



PATENTS ACT 1977

APPLICANT NVB Composites International A/S

ISSUE Whether Patent numbers EP1173677, EP1179140
and EP1384004 should be restored under Section
28 of the Act for the failure to pay a renewal fee

HEARING OFFICER Mr S.W. Bender

DECISION

Introduction

- 1 Patent number EP1173677 was filed on 22 April 1999 and granted with effect from 19 December 2007. The 13th year renewal fell due on 22 April 2011. The renewal fee was not paid by that date or during the six months allowed under s.25(4) upon payment of the prescribed additional fees. The patent therefore ceased on 22 April 2011.
- 2 Patent number EP1179140 was filed on 25 April 2000 and granted with effect from 21 December 2005. The 12th year renewal fell due on 25 April 2011. The renewal fee was not paid by that date or during the six months allowed under s.25(4) upon payment of the prescribed additional fees. The patent therefore ceased on 25 April 2011.
- 3 Patent number EP1384004 was filed on 27 March 2002 and granted with effect from 18 November 2009. The 10th year renewal fell due on 27 March 2011. The renewal fee was not paid by that date or during the six months allowed under s.25(4) upon payment of the prescribed additional fee. The patent therefore ceased on 27 March 2011.
- 4 An application for restoration of all three Patents was made on 23 February 2012 within the time allowed by rule 40(1) of the Patent Rules 2007.
- 5 After consideration of the evidence filed in support of the requests for restoration the Office came to the preliminary view that the requirements for restoration had not been met. As a result, the applicant requested an opportunity to be heard.
- 6 The matter came before me at a telephone hearing on 13 January 2015. The applicant was represented by Mr Nicolaas van der Blom, who is cited as the inventor on all three of the patents in suit.

Evidence

- 7 The evidence filed in support of the applications for restoration consists of:
- Applicant's letter dated 23 November 2012
 - Applicant's statement dated 21 May 2013
 - Mr van der Blom's email dated 13 January 2014
 - Mr van der Blom's skeleton argument dated 9 January 2015
 - Mr van der Blom's Bank statements from September and October 2011

The Law

- 8 The relevant provision in the law is section 28(3) which states:

Restoration of lapsed patents

28- (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 ending with the sixth month after the month in which the prescribed period ended,

was unintentional, the comptroller shall by order restore the patent on payment of any unpaid renewal fee and any prescribed additional fee.

The facts

- 9 Mr Nicolaas van der Blom is the inventor of all three of the patents in suit. For a period in time from 2006 until the summer of 2010, he was seriously ill and under regular medical treatment, although he carried on working and was largely responsible for the running of the applicant company. This led to a number of operational and financial difficulties during this period for his businesses, including the administration of these three patents.
- 10 In April 2011 until the summer of 2011 for reasons that have been granted confidentiality under rule 53 of the Patent Rules 2007, the applicant's normal operation of business was further disrupted, adding to the difficulties the applicant was experiencing. In August 2011 a corporate finance provider the applicant had been in consultation with was found not to be reliable for the funding the applicant was seeking. This meant that Mr van der Blom had to search for funding from another investor himself, initially in Switzerland and then from 15 September 2011, in the Netherlands.
- 11 Mr van der Blom successfully identified an investor in October 2011. Although this was already too late to pay the renewal fee for EP1384004.
- 12 However, at that stage there was still time to pay the renewal plus extension fees for both EP1173677 and EP1179140. Work was immediately undertaken to comply

with the investors demands for information. Mr van der Blom initially thought everything was going well but on 24 October 2011 (one week before the deadline for renewing these two patents) he emailed to ask the investor his intention regarding the finance.

