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Paper No. 9

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JIANQ CHYUN INTELLECTUAL
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7 FLOOR-1
NO. 100 ROOSEVELT ROAD
SECTION 2 TAIPEI, 100
TAIWAN

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OFFICE OF PETITIONS

In re Patent No. 5,672,241 :
Issued: 30 September, 1997 :
Application No. 08/662,137 : DECISION ON PETITION
Filed: 12 June, 1996 :
Attorney Docket No.: JIA-133/00392-US-PA :

This is a decision on the petition filed on 18 October, 2005, under 37 C.F.R. §1.378(b) to accept as unavoidably delayed the maintenance fee for Patent No. 5,672,241 (the '241 patent).

NOTE: **While Petitioner failed to submit a certificate pursuant to 37 C.F.R. §3.73(b) with the Revocation/Power of Attorney submitted, the latter document recites the Reel/Frame data (8061/0286) and, in fact, is reflective of Office records as to assignment. Therefore, the Revocation/Power of Attorney has been entered.**

The petition is **DENIED**.

I. BACKGROUND

This patent, which was filed originally on 12 June, 1996, as Application No. 08/662,137, issued on 30 September, 1997, as Patent No. 5,672,241 (the '241 patent). Payment of the first maintenance fee appears not to have been timely made. And the twenty-four month period following expiration has elapsed. Therefore, Petitioner's only remedy is a petition under 37 C.F.R. §1.378(b).

The original petition, filed on 6 January, 2005, was dismissed on 19 August, 2005, for failure to make a showing as required under the regulations.

Payment Windows

As to the first maintenance fee:

- the first window—for payment of the maintenance fee alone—opened on (Sunday) 30 September, 2000, and closed after midnight Friday, 30 March, 2001;
- the second window—for payment of the maintenance fee and small surcharge—opened on (Saturday) 31 March, 2001, and closed after midnight Monday, 1 October, 2001;
- the third window—for payment of the maintenance fee and the surcharge in connection with an allegation of unintentional delay—opened on Tuesday, 2 October, 2001, and closed after midnight 30 September, 2003;
- the fourth window—for payment of the maintenance fee and the surcharge in connection with an allegation of unavoidable delay—also opened on Tuesday, 2 October, 2001.

Summary of Argument

The sum and substance of the argument presented is that:

- Petitioner was informed in August 2000 that the first maintenance fee was due (between (Sunday) 30 September, 2000, and closed after midnight Friday, 30 March, 2001) and authorized at that time payment of the first maintenance fee; thereafter, on or about 29 December, 2004, Petitioner endeavored to pay the second maintenance fee, however, at that time Petitioner learned that the patent had expired due to the non-payment of the first

maintenance fee;¹

- on 6 January, 2005, Petitioner filed the original petition, and that was dismissed on 19 August, 2005;
- substantively, the instant petition, filed on 18 October, 2005, adds only a declaration by Sherry Liao, averred to be the Senior paralegal in charge of all US patent maintenance fee payments for JIANQ CHYUN IP OFFICE, to Petitioner's original presentation;² and

¹ The declaration states, in pertinent part:

I, Sherry Liao, do hereby declare that:

I am a senior paralegal in charge of all US patent maintenance fee payment (sic) for JANQ CHYUN IP OFFICE, an instruction letter was sent via fax authorizing Computer Packages Inc. (CPI), a maintenance fee company, to attend to the payment of maintenance fee due at 3.5 years for the subject patent ***. A David Tucker at CPI confirmed the safe receipt of the said letter by a return fax "entered on Sep. (sic) 22, 2000" ***.

JIANQ CHYUN then received a CPI invoice #566990 dated November 1, 2000[,] with respect to the payment of the 3.5 - 7.5 (sic) years maintenance fee. Accordingly, Petitioner believed the first maintenance fee was successfully paid by CPI, and entered in the docketing system a new due date of the 7.5 - 11.5th (sic) maintenance fee for the subject patent. Due to an oversight, the aforesaid invoice was not disbursed. The fact that the lack of such evidence of payment was as well provided in the attached declaration, stating such errors occurred without deceptive intent (sic).

