

Review

Intellectual Property



Consequences of Non-Payment of Patent Renewal Fees

The High Court has refused to restore a patent that had lapsed following the proprietor's failure to pay the renewal fee within the requisite time period due to financial difficulties.

To remain in effect, a patent must be renewed on each anniversary of the filing date. For UK patents, the requirement to pay a renewal fee starts on the 4th anniversary of the filing date. If the deadline for payment of the renewal fee is missed, the proprietor has up to 6 months within which to pay the renewal fee, together with a late payment fee. If the renewal fee is not paid within this 6 month period, the patent will lapse. However, the proprietor then has a further 13 months within which to apply for the patent to be restored. The patent will be restored if the patent office is satisfied that the proprietor took reasonable care to see that any renewal fee was paid within the prescribed period.

In the case *Betson Medical (Ireland) Limited v Comptroller General of Patents* [2010], Mr Betson had filed his European patent application on 6 December 1996. In October 1999, the patent application was assigned to his company Betson Medical. The renewal fee in respect of the eighth year of the patent fell due on 6 December 2003. Mr Betson had a total of 17 patents in his portfolio due for renewal on this date (including the patent in question). The renewal fee was not paid by this date, nor within the 6 month grace period (ending on 6 June 2004), and the patent therefore lapsed. Betson Medical applied for restoration of the patent.

The evidence showed that Mr Betson was aware of the date for payment of the renewal fee, but was unable to do so because of a shortage of funds. At the time Mr Betson had been dependant on financial support from personal contacts to meet his day-to-day living expenses, such as utility bills. Neither Mr Betson nor Betson Medical had any funds with which to pay the renewal fees.

During the 6 month grace period, Mr Betson had been actively seeking funds to pay the renewal fees of the 17 patents in his portfolio (including the patent the subject of this application). He was therefore seeking funds of €10,000 to cover all renewal fees for these 17 patents, plus €140,000 to allow him to exploit the invention. Although the

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total renewal fees for all 17 patents in the portfolio were in the region of €10,000, the renewal fee for the patent in question was only around €360.

Mr Betson eventually found an investor who made €150,000 available to Betson Medical in late June 2004, after expiry of the 6 month grace period.

In considering whether Betson Medical/Mr Betson had taken reasonable care to see that the renewal fee was paid by the due date, the Court was only concerned with the renewal fee for the patent in question and not with the patent portfolio as a whole.

Mr Betson did not provide any evidence as to whether he had asked the eventual investor to provide the lessor sum of €360 by 6 June 2004 in order to ensure the renewal of the patent. Nor did Mr Betson provide any information as to whether he had asked his personal contacts for assistance in paying this relatively small fee.

The judge accepted that Mr Betson was facing severe financial difficulties in the period leading up to 6 June 2004 and did make strenuous efforts to secure funding to pay the renewal fees for the whole patent portfolio and exploitation of the invention. However, the duty to take reasonable care to ensure the renewal fee was paid within the relevant time only related to the patent in question and not to the other 16 patents making up the portfolio. The evidence did not show that Mr Betson had taken reasonable care to ensure the €360 needed to renew the patent in question was paid within the requisite time period. The judge therefore refused to restore the patent.

Commentary

This case highlights the need to ensure patent renewal fees are paid on time. Failure to do so will result in the patent lapsing. Demonstrating that you were unable to pay the renewal fees for financial difficulties is challenging and the proprietor will have to satisfy the patent office or Court that the inability to pay has not resulted from any lack of reasonable care. Where a proprietor is in financial difficulties, he should seek financial assistance for each patent in his portfolio, rather than for the patent portfolio as a whole. This may require the proprietor to focus on those patents of most importance to him.

FURTHER INFORMATION

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