

PATENTS ACT 1977

APPLICANT Gradco (Japan) Ltd and KRDC Co. Ltd.

ISSUE Whether patent number
 GB2378695
 should be restored under section 28

HEARING OFFICER G J Rose'Meyer

DECISION

Introduction

- 1 This decision concerns whether the patent in suit should be restored following a failure to pay renewal fees.
- 2 The renewal fees in respect of the fifth year of this patent fell due on 11th July 2006. The renewal fees were not paid by that date or during the period allowed under section 25(4) upon payment of the prescribed additional fees.
- 3 The application for restoration was filed on 11th March 2008, *outside* the thirteen months prescribed under rule 40(1) of the Patents Rules 2007 for applying for restoration.
- 4 After consideration of the evidence filed in support of the application for restoration, the applicant was informed that it was the preliminary view of the UK Intellectual Property Office that the requirements for restoration, as laid down in section 28(1), had not been met. The applicants did not accept this preliminary view and requested a hearing.
- 5 The matter was scheduled to come before me at a hearing on 22nd July 2008, but on 18th July 2008 I was informed that the agent attending the hearing on behalf of the applicants (Messrs Marks & Clerk) had requested cancellation of the hearing. The agent agreed that a decision from the papers in lieu of the hearing should be made. I allowed until 5th August 2008 for any further written submissions to be filed at the Office.
- 6 Further written submissions were duly filed on 5th August 2008 and it is on the basis of these and those filed previously that I issue this decision.

Background

- 7 This is a somewhat unusual restoration case in that it centres around the time periods in which to file a legitimate application for restoration of a patent rather than the more usual situation where the facts and circumstances surrounding the failure to pay the renewal fees are at issue and where such facts/circumstances (provided in the form of evidence) inform the comptroller in order that he can make a determination as to whether the failure to pay the renewal fee on time was “unintentional” (as required by section 28(3) of the Act).

The arguments

- 8 The essential points at issue in this case were summarised in an official letter to you dated 9th April 2008. It said:

“I refer to rule 40(1) of the Patent Rules 2007 which state that ‘An application under section 28 for restoration of a patent may be made at any time before the end of the period ending with the thirteenth month after the month in which the period specified in section 25(4) ends’. The period specified in section 25(4) ended on 31 January 2007 and therefore the last date that the application for restoration could have been filed was 29 February 2008. Unfortunately this application was filed on 11 March 2008 and therefore is out of time and cannot be accepted.”

- 9 On 14th May 2008 the agent responded to that official letter by saying:

“We...notwithstanding the period specified in Rule 40(1), hereby request the Comptroller’s discretion under Section 101 in allowing the application to stand.

It is respectfully submitted that bearing in mind the nature of restoration cases in general, and the fact that those instructing us are based in Korea, though one of their instructors is based in Japan, in this case in particular, our request is not unreasonable”

- 10 On 4th June 2008 the Office wrote back stating:

“The period provided for by rule 40(1) cannot be extended to allow for late filing of a restoration as this is prohibited by Schedule 4 Part 1 of the 2007 rules”.

- 11 So in a nutshell the Office’s arguments are that the application to restore the patent in suit was filed out of time and that period cannot be extended so no legitimate application exists. The agent on behalf of the applicant argues that this should be set aside and the Comptroller should use his discretion to allow the application.

- 12 The only additional argument material to the question of whether the application for restoration was correctly filed was in the evidence supplied on 5th August 2008 by you. It said that I should consider the matter under the

terms of the Human Rights Act 1998, Part II, The First Protocol, Article 1, Protection of Property. I shall deal with this later in this decision.

Provisions of the Act and Rules governing restoration of a patent

- 13 The patent lapsed on the 11th July 2006. Rule 38 (2) provides that the renewal fee can be paid up until the final day of the month of the lapse, so the renewal could have been paid on time up until the 31st July 2006.
- 14 Section 25(4) allows a period of grace of a further six months in which to pay the renewal fees, with additional fees. Therefore the period specified in section 25(4) ended on 31st January 2007.
- 15 Section 28(1) states:

28 - (1) Where a patent has ceased to have effect by reason of a failure to pay any renewal fee, an application for the restoration of the patent may be made to the comptroller within the prescribed period.
- 16 The “prescribed period” here is given in rule 40(1) which states:

