

PATENT ACT 1977

IN THE MATTER OF applications
under section 28 for restoration of
patent GB2326226 in the name of
Mr Glen R Sumner

DECISION

Background

1. The renewal fee in respect of the fifth year of the patent fell due on 25 March 2001. The 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 25 March 2001. The application for restoration of the patent was filed on 4 December 2001, within the 19 months prescribed under rule 41(1)(a) for applying for restoration. After considering the evidence filed in support of the application for restoration an official letter was sent to the proprietor, Mr Glen R Sumner on 4 September 2002 informing him 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. Mr Sumner did not accept this preliminary view and requested a hearing. The matter came before me at a hearing on 14 March 2003.
2. Mr T Brand assisted by Mr S Bradbury of W.P. Thompson & Co. represented Mr Sumner. Mr I Sim attended on behalf of the Patent Office.
3. The evidence filed in support of the application consists of three affidavits by Mr Sumner dated 26 November 2001, 28 March 2002 and 9 July 2002. A witness statement was also submitted with my permission by Mr Brand after the hearing.

The Facts

4. Mr Sumner originally used the services of a firm of US patent attorneys to handle the prosecution of his patents, including the application for the subject patent. However, in August 2000 the firm of attorneys merged with another firm and, because of a conflict of interests with other clients, had to sever its links with Mr Sumner. Rather than engage another US attorney, Mr Sumner decided to employ a UK firm of patent agents, namely W.P. Thompson & Co. (Thompson & Co.) to continue prosecuting his UK patent application.
5. On 24 October 2000 the Patent Office sent Mr Sumner, c/o Thompson & Co., a letter notifying him that his patent application complied with the requirements in the Patents Act and Rules and that he was therefore granted a patent. At the hearing Mr Brand was confident that his firm would have forwarded the letter to Mr Sumner. The letter indicated that the patent had been granted for the purposes of sections 1-23 of the Act as from the date of the letter and that the patent would be treated for all later sections of the Act as having been granted from 22 November 2000 which was the date it was to be published. The letter went on to say that the certificate of grant would be sent with the specification to Mr Sumner shortly after publication. It also included an

“Important” note about the need to pay annual renewal fees and that the first such fee was due on the fourth anniversary of the date of filing the application.

6. On 2 November 2000 Thompson & Co. sent a letter to Mr Sumner also informing him that his patent was due to be granted on 22 November 2000 and that the certificate of grant would be forwarded to him shortly after. The letter explained that the first renewal fee would be due on 25 March 2001 and that Computer Patents Annuities (CPA), a well-known patent annuity paying agency, would send him reminders when the fee was due and would pay the fee on his instructions. Mr Sumner says that instead of placing the letter in his “action” file he placed it unopened in his “holding” file where he put notices or duplicate copies that only needed to be filed in the appropriate case file. He says it was his practice to sort through the holding file later when he had the time to do so.
7. On publishing the patent, the Patent Office sent the certificate of grant and the patent specification to Mr Sumner, c/o Thompson & Co. It would appear that Mr Sumner received those documents judging from the comment in his final affidavit in which he says he received a copy of the patent.
8. In addition to these letters, Mr Sumner admits he received several letters from CPA, However, he says he only kept the CPA letter of 26 April 2001. The letter read:

“OFFICIAL REMINDER - NON-PAYMENT OF FEE

Country Name:	Great Britain
Type Name:	Patent
Patent No.:	2326226
Renewal date:	25 Mar 2001
Next Annuity:	05
Proprietor:	Sumner, Glen R.

“We enclose an official reminder received from the Patent Office in connection with this case. Although we have been sending our usual reminders, we have not yet received your instructions to renew or abandon. If you do wish to keep the case in force, please contact us as soon as possible.”

9. The official reminder enclosed with CPA’s letter of 26 April 2001 was the reminder notice the Patent Office is obliged to issue under rule 39(4). That notice, which was sent to Thompson & Co. and forwarded to Mr Sumner via CPA, also stated that the renewal fee was due on 25 March 2001 and indicated that it could be paid with extension fees within six months from that date. Unfortunately, following receipt of CPA’s letters Mr Sumner took no action to pay the renewal fee.
10. It was not until Mr Sumner looked through the papers in his holding file on 19 October 2001 that he eventually opened the envelope that contained Thompson & Co.’s letter of 2 November 2000 and realised that the renewal fee had not been paid and the patent ceased.

