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PATENTS ACT 1977

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IN THE MATTER OF

Patent No GB 2229071

in the name of Jeremy Robert Goddin

DECISION

Patent application no GB8903139.7 was filed on 13 February 1989, and was published on 19 September 1990 as GB 2229071 A, but the grant of a patent on the application was delayed until a matter of entitlement was settled. The entitlement proceedings were rather protracted, and resulted in the patent being granted to Mr Jeremy Robert Goddin, but not until 14 February 1996. In a letter of that date covering the certificate of grant and a copy of the patent specification, the Patent Office informed Mr Goddin that because the patent was granted later than 3 years and 9 months after the date of filing of the patent application, the first renewal fee due was for £500, this being for the fifth to eighth years of the term of the patent.

In a telephone call to the Office on 20 February Mr Goddin queried the computation of the renewal fee, and elaborated in a letter received at the Patent Office on 10 April his belief that the computation was *ultra vires* as being not in accordance with rule 39(1) of the Patents Rules 1995 ("the Rules"). A holding reply of 22 April was followed by a substantive official letter of 8 May. By telephone and letter on 13 May, Mr Goddin indicated that he did not concur with the Office's interpretation of rule 39(1) and asked for a hearing to be appointed.

The matter duly came before me at a hearing on 21 June 1996. Mr Goddin appeared in person, assisted in a personal capacity by Mr R Camp; Mr M C Wright also attended on behalf of the Office.

The payment of renewal fees was first raised in an official letter of 9 January 1996. This letter, containing notification of grant, gave information about renewals in its paragraphs 3 and 4 as follows:

"3. IMPORTANT - It is essential that you take note of the following information about annual renewal payments:

- (i) To keep your patent in force, you must pay the Patent Office an annual renewal fee accompanied by Patents Form 12/77 (which can be obtained from this Office).
- (ii) For most patents, the first renewal fee is due on the fourth anniversary of the date of filing of the patent application, and each subsequent renewal fee on each subsequent anniversary of the filing date. If you wish, you can pay a renewal fee in the 3-month period before each anniversary.
- (iii) In some cases, though, there are special arrangements for the payment of the first renewal fee on a patent. If those special arrangements apply to your patent, you will be given further information when you receive the Certificate of Grant referred to in paragraph 2 above.
- (iv) If any renewal fee is not paid by the due date, a further 6 months is allowed in which to pay the fee, but payment during that period will incur an additional fee per month or part of a month overdue.

4. If you would like further information about patent renewal fees, or if you would like us to send you a blank Patents Form 12/77, please telephone our Renewals Section on 01633-814559."

The official letter of 14 February 1996 covering the certificate of grant and a copy of the specification dealt with renewal fees in its paragraphs 2 to 5 as follows (my added italics):

"2. *The special arrangements referred to in our earlier letter apply to the payment of the first of the annual renewal fees because your patent was granted later than 3 years and 9 months after the date of filing of the patent application. This means that you must send the first renewal fee (which is £500.00) together with a completed Patents Form 12/77 (copy enclosed) to arrive at this Office NOT LATER THAN 3 MONTHS AFTER*

THE DATE OF THIS LETTER. (That first renewal fee is for the 5th to 8th years of the term of the patent.)

3. As also explained in the earlier letter, each subsequent renewal fee should be paid to this Office by the anniversary of the date of filing of the patent application, that is by 13 February each year, but not earlier than three months before each respective anniversary date.

4. If any renewal fee is not paid by the due date, a further 6 months is allowed in which to pay the fee, but payment during that period will incur an additional fee, which is currently £24.00 per month or part of a month overdue.

5. If you want more information about patent renewal fees, please telephone our Renewals Section on 01633-814559."

The passage I have italicised sets out the Office's established practice concerning the first renewal fee for patents granted later than 3 years and 9 months from the date of filing. In brief, the practice is to require the payment of a renewal fee not only in respect of the year in which grant takes place, but also in respect of previous years running from the fourth anniversary of the date of filing. In this case, as Mr Goddin pointed out at the hearing, the first renewal fee is for the fifth, sixth, seventh and eighth years. It is this practice which lies at the heart of this matter and which Mr Goddin alleges is *ultra vires*.

