



BLO/203/06

21 July 2006

## PATENTS ACT 1977

APPLICANT	Bruker SA
ISSUE	Whether patent number EP0697600 and should be restored under section 28
HEARING OFFICER	G J Rose'Meyer

---

## DECISION

### Introduction

- 1 This decision concerns whether the patent in suit should be restored following a failure to pay a renewal fee.
- 2 The renewal fees in respect of the ninth year of the patent fell due on 17<sup>th</sup> August 2003. The renewal fee was not paid by that date or during the six months allowed under section 25(4) upon payment of the prescribed additional fees. The patent therefore lapsed on 17<sup>th</sup> August 2003. The application for restoration of the patent was filed on 14<sup>th</sup> March 2005, within the nineteen months prescribed under rule 41(1) (a) for applying for restoration.
- 3 After consideration of the evidence filed in support of the application for restoration, the applicant was informed that it was the preliminary view of The Patent Office that the requirements for restoration, as laid down in section 28(3), had not been met. The applicant did not accept this preliminary view and requested a hearing.
- 4 The matter came before me at a hearing on 22<sup>nd</sup> May 2006 at which the applicant was represented by Mr. Michael Enskat, of the firm Saunders & Dolleymore.

### The evidence

- 5 The evidence filed in support of the application consists of:
  - a) Two affidavits from Monsieur Bernard Bazille, Chief Executive Officer (CEO) of the applicant, one containing an Exhibit of assignment of intellectual property rights affecting this patent, and

- b) Three affidavits from Monsieur Hugues Phelip, CEO of Hightechcare SA
- 6 On 4<sup>th</sup> January 2002, Bruker SA (the applicant for restoration) signed an agreement under French law with Hightechcare SA (“Hightechcare”) to assign various assets, including the patent in suit.
- 7 The terms of the agreement included paying for the patent in installments, with the final installment being due on 31<sup>st</sup> December 2003.
- 8 Shortly after the agreement was signed, M. Phelip for Hightechcare contacted the Patent Department of Bruker SA to ask for the files of all the intellectual property he had acquired, but was told that Bruker SA would not release the files until after the final payment had been made in December 2003.
- 9 The agreement contained no mention of whose responsibility it was for paying renewal fees in the period until the final installment had been paid. As a result of this Bruker SA believed the new owners Hightechcare were to pay the renewal fees. M. Phelip of Hightechcare on the other hand believed Bruker SA would see to renewals because they had retained the files.
- 10 For the ninth year renewal in suit, M. Bazille CEO at Bruker SA received the UK Patent Office reminder letter (PREN 5 EP) under cover of a compliment slip from his French Patent attorneys and asked his secretary to forward it on to Hightechcare with a compliment slip of its own. There was no further explanation of these forwarded documents.
- 11 M. Phelip received the PREN 5 EP from Bruker SA, but not being conversant in the English language, assumed it to be confirmation that the renewal fee had been paid, not a reminder that it still *had* to be paid.
- 12 In preparation for administrating his acquired patents, M. Phelip had made contact with a Patent attorney to ensure future instructions for renewals were catered for and in early 2004 he appointed a proficient Technical Manager to oversee patent renewal matters. The Technical Manager actually left in June 2004 after which M. Phelip took over responsibility for patent renewals.
- 13 It was only after Bruker SA received notification of the ceasing of the patent from the UK Patent Office (letter CEA 1 EP) that they realized there was a problem. They passed the CEA 1 EP and the files to Hightechcare in April 2004 after confirmation of final payment of the assignment agreement.
- 14 Bruker SA filed the application for restoration because they are still recorded as proprietors of the patent in the UK and any assignment lodged at the UK office cannot be effected on a ceased patent until it is restored.