Applicant's arguments

11. Mr Sumner says that the reason he placed Thompson & Co.'s letter of 2 November 2000 in his holding file, without taking it out of its envelope, was that he was accustomed to receiving communication from his US attorney and Thompson & Co. by fax which were followed by confirmation copies. Consequently, he says he did not immediately open the letter believing it to be a letter he had already received by fax.
12. In support of his argument, Mr Sumner refers in his affidavit of 9 July 2002 to five letters Thompson & Co. sent to him by fax between 8 September and 2 October 2000 all of which were followed by mailed confirmation copies. Mr Brand said that all the correspondence his firm sent to Mr Sumner prior to 2 November 2000 was by fax and totalled nine letters the originals of which were sent by normal mail.
13. In his affidavit of 9 July 2002, Mr Sumner says that when he received a copy of the patent, by which I assume he means the certificate of grant and patent specification, it came as a surprise because he had not seen any prior communication about it from Thompson & Co. He also says that, although it had a formal cover, the text was typed and had hand corrections. He says he was still therefore waiting for final publication and this contributed to his failure to expect a reminder notice about paying the fifth year renewal fee.
14. Mr Sumner says that the reason he did not respond to the reminder notices from CPA was that he was expecting reminders to come direct from Thompson & Co. and was unaware that they had engaged CPA to remind him when to pay, bearing in mind that he did not open Thompson & Co.'s letter of 2 November 2000 until 19 October 2001. He says he "did not read the notices carefully" and so did not recognise their importance and viewed them as unsolicited mail promoting CPA's services. With regard to CPA's letter of 26 April 2001, he concluded that it related to his abandoned UK patent and effectively treated it as "clutter" and placed it in the file for the abandoned patent.
15. At the time he received the CPA letters Mr Sumner says he was experiencing many constraints on his time due to protracted negotiations with another company regarding his patent portfolio. He also says that his financial position was such that he could not afford to employ a secretary and so had to manage his portfolio and administer his company himself.
16. Mr Brand sought to persuade me that Mr Sumner's failure to pay the renewal fee boils down to an isolated case of human error in not opening the letter from Thompson & Co. which explained that CPA had been engaged to send him reminders when to pay the renewal fees. As Mr Sumner was therefor oblivious to the fact that Thompson & Co. had instructed CPA to send him renewal reminders and as he was used to receiving junk mail from organisations offering patent services, Mr Brand argued that it was reasonable for Mr Sumner to view the reminders from CPA as unsolicited mail.

Assessment

17. Section 28(3) provides:

“If the comptroller is satisfied that 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”

18. It follows that the proprietor has to satisfy me that he took reasonable care to see that the fifth year renewal fee was paid. The term “reasonable care” is not defined in the Act or Rules. However, in making my assessment, it is helpful to bear in mind the following statement 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.”

19. Therefore, it is important that I take into account all the surrounding circumstances and decide in light of those circumstances whether reasonable care has been taken. In determining this matter it would help if I looked at each of the relevant correspondence in turn and the action or inaction by Mr Sumner in each case.

Patent Office letter of grant 24 October 2000 and certificate of grant and specification

20. Mr Sumner does not refer in his affidavits to the Office’s letter of 24 October 2000 though Mr Brand was confident that Thompson & Co. would have passed it on to him. That letter was not included among the letters that Thompson faxed to Mr Sumner prior to 2 November 2000 copies of which were attached to Mr Brand’s witness statement of 30 March 2003. This suggests that not all correspondence sent before 2 November 2000 was sent by fax which undermines Mr Sumner’s argument for effectively ignoring Thompson & Co. letter of 2 November 2000.
21. I find it a little strange for Mr Sumner to say that because he had not seen any prior communication from Thompson & Co. about the patent he was surprised to receive a copy of the patent. The letters Thompson & Co. sent to Mr Sumner by fax prior to him receiving the certificate of grant and specification, copies of which are exhibited with Mr Brand’s witness statement, referred to the impending grant of the patent. The last letter, dated 13 October 2000, included the following statement “the case is to proceed to grant in the form we have lately proposed.”
22. If, as seems to be the case, Mr Sumner did receive the letter of grant and certificate of grant, then if he had read them properly he would have been left in no doubt that his patent had been granted, that he had to pay renewal fees and that the first renewal fee fell due on the fourth anniversary of the filing date, i.e. 25 March 2001.