At the hearing, Mr Goddin reminded me of the proper approach to be taken to the interpretation of statutes. He outlined the well-known "literal rule", citing words of Lord Diplock in *Duport Steels Ltd v Sirs* [1980] 1 WLR 142 in support. He also reminded me of the equally well-known "golden rule", citing the exposition by Lord Blackburn in *The River Wear Commissioners v Adamson* (1876-77) 2 App Cas 743 at pages 764-5. He also referred me to *E's Applications* [1983] RPC 231, and in particular to the remarks of Lord Diplock on pages 247 and 253. I have carefully considered all these authorities, and the approach to interpretation and construction which they lay down, and have borne them in mind in considering the details of the present case, to which I now turn.

At the hearing, Mr Goddin took me to the introduction to the Patents Act 1977 ("the Act") which states that it is "An Act to establish a new law of patents ..." and so is, as Mr Goddin put it, divorced from previous legislation and is a self-contained Act in its own right. He also referred me to section 130 of the Act which includes definitions that "'patent" means a patent under this Act", and that "'prescribed" and "rules" have the meanings assigned to them by section 123 above". Emphasising that section 123 is a section of primary legislation, Mr Goddin quoted sub-section (1) to me, which reads:

"The Secretary of State may make such rules as he thinks expedient for regulating the business of the Patent Office in relation to patents and applications for patents (including European patents, applications for European patents and international applications for patents) and for regulating all matters placed by this Act under the direction or control of the comptroller; and in this Act, except so far as the context otherwise requires, "prescribed" means prescribed by rules and "rules" means rules made under this section."

Having set that context, Mr Goddin took me to section 25 of the Act as the primary legislation relating to the renewal of patents. He began by quoting parts of sub-section (1), which in full reads:

"A patent granted under this Act shall be treated for the purposes of the following provisions of this Act as having been granted, and shall take effect, on the date on which notice of its grant is published in the journal and, subject to sub-section (3) below, shall continue in force until the end of the period of 20 years beginning with the date of filing the application for the patent or with such other date as may be prescribed."

Mr Goddin emphasised that this sub-section refers to "a patent granted under this Act", and not to an application. In relation to the present case, Mr Goddin noted that the date of grant referred to in section 25(1) is 14 February 1996, and that until that date there existed a patent application, not a patent.

Mr Goddin then took me to section 25(3), which reads:

"A patent shall cease to have effect at the end of the period prescribed for the payment of any renewal fee if it is not paid within that period."

Mr Goddin's submission was that a patent cannot cease to have effect until it has actually been granted. As he read it, section 25 effectively authorises the Secretary of State to prescribe periods for paying renewal fees and provides a sanction that if they are not paid the patent ceases to have effect. There is nothing in section 25, he argued, which provides any authorisation for payment of renewal fees on a patent application or any penalty for not doing so, and it is not within the remit of section 25 to require the payment of a renewal fee in respect of a pending application.

This brought Mr Goddin to the relevant rule, namely rule 39(1) of the Rules. It reads:

"If, except in the case of a European patent (UK), it is desired to keep a patent in force for a further year after the expiration of the fourth or any succeeding year from the date of filing an application for that patent as determined in accordance with section 15, Patents Form 12/77, in respect of the next succeeding year, accompanied by the prescribed renewal fee for that year, shall be filed in the three months ending with the fourth or, as the case may be, succeeding anniversary of the date of filing:

Provided that, where a patent is granted in the three months ending with the fourth or any succeeding anniversary as so determined or at any time thereafter, Patents Form 12/77, accompanied by the prescribed renewal fee, in respect of the fifth or succeeding year may be filed not more than three months before the expiration of the fourth or relevant succeeding year but before the expiration of three months from the date on which the patent is granted."

With reference to the first paragraph of the rule, Mr Goddin noted that it provides the general basis on which the Patent Office charges renewal fees on patents which are granted before the expiration of the fourth year. For present purposes, he drew my attention to the facts that the first paragraph talks about keeping a patent in force, as distinct from an application for a patent, and that renewal is said to be "in respect of the next succeeding year", not any preceding one.

