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Linda Arink
Rane Corporation
10802-47th Ave. W.
Mukilteo WA 98275



In re Patent No. 6,813,361 :
Issue Date: 11/02/2004 :
Application Number: 10/015,249 : DECISION ON PETITION
Filing Date: 12/11/2001 :
For: NON-CONTACT AUDIO FADER :
CONTROL SYSTEM AND METHOD :

This is a decision on the petition, filed on April 1, 2013, under 37 CFR 1.378(e), requesting reconsideration of a prior decision which refused to accept under § 1.378(b)¹ the delayed payment of a maintenance fee for the above-referenced patent.

The petition under 37 CFR 1.378(e) is DENIED.²

BACKGROUND

The patent issued November 4, 2004. The first maintenance fee could have been paid from November 2, 2007, through May 2, 2008, or, with a surcharge during the period from May 3 through

¹ A grantable petition to accept a delayed maintenance fee payment under 37 CFR 1.378(b) must be 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.

² As stated in 37 CFR 1.378(e), no further reconsideration or review of the decision refusing to accept the delayed payment of the maintenance fee under § 1.378(b) will be undertaken. This decision may be regarded as a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1001.02.

November 3, 2008. Accordingly the patent expired at midnight on November 3, 2008, for failure to timely submit the first maintenance fee.

On December 21, 2012, a petition under 37 CFR 1.378(b) was filed. On January 31, 2013, a decision dismissing the petition was mailed. On April 1, 2013, the present request under 37 CFR 1.378(e) was filed.

Petitioner, assignee Rane Corporation (hereinafter "Rane"), asserts that responsibility for tracking the maintenance fee due dates originally resided with the law firm of Black, Lowe, and Graham, but that in early 2007, Rane transferred responsibility for its patent matters, including tracking and submitting payment of the maintenance fee for the subject application, to registered patent practitioner Kevin Jablonski (hereinafter "Jablonski"), who managed the Jablonski Law Group (hereinafter "JLG"). Petitioners assert that the patent was docketed for payment of the maintenance fee at JLG. Subsequently, in July, 2008, Jablonski associated his practice the law firm of Graybeal Jackson LLP (hereinafter "Graybeal"). Jablonski's files were then transferred from JLG's docketing system to the docketing system of Graybeal.

The petition is accompanied by a declaration of Jablonski, which states, in pertinent part:

6. In 2004, I left Graybeal Jackson. From 2004-2008, I practiced as an independent patent lawyer, primarily as a solo practitioner but occasionally affiliated with others. Even when affiliated with others, I maintained my own files and docketing system. During this time, I formed Jablonski Law Group, which was an active professional services limited liability company from 2004 to 2008. I was a partner and patent lawyer at Jablonski Law Group during the time I was working for Rane.

7. At Jablonski Law Group, I was the person responsible for all docketing. As a patent lawyer with extensive legal training and experience working in patent law, I understand the importance of accurately calendaring deadlines related to patent maintenance payments. To effectively track all patent deadlines, I purchased ProLaw, a commercially available legal docketing and data management program. I received a full day of

training on the use of ProLaw from the manufacturer in approximately 2004 when I acquired the program. The program was installed and the databases were created by an authorized ProLaw consultant. During the period of 2004-2008 while Jablonski Law Group was a going concern, no due dates were missed and no errors or omissions in docketing occurred.

8. In the summer of 2008, I closed Jablonski Law Group and returned to Graybeal Jackson, where I began my career. I am currently a partner at Graybeal Jackson. During the transition to Graybeal Jackson, I moved all my files from Jablonski Law Offices to my new Graybeal Jackson office. Documents that could be transferred electronically, such as word processing and electronic mail, were transferred to Graybeal's computer systems. I have attached current screen shots showing electronic document folders of Rane matters in the Graybeal Jackson computer system. **Exhibit A.** The earliest dates for the documents is July 30- 31, 2008. Those are not the dates those documents were created by me, they are the dates the files were electronically transferred into the Graybeal Jackson computer system.

9. Graybeal Jackson uses IP Master, another reputable, commercially available product, as its docketing software. Because the systems are different, electronic docket information from Jablonski Law Group could not be transferred electronically. Instead, I printed out hard copies of the electronic docketing records for all patent matters from Jablonski Law Group, and brought those with me for re-entry into the Graybeal Jackson electronic docketing system.

10. Graybeal Jackson provides training to its employees, including clerical employees responsible for docketing. Each new employee undergoes 10 days of initial one-on-one training, as well as ongoing training, regarding additional responsibilities as the employee progresses. This training includes an emphasis on the importance of properly entering deadlines in the IP Master Program. All Graybeal Jackson docketing clerks received additional training regarding the docketing functions of the IP Master system. A copy of the IP Master training guide, which is used by all Graybeal Jackson docketing clerks, is attached to the declaration of Mr. Santarelli.

