

## **PATENTS ACT 1977**

IN THE MATTER OF application  
under section 28 for restoration of  
patent GB2309156 in the name of  
Vatina Services Limited and Jonathan King

### **DECISION**

#### **Background**

1. The renewal fee in respect of the fifth year of the patent fell due on 26 October 1999. 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 26 October 1999. The application for restoration of the patent was filed on 5 December 2000, 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, Ms Carletta du-Rose on 18 November 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. Ms du-Rose did not accept this preliminary view and requested a hearing. The matter came before me at a hearing on 12 June 2003.
2. Ms du-Rose attended in person accompanied by Mr James Cross of R. G. Jenkins & Co. Mr Michael Hewlett attended on behalf of the Patent Office. The hearing was held over a video link with Ms du-Rose and Mr Cross located in the Office's London premises, Harmsworth House, and Mr Hewlett and I located in the Office's Newport premises, Concept House.
3. The evidence filed in support of the application consists of seven witness statements by Ms du-Rose dated 11 April 2001, 1 August 2001, 29 December 2001, 13 March 2002, 17 May 2002, 17 December 2002 and 6 June 2003; one witness statement by Mr P Barber dated 1 January 2001 and one witness statement by Mr K. J. Loven dated 10 June 2003. A further witness statement by Ms du-Rose, dated 8 July 2003, which included, as an exhibit, a letter signed by C. M. Painter, the Practice Nurse at Ms du-Rose's GP's surgery, was also submitted with my permission after the hearing.

#### **The Facts**

4. In view of the fact Ms du-Rose, who filed the application for restoration, is not the registered as the proprietor of the patent, it would be helpful if I start by explaining her interests in the patent.
5. The patent was granted on 25 November 1997 to the joint applicants Vatina Services Ltd (Vatina) and Mr Jonathan King who is also the inventor. However, in his declaration of 15 January 2001, Mr Peter Barber, the sole principle of Vatina, says in his statement that on 7 March 1997 Vatina, on behalf of the Vatina and King joint venture, entered into an

agreement with Ms du-Rose. The agreement concerned the marketing and building of a machine of which the invention formed a key component. Mr Barber goes on to explain in his declaration that Mr King subsequently failed to fulfill his joint venture responsibilities, including the repaying of expenses incurred by Vatina. Consequently, Vatina decided to modify the agreement with a supplementary agreement dated 12 August 1997 which sought to assign the patent to Ms du-Rose as she was the only person who had invested capital and work in the invention. Mr Barber says that the absence of any objection to the supplementary agreement from Mr King coupled with his inaction in the venture was an indication of his ratification to the assignment of the patent to Ms du-Rose. To alleviate any doubts in this regard, a "Supplemental Memorandum of Agreement and Business Record in Supplement of those Certain Agreements of 7 March and 12 August 1997" was executed on 11 October 1998 between Vatina and Ms du-Rose transferring the joint venture holdings to Ms du-Rose. Under this agreement Ms du-Rose assumed all liabilities associated with the invention. The Vatina and King joint venture was subsequently dissolved as was Vatina itself.

6. In her witness statement of 11 April 2001, Ms du-Rose says that on acquiring the patent on 12 August 1997 a verbal agreement was reached with Mr Barber whereby he undertook to formally notify Loven & Co. (Loven), the registered address for service for the patent, and the Patent Office of the assignment of the patent application. In her subsequent witness statement of 1 August 2001, Ms du-Rose says she did not take any steps herself to inform Loven or the Patent Office as she deemed that to be Mr Barber's responsibility as per their verbal agreement. In her later witness statement of 29 December 2001, Ms du-Rose says that she believed that, once told about the acquisition, Loven would inform her of the renewal details etc. In her witness statement of 13 March 2002 she says she had no reason to attempt to override Mr Barber by directly contacting the Patent Office herself. However, in her witness statement of 17 May 2002 she says that when she contacted Mr Barber she repeatedly requested evidence to support the schedule of renewal fees and/or filing dates etc . . . in order that I may proceed to contact the Patent Office direct as was originally agreed.
7. Ms du-Rose says in her witness statement of 13 March 2002 that a direct line of contact with Mr Barber was never made available to her although he communicated with her periodically from abroad. In fact, in her most recent witness statement, Ms du-Rose says that Mr Barber spent extended periods of time sailing through France and Spain from 1997 to the present time. Ms du-Rose says that Mr Barber typically reassured her that the patent was in force and not yet due for renewal and that the title of grant would be forwarded to her in good time for filing renewal fees. In the event, Mr Barber never did inform Loven or the Patent Office about the transfer of ownership although he did tell Ms du-Rose that he could not get a reply from Loven when he tried to inform them that he had changed address. Consequently, the certificate of grant and the rule 39(4) renewal reminder notice was sent to Loven. As Loven was not aware that the patent had been assigned to Ms du-Rose they did not forward the certificate or reminder notice to her. Moreover, as explained in Mr Loven's witness statement of 10 June 2003, because Mr Barber had not settled his account with Loven and as they were unable to locate his whereabouts, they did not forward those documents to him either.

