

PATENTS ACT 1977

APPLICANT The Administrators of the Tulane Education Fund

ISSUE Whether Supplementary Protection Certificate
 SPC/GB/99/033 should be brought into effect
 following a failure to pay the prescribed fee within
 the period prescribed in paragraph 5 of Schedule 4A

HEARING OFFICER Ben Micklewright

DECISION**Introduction**

- 1 An application for grant of a supplementary protection certificate (SPC) in respect of the product "Cetrofexil and pharmaceutically acceptable salts thereof, including cetrorelixacetate", protected by basic patent EP (UK) 0299402 entitled "LHRH antagonists, their manufacture and pharmaceutical compositions thereof", was filed on 9 September 1999 in the name of ASTA Medica Aktiengesellschaft (the predecessor in title to the current applicant). The application was assigned the number SPC/GB/99/033. A certificate was subsequently granted on 11 August 2000. The certificate was due to take effect at the end of the lawful term of the basic patent, namely on 11 July 2008, but this was subject to the payment of fees.
- 2 On 11 April 2008 the Intellectual Property Office ("the Office") issued a reminder regarding payment of the prescribed fee required to bring the SPC into effect. This reminder was sent to the applicant's UK address for service. Shortly after 11 July 2008, the date the SPC was due to come into effect, the Office issued a further reminder stating that the fees had not been paid and setting out the requirements for paying the fees late. According to Office records the fees for this SPC were not paid and the SPC was therefore considered to have lapsed on 11 July 2008.
- 3 The applicant subsequently attempted to pay the fee after the expiry of the prescribed period in which the fee could be paid late, citing several legal provisions as possible grounds for the Office allowing the payment. These provisions were:
 - (a) Correction of irregularities under rule 107 of the Patents Rules 2007;
 - (b) Reinstatement under section 20A of the Patents Act 1977;

(c) Restoration under section 28 of the Patents Act 1977.

- 4 The Office however took the view that the fee could not be paid under any of the cited provisions. The applicant requested a hearing and the matter therefore came before me at a hearing on 13 April 2011 at which the applicant was represented by Dr Gordon Wright, a chartered patent attorney of the firm Elkington and Fife LLP.
- 5 In this Decision I will refer to the Administrators of the Tulane Education Fund as “the applicant”. This is used for convenience in the sense of the applicant for reinstatement or restoration, or more generally the applicant for bringing the SPC into effect after the end of the prescribed period.

The law

Supplementary protection certificates

- 6 The law concerning SPCs for medicinal products is governed by Council Regulation (EEC) No 1768/92 of 18 June 1992 concerning the creation of a supplementary protection certificate for medicinal products (there is a separate Regulation for plant products). A codified version was produced in 2009 as Regulation (EC) No 469/2009 of the European Parliament and of the Council of 6 May 2009 (“the Regulation”). I will refer to the codified version in this decision, although Dr Wright used the original version when making his submissions.
- 7 An SPC provides further protection for a medicinal product which has been protected by a basic patent following the expiry of that basic patent for a period of up to five years, providing a number of conditions are satisfied. One important condition is that the product has been granted a valid authorisation to place the product on the market in accordance with Directive 2001/83/EC or Directive 2001/82/EC as appropriate. The certificate provides protection for the product itself, in contrast to a patent which protects the invention defined in its claims.
- 8 According to Article 7 of the Regulation, an application for an SPC must be lodged within six months of the date on which the authorisation to place the product on the market is granted, or within six months of the grant of the basic patent if this is later. The SPC does not however take effect, according to Article 13 of the Regulation, until the end of the lawful term of the basic patent.
- 9 Article 12 of the Regulation relates to annual fees and states:

Article 12

Annual fees

Member States may require that the certificate be subject to the payment of annual fees.

- 10 Article 14 of the Regulation relates to expiry of the certificate. Article 14(c) is particularly relevant to the present case:

Article 14

Expiry of the certificate

The certificate shall lapse:

...

(c) if the annual fee laid down in accordance with Article 12 is not paid in time.

- 11 Article 19 relates to procedures for which there are no provisions in the Regulation and states.

Article 19

Procedures

1. In the absence of procedural provisions in this Regulation the procedural provisions applicable under national law to the corresponding basic patent shall apply to the certificate, unless the national law lays down special procedural provisions for certificates.