In order to make a timely payment, JIANQ CHYUN attempted to conduct the second maintenance fee payment on December 29, 2004. It was firstly noted by JIANQ CHYUN in the Patent Bibliographical Data that the subject patent was expired due to failure to pay the first maintenance fee. On the same day, an urgent inquiry letter to CPI was sent via fax ***, and an explanation was then received on the net day, alleging that CPI had sent a notification of closing our account via registered mail, which was delivered on March 19, 2001 ***. Such notification was not well taken care of on account of overlooking, but Petitioner soon filed an instant petition on January 6, 2005[,] to protect Patentee's rights.

² The instant petition states, in pertinent part:

As indicated in the attached Declaration of Sherry Liao, a Senior Paralegal in charge of all US patent maintenance fee payment (sic) for JANQ CHYUN IP OFFICE ***.

1. On September 22, 2000, I sent a letter via fax authorizing Computer Packages Inc. (CPI), a maintenance fee company, to attend to the payment of maintenance fee due at 3.5 years for the subject patent ***. A David Tucker at CPI confirmed the safe receipt of the said letter by a return fax "entered on Sep. (sic) 22, 2000" ***.

2. I assumed the payment of the maintenance fee would be reasonably taken care of since CPI is a renewed company specializing in patent annuity payment services (sic). Thus, I entered a new due date of the 7.5 - 11.5th (sic) maintenance fee for the subject patent in our data base after receiving the confirmation sent by Mr. Tucker.

3. I did not receive any abandonment notices from the United States of Patent and Trademark Office (sic) via the previous attorney, Rabin Champagne & Lynt P.C. or CPI. Accordingly, I was not notified that the payment of maintenance fee (sic) due at 3.5 years for the subject patent had never been handled until I attended to pay the 7.5 - 11.5th (sic) maintenance fee for the subject patent.

4. On December 29, 2004, I accessed to the USPTO website of patent maintenance fee (sic) and attempted to pay the 7.5 - 11.5th (sic) maintenance fee for the subject patent. It was then noted first time (sic) that the expiration of the above-identified patent had occurred due to the failure to pay the 3.5 - 7.5th (sic) maintenance fee for the subject patent. On the same day, I sent an urgent inquiry letter to CPI via fax *** and then received an explanation the net day, alleging that CPI had sent a notification of closing our account via registered mail, which was delivered on March 19, 2001 ***.

5. The payment transaction records in the docketing system were collated in response to argument recited in the Decision on Petition. However,

- the documents placed of record by the Petitioner indicate that:
 - Petitioner responded on 22 September, 2000, to an 4 August, 2000, notice from Computer Packages Inc. (CPI) of maintenance-fee-due for the instant patent with authorization to pay the fee (Exhibit 1), and CPI acknowledged that authorization (exhibit 2);
 - to this end, on 1 November, 2000, CPI then sent to Petitioner an invoice to provide the funds necessary to pay the maintenance fee in question (due in the first window by 30 March, 2001) (Exhibit 3);
 - Petitioner acknowledges not responding to this invoice, and–thus, not providing the fees for payment–nonetheless, Petitioner forwarded to CPI on 29 December, 2004, a letter demanding to know why the maintenance fees were not paid (Exhibit 4);
 - Petitioner does not deny receiving a 13 March, 2001, registered letter, delivered on 19 March, 2001, from CPI informing Petitioner that CPI was closing Petitioner’s account and was not responsible for “any fees due after the account closing date of March 12, 2001”–notably, while Petitioner’s exhibit letter of 30 December, 2004, (Exhibit 5) from CPI to Petitioner refers to the 13 March, 2001, registered letter, Petitioner did not see fit to make that document of record.

At dismissal of the original petition, Petitioner was reminded that “the record is silent and needs to be completed with regard to narrative of events and documentation of transactions. If CPI was a participant in the transaction, data, documents and statements/declarations must be provided by the person or persons involved in the transactions. * * * [A]nd where is the evidence of [Petitioner’s payment [to CPI for the maintenance fee].”³

there is no evidence of record that the actual payment to CPI was conducted. I declare that such errors occurred without deceptive intent.

I have made a bona fide attempt to ensure that the maintenance fee would be paid timely, which can be proved by my endeavors to make a timely payment of the 7.5 - 11.5th (sic) maintenance fee for the subject patent. In addition, after the expiration of patent due to non-payment of the first maintenance fe was learned, an instant (sic) petition ws filed on January 6, 2005[,] to protect Patentee’s rights.

