



PATENTS ACT 1977

APPLICANT GlycoBioSciences Inc

ISSUE Whether patent number
EP (UK) 0859597
should be restored under section 28, after consideration
under section 101 and rule 107

HEARING OFFICER Mr. G.J. Rose'Meyer

DECISION

Introduction

- 1 This decision concerns whether an application for restoration of the above patent should be allowed even though it was filed *outside* the period allowed for applying for restoration.
- 2 The renewal fee in respect of the twelfth year of this patent fell due on 25th September 2007. The renewal fee was not paid by that date or during the period of six months allowed under section 25(4) upon payment of the prescribed additional fees.
- 3 The application for restoration was filed on 29th June 2009, *outside* the thirteen months prescribed under rule 40(1) of the Patents Rules 2007 for applying for restoration.
- 4 The agents for the applicant - Messrs Murgitroyd & Company (M & Co) - accept the application for restoration was made outside the prescribed period, but ask that consideration be given under section 101 of the Act and rule 107 of the Patent Rules 2007 to allowing the period to be extended.
- 5 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 Intellectual Property Office (IPO) that the requirements under section 101 of the Act and rule 107 of the Patent Rules 2007 had not been met, therefore the terms for application for restoration under section 28 had not been met and as such the application was refused. The applicant did not accept this preliminary view and requested a hearing.

- 6 The matter was due to come before me at a hearing scheduled for 9th March 2010, but prior to that date the agent requested that a decision be issued from the papers filed to date in these proceedings.
- 7 In arriving at this decision I have considered all the papers filed in these proceedings.

The evidence filed

- 8 The evidence filed by M & Co in these proceedings comprised of:
 - A six page letter from Ms Fiona A. W. Fyfe of M & Co dated 29th June 2009 and enclosing exhibited documents labelled "A" to "M" and Patent Forms 16, 20 and 21 respectively to apply for the restoration, record the up-to-date name & address details and the subsequent proprietors of the patent in suit.
 - A five page letter from Ms Fyfe dated 8th October 2009 enclosing further exhibits labelled "N" and "O".

The facts of the case

- 9 Out of the supporting evidence the following facts and chronology of events emerge.
- 10 GlycoBioSciences Inc (the applicant) purchased a portfolio of Intellectual Property rights with effect from 7th August 2008 from LAM Pharmaceutical Corp (LAM). The patent in suit - EP (UK) 0859597 - should have been amongst these but due to a typographical omission it was not specifically listed on the schedule of patents purchased, although it was included by virtue of the wording of other clauses in the assignment agreement.
- 11 Therefore the applicant had no idea of the existence of the patent until 1st May 2009 when Mr Kevin Drizer, its president, came across details of it in other business documents he was reviewing. Mr Drizer immediately contacted the IPO on the same day and requested information on restoration of the patent.
- 12 For the next month several email exchanges took place between Mr Drizer and the IPO, but a restoration application was not filed until 29th June 2009 after M & Co had been approached by Mr Drizer at the end of May 2009. The delay in filing the restoration was caused by the non-cooperation of the previous owners of the patent (LAM) and their US instructing attorneys Nath and Associates and in particular Mr Gary Nath of that firm.
- 13 Going further back into the history of the case, since 2003 Nath and Associates acting for LAM had instructed Fitzpatrick's a UK firm of patent attorneys, to attend to the renewal of the patent in suit. Fitzpatrick's were appointed as address for service in the UK and they attended to all subsequent annual renewals of the patent up to the eleventh renewal in 2006.