2. Notwithstanding paragraph 1, the procedure for opposition to the granting of a certificate shall be excluded.

- 12 The UK introduced special provisions for SPCs into the Patents Act 1977 (“the Act”) on 17 December 2007. Section 128B was introduced into the Act and a new Schedule 4A was added. Prior to the introduction of these provisions UK legislation did not explicitly set out which provisions of the Act applied to SPCs and to applications for SPCs.

- 13 Section 128B(1) states:

128B.-(1) Schedule 4A contains provision about the application of this Act in relation to supplementary protection certificates and other provision about such certificates.

- 14 Paragraph 1 of Schedule 4A sets out the provisions of the Act which apply to SPCs, and how these provisions are to be translated to SPC provisions. It states:

1.-(1) In the application to supplementary protection certificates of the provisions of this Act listed in subparagraph (2) –

(a) references to a patent are to a supplementary protection certificate;

(b) references to an application or the applicant for a patent are to an application or the applicant –

(i) for a supplementary protection certificate, or

(ii) for an extension of the duration of a supplementary protection certificate;

...

(2) The provisions referred to in sub-paragraph (1) are –

section 14(1), (9) and (10) (making of application);

section 19(1) (general power to amend application before grant);

sections 20A and 20B (reinstatement of applications);

section 21 (observations by third party on patentability);

section 27 (general power to amend specification after grant);

section 29 (surrender of patents);

...

15 Paragraph 5 of the Schedule sets out the fees required for an SPC to take effect, in accordance with Article 12 of the Regulation. It states:

5. A supplementary protection certificate does not take effect unless –

(a) the prescribed fee is paid before the end of the prescribed period,
or

(b) the prescribed fee and any prescribed additional fee are paid before the end of the period of six months beginning immediately after the prescribed period.

16 Rule 116 of the Patents Rules 2007 (“the rules”) sets out formal requirements for the payment of the fee as follows:

116.—(1) An application for—

(a) a supplementary protection certificate shall be made on Patents Form SP1; and

(b) an extension of the duration of a supplementary protection certificate under Article 8 of the Medicinal Products Regulation shall be made on Patents Form SP4.

(2) The period prescribed for the purposes of paragraph 5(a) of Schedule 4A to the Act is—

(a) three months ending with the start date; or

(b) where the certificate is granted after the beginning of that period, three months beginning with the date the supplementary protection certificate is granted.

(3) The comptroller must send a notice to the applicant for the certificate—

(a) before the beginning of the period of two months immediately preceding the start date; or

(b) where the certificate is granted as mentioned in paragraph (2)(b), on the date the certificate is granted.

(4) The notice must notify the applicant for the certificate of—

(a) the fact that payment is required for the certificate to take effect;

(b) the prescribed fee due;

(c) the date before which payment must be made; and

(d) the start date.

(5) The prescribed fee must be accompanied by Patents Form SP2; and once the certificate has taken effect no further fee may be paid to extend the term of the certificate unless an application for an extension of the duration of the certificate is made under the Medicinal Products Regulation.

(6) Where the prescribed fee is not paid before the end of the period prescribed for the purposes of paragraph 5(a) of Schedule 4A to the Act, the comptroller shall, before the end of the period of six weeks beginning immediately after the end of that prescribed period, and if the fee remains unpaid, send a notice to the applicant for the certificate.

(7) The notice shall remind the applicant for the certificate—

(a) that payment is overdue; and

(b) of the consequences of non-payment.

(8) The comptroller must send the notices under this rule to—

(a) the applicant's address for service; and

(b) the address to which a renewal notice would be sent to the proprietor of the basic patent under rule 39(3).

Correction of irregularities

17 Rule 107 of the rules provides discretion for the comptroller to authorise the rectification of an irregularity of procedure under certain circumstances. The rule states:

107.—(1) Subject to paragraph (3), the comptroller may, if he thinks fit, authorise the rectification of any irregularity of procedure connected with any proceeding or other matter before the comptroller, an examiner or the Patent Office.

(2) Any rectification made under paragraph (1) shall be made—

(a) after giving the parties such notice; and

(b) subject to such conditions,

as the comptroller may direct.

(3) A period of time specified in the Act or listed in Parts 1 to 3 of Schedule 4 (whether it has already expired or not) may be extended under paragraph (1) if, and only if—

(a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the comptroller, an examiner or the Patent Office; and

(b) it appears to the comptroller that the irregularity should be rectified.