* * *

³ Decision of 19 August, 2005, at page 3.

II. STATUTES, REGULATIONS, ANALYSIS

Congress has provided in statute as follows:

35 U.S.C. 41 Patent fees; patent and trademark search systems.

(a) GENERAL FEES. — The Director shall charge the following fees:

* * *

(b) MAINTENANCE FEES. — The Director shall charge the following fees for maintaining in force all patents based on applications filed on or after December 12, 1980:

(1) 3 years and 6 months after grant, \$900.

(2) 7 years and 6 months after grant, \$2,300.

(3) 11 years and 6 months after grant, \$3,800.

Unless payment of the applicable maintenance fee is received in the United States Patent and Trademark Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent will expire as of the end of such grace period. The Director may require the payment of a surcharge as a condition of accepting within such 6-month grace period the payment of an applicable maintenance fee.

* * *

The regulations at 37 C.F.R. §1.362 provide in pertinent part:

§ 1.362 Time for payment of maintenance fees.

(a) Maintenance fees as set forth in §§ 1.20(e) through (g) are required to be paid in all patents based on applications filed on or after December 12, 1980, except as noted in paragraph (b) of this section, to maintain a patent in force beyond 4, 8 and 12 years after the date of grant.

* * *

(d) Maintenance fees may be paid in patents without surcharge during the periods extending respectively from:

(1) 3 years through 3 years and 6 months after grant for the first maintenance fee,

(2) 7 years through 7 years and 6 months after grant for the second maintenance fee, and

(3) 11 years through 11 years and 6 months after grant for the third maintenance fee.

(e) Maintenance fees may be paid with the surcharge set forth in § 1.20(h) during the respective grace periods after:

(1) 3 years and 6 months and through the day of the 4th anniversary

of the grant for the first maintenance fee.

(2) 7 years and 6 months and through the day of the 8th anniversary of the grant for the second maintenance fee, and

(3) 11 years and 6 months and through the day of the 12th anniversary of the grant for the third maintenance fee.

(f) If the last day for paying a maintenance fee without surcharge set forth in paragraph (d) of this section, or the last day for paying a maintenance fee with surcharge set forth in paragraph (e) of this section, falls on a Saturday, Sunday, or a federal holiday within the District of Columbia, the maintenance fee and any necessary surcharge may be paid under paragraph (d) or paragraph (e) respectively on the next succeeding day which is not a Saturday, Sunday, or Federal holiday.

(g) Unless the maintenance fee and any applicable surcharge is paid within the time periods set forth in paragraphs (d), (e) or (f) of this section, the patent will expire as of the end of the grace period set forth in paragraph (e) of this section. A patent which expires for the failure to pay the maintenance fee will expire at the end of the same date (anniversary date) the patent was granted in the 4th, 8th, or 12th year after grant.

(h) The periods specified in §§1.362(d) and (e) with respect to a reissue application, including a continuing reissue application thereof, are counted from the date of grant of the original non-reissue application on which the reissued patent is based. (Emphasis supplied.)

* * *

The regulations at 37 C.F.R. §1.378 provide in pertinent part:

§ 1.378 Acceptance of delayed payment of maintenance fee in expired patent to reinstate patent.

(a) The Commissioner may accept the payment of any maintenance fee due on a patent after expiration of the patent if, upon petition, the delay in payment of the maintenance fee is shown to the satisfaction of the Commissioner to have been unavoidable (paragraph (b) of this section) or unintentional (paragraph (c) of this section) and if the surcharge required by § 1.20(I) is paid as a condition of accepting payment of the maintenance fee. If the Commissioner accepts payment of the maintenance fee upon petition, the patent shall be considered as not having expired, but will be subject to the conditions set forth in 35 U.S.C. 41(c)(2).

(b) Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must 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.