- 14 Fitzpatricks prepared a renewal reminder for the eleventh renewal of the patent to be sent in June of 2006 (the renewal being due on 25th September 2006). However, on 31st May 2006, Fitzpatricks received instructions from Mr Nath that they were to take no further action in relation to the patent as the proprietor (LAM) was insolvent. Mr Nath said he would advise Fitzpatricks if the situation changed. Fitzpatricks accordingly marked their records and notified Mr Nath that the patent would be allowed to lapse through non-payment of the renewal fee. Fitzpatricks therefore did not attend to payment of the eleventh year renewal fee.
- 15 In June 2006 M & Co acquired Fitzpatricks and as the now address for service for the patent, reminded Nath and Associates of the deadline for paying the eleventh year renewals fee without late payment fines, but because they knew of the standing instructions not to act against the patent, they added that unless they were specifically instructed to the contrary, no payment would be made. On 16th October 2006 M & Co received the IPO reminder relating to the overdue eleventh year renewal fee. This was not forwarded to Nath and Associates because no further instructions had been received from them. M & Co updated their records from “do not renew” to “abandoned” in March 2007.
- 16 On 26th October 2007 the IPO issued to M & Co as address for service of the patent in suit its reminder for the *twelfth* year renewal. M & Co believing the patent to be abandoned took no action either towards Nath and Associates or the proprietor of the patent. Similarly in May 2008 when M & Co were sent the IPO letter notifying the ceasing of the patent, they took no action for the same reasons.
- 17 It later became apparent to M & Co that in fact the eleventh year renewal fees had been paid by a Mr Sheldon Kales acting for LAM. Mr Kales had attended to the payment on 27th February 2007, five months after the due date, but one month before the final deadline allowed by section 25(4) upon payment of prescribed additional fees. He had done so direct to the IPO by sending a facsimile copy of an official fee sheet (FS2) using his personal credit card as the payment method.
- 18 As a result of this, the IPO issued to Mr Kales its official receipt of payment and a “Certificate of payment of a patent renewal fee”.
- 19 LAM had not provided any instructions to Mr Nath that the patent should be allowed to lapse and M & Co say that Mr Nath had acted outside his authority in instructing them not to renew the patent. Mr Nath also refused to accept Mr Kales’ authority to act in any capacity for LAM, even after Mr Kales was appointed as a director of LAM in August 2006.
- 20 LAM had always relied upon renewal reminders from Nath and Associates and the system had worked well up until the eleventh year renewal in 2006. However, because of his problems with Mr Nath, Mr Kales had attended to that payment personally.

21 But as it transpired no-one attended to the twelfth year renewal, hence these proceedings.

The applicant's case

22 The applicant accepts that the renewal fee for the twelfth year was not paid on time by the 25th September 2007 or during the period of six months allowed under section 25(4) upon payment of the prescribed additional fees. The applicant also accepts that having filed the application for restoration on 29th June 2009, this was clearly *outside* the prescribed period for doing so referred to in section 28(1) of the act. That period is thirteen months as prescribed under rule 40(1) of the Patents Rules 2007.

23 However, the applicant submits that none of these actions were intentional and were caused by circumstances outside its control as detailed in the evidence.

24 The applicant further requests that the Comptroller exercise his discretion under section 101 and rule 107 because there had been procedural irregularities on the part of the IPO during the processing of the eleventh year renewal causing the failure to pay the twelfth year renewal fees on time or late with fines, which ought to be remedied under the provisions of rule 107.

25 In essence the claims of procedural irregularities boil down to two points:

The first procedural irregularity

26 When Mr Kales made the late payment for the eleventh year renewal in February 2007, he had sent the IPO a fee sheet confirming the fee and the credit card details he was using to effect payment. In the IPO, the fee sheet and payment method were accepted and after confirming via email which address he wished the receipt and certificate of payment sent to, a Patents Form 12/77 (Payment of renewal fee) was made up in the IPO on behalf of Mr Kales as he had not submitted one.

27 The requirement for the Form 12/77 is stated in rules 39 (3) and (4) of the Patent Rules 1995 which would have been in force at the time. The applicant asserts that the IPO had no legal authority to complete the Form 12/77 on behalf of the payee and particularly as it had insufficient details about the address to send the confirming receipt and certificate to. It should have notified M & Co of this as they were the address for service.

28 The first effect of this irregularity is that Mr Kales was denied the opportunity to confirm on behalf of LAM whether the *next* official reminder that the renewal is overdue should be sent to an address other than the registered address for service. This refers to Box 6 of the Form 12/77.

