



**PATENTS ACT 1977**

APPLICANT Pro Challenge Limited

ISSUES

1. Whether Section 117 can be used to include patent no. GB2374329 into an application for restoration for patent nos. GB2351063, EP0440651, GB2317598 and EP0925198 and
2. Whether those same patents should be restored under section 28

HEARING OFFICER Mr. G.J. Rose'Meyer

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**DECISION**

**Introduction**

- 1 On 4 October 2007 a Patents Form 16/77 was received at the Intellectual Property Office ("the Office") requesting restoration of patent nos. GB2351063, EP0440651, GB2317598 and EP0925198. The Form 16/77 requesting restoration was filed along with a Form 21/77 requesting the recordal of an assignment in respect of the same four patents from Multidrive Limited ("Multidrive") to Pro Challenge Limited ("PCL").
- 2 In subsequent dialogue between the assignments section of the Office and the firm of attorney's handling the applications for assignment and restoration, Messrs Marks & Clerk, the Office was informed that a further patent (no. GB2374329) had been omitted in error from attached sheets to the assignment Form 21/77 and the restoration Form 16/77. In a letter from Marks & Clerk dated 11 January 2008, the Office was formally requested to amend both the attached sheets to those two official Forms to include this fifth patent number "in accordance with section 117 of the Patents Act".
- 3 Although the assignment section of the Office made the change to the attachment to the Form 21/77 at that time, this issue only became apparent in the

restoration case much later in August 2008. At that point, the four other patent numbers which *had* been appended to the original restoration Form 16 were facing preliminary objections to the case made by the applicant for restoration of the four patents under section 28.

- 4 In a telephone conversation between the case officer in the Office and Mr Martin JC Lamb of Marks & Clerk on 28 August 2008, the case officer expressed the view that the request to include the fifth patent no. GB2374329 to the list attached to the original restoration Form 16 was unlikely to be allowed under section 117. Mr Lamb asked that it be formally considered along with the other substantive issues for consideration.
- 5 Subsequently on 17 September 2008 Mr Lamb requested a hearing on all *five* cases. On 3 February 2009, Mr Lamb wrote to the Office withdrawing his request for a hearing in person, but instead requested a decision be made on the basis of the papers already on file and of the further written submissions he had enclosed with that letter.
- 6 So it falls to me to decide this case based on the papers on file.
- 7 The issue of inclusion of the fifth patent (GB2374329) into the application for restoration under the terms of Section 117 needs to be decided first. If I find in favour of the applicants, I will go on to include it in my considerations of the case made out for restoration under Section 28 for the other four patents. Marks and Clerk submitted in their request to amend the attachments to Forms 16/77 and 21/77 of 11 January 2008 that the reasons for requesting restoration of GB2374329 are the same as for the other four patents.
- 8 If I find against inclusion of that fifth patent into the application for restoration, I shall only decide the case for restoration on patent numbers GB2351063, EP0440651, GB2317598 and EP0925198.

#### **The case under section 117**

- 9 The letter from Marks & Clerk dated 11 January 2008 states that the omission of patent no. GB2374329 from the sheet attached to Form 16/77 was made "in error" and requests the error be amended "in accordance with section 117 of the Patents Act, to include patent no. GB2374329".
- 10 The only other reference made by the applicants under section 117 is in paragraph 12 of the last written submission of Mr. Lamb of Marks & Clerk enclosed with his letter of 3 February 2009. I reproduce that paragraph below in full:

A request for restoration under section 28 of the Patents Act, relating to UK Patent Nos. GB2317598, GB2351063, EP(UK) 0440651 and EP(UK) 0925198, comprising form 16/77 and accompanying evidence, was filed on 3<sup>rd</sup> October 2007. This was before the end of the period of 12<sup>th</sup> November 2007, set by Rule 41(1) in respect of British patent number GB2374329. It is accordingly requested that form 16/77 filed on that date be amended in accordance with section 117 of the Patents Act to include the patent number GB2374329, in accordance with the letter dated 11<sup>th</sup> January 2008.

