

## **PATENTS ACT 1977**

**IN THE MATTER OF** an application  
under section 28 by Marbourn Limited  
for the restoration of Patent GB2148626

### **DECISION**

#### **Background**

1. The renewal fee in respect to the fourteenth year for the patent fell due on 18 October 1997. The fee was not paid by that date or during the six months allowed under section 25(4) upon the payment of the prescribed additional fees. The patent therefore lapsed on 18 October 1997. The application for restoration of the patent was filed on 8 September 1998 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 issued on 7 July 1999 informing the proprietor that the Office was not satisfied that the requirements for restoration, as laid down in section 28(3), had been met. The matter came before me at a hearing on 21 September 1999. Mr W Lally appeared for the proprietor's agents Forrester Ketley & Co. and Mrs C S Crook appeared for the proprietor Marbo Limited, previously known as Marbourn Limited. Mr I Sim attended on behalf of the Patent Office.

2. The evidence filed in support of the application for restoration consists of two statutory declarations by Mr Lally dated 7 September 1998 and 26 May 1999, two statutory declarations by Mrs Crook dated 12 January 1999 and 25 May 1999 and a statutory declaration by Mr R Hutson dated 12 January 1999.

#### **The Facts**

3. In considering this application for restoration it would be appropriate to start by looking at

the restructuring that took place in the group of companies to which Marbo belongs as it was that restructuring and the associated relocation of certain business activities that lead to the failure to pay the fourteenth year renewal fee.

4. Prior to April 1997, Marbo was a subsidiary of Hanson Electrical Limited. Management of Marbo, together with Volex Accessories Limited, which was another subsidiary of Hanson Electrical Limited, was carried out at Volex's head office at Hindley Green in Wigan. Marbo's Technical Department however was based at Hartlepool. Both Marbo and Volex used Computer Package Annuities, (CPA), a well-known patent annuity paying agency, to send them reminders when renewal fees were due and to pay the fees on their instructions. CPA sent its reminders to the Volex's offices at Hindley Green marked for Marbo. The Post Department at Hindley Green would then forward the reminders to Marbo's Sales Department which at the time was also based at Hindley Green. The reason they were forwarded to the Sales Department was that the bulk of the mail received by Marbo was for that department. The Sales Department would then redirect the CPA reminders to Mrs Crook, Technical Secretary to Mr Hutson who, up to April 1997, was the Technical Director of Hanson Electrical Limited. Both Mrs Crook and Mr Hutson were based at Hindley Green. Prior to 1996, the reminders would have been sent to Mrs Crook's predecessor Mrs McPhie. On receipt of a CPA reminder, Mrs Crook would present it to Mr Hutson for a decision on whether or not the fee should be paid. In determining whether to renew the patent, Mr Hutson would consult appropriate personnel from the Technical Department and Commercial Department (if necessary). He would then issue instructions to Mrs Crook who would then arrange for the patent to be renewed or abandoned depending on the instructions she received. If the fee had not been paid by the due date the Patent Office would send an official reminder notice in accordance with rule 39(4) to the address for service, Page White & Farrer. That firm would then forward it to Marbo at Hindley Green where it too would be passed on via the Sales Department to Mr Crook.

5. Things then changed after April 1997 when, following a management buyout of Hanson Electrical Limited by a new company Electrium Limited, the Technical Department of Marbo was moved to the Volex's site at Hindley Green while Marbo's Sales Department was moved

to Hartlepool. Mr Hutson was also appointed Technical Director of Electrium Limited.

6. Following this restructuring, all mail received at Volex's premises at Hindley Green, which was addressed to Marbo, was redirected, unopened by the Post Department at Hindley Green to the Marbo's Sales Department at Hartlepool. In his statutory declaration of 7 September 1998, Mr Lally says "rather than all mail being opened at reception at Hindley Green, it became the practice that any mail which referred to Marbo is forwarded directly to Hartlepool". In her statutory declaration of 12 January 1999, Mrs Crook also confirmed that this had become "routine procedure". Consequently, the CPA reminders in respect to the fourteenth year renewal fee for the subject patent would have been forwarded, unopened to Hartlepool. Unfortunately, the reminders were never passed on to Mrs Crook or Mr Hutson and no trace can be found of them. The likely reason for this is that the new staff at the relocated Sales Department in Hartlepool had not been given any instructions about what to do with the reminders.

7. All could have been saved if the rule 39(4) reminder notice dated 17 November 1997 had reached Mrs Crook or Mr Hutson. The notice was sent to Marbo, c/o Page White & Farrer because, although that firm stopped handling renewal fees for Marbo after September 1997, it still continued to act as the registered address for service for the patent. Page White and Farrer then forwarded the reminder notice with a covering letter dated 20 November 1997 to Marbo for the attention of Mrs McPhie who had left the company in 1996. As with CPA's reminders, the letter would have been forwarded to Marbo's Sales Department at Hartlepool but neither Mr Hutson nor Mrs Crook can recall receiving it. It is assumed that this was because the new staff in the Sales Department would not have known that Mrs McPhie was a former employee who had been succeeded by Mrs Crook. Hence, they would not have realised that the letter should have been forwarded to Mrs Crook.