- 13 The investor replied on 28 October 2011 stating that he had not had chance to review the product and he could not see that he could do so until at least the end of the following week to decide whether he could invest or not.
- 14 Subsequently the investor did organise funding, which was made available on 25 November 2011 – too late for renewal payment for EP1173677 and EP1179140, the deadline for EP1384004 having already lapsed at the end of September 2011.
- 15 The stress caused by the difficulty in communicating effectively caused a recurrence of Mr van der Blom's illness. This influenced his decision to email the investor on 24 October 2011 rather than telephoning him in order to arrange the funding before the end of October 2011.

The applicant's arguments

- 16 Mr van der Blom contends that all three patents lapsed due to a sudden lack of finances. He states that the failure to pay was unintentional and that disturbances in the conditions of operating his business led to an illness which also led to the failure to pay the renewal fee.
- 17 Mr van der Blom's email dated 13 January 2014 further explains that in the case of EP1384004 the failure to secure an investor before the expiry of the renewal period led to a "reluctantly conscious decision not to pay" the renewal fee. Also citing the difficulties explained earlier with the investor with regard to EP1173677 and EP1179140 he also confirms that the failure to pay the renewal fee was a "reluctantly conscious decision".
- 18 Mr van der Blom's skeleton argument dated 9 January 2015 confirms that it was his policy to maintain any patent but that money was not available to do so, as a result of circumstances over which Mr van der Blom had too little control despite his attempts to get money into his bank account before the payments were due.

The Office's view

- 19 That the evidence submitted shows that the failure to pay the renewal fee was due to the proprietor suffering from a lack of funds and that previous Office decisions have held that where a proprietor had taken a conscious decision not to pay due to a lack of funds, this cannot meet the requirements of Section 28(3) in that this cannot be said to have been unintentional.

Analysis

- 20 The determination to be made under Section 28(3) of the Act is that if the Comptroller is satisfied that the failure to pay the renewal fees was unintentional then he shall order the restoration of the Patents.
- 21 It is important that the meaning of this requirement is read and understood in totality.
- 22 It is tempting to merely look at the work “unintentional” and decide whether the evidence demonstrates that the circumstances surrounding the facts of the case were unintentional. This is not the test. The determination is not to be reached by examining the general surrounding circumstances, but rather what the reasons were in specific relation to the failure to comply and then whether that failure was unintentional.
- 23 It is quite clear from the evidence, the difficulties Mr van der Blom was facing throughout the relevant periods when the three patents in suit could have been renewed and that his underlying policy or intention was to maintain his patents.
- 24 The evidence also shows the lengths Mr van der Blom went to, to obtain funding and that he indeed achieved that funding just a few weeks after the patents ceased.
- 25 Regrettably the funding Mr van der Blom required from the investor he found in October 2011 came too late to pay the renewal fee for EP1384004.
- 26 The evidence also shows that with regard to EP1173677 and EP1179140, Mr van der Blom was aware that the investor would not be providing funding 3 days before the final date for payment (31 October 2011). No evidence was provided to show what Mr van der Blom did to obtain alternative funding in those 3 days or if he made any kind of attempt to pay the imminent renewal fees on those two patents.
- 27 The evidence from Mr van der Blom shows that had it not been for the on-going effects of his serious illness, he would have telephoned, rather than emailed, the investor on 24 October 2011. I do not doubt that at all but I am not convinced it would have made any difference to the outcome in that given the investor’s response, he would still have not been able to give him an immediate positive answer.
- 28 Mr van der Blom also contends that all three patents lapsed due to a “sudden” lack of finances. However from the evidence I do not believe it was necessarily that sudden, as he had known about it since August 2011 at least.
- 29 Although the illness Mr van der Blom suffered was clearly very serious and the disturbance in the conditions of operating his business caused the effects of this illness to be exacerbated, the evidence shows that he was still able, albeit through necessity, to search for a new investor himself from August 2011 onwards.
- 30 Unfortunately the evidence also clearly shows that his efforts were in vain as all three renewal fees were not paid in time due to a shortage of funds.
- 31 The Office had maintained its position that restoration could not be offered as previous Office decisions had held that knowing one has no money to pay the

renewal fee logically leads to conscious decision not to pay the renewal fee and therefore that failure cannot be said to be unintentional. The official letter of 21 October 2013 specifically asked the proprietor whether he had made a conscious decision not to pay the renewal fee because he did not have any money available to do so and in the response dated 13 January 2014 Mr van der Blom acknowledged that it was a conscious decision not to pay the renewal fees on all three patents, albeit reluctantly.