11. Jablonski Law Group was dissolved in 2008 after I completed the transition to Graybeal Jackson. The computer servers for Jablonski Law Group were dismantled and disposed of; therefore, no electronic records exist for Jablonski Law Group. I retained records from Jablonski Law Group, including the hard copy printouts of the electronic docket, for three years after the transition, and then destroyed those records.

The '361 Patent

12. I was hired by Rane as its patent attorney in early 2006.

13. I received a letter from Black Lowe & Graham informing me that all Rane patent files had been transferred to me. I also received boxes of physical files from Black Lowe and Graham.

14. On October 9, 2007, I provided a status report to Rane for all active patent matters. I prepared the status report around October 9, 2007, although the second and third pages are mistakenly dated May 2007. Shortly after providing the report, Dennis Bohn pointed out to me that the '361 patent was missing from the report. I responded to him promptly. Regarding the '361 patent, I added that patent to my report, and sent a revised copy of the report to Mr. Bohn. **Exhibit B.** (I did not change the date when I revised the report.) I also informed Mr. Bohn I had added the '361 patent to my docketing system and would remind Rane when the next maintenance payment was due. **Exhibit C.** Although I do not have a specific memory of adding this particular deadline to my docketing system so many years ago, I am certain that I did so. I would not have told the client it was in my docketing system unless I had already entered it.

15. When I transitioned to Graybeal Jackson, all deadlines related to Rane matters (and all my other client matters) had to be manually re-entered into the Graybeal Jackson electronic docketing system. To accomplish this task, I created a hard copy print out from my docketing software and provided it to Peggy Greenleaf, the Graybeal Jackson office manager. I

instructed her to enter all deadlines into the Graybeal Jackson docketing system. I knew Ms. Greenleaf understood the importance of correctly entering all deadlines, and had been trained to do so. I retained this hard copy print out for three years, and then destroyed it.

16. I printed a report from the Graybeal Jackson docketing system that shows the Rane files that existed at Graybeal in 2008. **Exhibit D.** The report shows ten files opened on July 31, 2008 and one opened on August 2, 2008. The IP Master program assigns "patent master" numbers to each newly created file. The original Rane matters transferred from Jablonski Law Group are sequentially numbered 5124, 5125, 5126, 5127, 5128, 5129, 5130, 5131, 5132. This is consistent with all Rane matters being entered as a batch when they were transferred from my old office. The '361 patent is not listed among the matters entered that day. I believe that single item was inadvertently omitted when my files were transferred from Jablonski Law Group to Graybeal Jackson. Because it was not entered into Graybeal Jackson's docketing system, no reminders were sent to Rane regarding the maintenance payment for the '361 patent.

17. As previously mentioned, July 31, 2008 is also the date electronic files were transferred into Graybeal Jackson's computer system. Because there was no activity for the '361 patent other than the payment of the maintenance fee, there were no electronic documents to transfer. The earliest entry in the Graybeal Jackson system for the '361 patent is December 2012, when I directed that a new file be opened for the '361 patent. **Exhibit E.** The electronic documents in that file all relate to the filing of the petition for reinstatement. **Exhibit E.** The '361 patent was assigned Patent Master number 7273 by IP Master, which is consistent with it being added to IP Master in December 2012, years after the original Rane matters. **Exhibit E.**

18. At the time my files were transferred to Graybeal Jackson, I filed Change of Correspondence Address forms with the Patent and Trademark Office for ongoing matters, including patents where license payments were due. There is no record of a change of address being filing for the '361 patent, which is consistent with

this patent not being entered into Graybeal Jackson's system.

...

20. I attempted to contact Peggy Greenleaf in connection with this matter by phone and electronically, but have not heard from her. She has retired from the legal profession, and I have not had contact with her for years.

(emphasis in original)

STATUTE AND REGULATION

35 U.S.C. § 41(c)(1) states that:

The Director may accept the payment of any maintenance fee required subsection (b) of this section which is made within twenty-four months after the six-month grace period if this 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.

37 CFR 1.378(b)(3) states that any petition to accept an unavoidably 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.

37 CFR 1.378(c)(3)(1) provides that a petition to accept an unintentionally delayed payment of a maintenance fee must be filed within twenty-four months of the six-month grace period provided in § 1.362(e).

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".³ A patent owner's failure to pay a maintenance fee may be considered to have been "unavoidable" if the patent owner "exercised the due care of a reasonably prudent person."⁴ This determination is to be made on a "case-by-case basis, taking all the facts and circumstances into account."⁵ Unavoidable delay under 35 U.S.C. § 41(b) is measured by the same standard as that for reviving an abandoned application under 35 U.S.C. § 133.⁶ Under 35 U.S.C. § 133, the Director may revive an abandoned application if the delay in responding to the relevant outstanding Office requirement is shown to the satisfaction of the Director to have been "unavoidable". Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.⁷ However, 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.⁸ In view of In re Patent No. 4,409,763,⁹ this same standard will be applied to determine whether "unavoidable" delay within the meaning of 37 CFR 1.378(b) occurred.