29 The other effect of this irregularity was to deny M & Co the opportunity at that time to investigate why a patent their records showed had been abandoned had been renewed.

The second procedural irregularity

- 30 The second procedural irregularity came as a result of Mr Kales receiving both the official *receipt of payment* of the fees as expected and also the official *certificate of payment* which confirms the renewal of the patent and advises of its next renewal date.
- 31 As the payment had been made by a party other than the registered address for service and as Mr Kales had not indicated that he wished a change in address for service, that certificate should have been sent to M & Co as the address for service on the patent at the time.
- 32 The fact that it was not had the effect again of denying M & Co the chance to investigate why a supposedly abandoned patent had apparently been renewed.

The IPO's arguments

- 33 The IPO refutes all the arguments of procedural irregularities and maintains that the application for restoration was filed out of time and as such cannot be considered under section 28 (3) of the Act having in effect, failed under section 28(1) of the Act.

The Law

- 34 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* [my emphasis]

- 35 The "prescribed period" is stipulated 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.

- 36 For the patent in suit that period ran out on 30th April 2009. The application for restoration was filed on 29th June 2009.

- 37 However, this period is not normally extendable by virtue of rule 108(1).

- 38 Rule 108(1) gives the comptroller the discretion to extend certain time periods within the rules, except for those stipulated in Schedule 4 Part 1 and 2 of the Rules. Rule 40(1) is amongst those listed in Schedule 4 Part 1. The relevant references 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)

.....

39 However, potential remedy exists in rule 107 and the applicant argues that the Comptroller should exercise his discretion under section 101 and rule 107 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.

40 Rule 107 reads:

Correction of irregularities

107.—(1) Subject to paragraph (3), the comptroller may, if he thinks fit, authorise the rectification of any irregularity of procedure connected with any proceeding or other matter before the comptroller, an examiner or the Patent Office.

(2) Any rectification made under paragraph (1) shall be made—

(a) after giving the parties such notice; and

(b) subject to such conditions,

as the comptroller may direct.

(3) A period of time specified in the Act or listed in Parts 1 to 3 of Schedule 4 (whether it has already expired or not) may be extended under paragraph (1) if, and only if—

(a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the comptroller, an examiner or the Patent Office; and

(b) it appears to the comptroller that the irregularity should be rectified.

Reasoning and decision

Preliminary points

- 41 I will first deal with a preliminary technical point raised in the M & Co's submissions on file but not summarised above as it is not in dispute. It is a point as to whether the applicants are entitled to file the application for restoration given that it had ceased to have effect before GlycoBioSciences Inc. acquired the patent. Section 28(2) clearly allows such a situation and M & Co have filed the requisite Forms to record the change in name, address and ownership which will be actioned in the IPO if the patent is restored as a result of these proceedings.
- 42 The other preliminary point I should deal with is the reference to section 101 of the Act. There are no detailed submissions on this point save a general reference that the Comptroller should exercise his discretion under the section and under rule 107.
- 43 Section 101 bestows no general discretionary powers upon the Comptroller but 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 adversely against that party. I take the applicant's point to be that it relies on rule 107 to rectify the procedural irregularities they claim caused the failure to renew this patent on time and as that was initially rejected by the IPO it reserves its right to be heard. That right was upheld by requesting this decision from the papers in lieu of a hearing.

The first procedural irregularity - The IPO had no legal authority to complete the Form 12/77 on behalf of the payee.

- 44 The Patents Rules 2007 entered into force on 17th December 2007. These rules replaced the Patents Rules 1995. The relevant rules in force at the time the eleventh and twelfth year renewals on this patent were due were therefore the 1995 Rules. References to rules in the remainder of this decision will first refer to the relevant 1995 Rules but will also note their equivalent in the 2007 Rules as applicable.
- 45 There is no doubt that under Rule 39(3) and (4) of the 1995 Rules (*Rule 36(3) and (4) of 2007 Rules*) a Form 12/77 is required to be filed within the prescribed renewal period. Rules 39(3) and 39(4) state:

39 - (3) Subject to paragraph (4), Patents Form 12/77 must be filed within the prescribed period.

