



PATENTS ACT 1977

APPLICANT Jonathan Lee Clarke

ISSUE Whether patent number GB2494673 should be restored under section 28 of the Act for the failure to pay a renewal fee.

HEARING OFFICER Mr. G.J. Rose'Meyer

DECISION

Introduction

- 1 This decision concerns whether the patent in suit should be restored under the provisions of section 28 following a failure to pay a renewal fee.
- 2 The renewal fee in respect of the fifth year of patent no. GB2494673 was due on 15 September 2015. It was not paid by that date, nor during the subsequent 6 months allowed for late payment by virtue of section 25(4). The patent therefore ceased with effect from 15 September 2015. An application for restoration of the patent was made on a Patents Form 16 by Jonathan Lee Clarke ("the applicant" or "the proprietor") on 24 April 2017, within the time allowed by rule 40 (1) of the Patents Rules 2007 for filing an application for restoration.
- 3 After considering the evidence filed in support of the application for restoration, the Intellectual Property Office (IPO) 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.
- 4 The matter came before me at a hearing on 7 March 2018. The applicant represented himself as his agent Mr. Richard Stannard of the firm Stannard & Stannard was ill on the day of the hearing.

The evidence

- 5 The application for restoration filed on 24 April 2017 was accompanied by a covering letter by Mr. Stannard stating that the delay in renewing [the patent in suit] is due to oversight on the part of the proprietor who has been heavily involved in liquidating the business where he was managing director.

- 6 On the same day, the Intellectual Property Office (The IPO or “the office”) emailed Mr. Stannard asking for further information surrounding the delay in paying the renewal fees and asking specifically whether this was due to financial or other issues.
- 7 On 26 April 2017 Mr. Stannard emailed a reply stating that his understanding was that Mr. Clarke had been through a very difficult time in his life where he lost virtually everything. As a specialist engineer in charge of a demanding business manufacturing cranes for companies worldwide, he was unemployed for over a year, taking menial part time positions to try and make ends meet for him and his family. He lost a lot of confidence too. The patent was therefore far from his mind until recently when he found better employment.
- 8 On 9 May 2017 the IPO asked Mr. Stannard by email if Mr. Clarke had funds to renew the patent at the time the fees were due. The next day Mr. Stannard replied that it was his understanding that Mr. Clarke did not have the funds to renew the patent at the time the fees were due.
- 9 Based on that exchange, the IPO wrote to Mr. Stannard asking for further evidence.
- 10 As nothing further was received, on 19 June 2017 the IPO offered its preliminary view that the evidence supplied to date showed that the failure to pay the renewal fees on time was due to financial reasons and as that led to a conscious decision not to pay the fees, it could not be said to have been unintentional as required by Section 28(3) of the law. As such the application to restore the patent should be refused. However, the office allowed a further month for additional evidence to be filed.
- 11 On 7 July 2017 the office received a request from the applicant, Mr. Clarke, to allow him further time to provide more evidence. He said he had been ill and had been unable to meet the earlier official deadline for response.
- 12 The office allowed a period of one further month until 10 August 2017 for further evidence, but stipulated that the evidence must cover the period in which the patent could have been renewed i.e. 15 June 2015 to 31 March 2016, for it to be of relevance to these proceedings.
- 13 On 10 August 2017, Mr. Clarke sent an email with attachments containing evidence which he claimed would back up why he did not have funds to renew the patent on time. The attachments totalled fourteen documents. All but three of the documents were dated outside the period when the renewal fees on the patent in suit could have been paid as set out in the official letter of 10 August. The three documents within the period were:
 - An enforcement letter dated 22 December 2015 from Bristow & Sutor, Enforcement Agents, on behalf of Shropshire Council seeking to collect Council Tax owed by Mr. Clarke.
 - Two letters dated 12 February and 8 March 2016 from Cheltenham & Gloucester Building Society seeking payment for arrears on a mortgage in Mr. Clarke’s name.

- 14 The other eleven documents, although strictly outside the relevant period for consideration, verify Mr. Clarke's written evidence and subsequent oral submissions at the hearing that he was seeking legal redress for alleged underpayment of salary from his then employers from August 2013; was declared bankrupt from October 2014; was on Jobseekers Allowance from April 2014; had his bankruptcy transferred in January 2015 to The Long Term Asset and Distribution Team at the Insolvency Service and was substantially in arrears with his mortgage.
- 15 On 11 August 2017 Mr. Clarke sent a further email saying:

"The documents I have sent you show that in October 2014 I was declared bankrupt after two horrendous years following the collapse of my business.

