

Patent Right	Date	January 22, 2020	Court	Tokyo District Court, 40th Civil Division
	Case number	2019 (Gyo-U) 278		
- A case in which the Plaintiffs' claim for rescission of a disposition of dismissal of a procedure concerning a patent fee payment document was dismissed.				

Summary of the Judgment

The present case is one in which Plaintiff A and Plaintiff B, who jointly owned the present patent right (Patent No. 5181035) which was deemed to have been forfeited due to non-payment of a patent fee and a patent surcharge in the same amount as the patent fee (hereinafter collectively referred to as the "patent fee, etc."), asserted that it was illegal for the Commissioner of the Japan Patent Office (JPO) to issue a disposition to dismiss the procedure for payment of the patent fee, etc., despite the Plaintiffs having had a legitimate reason for not having been able to pay the patent fee, etc. within the time frame during which the Plaintiffs is permitted to make a late payment of the patent fee, etc., and thus claimed that the Defendant, the State, should rescind the disposition of dismissal. The present patent right was originally owned by Plaintiff A. Plaintiff B filed a request for a trial for invalidation of the present patent, and the JPO issued an advance notice of a trial decision to invalidate the present patent. The chairperson of Plaintiff A dismissed Patent Attorney C who was a procedural agent for the trial for invalidation, appointed another patent attorney, and filed a request for correction. In the end, the trial decision to invalidate the patent was made by the JPO. Then, Plaintiff A filed a lawsuit against the trial decision made by the JPO. On March 9, 2016, while the lawsuit was pending, Plaintiff A and Plaintiff B entered into the present settlement agreement which provides that Plaintiff A would transfer 1% of the share of the present patent right to Plaintiff B, Plaintiff B would withdraw the request for the trial for invalidation, and Plaintiff A would withdraw the lawsuit against the trial decision. In accordance with this settlement agreement, the request and the lawsuit were withdrawn, and around March 30 of the same year, transfer of part of the present patent right was registered. On the other hand, the due date for payment of the patent fee for the fourth year of the present patent was January 18 of the same year, and the last day of the time frame for late payment was July 19 of the same year. However, the payment of the patent fee, etc. was not made before these dates elapsed.

The Plaintiffs asserted that the Plaintiffs had a legitimate reason for not having been able to pay the patent fee, etc. within the time frame for late payment, on the

grounds that the missing of the time frame for late payment in the present case is due to a human error by Patent Attorney C who falsely recognized that Patent Attorney C was also dismissed from the entrustment of annual fee management, although the truth is that Patent Attorney C was dismissed by Plaintiff A only as the procedural agent for the trial for invalidation.

First, this judgment held that it is reasonable to construe that a case in which there is a "legitimate reason" provided for in Article 112-2, paragraph (1) of the Patent Act means a case in which an original patentee (including an agent, the same shall apply hereinafter) was not able to pay a patent fee, etc. within the time frame for late payment from an objective point of view in spite of exercising all due diligence. In addition, this judgment held as follows. It is a patentee's basic duty to manage his/her own patent right, including making a decision on whether to pay a patent fee, managing the due date of payment, and confirming the expenditure of the patent fee, and this can be done easily, even if the patentee has asked an agent to handle the procedures for payment of the patent fee. Plaintiff A is the original patentee of the present patent and was in dispute with Plaintiff B on the validity of the present patent. Thus, it should be deemed that Plaintiff A could have easily confirmed whether or not the patent fee, etc. had been paid by the respective due dates by recognizing that the due date for payment of the patent fee for the fourth year of the present patent is January 18, 2016 and the last day of the time frame for late payment is July 19, 2016. However, Plaintiff A missed each of the above-mentioned due dates without performing the basic management which a patentee should perform, such as managing and confirming the due dates for payment. Therefore, it was held that it cannot be deemed that Plaintiff A exercised all due diligence as a patentee. Further, with regard to Plaintiff B, this judgment held as follows. Plaintiff B was also in a position to properly manage the timing of the payment of the patent fee by himself/herself, but lightly believed that Plaintiff A would manage the annual fees, and due to Plaintiff B's own carelessness, even during the time frame for late payment in the present case, Plaintiff B did not recognize that they should pay the patent fee, etc. within the time frame for late payment, and carelessly allowed the last day of the time frame for late payment to elapse. Thus, it was held that it cannot be deemed that Plaintiff B was not able to pay the patent fee, etc. within the time frame for late payment from an objective point of view in spite of exercising all due diligence. For the foregoing reasons, all of the Plaintiffs' claims were dismissed.