

PATENTS ACT 1977

IN THE MATTER OF an application
under section 28 for restoration of
Patent Number GB 2268867 in the name
of Richard Pearson Limited

DECISION

Background

- 1 The renewal fee for Patent Number GB 2268867 (“the patent”) in respect of the seventh year became due on 16 July 1998. The fee was not paid by that date nor on expiry of the period of grace allowed by section 25(4) of the Patents Act 1977. In view of the non-payment of the renewal fee, the patent ceased on 16 July 1998
- 2 An application for restoration was made by Richard Pearson Limited (“Pearson”) on 12 July 1999 which was within the period prescribed under rule 41(1)(a) of the Patents Rules 1995. After considering evidence filed in support of this application, the Patent Office took the preliminary view that a case for restoring the patent had not been made. The Office’s view, as well as the reasons for it, were communicated to Walker & Co., the agent acting for Pearson, in an official letter dated 27 September 2000. Pearson did not accept this view and the matter came before me at a hearing held on 26 January 2001. Pearson was represented at the hearing by Miss Alison Clarke of Computer Patent Annuities (“CPA”) and by Mr David Bosworth, who is the Marketing and Export Director of Pearson. The Office was represented by Mr Ian Sim.

The facts

- 3 The evidence filed in support of the application for restoration consists of four statutory declarations from Mr Bosworth, two statutory declarations from Mr Roger Bainbridge, the Finance Director of Pearson, and one statutory declaration from Miss Victoria Strachan, an Associate of CPA.
- 4 Pearson employs CPA to handle the renewal of its patents. For many years the system within Pearson for dealing with renewal reminder notices from CPA has been one where the reminders are first sent to Mr Bosworth for a decision whether the patent should be maintained. If the patent is to be renewed, Mr Bosworth keeps a copy of the reminder notice for his files and forwards the original to the Accounts Department for action. When Mr Bainbridge, the Finance Director, receives the original notice, he instructs CPA to pay the renewal fee and sends payment at the same time. If further reminder notices are received from CPA or if the Patent Office’s standard letter which warns that a renewal fee is overdue (the so-called “PREN 5” letter), is received, Mr Bosworth normally checks his records and contacts Mr Bainbridge to ensure that CPA were instructed to renew the patent.
- 5 On 3 April 1998 Pearson received a renewal reminder notice dated 1 April 1998 from CPA.

This reminder notice listed twenty five United Kingdom and foreign patents, including the patent in suit. For the patent it clearly indicated that the renewal was due on 16 July 1998. Mr Bosworth marked the reminder "Pls Action", kept a copy for his records and sent the original to the Accounts Department.

- 6 During 1998 Pearson went through a major restructuring process, involving a transition from a family business, and this placed a strain on resources within all areas of the business. As a result, the company adopted the general practice of making all payments (not just those relating to patent renewals) as close as possible to the payment deadlines. This practice meant deferring payment of patent renewal fees until the final month of the six months grace period. Thus, renewal of the patent in suit was deferred until 16 December 1998 at the earliest. To assist in the administration of this system of deferred payments, the Accounts Department used a computerised diary system.
- 7 At the end of August and into September 1998 Mr Bainbridge installed a new accounting software system and he transferred all existing ledgers from the old computerised system to the new one with the help of his assistant. Unbeknown to Mr Bainbridge at that time, the new system reset the payment periods to Day 1 irrespective of the length of time the relevant details had been entered on the old system. As a result the due payment dates shown by the new system in respect of the transferred data, including that for the patent, were erroneous and could not be relied on. This problem was discovered by Mr Bainbridge late September, early October 1998. At the time Mr Bainbridge discovered the problem he was heavily involved in the restructuring of the company and he did not have the resources to check the numerous payment due date errors on the new computer system. He therefore decided to rely on receiving payment reminders from outside the company.
- 8 CPA sent a further reminder concerning the patent on 1 December 1998 but in his evidence Mr Bosworth states that he has no record of receiving it and at the hearing he confirmed that this was indeed the case. Mr Bainbridge also states in his evidence that from the time he stopped relying on the computer reminder system, he did not receive any further reminders for the renewal of any of Pearson's patents until a reminder letter was received from CPA on 7 January 1999.
- 9 That CPA reminder letter was seen by Mr Bosworth as well as Mr Bainbridge and related solely to another of Pearson's patents which was overdue for renewal. Mr Bosworth marked it as urgent and sent it for immediate payment. Mr Bosworth also asked Ms Joanne Archer, an Accounts Clerk, to telephone CPA to confirm the renewal of this other patent and to check the status of all other patents on CPA's reminder notice of 1 April 1998. Ms Archer telephoned CPA on 8 January 1999 and was told that all the patents were awaiting instructions. During the telephone call Ms Archer asked CPA to send renewal details for these patents to Pearson. At the hearing Mr Bosworth told me that because he was worried about the renewal of the patents, he spoke to Ms Archer, probably the morning following the telephone call to CPA, to find out how things stood. Mr Bosworth explained that when he was told that CPA would send a statement of everything due, he instructed Ms Archer to deal with it as soon as it arrived. There is no evidence to indicate that Mr Bosworth or any other employee of Pearson took any further action to deal with the renewals situation until a reminder dated 18 January 1999 was received from CPA. As it happened the patent was not listed in this CPA reminder because it had expired in the meantime on 16 January 1999.