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

As 35 U.S.C. § 41(c) 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.¹⁰ That is, an adequate showing that the

³ 35 U.S.C. § 41(c)(1).

⁴ Ray v. Lehman, 55 F.3d 606, 608-09 (Fed.Cir.), cert. denied, -- U.S. ---, 116 S.Ct. 304, L.Ed.2d 209 (1995).

⁵ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

⁶ In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (PTO Comm'r 1988).

⁷ 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, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

⁸ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁹ 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988), aff'd sub nom. Rydeen v. Quigg, 748 F.2d 623 (Fed. Cir. 1991) (table), cert. denied, 502 U.S. 1075 (1992).

¹⁰ Ray, 55 F.3d at 609, 34 USPQ2d at 1788.

delay 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 to ensure the timely payment of the maintenance fees for this patent.¹¹

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.¹² 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 is unavoidable.¹³

Petitioner has failed to show that the delay in payment of the first maintenance fee was unavoidable.

Petitioner asserts, in essence, that a clerical error resulted in the failure of the transfer of information for the subject patent from the JLG docketing system to the Graybeal docketing system.

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

(1) the error was the cause of the delay at issue;

(2) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance;

(3) and the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.¹⁴

An adequate showing requires:

¹¹ Id.

¹² 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 Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing).

¹³ 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.

¹⁴ See MPEP 711.03(c) (III) (C) (2).

(A) Statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts as they know them.

(B) Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person responsible for the maintenance of the system. This showing must include copies of mail ledgers, docket sheets, filewrappers and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed to provide adequate notice that a reply was due.

(C) Petitioner must supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

With regard to item (1) above, petitioner has not identified the error which was the cause of the delay at issue. While petitioner asserts that the delay in payment of the maintenance was caused by the failure to enter the subject patent in the Graybeal database, and, consequently, the failure of Graybeal to notify Rane that the maintenance fee must be paid, petitioners have not explained what error caused the subject patent not to be entered in the Graybeal database. In this regard, Jablonski's declaration states that, upon further review, it appears that the subject patent was not added to Graybeal's IP Master system until December 2012. Petitioners must explain the source of the error which resulted in the patent not to be entered in Graybeal's docketing system at the time Jablonski's moved his practice from JLG to Graybeal, and why the payment of the maintenance fee was delayed until December 21, 2012.

With regard to item (2) above, petitioner has not shown that there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance.

In this regard, petitioners have provided a declaration of Bryan A. Santarelli (hereinafter "Santarelli") stating that Santarelli was the managing partner who assures proper operation of various aspects and personnel at Graybeal, including docketing systems, docketing procedures, and docketing employees. Santarelli's declaration further states that Peggy Greenleaf ("Greenleaf") was

responsible for opening files for new client matters and inputting deadlines into the IP Master docketing software.

Petitioner has not explained, however, the business routine that was in place other than to state that Greenleaf was responsible for docketing new matters and including sections from the IP Master Training and User Guide. While it is noted that Santarelli states that he was aware of no complaints as to Greenleaf's work at Graybeal, and that Greenleaf was a trusted and reliable employee, a showing of unavoidable delay nonetheless requires an explanation of the clerical error which lead to the delay in payment of the maintenance fee, as well as the business routine to verify that assigned work has been completed. This information has not been provided. As such, the record simply alleges that an error occurred, but does not explain how the error occurred, why they occurred, or who was responsible. Further, in this regard, a software manual or training guide does not constitute an explanation of a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance. In the absence of such a showing, the petition cannot be granted.

In summary, petitioner has identified neither the source of the error(s) which led to the delay nor its cause, nor explained what steps were in place to avoid the error(s) which led to the delay. In the absence of this information the delay cannot be considered to be unavoidable.

More to the point, the showing of record is that no system was in place for tracking and paying the maintenance fee: This patent was not entered into Graybeal's system. Further, it appears, from a review of Jablonski's declaration, that the JLG tracking system was no longer operating at the time the maintenance fee was due. As such, on the due date for payment of the maintenance fee, the patent was not being tracked.

The prior decision which refused to accept under § 1.378(b) the delayed payment of a maintenance fee for the above-identified patent has been reconsidered. The petition under § 1.378(c) has also been considered. For the above stated reasons, the delay in this case cannot be regarded as unavoidable, or unintentional, within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b) and (c).

Since this patent will not be reinstated, the maintenance fee(s) and surcharge fee(s) submitted by petitioner will be refunded to counsel's deposit account. It is further noted that \$70.00 was

submitted with the subject renewed petition. The fee for reconsideration, however, is \$200.00 (small entity). The balance due of \$130.00 will be charged to counsel's deposit account.

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

The patent file is being returned to Files Repository. Telephone inquiries should be directed to Senior Petitions Attorney Douglas I. Wood at 571-272-3231.



Anthony Knight
Director
Office of Petitions/
Petitions Officer