W. P. Thompson & Co.'s letter of 2 November 2000

23. Mr Sumner says he did not open Thompson & Co.'s letter of 2 November 2000 because he was accustomed to receiving all correspondence from Thompson & Co. by fax and confirmation copies by normal post. He therefore assumed it was a copy of a letter he had received earlier by fax. While this explains why Mr Sumner did not open the letter it does not mean that his action was reasonable. As I have discussed above, it would appear that Thompson & Co. did send some mail to Mr Sumner by normal post only, notably the letter of grant. Even if he was accustomed to Thompson & Co. sending correspondence by fax and confirmation copies by post later, to simply assume that all envelopes with Thompson & Co. printed on the outside contained correspondence he had already received by fax and not bother opening them was risky to say the least.
24. I appreciate Mr Sumner was under pressure at the time. However, he was clearly carrying on with other business activities, including negotiations with a prospective partner. As such, I find it difficult to accept that he did not have time to open an envelope which he knew was from Thompson & Co. and so was probably something to do with his patent on which he needed to pay renewal fees as he had previously been advised.
25. Taking these factors into account, I am not persuaded by Mr Brand's argument that the circumstances were such that it was reasonable for Mr Sumner not to open the letter from Thompson & Co. and simply file it away.

CPA reminders

26. Mr Sumner admits he opened CPA's reminder letters but viewed them as "junk" mail. No copies of these reminders have been supplied with the evidence. However, I am familiar with what CPA's reminders look like. They are clearly marked with the word "Renewal Reminder Notice" and give the patent number, the proprietor's name, the renewal due date and the amount to be paid. As such, I find it hard to see how anyone could view them as anything other than serious correspondence. To repeatedly dismiss them as "junk" mail suggests that Mr Sumner could not have given them much more than a cursory glance and did not take time to read them properly which is hardly conducive to taking reasonable care. At the very least, if there was any doubt in his mind he could have checked with Thompson & Co. before disregarding them. I find it difficult to accept therefore that it was reasonable for Mr Sumner to treat CPA's reminders as junk mail. By viewing them in such a way Mr Sumner failed to take sufficient care to read them properly.

CPA letter of 26 April and accompanying Patent Office reminder

27. Mr Sumner says he thought this letter related to his other patent which he had abandoned. At the hearing Mr Brand qualified this by saying that Mr Sumner viewed the letter as junk mail relating to that other patent. The end result was that Mr Sumner placed the letter in the file for his abandoned patent without taking any action.
28. I have difficulty understanding why Mr Sumner could have viewed the letter as junk

mail when it was headed in capital letters: "OFFICIAL REMINDER - NON-PAYMENT OF FEE" and referred to an enclosed official reminder from the Patent Office. Moreover, if Mr Sumner had looked at the Patent Office's reminder, which was on Patent Office letter headed paper, he would have seen that it was addressed "c/o W. P. Thompson & Co.". Had he taken care to look at that letter, it would have been evident that it was an important official notification from the Patent Office which had been forwarded by his UK agent Thompson & Co. I fear that this is yet another example of Mr Sumner failing to take care to read correspondence relating to the payment of renewal fees on his patent.

29. For someone with an existing patent portfolio who would have been used to receiving renewal reminders, albeit from other agencies, Mr Sumner's treatment of the letters he received from CPA seems careless or even cavalier. I appreciate that, because he had not opened Thompson & Co.'s letter of 2 November 2000, he was unaware that CPA had been engaged to send him reminders. However, I cannot accept Mr Brand's argument that it was reasonable for him to then dismiss anything he received from CPA, which specifically referred to paying renewal fees on his patent, as junk mail.

Conclusion

30. I fully appreciate the pressure Mr Sumner would have been under at the time the fifth year renewal fee fell due and he certainly has my sympathy. However, that does not absolve him from taking reasonable care to see that the fee was paid. For the reasons I have outlined in my above, I am not persuaded that his omission to pay the renewal fee can be put down to an isolated case of human error which was reasonable in the circumstances. To the contrary, it was a repeated failure by Mr Sumner to take reasonable care to read the correspondence he received about paying the fifth year renewal fee, notably the Patent Office letter of 24 October 2000, the certificate of grant and specification, Thompson & Co.'s letter of 2 November 2000, CPA's reminders and CPA's letter of 26 April 2001 and the accompanying rule 39(4) reminder notice.
31. It follows that I am not convinced that the proprietor exercised reasonable care to see that the fifth year renewal fee was paid and so I am not satisfied that the requirements in section 28(3) have been met. Accordingly, I must refuse the application for restoration.

Appeal

32. Under rule 52 of the Civil Procedure Rules the appeal period is 14 days unless I direct a different period. I see no reason to do so in the present case, and accordingly any appeal must be lodged within 14 days.

Dated this 17th day of April 2003

M C Wright
Assistant Director, acting for the Comptroller
THE PATENT OFFICE

