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MR N.G TARNOFSKY

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PATENTS ACT, 1977

IN THE MATTER OF an application
by Winventive Limited for
Restoration of Letters Patent
No 1480954

DECISION

Patent No 1480954 was sealed to W J Johnson and subsequently assigned to Winventive Limited. It lapsed on 4 February 1981 on failure to pay the renewal fee for the seventh year and application to restore the patent was filed on 4 February 1982. The Office expressed the view that the criteria for restoration set out in Section 28(3) had not been satisfied and the matter came before me at a hearing on 18 May 1982 when Mr Simon Thorley appeared as counsel for the applicants.

Mr Johnson is a director of Winventive Limited. Other directors were nominated by Warburg Perera & Co, a firm of accountants who were part of the company's former financial advisers and backers Norton Warburg Limited. The payment of renewal fees for patents held by Winventive Limited was entrusted to Computer Patent Annuities (CPA), a company operating a computer-based renewal fee reminder and payment system. The arrangement was that CPA would send reminders to Winventive Limited c/o Warburg Perera some time before the fees were due and CPA also advised the patent agents entered as the address for service in the Register when no instructions had been received and the six month extension period was drawing to a close. All other records and clerical arrangements to ensure that on receipt of such reminders the appropriate persons including Mr Johnson were consulted and that instructions were sent to CPA were entrusted to Warburg Perera. This was partly due to the fact that Mr Johnson had no office facilities. Warburg Perera held funds for the payment of fees and the system worked successfully in 1980.

However in February 1981 the Norton Warburg Group went into liquidation. Warburg Perera ceased to attend to or to forward mail addressed to Mr Johnson, initially without his knowledge. The three directors nominated by Warburg Perera and who had been responsible for the day to day running of the company resigned and Mr Johnson found himself alone in charge of the company. To make matters

worse, all the company's files and correspondence were in the hands of the liquidators and Mr Johnson had no access to them. Thus it was not until 23 July 1981 that he became aware that the renewal fee was overdue, when he received a telephone call from Miss Lesley of the firm of patent agents Forrester, Ketley & Co. This was followed by a confirmatory letter dated 24 July 1981. Mr Johnson informed Miss Lesley that he intended to maintain the patent and would instruct CPA to pay the necessary fees. The time left for this was running very short, the last day when renewal was still possible as of right wit the payment of additional fees being 4 August 1981.

In addition to the difficulties already referred to, Mr Johnson had many others to face. The ownership of the company and of its funds was a matter of dispute with the liquidators of Norton Warburg and Mr Johnson was unable to obtain company funds in the time available to pay the fees. Furthermore, Mr Johnson was due to leave for a family holiday on 30 July. This holiday had been booked and paid for prior to the collapse of Norton Warburg and was rendered more necessary by the effect of this collapse on his health. It also goes without saying that in the remaining days there were many other urgent matters that required Mr Johnson's attention.

Turning to Section 28(3), the requirements are that the Comptroller must be 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 six months immediately following the end of that period, and (b) those fees were not so paid because of circumstances beyond his control.

There can be no doubt that the system for paying renewal fees which existed before the liquidation of Norton Warburg was a reasonable and efficient one. It might be held that the liquidation in February 1981 should have alerted Mr Johnson to look into the situation regarding the company's patents but given the circumstances, that is, no mail or files or company funds and in particular no reminder that a renewal fee was due, such attention would have required a standard of care above what I deem to be reasonable. That at any rate was the position up to July 23rd when he received the telephone call from the patent agents. The question then which has to be answered is did Mr Johnson in those few remaining days exercise reasonable care in the matter of payment of the renewal fees. These few days, it may be observed, were, for all practical purposes, shortened by his departure on 30 July for the holiday with his family. I do not hold this against him. The holiday had been booked and paid for and cancellation would not have got him his

money back. Of course he needed and must have had more money for spending while on holiday and this would appear to contradict his statement that he had no available money to pay the fee by the due date. However, I do not think it reasonable to demand of Mr Johnson that his family as well as himself should forego their holiday to make available the necessary funds. In any case, it is established that shortage of money is no ground of defence, it being implicit that a proprietor must be in a position to pay whatever fee is required.

Mr Thorley submitted that there were three special circumstances which should weigh in the balance. The first was the wholly exceptional situation surrounding the administration of the company at that time. This referred to the factors mentioned earlier, that is the absence of books, files and, most important, company funds. Second was that the administration fell in the hands of one man who moreover did not have the benefit of office facilities, clerical and book-keeping staff which would be the normal accoutrememts of a company director. Third was the health of Mr Johnson. In the absence of any medical evidence and having regard to the fact that Mr Johnson was going about his business at the time, I must assume that the question of health related to a condition of stress which I can well understand would afflict a person in Mr Johnson's unfortunate situation.

Mr Johnson's position was indeed an unenviable one and one can only sympathise with him for having suddenly to face such problems with so few resources. However the requirements of Section 28(3) are stringent and I do not find, even after giving the most sympathetic consideration to Mr Thorley's submissions, that these requirements are satisfied. The simple fact remains that on 23 July by telephone, and later by letter, Mr Johnson was warned of the situation regarding his patent. He had, after allowing for his holiday, one week to see that the fees were paid. Notwithstanding all the pressures on him at the time, I believe reasonable care to safeguard the important rights of a patent required of him that he did not relegate it so far down his priorities that it was finally overlooked. As I have said, shortage of the necessary money is no defence but even if it were I find it difficult to believe that the sum required was of such an order that he could not lay his hands on it. Mr Thorley pleaded that it was the time available to raise the money rather than the amount itself which was the difficulty but again I find it difficult to believe that a whole working week was too short a time for a man of Mr Johnson's status to raise a relatively modest sum. As to his health, it is clear that his condition did not physically prevent him from getting about. Nor is the evidence such as to suggest that the mental stress which he suffered was of such a nature as to justify the conclusion that the circumstances were

beyond his control. Other urgent business matters, for example, were being attended to.

In the result I find that the applicant has not established his case and the application for restoration must be refused.

Dated this 15th day of June 1982

N. G. Tarnofsky

N G TARNOFSKY
Superintending Examiner, acting for the Comptroller

PATENT OFFICE