Thus, Mr Goddin argued that section 25 and rule 39 both provide for the renewal of a patent to

keep it in force for a further year, and that there is no authority to charge renewal fees in respect of time before a patent has been granted, when there is merely an application in existence.

The Office view on this point was that the reference in the first paragraph of rule 39(1) to the payment of renewal fees to keep a patent in force does not imply that renewal fees cannot be paid for periods prior to grant. While a patent does not come into force, or take effect, until it is granted, the period over which the patent has force or effect, that is the period during which protection is provided by the patent, starts from the date the application is published. Once a patent is granted, the patentee can take infringement action against anyone who infringes the patent claims after the application's publication date, which is of course before the date of grant. Hence, a patentee is paying a renewal fee in respect of a period running from the fourth anniversary of the date of filing not just to keep the patent in force from the date of grant but from the date it has force and has been effective. Patents granted before or after three years and nine months from filing give the same protection, and it would be unfair to allow a patentee to pay less in renewal fees simply because of later grant; an applicant might even attempt to delay grant to avoid paying some renewal fees yet still benefit from the same protection.

This last point based on fairness is an interesting one, but not one which I find in itself persuasive. Also, the Office's argument about the period of effect of the patent is interesting, but has to my mind a flaw in that section 25(1) and rule 39(1) mention the dates of filing and grant but not of the date of publication of the application.

It seems to me that what I primarily need to do is read section 25 and rule 39(1) together and interpret them in the light of the rules of construction of which Mr Goddin reminded me. On reading section 25, and simplifying it for present purposes, it clearly says to me that a patent under the Act is (for the provisions which follow) granted, and takes effect, on the date on which notice of grant is published in the *Official Journal (Patents)*, and shall continue in force (or effect) until 20 years from the date of filing is over, or sooner at the end of the prescribed period if the renewal fee due in that period has not been paid. I do not believe it says anything more about when renewal fees become due, and to suggest that it does, or that a meaning should be inferred from it which does, seems to me to run contrary to the rules of construction Mr Goddin urged me to observe.

To find out more than the Act tells me about the payment of renewal fees, I need to turn to rule 39(1), and for the present, its first paragraph. Again, on a plain reading and simplifying for present purposes, the rule states that if it is desired to keep a patent in force *for a further year after the end of the fourth year from the date of filing* of the patent application, certain things, including the filing of a renewal fee, need to be done (my italics). I cannot see how this can mean other than that a renewal fee needs to be paid for any period after the end of the fourth year from the date of filing, and, as I have said, I see nothing in section 25 which over-rides or contradicts that. It follows in my view from that requirement of a renewal fee being needed from the fourth anniversary of filing that the date of grant is irrelevant to the liability for renewal fees - if a patent is granted late, the renewal fee payable is as though the patent had been granted earlier, since the key date triggering liability is the fourth anniversary from the date of filing.

I would observe that if, as Mr Goddin suggests, a renewal fee is not due until grant, it would have been a simple matter for the Act or Rules to have said so. That they do not, but instead refer to a trigger date of four years from the filing date, tends to support the view I take of the meaning of the words actually used in section 25 and rule 39(1).

Thus, I do not find Mr Goddin's argument based on differences between a patent and a patent application persuasive. However, he also advanced several further arguments based on other aspects of the specific wording of the first and second paragraphs of rule 39(1). I should note at this point that the second paragraph of the sub-rule sets out a proviso to the first in the circumstances that the patent is granted in the three months ending with the fourth or (in the three months ending with) any succeeding anniversary *or at any time thereafter* (my italics). I should say that while in my reading the italicised wording rather hangs in the air, I take it to qualify the "three months" rather than the anniversaries.