(4) Where payment is made pursuant to section 25(4), Patents Form 12/77 must accompany the renewal fee and the prescribed additional fee.

46 So why did the IPO accept the fee sheet and payment from Mr Kales for the eleventh year renewal without a Form 12/77?

47 In looking at the information on IPO case file, I find that in a letter to M & Co dated 11th December 2009, the IPO said:

“...there is no doubt that we require a Form 12 to be filed within the prescribed renewal period as stated in Rule 39(3) of the Patent Rules 1995. However, under Rule 4(2) (b) of the Patents Rules 1995 [*Rule 4(2) of the 2007 Rules*], we can accept the information required on an official form in another format provided this format is acceptable to the comptroller. Rule 4 of the Patents Rules 1995 states:

4.-(1) The forms of which the use is required by these Rules are those set out in directions under section 123(2A) (but this is without prejudice to rule 121(1)).

(2) Such a requirement to use a form is satisfied by the use of—

(a) a form which is a replica of the form set out in such directions; or

(b) a form which is acceptable to the comptroller and contains the information required by the form as so set out.

48 The evidence shows that when Mr Kales paid the eleventh year renewal fees with an accompanying fee sheet, he identified the patent, paid the relevant fee and supplied contact details in the form of a telephone and fax number and an email address. Once the IPO had received the fee sheet, the evidence shows they then emailed Mr Kales to ask for information on where to send the receipt and certificate of payment and this he provided by an email response. This, combined with the fee sheet information, gave the IPO, in its view, sufficient information to action the renewal request as all the necessary information required on the Form 12/77 had been supplied, albeit in another format. Once this was all received the renewal payment on 2nd March 2007 was processed.

49 It is clear that rule 4(2) (b) gives the Comptroller the discretion to accept information in different ways so long as this information satisfies him and provides everything required by the Form 12/77. The rule does not stipulate that this information should all be supplied at the same time.

50 Was the fact that IPO staff contacted Mr Kales for missing information outside the bounds of the rule? It seems the IPO was acting out of a wish to deliver good customer service given that clearly there was the intention and will on the part of Mr Kales to renew the patent.

51 I see this as a similar situation to where perhaps an incomplete Form 12/77

(or any other official Form) is received by the IPO, who might then contact the party filing it and amend it after say a telephone call or an email exchange in order to complete the (renewal) process. That does not seem to me to be unreasonable practice, outside the bounds of good service delivery or indeed in itself outside the scope of rule 4(2) (b).

52 In the official letter of 11th December 2009 to M & Co the IPO state:

“...we have an established practice of completing forms on behalf of applicants who send us the information we require by other means such as a letter, an email or, as in this case, on a fee sheet, without the accompanying Form 12”.

so it seems the action taken in this case was not out of the ordinary for the IPO.

53 However, the applicant argues that this was an irregularity in that Mr Kales was denied the opportunity to confirm on behalf of LAM whether the next official reminder that the renewal is overdue should be sent to an address other than the registered address for service. This refers to optional information required in Box 6 of the Form 12/77 - see paragraph 28 above.

54 This I think is the crucial point in the applicant's submissions.

55 From the evidence before me it is clear IPO staff followed a path which has been established practice for them for some time. I cannot conclude that the action taken by the IPO to seek further information from the payee of the eleventh year renewal of this patent and complete a Form 12/77 on his behalf was outside the bounds of Rule 4(2) (b) *in spirit*. The practice has been established clearly as a laudable wish to deliver the best and most helpful service possible to customers of the IPO.

56 However, in its keenness to process the clear intent of Mr Kales to renew the patent in its eleventh year, the IPO unwittingly fell foul of *the letter* of rule 4(2)(b) which requires not only a form which is acceptable to the comptroller but that it should also (by use of the word “and” in the rule) contain the information required by the form as so set out in directions.

