

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE DIRECTOR ACTING DIRECTOR

In re Naren Chaganti, et al .)
Application No. 09/634,725) Decision on Request
BPAI Final Decision: Nov. 13, 2012) under 37 C.F.R. § 90.3(c)(1)(ii)

MEMORANDUM AND ORDER

On February 4, 2013, applicant Naren Chaganti, et al., (Chaganti) filed a request seeking an extension of time under 37 C.F.R. § 190.3(c)(1)(ii)¹ to file a Notice of Appeal in appeal to the U.S. Court of Appeals for the Federal Circuit in Application No. 09/634,725 ('725 application). Chaganti's petition is granted.

On October 25, 2012, the Patent Trial and Appeal Board (Board) affirmed the Examiner's rejection of claims 45-61 in the '725 application. On November 13, 2012, the Board issued its Decision on Chaganti's Request for Rehearing, declining to alter its previous decision. Under 37 C.F.R. § 90.3(a)(1), Chaganti had until January 15, 2013 (63 days from November 13, 2012) in which to file a Notice of Appeal to the U.S. Court of Appeals for the Federal Circuit.

On November, 17, 2012, Chaganti electronically filed a paper via the USPTO's EFS system titled "Notice of Appeal To the Federal Circuit Court of Appeals." That filing, however, did not comply with the regulations governing the proper filing of a Notice of Appeal to the Federal Circuit.

In particular, 37 C.F.R. § 90.2(a)(1) makes clear that the Notice of Appeal must be filed as

¹ On September 16, 2012, various changes to title 37 of the Code of Federal Regulations took effect. These included replacing the previous regulations governing the seeking of judicial review of Board decisions at 37 C.F.R. §§ 1.301-304, with the provisions at 37 C.F.R. §§ 90.1-90.3. Since the Board decision here was issued after the September 16, 2012 effective date, the new rules govern this request. Substantively, however, the rules are effectively equal.

provided in § 104.2, namely, with the Office of General Counsel. Further, a copy of the Notice and accompanying filing fee must be filed with the Federal Circuit. There is no indication that Chaganti complied with either of these requirements by January 15, 2013. On February 4, 2013, the Office of the Solicitor informed Chaganti that his Notice was not proper and that 60-day window for filing a proper Notice had passed. On the same day, Chaganti filed the underlying “Motion to Consider Filed Notice of Appeal as Timely or in the Alternative, Motion to Permit Filing Notice of Appeal to the CAFC Out of Time.”

The Director may extend the time for filing an appeal or civil action after the expiration of the period for filing an appeal or commencing a civil action “upon a showing that the failure to act was the result of excusable neglect.” 37 C.F.R. § 90.3(c)(1)(ii). The authority to decide such requests has been delegated to the Solicitor. MPEP § 1002.02(k)(3). While not so styled, the Solicitor will treat Chaganti’s motion as a request for additional time under the “excusable neglect” standard of Rule 90.3.

In determining excusable neglect, the USPTO applies the standard used by the Federal Courts. MPEP § 1216. The determination of whether failing to properly file a civil action or appeal within the proscribed time period is the result of “excusable neglect” is “an equitable one, taking account of all relevant circumstances surrounding the party’s omission. These include . . . the danger of prejudice to [another party], the length of the delay and its potential impact on judicial proceedings, the reason for the delay, including whether it was within the reasonable control of the movant, and whether the movant acted in good faith.” *Pioneer Inv. Servs. v. Brunswick Assocs. Ltd. P’ship*, 507 U.S. 380, 395 (1993). Excusable neglect “is understood to encompass situations in which the failure to comply with a filing deadline is attributable to negligence.” *Id.* at 390; *see*

also *Information Systems and Networks Corp. v. United States*, 994 F.2d 792, 796 (Fed. Cir. 1993) (holding that a party's failure to answer a counterclaim based on the mistaken belief that no answer was required constituted excusable neglect for purposes of Fed. R. Civ. P. 60(b)). Moreover, “[a]lthough inadvertence, ignorance of the rules, or mistakes construing the rules do not usually constitute excusable neglect, it is clear that excusable neglect . . . is a somewhat elastic concept and is not limited strictly to omissions caused by circumstances beyond control of the movant.” *Id.* at 392. The third *Pioneer* factor—relating to why the filing was delayed—is generally considered the most important factor in the analysis. *See, e.g., Firsthealth of the Carolinas, Inc. v. Carefirst of Maryland, Inc.*, 479 F.3d 825 (Fed. Cir. 2007); *Pumpkin, Ltd. v. The Seed Corps*, 43 USPQ2d 1582, 1587 n.7 (TTAB 1997).

