



BL O/245/04

12 August 2004

## PATENTS ACT 1977

APPLICANT	Mr Philip Alderson
ISSUE	Whether patent number GB2335188 should be restored under section 28
HEARING OFFICER	M C Wright

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### DECISION

- 1 The renewal fee in respect of the fifth year of the patent fell due on 9 June 2002. 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 9 June 2002. The application for restoration of the patent was filed on 22 December 2003, 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 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.
- 2 The matter came before me at a hearing on 6 July 2004 when the applicant for restoration, Mr Philip Alderson, appeared in person. Mr Ian Sim attended on behalf of the Patent Office.
- 3 The evidence filed in support of the application consists of two witness statements by Mr Alderson dated 10 January and 18 May 2004 and two signed letters from Mr Alderson dated 21 January and 22 May 2004.

#### **The Facts**

- 4 The patent was granted to Ureka Ltd on 24 December 1999. Although the patent was recorded as having ceased on 9 June 2002 Mr Anderson, one of four Directors of Ureka, says in his witness statement of 10 January 2004 that he acquired the patent from Ureka on 13 December 2003. Just over a week later he filed the application for restoration as he is entitled to do under section 28(2). Ureka was subsequently dissolved in 2004.
- 5 In his witness statement of 18 May 2004 Mr Alderson says:

“Past renewal fees have not been paid because three out of four Directors of Ureka Ltd did not think it worth while maintaining the UK patent, as a European patent application was being made and the UK was included in this application.”

6 In his earlier witness statement of 10 January 2004 Mr Alderson said:

“I am the Director of Ureka Ltd who thought it was worthwhile maintaining the UK patent.”

7 Also in his witness statement of 10 January 2004, and in response to a question raised by the Patent Office about the system the proprietor used to remind it when to pay renewal fees, Mr Alderson made the following comments:

“I do not know what system Ureka Ltd had in place to ensure that this patent would be renewed as it was not my area of responsibility.”

“I do not know why this system (if one was in place) failed as it was not my area of responsibility.”

8 In a letter to the Office dated 21 January 2004 Mr Alderson suggested that the Office should contact Mr David Beckwith, one of the other three Directors, for the information about the renewal system used by Ureka. He also confirmed at the hearing that Mr Beckwith was the Director responsible for paying the renewal fees. The Office subsequently wrote to Mr Beckwith at three separate addresses but never received a reply.

9 At the hearing Mr Alderson revealed for the first time that although he said in his witness statements that the other three Directors of Ureka did not think the patent was worth maintaining, what he meant by this was that they had decided not to apply for restoration after the patent had ceased.

10 The renewal reminder notice, which the Office is required to send to the proprietor in accordance with rule 39(4), was sent on 24 June 2002 to the address for service shown on the Register of Patents, namely: UREKA Ltd, 15 Scardale, Heelands, Milton Keynes, MK13 7ND.

11 Mr Alderson says he notified the European Patent Office of a change of the address for service for Ureka’s European patent application 99304490.8 from the address: 15 Scardale, Heelands, Milton Keynes, MK13 7D to the address: Flat 2, 24 Sunnyside Road, Cleveland, North Somerset, BS21 7TL. According to records obtained by the Office from the European Patent Office this notification was sent by fax on 27 November 2000. Mr Alderson said at the hearing “it would be reasonable to assume that at the same time I sent a similar fax or similar letter to the British Patent Office.” He says he had given his home address as the address for service because, although he was not responsible for paying

renewal fees, he had arranged that mail addressed to Ureka should go to his address and he would then forward it to the appropriate Director. Presumably in the case of the rule 39(4) renewal reminder notice this would have been Mr Beckwith.

- 12 Mr Sim confirmed at the hearing that the Office has no record of receiving any notification from Mr Alderson about a change of address for service for the UK patent. This is why the rule 39(4) reminder notice was sent to the Milton Keynes address which was the address for service on the Register. Mr Alderson says he never received the reminder notice and does not know if it was received by Mr Beckwith.
- 13 As Mr Beckwith appeared to have overall responsibility for seeing that the renewal fee was paid, and although both Mr Alderson and the Office had been unable to make contact with him, I nevertheless allowed Mr Alderson a further one month following the hearing to try and obtain a statement from Mr Beckwith or the other two former Directors of Ureka. I also allowed him the same time to provide a copy of any notification he sent to the Office about a change of address for service. However, nothing has been received from Mr Alderson.