### **Assessment**

- 15 Section 28 (3) states:

*If the comptroller is satisfied that –*

- (a) *the proprietor of the patent took reasonable care to see that any renewal fee was paid within the prescribed period or that that fee and any prescribed additional fee were paid within the six months immediately following the end of that period,*

*the comptroller shall by order restore the patent on payment of any unpaid renewal fee and any prescribed additional fee”*

- 16 In accordance with Section 28 (3), I have to determine whether or not the patentee took “reasonable care” to see that the ninth year renewal fees were paid on the patent in suit. In deciding this matter it is helpful to bear in mind the following direction given by Aldous J in *Continental Manufacturing & Sales Inc’s Patent* [1994] RPC pages 535 to 545:
- “The words “reasonable care” do not need explanation. The standard is that required of the particular patentee acting reasonably in ensuring that the fee is paid”.
- 17 The “particular patentee” in this instance throughout the entire renewal window in which the ninth year renewal could have been paid was Hightechcare. The agreement with Bruker SA was signed on 4<sup>th</sup> January 2002. A clause in the agreement stipulates that from the day the agreement was signed, the patent in suit is assigned to Hightechcare.
- 18 The renewal window on this patent ran from the date prescribed by rule 39(1) to pay the fee early of 17<sup>th</sup> May 2003 until the six months after the due date for renewal (17<sup>th</sup> August 2003) allowed by section 25(4) i.e. 17<sup>th</sup> February 2004.
- 19 In *Whiteside’s Patent*, BL 0/44/84 it was established that the responsibility for taking reasonable care to see that the renewal fees are paid falls to the actual proprietor at the time the fees could have been paid and not the registered proprietor if different.
- 20 So it is the actions of Hightechcare which are most relevant to my considerations. In spite of the fact that there was a separate arrangement for payment in installments ending on 31<sup>st</sup> December 2003 which led to Bruker SA retaining the files for the patent, it was not in my view their responsibility to pay the renewal fees. That does not of course mean that their actions are not relevant to the surrounding circumstances of this case.

*The misunderstanding*

- 21 At the hearing and indeed in correspondence, Mr. Enskat summarized the need for an application for restoration as being caused by “a misunderstanding” between Bruker SA and Hightechcare and I think the evidence shows this is clearly the case.

- 22 On the face of it the reason for the “misunderstanding” is obvious. An agreement to assign the patent was signed and a period for payment for such was put in place covering in effect nearly two full years. But no specific arrangements for maintenance of the patent were put into place, which is surprising. What is not surprising is that this led to confusion.
- 23 However, on a superficial assessment of those facts, and taking into consideration the guidance in *Advocat Giovanni Gozzo AB’s Patent* (BL O/150/95) that it is the responsibility of a person acquiring a patent to take steps to discover the true position regarding renewal, my decision is clear. The application for restoration should fail. It was clearly M. Phelip’s responsibility to find out the renewal arrangements, not to rely on assumptions.

*The official renewal reminders*

- 24 If the matter rested there, then the above decision would stand. However having made the assumption in early 2002 that Bruker SA would renew the patent, it was argued that the situation could have been salvaged, had it not have been for the actions, albeit inadvertent, of Bruker SA.
- 25 Hightechcare, the evidence shows, was effectively at the time the assignment agreement was signed, a one man business, with M. Phelip as the only person involved. It is long established that it is reasonable for an individual in a small way of business to rely on the official renewal reminders issued by the office – see *Ling’s Patent and Wilson and Pearce’s Patent*, [1981] RPC 53.
- 26 Although he made no definite inquiries regarding the precise renewal position of the patent in suit, the evidence shows that the official reminders (the PREN 5 EP) he could have relied on were issued by the Office and sent to the registered proprietors recorded on the UK register at the time, i.e. Bruker SA. The evidence from M. Bazille states clearly that within Bruker SA it was the responsibility of the Head of the Research and Development (R & D) Department to decide whether renewal fees on Patents are paid or not. He would then inform the Patents Department one way or the other.
- 27 However, regarding the patent in suit, the PREN 5 EP was dealt with directly by M. Bazille himself without reference to the Head of R & D or the Patent Department. In this instance M. Bazille instructed his secretary to pass on the PREN 5 EP to M. Phelip at Hightechcare with nothing more than a compliment slip. As the CEO of Bruker SA and being fully aware of the sale of the patent to Hightechcare, this was perhaps an understandable action, however, it was argued by Mr. Enskat at the hearing that this led directly to the failure to renew.
- 28 He argued that firstly if Bruker SA had not intended to pay the renewal fees themselves, they should have instructed their French patent attorneys to direct all future correspondence to Monsieur Phelip rather than to them. They conspicuously failed to do this. Secondly, the intervention of M. Bazille in intercepting the forms PREN 5 EP and sending it without narrative nor indeed any covering correspondence from the French attorneys directly to Monsieur Phelip, who could not understand English, led to Monsieur Phelip believing

