



BL O/145/06

7<sup>th</sup> June 2006

## PATENTS ACT 1977

APPLICANT Dr Anthony Maddison

ISSUE Whether patent number GB2345146  
should be restored under section 28

HEARING OFFICER J E Porter

---

### DECISION

#### Introduction

- 1 This decision concerns whether the patent in suit should be restored following a failure to pay a renewal fee.
- 2 The fee in respect of the fifth year of the patent was due on 21<sup>st</sup> December 2003. It was not paid by that date, nor during the subsequent 6 months which are allowed for late payment by virtue of section 25(4). The patent therefore ceased with effect from 21<sup>st</sup> December 2003. An application for restoration of the patent was made on 16<sup>th</sup> August 2004, well within the time allowed by rule 41 of the Patents Rules 1995.
- 3 After considering the evidence filed in support of the application for restoration, the Patent Office came to the preliminary view that the requirements for restoration had not been met. As a result, the applicant requested an opportunity to be heard.
- 4 The matter came before me at a hearing on 21<sup>st</sup> March 2006, at which the applicant represented himself.

#### Background

- 5 The applicant, Dr Maddison, is self-employed. At his home he has office space containing, amongst other things, files concerning his various patent applications and patents.
- 6 In respect of the patent in suit, he instructed the renewals agency Computer Patent Annuities Ltd ("CPA") to handle renewal payments and to send him reminder letters.
- 7 At the time when the renewal fee in question was due, Dr Maddison's home was undergoing significant building work. The files had been moved to other

parts of the house and during this time his partner, Ms Andrea Woodward, was enlisted to help with clerical matters.

- 8 His case, in brief, is that the combination of the disruption caused by the building work, the mis-filing by Ms Woodward of one CPA reminder letter, and the disappearance or non-arrival of other such reminders meant that he was unaware, until too late, that the renewal fee was due.
- 9 The Patent Office took the view that the failure to act on any of the reminders indicated that Dr Maddison had not taken reasonable care to see that the renewal fee was paid.

### **Assessment of the evidence**

- 10 Dr Maddison filed three witness statements, Ms Woodward filed one witness statement (giving details of her clerical assistance to Dr Maddison) and Ms Diana Stagg (a patent agent at Marks and Clerk) filed one witness statement in relation to the CPA reminders.
- 11 Dr Maddison gave some further evidence orally at the hearing. He struck me as an honest witness who was doing his best to recall events as they were at the time.

#### *The filing and renewal reminder system*

- 12 Dr Maddison has a filing system for keeping track of paperwork on his patents and patent applications. Each patent or patent application has a separate file, marked accordingly with descriptive titles such as “Stressing Device” and “Stress Test Apparatus”. He would (until he obtained clerical assistance) open correspondence himself, put it on the appropriate file and take any necessary action. In respect of renewal fee payments, he relied on reminders from CPA and he “became used to the format of such letters and recognised their importance on receipt”.
- 13 According to CPA’s records, four such reminders were issued to Dr Maddison in June, August and December 2003, and April 2004. It is clear that the fourth of these arrived and was correctly addressed. It contained a reference to “Variable Stress Test Apparatus” and it also referred to the patent number. What is far from clear is what happened to reminders one to three.

#### *The missing reminder letters*

- 14 In his first witness statement, Dr Maddison says that “I have been unable to locate the first three reminders issued by CPA”. And in his second witness statement he says that “I have carried out a further exhaustive search of my filing system for the other associated reminders but no trace of other missing correspondence has been found”.
- 15 At the hearing, matters got rather more confused when Dr Maddison suggested that he might have found the first and second reminders too – the first being actually not a reminder but “a general introduction to [CPA’s]

services” and the second having been mis-filed. But when I pointed out the statements made in his earlier witness statements, he became less certain about what had actually occurred. I asked him to clarify matters in writing within 2 weeks of the hearing, and he sent a copy of the general letter about CPA’s services dated 25 June 2003, but confirmed that his witness statements were correct in that he did not have the second reminder.

- 16 Having read the general CPA letter carefully, I find it hard to believe that this constitutes CPA’s first reminder. It is a letter which invites Dr Maddison, as an existing customer, to switch from one type of CPA payment system (the “Instruct Service”) to a different system (the “Automatic Payment Service”). It does not mention the forthcoming renewal date of the patent in suit – in fact it does not mention the patent in suit by number or in any other way at all.
- 17 I am therefore drawn to the conclusion that this general letter is not the first CPA reminder and that, despite the confusion at and after the hearing, the position that Dr Maddison set out in his first and second witness statements is the correct one – namely, that the first three CPA reminders cannot be found.
- 18 The evidence shows that Dr Maddison was sent one other reminder letter on 13 January 2004 – not from CPA but from his patent agent Marks and Clerk. The agent was prompted to send this letter after receiving the standard Patent Office letter which is issued when a renewal fee is not received by the due date. Dr Maddison’s first witness statement makes clear that he has been unable to find his copy of the Marks and Clerk letter.
- 19 The reasons why the first three CPA reminders and the Marks and Clerk reminder have gone missing remain unclear. The general CPA letter and the fourth reminder certainly show that CPA was sending correspondence to Dr Maddison’s correct address. The witness statement from Ms Stagg, the patent agent, also confirms this point.