- 18 Rule 107 therefore gives the comptroller discretion to authorise the rectification of an irregularity of procedure if and only if the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or error by the comptroller, an examiner or the Office, for irregularities relating to periods of time specified in the Act or listed in Parts 1 to 3 of Schedule 4. This includes the period prescribed in rule 116 for the payment of the prescribed fee for bringing an SPC into effect.

Reinstatement

- 19 Section 20A of the Act provides for the reinstatement of patent applications in certain circumstances. It states:

20A.-(1) Subsection (2) below 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.

(2) Subject to subsection (3) below, 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 rules; and

(c) he is satisfied that the failure to comply referred to in subsection (1) above was unintentional.

...

- 20 An applicant whose patent application is refused, or treated as refused or withdrawn, as a direct consequence of a failure by the applicant to comply with a requirement

set out in the Act or rules within a specific time period either set out in the Act or rules or specified by the comptroller can therefore apply for reinstatement of their patent application. The reinstatement will be allowed if the failure to comply was unintentional and if the request is made within the relevant period as set out in rule 32 of the rules. It is noted that section 20A is listed in paragraph 1 of Schedule 4A as one of the provisions of the Act which applies to SPCs. The extent to which the reinstatement provisions apply to the present case will be considered in my assessment below.

Renewal and restoration

- 21 A patent is maintained in force by paying annual renewal fees, in accordance with section 25 of the Act. If the patentee fails to pay a renewal fee within the period prescribed for payment the patent ceases to have effect. Section 28 however allows the patentee to make an application for restoration of their lapsed patent. The patentee must demonstrate that the failure to pay the renewal fee within the prescribed period was unintentional. Section 28(1) states:

28.-(1) Where a patent has ceased to have effect by reason of a failure to pay any renewal fee, an application for the restoration of the patent may be made to the comptroller within the prescribed period.

- 22 It is noted that section 28 is not one of the provisions listed in paragraph 1 of Schedule 4A as applying to SPCs. I will consider in my assessment below whether it is nevertheless relevant to the present circumstances.

Events leading to the failure to pay the fee

- 23 I will start by setting out the sequence of events which, according to the applicant, resulted in the failure to pay the fee. The firm Dennemeyer & Co, based in Luxembourg and specialised in the payment of maintenance fees for intellectual property rights, had been charged with paying the fee required to bring this SPC into effect. On 22 July 2008 Dennemeyer sent to the Office a payment order which set out all fees for which they were responsible which were due in or before July 2008. The order amounted in total to nearly half a million pounds worth of fees relating to over 3000 patents, which, according to the witness statement of Sonja Grasser of Dennemeyer, included £4000 in respect of the SPC fee in question. This order took the form of a data file which included an entry which included the text "LP 21 SPC/GB99/033ADMINISTRATORS OF THE TULANE EDUCA." The entry was in accordance with electronic payment rules at the Office. Note that although this order was submitted after the deadline for paying the fee of 11 July 2008 (due, according to Dennemeyer, to a misunderstanding on their part as to the deadline for paying the fee), in accordance with paragraph 5 of Schedule 4A to the Act the fee could have been paid during a period of six months after that deadline providing a prescribed additional fee was also paid. On 29 July 2008 Dennemeyer received a computer-generated report from the Office showing the discrepancies between the file Dennemeyer sent to the Office and the Office's database. The report identified the patents for which Dennemeyer's payment order had not been accepted, as is normal practice. This report is modified by Dennemeyer's programmers in order to make it easier to recognise the cases for which payment has not been accepted. The report included the following entry:

PubNr	GB0099033	Narrative						
Accepted	R	The Patent number quoted is invalid. Please check your records and re-file.						
DateRenewed	20080722	<table border="1"> <tr> <td>Acceptance Status</td> <td>Rejected</td> </tr> <tr> <td>Reason of rejection</td> <td>The Patent number quoted is invalid. Please check your records and re-file.</td> </tr> <tr> <td>====></td> <td>Couldn't find any active patent for: PubNr= GB0099033</td> </tr> </table>	Acceptance Status	Rejected	Reason of rejection	The Patent number quoted is invalid. Please check your records and re-file.	====>	Couldn't find any active patent for: PubNr= GB0099033
Acceptance Status	Rejected							
Reason of rejection	The Patent number quoted is invalid. Please check your records and re-file.							
====>	Couldn't find any active patent for: PubNr= GB0099033							
DateRenewedTo	20080722							
CustomerRef.	6480/001/87 229#							

