

**IN THE MATTER OF PATENT P-NOS.
90093, 81246, 66313, 102646, 84519, 78282,
105541, 35101, 64985, 92702, 103835 and 90709
IN THE NAME OF ADVANCED SYSTEMS AUTOMATION LTD (SG)**

AND

APPLICATIONS TO RESTORE

*Before Principal Assistant Registrars
Isabel Chng and Ng Puay San
20 November 2008*

Patents – Non-renewal – Application for restoration – Impecuniosity – whether Applicant was unable to pay the prescribed fees within the prescribed periods – whether Applicant wanted to pay the prescribed fees within the prescribed periods – whether Applicant took reasonable care to ensure that it was in a position to pay the prescribed fees within the prescribed periods – Section 39(5) of the Patents Act (Cap 221, 2005 Rev Ed)

Words and Phrases – “reasonable care” – Section 39(5) of the Patents Act (Cap 221, 2005 Rev Ed)
Facts

The Applicant, Advanced Systems Automation Ltd. (SG), was the proprietor of the above twelve patents. These patents were not renewed by their respective due dates in 2005 and 2006. The Applicant applied for restoration of all twelve patents under Section 39 of the Patents Act and the Rule 53(1) of the Patents Rules.

The SARS outbreak in 2002 led to a weakened global electronics marketplace causing the Applicant to fall into severe financial difficulties in 2003. They were at pains to make payment of the renewal fees to keep their patents in force. When approval to pay the renewal fees for 2005 and 2006 was sought from Mr. Lim Kian Hock, the Applicant’s directing mind, his mandate was not to incur costs. Thus a conscious decision was made not to incur costs by making payments of the renewal fees when they fell due but to leave these payments to a later stage when the Applicant had the money to do so.

To raise funds, the Applicant began a re-structuring exercise. As part of the re-structuring exercise the Applicant entered into an agreement with ASTI Holdings Limited and became ASTI’s subsidiary thereby obtaining financial assistance from ASTI. Re-structuring was completed in mid-August or September 2006. The Applicant applied to restore their lapsed patents as soon as they were conscious they were in a position to pay.

Held, refusing all twelve applications for restoration

1. When impecuniosity is pleaded as a ground for restoration of lagged patents, the test to be applied to determine whether the proprietor of the patent had taken reasonable care to see that the restoration fees and the prescribed additional fees were paid within time under section 39(5) of the Patents Act, is as enunciated by Aldous J in Ament’s Application 1994 RPC 647 at 657: “...a patentee who merely establishes inability to pay does not establish that he has taken reasonable care to see that the fee is paid. To establish that, he must go further and show that he wanted to pay and that he had taken reasonable care to ensure that he was in a position to pay”: at [22].
2. A 3 limb test stems from the guiding principle of Aldous J: -
 - a. was the Applicant was able to pay the prescribed fees within the prescribed times?
 - b. did the Applicant want to pay the prescribed fees within the prescribed times?
 - c. did the Applicant take reasonable care to ensure that they were in a position to pay the due fees in due time? : at [24]
3. It was doubtful that the Applicant truly did not have funds to pay the official fees as the fees due did not amount to a large sum. It would have cost the Applicant only \$150 or \$250 to renew each of a number of the 12 patents and the fees were not all payable at the same time: at [27]. Further, during the period when the restoration fees were due, the Applicant chose to pay S\$1605 to obtain a patent from the Chinese Patent Office. Clearly, it was not so much that the Applicant was unable to pay the restoration fees for the 12 patents as that they chose to allocate their funds to give priority to the Chinese application over the renewals of the Singapore patents: at [28].

4. The Applicant made a conscious decision not to pay the restoration fees at the time they were due, not even within the additional grace period of 6 months. Instead, they wanted to pay only when they had the money to do so, by which time, of course, the relevant statutory periods for payment of the restoration fees had lapsed: at [33] – [34].
5. The Applicant did not take reasonable care to see that the restoration fees were paid on time because: -
 - a. they did not update their address for service after their agent voluntarily discharged himself from acting for them: at [42].
 - b. their approach of securing finance first, then attending to renewals of their patents as soon as they were conscious that they were in a position to pay cannot be regarded as reasonable care having been taken to ensure that the patents were renewed in time as required under section 39(5) of the Patents Act: at [48] – [49].

Provisions of Legislation discussed:

- Patents Act (Cap 221, 2005 Rev Ed), ss 36(2), 36(3), 39(5)
- Patents Rules 2007 rr 51(1), (2), (2A), 53(1), (3)
- UK Patents Act 1977 (as amended by the Copyright, Designs and Patents Act 1988)
- UK Regulatory Reform (Patents) Order 2004 (UK)

Cases referred to:

- Ament's Application [1994] RPC 647
- Burnstein Technologies, Inc & Nagaoka Co. Ltd's application to restore a patent (UK Patent Office BLO/092/06)
- Continental Manufacturing & Sales Inc's Patent [1994] RPC 535
- Convex Ltd's Patent [1980] RPC 423
- Frazer's Patent [1981] RPC 53
- Ling's Patent and Wilson's and Pearce's Patent [1981] RPC 85

Representation:

- Ms Farah Namazie (M/s Namazie & Co.) for the Applicant