On the critical third factor, Chaganti offers two reasons for his failure to timely file a proper appeal notice. First, Chaganti argues that he had previously used the same method to file an appeal from the Board to the Federal Circuit in Application No. 09/307,752, and that it was “accepted by the Office as proper procedure.” *Req.* at 1. Second, Chaganti points to an email exchange allegedly between himself and the Primary Examiner in the ’725 application that Chaganti’s argues led him to believe that the “filing was timely and proper.” *Req.* at 1. At bottom, then, Chaganti argues that he relied on the conduct of others to determine how to file his appeal. But it is an applicant’s responsibility to determine the proper procedure for filing his appeal. It does not appear that Chaganti ever consulted the applicable regulations, which are plain on their face as to what steps need be taken to properly file a Federal Circuit appeal. 37 C.F.R. §§ 90.1.-90.3 make clear the steps to take in a Federal Circuit appeal. 37 C.F.R. §90.2(a)(1) expressly states that any appeal notice must be filed with the Director “as provided in § 104.2.” Section 104.2 identifies the

Office of General Counsel as the place to mail or hand-serve material. Additionally, the regulations make clear that a copy of the notice must be sent to the Board (§ 90.2(a)(1)), and that the Federal Circuit Rules must be complied with (§ 90.2(a)(2)). The prior regulations (37 C.F.R. §§ 1.301-304) were substantively in accord. Chaganti's failure to comply with the applicable regulations is negligent; the question is whether it is excusable.

Here, Chaganti's reliance on pursuing the same course to file a prior appeal,² and the Examiner's email indicating that the appeal notice here was "timely filed," was unfortunate, but cuts against concluding that Chaganti's conduct was a willful or otherwise deliberate failure to comply with USPTO regulations. Unlike other situations where the reason for the delay undercut finding excusable neglect, Chaganti demonstrated diligence attempting to file an appeal notice in the required filing period (filing it only four days after the Board decision), and then promptly sought additional time once apprised of his errors. Chaganti's timely, but incorrect, attempt to give notice of its appeal before the filing deadline reflects a critical difference between the facts here, and those seen in other "excusable neglect" cases involving seemingly simple errors. *See, e.g., U.S. For and on Behalf of R&R Mechanical, Inc. v. St. Paul Fire & Marine Ins. Co.*, 1994 WL 504407, 36 F.3d 1106 (10th Cir. Sept. 15, 1994) (unpublished opinion); *Graphic Communications Int'l Union, Local 12-N v. Quebecor Printing Providence, Inc.*, 270 F.3d 1, 5-6 (1st Cir. 2001) (counsel's ignorance of rule governing

²Review of the file for the Federal Circuit appeal in the prior '752 application (*In re Chaganti*, CAFC Appeal No. 2011-1344) indicates that the appeal notice there was filed via EFS, and was not rejected as improper.

time to file appeal is not excusable neglect, applying Pioneer); *cf.*

Anheuser-Busch, Inc. v. Mambo Seafood #1, Inc., TTAB Opp. # 91160250

(Entry #76) (Aug. 31, 2009) (denying request for time extension under

“excusable neglect” standard where parties’ explanation was not based upon

a “reasonable or plausible” reading of relevant regulations).

Further, application of the *Pioneer* factors must reflect a weighing of all relevant considerations. And those additional factors counsel in favor of granting the extension in this case.

As discussed above, Chaganti filed the underlying request for additional time the same day as he learned of his failure to comply with the requirements for filing an appeal notice. Chaganti’s prompt attempt to remedy the error strongly indicates good faith in attempting to comply with USPTO regulations and related statutory provisions. There does not appear to be any prejudice to another private party, or impact on judicial proceedings.

Given these considerations, and the equitable and elastic nature of the “excusable neglect” standard, the balance of the *Pioneer* factors weighs in favor of granting the extension. It should be noted that Chaganti, who is apparently an attorney, has now been formally directed to the regulations governing the proper procedure for seeking judicial review of USPTO Board decisions. Given that notice, Chaganti should make every effort to comply with those regulations moving forward in this or other appeals. Future requests seeking additional time under the “excusable neglect” standard based upon the same excuses offered here may not result in the same favorable

outcome.

ORDER

Upon consideration of the request for an extension of time under 37 C.F.R. § 90.3(c)(1)(ii), it is ORDERED that the request is granted.

Chaganti's time for seeking judicial review under 37 C.F.R. § 90.2(a)(1) in the above-captioned application is extended until March 25, 2013.

TERESA STANEK REA
ACTING UNDERSECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND
ACTING DIRECTOR OF THE UNITED STATES
PATENT AND TRADEMARK OFFICE

By: _____
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DATE: March 1, 2013

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