24 Dennemeyer were confused by this entry because they had not instructed payment on a patent with the number GB0099033. Normally in such cases the annuity payment officer dealing with the matter usually waits for notification of rejection of a patent renewal but no such notification was received in respect of SPC/GB99/033 and no action was taken by the annuity payment officer. Dennemeyer noticed that the SPC fee had not been paid on 16 January 2009 and immediately contacted the Office. The Office explained that the rejection arose because the attempt to pay the fee was made through the online fees payment system which, whilst it may be used for patents, cannot be used for the payment of SPC fees. It is apparent that the Office's IT system read the SPC number as if it was a patent number and dealt with it accordingly.

Assessment

25 The applicant argued that they should be allowed to pay the fee late and therefore bring the SPC into effect in accordance with one of the following grounds:

- (a) Correction of an irregularity under rule 107.
- (b) Reinstatement under section 20A.
- (c) Restoration under section 28.

26 I will take each of these grounds in turn, but in relation to the second and third grounds, it is useful to point out Dr Wright's submission that either one or other of these should apply, but not both. Dr Wright, with reference to the Regulation, identified two possible purposes for the "prescribed fee" referred to in Schedule 4A. He argued that either it is an annual fee, which means a renewal fee paid to maintain an IP right, or it is not an annual fee and is something to do with completion of the grant process for an SPC (with reference made to the application fee set out in Article 8(4) of the Regulation). If it is the former, Dr Wright argued that section 28 should apply. If the latter than section 20A should apply. I will consider this matter further when I take grounds (b) and (c) in turn below, but note at this point that according to paragraph 5 of Schedule 4A the certificate does not take effect unless the prescribed fee is paid within the prescribed period (or within six months of the prescribed period). It would therefore seem that this relates more to the annual fees of Article 14 than to an application fee. Moreover according to the Patents (Fees) Rules 2007 a separate fee of £250 must be paid when an application for an SPC is filed, suggesting further that the "prescribed fee" relates to the annual fees of Article 14.

(a) *Correction of an irregularity under rule 107*

27 Dr Wright submitted that the failure to pay the fee prescribed by Schedule 4A was attributable at least in part to a default, omission or other error by the Office. At the hearing he identified two errors, defaults or omissions that he argued the Office had made. The first was the Office wrongly identifying the SPC as GB0099033 in its computer-generated report identifying which of Dennemeyer's payments had not been accepted, following Dennemeyer's attempt to pay the fee. The second was that the Office did not send out a notice of rejection in relation to the fee, which Dr Wright claimed was established Office procedure which could be relied on. Dr Wright argued that had the IPO not wrongly identified the SPC in this manner Dennemeyer would have been able to establish that the rejected payment related to the SPC in question. This would have caused them to investigate the situation and address the matter. It is highly likely, according to Dr Wright, that they would then have made the payment along with the surcharge for late payment within the six month grace period prescribed by paragraph 5(b) of Schedule 4A. Moreover Dr Wright said that had the IPO issued the rejection notice in the normal manner the fee would have been paid within the grace period for paying the fee. The Office took the view that there had not been an error on the Office's part in how it dealt with the attempt to pay the fees. The error arose because the attempt to pay the fees was made through the online fees payment system, which whilst it may be used for patents is not the method by which SPC fees are paid. Moreover the Office correctly issued reminder letters in relation to payment of the SPC fees in accordance with its normal practice.

28 It is important to identify the original mistake which caused the failure to pay the fee. The failure arose primarily because the applicant used the wrong system to pay the fee. The system the Office has in place for paying renewal fees is not used for the payment of SPC fees. The annual fees for SPCs do not operate in the same way as renewal fees in that the applicant must pay up front the relevant fee for the entire period for which he wishes the SPC to be in effect in order to bring the SPC into effect. Moreover a separate statutory form (Patents Form SP2) is provided for the payment of SPC annual fees. Bearing in mind the large numbers of renewal fees paid in a single transaction, the Office has to rely on automated systems to process these fees. In the present case the system was unable to recognise the SPC number as an SPC, with the result that it ended up being converted to a patent number. In my view there is no error, default or omission on the part of the Office here. The system operated as it was designed to do, and made the best attempt it could to recognise the number in order to accept a renewal fee payment, the type of payment the system is set up to receive. The failure was due entirely to the applicant using the wrong system to attempt payment of the SPC fee. It was not attributable even in part to an error, default or omission by the Office. I note that Dennemeyer did not contact the Office in relation to the rejection of a patent number which they did not recognise. Had they done so, it is more than likely that the failed payment of the SPC fees would have come to light and the fees could have been paid within the grace period allowed for late payment.

