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PATENTS ACT 1977

Pat / Linda
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IN THE MATTER OF an application under
Section 28 for the restoration of Patent No GB2132318
in the name of Anthony Terence Pritchard

DECISION

The renewal fee for the twelfth year of this patent was due on 30 November 1994. It was not paid by that date nor was it paid during the six months immediately following, as allowed by section 25(4), so the patent lapsed. An application for restoration was filed on 13 December 1995 within the period allowed under section 28(1) and rule 41(1).

On the basis of the evidence filed by the applicant the Office expressed the preliminary view that the proprietor, Mr Anthony Terence Pritchard, had not taken reasonable care to see that the renewal fee was paid as required by section 28(3). Mr Pritchard did not accept this view and so the matter came before me at a hearing on 18 June 1996 at which Mr Pritchard appeared in person. Also present was Mr George Atkinson, a former Managing Director of Kilard Limited which was the previous proprietor of the patent. Mr Ian Sim attended on behalf of the Office.

The evidence in support of the application for restoration consisted of a statutory declaration by Mr Pritchard and a statutory declaration by Mr Ronald Fergus Drever, a partner in the firm Swindell and Pearson the registered address for service for the patent.

The patent was granted on 12 March 1986 to Kilard Co (Burton-on-Trent) Limited which later changed its name to Kilard Limited on 13 January 1992. Kilard Limited went into administrative receivership on 27 January 1994. The administrative receiver subsequently assigned the patent to Mr Pritchard on 4 November 1994. A request to register the assignment on the Register of Patents was received by the Patent Office on 13 December 1994 and the assignment was duly registered on 25 April 1995. Mr Pritchard says he was informed by his solicitors that they had received a letter from Swindell & Pearson, dated 4 May 1995, confirming that the assignment had

been recorded.

In his statutory declaration Mr Pritchard says he was also advised that Swindell & Pearson sent a renewal notice and subsequent reminder to Mr Atkinson during the period August to October 1994. The only reference Mr Drever makes in his statutory declaration to any correspondence from Swindell & Pearson in that period is to a reminder notice that Swindell & Pearson sent to Kilard Limited on 18 August 1994, a copy of which was exhibited to his statutory declaration. That notice sought instructions to pay the renewal fee by the due date of 30 November 1994. The letter was addressed for the attention of Mr G Atkinson though it is not clear to me why this was so as Mr Atkinson revealed at the hearing that he retired from Kilard Limited in October 1993.

Mr Pritchard says in his statutory declaration that he had no knowledge of the renewal notification and reminders that Swindell & Pearson issued during August and October 1994, and can only assume that they were forwarded to Mr Atkinson at his address and thereafter were effectively lost. He says he assumed that the administrative receiver would have taken care to see that the renewal fee was paid or would have at least alerted him to the fact that a renewal fee was outstanding when the assignment took place.

In his statutory declaration Mr Drever says that he sent a letter to Mr Pritchard at his home address on 5 May 1995 advising him of the position regarding the patent. In the absence of a reply he says that he arranged for a copy of that letter to be sent by Recorded Delivery to Mr Pritchard on 22 May 1995 with a copy of his "reminder instruction note".

At the hearing Mr Pritchard said that he smashed his finger in May 1995 and was in hospital for 3 months and developed septicaemia. However, he also said at the hearing that he snapped his arm playing rugby in June 1995. There is, therefore, an element of inconsistency here. However, whether or not Mr Pritchard was hospitalised in May 1995 the fact is that he admits to receiving Swindell & Pearson's letter of 5 May 1995 and the copy of that letter that was sent to him on 22 May 1995. He says in his statutory declaration that he took no action because he assumed that the contents of the letter was similar to that in the letter Swindell & Pearson's sent him on 4 May 1995 confirming the assignment recordal and requesting payment of the further invoice. He

admits that his assumption was made "without a thorough reading of the letter" and that he treated the copy of the letter that was sent to him on 22 May 1995 in the same way. He says he failed to appreciate that the letter related to something other than the recordal of the assignment because the letter came at effectively the same time as notification to his solicitor of the assignment recordal.

