

413

Ms Durbin

0184/93
3460

PATENTS ACT 1977

IN THE MATTER OF an application by
Como & Co Ltd for the restoration of Patent
No 2204086

DECISION

The renewal fee for the fifth year of the patent fell due on 21 April 1991. The fee was not paid by the due date or during the following six months as allowed under section 25(4). The application for restoration was filed on 23 December 1991, well within the period allowed under section 28(1) and rule 41(1). A lengthy period followed during which opportunities were given to the proprietor to try to obtain evidence to supplement that originally filed. The Office eventually took the view that the evidence provided was insufficient to satisfy the requirement of section 28(3)(a) ie that the proprietor had taken reasonable care to see that the renewal fee was paid by the due date or in the six months grace period as set out above. A hearing was requested, and the matter came before me on 19 February 1993 at which the proprietor was represented by Mr K W Nash, a Chartered Patent Agent. Mr M C Wright attended on behalf of the Office.

Mr Nash had written to inform the proprietor (Como) on 16 November 1990 that the patent had been granted. He also sent renewal reminders on 24 January and 2 April 1991 addressed to a Mr Saunders at Como. He wrote again on 3 May 1991, this time to a Mr Hawkins who was the managing director of Como, confirming an earlier telephone conversation in which it had been explained to Mr Hawkins that (i) certain debts to Mr Nash's firm remained unpaid, (ii) no instructions to pay the renewal fee for this patent had been received so the patent had lapsed, (iii) a Mr Bennett of Ward & Sons Ltd had telephoned Mr Nash instructing him that the renewal fee and additional fee for late payment should be paid and the patent should be transferred to Snap Production Co Ltd, (iv) payment covering the outstanding debts and the official fees for renewal was needed by return if Mr Bennett's instructions were to be complied with, and (iv) asking for instructions regarding the transfer of the patent to Snap Production.

An explanation of the relationship between Mr Hawkins, Como, his other company Snap Display Systems (East Anglia) Ltd, Snap Production Co Ltd, Ward & Sons Ltd was given to me by Mr Nash at the hearing, though it does not appear in the evidence. According to Mr Nash, Snap Production was a five-company group which included Snap Display Systems (East Anglia) and Ward & Sons. Mr Hawkins was a director of and held shares in Snap Production. The five companies, which serviced different parts of the country, supplied exhibition panels using a clip invented by Mr Hawkins and the subject of this patent. Como manufactured the clip and supplied it to the companies in the Snap Production group.

There was an understanding, or agreement even, that Snap Production should hold the patent in their name once the patent had been granted, and in the meantime would be responsible for paying the costs and fees relating to prosecution of the patent application. Como had sought the agreement of Snap Production's directors before incurring such expenses. In the early stages Como were invoiced, made the necessary payments and recovered the costs from Snap Production, but later on Snap Production were invoiced and made the payments directly. Mr Nash said (and I do not doubt it) that this arrangement often led to instructions being given to Mr Nash close to the deadline by which action had to be taken.

Como went into liquidation on 19 July 1991 without the renewal fee having been paid and without the question of transfer of the patent to Snap Production having been resolved. The position was therefore that Como was the proprietor of the patent for the whole of the period during which the renewal fee could have been paid, and in my view for present purposes Mr Hawkins must be regarded as the directing mind of that company up to 19 July 1991, his place then being taken by the Receiver who was appointed on that date. It is to the actions of these individuals that I must turn in deciding whether or not the requirement of section 28(3)(a) was met.

There is no shadow of doubt that Mr Hawkins knew exactly what the position was with regard to the need to pay the renewal fee when Mr Nash wrote to him on 3 May 1991. In response to that letter Mr Hawkins simply replied on 8 May 1991 that he was no longer a director of Snap Production, Mr Saunders no longer had any connection with that company,

and that all correspondence from Mr Nash regarding the patent had been transferred to Mr Davies, the company secretary of Snap Production.

Mr Nash then wrote to Mr Bennett of Ward & Sons, copied to Mr Davies, on 13 May 1991 summarising the position as he understood it from Mr Hawkins and including his understanding that he should look to Mr Davies or Mr Ward for instructions. Reminders were sent to Mr Bennett by Mr Nash's firm on 9 and 19 July 1991. Mr Bennett replied on 29 August 1991 stating that Ward & Sons were not responsible for paying any costs to Mr Nash, they simply keep the books for Snap Production and have no authority in that company.

