

01/31/92

**PATENTS ACT 1977**

IN THE MATTER OF applications for the restoration of patents Nos 2092343 and 2092344 in the names of John Wolfgang Halpern and William Ward

**DECISION**

Both patents ceased on 30 January 1990 through failure by the proprietors to pay the renewal fees in respect of the tenth year of the patents, these fees being payable either within the three months leading up to the due date of 30 January 1990 or, upon payment of additional fees, in the six months following that date.

The applications for restoration were filed formally on 27 June 1991 within the period allowed under Rule 41(1) of the Patents Rules 1990. After an exchange of correspondence between the office and the proprietors and the filing of further evidence, the office informed the proprietors that it was not satisfied that the requirements for restoration had been met. A hearing was requested by the proprietors and the matter came before me on 9 April 1992 when Mr Halpern appeared in person for the proprietors and the office was represented by Mr M C Wright.

The relevant requirements for restoration in respect of these patents are given by the unamended form of section 28(3) of the Act:

- (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 the six months immediately following the end of that period, and
- (b) those fees were not so paid because of circumstances beyond his control.

In the case of Mr Ward, one of the joint proprietors, the evidence indicates that he and Mr Halpern operate as partners, and that Mr Ward has some modest income of his own, but this could not be used and diverted for business needs. At the hearing Mr Halpern argued that Mr Ward's possible contribution should be ignored because Mr Ward had made a payment to a patent attorney not long before, he would not have been able to make the payment in respect of the renewal of these patents, and in his eyes the responsibility lay with Mr Halpern. Mr Halpern accepted that it was his responsibility to take steps to renew the patents which were of great interest to both proprietors. In the light of this I need not consider the position of Mr Ward any further, it being quite clear that even if, under the circumstances which I shall come to next, ultimate responsibility for paying the fees devolved upon Mr Ward, he was not able to pay those fees for no other reason than that he had insufficient funds, and shortage of funds has never been accepted as providing, on its own, adequate grounds for restoration.

I turn then to the circumstances which led to Mr Halpern's failure to pay the necessary fees by 30 July 1990, the last possible day available to him. Mr Halpern had been living in the USA for some time and income derived from earlier inventions was used by him to meet his living expenses and to finance development work in which he and Mr Ward were involved. That source of income dried up in the summer of 1989. Efforts made by Mr Ward in the UK during 1989 to obtain commercial interest and support, and by Mr Halpern in the USA to obtain a work permit and a bank loan were all unsuccessful.

Mr Halpern did succeed in securing a private loan, but part of the money from this was used to pay maintenance fees on a patent application before the European Office, and the remainder was intended to cover certain expenses which would be incurred in the UK during a planned visit, including a journey to Cambridge for discussions with a firm there. Mr Halpern relied on these discussions being fruitful and felt confident that a favourable outcome would at the very least help the proprietors to maintain the British patents.

Mr Halpern's cash flow in the USA was very low, and it was only through an arrangement with a patent attorney in that country who owned a "frequent flyer's" voucher that

Mr Halpern was able to get a return air ticket issued to him. The cost of the ticket was debited from Mr Halpern's account with the attorney.

Using this air ticket, Mr Halpern arrived at Gatwick Airport on 20 July 1990, some ten days before the final date upon which renewal of the patents could be effected. Shortly after arrival, while still in the lobby, Mr Halpern's wallet was stolen and, as he says in evidence, the visit to Cambridge had to be given up. While trying to find accommodation Mr Halpern deposited his luggage, which included documentation relating to the patents and a business plan, at the airport, and then after a few days, when his money ran low, he was unable to get his luggage released. Mr Halpern explained at the hearing that he had stayed in the vicinity of Croydon for three or four days, rather than going immediately to where Mr Ward was, because he had hoped to recover the money and the return ticket which had been in the stolen wallet.

In response to an enquiry made by the office in a letter issued on 13 September 1991, Mr Halpern filed further evidence to the effect that the money contained in the wallet when it was stolen was not sufficient to cover the fees on both patents and the trip to Cambridge, but that he had deliberately asked for a return air ticket, expecting to be able to obtain a refund if he got into money problems. The loss of the ticket was reported, but, because of the manner in which the ticket had been obtained the procedure for dealing with the matter had to be handled by correspondence. It eventually came to light that the airline concerned normally takes from three days to three weeks to complete a refund even when a request is handled with priority, but the particular type of ticket which Mr Halpern had obtained was classed as a gift ticket on which no refund is given.

Had a refund (at around £400) on the ticket been available then that, together with the money (apparently about 100 pounds sterling and 200 US dollars) which Mr Halpern had in his possession at the time the wallet was stolen, might have been just enough to keep him going for a few days, to finance his trip to Cambridge, and to pay the £480 in fees necessary to renew the patents.

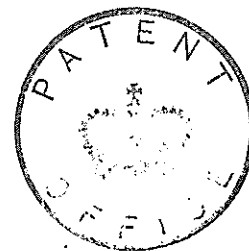
It is a matter of fact therefore, that Mr Halpern, whatever his belief was at the time, had insufficient funds to renew one of the patents, let alone both of them, when he arrived in the UK. In the few days remaining Mr Halpern made attempts to obtain loans but with no success.

The failure to renew the patents stems from the fact that funds which might have been available for paying the fees were insufficient for that purpose or were used for other purposes. The theft of Mr Halpern's wallet may well have been a circumstance beyond his control, but I do not consider that to be material to the outcome of these applications. At the time of the theft no actual step had been taken leading to the renewal of the patents, indeed no positive decision to use the contents of the wallet for that purpose had been made.

The proprietors, in particular Mr Halpern, were aware that the renewal fees had to be paid by 30 July 1990 but they had done nothing which would normally have led to the payment of those fees in the absence of interfering circumstances. Mr Halpern was not robbed on his way to the office and carrying forms completed for the renewal of the patents, and he did not have sufficient money to pay the necessary fees. In any event, if he had obtained enough money in some way in the perilously short period he had allowed himself, that would still fall short of what is needed to satisfy the requirement of section 28(3)(a).

If a proprietor makes no attempt to actually pay a renewal fee or to instruct some other reliable person to do so, having provided the necessary funds, then there cannot be any doubt in my view that the proprietor has not taken reasonable care to see that the fee was paid. Such was the case with regard to these particular patents and accordingly I refuse restoration.

Signed this 23 day of April 1992



K E Panchen

Superintending Examiner, acting for the Comptroller

**THE PATENT OFFICE**