- 32 In order to establish if Mr van der Blom made or could have made attempts to pay the renewal fees on the patents in suit (e.g. during the last three days of October 2011) at the hearing I asked for copies of both Mr van der Blom's and his company's bank statements covering the period end of September 2011 – end of October 2011 showing that position. Mr van der Blom agreed to provide such.
- 33 Rabobank statements for both Mr van der Blom personal account and from NVB International UK Ltd were provided on 26 March 2015. Although I note that NVB International UK Ltd is not actually the proprietor of the patents in suit, I am willing to accept that given they were provided as additional evidence by Mr van der Blom as they are another of Mr van der Blom's companies from which he could have drawn funds for the purposes of renewing the three patents.
- 34 The final date for renewal of EP1384004, including the six month extension fee under s.25(4) was 30 September 2011. The bank statements show that in July 2011 NVB international UK Ltd had €408.50 (approx £361.36¹). At that time the renewal plus extension fee under s.25(4) fee was £242. This account fell to €258.5 (£225.25²) by 22 September 2011, however I note that Mr van der Blom's personal account received a credit payment of €150 (£130.70³) also on 22 September 2011. The evidence shows that outgoing payments were also made from that account on or around 22 September 2011 but it is clear that Mr van der Blom could have used funding from both accounts to pay the renewal fee but it appears he chose not to.
- 35 The final date for renewal of EP1173677 and EP 1179140 including the six month extension fee under s.25(4) was 31 October 2011. The evidence shows that on 14 October 2011 a sum of €5918 (£5191⁴) was paid into Mr Van der Blom's account. I note that the account also shows that by 28 October 2011 the total amount in the account was reduced to €0.41 (£0.33⁵), however, I have not been provided with any details of the outgoings between those dates. Clearly, at least on 14 October 2011 Mr van der Blom did have sufficient funds to pay the renewal fees for both EP 1173677 and EP1179140 but again it appears he chose not to do so.
- 36 The bank statements only represents the Rabobank accounts and whilst, from other documents supplied, I am aware that other accounts existed I have not been presented with those so I cannot comment on whether or not Mr van der Blom also had other finances available to him.

¹ exchange rate of €1.13 per £1.00 in July 2011 (x-rates.com)

² exchange rate of €1.14 per £1.00 in September 2011 (x-rates.com)

³ exchange rate of €1.14 per £1.00 in September 2011 (x-rates.com)

⁴ exchange rate of €1.14 per £1.00 in October 2011 (x-rates.com)

⁵ exchange rate of €1.14 per £1.00 in October 2011 (x-rates.com)

Conclusion

- 37 I accept that the lack of payment may have been due to a perception of not having sufficient funds, or perhaps not having funds set aside for the purpose, however the evidence shows that Mr van der Blom did have funds available to him but he chose to continue to seek funding from other sources. I understand why he would do this but given that he was fully aware of the need to make the renewal payments it was a dangerous strategy, which ultimately failed.
- 38 I have much sympathy with Mr van der Blom. At the hearing I found him an honest and credible witness and I do not doubt the difficulties he was under in trying to obtain an investor so that he could make the renewal payments.
- 39 However I conclude that Mr van der Blom was fully aware of the need to pay the renewal fees on all three patents in suit and choosing not to do so was clearly a, conscious decision. As such that decision cannot be said to have been unintentional as required by Section 28(3) of the Act. I therefore refuse the request to restore the patents.

Appeal

- 40 Any appeal must be lodged within 28 days after the date of this decision.

S.W. Bender

Hearing Officer

Acting for the Comptroller