every two weeks, when the computer operator copies all data on the system to vault tapes. The vault tapes are stored in another building and would be used to restore the system if it were destroyed by fire or flood. Thus, in addition to the hardcopy log and the data sets stored on the computer, there are three backup copies of the patent data set on tape.
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> ***6** The June 18 Office Action was delivered to the records clerk[,] who entered the date of receipt and the due date on the first sheet. The clerk, however, did not have a file number for the reexamination, a very unusual circumstance, and consequently, could not enter the matter into her hardcopy long. She left the Office Action with [counsel], the patent attorney responsible for Katrapat's file, to obtain a file number. During the last two weeks of June, a substantial amount of the record clerk's time was consumed with packing the Intellectual Property Group's files for the move to the firm's new offices over the Fourth of July weekend and she forgot that she had left the Office Action with

[counsel]. Additionally, the computer and its terminals had been moved to the new building. Since the docket covers a two- month period, the records clerk, who was too pressed for time to go to the new offices to use the computer, did not enter her hardcopy data for June. If a matter required immediate attention, she personally notified the attorney and wrote the matter on his May docket sheet. The record clerk believes that if she had entered her data for June at the normal time, the last week in June, she probably would have remembered having left the Office Action with [counsel]. The Office Action was never entered into the docket system.

When [counsel] received the Office Action, he did not know that a missing file number meant that the document had not been entered into the computer. The action was packed for the move. Approximately one month later, [counsel] left town to attend the American Bar Association convention in New York. He returned to the Office August 14 and 15 and left for a one week vacation on August 16. Thus, he was out of the office when the Katrapat response came due. [Counsel], however, had reviewed his docket for several weeks prior to August 8 to insure that all responses that would come due while he was gone would be completed and mailed before he left, Because the Katrapat action was never entered into the docketing system, counsel did not prepare a timely response. When [counsel] returned to the office on August 25, he learned that the Office Action had been omitted from his docket and that the response was overdue. He put aside all other work and prepared a paper fully responsive to the Office Action. This response, dated August 28, 1986, [received by the PTO on August 29, 1986] accompanies this petition.

From the above facts, it is clear that the omission from counsel's docket report of date concerning the need for a response to the June 18 Office action appears to have stemmed from the fact that the records clerk did not have a 'file number' on hand for the June 18 Office action when she received it from the PTO. Referring to her new affidavit (¶ ¶ 3-4, 8), she states that although it was 'very unusual' for her not to have a file number when an Office action arrived in a reexamination proceeding, she did not have a file number when the June 18 Office action was received, that she 'could not enter the data on [her] Reminder Sheet [hardcopy log],' that she took the action to counsel for the number, that counsel kept the action and did not return it to her with the number, and that 'while packing for the move, it slipped [her] mind that counsel had the Katrapat Office Action and that [she] had not entered it on [her] Reminder Sheet.'

***7** Although the records clerk states that she could not enter the June 18 Office action data in her 'Reminder Sheet' without a file number, no explanation has been offered as to why she did not have the file number on hand or why she could not have entered the incomplete data in the hardcopy log, with the intention of completing the entry when she obtained the missing file number. Had she followed this procedure, the incomplete entry in the log probably would have served to remind her that counsel still had the file. Be that as it may, the determinative question is not whether the records clerk can be faulted for not having the file number on hand when the Office action arrived or for forgetting that counsel had the file, but whether counsel was justified in relying solely on his docket report, which was based on the data the records clerk had entered in her Reminder Sheet. In other words, the question is whether counsel's total reliance on his docket

report met the standard of care 'observed by prudent and careful men in relation to their most important business [, which] permits them in the exercise of this care to rely upon . . . reliable employees, and such other means and instrumentalities as are usually employed in such important business.' Pratt, supra.

The Commissioner is satisfied that under the facts of this case this reliance was wholly justified. According to counsel's new affidavit (¶ 6), with the sole exception of the omission in question, no omissions have occurred in his docket reports in over five years (of which about four years preceded that omission), during which time the same records clerk has been responsible for their preparation. In view of the demonstrated high reliability of the docket reports, it does not appear that counsel should have perceived any need to employ additional safeguards to ensure that all docketing data was entered, even during the period including the firm's relocation. In fact, while the disruption caused by the relocation arguably may have prevented the records clerk from discovering her error, there is no evidence that the relocation caused the error. More important, there is no evidence that counsel ought to have expected errors to occur in his docket reports as a result of the relocation. Thus, this is not a case in which a belated response to an Office action was due to a defective docketing procedure or a misunderstanding of PTO reexamination procedures. Compare In re Egbers, ___ USPQ ___ (Comm'r Pat. 1988) (copy attached).

In addition to showing that counsel's reliance on his docket report was entirely justified, Katrapat has also demonstrated that counsel was diligent in preparing a response after the docketing error was discovered. Hence, the 'conditions of promptness in its rectification [are] present.' Pratt, supra.

For the foregoing reasons, the Commissioner is satisfied that Katrapat's ten day delay in filing a response to the June 18, 1986, Office action was 'unavoidable' in the sense of § 133. Accordingly, Katrapat's petition to revive the reexamination proceedings under 35 U.S.C. § § 305 and 133 is granted.

D. Katrapat is not entitled to board review of the examiner's rejection of claims 1-4 at this time

***8** Katrapat also requests board review of the rejection of claims 1-4 in the event that its petition to revive this reexamination proceeding is denied. Since the Commissioner has granted the petition to revive, Katrapat's petition for board review of the rejection is dismissed as moot. In any case, even if the petition to revive had been denied, the petition for board review of the rejection would have been dismissed as premature, since the claims 1-4 have not been twice rejected or finally rejected in the reexamination proceeding, as is required for board review. 35 U.S.C. § § 306 and 134.

E. Conclusion

Katrapat's petition to revive this reexamination proceeding pursuant

to 35 U.S.C. § § 305 and 133 on the ground that the delay in filing a response to the June 18, 1986, Office action was 'unavoidable' is granted. However, to the extent the petition to revive the reexamination proceeding for 'unavoidable' delay is based on 37 C.F.R. § 137(a), it is denied, since that section is limited to revival of abandoned 'applications.'

Katrapat's alternative request to revive the reexamination proceeding under Pub. L. 97-247, § 3(a)(7) (codified at 35 U.S.C. § 41(a)(7)) and 37 C.F.R. § 1.137(b) on the ground that the delay in filing a response to the June 18, 1986, Office action was 'unintentional' is denied. Those sections are expressly limited to revival of unintentionally abandoned applications and Congress has not indicated that it intended to establish an analogous procedure for terminated reexamination proceedings.

The request for board review of the rejection of claims 1-4 is dismissed as being premature.

The reexamination file is being returned to the examiner for consideration of the merits of Katrapat's August 29, 1987, response.

In view of the foregoing, Reexamination Certificate No. B1 3,957,084, published in the O.G. on February 10, 1987, is vacated and deemed null and void. A notice to this effect will be published forthwith in the Official Gazette.

6 U.S.P.Q.2d 1863

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