Mr Goddin pointed out that both paragraphs of rule 39(1) refer throughout to the filing of "the prescribed renewal fee", in the singular, not "fees" in the plural. On this point, the Office view was that the renewal fee due when a patent is granted late consists of a renewal fee for the year in which grant occurs, together with fees for earlier years commencing with the fifth year. These fees have to be paid together and constitute the "fee" that has to be paid. Moving on, Mr Goddin noted that in the first paragraph of rule 39(1) this fee is stated to be "in respect of the next succeeding year" (singular, not "years" plural), while in the second paragraph it is "in respect of

the fifth or succeeding year" (singular not plural). In other words contended Mr Goddin, a single fee is payable in respect of a single year. Mr Goddin contrasted the wording of the rule with what the Patent Office was asking him to do, namely to pay a fee in respect of the succeeding year, which is the eighth, and in addition to pay back fees for the fifth, sixth and seventh years.

A further argument Mr Goddin advanced in support of his case, and on which he placed great emphasis, was the use of "or" in rule 39(1), as opposed to "and". He suggested that if the intention and effect of the rule had been to require the payment of renewal fees in respect of each year from the end of the fourth year, irrespective of the date of grant, the second paragraph of rule 39(1) would have said "in respect of the fifth *and* succeeding years". I might observe here that by virtue of the commas in "... Patents Form 12/77, accompanied by the prescribed renewal fee, in respect of the fifth or succeeding year", the expression "in respect of the fifth or succeeding year" should probably be read as qualifying the form and not the fee. That said, I place no reliance on that observation since commas and other punctuation are a matter of personal style or preference, and their use and significance can vary considerably.

In regard to the use of "or" in the second paragraph of rule 39(1), Mr Goddin also drew attention to the difference in wording from the corresponding rule under the Patents Act 1949 ("the 1949 Act"). Of course there were various different versions of rules under the 1949 Act, but Mr Goddin quoted rule 65 of the Patents Rules 1949 ("the 1949 Rules"), which read (my italics):

"If it is desired, at the expiration of the fourth year from the date of a patent or of any succeeding year during the term of the patent, to keep the patent in force, the prescribed renewal fee shall be paid by filing Patents Form No 24 before the expiration of that year; Provided that, where a patent is sealed after the expiration of the fourth or any succeeding year, except in cases mentioned in Rule 70, Patents Form No 24 in respect of the fifth *and* any succeeding year, may be filed at any time before the expiration of three months from the date of sealing of the patent."

Mr Goddin noted that although the comparison is only an academic one because the 1977 Act stands by itself, nonetheless rule 65 of the 1949 Rules uses "and" where I have italicised it. Mr Goddin believed that this "and" was the basis of the practice on renewal fees which was used by the Patent Office up to the expiry of the 1949 Act and that the practice has been continued since

that time despite the fact that the wording of the rule has changed. There was, he said, a deliberate change from "and" to "or" in the relevant rule, and he implied that that change had not been reflected in a corresponding one in the Office's practice.

The Office pointed to a different reason for the change, this being concerned with the payment of renewal fees in advance. Under the 1949 Act and Rules, it was possible to pay more than one year's renewal fee in advance. Indeed, rule 66 of the 1949 rules specified that "All or any of the prescribed annual renewal fees may be paid in advance". Under the 1977 Act, by contrast, the intention was to prevent a patentee from paying renewal fees for years in advance of the one due. For this reason, it was appropriate to have an "or" in rule 39(1) while there was an "and" in old rule 65.

Mr Goddin himself had suggested that comparisons with the old law swept away by the 1977 Act might not be helpful, and in this respect I agree. While the Office's explanation of the "or" in terms of preventing payment of renewal fees in advance seems a reasonable one, I have to assure myself nonetheless that the wording of rule 39(1) does not also have the effect Mr Goddin alleges of not supporting the collection of fees retrospectively. I do not therefore believe I can derive any assistance in interpreting current rule 39(1) by comparing it with rule 65 of the 1949 Rules.

The Office view of rule 39(1) was put thus at the hearing. The first paragraph of the sub-rule says two things: first, that you start paying renewal fees for the fifth year (from filing) onwards, and, secondly, that you pay each year's fee in the three months prior to the commencement of that year. The second paragraph says that if a patent is granted in the three-month period ending with the fourth (or any subsequent) anniversary or any period thereafter, then the fee has to be paid before the end of three months following grant. In other words, the second paragraph provides an exception to the basic requirement in the first paragraph that the renewal fee has to be paid within the period of three months ending with the anniversary of the filing date (starting with the fourth anniversary) - it changes the window from three months ending with the anniversary date to one ending three months from the date of grant. What the proviso of the second paragraph does not do, in the Office's view, is exempt the patentee from the basic requirement in the first paragraph to pay renewal fees starting with the fifth year.

