



BL O/045/06

9th February 2006

PATENTS ACT 1977

APPLICANT Nikolaos Tsakonas
(GoBoards International SA)

ISSUE Whether patent number
EP1027695 should be restored under
section 28

HEARING OFFICER G J Rose'Meyer

DECISION

Introduction

- 1 The renewal fees in respect of the fifth year of the patent fell due on 19th November 2002. 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 19th November 2002. The application for restoration of the patent was filed on 18th June 2004, within the nineteen months prescribed under rule 41(1) (a) for applying for restoration.
- 2 After consideration of the evidence filed in support of the applications for restoration, the applicant was informed that it was the preliminary view of The Patent Office that the requirements for restoration, as laid down in section 28(3), had not been met, and that further clarification of certain points emerging from the evidence filed was still required. However, the applicant did not accept this and requested a hearing. In the light of this, the office issued a preliminary view that the case for restoration had not been made out.
- 3 The matter came before me at a hearing on 30th November 2005 at which Mr. Tsakonas appeared himself and was also represented by Dr. Michael David Spencer a Registered Patent Agent and partner of the firm Bromhead Johnson.

The evidence

- 4 The evidence filed in support of the application consists of:
 - a) A witness statement dated 18th June 2004 from Dr. Spencer attaching twelve exhibits
 - b) A Statement of Grounds for Restoration dated 18th June 2004 from Bromhead Johnson along with two exhibits

- c) A certified translation of an Affidavit of Mr. Nikolaos Tsakonas, the proprietor of the patent, made on the 4th June 2004 in Thessaloniki, Greece.
- d) A second witness statement from Dr. Spencer dated 13th October 2004, along with nine exhibits
- e) A certified translation of an Affidavit of Mrs. Korinna-Maria Argyriadi, of Argyriads-Metallino-Schinas, authorised attorneys for the proprietor in Greece
- f) A witness statement dated 30th November 2005 from Mr. Tsakonas
- g) A third witness statement from Dr. Spencer dated 30th November 2005, along with three exhibits

Background

- 5 Bromhead & Co (predecessors to Bromhead Johnson) sent four letters (dated 1st August, 22nd November, 12th December 2002 and 3rd April 2003) to Argyriads-Metallino-Schinas reminding them of the date for renewal of the patent (19th November 2002) and the period of grace for late payment with fines (19th May 2003).
- 6 Argyriads-Metallino-Schinas only responded to those reminders in a faxed letter dated 28th May 2003 (outside the period in which late renewal could be paid) which instructed Bromhead & Co to pay the renewal fee on the patent. Bromhead & Co immediately responded by fax saying that the patent had already lapsed and restoration might only be possible in certain circumstances and seeking instructions on such.
- 7 In effect no instructions were forthcoming until 1st June 2004, when a faxed letter signed on behalf of Mr. Tsakonas from GoBoards International S.A. (the applicant for restoration), was received by Bromhead Johnson instructing them to begin restoration proceedings.
- 8 Also on 1st June 2004, Bromhead Johnson received a letter from Mr. Tsakonas explaining that he had been unable to attend to his business for almost a year due to the serious illness of his son. The treatment for his son began in June 2002. During the period October 2002 to December 2002 the boy was being treated in London and Mr. Tsakonas and his wife had moved away from their home and business in Greece to attend to him. Even after his return to his home in Thessaloniki, Mr. Tsakonas did not attend to his business affairs until July 2003. This in effect covered the entire period in which the patent could have been renewed in the UK.
- 9 However, Mr. Tsakonas attests in evidence that during his absence from his business activities, he sent money to his “associates” for business purposes, including the renewal of patents in different countries. However, he states, it was only five months after returning to his business activities that Mr. Tsakonas was told by his “associate” that the patent had

been allowed to lapse in the UK. Mr. Tsakonas states he had no interest in allowing the UK patent to lapse, the UK market being his most important in Europe.

- 10 During the proceedings in the UK Patent Office, it appears to have been difficult to establish quite who these “associates” were. This transpired to be a crucial factor in the determination of this case, which only became clear at the hearing.
- 11 Mrs. Korinna-Maria Argyriadi of Argyriads-Metallino-Schinas confirms much of Mr. Tsakonas’ account of events regarding his absence from business activities. She confirms that although she forwarded correspondence to him, waiting for his further instructions, these were often not forthcoming. As a result of this lack of communication, the UK patent was not renewed. She says that the reason for this is that she did not have explicit instructions to pay the UK renewal fee and that this would have been outside her authority to do so.
- 12 However, regarding her instructions to Bromhead Johnson on 28th May 2003 to pay the UK renewal fee (see paragraph 6 above), Mrs. Argyriadi says this was carried out by her office even though they did not have explicit orders to do so because “the deadline was expiring *at the end of the month* and the client should not lose his rights” (emphasis added). She confirms that the instructions for payment of the fee were backed up with a payment order to the bank.
- 13 At this point (December 2004), the Patent Office sought clarification of a number of issues from the evidence filed to date. Unfortunately also around this time there appears to have been a breakdown in relations between Mr. Tsakonas and the Greek attorneys, consequently making it impossible for Bromhead Johnson to address the points of clarification. The application for restoration was duly refused by the Office and hence a somewhat premature request for a hearing was made.