Assessment

- 10 What I have to decide is whether Pearson has met the requirements for restoration as set out in section 28(3) of the Act which provides:

“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.”

- 11 The Patent Office’s preliminary view that restoration should not be allowed was based on the fact that when Mr Bosworth learnt from Ms Archer on or about 9 January 1999 that CPA were awaiting renewal instructions, he took no further action until he received the renewal reminder dated 18 January 1999 from CPA. In particular, the Office took the view that Mr Bosworth had failed to demonstrate reasonable care because although he had sufficient information available to him on or about 9 January 1999 to determine the final date for renewing the patent before it expired, he made no use of this information. The CPA renewal reminder notice of 1 April 1998, for example, clearly stated that payment of the renewal fee was due on 16 July 1998 and in view of Mr Bosworth’s knowledge of the six months grace period, the Office considered that he or someone on his behalf could have and should have determined the final date for renewing the patent without waiting for CPA to provide details.

- 12 At the hearing Miss Clarke drew my attention to an earlier decision of the Office in *Hamilton’s Patent* (BL O/139/92) in which the Hearing Officer opined -

“I would not dismiss altogether the possibility that restoration might be offered even when a proprietor has made a fatal error or omission leading to non-payment of the renewal fee, but it can only be proper to do so when the requirement of reasonable care has been met, and the determination of that requires assessment of the relevant circumstances and the nature of the error or omission.”

Responding to the Office’s preliminary view Miss Clarke stressed to me that upon receipt of the CPA reminder on 7 January 1999, which concerned another of Pearson’s patents, Mr Bosworth immediately thought to question the renewals situation for the company’s other patents. He then instructed Ms Archer to contact CPA to obtain an update of the situation. Although the patent in suit could still have been renewed at that time, it was unfortunate that the full response from CPA took ten days, by which time the patent had ceased.

- 13 In reaching my decision on this matter I am also conscious of the statement of Aldous J. (as he was then) in *Continental Manufacturing & Sales Inc’s Patent* [1994] RPC 535 at page 542 lines 46 to 48 -

“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.”

Thus, while I accept the Office's view that Mr Bosworth did not do all that he could have done to ensure that the renewal fee for the patent was paid on time, I nevertheless consider that he acted reasonably in circumstances where a particular reminder which was awaited to prompt the renewal of the patent, was not received. In my view his prompt actions, following the receipt of the next CPA reminder on 7 January 1999 for another patent, amounted to reasonable care to see that the renewal fee for the patent in suit was paid.

Conclusion

- 14 It follows that I am satisfied that the requirements of section 28(3) have been met and that restoration should be allowed. In accordance with rule 41(4) of the Patents Rules 1995, an order for restoration will be made if within two months from the date of this decision Richard Pearson Ltd files Patents Form 53/77, together with Patents Form 12/77, duly completed, and the amount of the unpaid renewal fee. The effect of the order will be as specified in section 28A of the Patents Act 1977.

Dated this 15th day of February 2001

R J Walker
Assistant Director, acting for the comptroller

THE PATENT OFFICE