

BUC/150/95

PATENTS ACT 1977

Miss Durow
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IN THE MATTER OF an application
by Advocat Giovanni Gozzo AB for
restoration of European Patent (UK)
No 0213505

DECISION

The application for this European patent, which designates a number of states including the UK, was filed in 1983 and granted on 2 June 1993. Thus the first renewal fee payable under rule 39(2) of The Patents Rules 1990 was due by 2 September 1993. The fee was not paid by the due date, nor was it paid during the six months immediately following as allowed by section 25(4). The application for restoration was filed on 3 March 1995, within the period prescribed by rule 41(1).

The Office expressed the view that the proprietor had not taken reasonable care to see that the renewal fee was paid, as required by section 28(3), and maintained this view even after further evidence had been filed. The matter therefore came before me at a hearing on 16 October 1995. The applicants for restoration, Advocat Giovanni Gozzo AB, were represented by Mr Guy Tritton of counsel, who was accompanied by Mr Giovanni Gozzo himself. Mr Sim attended on behalf of the Office. For simplicity, I shall refer to Mr Gozzo as though he is the applicant for restoration, though strictly it is his firm.

The evidence initially filed consisted of declarations by Mr Gozzo, by a representative of the UK patent agents, Marks & Clerk, by a representative of Computer Patent Annuities (CPA) and by a Mr Iwanicki. This was later followed by second, and then third, declarations from Mr Gozzo and a second declaration from Mr Iwanicki.

The patent was originally granted to Mr Iwanicki, but on 1 September 1993 - one day

before the UK renewal fee fell due - it was assigned to Mr Gozzo. There is one point I ought to clear up first. In the evidence, Mr Iwanicki and Mr Gozzo both say that the assignment was a security for translation costs that Mr Gozzo agreed to pay on Mr Iwanicki's behalf, and that Mr Iwanicki was to be allowed to re-acquire the patent if he managed to pay those costs within six months (though the assignment itself is silent about any option to re-acquire). It had been suggested that Mr Iwanicki remained the beneficial owner of the patent and that the responsibility for seeing that the renewal fee was paid rested, at least in part, with him. At the hearing, however, Mr Tritton accepted that at all material times the "proprietor" for the purposes of section 28(3) was Mr Gozzo. I am sure this must be right, particularly in the light of the unreported decision in Whiteside's Patent (SRIS 0/44/84). Accordingly, what I have to decide is whether Mr Gozzo took reasonable care to see that the renewal fee was paid.

Renewal fees had, of course, been payable to the European Patent Office prior to the grant of the patent. Mr Iwanicki had instructed CPA to put the case on their records in 1986, and through their services the European renewal fees up to February 1993 had all been paid. When the patent was assigned to Mr Gozzo, there was apparently an understanding between Mr Gozzo and Mr Iwanicki that the latter would remain responsible for payment of renewal fees. Accordingly, at about the time of the assignment Mr Gozzo wrote to Marks & Clerk asking them to register themselves as the address for service in the UK, but specifically instructing them not to pay renewal fees, on the grounds that these would be dealt with by the "inventor" directly.

In the event, Mr Iwanicki did not pay the renewal fee. In the evidence and at the hearing, much was made of the fact that he did not receive renewal reminders sent by CPA because he had changed his address "early in 1993" but never notified CPA. He says he arranged for mail to be forwarded by the Swedish Post Office, but does not say how long he kept this redirection service in force, and from Mr Gozzo's evidence it would seem he was unwise to rely on it anyway. However, at the end of the day I do not consider his non-receipt of reminders affects the issue, because in his second declaration Mr Iwanicki admits that he knew the due date and says that he did not pay the renewal fee because he decided not to reacquire the patent.

I must now return to Mr Gozzo. Although he is a barrister specialising in intellectual property litigation, Mr Gozzo says that neither he nor his firm had ever prosecuted a patent application or been responsible for paying renewal fees. Nevertheless, there is no doubt from the evidence that he was fully aware of the importance of paying renewal fees on time. In my view, having left payment of the renewal fee to Mr Iwanicki, to discharge the "reasonable care" burden of section 28(3) it was incumbent on Mr Gozzo to exercise proper supervision over Mr Iwanicki. This was all the more important because he knew Mr Iwanicki was short of funds. That, after all, was the whole reason for the assignment in the first place. Further, he must, or should, have realised that Mr Iwanicki might have little interest in paying the renewal fee if the prospects of re-acquisition faded. What, then, did Mr Gozzo do?

From his first declaration, it would seem he did very little. Mr Gozzo tells us that:

"I knew that Mr Iwanicki had an arrangement with Computer Patent Annuities (CPA) for the payment of the annuities. I was therefore convinced that he would either pay the annuities or inform me if he would not be able to pay them. I did, however, not receive any information at all from Mr Iwanicki concerning such payments."

He then explains that shortly after the assignment he contacted patent agents - including Marks & Clerk - in six of the nine countries designated in the European patent to transform the patent into national patents. Some told him about the due dates for renewals, but:

"I did not get such information from Marks & Clerk. . . . I did not receive any reminder concerning the annuities for the U.K. patent, neither from Mr Iwanicki, nor from Marks & Clerk nor from anyone else. It was not until late March 1994 that I was told that the annuity due in 1993 could have been paid with a fine latest on 2nd March, 1994, which in fact was an earlier date than in the other European countries."