I have already found above that the first paragraph of rule 39(1) requires renewal fees to be paid in respect of the time from the expiry of the fourth year from the date of filing onwards. That paragraph also sets out the timing for payment when grant is made within 3 years and 9 months from the filing date. In this context, it seems to me that the second paragraph sets out how that timing is altered for later granted cases. It is saying that the timing of the first paragraph is not appropriate in those cases, and it substitutes a modified timetable in its place. I do not read the second paragraph as overriding the need for a renewal fee to be paid in respect of each year after the fourth anniversary of the date of filing. I reach this conclusion on a careful reading of rule 39(1) as a whole, applying the ordinary rules of grammar and the rules of interpretation of which Mr Goddin reminded me.

There are several further arguments which Mr Goddin deployed which, although not directly concerned with the interpretation of section 25 and rule 39, could be said to lend additional weight to his other arguments. The first of these concerns section 22(8). This sub-section reads:

"Where a patent is granted in pursuance of an application in respect of which directions have been given under this section, no renewal fees shall be payable in respect of any period during which those directions were in force."

Section 22 as a whole concerns the treatment of information prejudicial to the defence of the realm or safety of the public. Section 22(8) provides that where a patent application has been the subject of a direction by the comptroller that prohibits or restricts the publication or communication of such information, no renewal fees shall be payable for the period over which those directions were in force. Mr Goddin argued that this provision demonstrated another status of application on which grant is delayed, this time by the Crown, and that there is a specific stipulation that no renewal fee should be payable backwards.

The Office view was quite different, namely that there would be little point to section 22(8) if Mr Goddin's interpretation of rule 39(1) were correct. In other words, if section 25 and rule 39(1) meant that renewal fees were not payable before grant for any patent, then there would be no need for section 22(8) to specify separately that no renewal fees are payable before grant for patents whose grant is delayed by the operation of security directions under section 22(3)(a). Mr Goddin responded by pointing out that under section 22(8) no renewal fee is payable in

respect of the renewal year in which the direction is rescinded, whereas for an open but delayed patent under rule 39(1) a renewal fee becomes due for the year in which grant occurs.

I accept Mr Goddin's last point - there is a difference between the two provisions. However, the difference is not such that it explains the existence and framing of section 22(8) in the terms it is. I therefore find some force in the Office view on this point. Bearing in mind the golden rule, of which Mr Goddin reminded me specifically in relation to this point, whereby I must consider the whole statute, the Act and Rules together, it would be inconsistent I think with the existence of section 22(8) to read section 25 and rule 39(1) as Mr Goddin would have me.

The second further argument concerns a comparison Mr Goddin drew with the treatment of European patents. Mr Goddin took me first to the European Patent Convention. He explained that article 86 addresses renewal fees for European patent applications, and that under article 86(4) the obligation to pay renewal fees for applications to the European Patent Office terminates following payment of the renewal fee for the year in which the mention of the grant of the European patent is published. He then pointed out that article 141 deals with renewal fees for European patents, and states that "renewal fees in respect of a European patent may only be imposed for the years which follow that referred to in article 86, paragraph 4". He noted it also says "any additional fee provided for under national law shall not be charged".

This he argued provides the background for rule 39(2) of the Rules, which governs the payment of renewal fees on European patents (UK). It reads:

"If it is desired, at the expiration of the fourth or any succeeding year from the date of filing an application for a European patent (UK), as determined in accordance with Article 80 of the European Patent Convention, and provided that mention of the grant of the patent is, or has been, published in the European Patent Bulletin, to keep the patent in force, Patents Form 12/77, accompanied by the prescribed renewal fee, shall be filed in the three months ending with the fourth or, as the case may be, succeeding anniversary of the date of filing as so determined:

Provided that, where any renewal fee is due on, or within the period of three months after, the date of publication in the European Patent Bulletin of the mention of the grant of the patent, that renewal fee may be paid within those three months."