#### *Postal problems*

- 20 Dr Maddison says in his first witness statement that “It is not beyond the realm of possibility that one or more of these important communications has been delivered in error to an incorrect address, or suffered some other form of postal disruption so as not to have been correctly delivered to me”. In his second witness statement he says “Occasionally mail addressed to me has been delivered to the wrong address” and that “There have been occasions when mail known to have been sent was not received”.
- 21 At the hearing Dr Maddison said “I have a suspicion that one or more of the other [reminders] may not have been delivered, because I have frequently had letters from other people which I have had to send on, and it is quite possible that my letters have been misdirected too, some of them”. He also said that no correspondence is destroyed, which is why he suspected postal problems when he could not find the reminders, and he reiterated that “there have been a number of occasions when I have had to contact someone from whom I had expected something and it hasn’t arrived. It has not happened that often, but it has certainly happened”. In his second witness statement he gives an

example of where a parcel is known to have been sent, but was never received by him. At the hearing, he gave an example of where he had received someone else's post.

- 22 On the evidence, I do not doubt that Dr Maddison has on occasion had trouble with post – either receiving other people's or not receiving his own. But his evidence does not to my mind demonstrate the sort of consistent and sustained problem needed to show that, on the balance of probabilities, postal problems can explain the absence of the three CPA reminders and the Marks and Clerk letter. To conclude that this was the case would be to go into the realms of speculation.

#### *The building work*

- 23 Dr Maddison's home, which included his office space, underwent substantial building work between October 2003 and July 2004. This period covers the time when the missing third CPA reminder and the missing Marks and Clerk reminder were sent. Large parts of the home were demolished and rebuilt, including the office space, and I have no difficulty in believing Dr Maddison when he states that the level of disruption was such that it diminished his ability to maintain a normal working practice.

#### *Clerical assistance*

- 24 To assist him during the building work, Dr Maddison obtained clerical help from his partner, Ms Woodward. Her role was to open correspondence and put it on the appropriate file – but not to take any other action in respect of that correspondence. Because Ms Woodward was familiar with aspects of Dr Maddison's work, and was being asked to do no more than file correspondence, no specific training was given. Dr Maddison's role was to continue to review the files and to take action where necessary, based on the correspondence on those files.
- 25 As noted above, it is not known what happened to the first three CPA reminders and the Marks and Clerk reminder. Ms Woodward's witness statement makes no mention of them. However, the fourth and final CPA reminder arrived and was mis-filed by Ms Woodward in a redundant file entitled "Stressing Device", when it should have been put in a file called "Stress Test Apparatus". Furthermore, at the hearing Dr Maddison explained that the redundant "Stressing Device" file itself had become separated from the other patent files during movement of the filing system as a result of the building works. The fourth CPA reminder had ended up "in the wrong file in the wrong filing cabinet" and was not found until the time for renewing the patent had passed.

#### **The relevant law**

- 26 Because the patent ceased to have effect before 1<sup>st</sup> January 2005, the relevant law is contained in section 28(3) of the Patents Act 1977 as it stood before that date. It reads:

*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.*

- 27 In accordance with this provision, I have to decide whether or not Dr Maddison took “reasonable care” to see that the renewal fee in question was paid. In deciding this, it is helpful to bear in mind the words of Aldous J in *Continental Manufacturing and Sales Inc.’s Patent* [1994] RPC 535:

“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.”

### **Reasoning**

- 28 It is clear that the failure to pay the renewal fee was as a result of a number of entwined factors. The disappearance of the first three CPA reminders and the Marks and Clerk letter, the mis-filing of the fourth CPA reminder, and the moving of and disruption to the filing system generally as a result of the building work all may have played a part in the failure.
- 29 Dr Maddison says that his system had worked in the past, and in my view a reliance on the arrival of CPA reminders combined with a filing system of the type he described was generally reasonable for a lone inventor. But the test is not whether the system in general was a reasonable one – it is whether Dr Maddison acted reasonably in ensuring that the fee in question was paid. And it seems to me that there are two important questions to consider in that respect. The first is whether the evidence in respect of the multiple lost reminders satisfies me that reasonable care was taken to see that the renewal fee was paid. The second is whether the fate of the fourth reminder, and the enlisting of Ms Woodward’s help, demonstrates reasonable care.
- 30 On the first question, I have already come to the conclusion from the evidence put before me that, on the balance of probabilities, postal problems cannot explain the absence of all three missing CPA reminders and the Marks and Clerk letter. The inevitable conclusion that this leads me to is that, aside from the fourth reminder, at least one other reminder – and probably more – did arrive at Dr Maddison’s home, either before or during the period of building work.
- 31 I can fully understand why Dr Maddison can offer no explanation for what happened to these reminders – he talked about the disruption he experienced, and the difficulty of carrying on with “normal life” and his work. And I cannot draw any inference about whether he himself saw the reminders and then lost them, or whether Ms Woodward saw them and lost them, or saw them and

chose not to bring them to his attention, or whether something else happened (possibly connected with the building work and the moving and reconstructing of the files) to cause their disappearance. But the fact that reminders were either lost or were never brought to his attention does not satisfy me that on the balance of probabilities Dr Maddison took reasonable care to see that the fee was paid.

