

PATENTS ACT 1977

IN THE MATTER OF an application
under section 28 by Philip Martin Greswold Hughes
for restoration of Patent GB2197897

DECISION

Background

1. The eleventh year renewal fee in respect of the patent fell due on 23 November 1997. The fee was not paid by that due date or during the six months allowed under section 25(4) (“the six-month period”) upon payment of the prescribed additional fees. The patent therefore lapsed as of 23 November 1997. The application for restoration of the patent was filed on 27 July 1998, within the 19 months prescribed under rule 41(1)(a). After considering the evidence filed in support of the restoration application an official letter was sent to the proprietor Mr Philip Martin Greswold Hughes informing him that the Patent Office was not satisfied that the requirements for restoration, as laid down in section 28(3), had been met.

2. Mr Hughes asked to be heard in the matter and a hearing took place before me on 27 July 1999. Mr Hughes appeared in person. Mr Ian Sim attended on behalf of the Patent Office.

3. The evidence filed in support of the application for restoration consists of three affidavits by Mr Hughes dated 23 October 1998, 11 January 1999 and 28 April 1999 and two affidavits by Mrs Margaret Collyer dated 23 October 1998 and 28 April 1999.

The Facts

4. The renewal fees up to and including the fee for the ninth year were handled by the patent agents Mewburn Ellis, who would send reminders to Mr Hughes when a renewal fee was due. If Mr Hughes decided to renew the patent, he would instruct Mrs Collyer, an employee of his

company Enviromental Drilling Limited, to send a cheque to Mewburn Ellis. On receipt of the cheque Mewburn Ellis would arrange for the fee to be paid to the Patent Office. In 1996, Mr Hughes decided to discontinue using the services of Mewburn Ellis and pay the renewal fees directly to the Patent Office himself starting with the tenth year renewal fee. He paid the tenth year fee by sending a cheque to the Patent Office with a completed Patents Form 12/77. In part 9 of the form Mr Hughes indicated that the official overdue reminder notice, which the Patent Office is required to issue in accordance with rule 39(4), for the next year's renewal fee (eleventh year) should be sent to his home address.

5. Having learnt that Mr Hughes had paid the tenth year renewal fee direct to the Patent Office, Mewburn Ellis wrote to him on 25 March 1997 informing him that they were removing his patent from their renewal records on the understanding that that was his wish and invited him to let them know if that was not the case. Mr Hughes did not respond to that letter and so Mewburn Ellis took it that he no longer wanted them to handle renewal payments on his patent.

6. The eleventh year renewal fee was not paid by the due date of 23 November 1997 and so the Patent Office sent a rule 39(4) overdue reminder notice to Mr Hughes home address on 22 December 1997 in accordance with the instructions given on the Patents Form 12/77 filed with the tenth year renewal fee. Mr Hughes says he cannot recall receiving the reminder but does not dispute that it was sent. However, it is clear that he knew that the renewal fee was overdue because at around 6.00am one morning in early May 1998 he says he left a note on Mrs Collyer's "key pad" which read "Please send cheque for the patent". He says his company was extremely busy at the time and he was leaving that morning to work at a site in South Wales. Unfortunately, he had not told Mrs Collyer that he had stopped using Mewburn Ellis to pay the renewal fees and that the cheque should now be sent direct to the Patent Office together with a completed Patents Form 12/77. Consequently, on 7 May 1998 Mrs Collyer sent the fee to Mewburn Ellis as she had been instructed to do on previous occasions. In addition to the cheque for £334, which covered the eleventh year renewal fee and six months additional fees, she sent a compliment slip which referred to the renewal of the patent.

7. Although the cheque was paid into Mewburn Ellis' account on 14 May 1998 no action was taken by that firm to pay the fee to the Patent Office. It was not until 2 July 1998 that Mewburn Ellis sent Mr Hughes a letter acknowledging that they had received his cheque and compliment slip on 11 May 1998. The letter included the following passage: "When the arrival of the cheque was noted by our renewal fee payment department, it was already too late to pay the fee, which was due at the Patent Office at the very latest on 25 May 1998."

