

as no further evidence was received, the IPO on 22 December 2009 notified Mr Paunovic that it was the preliminary view of the Office that the arguments and evidence filed to date were insufficient to allow the request for reinstatement and he was offered the right to a hearing. Mr Paunovic duly took up this right.

- 7 Mr Paunovic is resident in Serbia, so on 16 April 2010 I held a hearing with him via telephone.

Evidence

- 8 The evidence filed by Mr Paunovic in support of the application for reinstatement comprised of the following:
- a statement attached to his Form 14 of 23 April 2009
 - an email dated 11 June 2009 with a series of attachment illustrating attempts to secure funding from various organisations
 - an email dated 12 June 2009
 - thirteen emails dated 23 June with reference to companies contacted in order to secure funding
 - an email dated 18 January 2010

The facts

- 9 The facts that emerge from the evidence are that Mr Paunovic's start-up company in Serbia were from the beginning of December 2007 until September 2008 in negotiations with Soyuz Investments Corporation a large investment company. One of the main subjects of the cooperation agreement being negotiated was for Soyuz Investments Corporation to finance worldwide protection of the intellectual property of the applicant, including the patent in suit. However, in early September 2008, without warning, Soyuz Investments Corporation notified Mr Paunovic that they would not be financing international protection of his intellectual property.
- 10 In the period of one month or so between Soyuz Investments Corporation pulling out of the proposed agreement and the deadline for entry into the UK national phase, Mr Paunovic continued to try and raise investment mostly through foreign venture capital companies and business angels, as these were not available at that time in Serbia.
- 11 Mr Paunovic sent dozens of emails to a variety of venture capital companies in Europe and also approached the New Zealand government. Many of the companies did not reply at all, but the New Zealand government did show an interest. However, eventually an application for a New Zealand Marine Energy Deployment Fund was declined.
- 12 This left Mr Paunovic unable to finance entry of the patent into the UK national phase at the time it was due by 16 October 2008.
- 13 The written evidence suggests that although Mr Paunovic originally knew by when he had to request entry into the UK national phase, he believed the cost of

that to be much higher than it later transpired to be. Mr Paunovic stated that the Serbian national patent office in Belgrade informed him that the cost would be in the region of 1500 Euros.

- 14 At the hearing, Mr Paunovic also submitted that when he asked the Serbian national office about the fee payable, he also checked with them by what date that fee needed to be paid. He stated that the Serbian national office had informed him that the period by which he had to make the request for entry into the UK national phase was between 30 to 36 months from the earliest declared priority date.

The Law

- 15 The provisions for reinstatement are Section 20A and Rule 32. Section 20A(1) states that reinstatement applies –

“where an application for a patent is refused, or is treated as having been refused or withdrawn, as a direct consequence of a failure by the applicant to comply with a requirement of this Act or rules within a period which is-
(a) set out in this Act or rules, or
(b) specified by the Comptroller”

- 16 The application was treated as withdrawn on 7 July 2009 as a consequence of the applicant’s failure to comply with the time period prescribed by Rule 66(1) (b) for requesting entry to the National Phase.

Section 20A(2) states that –

“.....the Comptroller shall reinstate the application if, and only if –
(a) the applicant requests him to do so;
(b) the request complies with the relevant requirements of the rules; and
(c) he is satisfied that the failure to comply referred to in subsection (1) above was unintentional”

Rule 32 states -

“32. (1) A request under section 20A for the reinstatement of an application must be made before the end of the relevant period.
(2) For this purpose the relevant period is—
(a) two months beginning with the date on which the removal of the cause of non compliance occurred; or
(b) if it expires earlier, the period of twelve months beginning with the date on which the application was terminated.
(3) The request must be made on Patents Form 14.
(4) Where the comptroller is required to publish a notice under section 20A(5), it must be published in the journal.
(5) The applicant must file evidence in support of that request.

- 17 I have taken the date of the removal of the cause of non to be 23 April 2009 when the request to enter the national phase on Form NP1 was filed. As the request

for reinstatement was filed concurrently, it therefore correctly meets the requirements of Rule 32(1) and (2) (a).

- 18 The main issue to be decided therefore is whether the failure to comply with s. 89A(3) and the time period prescribed by rule 66(1) (b) was unintentional i.e. specifically s. 20A(2)(c) of the Act.

The Arguments

The Office's view

- 19 The IPO has taken the view that Mr Paunovic's failure to comply with the requirements of Section 20A of the Act was not unintentional because the evidence shows that he knew the date by which he needed to file the request for entry of his patent into the UK national phase. It also shows he took the decision not to file the request because he believed the cost of doing so was too high for him to afford at that time. As such, it was a conscious decision and cannot be said to have been unintentional.