11 The reference in the reproduced paragraph to the date set by rule 41(1) of 12<sup>th</sup> November 2007 should in fact be to a date of 30<sup>th</sup> November 2007. The Regulatory Reform (Patents) Order 2004, which came into force on 1 January 2005 brought UK legislation in line with other countries by making the effective date of renewal the *last day* of the *month* in which the renewal date falls. So for patent no. GB2374329, the due date was 30 November 2007. However, nothing in this decision turns on that specific date.

### **The Law – Section 117**

12 The applicant has requested consideration under section 117. The only relevant part of section 117 is section 117(1) which states:

#### **Section 117(1)**

*The comptroller may, subject to any provision of rules, correct any error of translation or transcription, clerical error or mistake in any specification of a patent or application for a patent or any document filed in connection with a patent or such an application*

13 This section is concerned with the correction of errors in specifications and in other documents filed in connection with patents and applications. Prescribed conditions are set out in rule 105, but nothing in this case turns on this rule, hence I do not reproduce it here. Section 117 and rule 105 do not cover failure to file a document within a prescribed period; they are concerned solely with correcting errors *in documents*, and not with procedural errors or omissions, which in my view are the province of rule 107.

14 The error in this case was clearly an error of omission. What the applicant is seeking to do in effect is to submit a Form 16/77 on patent no. GB2374329 in order to make an application for restoration of that patent. It is worth looking at the effect of this should I allow the request under section 117.

15 The original request to do so was first made on 11 January 2008. That date is significant in terms of the reference made by Mr Lamb in his submissions reproduced above at paragraph 10 to the date of *12<sup>th</sup> November 2007* and rule 41(1). Rule 41(1) of the Patent Rules 1995 was the rule which was correct at the time of

16 The Patents Rules 2007 (SI 2007 No. 3291) (“the 2007 Rules”) entered into force on 17 December 2007. These Rules replaced the Patents Rules 1995 (“the 1995 Rules”). The relevant rules in force at the time these applications for restoration were made (i.e. 4 October 2007) were the 1995 Rules. All references to rules in this decision are therefore references to those rules as set out in the 1995 Rules.

17 Rule 41(1) states:

**41.—(1)** *An application under section 28 for the restoration of a patent—*

*(a) may be made at any time during the period ending with the thirteenth month after the end of the period specified in section 25(4);*

*(b) shall be made on Patents Form 16/77 supported by evidence of the statements made in it;*

*and the comptroller shall publish in the Journal notice of the making of the application.*

18 The period of 13 months prescribed by rule 41(1) in which an application under section 28 could have been made in the case of patent no. GB2374329 ended on 30<sup>th</sup> November 2007. That period is specifically non-extendable by means of Schedule 4A Part 1 of the 1995 Rules. This says:

#### SCHEDULE 4A

#### ALTERATION OF TIME LIMITS

#### PART 1

#### PERIODS OF TIME THAT CANNOT BE ALTERED

rule 6(2)(b) (declaration of priority for the purposes of section 5(2) made after the date of filing)

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***rule 41(1) (application to restore a lapsed patent) [My emphasis]***

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19 The request under section 117 was only received on 11 January 2008, well outside the period allowed by rule 41(1).

20 If I were to allow the request under section 117, I would in effect be extending a period which by specific provision of the law cannot be extended. This clearly is not permissible. I therefore refuse the request under section 117 to amend the additional sheet attached to Patents Form 16/77 filed on 4 October 2007 to include the patent number GB2374329.

## **Consideration under section 28**

21 As I have refused the request under section 117, I shall now only consider the applications to restore patent numbers GB2351063, EP0440651, GB2317598 and EP0925198 under section 28.

### **Introduction**

22 This decision concerns whether the four patents in suit should be restored following a failure to pay a renewal fee on any of them. The fees fell due on the following dates in the following years of renewal for the respective patents:

- GB2351063 on 15 June 2006 in its eighth year
- EP0440651 on 15 June 2006 in its eighteenth year
- EP0925198 on 8 September 2006 in its tenth year
- GB2317598 on 26 September 2006 in its eleventh year

23 For the reasons given above at paragraph 11, for the four patents in suit, the fees were due by 30 June 2006 for two of them and 30 September 2006 for the other two.