In his second declaration, Mr Gozzo tells a slightly different story. Referring to his contacts with patent agents, he says:

"All of them except for the British agent also informed me of the due dates for annuities and also the final due dates when annuities could be paid with a surcharge. We therefore acquired information on the British patent from a Swedish patent agent. All such ordinary due dates and final due dates were entered into my personal diary and that of my secretary so that we could both check and control in good time before such final due dates if and when such annuities had been paid by Mr Iwanicki, failing which my firm would pay them For reasons that I have not been able to establish, the final due date for the 11th annuity of the English patent was not entered in either the diary of my secretary or that of myself, maybe because we got this date from another source."

Mr Gozzo exhibited extracts from his and his secretary's diaries to support this. He also went on to explain that in mid February, he made several unsuccessful attempts to contact Mr Iwanicki to establish whether the renewal fees had been paid. In the end, he ordered payment of the French and Dutch renewal fees, whose final date was 28 February 1994, two days before the final date for the UK renewal. Shortly afterwards, he says, he realised that the due date for the UK renewal had not been noted in the diaries, and on 3 March he faxed a letter to Marks & Clerk asking them about the date. By this time, of course, it was too late.

I will observe in passing that the European patent also designated Switzerland, Sweden and Liechtenstein and that these renewals do not appear in the diary either. However, Mr Gozzo explained at the hearing that they were missing because he and Mr Iwanicki had deliberately decided not to renew the patent in those countries. He also explained that he had paid the French and Dutch renewal fees without establishing whether they had, in fact, already been paid.

In his third declaration, Mr Gozzo has a slightly different story again:

"I called Andrzej Iwanicki via his neighbour around 15 September, 1993, to ask him for the due date for the English patent, since it had not been mentioned in the letter from Marks & Clerk. Iwanicki came to the phone and told me that the due date for the relevant annuity had been 2 September, 1993. Since I knew that English patent law contained a "grace period" of six months for the payment of annuities including a surcharge, I put down 2 March, 1994, as the final due date for Iwanicki's English patent on a piece of paper during the telephone conversation. My intention was to enter it into my diary and into that of my secretary, but by a slip of mind I forgot to enter it and the piece of paper was eventually lost."

These three versions of events are not easy to reconcile with one other. At the hearing, Mr Gozzo submitted that the second and third versions were not inconsistent because the Swedish agent had merely told him the UK had a six month "grace period", but this explanation does not sit happily with what he actually said in the second declaration. *Prima facie*, the third version appears to be corroborated by Mr Iwanicki's second declaration, in which he says:

"Upon the request by Mr Giovanni Gozzo, I have checked my diary for our meetings and telephone conversations during August - September 1993, and have been able to ascertain as follows. On or about 15 September, 1993, Mr Giovanni Gozzo called me and enquired about the due date for the English patent . . . I was then with my neighbour . . . and told Mr Gozzo that the due date for the latest annuity for the English patent had been 2 September, 1993, which I had not paid."

However, on closer examination I have difficulty with this evidence. If he was using his diary to ascertain these facts, why could he not quote an exact date? Further, what sort of diary entry would record a telephone conversation that took place while he was at his neighbour's? Perhaps a sight of the diary entries might have clarified these points, but the entries were not exhibited. As it stands, I cannot attach much weight to this evidence so its corroborative value is low.

Thus I am left with no clear idea of what really happened. As a barrister, Mr Gozzo was unquestionably fully aware of the importance of taking care to ensure that what he swore in a statutory declaration was accurate. Thus the inconsistencies in his evidence can only be attributed to an imperfect recollection of events.

To determine whether Mr Gozzo took "reasonable care" I need to know what he actually did. As the burden of proof rests with Mr Gozzo, I could with some justification say he has not discharged that burden because he has not established satisfactorily what happened. However, I feel I can adopt a more constructive approach by looking at the possibilities. In doing so, I accept that Mr Gozzo did have a system, using the diaries, to monitor the payment of renewal fees and that this system failed so far as the UK renewal is concerned. Merely having a system, though, is not enough. The system must be set up and used with reasonable care. I am willing to accept that Mr Gozzo took reasonable care in checking the diaries, because he successfully caught the French and Dutch renewals before it was too late. I still need to be satisfied that Mr Gozzo took reasonable care in entering data into the diaries. Crucial to this is when and how Mr Gozzo learned of the UK deadline.

One possibility is that, as implied by Mr Gozzo's first declaration, he did not know of the final UK deadline until too late. However, this can only mean that either he made no attempt to find out the UK renewal date before then or that he abandoned the attempt before getting the information. In either case, he would not, in my judgement, be taking "reasonable care".

The only other - and more likely - possibility is that, as implied by his second and/or third declarations, he learned of the deadline shortly after the assignment but it did not get entered in the diaries. We cannot be sure whether he was told of the deadline, or at least given enough information to enable him to calculate it, by both a Swedish agent and Mr Iwanicki or only by Mr Iwanicki. However, even if he was only given the information once, I am not satisfied that he exercised reasonable care on receipt of the information. For someone who was fully aware of the importance of paying renewal fees, who was effectively relying on the diary entries as his sole safety net, and who had

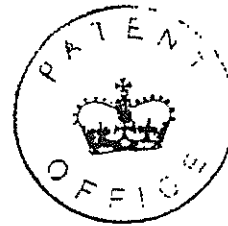
apparently gone out of his way to get the UK deadline from Mr Iwanicki, it seems surprisingly careless to then fail to enter the date and lose the slip of paper on which he had written it. If he was told the information twice, of course, his failure was doubly inexcusable.

Whatever version of events is the correct one, therefore, I am not satisfied that the proprietor took reasonable care to see that the renewal fee was paid as required by section 28(3)(a), and so I refuse the application for restoration.

Dated this 14 day of November 1995

P HAYWARD

Principal Examiner, acting for the Comptroller



THE PATENT OFFICE