Before October 2014 I was on job seekers and since September 2013 had got into trouble with my mortgage; credit agreements all my bills and things just continue to escalate until I was forced into bankruptcy. Towards the end of 2014 and the beginning of 2015 I managed to pick up some contract work but this has been intermittent and all my money has been allocated to sorting out my situation. I had no spare cash for anything hence why I was unable to renew my patent. This continued throughout 2015, 2016 and into 2017, it is only now I have been able to put my head above water.

The documentation shows my arrears with several things, I can't send you bank statements because I had account is closed due to arrears."

- 16 On 30 August, the IPO wrote to the applicant via his agent essentially restating its position first set out in the official letter of 19 June 2017 that a sufficient case for restoration had not been made out.
- 17 Mr. Clarke responded by email on 6 September saying:

"I sent you information demonstrating I had been made declared bankrupt and issues surrounding being continuously in arrears with my mortgage and other bills which has lasted from 2013 through to 2017. These alone have destroyed my credit rating which today stands at very poor. This was just an example of my situation over the last few years and there is plenty of other areas where I fell into trouble.

Unfortunately it was the case that I didn't have enough money to prevent the above and certainly didn't have enough to support things such as subscriptions and applications let alone being restricted by the bankruptcy for essential spend only."

- 18 Mr. Clarke also requested a hearing in the above email.

The hearing

- 19 At the hearing on 7 March 2018 Mr. Clarke recounted his career experience and experiences surrounding the circumstances relating to his failure to pay the renewal fees on his patent in time. It is clear that Mr. Clarke's life in general was severely affected by the parlous state he found himself in – e.g. the alleged under-payment of salary from his employers from August 2013; the financial difficulties he was facing

leading to his bankruptcy in October 2014 through to the following year and beyond; the debt he found himself in and the affect all of this had on his physical and mental well-being. The evidence Mr. Clarke had filed substantiates his submissions.

- 20 As for the patent itself, Mr. Clarke clarified to me that in October 2015 Mr. Stannard had passed on the official renewal reminder to him, thereby making him aware that it was due for renewal, although because it was sent to an old email account which he had not checked regularly, he had not really become aware of it until probably the first quarter of 2016. In any event, Mr. Clarke declared that for part of the period when the renewal fees of the patent could have been paid he was in bankruptcy and the terms of the bankruptcy may not have allowed him to pay the fees anyway, even if he was minded to because of all the other mounting debt and demands he was facing. The terms of the bankruptcy had limited him to “essential spend only” and Mr. Clarke was not sure if the renewal of the patent would have fallen within those terms. Indeed he submitted that he did not believe it would have been allowed.
- 21 Understandably at the hearing Mr. Clarke was at times uncertain of precise dates and events so as to appear somewhat confused as to e.g. when things had occurred. In one such instance he spoke of paying his agent Mr. Stannard the sum of £350 for the “renewal” of the patent, but when pressed as to when this had been, he was not sure. Clearly if Mr. Clarke had paid monies to Mr. Stannard for the “renewal” of the patent, this might have been within the relevant period while the patent could still have been renewed, so it was important to establish the facts around this point.
- 22 As this was potentially a significant piece of evidence which might illustrate whether Mr. Clarke, despite his difficult financial circumstances, had the finances available to him to pay the fees due in the relevant period, I allowed Mr. Clarke two weeks from the date of the hearing to check when he had paid Mr. Stannard the £350 and for what. It seemed highly unlikely that if Mr. Clarke had paid Mr. Stannard the monies to renew that patent, that Mr. Stannard would not have done so, but it was a point worth checking.
- 23 As it transpired, Mr Clarke emailed the IPO on 21 March 2018 providing clear evidence that the £350 paid to Mr. Stannard had been for the “restoration” of the patent and not the renewal. That sum had been paid in April 2017, well outside the period in which the patent could have been renewed.
- 24 Mr. Clarke’s confusion at the hearing regarding when the monies were paid to Mr. Stannard and the misunderstanding between the meaning between “renewal” and “restoration” is perfectly understandable.

