



12 November 2009

**PATENTS ACT 1977**

APPLICANT                      Betson Medical (Ireland) Limited

ISSUE                              Whether patent number  
EP (UK) 0957878 should be restored  
under section 28

HEARING OFFICER              S M Williams

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**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 fee in respect of the eighth year of the patent fell due on 6 December 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 6 December 2003. The application for restoration was filed on 6 July 2005, within the nineteen months prescribed under rule 41(1)(a) of the Patents Rules 1995 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 Intellectual Property 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 hearing was due to be held on 18 September 2009 but was subsequently cancelled on 16 September 2009 following notification that the applicant was content for me to decide the matter on the basis of the papers.
- 5     I have therefore made a careful and detailed study of all the papers on the official file and give the following decision on the basis of these.

## **The evidence**

- 6 The evidence filed in support of the application consists of:
- a) Six witness statements from Mr. Simon Betson dated 18 July 2005, 9 December 2005, 2 March 2006, 8 May 2006 and 16 May 2008 respectively and accompanying exhibits
  - b) Two witness statements from Mr. Martin John Carstairs Lamb of Marks & Clerk, patent attorneys dated 20 July 2005 and 1 December 2005, and accompanying exhibits

## **The Facts**

- 7 Mr. Betson filed patent application number EP 96942553.7 on 6 December 1996. On 20 October 1999, he assigned the application to Betson Medical (Ireland) Limited, a company set up to commercially exploit the invention. Mr Betson was the majority shareholder in the company. Based on his witness statements, it is apparent that Mr Betson was responsible for ensuring that the eighth year renewal fee for the EP (UK) patent was paid. The EP (UK) patent itself formed part of a large European patent portfolio.
- 8 On 24 July 2003, Mr Betson authorized the firm of Tomkins & Co to undertake responsibility for the EP (UK) patent and to supply him with reminders relating to renewal fees. Mr Betson received a reminder from Tomkins & Co relating to payment of the renewal fee due on 6 December 2003. He also received the official reminder letter (PREN 5) sent by the Office. However he was unable to pay the renewal fee at this time due to a shortage of funds. In April 2004, Tomkins & Co were replaced by Mr Betson as the address for service.
- 9 On 12 January 2004, Mr Betson met Mr Lamb of the patent attorneys Marks & Clerk. At this meeting he asked Mr Lamb to take over responsibility for his patent portfolio and provided him with a list of his existing patents and patent applications. Mr Betson and Mr Lamb discussed the actions necessary to deal with outstanding matters, including payment of the renewal fees in respect of the granted patents.
- 10 Following the meeting it was unclear to Mr Lamb whether Marks & Clerk had been officially appointed by Mr Betson to take responsibility for the patent portfolio or whether Mr Betson intended to retain responsibility for monitoring his granted patents and for paying the renewal fees. Consequently he wrote to him on 20 January 2004 summarizing the meeting and requesting that Mr Betson inform him of his intentions. Under the heading 'Renewal Fee Payments', Mr Lamb pointed out that of the 18 patents included in the list provided by Mr Betson, 17 had been due to be renewed on 6 December 2003. He went on to explain that these patents could still be renewed upon payment of the additional fees within the next 6 months, the final deadline being 6 June 2004.
- 11 Mr Betson received the letter by email on 20 January 2004 and in his witness

statement dated 18 July 2005 says that he understood that Mr Lamb would not take any action in relation to payment of the renewal fees unless provided with written instructions to do so.

- 12 On 22 April 2005, Mr Betson contacted Marks & Clerk. As a result of a telephone conversation with Ms Susanna Caswell, Mr Lamb's assistant, Ms Caswell sent him by email a copy of Mr Lamb's letter dated 20 January 2004, a pro-forma invoice, and a request for written instructions. Ms Caswell sent a further reminder on 24 May 2004. As Mr Betson did not provide any written instructions, Marks & Clerk did not take any action in respect of the outstanding renewal fee for the EP (UK) patent.
- 13 Mr Betson received both reminders from Ms Caswell and was aware that it was necessary to pay the renewal fee plus any additional fees in respect of the EP (UK) patent by 6 June 2004. However he did not instruct Marks & Clerk to take any action at this time. Although he intended to keep the EP (UK) patent in force, he was aware that the renewal fees in respect of a large number of his other patents were also due and he did not have funds available to pay these fees at this time.
- 14 In the period December 2003 to June 2004, however, Mr Betson was actively seeking funds to pay the renewal fees. He sought funds from the Bank of Scotland and the Bank of Ireland among others and approached various private investors. He spoke on average to one investor per week either contacting them by telephone or approaching them in person to obtain a suitable date for a meeting. At the meeting he would give an oral presentation relating to the invention.
- 15 During this period, he was seeking as much funding as possible and was looking to raise at least €10,000 to cover the renewal fees in respect of the European patent portfolio as part of a package of up to €150,000 to provide for the commercial exploitation of the invention.
- 16 In January 2004, he started negotiations with a possible investor. Negotiations were slow as the investor first wanted to see how the project relating to the invention covered by the EP (UK) patent progressed commercially and technologically. He also wanted to see how negotiations with other investors progressed and it seems required a large amount of information relating to the potential commercial viability of the project as he was considering investing in the entire project of which the EP (UK) patent formed a part. The investor agreed to supply sufficient funding to pay all the renewal fees for the family of European patents. However he was unable to make the funds available by 6 June 2004.
- 17 In late June 2004, the investor was finally persuaded to make €150,000 available, the first tranche of €9050 being paid directly by the investor to Marks & Clerk on 29 June 2004.
- 18 In his witness statements dated 8 May 2006 and 16 May 2008, Mr Betson describes the financial circumstances he found himself in at the time the renewal fee for the EP (UK) patent became due. He refers to the fact that he was very much dependent on informal financial support from personal contacts to meet