29 The second error, default or omission put forward by Dr Wright was the failure to send a rejection notice in relation to this fee. I can see no possible error here. The Office followed normal practice in relation to SPC fees. On 11 April 2008 the Office sent a reminder to the Address for Service that the fee was due. A further letter was sent on 15 July 2008 concerning the non-payment of fees for entry into force of the certificate, after the normal period for paying the fee had expired (but within the

period in which late payment was possible). The notification of rejection letter to which Dr Wright referred related solely to the failure to pay patent renewal fees. The Office sends out such rejections in relation to patent renewal fees but has different procedures following the failure to pay SPC fees. It followed these procedures correctly in the present case and thus there was no error, default or omission on the part of the Office in relation to this matter.

- 30 Rule 107 does not therefore in the present case give the comptroller any discretion to accept a late payment of the fee in order to bring the SPC into effect.

(b) Reinstatement under section 20A

- 31 According to Schedule 4A to the Act reinstatement is one of the provisions listed in paragraph 2 of this Schedule as applying to SPCs. Paragraph 1 of Schedule 4A sets out how section 20A applies to SPCs. On the basis of this paragraph section 20A(1) reads as follows in relation to SPCs:

20A.-(1) Subsection (2) below applies where an application for a supplementary protection certificate 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.

- 32 The question then is, can an SPC which has been granted but has not come into effect be considered an “an application for an SPC” for the purposes of this provision? Dr Wright submitted that it could. He argued that an SPC was not fully granted until it came into effect. It could therefore be considered an application up to that point. He commented that SPCs are different from patents, and patent law does not always read across to SPCs in a straightforward manner. The drafter of the Regulation, Dr Wright argued, however intended SPCs to be treated in a similar way to patents. The manner that patent law is applied to SPCs should therefore be given a purposive construction. Following this purposive approach an SPC which has been granted but not come into effect could still be considered as an application and therefore section 20A should apply to it. To provide further support to this submission Dr Wright pointed out that the register entry for the basic patent said that “*application SPC/GB99/033 ... was lapsed on 10 July 2008*”. Dr Wright also pointed out that rules 116(3) and (4) referred to “the *applicant* for the certificate” and not to the holder of the certificate. This case, Dr Wright argued, corresponded to thinking of the “prescribed fee” as an application fee. The Office took a different view and considered that as the certificate had been granted it could no longer be an application and therefore section 20A could not be applied to it.

- 33 In deciding whether or not I agree with Dr Wright’s submission I will start by looking at the Regulation. Article 10 has the title “Grant of the certificate or rejection of the application for the certificate”. The reference to “grant” is clearly a reference to the process which takes place when it is determined that the application for a certificate and the product to which it relates meets the requirements laid down in the Regulation. Article 13 sets out the duration of the certificate including when the

certificate shall “take effect”. Article 14 relates to the expiry of the certificate for non-payment of the annual fee in time and does not refer to applications for certificates. In summary the Regulation talks about applications for certificates, the granting of certificates, and the taking effect of certificates. These are all distinct elements of the process set out in the Regulation. A supplementary protection certificate enters into existence when it is granted, at which point it stops being merely an application for a certificate. The certificate then takes effect at the end of the lawful term of the basic patent. It is therefore apparent that once granted a certificate is no longer an “application for a certificate”.

- 34 When applied to patents section 20A is clearly limited to applications for patents. It does not apply to patents once they have been granted. In the case of SPCs it follows that it applies only to applications for SPCs. I do not consider the reference to “applicant” in rule 116 nor the use of the term “application” in the patent register to challenge the clear meaning of the Regulation and Schedule 4A to the Act that an application for an SPC ceases to be an application for an SPC but becomes a granted certificate at the time of grant as defined by Article 10. An application for an SPC ceases to be such when the SPC is granted, following which section 20A no longer applies. It therefore follows that section 20A cannot be used to reinstate the SPC in the present case as it does not apply to SPCs once they have been granted, but only to applications for SPCs.
- 35 For completeness I note that the Office has not disputed that the failure to pay the fee within the period prescribed (in actuality the grace period allowed for paying the fee later for a surcharge) was unintentional. It is apparent that the applicant did intend to pay the fee within that period. Moreover the request for reinstatement was filed within two months of the cause of non-compliance, namely within two months of the applicant realising that the fee had not been paid. The request for reinstatement would therefore have satisfied these requirements had reinstatement been available.