that they were merely confirmations that the renewal fees had been paid by Bruker SA. Had M. Bazille allowed his Patents Department to handle the reminder they would undoubtedly have had more time to explain to M. Phelip their significance, and that they were not going to pay the fee, and he was expected to pay the fees plus the overdue fine.

29 Indeed M. Phelip confirms this in his evidence. He says that although he is not conversant in the English language, he did not go to the trouble of translating the PREN 5 EP because he thought it was confirmation of renewal, rather than a reminder to renew. This second assumption was based of course on his earlier (unknown to him at this point) incorrect assumption that Bruker SA had taken on renewal responsibilities for the ninth year renewal of the patent.

30 Mr. Enskat told me at the hearing that M. Phelip was a former employee of Bruker SA and was aware that it had a professional and highly effective Patent Department. So in these circumstances knowing that they were retaining the patent files, he felt secure in the knowledge that they would not let the patents lapse because it was clearly in all their best interests not to.

### **The Decision**

31 I accept these arguments as being entirely plausible. In saying that I am not blind to the fact that it might have been prudent for M. Phelip to translate the documents he received from Bruker SA, but in the circumstances of the background to this case and on balance I think it was entirely reasonable that he did not. To have done so would have gone beyond “reasonable” action in my view and that is not what the law requires. He had no reason to believe the Bruker SA Patent Department would do anything other than maintain the patent in the interests of both parties, even though he should perhaps have gone further in establishing this.

32 It should be noted here that it is the *ninth* year renewal of this patent at issue. It is worth restating the relevant period for renewal at this point. It ran from 17<sup>th</sup> May 2003 until 17<sup>th</sup> February 2004. The assignment agreement was signed in January 2002. Bruker SA retained the files from January 2002 until they finally released them to Hightechcare in April 2004. So Bruker SA retained the files throughout the period that the eighth year of renewal was also due to be paid, as well as the ninth at issue in this application for restoration.

33 All the evidence in this application for restoration relates to the ninth year renewal, because that is the period at issue. However, in my background research for this decision I noted that official records show that the eighth year renewal was paid on 22 August 2002 by Bruker SA.

34 In these circumstances it seems perhaps even more understandable why M. Phelip would have made the assumptions he did for the ninth year renewal, as he had seemingly not been involved in the previous year’s renewals process.

35 All the evidence from M. Phelip suggests that his actions in employing a Patent Attorney and a Technical Manager to administer his patent once it had finally been secured were the actions of a man who acted reasonably to ensure his

patent would be maintained. His misunderstanding ultimately was of the relevant period for which he was legally responsible, but I find that this was caused substantially by the erroneous actions of Bruker SA to whom he had entrusted care of his patent.

### **Conclusion**

- 35 On the evidence before me I am satisfied that the applicant exercised the degree of care to see that the renewal fee was paid which I consider was reasonable under the circumstances relevant to this particular application for restoration. I am therefore satisfied that the requirements in section 28(3) have been met and that restoration should be allowed.
- 36 In accordance with rule 41(4) of the Patents Rules 1995, an order for restoration will be made if, within two months from the date of this decision, the proprietor files a Patents Form 53/77 and fee of £135, together with Patents Form 12/77, duly completed, and the amount of any unpaid renewal fee. The effect of the order will be as specified in section 28A.

**G J Rose' Meyer**

Hearing Officer

Acting for the Comptroller