

0/105/91

PATENTS ACT 1977

IN THE MATTER OF an application
by Mrs I E Walters for the
Restoration of Patent No 2113156

DECISION

Patent No 2113156 granted to Mr W F Walters is dated 24 December 1982. The renewal fee in respect of the 8th year of the patent which fell due on 24 December 1989 was not paid by the due date or within the following six months grace period allowed under section 25(4) upon payment of the prescribed additional fee. Accordingly the patent lapsed on 24 December 1989. The application for restoration was filed on 19 December 1990 within the period prescribed by section 28(1).

The office was not satisfied that the requirements for restoration laid down by section 28(3) had been met, and the matter came before me at a hearing held on 19 July 1991 at which Mrs Walters was represented by Mr P M Connor for Dummett Copp & Co, chartered patent agents. Mr M C Wright attended on behalf of the office.

Following the death of Mr W F Walters in 1986, proprietorship of the patent passed to his wife Mrs I E Walters, and this change of proprietor was duly recorded on the register of patents. Mrs Walters instructed a firm of solicitors (Birketts) to handle business matters arising from her late husband's estate, including the payment of the renewal fee for the patent which fell due on 24 December 1986.

That fee was paid and a satisfactory system was set up for the payment of subsequent renewal fees. The system involved the well-known firm of Computer Patent Annuities (CPA) who sent reminders to Birketts who in turn

instructed CPA to pay the fees. Dummett Copp remained as the registered address for service. The system operated successfully in 1987, but in 1988 Mrs Walters instructed Birketts to allow the patent to lapse after an approach from another party to acquire the patent rights came to nothing.

In September 1988 Mrs Walters was contacted over the telephone by a Mr Ellis who indicated to her that he was interested in buying the patent rights. Mrs Walters referred Mr Ellis to her solicitors and thereafter all correspondence on the acquisition of the patent rights was conducted between solicitors acting for Mr Ellis (Booth Hearn), Birketts and Dummett Copp, the latter providing Booth Hearn with a copy of the patent specification and details of the 1988 renewal date. Mrs Walters cancelled her previous instruction to allow the patent to lapse on a conditional basis as is clear from the letter from Birketts to Booth Hearn dated 19 October 1988 which told them that Mrs Walters did not intend to renew the patent but would do so if Mr Ellis bore all necessary costs and which also asked them for their instructions for renewal of the patent. Booth Hearn gave these instructions in a letter dated 14 November 1988 and furnished a cheque from Mr Ellis for payment of the renewal fee. Birketts and CPA then played their part and the patent was successfully renewed for its seventh year using the money provided by Mr Ellis.

Birketts wrote to Booth Hearn on 16 November 1988 informing them that CPA had been instructed to renew the patent and suggesting that it was for Booth Hearn to prepare the required assignments of the patent to Mr Ellis. Birketts wrote again on 23 January 1989 confirming that the patent had been renewed and asking whether Mr Ellis intended to take an assignment of the patent. Further letters enquiring about the progress of the assignment were sent by Birketts on 19 April and 19 June 1989, followed by a final letter on 7 November 1989 which read:

"We have written to you on 23rd January, 19th April and 19th June this year, without a reply. The British Patent falls to be renewed. We are going to take no action unless we hear from you. If your client wants it renewed the cost is £140 and we require the assignment to be completed and our costs, and those of the patent agents, to be reimbursed before we do anything."

Booth Hearn did not reply to any of these letters.

On 4 January 1990 Birketts wrote to Dummett Copp saying that they had now received a third reminder from CPA, but, as they had heard nothing from the solicitors acting for Mr Ellis, they proposed to do nothing. Dummett Copp replied on 8 January 1990 to the effect that they had had a discussion with Mrs Walters as a result of which she proposed to let the patent lapse and no further action would be taken by Dummett Copp unless specifically requested by Mrs Walters or Birketts. In the discussion Mrs Walters apparently said that she did not feel it worthwhile to spend money on renewing the patent since Mr Ellis appeared to have lost interest in the invention. In view of the prompt response by Booth Hearn in 1988, Dummett Copp and Birketts took the lack of response by Booth Hearn in 1989 to clearly indicate that Mr Ellis had lost interest and they therefore had no reason to advise Mrs Walters to the contrary or to question the view that there was no purpose in renewing the patent.

Thus a deliberate decision to allow the patent to lapse was made by Mrs Walters. Unfortunately it was a decision based on an assumption which subsequently proved to be false.

Mr Roberts of Booth Hearn says in evidence that he received the letters from Birketts about the assignment of the patent but he could not prepare the assignment documents because he had no instructions from Mr Ellis. A copy of the final

letter dated 7 November 1989 was forwarded to Mr Ellis but was not received by him. Mr Ellis states that he received no letters from Mr Roberts in 1989 - he assumed this was normal in the preparation and execution of legal documents -, he was not aware that any renewal fee was due after the one he had paid in 1988, and, as he was not the owner of the patent, he was not aware of any obligation on him to pay the fee.

In September 1990 Mr Ellis contacted Booth Hearn to find out what progress had been made and was astounded to find that they had been awaiting instructions from him and that the patent had lapsed. Subsequently, because of his continuing interest in the patent, Mr Ellis has agreed to pay the costs in connection with this application to re-instate the patent.

There is no doubt that if Mr Ellis had not provided the money in time to renew the patent in 1988 the patent would have been allowed to lapse. In essence this is what happened when the 1989 fee became due, because Mrs Walters did not wish to incur any further expenditure in respect of the patent, though of course, the fact that Mr Ellis was still interested in the patent and was prepared to put up the money for its renewal did not get through to Birketts and Mrs Walters. This was due, as Mr Connor submitted, to a breakdown in communication, but the breakdown was between Mr Ellis and his solicitors, not between Mrs Walters and her solicitors.

There was some discussion during the hearing as to whether the arrangement whereby Mr Ellis should fund the renewal of the patent was a 'one-off' arrangement relevant only to the 1988 renewal or whether it was intended to continue until the assignment of the patent to Mr Ellis had been completed (assuming that the assignment negotiations were not aborted), when full responsibility for renewal of the patent would have passed to Mr Ellis. My view is that the expectation from the proprietor's end must have been that Mr Ellis would fund the 1989 renewal if he was still interested, but I would imagine

that it would also have been expected that the assignment would have been completed before the 1989 fee became due. When the assignment was not completed by that time it is clear from the terms of their final letter to Booth Hearn and Mrs Walters' standing instruction that Birketts expected Mr Ellis to provide the funds if he wished the patent to be renewed.

The essential position was that responsibility for seeing that the renewal fee was paid rested with Mrs Walters. She had been fully informed as to when the renewal fee was due, and at all times it was within her control to vary her instructions to Birketts so that the fee would be paid. The professional advice which Mrs Walters received, and which was given to her in good faith, confirmed her view that Mr Ellis must be assumed to have lost interest in the patent. Mrs Walters was not prevented from renewing the patent, she simply decided that it would not be renewed.

Under these circumstances I am unable to accept that the criteria for restoration have been met. In particular, I do not believe that section 28(3)(a) from its plain wording was intended to give relief to proprietors who, on the basis of certain facts, whether actual or perceived, decide to allow a patent to lapse, and then change their minds when those facts subsequently prove to be incomplete or inaccurate.

Accordingly I refuse the application for restoration.

Dated this 3rd day of September 1991

K B PANCHEN

Superintending Examiner, acting for the Comptroller



THE PATENT OFFICE