(c) Restoration under section 28

- 36 Section 28 of the Act provides for restoration of patents when a patentee has failed to pay a renewal fee for a patent within the prescribed period or within the period of six months following the end of the prescribed period. Dr Wright submitted that if the SPC in suit could not be considered an application for the purposes of section 20A then section 28 should apply to it instead. Section 28 is not however listed in paragraph 1 of Schedule 4A as one of those which may be applied to SPCs. Dr Wright argued that despite this the provisions of section 28 should be applied to the SPC in the present circumstances because the fee prescribed by paragraph 5 of Schedule 4A must be considered to be a renewal fee and therefore section 28 should apply. The Office however distinguished the SPC fee from a renewal fee on the grounds that it is a single fee required to bring the certificate into effect. Moreover the Office considered that in the present case no certificate ever came into force that could be restored and therefore section 28 could not be invoked to restore the certificate.
- 37 I have found that the fee in question is not an application fee but an “annual fee” as envisaged in Article 12 of the Regulation. According to the witness statement from Stéphanie Speich, an employee of Dennemeyer, to her knowledge all Member States with the exception of the UK and a couple of others treat the SPC annual fee

in the same way as a patent renewal fee in that it is paid each year to maintain the SPC for a further year.

- 38 Dr Wright emphasised that whatever scheme a Member State has in place for payment of these fees, the payment is still in respect of annual fees, whether or not they are cumulated into a single payment. The fees still relate to the annual maintenance of a certificate on coming into force. If it was to be considered a grant fee then the reinstatement provisions of section 20A would apply. Otherwise it must be a renewal fee, in which case the restoration provisions of section 28 should apply.
- 39 Section 28 is not one of the sections listed in Schedule 4A to the Act as being one which applies to supplementary protection certificates. This is a significant difference compared to the situation before the introduction of section 128B and Schedule 4A when, for example, *Abbot Laboratories' SPC Application* [2004] RPC 20 was decided. The drafter has now set out explicitly which provisions of the Act apply to SPCs, at least to the extent that the provision refers to "patent", "an application for a patent", "the applicant" or other phrases containing these terms. It is reasonable to assume that the drafter specifically intended those sections of the Act which refer to patent, patent applications, applicants for patents or other phrases containing these words and are not listed in paragraph (2) of Schedule 4A not to apply to SPCs. I note however that the Regulation has direct effect in the UK and I must therefore consider whether the Regulation could indicate otherwise in relation to any specific provision. I therefore conclude that sections of the Act which refer to patents, patent applications, applicants for patents or phrases containing these words and are not listed in paragraph 2 of Schedule 4A do not apply to SPCs unless a provision of the Regulation would indicate otherwise.
- 40 Section 28 falls within the category of provisions of the Act which refer to patents but are not listed in paragraph 2 of Schedule 4A. My starting point is therefore that section 28 does not apply to SPCs unless there is a provision in the Regulation which suggests otherwise. I have carefully inspected the Regulation and have not been able to identify any specific provision which relates to the restoration of rights. I therefore conclude that there is no specific provision in the Regulation which suggests that section 28 should be applied to SPCs.
- 41 There is however a general provision which could be relevant, namely that of Article 19. Article 19 states that "In the absence of procedural provisions in this Regulation, the procedural provisions applicable under national law to the corresponding basic patent shall apply to the certificate, unless the national law lays down specific procedural provisions for certificates". Dr Wright submitted that the same questions as those addressed in *Abbot* must be answered. Firstly, is there a procedural provision relating to the matter in question in the Regulation? If not, is there a procedural provision applicable under national law to the corresponding basic patent relating to the matter in question? Thirdly, does the national law lay down any specific procedural provisions for certificates in relation to the matter? I have however noted that since *Abbot* the Act has been amended to include Schedule 4A which sets out specifically which provisions of the Act relating to patents, patent applications, applicants for patents or phrases containing these words are to be applied to SPCs. Although there were some *ad hoc* national provisions relating to SPCs prior to the introduction of Schedule 4A, the UK has now specifically set out which provisions applicable to the corresponding basic national patent are to be

applied to SPCs. In my view the UK has therefore laid down comprehensive special procedural provisions for certificates in relation to which provisions of the Act which refer to patents, patent applications, applicants for patents or phrases containing these words apply to SPCs. Article 19 cannot therefore be used to imply that further provisions for patents, such as that of section 28, should be applied to SPCs.

