

PATENT ACT 1977

IN THE MATTER OF applications
under section 28 for restoration of
Patents GB2291491 and GB2271165
in the name of Glenfield and Kennedy Limited

DECISION

Background

1. The renewal fees in respect of the fifth year of both the patents fell due on 8 September 1997. The fees were not paid by that date or during the six months allowed under section 25(4) upon payment of the prescribed additional fees. The patents therefore lapsed on 8 September 1997. The applications for restoration of the patents were filed on 8 April 1998, within the 19 months prescribed under rule 41(1)(a) for applying for restoration. After considering the evidence filed in support of the applications for restoration an official letter issued on 26 February 1999 informing the proprietor, Glenfield and Kennedy Limited, that the Office was not satisfied that the requirements for restoration, as laid down in section 28(3), had been met.

2. The matter came before me at a hearing on 5 May 1999. Mr A Shanks appeared for the applicant's agents Cruikshank & Fairweather and Mr M Lawson appeared for Glenfield and Kennedy Limited. Mr Ian Sim attended on behalf of the Patent Office.

The Facts

3. The applications for the patents were filed on 8 September 1993 in the name of Biwater Valves Limited. On 8 December 1995 Cruikshank & Fairweather wrote to Mr Lawson, who at the time was working in Research & Development at Biwater Valves Limited, informing him that patent application 9518555.9, which was later granted as patent GB2291491, was due to be published. Mr Lawson was also advised that payment of renewal fees, which would become due

in the future, would be handled by Cruikshank & Fairweather's associates Computer Patent Annuities (CPA) who would correspond direct with him in relation to the payment of those fees.

4. On 29 March 1996, ie prior to the grant of the patents, the valve producing business of Biwater Industries Limited (the parent company of Biwater Valves Limited) was purchased by Macrocom Limited which later changed its name to Glenfield and Kennedy Limited. However, no request to register the transfer of rights has been filed at the Patent Office and so the patents were granted on 11 September 1996 in the name of the original applicant Biwater Valves Limited.

5. On the transfer of the patent rights to Glenfield and Kennedy Limited, Mr Lawson was promoted to Technical Manager of Glenfield and Kennedy Limited and made responsible for maintenance of the company's patents. However, he says he had little experience or knowledge of patent matters in general, and of patent renewals in particular, and was not aware of the extent of the extended time period for paying renewals, ie the six months prescribed in section 25(4).

6. On 12 August 1996 Cruikshank & Fairweather wrote to Mr Lawson informing him that patent GB2271165 would be granted on 11 September 1996 and that a certificate of grant would be sent to him. At the hearing Mr Lawson confirmed that he received the certificate of grant. The letter also reminded Mr Lawson that CPA would direct all correspondence to him in relation to renewal fee payments.

7. At the hearing Mr Shanks said that after he became aware of the transfer of the patent rights to Glenfield and Kennedy Limited the internal records of Cruikshank & Fairweather were updated. However, he said that he failed to tell his staff to pass that information on to CPA though he also indicated that he assumed that the changes would be communicated to CPA automatically by way of a computer tape which his firm sent to CPA. It appears that CPA's records were not updated and consequently the first two reminders that issued on each of the patents were sent to Biwater Valves Limited for the attention of either Mr Sinclair or Mr Archibald who were former employees of Biwater Valves Limited. The official reminder notice, which the Patent Office issued in accordance with rule 39(4), was also forwarded by CPA to

Biwater Ltd marked for the attention of Mr Archibald.

8. When Mr Lawson became aware in November 1997 that CPA had sent a trade mark renewal reminder to Biwater Valves Limited, he asked CPA to send him a list of all patents and trade marks handled by CPA on behalf of that company. This list was sent to him by facsimile on 17 December 1997 and showed Biwater Valves Limited as the proprietor of both the subject patents. At the hearing Mr Lawson said that because the list showed Biwater Valves Limited as the proprietor of the patents and not Glenfield and Kennedy Limited, he did not take any action to instruct payment even though it was apparent from the list that the renewal fees were overdue.