57 The rule requires all the information required by the Form 12/77 (in this case). The fee sheet supplied by Mr Kales contained part of the information required by the Form 12/77 and the email from Mr Kales in response to a request by the IPO contained some other information. This was regarded as enough information for the IPO to complete the renewal process. It was deemed as being “acceptable to the comptroller”.

58 However, crucially, as the applicant's submissions argue, Mr Kales never had sight of the Form 12/77 as this was made up in the IPO. No copy of it was sent to Mr Kales, understandably in the circumstances as the IPO were seeking to expedite the process to avoid undue inconvenience to Mr Kales.

59 However, as a result of this good intent it is clear from the evidence that Mr

Kales was not aware of, nor asked about the question posed in Box 6 of the Form 12/77. This in essence asks the payer of the renewal fee whether *next year* the official renewal reminder should be sent to an address other than the registered address for service.

- 60 M & Co argue that had he been afforded the opportunity to address that option, Mr Kales may have chosen to nominate the address of LAM, given the problems they and he had encountered with his US attorney in the lead up to the eleventh year renewal.
- 61 While this is somewhat speculative in its conclusions, I agree with the assertion that Mr Kales was not given the opportunity to consider the option the Form 12/77 clearly offers.
- 62 While enough information was supplied in order for the IPO to process the eleventh year renewal of the patent in suit, rule 4(2)(b) was not *wholly* complied with in that necessary information on the twelfth year renewal reminder was never requested as required by the Form 12/77.
- 63 What Mr Kales' response to that Box 6 option would have been is irrelevant.
- 64 The applicant's submission that an irregularity in procedure occurred which led to the failure to renew the patent in its twelfth year.
- 65 I have to conclude that that is correct. In general terms there is nothing wrong with the practice of the IPO completing Forms on behalf of its customers, but in order to comply fully with rule 4(2)(b) [*Rule 4(2) of the 2007 Rules*], all information required in any prescribed Form must be supplied before the comptroller can find it acceptable. As such in this case, the IPO did not fully comply with rule 4(2)(b).
- 66 This led to the renewal reminder in the twelfth year of renewal defaulting to the registered address for service on this patent – that of M & Co. If M & Co had investigated why they had received an official renewal reminder for a patent they believed had been abandoned, it is possible these proceedings may have been avoided, but that is speculation. For the reasons summarised above at paragraphs 15-16, M & Co had understandably deemed the patent to have been abandoned and marked their records accordingly, so when they received that year twelve renewal reminder, they did not act upon it.
- 67 Given my finding on this first matter, it is not necessary for me to consider the submissions around the second claimed procedural error.

Conclusions - Section 28(1), rule 40(1), rule 107

- 68 I conclude that there was an irregularity of procedure attributable in part to the IPO.
- 69 As such, I order that the irregularity be rectified under the provisions of rule 107 by the application for restoration being treated as if it were filed within the statutory period allowed under section 28(1) of the Act and rule 40(1) of the 2007 rules.

Further actions

- 70 In order for the restoration process to be completed, the application needs to comply with the provisions of section 28(3) of the Act. Having considered all the evidence on file however, I do not find it sufficient for me to conclude from that evidence whether the failure of *the proprietor* to pay the renewal fee for the twelfth year of the patent in suit was unintentional or not.
- 71 Section 28(3) of the Patents Act 1977 states:
- (3) If the comptroller is satisfied that the failure of the proprietor of the patent –
- (a) to pay the renewal fee within the prescribed period; or
- (b) to pay that fee and any prescribed additional fee within the period of six months immediately following the end of that period,
- was unintentional, the comptroller shall by order restore the patent on payment of any unpaid renewal fee and any prescribed additional fee.
- 72 The proprietor throughout the period when the twelfth year renewal of this patent could have been paid on time or late with fines was LAM. So the intentions of LAM towards the year twelve renewal are what the evidence should address. There is no evidence before me on this point.
- 73 As such I will remit the case to the IPO to seek further evidence to address the requirements of section 28(3).
- 74 The change of name, address and subsequent proprietors will also be duly processed at the IPO.

G J Rose'Meyer

Hearing Officer

Acting for the Comptroller