24 The renewal fees were not paid by the due dates on any of the patents nor during the subsequent 6 months period of grace allowed for late payment (with fines) by virtue of section 25(4). The applications for restoration were filed on 4 October 2007, well within the period allowed under rule 41(1)(a) for all four of the subject patents.

25 After considering the evidence filed in support of the application for restoration, the Office came to the preliminary view that the requirements for restoration had not been met. As a result, as can be seen from paragraph 5 above, eventually a decision from the papers on file was requested.

### **The evidence**

26 The following evidence was filed in support of the application to restore these patents:

- Two witness statements dated 12 September 2007 and 18 November 2008 from Nigel Morrison of Grant Thornton UK LLP (“Grant Thornton”). Grant Thornton was appointed Joint Administrator of Multidrive in January 2006.
- A witness statement from John Keith Cameron (undated) a consultant engaged by PCL
- A witness statement dated 20<sup>th</sup> June 2008 from Martin JC Lamb of Marks & Clerk. Mr Lamb also filed a number of written submissions during the

prosecution of this case and a document entitled "Written Submission" accompanying his letter of 3 February 2009 cancelling his original request for a hearing. I took this to be his final summary and submissions on these proceedings.

- Various Annexes accompanied the witness statements.

### **The facts of the case**

27 The following facts emerge from the evidence:

- Multidrive, via Marks & Clerk, engaged the firm of Computer Patent Annuities ("CPA") to handle its patents renewals.
- In January 2006, Grant Thornton were appointed as Joint Administrators of Multidrive. Mr Morrison was one of the Administrators. That month, Marks & Clerk sent Mr Morrison a list of Multidrive's patents and applications with deadlines for payment of renewal fees. Considerably more than just the details of the four patents in suit were included in this document. Mr Morrison's witness statements do not refer to this list, but the list is Annexed to the witness statement of Mr. Lamb and referred to in the witness statement of Mr Cameron.
- Although Mr Morrison makes no reference to this event in his evidence, Mr Lamb and Mr Cameron concur that Mr Morrison requested CPA in February 2006 to amend its records so as to send renewal reminders to him, at Multidrive's address in Gloucestershire. This CPA duly did, but the evidence shows that only one of six reminders (one dated 19 June 2006) sent to that address by CPA between April 2006 and October 2006 actually found its way to Mr Morrison.
- Mr Morrison states that the reminder he received from CPA in June 2006 did *inter alia* concern the payment of renewal fees for the four patents in suit, but that he no longer had copies of that reminder. (Mr Lamb appended a reproduction of that reminder to his witness statement). Mr Morrison also states that he understood at the time that the renewal fees for the four patents could be paid some time after June 2006 and that he would receive further reminders from CPA relating to the payment of fees before any *final* due date. He also states that if a third party had made an offer to purchase the patents at the time the renewal fees were due, he would have paid the renewal fees, but no offer had been made, so he was unable to pay the renewal fees.
- Mr Morrison wrote in July 2006 to CPA asking for any further correspondence to be sent directly to him at the Bristol address of Grant Thornton, the Gloucestershire address of Multidrive now no longer being in use. The evidence shows that letter was not received by CPA. Mr Morrison received no further reminders from CPA about the four patents.

- At the time when Mr Morrison received notification from CPA in June 2006 about the requirements for renewal of the patents, he states he was in no position to pay the renewal fees and was unable to determine whether the patents had any value to the Administrator.
- Mr Morrison (Grant Thornton) was responsible for all four of the patents throughout the period when they became due for renewal (including the 3 months allowed for early renewal) and up until the time they could be renewed late with fines during the subsequent 6 months allowed for late payment by virtue of section 25(4) – i.e. from March 2006 for the two patents due June 2006 until March 2007 for the two patents due September 2006). At no time during this period does the evidence show any monies were available for the payment of renewal fees on any of the subject patents
- The patents were assigned to PCL with effect from 18 June 2007, after the due renewal dates for all of the subject patents (including all extensions).