9. Also on 17 December 1997 Cruikshank & Fairweather sent a letter to CPA explaining that ownership of the patent had transferred from Biwater Valves Limited to Glenfield and Kennedy Limited and that all further correspondence should be directed to Mr Lawson. The next renewal reminders that CPA issued in respect to the two patents were duly sent to Mr Lawson on 29 December 1997. However, these reminders again showed Biwater Valves Limited as proprietor.

10. On receiving CPA's reminder of 29 December 1997, Mr Lawson says in his affidavit of 22 June 1998:

“I was not well disposed to CPA at this time, due to my perception that they had previously been wrongly addressing reminders. I viewed the CPA reminder as an invoice and did not believe it appropriate to authorise a payment to CPA for what I considered to be an inadequate service. Accordingly, I delayed authorising payment of the fees until the proprietorship of the patent was corrected. At this point I was not aware of an absolute deadline set by the Patent Office for payment of the renewal fees, and believed that CPA or Cruikshank & Fairweather would inform me if the patents were in danger of lapsing.”

11. Also, in explaining his reasons for not issuing instructions following receipt of CPA's reminder of 29 December 1997, Mr Lawson says in his affidavit of 18 February 1999:

"I believed I would encounter some difficulty were I to present bills for payment to Glenfield & Kennedy's accounts department which I had authorised and which were clearly marked as being directed to property held by Biwater Ltd. Accordingly, I did not wish to instruct payment of the renewal fees until the proprietor of the patents was, in my view, correctly recorded in the CPA reminders as Glenfield & Kennedy Ltd; I believed withholding instructions and payment would result in a more rapid resolution of CPA's "error"."

12. CPA sent a final reminder to Mr Lawson on 29 January 1998 but Mr Lawson has no recollection nor record of its receipt.

Assessment

13. The requirements for restoration are contained in subsection 28(2) which states:

"An application under this section may be made by the person who was the proprietor of the patent . . ."

14. An application for restoration must therefore be made by the proprietor, ie the person who owns the rights in the patent. That person may not necessarily be the person whose name appears on the register of patents if the transfer of rights has not been registered. Hence, in the present case, the application has been filed correctly in the name of Glenfield and Kennedy Limited, the proprietor of the patents at the time the renewal fees could have been paid.

15. Subsection 28(3) states:

"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."

16. The onus therefore is on Glenfield and Kennedy Limited to prove that they took reasonable care to see that the fifth year renewal fees on the subject patents were paid.

17. Mr Lawson admits that he was the person responsible at Glenfield and Kennedy Limited for ensuring that those fees were paid. In other words he was the "Directing Mind", ie the person responsible for deciding whether or not a renewal fee should be paid and for seeing that it is paid. Although Mr Lawson was given this important responsibility, it is clear from the evidence that he had very little knowledge or experience in patent renewal matters and that this was a significant contributory factor in the failure to pay the renewal fees.

18. At the hearing Mr Lawson said that he was appointed to the position of Technical Manager and made responsible for maintaining the patents by the Managing Director of Glenfield and Kennedy Limited. However, in answer to a question I put to him at the hearing, he said that the Managing Director did not ask him if he had any experience in patent renewal procedures nor did he arrange for him to be instructed in such matters. Therefore, it would appear that the Managing Director of Glenfield and Kennedy Limited, when making Mr Lawson responsible for maintaining the patents, failed to ensure that Mr Lawson was sufficiently experienced and knowledgeable in patent matters to carry out such a responsible duty.

19. In his affidavit of 6 November 1998, Mr Lawson says he received a number of letters from Cruikshank & Fairweather about the need to pay renewal fees on the patents and goes on to say: "I assumed that these dates would be monitored by Cruikshank & Fairweather or their associates and that I would be informed as required." He also admitted at the hearing that he took no action to familiarise himself with renewal arrangements.