40.—(1) An application under section 28 for restoration of a patent may be made at any time before the end of the period ending with the thirteenth month after the month in which the period specified in section 25(4) ends.
- 17 The period specified in section 25(4) ended on 31st January 2007 and therefore the last date that the application for restoration could have been filed was the last day of the thirteenth month after that – i.e. the 29th February 2008 (not 1st March 2008 as suggested in your 5th August 2008 witness statement, although nothing depends on this point).
- 18 The witness statement accompanying the Form 16 was from Mr. Robin Oxley of Marks & Clerk. In a witness statement Mr. Oxley essentially says that the proprietor wished to maintain its right in this patent; that the proprietor is a small company and the person in charge of Intellectual Property had changed so that the due date for renewal was missed and that it was always the intention of the applicant to maintain the patent and that the failure to pay the renewal fee on time was “unintentional”. This goes to section 28(3) of the Act and is not relevant at this juncture when the matter to be decided is whether there is a legitimate application for restoration at all.
- 19 So the original evidence supplied with the Form 16 did not address the relevant issue at that stage and this only became apparent after the official letter dated 9th April 2008 (see paragraph 8 above).
- 20 The response to this letter was that the Comptroller should exercise discretion under section 101 to allow the application to stand. Section 101 states:

Exercise of comptroller's discretionary powers

101. Without prejudice to any rule of law, the comptroller shall give any party to a proceeding before him an opportunity of being heard before exercising adversely to that party any discretion vested in the comptroller by this Act or rules.

- 21 To address this point, the Office wrote back and drew attention to Schedule 4 Part 1 to the 2007 Rules which prohibits extension of (*inter alia*) the rule 40(1) period. Schedule 4 Part 1 of the 2007 Rules relates to rule 108(1). These are reproduced below:

Extension of time limits

108.—(1) The comptroller may, if he thinks fit, extend or further extend any period of time prescribed by these Rules except a period prescribed by the provisions listed in Parts 1 and 2 of Schedule 4. *[My emphasis]*

SCHEDULE 4

EXTENSION OF TIME LIMITS

PART 1

PERIODS OF TIME THAT CANNOT BE EXTENDED

rule 6(2)(b) (declaration of priority for the purposes of section 5(2) made after the date of filing)

rule 7(1) (period for making a request to the comptroller for permission to make a late declaration of priority)

rule 32(1) (application to reinstate a terminated application)

rule 37 and 38 (renewal of patents)

rule 40(1) (application to restore a lapsed patent) [My emphasis]

rule 43(4) (application to cancel entry that licence available as of right)

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.....

- 22 There is no dispute between the Office and the applicant that the intended application to restore the lapsed patent was filed outside the statutory period. I have laid out the statutory provisions governing the relevant circumstances above.

- 23 It seems to me that those provisions are very clear. In short, a patent due for renewal has several chances to complete that process. It can be renewed up to three months before the due date and failing that, it can be renewed or restored up to a period totalling *twenty two months* from that first possible date of early renewal.
- 24 That is a generous amount of time it seems to me and once that twenty two month period finally ends, that is the end of the ability to resuscitate a lapsed patent. It is quite clear from Schedule 4 Part 1 of the 2007 Rules that this period cannot be extended. It is by law a non-extendable period and the comptroller is given no discretion under the law to operate outside this specific provision in any circumstances
- 25 I understand the arguments of the applicant to contend that s.101 in some way bestows a general discretion upon the comptroller to accept an action or an application despite the fact that it is not in compliance with the Act and Rules. I do not believe s.101 does that. It doesn't bestow any discretion to do anything. It simply states that where discretion is vested elsewhere in the Act and Rules, a party has the right to be heard before that discretion is exercised. So it does not bestow any general discretionary ability on the comptroller to overlook a failure to meet a statutory requirement. Thus I have no discretion to overlook the failure to meet the rule 40(1) period under s.101 nor under Schedule 4 Part 1 to the 2007 Rules.
- 26 The application to restore the patent must be refused.

Your submissions under the Human Rights Act

- 27 I shall briefly deal with your submissions in terms of the Human Rights Act (HRA) 1998 and in particular Part II, The First Protocol, Article 1, Protection of Property. This states:

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.[Emphasis added]

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

- 28 I have added my emphasis to the words "subject to the conditions provided for by law" because I think this is the crux of the HRA arguments. The restoration provisions of the Patents Act clearly provide the conditions under which patents can be restored if those provisions are met. As discussed above, it is my finding in this decision that those provisions have not been met.

Conclusions

- 29 It is not without generous statutory opportunity to maintain existing rights that the Act finally (after 22 months) terminates those rights. Whilst the 3rd party rights of possible infringers are protected up until publication of the notice of the application for restoration (s.28A (4) refers), it is always in the general public interest that the correct status of a patent is known. It is for this reason that eventually the Act *finitely* terminates the patent in the public interest for the legal certainty this brings if renewal or restoration have not been completed
- 30 I have taken account of domestic UK patent law and the general principles of international law enforced via the Human Rights Act 1998. In interpreting the law, I consider that the applicant has had ample opportunity to restore the patent, but has not complied with the provisions. There has been no limitation of access to these provisions and hence no deprivation of possessions under the rights afforded through the Human Rights Act 1998.
- 31 I therefore refuse the application for restoration.

Appeal

- 32 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal to this decision must be lodged within 28 days.

G J Rose'Meyer
Hearing Officer
Acting for the Comptroller