Mr Goddin compared the wording of sub-rule (2) with that of sub-rule (1), in particular that of their second paragraphs and suggested that they were similar. He observed that if someone applies for a European patent (UK) and it is granted late, they are not asked to pay back-renewal fees. The implication was that the same should be the case in respect of national UK patents.

Mr Wright confirmed that if an European patent (UK) is granted late the Patent Office does not require a renewal fee to be paid in respect of years (after the fourth anniversary of filing) before which grant occurred. However, this is because the situation is fundamentally different. Under the European route, an applicant pays renewal fees for the application under article 86, as indeed Mr Goddin pointed out. Renewal fees for the European patent (UK) run essentially from grant. In the case of national UK patents, renewal fees are not levied on the application as such, but renewal fees for the patent run from the end of the fourth year from filing, irrespective of the date of grant.

It seems to me that the law on renewal of European patents (UK) is rather different from that of national UK patents, as the different wording of sub-rules 39(1) and (2) indicates. The mere fact of that difference gives me no assistance in the present case, although it might be observed that the consequence of that difference is to afford generally similar treatment overall to both types of application.

At the hearing, the significance of the wording of Patents Form 12/77 was also considered. Mr Goddin pointed out that the form is part of the Rules and as such its wording is part of the Rules. Studying the wording of Form 12/77, he observed that it says that it is for the "payment of renewal fee" and asks "Which year are you paying for?"; he noted that "fee" and "year" are in the singular. There is nothing he argued on the form to indicate that the renewal fee is in respect of a back payment and if there was a requirement for paying multiple fees Mr Goddin thought the form would have taken account of that.

I have considered these points carefully and I do not believe I can draw any help from them. The wording of Form 12/77 would not be inconsistent with what I was given to understand is the Office's preferred practice of asking for separate forms for each year due. On the other hand, I note that the official letter of 14 February 1996 only speaks of "a completed Form 12/77", despite asking for a fee covering several years, which suggests the Office's practice at least in

this case, and I suspect more generally, was not to invite a form for each year. Irrespective of the Office's practice, I think it is fair to say that while the wording of the form may not ideally meet all the circumstances of its use, in particular for late-granted cases, it is not such as to cause me to question the interpretation I have already placed on the words of section 25 and rule 39(1).

Mr Goddin also noted that in the Patents (Fees) Rules 1995, the renewal fees are listed individually, and that they are specific fees in respect of specific years. However, since the wording is in terms of "the expiration of the nth year from the date of filing of the application for the patent", I see no inconsistency with section 25 or rule 39 as I have already construed them.

Thus, having considered very carefully all Mr Goddin's arguments, I cannot accept his interpretation of the Act and Rules in regard to the renewal fee due on the patent in suit. I believe in particular that section 25 and rule 39 do require the payment of a renewal fee in respect of all the years running from the fourth anniversary of the filing date for late granted patents, and hence provide *vires* for the Office to do so.

It is worth pausing at this point briefly to observe that my findings are consistent with what the *CIPA Guide to the Patents Acts* and the *Encyclopedia of United Kingdom and European Patent Law*, to both of which I was referred at the hearing, have to say on the matter. Mr Goddin is though of course quite correct that I have to approach the statutes on their own terms, and that is what I have done. It is true that an extract from the so-called "Dutch" *Manual for the Handling of Applications for Patents, Designs and Trade Marks Throughout the World* which Mr Goddin handed me at the hearing does not contain an express reference to the matter at issue before me, but neither is it in any conflict with my finding.

Having concluded that the Office is correctly implementing the Act and Rules in requiring the payment of a renewal fee for each year from the fourth anniversary of filing, I need now to consider how that finding should be given effect in the present case. Put simply, Mr Goddin was asked in the official letter of 14 February 1996 to pay £500 as the first renewal fee. This fee covered the fifth to eighth years inclusive from the filing date. On 14 May 1996 he paid £140 as the part of the fee for the eighth year only, this being all that he considered was owed. He was

sent a receipt and certificate of renewal. It therefore follows from my finding that he must pay a further £360 if he is to maintain the patent.