20. While it is reasonable for a proprietor to establish a system which involves a patent annuity agency like CPA sending it reminders and acting on its instructions that does not absolve the proprietor from playing its part in that system. If a patent is to be renewed, the proprietor, or the

Directing Mind in the case of a company, has to ensure that following receipt of a reminder the agency is issued with clear instructions to pay the fee before the deadline for payment of the fee, or for payment with extension fees, expires. I would expect the Directing Mind to at least endeavour to make himself aware of the basic requirements and deadlines for paying renewal fees, in particular the ultimate deadline for issuing instructions following receipt of reminders and the consequences of not doing so. Mr Lawson's failure to familiarise himself with those basic requirements and to issue instructions on receipt of a reminder demonstrates a lack of reasonable care to see that a renewal fee is paid.

21. Mr Lawson admits receiving the certificates of grant for the patents. However, it appears that he did not read the note printed in capital letters at the bottom of the certificates which states:

"THE ATTENTION OF THE PROPRIETOR(S) IS DRAWN TO THE IMPORTANT NOTES OVERLEAF"

22. The notes overleaf describe the requirements and procedures for paying renewal fees and includes the following:

"If the form with the fee is not lodged in the Patent Office on or before the anniversary of the filing date of the patent, the fee cannot be accepted unless application for an extension of time to a maximum of 6 months is made and paid for on Patents Form 12/77. If no renewal fee is received and no extension of time is requested, the patent will cease."

23. Mr Lawson's failure to read this important note, which would have made it clear to him that if the renewal fees were not paid with additional fees by 8 March 1998 the patents would lapse, is another example of him failing to take reasonable care.

24. Although Mr Lawson did not receive CPA's first two reminders he admits to receiving a list from CPA on 17 December 1997 which showed that the renewal fees on the two patents were overdue. He also confirms that he received CPA's reminder of 29 December 1997 which

again showed that the renewal fees were overdue and sought his instructions to pay the fees. As those communications suggested that CPA was under the impression that the patents were still owned by Biwater Valves Limited I can appreciate to some extent Mr Lawson's reluctance to issue instructions to his company's accounts department to pay the fees. However, bearing in mind that when he received CPA's reminder of 29 December 1997 the fees were already overdue by some four months, as was evident from the reminder and the list he had previously received on 17 December 1997, his decision not to draw the error to CPA's attention at the time and to refrain from issuing instructions to pay the renewal fees until CPA had corrected the error falls well short of what I would regard as reasonable care to see that the renewal fees were paid.

25. It is also interesting to note that on 23 March 1998 CPA forwarded an official rule 39(4) reminder notice to Mr Lawson in respect of another patent owned by Glenfield and Kennedy Limited. That notice also referred to Biwater Valves Limited as the proprietor. However, on that occasion Mr Lawson did contact CPA and discovered that the subject patents had ceased. He also issued instructions to CPA to pay the fee on that other patent to avoid it suffering the same fate.

26. Mr Lawson cannot be held responsible for CPA sending their first two reminders and the rule 39(4) official reminder notice to Biwater Valves Limited or for the continuing references to Biwater Valves Limited as the proprietor. However, the fact remains that he was responsible for seeing that the fifth year renewal fees on the two patents were paid; that he failed to familiarise himself with the key deadlines for paying those renewal fees, despite receiving the certificates of grant which contain that information; and failed to issue instructions following receipt of CPA's third renewal reminder. The Managing Director of Glenfield and Kennedy Limited also appears to have failed to take reasonable care to ensure that Mr Lawson was sufficiently experienced and knowledgeable about renewal matters before making him responsible for maintaining the patents.

27. I am not therefore persuaded that the proprietor took reasonable care to see that the fifth year renewal fees on the subject patents were 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.

28. Any appeal against this decision must be lodged within 14 days of the date of this decision, this being a decision on a matter of procedure.

Dated this 26th day of May 1999

M C WRIGHT

Senior Legal Adviser, acting for the Comptroller

THE PATENT OFFICE