

PATENT ACT 1977

IN THE MATTER OF applications
under section 28 for restoration of
patent GB 2297781 in the name of
Mr Brian Leo Hardman

DECISION

Background

1. The renewal fee in respect of the sixth year of the patent fell due on 9 February 2001. The fee was not paid by that date or during the six months allowed under section 25(4) upon payment of the prescribed additional fees. The patent therefore lapsed on 9 February 2001. The application for restoration of the patent was filed on 8 May 2002, within the 19 months prescribed under rule 41(1)(a) for applying for restoration. After considering the evidence filed in support of the application for restoration an official letter was sent to the proprietor, Mr Brian Leo Hardman, on 8 July 2002 informing him that it was the preliminary view of the Patent Office that the requirements for restoration, as laid down in section 28(3), had not been met. Mr Hardman did not accept this preliminary view and the matter came before me at a hearing on 9 September 2002.
2. Mr Hardman attended the hearing in person accompanied by Mr David Williams of the Welsh Development Agency. Mr Ian Sim attended on behalf of the Patent Office.
3. The evidence filed in support of the application consists of four witness statements by Mr Hardman dated 8 May, 12 June, 13 June and 10 July 2002. Mr Hardman also gave evidence under oath at the hearing.

The Facts

4. The patent was granted to Mr Hardman on 30 June 1998. Mr Harman originally used the services of the patent agents Geoffrey Owen & Company but stopped using them in June 1996. He paid the fifth year renewal fee of £50 himself on 1 February 2000, i.e. before the date the fee fell due, which was 9 February 2000. At the hearing he said that he had reminded himself about paying that fee by an entry he had made in his business diary. He also said that he put a further entry in the diary to remind himself when to pay the sixth year renewal fee after he had checked with the Patent Office when that fee was due to be paid.
5. Mr Harman says that at the start of 2000 he established a new business, Retract Postholders Ltd, to manufacture the product he had patented. In April 2000 he filed a further patent application for improvements to the invention. He again used Geoffrey Owen & Company to act as his agent for that application. At around the same time he entered into a contract with two businessmen who were to be responsible for marketing, selling and installing the product covered by his patent. However, things did not work out and he ended the contract after a short period.

6. Mr Hardman says he spent five days in hospital in July 2000 following a hernia operation and a further five weeks recuperating. This affected his ability to continue with his business because it meant he could not lift heavy weights. Later in 2000, he found himself in financial difficulties which meant he had to close his business in October 2000. In November 2000 his bank closed his accounts and, although he changed his bank, he was denied an overdraft facility.
7. To help pay off his debts, Mr Hardman put his home on the market to raise the necessary finance. He also had to discontinued work on upgrading of his invention and told Geoffrey Owens & Company to stop further processing of his new patent application because he could not afford it. The application has since been terminated for failure to file a request for preliminary examination and search within the prescribed period.
8. Although Mr Hardman had to close his business and was facing serious financial problems, he says that he continued to try and get his invention to the marketplace and approached a venture capital company in an attempt to raise the necessary finance. He also says he tried to change his career. He took a six-week course in computer aided design and in February 2001 started a business administration course using a “Job Seekers” allowance as well as looking for employment.
9. When he closed his business Mr Hardman said that he did not retain his business diary, which contained the reminder entry about paying the sixth year renewal fee, and did not transfer that entry to his personal diary. As that fee was not paid by the renewal due date, i.e. 9 February 2001, the Patent Office, in accordance with rule 39(4), sent Mr Hardman a letter reminding him that the renewal fee was overdue. The letter explained that the patent would cease if the fee and any extension fees were not paid within a period of six months from the due date.
10. Mr Hardman confirms that he received the rule 39(4) reminder letter but says that he did not appreciate its importance. He says he probably viewed it as another debt which he could not afford to pay and must have put it to one side and forgotten about it. However, although he was experiencing financial difficulties, he says in his witness statement of 27 June 2002 that if he had realised that the fee was due he would have paid it by borrowing the money if necessary.
11. Mr Hardman referred to the various pressures he was under as extenuating circumstances which was the reason he did not appreciate the importance of the rule 39(4) reminder letter and failed to take the necessary action to pay the fee following its receipt. He says he may also have got confused with his new patent application which he had decided not to pursue.

Assessment

12. Section 28(3) provides:

“If the comptroller is satisfied that 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, the comptroller shall by order restore the patent on payment of any unpaid renewal fee and any prescribed additional fee”