## **The arguments**

### The applicants' arguments

- 28 The applicants argue that the failure to pay the renewal fees on time in the case of all four patents was unintentional. They say it can be seen in the actions of the Administrator who was responsible for the care of the patents throughout the relevant periods for all of them, that it was never intended to let any of the subject patents lapse.
- 29 It is argued that Mr Morrison always intended to pay the renewal fees and was prevented from doing so by forces beyond his control, namely
- A lack of immediate funds
  - The absence of any warning as to the final deadlines for payment on each patent
- 30 It is further submitted that had Mr Morrison received the final reminders he was expecting from CPA, he would have reviewed the value of the patents.
- 31 My attention was also drawn to a Canadian patent owned by Multidrive which was renewed in June 2007 just before the assignment to PCL was completed. It is argued this demonstrated both the Administrator's and PCL's intention to maintain Multidrive's patents. I was also alerted to two cases in Australia and one in South Africa where patents corresponding to two of the subject patents were restored in those countries ostensibly on the same facts as presented in this case.

### The Office's view

- 32 The Office's preliminary view in short was to accept that the Administrator may have had the general intention to pay the renewal fees. However, as he stated in

evidence, Mr Morrison was aware as of June 2006 that renewal was due on all four patents some time after June 2006. He expected to receive further reminders from CPA as to the final deadlines for payment but unfortunately this never happened. So while he may never have been aware of the final due dates for paying the renewal fees, he was aware that after June 2006, all would finally lapse at some point. He also knew as of that date that no funds were available to pay the fees. Thus he was aware after June 2006 that the renewal fees had not been paid (he was the only one in a position to pay them), hence being conscious of that fact, their lapse could not have been unintentional.

### **The Law – Section 28**

33 Section 28(3) of the Patents Act 1977 states:

*If the comptroller is satisfied that the failure of the proprietor of the patent –*

*(a) to pay the renewal fee within the prescribed period; or*

*(b) to pay that fee and any prescribed additional fee within the period of six months immediately following the end of that period,*

*was unintentional, the comptroller shall by order restore the patent on payment of any unpaid renewal fee and any prescribed additional fee.*

### **The analysis and findings**

35 The essential determination to be made under section 28(3) is that the Comptroller shall restore the application if he is “satisfied that the failure ... [to pay the renewal fee]...was unintentional”. It is important that the meaning of this requirement is read and understood in totality.

36 It is tempting to merely look at the word “unintentional” and decide whether the evidence demonstrates that the circumstances surrounding the facts of the case were unintentional or beyond the applicants’ control. This is not the test. The determination is not to be reached by examining the general surrounding circumstances but rather what the reasons were in specific relation to the failure to renew the patents on time and then whether the failure was unintentional.

37 It is clear from the evidence supplied that from the point at which Mr Morrison as Administrator for Multidrive became aware of *inter alia* the patents in suit, he attempted to ensure he was kept aware of their status in terms of renewal requirements. Mr Morrison was availed of these facts on two occasions – in January 2006 in a list sent to him by Marks & Clerk and in the one CPA reminder that found its way to him in June 2006.

38 However, Mr Morrison is not a patent expert and the list and reminder, whilst clearly setting out the due dates for renewal of each of the four patents in suit, were not explicit on when the *final* fees had to be paid on all the patents. Hence



Mr Morrison's less than perfect understanding that the four patents could be paid "some time after June 2006".