8. Ms du-Rose says that she only discovered that the patent had ceased when she accessed the Patent Office's website in December 2000 which prompted her to immediately file her application for restoration. She also says that that was the first time she became aware of the identity of the patent agent, i.e. Loven.
9. At the hearing Mr Cross referred to Ms du-Rose's illness which he said was an additional factor in deflecting her from taking action herself in the absence of any hard documentation from the agent or the Patent Office. Ms du-Rose said she had hospital treatment in January 2000 though she was under consultation before then and did not eventually get the 'all-clear' until October 2000. To support her case, I allowed Ms du-Rose the opportunity to file evidence by a medical practitioner who could clarify how she was affected by her illness. In the event, Ms du-Rose submitted a further witness statement to which she exhibited a letter signed by C.M. Painter, the Practice Nurse at her GP's surgery. In her statement Ms du-Rose explained that, following the birth of her daughter on 7 July 1999, she suffered from sleeping deficiency for almost 12 months due to the child's irregular sleeping patterns. She says this resulted in lack of sleep resulting in lack of concentration and the ability to schedule numerous tasks, simultaneously with a consequential loss of self-confidence. This, she says, made her incapable of continuing with her "customary business existence". The Practice Nurse, in her letter, said that Ms du-Rose had tests in December 1999 followed by treatment throughout the year 2000. The nurse went on to say it was a very traumatic time for Ms du-Rose which "would have no doubt occupied her mind and interfered with day-to-day business."

## Assessment

10. Given the fact that Ms du-Rose has never been recorded as the registered proprietor of the patent I think it is important that I first consider whether in fact she should be regarded as the owner of the patent at the time the fifth year renewal fee could have been paid and that she is entitled to apply to have it restored.
11. The first Memorandum of Agreement, dated 12 August 1997, which was signed by Mr Barber, on behalf of Vatina, and by Ms du-Rose, assigned the Vatina Service Ltd interest in the patent to Ms du-Rose. However, it makes no reference to Mr King's share of the patent rights. The second Memorandum of Agreement dated 11 October 1998 indicates that all the patent rights, including Mr King's, are assigned to Ms du-Rose. This second Memorandum refers to Vatina's "assumption of responsibility as sole and complete owner of the subject overlapping cutter patent from King". This assumption of responsibility appears to be based on Mr King's apparent "abandonment" of the joint venture and failure to meet certain financial commitments. However, Mr King did not sign the Memorandum and therefore Vatina's assumption that it could acquire Mr King's share in the patent without his agreement and view themselves as sole owners is, in my view, questionable.
12. I therefore have some doubts over the legal status of the second Memorandum of Agreement and hence Ms du-Rose's entitlement to be regarded as sole proprietor of the patent. That said, the first Memorandum of Agreement seems to be in order and therefore it

would appear to me that Ms du-Rose can be regarded as having at least acquired Vatina's share in the patent. As such, and in accordance with section 28(2), I am satisfied that Ms du-Rose is entitled to apply for restoration.

13. If Mr King is to be regarded as joint proprietor at the time the fifth year renewal could have been paid, it appears that he distanced himself from the venture with Vatina. There is certainly no evidence that he played any part in maintaining the patent and made no attempt to pay the renewal fee. Therefore, it is the action of Ms du-Rose that I must focus my attention on in deciding whether restoration should be allowed.

14. 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.

15. It follows that I need to satisfy myself that the proprietor 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. v 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.

16. Consequently, in assessing the application for restoration, I must consider whether Ms du-Rose, in her capacity as either sole or joint proprietor, took reasonable care to pay the fifth year renewal fee, taking into account all the circumstances pertaining at the time the fee could have been paid.

17. The crux of the case put forward by Ms du-Rose is that, on acquiring rights in the patent, she reached a verbal agreement with Mr Barber whereby he undertook to notify his agent Loven and the Patent Office that the rights in the patent had been transferred to Ms du-Rose. It was her understanding that the agent and/or the Patent Office would then contact her and she would then take whatever action was necessary. At first, this arrangement did not seem unreasonable, particularly as Ms du-Rose had no reason to doubt that Mr Barber would not carry out this simple action. However, as this task was a crucial first step in seeing that the renewal fee was paid, and as Ms du-Rose would have known that she was the only party with a vested interest in keeping it alive, it was incumbent on her to exercise proper supervision over Mr Barber to ensure he carried out that task. This supervisory role was all the more important given the fact that, unlike a patent agent or solicitor who she would have been entitled to rely on, Mr Barber was under no professional obligation to undertake the task and no longer had any equity stake in the patent. Hence, he had no

particular incentive to ensure that the patent was maintained.