* * *

(d) Any petition under this section must be signed by an attorney or agent registered to practice before the Patent and Trademark Office, or by the patentee, the assignee, or other party in interest. (e) Reconsideration of a decision refusing to accept a maintenance fee upon petition filed pursuant to paragraph (a) of this section may be obtained by filing a petition for reconsideration within two months of, or such other time as set in, the decision refusing to accept the delayed payment of the maintenance fee. Any such petition for reconsideration must be accompanied by the petition fee set forth in § 1.17(h). After decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. If the delayed payment of the maintenance fee is not accepted, the maintenance fee and the surcharge set forth in § 1.20(I) will be refunded following the decision on the petition for reconsideration, or after the expiration of the time for filing such a petition for reconsideration, if none is filed. Any petition fee under this section will not be refunded unless the refusal to accept and record the maintenance fee is determined to result from an error by the Patent and Trademark Office.

Petitioner is reminded of the commentary at MPEP §2506,⁴

⁴ The commentary at MPEP §2506 states in pertinent part:

2506 Times for Submitting Maintenance Fee Payments [R-2]

Maintenance fees cannot be paid in advance since 35 U.S.C. §41(f) permits maintenance fees to be adjusted every year on October 1 to reflect any fluctuations during the previous 12 months in the Consumer Price Index as determined by the Secretary of Labor.

37 C.F.R. §1.362(d) sets forth the time periods when the maintenance fees for a utility patent can be paid without surcharge. Those periods, referred to generally as the "window period," are the 6-month periods preceding each due date. The "due dates" are defined in 35 U.S.C. §41(b). The window periods are (1) 3 years to 3 ½ years after the date of issue for the first maintenance fee payment, (2) 7 years to 7 ½ years after the date of issue for the second maintenance fee payment, and (3) 11 years to ½ years after the date of issue for the third and final maintenance fee payment. A maintenance fee paid on the last day of a window period can be paid without surcharge. The last day of a window period is the same day of the month the patent was granted 3 years and 6 months, 7 years and 6 months, or 11 years and 6 months after grant of the patent.

37 C.F.R. §1.362(e) sets forth the time periods when the maintenance fees for a utility patent can be paid with surcharge. Those periods, referred to generally as the "grace period," are the 6-month periods immediately following each due date. The grace periods are (1) 3 ½ years and through the day of the 4th anniversary of the grant of the patent, (2) 7 ½ years and through the day of the 8th anniversary of the grant of the patent and, (3) 11 ½ years and through the day of the 12th anniversary of the grant of the patent. A maintenance fee may be paid with the surcharge on the same date (anniversary

Petitioner further is reminded of the commentary at MPEP §2590.⁵

Petitioner complains that it received no advisement from the Office and/or through their former counsel as to the payment due for or the expiration of the instant patent. As one registered to practice before the Office, Petitioner is aware that the Office has no responsibility to inform Petitioner or the patent holder/assignee of a maintenance fee due. Such Notice is but a courtesy and receipt or non-receipt of the Notice is of no moment as to payment or non-payment by Petitioner and/or the patent holder/assignee.⁶ Notably, Petitioner appears never to have Noticed the Office as to a maintenance fee address other than that of Petitioner's former counsel.

Payment Windows

As to a showing that Petitioner had calendared payment of the first maintenance fee:

- within the first window—for payment of the maintenance fee alone—opened on (Sunday) 30 September, 2000, and closed after midnight Friday 30 March, 2001, as of this writing Petitioner has made no satisfactory showing;

date) the patent was granted in the 4th, 8th, or 12th year after grant to prevent the patent from expiring.

⁵ The commentary at MPEP §2590 states in pertinent part:

2590 Acceptance of Delayed Payment of Maintenance Fee in Expired Patent to Reinstate Patent [R-2] - 2500 Maintenance Fees

UNAVOIDABLE DELAY

The required 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. Furthermore, an adequate showing requires a statement by all persons with direct knowledge of the cause of the delay, setting forth the facts as they know them. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement.

Thus, evidence that despite reasonable care on behalf of the patentee and/or the patentee's agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid, could be submitted in support of an argument that the delay in payment was unavoidable. For example, an error in a docketing system could possibly result in a finding that a delay in payment was unavoidable if it were shown that reasonable care was exercised in designing and operating the system and that the patentee took reasonable steps to ensure that the patent was entered into the system to ensure timely payment of the maintenance fees. (Emphasis supplied.)