- 32 On the second question, Dr Maddison clearly realised that some help was needed during the disruption and so he enlisted the help of Ms Woodward to do the filing of correspondence for him. When I asked Dr Maddison at the hearing about any training that she had been given, he said “It was just a general discussion about how we would cope during the next few months. And the filing cabinets were very full, but the folders were marked...only a limited number of files were actually of any importance. And we just had a general discussion then about what she could do in terms of dealing with the mail”. He went on to say later “I can’t claim that any intensive training was undertaken. I didn’t really feel it was necessary. She is a very competent individual, and has her own filing system in place to organize her school work and so on”.
- 33 All that was being asked of Ms Woodward was to open correspondence and place it on the relevant file – not to administer the payment of renewal fees or any other patent matter. So I am satisfied that it was reasonable not to engage her in lengthy or intensive training.
- 34 But it is clear from the evidence that Dr Maddison was well aware of the importance of paying renewal fees, and of recognising the CPA reminders. He also knew that, for his system not to fail, it was crucial that Ms Woodward filed the reminders correctly on the relevant file. He clearly had many work-related files, some concerning patents and patent applications, and others not. And without at least some degree of specific training or explanation I can see why confusion about the files could easily arise – despite Ms Woodward having some familiarity with Dr Maddison’s work in a general sense. To expect anyone (even a competent and reliable person) to distinguish between file names such as “stress test apparatus” and “stressing device”, and then to put correspondence concerned with (as the CPA reminder says) “variable stress test apparatus” on the correct file without some specific training or instruction was not, in my view, to take reasonable care to see that the fee was paid.
- 35 I derive support for this view from the judgment of the House of Lords in *Textron Inc’s Patent* [1989] RPC 441, in which Lord Templeman said:
- “The proprietor must, in each case, take reasonable care in the selection of his agent or servant and in the instructions and arrangements for payment”
- and held that reasonable care had been taken, but only because of the failure:
- “of a competent employee, appropriately selected, qualified and experienced, to comply with clear and unambiguous instructions”.
- 36 To draw the two questions together: I do not doubt that normal life was

disrupted during the period of building work, nor that on occasion Dr Maddison may have experienced a postal problem. But I am not persuaded that these factors can be used to explain the failure of Dr Maddison to pay the fee in a way which demonstrates that reasonable care was taken. One or more reminders are likely to have reached him before building work began. Even if this is not the case, he has said that once the building work began, it made normal working practice difficult. But other than enlisting the help of Ms Woodward – and even here not giving her the specific training needed – there seem to have been no steps taken to ensure that important matters to his business, such as patent renewals, continued to be dealt with in a reliable way during this difficult period.

37 In coming to this view I note the observations made by Whitford J in *Convex Ltd's Patent* [1980] RPC 423 that:

“any person taking reasonable care must be prepared to set up a system containing safeguards more sufficient than those used to ensure that, for example, cheques to meet everyday accounts are sent when they should be.”

38 At the hearing, Dr Maddison suggested that even if only one of the missing reminders could be said to be due to postal problems, this increased the risk that the payment would not be made. He said: “The more letters I get, the greater the probability would be that I would have personally intercepted one of them”. I cannot fault his logic, but equally I cannot say that this shows that reasonable care was taken. It does not seem to me to be taking reasonable care to say that, if enough reminders are sent, one may get seen and actioned appropriately.

39 Finally, in paragraph 17 I surmised that the general CPA letter of 25 June 2003 was not in fact the first CPA reminder. If I am wrong on this point, and for some reason CPA’s system does regard the general letter as a first reminder, I do not believe my decision is materially affected, since there are still a total of four other reminders (from CPA or Marks and Clerk) in consideration.

### **Decision**

40 On the evidence put before me, I am not satisfied that Dr Maddison took reasonable care to see that the renewal fee was paid. I must therefore refuse the application for restoration of the patent.

41 I am acutely aware that this decision is very unfortunate for Dr Maddison – and I come to it with personal sympathy for his situation. It is clear that he spent considerable sums of his own money on obtaining the patent in suit, and is himself horrified about the failure to pay the renewal fee. But I can find no way, on the evidence put before me, to conclude that he took reasonable care in all the circumstances to see that the renewal fee was paid.

### **Appeal**

42 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

**Dr J. E. PORTER**

Senior Legal Adviser acting for the Comptroller