

Background

- 7 On 14 October 2016 the attorneys filed an application for restoration of patent no. EP (UK) 2069635, received at the office on 17 October 2016. It was accompanied by evidence totalling some seventy three pages.
- 8 On 24 October 2016 the IPO wrote to the attorneys notifying them that on the face of it, the application was filed outside the period prescribed by rule 40(1) - in this case that period being by 29 February 2016 and offering them a month in which to comment or request a hearing on the matter.
- 9 On 12 January 2017 the attorneys phoned the office say they had only just, some seven weeks later, received an official letter dated 23 November 2016 advising them that a refund of the restoration fee of £135 had been credited to their account because the application for restoration had been received too late. In that phone call it transpired that the attorneys had also not received the official letter of 24 October 2016 and had therefore been unable to comment on the refusal of the application for restoration or to request a hearing.
- 10 In a follow-up to their phone call of the same day, the attorneys wrote a letter to the office dated 12 January 2017, requesting an extension of time in which to reply/request a hearing on the decision not to allow the application for restoration.
- 11 In a letter dated 23 January 2017, the office in effect allowed the attorneys the requested extension of time and took the opportunity to address in more detail the evidence and arguments filed on 17 October 2016.

The evidence, arguments and facts surrounding the validity of the filing date of the application for restoration

- 12 Much of the evidence filed with the application for restoration detailed the circumstances surrounding the failure to pay the eighth year renewal fees within the prescribed periods and on whether the failure to pay the renewal fee on time was unintentional as required by section 28. However, before that evidence can be considered, the application has to be validly filed i.e. within the deadline prescribed by rule 40(1).
- 13 In the attorneys' letter accompanying the application for restoration, they relied on two arguments to address the late filing of the application. These were that a discretionary extension of time under rule 107 (Correction of irregularities) should be utilised as the applicants never received the "Notification of lapsed patent" prescribed by rule 41(2) and additionally or alternatively, Section 117 (Correction of errors in patents and applications) should be utilised to correct a transcription error made by the applicants' renewal agents at the time of renewal.
- 14 The official letter of 23 January 2017 dismissed both those arguments saying of the former that official records showed that the Notification of lapsed patent had been sent at the correct time and to the correct address for service and in the latter

argument that it had been established in case law that s.117 cannot be used in such circumstances as ostensibly exist in this case.

- 15 The attorneys responded to these points in a letter dated 22 February 2017 saying that in the case of the r.107 argument, the principal contact for patent matters for the applicants (Mr Francesco Cagnolati) attests that he never received the Renewal notice (r.39) or the Notification of lapsed patent (r.41) and if he had he would as a matter of practice and procedure, send them on to his Italian attorneys (Bugnion S.p.A.) to deal with appropriately. Two Witness Statements, one from Mr Cagnolati and one from Stefano Gotra (senior Italian and European patent attorney at Bugnion S.p.A.) were enclosed with the letter supporting this argument.
- 16 The letter went on to give other examples of when the attorneys and applicants had experienced problems with undelivered or problematic correspondence from the office and concluded that these amounted to procedural errors on the part of the office.
- 17 At this point the attorneys also argued as a precautionary measure in case their r.107 argument failed, that r.111 (Delays in communications services) should be utilised to extend the period to file the application for restoration.
- 18 On the Section 117 argument, the attorneys simply maintained their original position.
- 19 The office replied in a letter dated 10 April 2017 maintaining its position on the r.107 and s.117 points and on the r.111 point, it dismissed the attorneys arguments on the grounds that the failure to pay the renewal fee on time was not “wholly or mainly attributable to a delay...in a communication service” as required by that rule because the evidence showed that the failure was “mainly” caused by entering the wrong patent’s details on Bugnion S.p.A.’s system in Italy. Given that the attorney had previously indicated that if their arguments were not persuasive they would request a hearing, the office forwarded the case for the appointment of a hearing.
- 20 The hearing was appointed for the 22 June 2017. The applicants’ Counsel Mr Richard Davis filed skeleton arguments prior to the hearing on 15 June 2017. In that skeleton Mr Davis helpfully crystallised his arguments on behalf of the applicants:
 - as relating purely to the point of whether the application for restoration of the patent in suit was validly made since that application was outside the prescribed period set by s.28 and rule 40 (1), and
 - that the only point being pursued by the applicants is that the Comptroller should exercise his discretion under r.111.
 - that the s.117 point was reserved in case of any appeal, should the r.111 arguments fail.
- 21 At the hearing Mr Davis submitted that the r.111 point boiled down to the failure of a communication service and in this case the communication relied upon is under s.25(5) which requires the comptroller to notify the registered proprietor of the non-payment of a due renewal fee.