The Law

- 25 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.

Assessment

- 26 The essential determination to be made under Section 28 (3) of the Act is that the Comptroller shall restore the patent if he is 'satisfied that the failure... [to pay the renewal fee]was unintentional'.
- 27 In *Anning's Application* (BL O/374/06) the Hearing Officer interpreted 'unintentional' according to its normal English meaning (i.e. not done on purpose) and warned against going against the clear meaning of the statute.
- 28 However, it is important that the meaning of this requirement is read and understood in totality. Whilst it is tempting to look at the word 'unintentional' and decide whether the evidence demonstrates that the circumstances surrounding the facts of the case were outside the applicant's control, not done on purpose and therefore unintentional; that is not the test.
- 29 On appeal in *Anning's Application* [2007] EWHC 2770 (Pat), the court was clear that the test is not concerned with looking at the unintentionality of a consequence which follows from the failure to do the required thing, but solely about the failure to do the thing itself.
- 30 This means not examining the general surrounding circumstances to the case and coming to the conclusion that they were unintentional, but rather determining what the reasons were specifically in relation to the failure to renew the patent on time and whether that failure was unintentional.
- 31 In the evidence and submissions before me in these proceedings it is very clear that Mr. Clarke had found himself in generally parlous circumstances and it is obvious that he had not intended any of this to happen to him. Business, personal and health difficulties all mounted up on Mr. Clarke before, during and after the period in which he could have renewed the patent, but all these terribly sad and unfortunate circumstances led to one thing in relation to these proceedings. They led to Mr. Clarke being forced to conclude that he did not have sufficient funds to direct towards paying his patent renewal fees.
- 32 Mr. Clarke was obviously acutely aware of his financial circumstances. His evidence shows that there were numerous demands on his finances and one of those was the payment of his patent renewal fees. Mr. Stannard, Mr. Clarke's patent agent had forwarded the official renewal reminder in good time to him in October 2015 and even though he had not become aware of it until sometime in the first quarter of 2016 (crucially still within the period the patent could still have been renewed, albeit with fines), because of his precarious financial state and uncertain of whether he could renew the patent during the restrictions placed on him through the terms of his bankruptcy, he decided not to, in order to prioritise other payments as best he could.

- 33 At the hearing Mr Clarke told me that in early 2016 his circumstances at last started to improve after he secured more permanent contract work. I pressed him as to the date of this improvement, because the period in which the patent could still have been renewed straddled early 2016 – i.e. until 31 March 2016, but at the time it was clear that while still emerging from his difficulties, paying for his patent renewal was either out of his thoughts or not top of his priority list.
- 34 In early 2016 Mr. Clarke had become aware of the requirement to renew his patent and around about the same time his financial circumstances had started to improve. However, he decided not to renew his patent.
- 35 It follows that reason for the failure to renew the patent was clearly a conscious decision, albeit that decision was taken under numerous significant pressures.
- 36 Referring back to the court in *Anning's Application* [2007] EWHC 2770 (Pat), it was clear that the test is not concerned with looking at the unintentionality of a consequence which follows from the failure to do the required thing, but solely about the failure to do the thing itself.
- 37 The unintended consequence in this case – i.e. of losing his patent, whilst clearly very unfortunate, is not the matter I need to determine under the legal test. The failure to do the thing itself (pay the renewal fee on time) in this case was clearly a conscious decision and as such not unintentional as required by the law.

Conclusion

- 38 I genuinely have much sympathy for Mr. Clarke and the dreadful circumstances he found himself in, but of course I have to make a determination based on the facts of this case and how they apply to the law.
- 39 I found Mr. Clarke to be an honest, intelligent and diligent in his efforts to restore the rights in his patent he had lost in such unfortunate circumstances. This makes this decision all the more unfortunate, but through the application of the fact to the law, regrettably, unavoidable.
- 40 After a careful assessment of all the evidence, I conclude that the applicants took a conscious decision not to renew the patent in suit and a conscious decision cannot be said to be unintentional as required by Section 28(3) of the Act.
- 41 I must therefore conclude that the application for restoration does not comply with the requirement of the law and I refuse the application for restoration.

Appeal

- 42 Any appeal must be lodged within 28 days.

G.J. Rose'Meyer

**Hearing Officer
Acting for the Comptroller**