13. I therefore need to decide whether Mr Hardman took reasonable care to see that the sixth year renewal fee was paid.
14. In assessing this case, I am mindful of the following comment by Aldous J in *Continental Manufacturing & Sales Inc.'s Patent* [1994] RPC pages 535 to 545: “The words ‘reasonable care’ do not need explanation. The standard is that required of the particular patentee acting reasonably in ensuring that the fee is paid.” Therefore, it is important to take into account all the surrounding circumstances and decide in light of those circumstances whether reasonable care has been taken.
15. Mr Hardman took steps to see that the sixth year renewal fee would be paid by placing an entry in his business diary to remind himself when the fee was due. This simple diary entry constituted a renewal reminder system and was effectively a first step in seeing that the sixth year renewal fee would be paid. However, it was incumbent on him to ensure that that system was maintained and operated effectively. Unfortunately, he failed to do this as it appears he discarded his business diary when he wound up his business in 2000 and failed to place a similar reminder entry in his personal diary or to establish a new renewal reminder system.
16. It has been held that a proprietor in a small way of business who has taken it upon himself to pay renewal fees without professional help may rely on the official rule 39(4) reminder letter. However, Mr Hardman admits that he was not aware that the Office issued such reminders, bearing in mind that he had not received one for the first renewal fee as he paid that on time. Hence it could not be said that he took a conscious decision to adopt a reminder system which relied solely on the Office’s official reminder letter. Therefore, at the time the sixth-year renewal fee fell due, Mr Hardman did not have a reminder system in place which I would regard as a basic requirement.
17. Although Mr Hardman did not have a reminder system, he admits he received the rule 39(4) reminder letter which presented him with an opportunity to retrieve the situation and see that the renewal fee was paid. However, he says he took it as another debt and did not realise its importance. When a proprietor receives such a letter he is obliged to read it and take decisive action. He does not have to pay the fee immediately as he could pay it with additional fees at any time within the six months period following the renewal due date. However, if he chooses to do that he should at least place it in a safe place or make some kind of diary note to act on it later. As was observed by Whitford J in *Convex Ltd's Patent*, [1980] RPC 423, payment of patent renewal fees is a matter which is in the interests of the payer and should accordingly be treated differently from a debt which it is in the creditor’s interests to pursue. Therefore, in treating the reminder letter as another debt Mr Hardman failed to take sufficient care in reading and acting on it.
18. If, as Mr Hardman says, he may have got confused with his other patent application, when he received the rule 39(4) reminder letter, then that again is another example of

his failure to read the letter properly and take appropriate action.

19. Although Mr Hardman was in financial difficulties at the time the sixth-year renewal fee was due, that was not the reason he did not pay it as he indicated that he would have endeavoured to borrow the £70 needed to pay the fee had he realised it was due. In fact there is nothing to suggest that he made any attempt to obtain money to pay the fee.
20. The extenuating circumstances, which Mr Hardman says caused him not to appreciate the importance of the rule 39(4) reminder letter and not to take appropriate action was that, at the time he received the letter, he was trying to sort out his debts, sell his home, attend training courses, look for employment and seek venture capital to help market his invention. At the hearing Mr Williams also said that Mr Hardman had undergone a heart operation in 1977 and was on medication for his condition. He said that this could cause Mr Hardman's intellectual ability to diminish to the extent that he may not have recognised documents put in front of him. Mr Williams contended that this, together with the other pressures Mr Hardman was experiencing, could have affected his ability to act in a reasonable manner compared to when he was not under such pressure.
21. I asked Mr Hardman if he could supply a written statement from his doctor to confirm that his state of health at the time may have impaired his ability to recognise the importance and deal adequately with letters such as the reminder letter he received from the Patent Office. He said he did not consult his doctor at the time and so his doctor would not have known the state of his health.
22. In the absence of any evidence that Mr Hardman was receiving medical treatment around the time he got the rule 39(4) reminder letter, I have nothing before me to support Mr Williams' contention that Mr Hardman was unable to function in a reasonable manner. To the contrary, at the time Mr Hardman received the rule 39(4) letter and throughout the period he could have paid the renewal fee there is clear evidence that he was coping with other demanding tasks such as selling his home, attending training courses, looking for employment and seeking financial backing for his invention. It appears that his preoccupation with these other endeavours contributed to his failure to take appropriate action when he received the rule 39(4) reminder letter. The fact that he was tackling these tasks suggests to me that he was not incapable of functioning in a reasonable manner. In treating the rule 39(4) letter as another bill without reading it properly, he did not give it the same degree of attention he was giving to these other activities.

Conclusion

23. I have given full consideration to Mr Hardman's circumstances during the whole of the period in which he could have paid the renewal fee, including the six-month period immediately following the due date, and in particular the time he received the rule 39(4) letter. I can appreciate the pressures he was under at the time which no doubt combined to produce a considerable amount of mental stress as well as adversely affecting his physical condition. While I can accept that this would have meant that he would not have been able to perform at full efficiency, the evidence shows that he was

in control and still able to function in a reasonable manner. I am not, therefore, persuaded that his state of health was such that it would have seriously impaired his ability to maintain an effective renewal reminder system and to understand the meaning and importance of a letter reminding him about the need to pay the sixth year renewal fee and the consequences of failing to do so. In other words I am not convinced that there is a case which would excuse Mr Hardman from taking reasonable care at the time to see that the renewal fee was paid.

24. I have therefore come to the conclusion that Mr Hardman did not exercise the degree of care to see that the renewal fee was paid which I consider to be reasonable under the circumstances relevant to this particular case. It follows that I am not satisfied that the requirements for restoration, as set out in section 28(3), have been met and accordingly must refuse the application for restoration. I should add that I am conscious of the pressures facing individual inventors like Mr Hardman and I have not found this an easy decision to take. However, I must apply the strict conditions of the Patents Act as laid down by Parliament taking account of case law where appropriate.
25. Any appeal against this decision must be lodged within six weeks of the date of this decision.

Dated this 17th day of October 2002

M C Wright
Assistant Director, acting for the Comptroller