

**PATENTS ACT 1977**

IN THE MATTER OF an application by  
John George Hamilton for the restoration of  
Patent No 2194038

**DECISION**

Patent No 2194038, dated 27 May 1987, was granted to John George Hamilton with effect from 20 December 1989. In accordance with section 25(3) and rule 39(1) of the Patents Rules 1990, the first renewal fee, in respect of the fifth year of the patent, fell due on 27 May 1991. The renewal fee was not paid by that date nor was it paid in the following six months allowed by section 25(4), and as a result the patent lapsed on 27 May 1991. The application for restoration was filed on 12 March 1992 well within the period prescribed by rule 41(1)(a).

The office communicated the view to the proprietor that the evidence filed in support of the application for restoration was insufficient to satisfy the Comptroller that the proprietor took reasonable care to see that the renewal fee was paid within the prescribed period. A hearing was requested and the matter came before me on 17 July 1992, the proprietor being represented by counsel Mr Guy Tritton and Mr M C Wright attending on behalf of the office. Upon application by Mr Tritton I took further, oral, evidence from the proprietor Mr Hamilton.

Mr Hamilton had set up a system for renewing his patent which involved reminders being sent to him by his patent agents F. Reminders were in fact sent in February 1991, and 15 March 1991, and the official overdue notice prescribed by rule 39(4) was forwarded to Mr Hamilton after its issue on 23 June 1991. A further, final reminder was sent by F to Mr Hamilton in October 1991 as is apparent from the evidence given by Mr Campbell, a technical assistant employed by F. Mr Hamilton admits to having received and been aware of the reminders up to and including the official overdue notice but under oath he said that he cannot specifically recall the October reminder though he was reasonably sure it was sent.

Notwithstanding these reminders, no instructions were given to F to renew the patent and so the renewal fee was not paid.

Mr Hamilton explained that over the period in question he was in frequent contact with his patent agents and would speak to them over the telephone several times a week and, when necessary, instruct them in this way.

By not instructing his patent agents to pay the renewal fee Mr Hamilton failed to play his part in the operation of a renewal system which, I accept, was basically a satisfactory system for this particular proprietor. What I have to decide is whether or not the proprietor nevertheless took reasonable care to see that the renewal fee was paid. Mr Hamilton says that he intended to renew the patent (which is now said to be the life-blood of a small, non-manufacturing company called Ventover of which Mr Hamilton is the managing director), but unpredicted difficulties led to his omission to give instructions to his patent agents. The nature of those difficulties is explained in Mr Hamilton's declaration and further details of the prevailing circumstances over the period in which the patent could have been renewed were given orally by Mr Hamilton.

Mr Hamilton had relied heavily on his assistant Christina Johnson to provide him with necessary general and patent administrative assistance. The amount of assistance given was reduced in January 1991 when, for family reasons, Christina Johnson changed from full-time to part-time working and from that time work such as filing began to accumulate. At about June or July that year Mr Hamilton approached his bank for an increased overdraft facility, but instead of providing this the bank actually reduced the existing facility. This caused Ventover severe financial problems and Mr Hamilton had to make drastic reductions in resources. It was partly because of this and partly because of continuing family problems that Christina Johnson left the employment of Ventover in July 1991.

By September 1991 Mr Hamilton was working very long hours and for health reasons his co-director, a Mr Hopton, was only able to put in an appearance three or four times a week, so that from that time until very recently Mr Hamilton was trying to run the company more or less single-handed. Having got the company account down to below the reduced facility,

the bank then called in the whole amount and this placed even greater pressure on Mr Hamilton from the Autumn of last year.

Mr Tritton made a number of submissions to me on the law now that section 28(3) requires the Comptroller to be satisfied that

"the proprietor of the patent took reasonable care to see that any renewal fee was paid within the prescribed period ....."

and no longer includes the previous additional requirement that the fee was not so paid because of circumstances beyond his control.

The essence of the submissions as I understood them was that it is now possible to hold that reasonable care was taken to see that a renewal fee was paid even if the circumstances which led to failure to pay the fee were within the control of the proprietor. In particular if a reasonable system had been established and properly operated, a failure by the proprietor, short of a conscious decision not to pay the fee or wilful neglect, need not preclude restoration, and the requirement of reasonable care did not necessarily mean that all the things which are within the control of the proprietor to do have to be done.

Essentially therefore, and as the argument applies to this particular case, if a renewal system has been properly instituted and operated but fails under extraordinary circumstances because of a slip by the proprietor, then it should still be possible to obtain restoration of a patent which lapsed because of the failure of the system under those circumstances. I would not dismiss altogether the possibility that restoration might be offered even when a proprietor has made a fatal error or omission leading to non-payment of the renewal fee, but it can only be proper to do so when the requirement of reasonable care has been met, and the determination of that requires assessment of the relevant circumstances and the nature of the error or omission.