The applicant's argument

- 20 Mr Paunovic's arguments in his written evidence suggest that he knew the specific date by which he had to request entry for this patent into the UK national phase. However, as this was not entirely clear, I specifically questioned him on this point at the hearing. He said this was not correct.
- 21 He said his original research on the internet had led him to believe that the date for entry for many countries (although not specifically the UK) into their respective national phases was "between 30 and 31 months". This had led him to believe that that would be the same for the UK. So his original belief was that he would have a maximum period of up to 31 months. When asked at the hearing, he said this had not translated itself into a firm understanding that the date was specifically 16 October 2008.
- 22 However, when he had made his enquiry to the Serbian national patent office about the fee involved, he had taken the opportunity to check on the deadline for filing that fee. It was during this enquiry that he had been told that they believed the period to be between 30 to 36 months.
- 23 That had led him to believe he had beyond the maximum of 31 months he had originally believed he had. Mr Paunovic stated that as the Serbian national office is the institution he relied on for seeking information about international protection, he had of course believed them with regard to the fee and the dates they had advised him about.
- 24 Mr Paunovic states that he only found out that the true cost of the official fee for entry into the UK national phase was £30 as a result of information supplied by the IPO after he had launched this application for reinstatement. He says that this came as a big surprise to him that it was so low and had he have known that at the correct time, he would have paid the fee before the deadline expired.

The analysis

- 25 The determination to be made under Section 20A (2) of the Act is that the Comptroller shall reinstate the application if he is “satisfied that the failure to comply [with s. 89A(3) in this case] ...was unintentional”.
- 26 It is important that the meaning of this requirement is read and understood in totality.
- 27 It is tempting to merely look at the word “unintentional” and decide whether the evidence demonstrates that the circumstances surrounding the facts of the case were unintentional. This is not the test. The determination is not to be reached by examining the general surrounding circumstances of a case, but rather what the reasons were in specific relation to the *failure to comply* (in this case by not entering the UK national phase on time) and then whether that failure was unintentional.
- 28 The evidence shows that the surrounding circumstances were clearly difficult and ultimately unfortunate for Mr Paunovic. As a start-up company in Serbia, he was struggling to fund the development and protection of his invention. Despite his best efforts, all his attempts to secure finance in time to enter his PCT application into the UK national phase failed.
- 29 It is quite clear from the evidence and from his submission before me that Mr Paunovic had always intended to enter his PCT application into the UK national phase. These surrounding circumstances were to a large degree outside his control and clearly not what Mr Paunovic would have wanted. They were unintentional.
- 30 However, as I have said, it is not the unintentional nature of the surrounding circumstances, but whether the *failure to comply* in each case was unintentional.
- 31 In a previous reinstatement case appealed to the England and Wales High Court (Patents Court) *Anning's Application* [2007] EWHC 2770 (Pat) was established that a demonstration of underlying intention will not necessarily be followed by a finding that the failure to comply was unintentional.
- 32 So what was the reason behind the *failure to comply* in not requesting entry into the UK national phase on time? It is clear. It was a lack of funds. Albeit as it transpired a perceived lack of funds, it led directly to the failure to comply.
- 33 This is exacerbated and made all the more unfortunate by the fact Mr Paunovic was also seemingly confused into believing that the deadline for payment was longer than it actually was.

34 After careful consideration, I find that in the absence of knowledge of the specific final dates for payment of the fee, Mr Paunovic was nevertheless very aware that a final date still existed for entry into the UK national phase, despite the confusion caused by the information provided to him by the Serbian national patent office.

35 So in the knowledge that the request and fee had to be paid at some point between 30 and 36 months from the earliest declared priority date of 16 March 2006, Mr Paunovic was perfectly aware that the lack of funds available to him throughout this period meant that he was unable to pay the fee even after the wrongly advised later dates had past. Hence he did not pay the requisite fee.

36 That was a deliberate decision, albeit based on incorrect information provided to him by others.

37 As such the failure to comply was not unintentional.

Conclusions

38 I have much sympathy with Mr Paunovic, but of course I have to make a determination based on the facts and how they apply to the law. I cannot take into consideration what he might have done had he known the true cost of entry into the UK national phase before the true deadline.

39 I conclude that because Mr Paunovic was fully aware of his inability to comply with the requirements of Section 89A(3) and Rule 66(1)(b) because of a lack of funds, that his failure to comply was not unintentional as required by section 20A(2) of the Act. I therefore refuse his request to reinstate his application.

Appeal

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

G J Rose'Meyer

Hearing Officer acting for the Comptroller