At the hearing Mr Pritchard indicated that if he received any correspondence that looked like it was something to do with patents he would take it to his secretary to sort out though there is no suggestion that he issued his secretary with any instructions about dealing with such correspondence.

No mention is made by either Mr Pritchard or Mr Drever about the official renewal reminder letter dated 25 December 1994 that was issued by the Patent Office in accordance with Rule 39(4). That letter was addressed to Kilard Limited c/o Swindell & Pearson. However, in their letter of 5 May 1995 Swindell & Pearson refer to a Recorded Delivery letter they sent to Kilard Limited in December 1994. Mr Pritchard makes no reference to either of these letters.

In his statutory declaration Mr Pritchard explains that his wife visited the offices of Swindell & Pearson on 20 July 1995 to settle an invoice which that company had sent to him with their letter of 4 May 1995 concerning the recordal of the assignment. When she asked if any other fees were outstanding it was confirmed to her that Swindell & Pearson's account had been cleared by the payment made. In his statutory declaration Mr Drever confirms that Mr Pritchard's wife would have been given that information as it is not the practice of Swindell & Pearson to issue invoices in respect of a renewal fee until instructions had been received to pay the fee. In any case, when Mr Pritchard's wife visited Swindell & Pearson's office the period in which the renewal fee could have been paid had already expired. Therefore, even if his wife had been told that the renewal fee had not been paid it was too late to pay it at that time.

In considering this application for restoration I first need to be clear as to who the proprietor of the patent was at the time the renewal fee could have been paid, i.e. between 30 August 1994 and 30 May 1995, the last six months of which the fee would have had to have been paid with

additional fees for late payment. The fact that the patent was assigned from Kilard Limited to Mr Pritchard on 4 November 1994 means that from 30 August to 4 November 1994 the proprietor of the patent was Kilard Limited and from 4 November 1994 to 30 May 1995 the proprietor was Mr Pritchard.

Whether or not Kilard Limited were operating an effective system for dealing with renewal notices from Swindell & Pearson and what happened to the notices that were sent to them remains unclear. However, I do not believe that this is material to the case as it is not for me to decide whether or not Kilard Limited took reasonable care to see that the renewal fee was paid as there was no obligation on that company to pay the fee before they assigned the patent to Mr Pritchard, bearing in mind that the period for paying the renewal fee did not expire until 30 November 1994 or, with additional fees, until 30 May 1995. The fact that Mr Pritchard became the proprietor of the patent on 4 November 1994 means that responsibility for paying the fee by the due date, or within the six months immediately following that date, then fell squarely with him. It remains for me to decide whether or not he took reasonable care to see that the fee was paid.

Mr Pritchard says he had no knowledge of the renewal notice and reminders sent to Mr Atkinson and that the administrative receiver did not inform him that the renewal fee was outstanding. However, the fact is that the onus was on Mr Pritchard, as proprietor of the patent from 4 November 1994, to check the position as regards renewal fees. The evidence before me suggests that he took no action to appraise himself of the situation or to satisfy himself that arrangements were in hand to see that renewal fees would be paid. He had ample time to do this bearing in mind that when the patent was assigned to him he had almost 7 months before the period in which he could pay the fee, with additional fees, expired.

Even though Mr Pritchard may not have been made aware of the situation at the time he acquired the patent in November 1994 he admits to receiving the reminders Mr Drever sent to him on 5 May 1995 and copied to him again on 22 May 1995, about the need to pay the renewal fee by 30 May 1995. He appears to have been well served by Mr Drever who took it on himself to send those reminders to Mr Pritchard's home address after he discovered that Swindell & Pearson had been unsuccessful in obtaining instructions to pay the renewal fee. The question is, by not

instructing Mr Drever to pay the renewal fee, following receipt of the reminders he received in May 1995, could it be said that Mr Pritchard failed to take reasonable care to see that the fee was paid? In addressing this question I need to consider whether or not Swindell and Pearson's letter of 5 May 1995 was open to misinterpretation and whether or not Mr Pritchard took sufficient care in reading that letter and the subsequent copy he received with Mr Drever's "reminder instruction note".