The Hearing

- 14 The hearing was held on 30th November 2005. At the hearing Mr. Tsakonas, who had flown over from Greece to attend, and Dr Spencer were able to clarify a number of crucial issues, namely:
 - a) The “associates” referred to by Mr. Tsakonas to whom he sent money for business purposes, including the renewal of patents in different countries, were in fact his Greek attorneys, namely Mrs. Argyriadi.
 - b) He forwarded to her money for the purpose of carrying out the patent renewal in various European countries although the order in which she paid these was her responsibility.
 - c) Mr. Tsakonas was very clear in the previous evidence and at the hearing that he regarded the UK as his most important market and that the UK patent should have been renewed.

- d) Dr Spencer confirmed that punctual payment for renewal and other purposes from the firm of Argyriads-Metallino-Schinas had traditionally been difficult to secure. However, on recent scrutiny of his firms accounts with Argyriads-Metallino-Schinas, it had transpired that quite unlike their usual payment history, they had in fact transferred funds on 28th May 2003 (albeit too late), to pay the UK renewal of the patent in suit. It was his submission that this payment to Bromhead Johnson would not have been so had Argyriads-Metallino-Schinas not themselves received funds from Mr. Tsakonas for the purpose. A matter confirmed by Mr. Tsakonas' evidence.

- 15 At the hearing I allowed seven days for these matters to be formalised into evidence, as in my judgment they were crucial to the correct determination of this case. The formalized evidence was duly received in time - see paragraphs 4 g) and 4f).

Assessment

- 16 Section 28 (3) states:

If the comptroller is satisfied that –

- (a) *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”

- 17 In accordance with Section 28 (3), I have to determine whether or not the applicant's took “reasonable care” to see that the sixteenth year renewal fees were paid on the patent in suit. In deciding this matter it is helpful to bear in mind the following direction given by Aldous J in *Continental Manufacturing & Sales Inc's Patent* [1994] RPC pages 535 to 545:

“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”.

- 18 I should say at the o signed on behalf of Mr. Tsakonas outset that my view is that this standard *has* clearly been satisfied.

- 19 The preliminary view of the office to refuse the application was based on the evidence available up to the time of the hearing. Despite attempts to seek clarification of various points arising from the evidence, this was not possible. Had the office had the benefit of the extra evidence I was able to secure at the hearing, then the hearing would probably never have been necessary.

- 20 It is very clear to me that in the personal predicament Mr. Tsakonas and his

family found themselves in during late 2002 and early 2003, i.e. the very serious illness of their youngest son, their minds were understandably distracted away from business affairs. However, although it has taken some effort to establish the surrounding facts, it is also clear that Mr. Tsakonas took several steps to ensure payment of the renewal fee for the UK patent was made in good time.

- 21 He had appointed Argyriads-Metallino-Schinas, Greek Patent attorneys to look after this. Argyriads-Metallino-Schinas operated in the UK in association with the well established firm of Bromhead Johnson.
- 22 The evidence shows that despite his son's illness throughout the period in which renewal could have been secured in the UK, Mr. Tsakonas left instructions and funds for the patent to be paid. Although there were no explicit instructions for the UK patent specifically to be paid, sufficient funds and standing instructions to pay all European renewals on this patent were in place. It was Argyriads-Metallino-Schinas' duty to pay these in the relevant order.
- 23 There is a lack of detail in the evidence of Mrs. Argyriadi regarding her activities towards this particular UK patent and also a number of inconsistencies in her translated Affidavit. The most puzzling of these are her statements outlined in paragraphs 11 and 12 above, where she says she had no authority to pay fees without explicit instructions from Mr. Tsakonas (leaving aside Mr. Tsakonas' own conflicting statement that he had indeed instructed her to pay European renewal fees and forwarded monies for that purpose) and then follows that by saying the fees were indeed forwarded to Bromhead Johnson without further instructions from Mr. Tsakonas.
- 24 Perhaps more pertinent than that was her apparent misunderstanding of the due date by which the UK fee had to be paid. Her statement that the fee was eventually forwarded to Bromhead as "the deadline was expiring *at the end of the month* and the client should not lose his rights" (my emphasis) shows a fatal misunderstanding of the UK due date. There is indeed further evidence of this misunderstanding in her Affidavit. While payment of renewal fees at the end of the month in which they fall due is the norm in many European jurisdictions, the UK is not one of them. The UK fee is payable on the specific due date or within 6 months of the corresponding date under section 25(4) of the Act. Mrs. Argyriadi was clearly notified of this fact via the reminders sent to her by Bromhead Johnson on four separate occasions during the relevant period, but it is a crucial fact she overlooked or misunderstood.
- 25 Mr. Tsakonas had placed the renewal of his patent in the hands of professional Greek Patent Attorneys and had left standing instructions and monies to cover renewal fees (verified by the attempted late payment of the fees in late May 2003 by Argyriads-Metallino-Schinas). The UK associates of the Greek firm (Bromhead Johnson) had acted with all due diligence in reminding the Greek attorneys of the renewal dates in good time. Despite all this the patent was allowed to lapse. This is a clear cut case of agent error – see *Frazer's Patent* [1981] RPC 53.

Conclusion

- 26 On the evidence before me I am satisfied that the applicant exercised the degree of care to see that the renewal fee was paid which I consider was reasonable under the circumstances relevant to this particular application for restoration. I am therefore satisfied that the requirements in section 28(3) have been met and that restoration should be allowed.
- 27 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, the proprietor files a Patents Form 53/77 and fee of £135, together with Patents Form 12/77, duly completed, and the amount of any unpaid renewal fee. The effect of the order will be as specified in section 28A.

G J Rose' Meyer

Divisional Head of Administration

Acting for the Comptroller