- 22 Mr Davis drew my attention to r.39 (Renewal notice) and r.41 (Notification of lapsed patent) which are both mandatory requirements for the comptroller to fulfil by sending appropriate notices to the proprietor of the patent within prescribed periods.
- 23 He argued that the evidence clearly established that the office had issued and as he put it, 'likely posted' both the above mandatory notices within the prescribed periods and to the correct address for service at A.E.B. S.R.L. but that neither notice had been received by A.E.B S.R.L..
- 24 He submitted that given the evidence from the applicants, the only conclusion that can be reached is that there was a failure of a communication service, in this case the postal service. As such, r.111 should be applied.
- 25 He went on to submit that in order for r.111 to apply, the applicants had to show that their failure to do something was as a result of that postal failure. In order to establish this he said, it must be appreciated that the applicants' relevant failure in this case was not to fail to pay the renewal fees on time, but was a failure to file the application for restoration in good time.
- 26 He went on to argue that the evidence of the applicants clearly shows that had Mr Cagnolati received the Notice of renewal, he would have acted to ensure the fees would be paid and had he received the Notification of lapsed patent, he would have similarly acted on it to ensure the application for restoration would be filed in time. Mr Davis added that the evidence shows that when the lapse of the patent was finally discovered in August 2016, the application for restoration was filed in a timely manner.

The law

- 27 The relevant provisions under consideration are as follows:

Restoration of lapsed patents

Section 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

Restoration of lapsed patents under section 28

Rule 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.

Delays in communication services

Rule 111—(1) The comptroller shall extend any period of time specified in the Act or these Rules where he is satisfied that the failure to do something under the Act or these Rules was wholly or mainly attributable to a delay in, or failure of, a communication service.

2) Any extension 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) In this rule “communication service” means a service by which documents may be sent and delivered and includes post, electronic communications, and courier.

Analysis

- 28 It is not in dispute that the application for restoration was filed late under the terms of s.28 and r.40(1).
- 29 The only determination I need to make is whether the evidence and arguments in front of me satisfy the provisions of r.111.
- 30 It is clear to me that on the evidence and submissions before me, two official notifications which the applicants were entitled to expect – the Renewal notice under r. 39 and the Notification of lapsed patent under r. 41 – never arrived in their offices. It is equally clear to me that the office correctly sent these documents to the correct address for service and at the times prescribed by the rules. The applicants’ case is essentially that had either of these two notifications been received in their offices, Mr Cagnolati and Mr Gotra would have used them to determine the true renewal status of the patent in suit and would have acted to ensure that either a) the patent would have been renewed on time for its eighth renewal term or b) would have filed the application for restoration in good time. However, as they did not arrive, this was down to a failure of a communication service and as such, the provisions of r.111 should be utilised.
- 31 The evidence in fact shows that the applicants were not reliant on these official notifications to effect the payment of the renewal fees on their patents because of the thorough systems they had in place to ensure correct and timely payment. However, no system, no matter how careful and robust, can necessarily legislate for inexplicable human error such as was made by Mrs Chiara Avanzini, senior paralegal at Bugnion S.p.A. the applicants’ Italian attorneys. She intended to enter the number of the patent in suit into the computer system, but inadvertently entered the wrong number.
- 32 That mistake led directly to the failure to pay the renewal fees on time, but in fact is not strictly relevant to these proceedings, although it was used erroneously by the office as the reason for the initial rejection of the r.111 argument (paragraph 19 above refers).
- 33 I should be clear here. Reference is made throughout the evidence to the year eight, nine and ten renewal of the patent in suit. Only year eight is of relevance to this case. If the evidence satisfies me of the year eight case, then if the other determinations under s.28 are met, the renewals for year nine and ten will follow on payment of the relevant back fees.
- 34 The only official notifications the applicants should have expected in year eight were the Renewal notice and the Notification of lapsed patent. Having not received them,

then it follows they would not have got them in year nine and ten for the obvious reason that the patent was lapsed according to the official status, therefore those notices would not have been generated by the office.