Assessment

8. The reason the eleventh year renewal fee was not paid was because Mrs Collyer sent the cheque to the agent's Mewburn Ellis who were no longer providing a renewal service for Mr Hughes and had removed his patent from their renewal records. They were therefore under no obligation to forward the fee to the Patent Office. The question is, was Mrs Collyer's action in sending the cheque to Mewburn Ellis instead of to the Patent Office attributable to a failure by Mr Hughes to take reasonable care?

9. If a proprietor decides to instruct an employee to pay a renewal fee it is vital that he ensures that the employee is competent to carry out that task and is given full, clear and unambiguous instructions on how to pay the fee bearing in mind that if the fee is not paid in time the proprietor will lose his patent rights which could be crucial to his business.

10. There is nothing to suggest that Mrs Collyer was not competent to pay renewal fees as she had successfully sent instructions and payments to Mewburn Ellis in the past when Mr Hughes used that firm to handle renewal payments. However, in the case of the eleventh year renewal fee Mr Hughes readily admitted that he omitted to inform Mrs Collyer that she should send the payment direct to the Patent Office and not to Mewburn Ellis. It is also clear that he did not give her a completed Patents Form 12/77 or inform her that such a form needed to be completed and sent with the cheque. While he may have been busy in early May 1998 with a job in South Wales and no doubt had other things on his mind that does not absolve him from ensuring that the instructions he left Mrs Collyer were full, clear and unambiguous. By

omitting to do so he failed to take reasonable care to see that the fee was paid.

11. Mrs Collyer's action in sending the cheque to Mewburn Ellis together with a covering note indicating that it related to the renewal fee due on the subject patent was reasonable, bearing in mind that she had done the same on previous occasions when renewal fees had been successfully paid, and had no reason to believe that she should do anything different. Therefore, it cannot be said that she made a mistake which was contrary to her normal duties and hence something that her employer Mr Hughes could not have foreseen.

12. It would have been possible to have recovered the situation had Mr Hughes checked that the fee had been paid when he returned to his office which was before the six-month period expired. This would have been a reasonable thing to do bearing in mind he was no longer using the services of Mewburn Ellis and that only a few weeks remained of the six-month period when he issued his instructions to Mrs Collyer. It is also worth noting that he would have known when he submitted the Patents Form 12/77 to the Patent Office with the tenth year renewal fee that the form included a certificate of payment which, if completed, would be returned to him within six working days as confirmation that the fee had been received and the patent renewed. His failure to ensure that the cheque for the renewal fee was accompanied by a Patents Form 12/77 indicates that he neglected to ensure that he would receive confirmation that the fee had been received by the Patent Office and the patent renewed. This again suggests that Mr Hughes failed to take reasonable care to see that the fee was paid.

13. At the hearing Mr Hughes said that he visited Mewburn Ellis after they had received his cheque for £334 to discuss another possible patent application yet no mention was made of the cheque. However, he has subsequently supplied information which shows that that meeting took place after the expiry of the six-month period and so even had he been told that Mewburn Ellis had received his cheque it would have been too late to pay the fee. Notwithstanding this, it is unfortunate that Mewburn Ellis did not contact Mr Hughes soon after receiving the cheque, bearing in mind that the accompanying compliment slip identified the patent and referred to the renewal fee. Had they done so there is a strong probability that the fee would

have been paid given the fact that when they received the cheque there was still some two weeks left in which to pay the fee. However, regrettable as this is, it does not detract from the fact that Mr Hughes did not provide his employee, Mrs Collyer, with full, clear and unambiguous instructions about paying the renewal fee and it was as a consequence of that failure that the renewal fee was not paid.

14. I am not therefore persuaded that Mr Hughes took reasonable care to see that the eleventh year renewal fee was paid. It follows that I am not satisfied that the requirements of section 28(3) have been met and must therefore refuse the application for restoration.

15. Any appeal against this decision must be lodged within 14 days of the date of this decision.

Dated 8th day of September 1999

M C Wright

Senior Legal Adviser, acting for the Comptroller

THE PATENT OFFICE