- 42 In case I am wrong on this and for completeness I will however also consider the questions set out in *Abbot* in relation to the present circumstances. In answering these questions it is important to determine what the matter in question actually is. In the present case the applicant failed to pay the annual fee prescribed by paragraph 5 of Schedule 4A to the Act within the period prescribed or within the grace period allowed for making a late payment of this fee. The applicant is seeking a means for paying this prescribed fee at a later stage so as to bring the SPC into effect. I have found that there is no provision in the Regulation for these specific circumstances, nor does UK national law make any specific provision for these specific circumstances. The question which remains is whether the provision made by section 28 of the Act for restoration of a patent should apply to an SPC in the present circumstances. If Schedule 4A had included a reference to section 28 then section 28 would have read as follows:

28.-(1) Where a supplementary protection certificate has ceased to have effect by reason of a failure to pay any renewal fee, an application for the restoration of the supplementary protection certificate may be made to the comptroller within the prescribed period.

- 43 Dr Wright submitted that the purpose of the annual fee is to maintain the SPC in force in just the same way as a renewal fee maintains a patent in force. To support this argument he pointed out that in the initial draft of the Regulation proposed by the Commission the fee in question was in fact called a “renewal fee” and said that the only difference between an “annual fee” and a “renewal fee” is that an annual fee is paid every year whereas a renewal fee need not be paid every year, but for example could be paid once every five years as in the case of registered designs.
- 44 The Regulation provides for “annual fees”, stating that “Member States may require that the certificate be subject to the payment of annual fees”. This provides considerable flexibility to Member States as to how such fees operate, should they wish to introduce them. Many Member States have implemented them as fees payable each year to maintain the certificate. It may be in these States that their national provisions for renewal fees for patents do read on to the provisions for paying annual fees for SPCs. Article 19 however requires me to look at the provisions applicable under UK national law. In the UK a fee must be paid up front in order to bring the SPC into effect, which is very different from the way that patent renewal fees operate in the UK. This is in my view an area where the way that SPCs operate diverges from the way that patents operate. Section 25 of the Act states that a patent shall take effect on the date that notice of its grant is published in the Journal for the purposes of all later sections of the Act. For SPCs the matter is different. They do not come into effect until after the end of the lawful term of the basic patent, which, as in the present case, could be some years after grant. They therefore differ fundamentally from patents at this point. Moreover the provisions for restoration of lapsed patents set out in section 28 only apply when a patent has *ceased to have effect* by reason of a failure to pay any renewal fee. In the present

case the SPC has never been brought into effect and therefore cannot be said to have ceased to have effect. I therefore conclude that section 28 of the Act is not a procedural provision applicable under national law to the corresponding basic patent relating to the matter in question. The matter in question is different. Having answered the second *Abbot* question in the negative, I therefore conclude that even on the basis of the questions considered in *Abbot* prior to the introduction of section 128B and Schedule 4A it does not follow from Article 19 of the Regulation that section 28 should apply in the present case. This conclusion is consistent with that reached by the drafter of Schedule 4A to the Act, who decided not to list section 28 as one of the sections which may be applied to SPCs.

- 45 I have found that there are no provisions either in the Regulation or in the Act that would allow restoration of rights in the present circumstances along the lines set out in section 28 of the Act in relation to patents. Thus section 28 cannot be used to enable the prescribed fee to be paid late so as to bring the SPC into effect in the present case.

Conclusion

- 46 I have therefore found that there is no error, default or omission on the part of the Office that, either wholly or in part, resulted in the failure to pay the SPC fee in time in order to bring the SPC into effect. I have also found that neither section 20A nor section 28 of the Act can be used in the present circumstances to bring the SPC into effect. I therefore conclude that the fee cannot be paid after the expiry of the prescribed period and thus the SPC cannot be brought into effect.

Appeal

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

BEN MICKLEWRIGHT

Deputy Director, acting for the Comptroller