Leading on from this submission, Mr Tritton argued firstly that in this case there was a reasonable renewal system established and operating, and secondly that the evidence clearly

shows that the proprietor did not make a conscious decision not to pay the renewal fee, but that the matter simply never registered in his mind because of the extraordinary and very difficult circumstances he was subjected to.

Mr Hamilton did not act on either of the reminders sent to him in February and March 1991 or on the overdue notice, though it is not in doubt that he received them and was aware of them. By the time the final reminder arrived in October 1991 incoming mail was being opened by Mr Hamilton himself and he stated that it would be directed to his desk with the usual tray system, though it was often difficult to see the desk for papers.

The evidence does not suggest that at this particular time Mr Hamilton was under such stress that he could neither run his business nor understand the meaning of important letters. Rather it suggests a man who, though under great difficulties, was still clinging to the reins of control and who still found time to speak to and instruct his patent agents on various matters. For example, Mr Hamilton recalls receiving a letter from his patent agents dated 12 November 1991 concerning a request by another party for an acknowledgement of non-infringement of the patent, just two weeks before the end of the extended period for renewal. In the light of this and the importance which Mr Hamilton attaches to the patent, I can accept that the fact that the final date for renewal was approaching was not in Mr Hamilton's mind during those last few weeks, but what I have difficulty in accepting is that this was despite Mr Hamilton having taken reasonable care in the operation of the renewal system he had set up.

Mr Tritton argued that by the time the final reminder was sent in October 1991 the renewal system for this patent had already broken down in that Christina Johnson had left and was no longer present to remind Mr Hamilton. It would seem from the evidence given by Mr Hamilton that he did not always deal immediately with patent matters which required attention because he said that Christina Johnson would constantly remind him and even badger him that replies or such were required. In my view therefore this is not a case where the proprietor has made an isolated slip causing an otherwise satisfactorily operated system to fail, rather it is one where the operation of the renewal system throughout 1991 was never fully satisfactory. Mr Hamilton did not respond to any of the earlier reminders, though he

was aware of them, and the importance of the crucial final reminder, which, on the balance of the evidence, must have passed through his hands, simply did not register in his mind.

It is quite clear that, from June or July 1991 if not before, Mr Hamilton could no longer rely on an assistant to make sure that he dealt with important matters. The system, as it was apparently intended to operate, simply did not exist for most, if not all of 1991, and there is no evidence which suggests to me that any attempt to fill the gap caused by the loss of Christina Johnson was made. Mr Hamilton says that he could not afford another assistant. Everything therefore depended on Mr Hamilton responding without constant prompting.

Mr Tritton seems to have been led to understand, mistakenly, that Mr Hamilton's renewal system had operated successfully for several years prior to 1991, but that is not the case because the renewal fee which was not paid was the first which had become due on the patent. Mr Hamilton said that, although he had about twenty different patent files, he only had two granted patents, the present patent and a US patent. There thus appears to be no question that the UK patent renewal system set up by Mr Hamilton might have been successfully operated prior to the difficulties encountered in 1991. By way of confirmation, if any is needed, I have inspected the Register of Patents and from this discovered that Mr Hamilton had a second UK patent, No. 2195548 dated 28 August 1987, which lapsed on 28 August 1991 also because of a failure to pay the first renewal fee due on that date, but no other patents.

There is one further aspect of this application which I should deal with and that is a statement by Mr Hamilton that, at the relevant time, he was not absolutely sure that he had not instructed his patent agents to pay the renewal fee. He says there were so many files being worked on at the one time, coupled with the personal stress situation, that there was confusion in a number of areas. It was surely possible, if there was uncertainty and confusion, for Mr Hamilton to ask his patent agents to clarify the status of this important patent during one of his apparently frequent telephone conversations with them. In my view the taking of reasonable care, perhaps above all else in this unfortunate case, would require such an enquiry to be made when there was any doubt in Mr Hamilton's mind that he had actually instructed his patent agents to pay the renewal fee.

It is not an easy matter to fully visualise and understand the effect on proprietors such as Mr Hamilton of the financial and other pressures which are sometimes brought to bear on them, and it is not without hesitation that I have come to the conclusion that Mr Hamilton could not have exercised the degree of care to see that the renewal fee was paid which would have been reasonable under the circumstances relevant to this particular application.

I am therefore not satisfied that the proprietor met the requirement of Section 28(3) and I must refuse the application for restoration.

Signed this 31 day of July 1992



K E PANCHEN  
Superintending Examiner, acting for the Comptroller



**THE PATENT OFFICE**