Under the terms of the second paragraph of rule 39(1), the period within which the renewal fee should have been paid, in full, would have expired three months from the date of grant of the patent in suit, namely on 14 May 1996. Clearly that date has now passed. In the normal case, the provisions of section 25(4) would apply, under which a further six months from the end of the period prescribed by rule 39(1) are allowed for the payment of the renewal fee, provided an additional fee for late payment is also paid.

At the hearing, I invited Mr Goddin to address me on the question of how, if I were to find for or against him, I should give effect to my findings. Having now found against him, I need to consider his submissions in that respect. He began by noting that rule 110(2), by mentioning rule 39(1), prevents rule 110 from being used as a basis for the exercise of any discretion. I agree with that submission. Mr Goddin went on to suggest I should waive the additional fees due for late payment, citing rule 101 as the authority under which I might do so. Rule 101 reads:

"Where, under these Rules, any person is required to do any act or thing, or any document or evidence is required to be produced or filed, and it is shown to the satisfaction of the comptroller that from any reasonable cause that person is unable to do that act or thing, or that document or evidence cannot be produced or filed, the comptroller may, upon the production of such evidence and subject to such terms as he thinks fit, dispense with the doing of any such act or thing, or the production or filing of such document or evidence."

Mr Goddin argued that his "reasonable cause" was the fact that the Patent Office was not able to resolve this matter before the deadline (of 14 May 1996) and that it is within the authority of rule 101 to dispense with acts and things, which would include in his submission the payment of the additional fee. While I note Mr Goddin's submissions in this respect, I am not persuaded that rule 101 provides a basis to act in this case for several reasons. First, I believe the rule requires an absolute inability to do the act or thing in question, not a preference not to do so as is the case here, given that Mr Goddin *could* pay the additional fee. Secondly, I do not believe rule 101 is available merely as a way of getting around rule 110(2). Thirdly, I do not believe rule

101 allows me to dispense with the payment of a prescribed fee elsewhere in the Act or Rules.

There was a suggestion at the hearing that in the event of rule 101 not being available, I might have some inherent jurisdiction available to me. I should say that I have considered this possibility and rejected it. I would have no statutory support for asserting such jurisdiction, and I need also to bear in mind that the effect of such an arrogation might be to open up the patent to challenge as a nullity in the future.

Mr Goddin also made submissions to me in the context of applying the provisions of rule 100. Rule 100 concerns the correction of irregularities, and reads:

"(1) Subject to paragraph (2) below, any document filed in any proceedings before the comptroller may, if he thinks fit, be amended, and any irregularity in procedure in or before the Patent Office may be rectified, on such terms as he may direct.

(2) In the case of an irregularity or prospective irregularity -

- (a) which consists of a failure to comply with any limitation as to times or periods specified in the Act or the 1949 Act or prescribed in these Rules or the Patents Rules 1968 as they continue to apply which has occurred, or appears to the comptroller is likely to occur in the absence of a direction under this rule;
- (b) which is attributable wholly or in part to an error, default or omission on the part of the Patent office; and
- (c) which it appears to the comptroller should be rectified,

the comptroller may direct that the time or period in question shall be altered but not otherwise.

(3) Paragraph (2) above is without prejudice to the comptroller's power to extend any times or periods under rule 110 or 111."

Mr Goddin's main point in relation to the exercise of discretion under this rule was again the time the Office had taken to deal with the matter. Looking in detail at the chronology it is as follows (all dates 1996):

- 14 February - date of grant and of official letter requiring payment of renewal fee of £500.
- 20 February - Mr Goddin rang the Office questioning the amount of the renewal fee. It was explained, and he was invited to put any further query in writing.
- 10 April - Letter from Mr Goddin, dated 4 April, received at the Patent Office, in which he elaborates his objection to the Office's calculation of the renewal fee and envisages a possible hearing to resolve the matter before 14 May.
- 22 April - Holding official letter in reply sent.
- 8 May - Official letter in reply sent, explaining the calculation and its basis; letter received by Mr Goddin on 10 May.
- 13 May - Mr Goddin rang, saying he could not accept the Office's view, and requesting a hearing. Confirmatory official letter issued.
- 14 May - Letter dated 13 May from Mr Goddin and (part) fee of £140 received at the Patent Office; last day of rule 39(1) period.
- 6 June - Further official letter issued in preparation for the hearing.
- 21 June - Hearing held.