#### **Applicant's case**

- 14 In his statement of 22 May 2004 Mr Alderson says: "It is a previous proprietor [Ureka] who took the decision not to pay the fees and it is the current proprietor [Mr Alderson] (who has nothing to do with the previous proprietor) who is applying for restoration." He then referred to Section 28(3) which he says requires the Comptroller to be satisfied that "the proprietor" took reasonable care to pay the fee. He argues that this reference to "the proprietor" means that the Office only needs to consider the action of the current proprietor, namely himself, in deciding whether reasonable care was taken, and not the action of the proprietor at the time the renewal fee could have been paid, namely Ureka. However, towards the end of the hearing, he said that neither his nor Ureka's actions should be taken into account in determining whether restoration should be allowed. When I asked him whose actions I should consider he said he did not think I could take anyone's actions into account.
- 15 Notwithstanding this line of argument, Mr Alderson said that no decision was taken by the Director's of Ureka, including Mr Beckwith, to allow the patent to lapse by not paying the renewal fee. He also argued that because the Office did not change the address for service to the address he provided, the rule 39(4) reminder notice did not reach him and so never got forwarded to Mr Beckwith to remind him to pay.

#### **Office's case**

- 16 In reaching its preliminary decision on this application for restoration, the Office took the view that it is the proprietor at the time the renewal fee could have been paid that has to have taken reasonable care to see that the fee was paid. The proprietor at the time was Ureka. The Office said that the decision by the other three Directors of Ureka that the patent was not worth maintaining amounted to a decision not to pay the renewal fee. It followed therefore that it could not be held that reasonable care was taken to pay the fee. In support of its preliminary decision, the Office referred to Atlas Power Co's Patent [1995]

RPC 357. In that case, Aldous J made the following observation:

“I believe that section 28 is concerned with the steps that a proprietor takes to see that renewal fees are paid. Its aim is to allow restoration in circumstances where something goes wrong with a proper system set up to pay the appropriate fee. It is not there to alleviate proprietors from decisions not to pay the fees, even though such proprietors may have taken reasonable care to come to a correct decision. Thus a proprietor who decides not to pay a fee cannot have his patent restored.”

### **Assessment**

#### *The proprietor for the purposes of section 28(3)*

- 17 I should first like to address Mr Alderson’s comments about who should be regarded as the proprietor of the patent. I am in no doubt that Ureka should be considered to be the “proprietor” for the purpose of section 28(3) as that company was the patent proprietor during the period in which the fifth year renewal fee could have been paid, i.e. 9 March to 9 December 2002. Mr Alderson is entitled to apply for restoration in accordance with section 28(2). However, I do not believe he could be viewed as the proprietor as the patent had already ceased by the time he says it was assigned to him which means no patent existed for which he could have been proprietor. Even if Mr Alderson could be viewed as the proprietor of the patent after it ceased, I believe it would be totally unreasonable to base restoration on actions taken by someone who acquired the patent after it was no longer possible to pay the renewal fee, particularly someone like him, who admits he had no responsibility for paying the renewal fee during the period in which it could have been paid.

#### *Action taken by the Directors of Ureka*

- 18 I was surprised when Mr Alderson said at the hearing that what he meant by his written statements that the other Directors of Ureka did not think that the patent was worth maintaining was that they did not consider it worth applying for restoration rather than not wishing to pay the renewal fee. He had ample opportunity to clarify this prior to the hearing as it would have been clear from the letters he received from the Patent Office that the Office understood him to mean that the other Directors had decided not to pay the renewal fee. For example, the letter the Office sent to him on 20 January 2004 included the sentence: “What is more problematic is the fact that, in paragraph 2 of your statement, you have affirmed that the necessary renewal fee [my emphasis] was not paid “because three out of the four Directors of Ureka Ltd did not think it worthwhile maintaining the UK patent””.
- 19 With regard to Mr Alderson’s comment: “three out of four Directors of Ureka Ltd did not think it worthwhile maintaining the UK patent, as a European patent application was being made and the UK was included in this application”, the European patent application to which Mr Alderson refers is presumably EP0970933. That application had the same title as and claimed priority from patent GB2335188. I note from the European Patent Register that a communication was sent to Ureka around August/September 2003 stating that the European patent application was deemed to be withdrawn because no response had been received to

an invitation by the Examining Division of the European Patent Office to file observations in accordance with Article 96 of the European Patent Convention. If the other Directors of Ureka had decided not to apply for restoration of the UK patent because they were pursuing protection through the European patent application, it is surprising that they did not decide to reverse that decision when they knew that the European patent application had been withdrawn. There was plenty of time still left to apply to restore the UK patent after the European patent application was deemed to be withdrawn.