18. Although Ms du-Rose says she was repeatedly assured by Mr Barber that he would inform Loven and the Patent Office of the transfer of ownership, she never received any formal documentation, such as the certificate of grant or any other papers confirming that she had been recorded as the new proprietor or any details about renewing the patent rights. Mr Barber's comment to Ms du-Rose that he could not get a reply from Loven, when he tried to tell them about his change of address, was a clear indication that he was having difficulty contacting them and, as such, could be having the same problem telling them about the transfer of ownership. This, coupled with the fact that Mr Barber was not easy to contact, was not something I believe it was reasonable to ignore. Nor was it reasonable to continue, for well over two years, to blindly accept Mr Barber's assurances that all was well in the absence of any confirmatory evidence. This falls short of what I would regard as a reasonable degree of supervision.
19. The act of seeing that a renewal fee was paid in the period it could be paid, is not confined to action taken within that period itself. If the proprietor does not take appropriate action prior to that period, such as informing the Patent Office that he or she has acquired the patent and/or setting up a reminder system, to ensure that the fee would be paid in that period, then that, in my view, would amount to a failure to see that the renewal fee was paid. The question is, was Ms du-Rose's inaction in checking to ensure the Patent Office and/or Loven had been notified of her acquisition of the patent and on its status in the period of almost two years between acquiring the rights and the start of the prescribed period for payment (12 August 1997 to 26 July 1999) a failure to take reasonable care to see that the renewal fee was paid. She says the reason she did not carry out such a check was that she did not want to be seen to go behind Mr Barber's back and risk jeopardising her continuing business relationship with him. In doing so she exposed herself to what was probably an even greater risk, namely the loss of her patent rights. Such a conscious decision to effectively place the preservation of her business relationship with Mr Barber before the continued maintenance of her patent can hardly be viewed as taking reasonable care to see that the renewal fee was paid.
20. At the hearing, Ms du-Rose said she could not contact the agent (Loven) because she did not know the agent's identity. However, the Agency Agreement she signed on 7 March 1997 clearly referred to Loven as the agent. Also, at the hearing Mr Cross said Ms du-Rose did not contact the Patent Office to check the status of the patent because she did not know the patent number. Again, I find this a weak excuse. Apart from the fact that she could easily have asked Mr Barber for the number, she had enough information about the patent, notably the names of the original applicants and the title of the invention, to at least try to ascertain the patent's status. In fact, had she provided this information it is quite likely that the Office would have identified the application and the subsequent patent by doing a name search.
21. Turning to Ms du-Rose's state of health, her comments in the witness statement she submitted after the hearing about the effect of her daughter's sleeping patterns on her ability to function effectively was not mentioned in earlier evidence or at the hearing itself. If it did

have a serious affect on her ability to function reasonably I would have expected her to have at least mentioned it before now. Unfortunately, this new information is not supported by confirmatory evidence from a medical practitioner.

22. As for Ms du-Rose's other ailment, which she did mention in an earlier witness statement and expanded on at the hearing, the letter from the Practice Nurse confirms that during the period December 1999 and throughout the year 2000 Ms du-Rose was receiving treatment which, in the nurses opinion, would have been traumatic and would have interfered with day-to-day business. Whilst this indicates that Ms du-Rose's state of health would have affected her ability to function to full capacity, it lacks what I would view as confirmatory evidence that her ability to act in a reasonable manner was seriously impairing. Moreover, there is nothing in the evidence to suggest that Ms du-Rose's health and her state of mind were such as to affect her ability to take action in the period of almost two years prior to 7 July 1999 to ensure that the Patent Office and/or Loven were aware that she had acquired the patent rights and that arrangements were in place to remind her when to pay the fee. To the contrary, she said at the hearing that she was involved in a lot of overseas travel, going to the States backward and forwards. Moreover, in her witness statement of 17 December 2002, she refers to successfully defending an infringement case in the USA and managing to keep the machinery built in the UK. This suggests to me that she was quite active and able of carrying on demanding tasks.

### **Conclusion**

23. I have considerable sympathy with Ms du-Rose in view of the stress she must have been under during the period from July 1999 to the end of 2000. However, I am not persuaded that she was under so much stress as to prevent her acting in a reasonable manner and taking the initial steps necessary to ensure that the fifth year renewal fee would be paid when it became due.
24. Taking all these factors into account, I have come to the conclusion that Ms du-Rose did not exercise reasonable care to see that the fifth year renewal fee was paid. It follows that I am not satisfied that the requirements in section 28(3) have been met. Accordingly, I must refuse the application for restoration.

### **Appeal**

25. The period within which any appeal must be lodged is 28 days from the date of this decision.

Dated this 18<sup>th</sup> day of July 2003

M C Wright  
Assistant Director, acting for the Comptroller

**THE PATENT OFFICE**