- 35 For year eight the evidence shows that both notices were generated and sent correctly by the office. The evidence supplied by the applicants clearly states what action Mr Cagnolati would have taken if the notices had arrived in the applicants' offices and then Mr Gotra confirms this and details of Bugnion's arrangements for dealing with such actions. I have no reason to doubt this evidence.
- 36 I am sure that if Mr Cagnolati had received the Renewal Notice he would have passed it on to Mr Gotra, who in turn would have acted on it to ensure the correct status of the patent was discovered and the renewal acted upon appropriately and on time.
- 37 I am equally sure that had Mr Cagnolati received the Notification of lapsed patent he would have passed it on to Mr Gotra, who in turn would have acted on it to ensure the correct status of the patent was discovered and the application for restoration would have been filed in a timely fashion.
- 38 If I believe they would have acted in this way then this begs the question why didn't they? The answer on the balance of probabilities must be that they never received the notices.
- 39 Of course non arrival of the Renewal notice is not strictly relevant in this case. If it had arrived and had been acted upon in the way the evidence suggests it would have been, the patent would have been renewed on time (albeit with late fines) and these proceedings would not have been needed.
- 40 The alleged non-arrival of the Notification of lapsed patent is however relevant. Applying the same logic as above, I have to conclude that the Notification of lapsed patent did not arrive at the offices of the applicants because if it had, Mr Cagnolati and Mr Gotra would have acted upon it appropriately. Appropriately in these circumstances means moved to have acted to file the application for restoration in good time. The Notification of lapsed patent was sent by the office on 4 March 2015, leaving over 11 months still in which to file for restoration. I have no difficulty in believing the evidence of the applicants that this would have been done by the relevant date of 29 February 2016.
- 41 The question remains whether this evidence is sufficient to satisfy me that the failure to file the application on time was wholly or mainly attributable to a delay in, or failure of, a communication service as required by r.111? I put the question to Mr Davis at the hearing that whilst I am satisfied the Notification of lapsed patent was sent out by the office and I am satisfied that it was never received in the offices of the applicants, I have no evidence of what happened in between those two scenarios – i.e. the failure of the postal service, which is of course the crux of the applicants' arguments. Is evidence of the non-receipt of the Notification of lapsed patent enough to cross the evidential burden to satisfy the comptroller that r.111 is applicable in this case?
- 42 Mr Davis addressed this at the hearing by saying that firstly the evidential burden on the applicants should be judged on the balance of probabilities and not beyond

reasonable doubt. He referred me to the *Matsushita Electric Industrial Co. v Comptroller General of Patents* [2008] EWHC 2071 (Pat), [2008] RPC 35, in which Mr. Justice Mann established that there is an evidential burden beyond mere assertion of the requirement of the law and Mr Davis argued that in this case the applicant has certainly crossed that threshold. The applicants have established what notifications should have been sent by the office to them and they accept that on the balance of probabilities this happened correctly. He argued that the applicants have submitted all the evidence it is reasonably possible for them to have filed proving those notifications were not where they should have been given they were posted correctly. He contended that on the balance of probabilities, it must be logical to conclude that something went wrong in the UK postal system for them not to have arrived at the offices of the applicants and as such r.111 should apply.

- 43 Considering all the evidence and arguments before me I find it hard not to accept Mr Davis' submissions and I do accept them.

Conclusion

- 44 I must therefore conclude that the application for restoration does comply with the requirement of rule 111 in that the applicants have shown through evidence that their failure to file the application for restoration on time was wholly or mainly attributable to a failure of a communication service, in this case the postal service.
- 45 The evidential burden on the applicants in r.111 cases is a difficult one because they are required to provide evidence of a negative – i.e. that something did not happen. In this case that those official notifications did not arrive where they were sent. I am satisfied that despite the absence of evidence as to what actually happened to the missing correspondence, the logic of the applicants' arguments that if they were sent correctly but not received (crucially supported by evidence), then it must follow that this was attributable to a failure of the postal service, is reasonable and sound.
- 46 As such the application under rule 111 for the comptroller to extend the period under section 28 and rule 40(1) to file an application for restoration of this patent is allowed.
- 47 It just falls on me to remit the case to the office to consider whether the application of restoration meets the other requirements of section 28. The decision on this should be issued to the applicants within 28 days of the date of this decision to save the applicants any further delay. Decisions for renewal of the patent in suit for years nine and ten should follow the decision on year eight (see above at paragraph 33 above).

Mr G.J Rose'Meyer
Hearing Officer acting for the Comptroller