- 20 Moreover, if the other Directors of Ureka thought it was not worth applying for restoration because they intended obtaining protection for the invention in the UK by means of a European patent, it begs the question why this would not also be a reason for not renewing the patent. The European patent application was still being pursued and fees were being paid on that application, when the renewal fee on the UK patent fell due.

*Renewal reminder system*

- 21 Having established that Ureka was responsible for seeing that the fifth year renewal fee was paid, the person responsible in the company for seeing that the renewal fee was paid was Mr Beckwith. Mr Alderson says he does not know what system Mr Beckwith used to remind himself when to pay the renewal fee and neither Mr Alderson nor the Office has been able to obtain this information from Mr Beckwith. I therefore have no evidence that Ureka established any kind of renewal reminder system or, if there was a system, why it failed in respect to the fifth year renewal fee, which was the first renewal fee due on the patent.

*Address for service and rule 39(4) renewal reminder notice*

- 22 Mr Alderson correctly said at the hearing that Ureka was entitled to rely on the rule 39(4) reminder notice. Again, I have no evidence from the person who was responsible at the time for renewing the patent, Mr Beckwith, that he decided to rely solely on that notice as the means of reminding him when to pay or that he even knew that such notices were issued by the Office.
- 23 If Ureka relied on the rule 39(4) reminder notice as its only reminder or as a back-up to its own reminder system, it was crucial that the Office was provided with an up-to-date and reliable address to which that reminder could be sent. However, the Office has no record of any notification from Mr Alderson about a change of address for service for the patent. Moreover, Mr Alderson has supplied no evidence that he informed the Office of a change of address. I gave him up to a month after the hearing to supply a copy of the notification he sent to the Patent Office but nothing has been forthcoming. His comment that it is “reasonable to assume” that he would have provided the UK Patent Office with a new address for service at the same time as he provided a new address to the European Patent Office can hardly be viewed as proof that he did, in fact, notify the Patent Office.
- 24 I think it is also worth noting that on 14 January 2003 Mr Alderson filed a patents form 20/77 requesting that the address for service for the patent be changed from the Milton Keynes address to his new address in Newport, Gwent. At the hearing he said he referred

to the Milton Keynes address rather than the Cleveland address, to which he had moved in 2001, because the Milton Keynes address was the address shown on the Patents Register at the time. However, if he believed he had previously notified the Office in November 2000 to change the address to the Cleveland address I would have expected him to have at least questioned at the time why the old address was still shown on the Register.

### **Conclusion**

- 25 The proprietor of the patent at the time the renewal fee could have been paid was Ureka Ltd. The person who appears to have had overall responsibility in Ureka for seeing that the renewal fee was paid was Mr Beckwith. However, I have no evidence that Mr Beckwith took steps to see that the renewal fee was paid. There is no evidence that he set up any kind of system to remind him when to pay the fee or that he relied on the rule 39(4) renewal reminder notice. Although Mr Alderson says no decision was taken by the other three Directors of Ureka not to pay the renewal fee, it is conceivable that they or Mr Beckwith, as the person responsible for maintaining the patent, decided not to renew the UK patent for the same reason that they had decided not to apply to restore the patent, namely the fact that protection was being sought for the same invention through a European patent.
- 26 Even if Mr Beckwith intended paying the renewal fee and was relying solely on the rule 39(4) renewal reminder notice or was employing it as a back-up should whatever system he used fail, I have no evidence that he or Mr Alderson notified the Patent Office of a new address for service to which that notice should be sent. Mr Alderson's assumption that he would have sent a similar notification to the UK Patent Office as he had done to the European Patent Office does not constitute evidence that he did in fact send such a notification.
- 27 On the evidence before me, I am not convinced that the proprietor took 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**

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

M C Wright  
Assistant Director, acting for the Comptroller