Mr Nash wrote to Mr Bennett again on 12 September 1991, copied to Mr Hawkins, asking urgently for advice on who at Snap Production should be contacted for instructions. There was no reply to this request or to a reminder sent to Mr Bennett on 2 October 1991, and so the final date of 21 October 1991 for paying the renewal fee passed without the fee being paid. Mr Nash heard nothing more from any of the parties concerned until Mr Hawkins telephoned him on 1 November 1991 to ask if the patent had been assigned to Snap Production. Mr Nash was subsequently instructed by the Receiver Potterton & Appleby to apply for restoration of the patent.

Mr Nash explained that he had dealt with Mr Bennett in the past and (though again it is not in the evidence) that after the reminder dated 27 April 1991 had been sent indicating that the patent had lapsed, Mr Davies had instructed Mr Bennett to pay the renewal fee (on behalf of Snap Production) and it was this which had prompted the telephone call from Mr Bennett referred to in Mr Nash's letter of 3 May 1991. Why Mr Bennett did not provide the necessary payment on behalf of Snap Production is something which has not been explained satisfactorily. Mr Nash has provided a copy of an unsworn statement dated October 1992 signed by Mr Davies in which it is said that neither as an individual nor as company secretary of Snap Production has he ever intended or had the power to renew the patent.

Mr Nash argued that because Mr Hawkins understood that Snap Production wanted the patent and would maintain it on behalf of Como until the transfer took place, he expected it to be

renewed. As far as the evidence goes, there would seem to have been only an informal agreement that Snap Production would pay the costs and fees of maintaining the patent, and, as Mr Wright pointed out at the hearing, Mr Hawkins had been made aware that Snap Production were behind with payments relating to the patent from as far back as May 1990. The period leading up to the liquidation of Como and the months which followed were without doubt difficult times for Mr Hawkins, but I cannot disregard the letter to Mr Nash which Mr Hawkins wrote on 8 May 1991. Even accepting Mr Nash's contention that Mr Hawkins did not always express his meaning clearly, it does seem to me that Mr Hawkins was at the very least displaying an almost total lack of interest in the future of the patent. Mr Nash contended that what Mr Hawkins meant when he wrote:

"All correspondance from your goodselves regarding the patent of the clip have been forwarded to Harry Davies the Company Secretary....."

was that:

"the assignment of the patent to Snap Production should be completed, all the papers were being sent to them and they have agreed to pay the fee, but you should know that I am no longer associated with them. I am not part of the decision-making machinery any more."

If these had been the words actually used by Mr Hawkins that last sentence might have been worth underlining for emphasis, but they are not, and I do not place much weight on them. However, it must be said that being no longer a director of Snap Production, Mr Hawkins had lost all say in whether that company should pay the outstanding fees. Subsequent events indicate that Como was almost certainly not in a position to be able to pay.

For the period in question the Receiver apparently knew nothing of the existence of the patent, let alone the urgent need for its renewal. No effective arrangements seemed to be in place for forwarding correspondence addressed to Como and the important letter dated 12 September 1991 reached neither Mr Hawkins nor the Receiver. In my view therefore, having done nothing at all in relation to the patent prior to the final date in October 1991,

the Receiver cannot even begin to be considered as having taken reasonable care to see that the renewal fee was paid.

It was for these reasons that I indicated to Mr Nash after he had addressed me that I was inclined to side with the Office view that a case for restoration had not been made out, but, as there was a distinct possibility that further evidence might be made available to clarify various matters which I have touched on above, I adjourned the hearing and allowed the proprietor three months in which to provide such further evidence.

In the event no such further evidence was filed. Mr Nash in a letter dated 4 June 1993 indicated that the proprietor had been unable to obtain co-operation from third parties and requested reconsideration with a view to finding a basis for a favourable decision on the case as it stands. I have reviewed the evidence and arguments most carefully and weighed the effect which non-co-operation by others must have had on the case which could be presented, but in the result I am unable to come to any different conclusion, namely I am not satisfied that the requirement of section 28(3)(a) has been met. I therefore refuse the application for restoration.

Signed this 20 day of July 1993



K E Panchen

Superintending Examiner acting for the Comptroller



THE PATENT OFFICE