From this chronology it might be observed that although Mr Goddin might have written more promptly than on 4 April following his telephone call of 20 February, so the Office might have written more quickly in reply than on 8 May, bearing in mind the expiry of the rule 39(1) period on 14 May. The subsequent delay in the hearing taking place was due to the need to find a convenient date, and this in itself hardly contributed to it being after 14 May.

If that timetable had been the sole reason for considering the exercise of discretion under rule 100, I do not believe I would be justified in exercising it. While it might be argued that the Office could have responded more quickly, I do not regard it as being under any legal obligation to do so, nor do I believe that Mr Goddin could or should have relied on it doing so, or indeed that he did.

However, there is a further point for me to consider in this respect. In his telephone conversation with the Office on 13 May, according to the confirmatory official letter:

"You [Mr Goddin] asked what you should do in the meantime with regard to the renewal fees, bearing in mind that the due date for payment is 14 May 1996. As you were not prepared to pay the disputed back fees, I advised you to submit the fee of £140 due for the eighth year so that it reaches this Office by 14 May 1996. Payment of the renewal fees for the 5th, 6th and 7th years would be put in abeyance pending the outcome of the hearing."

This advice, it should be remembered, was given at a time when Mr Goddin had requested a hearing to resolve his objection to paying the renewal fee calculated by the Office. I have no doubt that the advice was offered with the best of intentions as a compromise in the circumstances. However, it was not possible to put the remainder of the due renewal fee "in abeyance" in view of the operation of rule 39(1) and rule 110(2). The correct advice would have been that the full fee was payable by 14 May, and that if it was not paid and the hearing found that the Office's calculation was correct, then Mr Goddin would have to pay the balance plus the additional fee prescribed in section 25(4). It is clear from Mr Goddin's letter of 13 May that he acted on the Office's erroneous advice.

Looking at this situation in the light of the three limbs of rule 100(2), it seems to me that there has been an irregularity which:

- (a) consists in a failure to comply with the time limit prescribed in rule 39(1), and
- (b) the failure was attributable in part to an error on the part of the Office in the advice it gave Mr Goddin;
- (c) should be rectified.

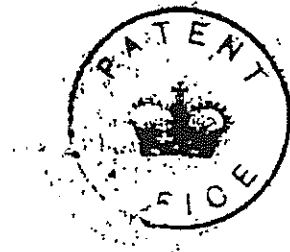
Accordingly, I believe I have a discretion under rule 100 whereby I can extend the period of rule 39(1), and that I should do so. I should emphasise that I do not reach this conclusion lightly - the exercise of the comptroller's discretion under rule 100 rightly requires a high hurdle to be

overcome. Nonetheless, in the particular facts of this case I am persuaded that it has been.

Exercising the discretion provided by rule 100, I direct that the period prescribed in rule 39(1) for the payment of the renewal fee in this case should be extended so that it shall now expire on 6 September 1996. Mr Goddin shall thus have until that date to pay the balance, that is £360, of the renewal fee I have found him to owe. The further period of six months specified in section 25(4) will run from that date. If Mr Goddin pays the £360 due within the rule 39(1) period as I have extended it, or within the further six-month period of section 25(4) if accompanied by the prescribed additional fee, the patent will remain in force. However, if he fails to do so, or indicates in writing that he will not be doing so and asks for the part of the fee he has already paid to be refunded, £140 will be refunded to him and the patent will cease as though no renewal fee whatever had been filed.

Since this is a substantive matter, the period within which an appeal against this decision may be filed is six weeks from the date of this decision.

Dated this 24 day of July 1996



S N DENNEHEY

Superintending Examiner, acting for the Comptroller

THE PATENT OFFICE