⁶ Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The failure to receive the reminder notice will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. The Office will attempt to assist patentees through the mailing of a Maintenance Fee Reminder in the grace period. However, the failure to receive a Maintenance Fee Reminder will not relieve the patentee of the obligation to timely pay the appropriate maintenance fee to prevent expiration of the patent, nor will it constitute unavoidable delay if the patentee seeks to reinstate the patent under 37 CFR 1.378(b). See *In re Patent No. 4,409,763*, 7 USPQ2d 1798 (Comm'r Pat. 1988), *aff'd sub nom. 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).

- within the second window—for payment of the maintenance fee and small surcharge—opened on (Saturday) 31 March, 2001, and closed after midnight Monday, 1 October, 2001, as of this writing Petitioner has made no satisfactory showing;
- at the opening within the third window—for payment of the maintenance fee and the surcharge in connection with an allegation of unintentional delay—opened on Tuesday, 2 October, 2001, and closed after midnight 30 September, 2003, as of this writing Petitioner has made no satisfactory showing; and
- at the opening of the fourth window—for payment of the maintenance fee and the surcharge in connection with an allegation of unavoidable delay—also opened on 2 October, 2001, in order to satisfy the burden of proof herein, Petitioner would have had to make an adequate showing in one or more of the three periods above, and, as of this writing Petitioner has made no satisfactory showing.

Petitioner was informed that, if funds were expended, then a trail of that/those payment(s) must be presented.

This Petitioner has failed to do.

Thus, aside from a storm of rhetoric, Petitioner in essence acknowledges that it cannot make the required showing.

Direct Evidence

Petitioner must “provide any *direct evidence* proving exactly”⁷ what records and systems were in place to satisfy the showing required under 37 C.F.R. §1.378(b). As the court found in Krahn:

The Commissioner did not abuse his discretion in ruling that this evidence was insufficient to prove an unavoidable delay * * *. The * * * procedure[s] set out in the PTO regulations were specifically designed to provide patent applicants with a clear procedure to protect themselves from exactly the situation which has arisen in this case. Plaintiff failed to follow these procedures. The Commissioner properly ruled that the alternative means employed by the plaintiff were inadequate * * *. Plaintiff still failed to provide any direct evidence proving exactly [his allegations]. The procedures set out in the PTO's regulations are

⁷ See: Krahn v. Commissioner, 15 USPQ2d 1823 (E.D. Va. 1990).

designed to provide the type of direct evidence needed * * * . Had plaintiff's counsel followed these procedures, as a 'prudent and careful man' would have done in conducting 'his most important business,' then he would have been able to produce sufficient evidence to support a showing of unavoidable delay." (Emphasis supplied.)⁸

This, again, Petitioner has failed to do.

III. CONCLUSION

Thus, Petitioner's factual showing (narrative (with statements/declarations by persons with first-hand knowledge of events and transactions) and documentary) is, as of this writing, insufficient.

Accordingly, as of this writing, Petitioner has failed to make the showing necessary under the regulation, and the petition under 37 C.F.R. §1.378(b) hereby is **denied**.

In summary, the showing of record has been considered, but does not rise to the level of unavoidable delay. Rather, the showing of record is of a lack of diligence on the part of Petitioner.

CONCLUSION

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

The petition under 37 C.F.R. §1.378(e) is **DENIED**.


As stated in 37 C.F.R. §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.

⁸ Krahn, at 1825.

Since this patent will not be reinstated, a refund check covering, the maintenance fee and surcharge fee, less the \$400.00 fee for the present request for reconsideration, has been scheduled.

While telephone inquiries regarding this decision may be directed to John Gillon, Jr., Senior Attorney Office of Petitions at (571) 272-3214, it is noted that all practice before the Office is in writing (see: 37 C.F.R. §1.2⁹) and the proper authority for action on any matter in this regard are the statutes (35 U.S.C.), regulations (37 C.F.R.) and the commentary on policy (MPEP). Therefore, no telephone discussion may be controlling or considered authority for Petitioner's action(s).


Ira Lazarus
Supervisory Petitions Examiner
Office of Petitions

⁹ The regulations at 37 C.F.R. §1.2 provide:

§1.2 Business to be transacted in writing.

All business with the Patent and Trademark Office should be transacted in writing. The personal attendance of applicants or their attorneys or agents at the Patent and Trademark Office is unnecessary. The action of the Patent and Trademark Office will be based exclusively on the written record in the Office. No attention will be paid to any alleged oral promise, stipulation, or understanding in relation to which there is disagreement or doubt.