The opening paragraph of the letter of 5 May 1995 reads:

"I reported formally to Bakewell yesterday that recordal of the assignment had now been completed."

This is clear and unambiguous in simply informing Mr Pritchard that Bakewell (Mr Pritchard's solicitor) had been informed of the recordal of the assignment.

The second paragraph reads:

"On instructing our Records Department to enter the assignment, I was advised that they had been seeking instructions in connection with renewal of the UK Patent No. 2132318 since August 1994. Their correspondence has been to Kilard at the Hawkins Lane address as we have not to date received any official notification that correspondence should go elsewhere. Their correspondence included a Recorded Delivery letter in December 1994."

It is clear from this paragraph that Swindell & Pearson had been making efforts to seek instructions on whether or not they should pay the renewal fee but without success.

The third and fourth paragraphs of the letter reads:

"The situation is that renewal was due on 30 November, but the renewal fee can still be paid up to 30 May 1995 with additional fees for an extension of time. Total official fees will now amount to £354 with our service charge being £111. VAT is payable on our

service charge only.

In the present circumstances, I assume that you will wish the Patent to be renewed, but should be grateful if you would let Mrs Smith of Renewals Department have your confirmatory instructions in this matter as quickly as possible".

Again these paragraphs are unambiguous in that they clearly explain the deadline for paying the renewal fee, how much had to be paid and that if Mr Pritchard wanted the renewal fee to be paid all he was required to do was issue an instruction to Mrs Smith in Swindell & Pearson's Renewal Department as soon as possible.

Mr Drever's "reminder instruction note", which accompanied the copy of the letter that was sent to Mr Pritchard on 22 May 1994, reads:

"NOTE TO JUNIORS

Please pass up to LS a copy of our letter of 5/5 to Mr Pritchard photocopied on the headed notepaper and stamped with the dated reminder stamp."

It is then stamped with the words "REMINDER" and "22 May 1995" and includes the words in manuscript: "sent recorded delivery". It concludes with the following text: "30/5/95 Advised RFD no instruction".

I cannot see how this note could be read as relating to the assignment as it contains no reference to the assignment. Whilst the note itself does not refer to the renewal fee the fact that it was clearly stamped "REMINDER" is an indication that Mr Pritchard was being reminded about something and that it had something to do with the letter it was accompanying.

In my view the letter is unequivocal and I have great difficulty in understanding how Mr Pritchard could have read it as relating only to the assignment of the patent and not to the need to pay the twelfth year renewal fee. Nor can I see how the "renewal instruction note" could have led to any

misunderstanding. I can only conclude that Mr Pritchard failed to take sufficient care in reading the letter on both the occasions it was sent to him. His admission in his statutory declaration that his "assumption was made without a thorough reading of the letter" supports this view. I find it surprising that Mr Pritchard did not read the letter thoroughly given that he acknowledged at the hearing that the patent was important to him and that he had paid £10,000 to purchase it. Moreover, the fact that the copy of the letter that was sent to him by Recorded Delivery might have indicated that it was of some significance.

Whilst I appreciate that Mr Pritchard may have intended keeping his patent in force, what I have to decide is whether or not he took reasonable care to see that the renewal fee was paid in time. In this regard, Mr Pritchard's failure to appraise himself of the situation regarding the patent when he acquired it in November 1994 and to satisfy himself that arrangements were in place to see that renewal fees were paid in time, together with his failure to issue the necessary instruction to Swindell & Pearson on receipt of their two reminders leads me to conclude that he failed to take reasonable care to see that the twelfth year renewal fee was paid.

In conclusion, therefore, I am not satisfied that the requirements of section 28(3) have been met and accordingly I must refuse the application. Any appeal against this decision must be lodged within six weeks of the date of this decision.

Dated this 12 day of July 1996

M C WRIGHT

Grade 7, acting for the Comptroller



THE PATENT OFFICE