8. On 13 January 1998, Carpmael & Ransford, who used to have responsibility for intellectual property held by Marbo and Volex, sent a letter to Mr Lally listing the intellectual property for which responsibility was to be transferred to his firm, Forrester Kettley. The letter, which clearly indicated that the renewal fee on the subject patent was overdue, was copied to Mr Hutson but he does not recall receiving it. Although Mr Lally knew that the letter had been

copied to Mr Hutson, he said at the hearing “In retrospect at the time, what I should have done is picked up the telephone and spoken to the technical director or Mr Crook and asked them to confirm that this was the overdue list knowingly and had not slipped through anyone’s fingers”.

## **Assessment**

9. Overall responsibility for seeing that renewal fees were paid fell to Mr Hutson. He was responsible for deciding whether or not a renewal fee should be paid. He also had overall responsibility for the system that reminded him when renewal fees fell due and for ensuring that they were paid in time.

10. The reason the system broke down in respect to the fourteenth year renewal fee was not so much that reminders for the fourteenth year renewal fee were redirected from Hindley Green to the relocated Sales Department at Hartlepool but that staff in that department had not been told where to forward such reminders. The question is, was that breakdown of what was otherwise a reliable and effective system attributable in any way to Mr Hutson or was it something he should have anticipated?

11. At the hearing Mr Lally said that the decision to forward all incoming mail for Marbo to the Sales Department at Hartlepool unopened was taken by a senior director of Electrium Limited. However, significantly, Mr Hudson was not made aware of that decision. This is not surprising as I think it would be stretching things to have expected the director, who issued the decision, to have been aware of the somewhat unusual yet effective practice that had developed at Hindley Green of forwarding patent renewal reminders to Mrs Crook via the Sales Departments and therefore consequences the decision would have on those arrangements.

12. I am satisfied that because Mr Hutson was not told about the decision to forward mail to Hartlepool he cannot be blamed for the adverse effect it had on the renewal system. I am also satisfied that he could not have anticipated the decision and therefore it would be unreasonable to expect him to have taken appropriate action to ensure that reminders continued to reach

him, eg by issuing appropriate instructions to CPA, the Post Department at Hindley Green or the Sales Department at Hartlepool.

13. A factor that appears to have contributed to the rule 39(4) reminder notice not reaching Mr Hutson was that it was addressed for the attention of Mrs Crook's predecessor Mrs McPhie who had left the company and was apparently unknown to staff at the relocated Sales Department at Hartlepool. Had the notice been addressed for Mrs Crook's attention there is a possibility that those staff would have redirected it to Mrs Crook who they should have known was a Marbo employee located at Hindley Green. It could be argued that Mr Hutson should have informed Page White & Farrer that Mrs McPhie had left the company and that any correspondence they received on the patent should be addressed for the attention of Mrs Crook. While it is perhaps easy to say this in hindsight, I am prepared to accept that it was not something Mr Hutson would necessarily have considered important bearing in mind that he was not aware that the letter would have been opened by staff in Hartlepool who had not been told that Mrs McPhie was an ex-employee who had been succeeded by Mrs Crook. Moreover, because all previous renewal fees on the patent had been paid on time, no rule 39(4) reminder notices would have been issued on the patent in previous years. Consequently, Mr Hutson would not have been familiar with such notices and therefore would not have realised that Page White & Farrer would address them for the attention of Mrs Crook's predecessor, Mrs McPhie.

14. In the circumstances, I am satisfied that Mr Hutson, who I would view as the "directing mind" with regard to the renewal of the patent, took reasonable care to see that the renewal fees on the patent were paid in time by establishing a reliable and effective system to remind him when to pay and for ensuring that payment was made on his instructions. The reason the fourteenth year renewal fee was not paid was not because Mr Hutson failed to take reasonable care but because the system broke down as a result of a decision taken by another director which was not drawn to Mr Hutson's attention. That decision was not something Mr Hutson could be expected to have foreseen.

15. I am therefore persuaded that Mr Hutson, who effectively represented the proprietor in respect to the maintenance of the patent, took reasonable care to see that the renewal fee was

paid. It follows that I am satisfied that the requirements of section 28(3) have been met and that restoration of the patent should be allowed. In accordance with rule 41(4), this decision is subject to the proprietor filing a Patents Form 53/77 and the prescribed fee of £135 together with Patents Form 12/77, duly completed, and the amount of any unpaid renewal fee. An order for restoration will then be issued by the Patent Office.

Dated this 2<sup>nd</sup> day of November 1999

M C Wright

Senior Legal Adviser, acting for the Comptroller

**THE PATENT OFFICE**