- 39 What is also clear from the evidence is that Mr Morrison was aware that in June 2006 and throughout the relevant period in which all the renewal fees could have been paid, Multidrive had no capital with which to maintain any of the subject patents. He states that he intended to review the value of the patents upon reminders from CPA, but as has been demonstrated, these never arrived after June 2006. He also states in his evidence that if a third party had made an offer to purchase the patents at the time the renewal fees were due, he would have paid the renewal fees. But no such offer transpired within the relevant period for any of the patents, so he was unable to pay the renewal fees.
- 40 Mr Morrison also states clearly that he "did not form the intention to allow the subject patents to lapse". But does that necessarily lead to a finding that the failure to pay the renewal fees was unintentional?
- 41 It seems to me that a global assessment of the evidence does not point to the failure to file the renewal fees on time as being unintentional.
- 42 Whilst I can accept that Mr Morrison as the Administrator for Multidrive had a general underlying intention to maintain the patents in suit, following *Anning's Application* [2007] EWHC 2770 (Pat) it is established that a demonstration of underlying intention will not necessarily be followed by a finding that the failure to comply was unintentional.
- 43 Mr Morrison was aware he could not pay the renewals on any of the patents, but he was not specifically aware of the final deadlines for doing so. The argument has been presented that because he took steps to avail himself of these dates this demonstrates his intent not to let the patents lapse. The fact that he was never alerted to the relevant dates was due to circumstances beyond his control and as such his intention was always to renew the patents.
- 44 It seems to me that in the absence of knowledge of the specific final dates for payment of the fees on all four patents, Mr Morrison was nevertheless aware that a final due date did exist for each patent. His evidence is quite clear about this at several points. He made attempts to avail himself of these dates on two occasions, albeit unsuccessfully as it transpired. So in the knowledge that the fees all had to be paid at some point after June 2006, Mr Morrison was perfectly aware that the lack of funds available to him would mean that unless a third party had made an offer to purchase the patents at the time the renewal fees were due, he was unable to pay the renewal fees.
- 45 No such purchaser appeared during the relevant period, the assignment to PCL taking place only in June 2007, after the relevant period for all of the subject patents.
- 46 It follows then that this knowledge of the inability to pay the renewal fees, coupled with the knowledge (albeit non-specific) that final deadlines for all the patents existed, meant that Mr Morrison was conscious the eventual sequential lapse of

the patents was inevitable. As such the failure to pay the renewal fees within the prescribed period could not have been *unintentional*.

47 What was clearly unintentional or beyond his control were the reasons for Mr Morrison not becoming aware of the specific final dates for all four patents. Mr Morrison clearly did not intend for his letter to CPA in February 2006 not to be received by CPA, or for CPA's renewal reminders not to reach him after June 2006. Although it is fruitless to speculate what might have happened if Mr Morrison had become aware of the specific final dates for paying the renewal fees on all four patents, I note that Mr Morrison is careful to say no more in his evidence than he "would have reviewed the value of the subject patents" in those circumstances. Reviewing the value of the patents is not paying their renewal fees. I note Mr Morrison also says that if a third party had made an offer to purchase the patents at the time the renewal fees were due, he would have paid the renewal fees. But no offers transpired until the PCL assignment in June 2007, so it seems as the final dates of the four patents lapsed (two on 31 December 2006 and two on 31 March 2007), no funds would have been available to pay the renewal fees (with fines) in any event.

48 I accept that the evidence shows Mr Morrison's underlying intention was to renew the patent, but the consequence of not knowing final dates by which he had to do so, or having the funds to do it led to the failure to comply with Section 28(3). The fact that this consequence was not the intended one does not mean that the failure to renew the patents on time was unintentional. Once again I derive support for this approach from *Anning*, in which the court considered (in a different context) the "unintentional" test and the distinction between an unintentional failure to do something and an unintended consequence of that failure. The court was clear that the test is not concerned with looking at the unintentionality of a consequence which follows from the failure to do the required thing, but solely about the unintentionality of the failure to do the thing itself.

49 In this case, I find that the failure to do the thing itself (i.e. to pay the renewal fees on time) was not unintentional.

50 Lastly I will briefly deal with the Canadian, Australian and South African references (see paragraph 31 above) I was alerted to. On the facts as I have them, I note that the Canadian case was renewed just days prior to the assignment to PCL in June 2007. This demonstrates PCL made funds available for this particular patent and may well indicate they would have done the same had they been available at the correct junctures for the patents in suit, but they were not. On the other cases in Australia and South Africa, I am not aware of the full circumstances behind these cases and therefore decline to comment any further.

## **Conclusions**

51 I conclude that the request under Section 117 to amend the additional sheet attached to Patents Form 16/77 filed on 4 October 2007 to include the patent number GB2374329 is refused.

52 Neither am I am satisfied that based on the evidence placed before me, the failure of the applicants for restoration to renew patent numbers GB2351063, EP0440651, GB2317598 and EP0925198 to on time or during six month grace period for late renewal (with fines) was unintentional. I therefore refuse these applications for restoration

### **Appeal**

52 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

**G J Rose'Meyer**

Hearing Officer acting for the Comptroller