everyday living expenses including payment of utility bills. When support was available, he prioritised payments, paying urgent bills first. Due to a shortage of funds, he was unable to pay his living expenses, utility bills and everyday subsistence costs as well as the renewal fee for the EP (UK) patent.

### **The relevant law**

- 19 Because the patent ceased to have effect before 1<sup>st</sup> January 2005, the relevant law is contained in section 28(3) of the Patents Act 1977 as it stood at that date. It reads:

*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 the 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.*

- 20 In accordance with section 28(3) what I have to decide is whether or not the proprietor of the patent took “reasonable care” to see that the renewal fee in question was paid. In deciding this, it is helpful to bear in mind the words of Aldous J in *Continental Manufacturing and Sales Inc.’s Patent* [1994] RPC 535:

“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.”

### **Assessment of the evidence and the decision**

- 21 It’s clear from Mr Betson’s witness statements that he was solely responsible for payment of the eight year renewal fee in respect of patent number EP (UK) 0957878. I accept that during the period the renewal fees could have been paid, Mr Betson found himself in a difficult financial position and I sympathise with the pressures he must have been under. However, I cannot let that influence my assessment of the legal position in relation to the restoration case before me. Rather I must examine the facts of the case and to my mind, these are quite clear.
- 22 The evidence shows that Mr Betson took steps to ensure a satisfactory reminder system was in place and that he was aware of the due date for payment of the renewal fee for the EP (UK) patent including the final deadline date of 6 June 2004 for payment with penalties as appropriate.
- 23 Although supporting evidence has not been provided, I accept that during the period December 2003 to June 2004, Mr Betson made strenuous efforts to secure funding from investors. It is clear from the evidence provided that he focused his efforts on securing funds to pay the renewal fees in respect of the whole European patent portfolio and wished to raise funds to provide for the commercial exploitation of the invention covered by the EP (UK) patent. In his

witness statement dated 9 December 2005, he refers to the fact that he was seeking €10,000 to cover the renewal fees for the European patents and also says that he was seeking €150,000 to enable the commercial exploitation of the invention.

- 24 However, the law is clear. The comptroller needs to be satisfied that the proprietor took reasonable care to see that the patent in suit was renewed on time or within the period of grace allowed. Mr Betson's efforts demonstrate that he was seeking funds, however the mere seeking of funds does not in my view show that reasonable care was taken in relation to ensuring the renewal fee for the EP (UK) patent was paid on time.
- 25 In his witness statement dated 18 July 2005, Mr Betson says that he intended to pay the renewal fee in respect of the EP (UK) patent, but was prevented from doing so because of a severe shortage of funds. There is no doubt that Mr Betson was facing financial difficulties and that he had some difficult financial choices to make. I sympathise with the predicament he found himself in. Nevertheless, a patent is a valuable piece of property. Payment of renewal fees is therefore a matter which it is in the interests of the payer to see is paid. It is worth noting that based on the evidence provided by Mr Betson, the renewal fee due at 6 December 2003 for the EP (UK) patent amounted to €359.37, a significantly smaller sum than the funds being sought from potential investors.
- 26 The evidence shows that Mr Betson was able to obtain financial support from a number of personal contacts. He used this informal financial support to cover everyday living expenses and to pay urgent bills such as utility bills. In other words, when funds were available, Mr Betson chose not to use these to pay the renewal fee in respect of the EP (UK) patent but to use what funds were available elsewhere. In my view this does not demonstrate that he took reasonable care to see that the renewal fee was paid.

### **Conclusion**

- 27 In short, I am not satisfied that based on the facts of the case, the applicant exercised reasonable care to see that the renewal fee for the patent in suit was paid in time or during the six month grace period.
- 28 I therefore refuse the application for restoration.

### **Appeal**

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

**S M Williams**

B3 Head of Litigation Section, Acting for the Comptroller