

**AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION
(ARIPO) BOARD OF APPEAL**

**IN THE MATTER OF PATENT GRANT NO. AP 773 ENTITLED "FOOT
OPERATED SANITARY/LITTER BIN" IN THE NAME OF SANITAM SERVICES
(EA) LIMITED**

This is an appeal brought by Sanitam services (EA) Limited (to be referred to as the appellant) a Kenyan company. The appeal is brought against the decision of the ARIPO office removing the appellant's patent No. AP 773 entitled "Foot Operated Sanitary/Litter Bin" from the register due to non- payment of annual maintenance fees. We shall hereinafter refer to ARIPO office as the Respondent.

A patent application through the ARIPO office was made by the appellant on the 14th day of September 1998 pursuant to the Harare Protocol (hereinafter called the Protocol) seeking protection for its invention in the following states, Botswana, Uganda, Zambia and Zimbabwe. Later Kenya was added to the list of designated states. The patent was granted on 15th October 1999. The applicant was by e-mail of November 2nd, 2000 informed the appellant that the due date for the anniversary maintenance fees for its application is determined by the filing date, which is 4th September of each subsequent years starting 1999. According to a notification on ARIPO form (annex viii(a) to the response by ARIPO to the appeal) dated 9th December 2000 the validity of the patent in respect of the five (5) states was maintained to 04 September 2001, though paid late.

The applicant was all along paying fees every year as shown by a table attached to the letter of 11th January 2007 from the Kenya Industrial Property Institute, however, was always being told that there was a late fee or surcharge that needed to be paid. Therefore, the fees paid by the appellant were applied to the preceding shortfalls. Further the applicant was advised to engage a representative agent who would remind the applicant whenever the fees fell due. ARIPO says that it was lenient in accepting late fees. It says such lenience was necessary in view of the objectives for which ARIPO was created, which included encouragement of indigenous inventors and innovators. Such lenience can be exemplified in that as late as February 13, 2004 ARIPO could accept payment for the third anniversary (for the year 2001) which in fact left a shortfall of US\$190.00 (see letter of ARIPO Accountant to the Operations Manager of the Appellant dated February 13th, 2004 (annex xi of ARIPO statement). The table of payments shows that maintenance fees were paid for the first anniversary (1999) thirteen (13) months late and the second anniversary (2000) two (2) months late. The third anniversary was paid twenty-four (24) months late.

The above information shows the lenience shown by the ARIPO office and according to Mr. Christopher Kiige, who represented ARIPO at the hearing of the appeal; the Director General of ARIPO has a discretion to extend the periods of payment of fees. Mr. Kiige also relied on the ARIPO (internal) Administrative Instruction No. 13 (1) which states that;

"The times or periods prescribed by the Regulations and these Administrative Instructions for doing any act or taking any proceeding thereunder may be extended by

the Director General if he thinks fit, upon such terms as he may direct, and such extension may be granted although the time or period for doing such act or taking such proceeding has already expired⁷”.

Mr. Othieno, the learned counsel for the appellant, generally accepted as facts the above statements of Mr. Kiige and, surprisingly, abandoned what he had prepared as grounds of appeal, which denied that the patent registration had lapsed for failure to pay the necessary fees for its maintenance. He agreed that the appeal was with regard to the patent as applied to Kenya and Uganda thereby admitting that with regard to Botswana, Zambia and Zimbabwe, definitely the registration had long lapsed for not paying the maintenance fees in respect of the three designated states. He relied on the plea for the Appeal Board's discretion, buttressing his plea on as follows:

that if the appellant defaulted in the payment of fees, the respondent was contributory to that because it gave the appellant the impression that the fees had been paid, or that such fees could be paid any time irrespective of the legal period within which one is to pay. He cited (1) the fact that the fees were being accepted by the respondents when they were late. (2) He referred to some letters written on behalf of the respondent which gave the impression that the patent was still in force. In particular he referred to a letter addressed by Mr. Kiige to the appellant dated May 26th 2005, which informed the appellant that the patent had been renewed in respect of Kenya and Uganda. He complained that whereas the respondent claims that the patent had lapsed in 2002, it continued to receive and accept fees subsequently until 2005.

We have considered the appeal and the submissions in support from Mr. Othieno. We must thank him for the honesty he displayed in conceding that indeed the patent had lapsed due to non-payment of annual maintenance fees, and his resort to an equitable alternative prayer namely that we could use our discretion to order a reinstatement of the patent onto the register.

We have also considered the defense made by the ARIPO Office. We think that the Office did not follow strictly the provisions of the Harare Protocol and the Rules thereunder. We give the example of the table of payments of fees and surcharges in the ARIPO statement. We think that notwithstanding the need to be lenient to the nationals of member states of ARIPO, lenience ought to be exercised in moderation. We have looked at the Administrative Instructions of the Office of ARIPO, in particular, Instruction 13 (1). We agree that the Director General must have discretion to exercise and make the Rules of the Organization easy to administer. But we are of the opinion that discretion should not be overstretched to absurdity by, for instance, allowing extension in the period of payment of annual maintenance fees from seven (7) months to thirty-one (31) months as alleged in the Respondent's table of payments given to us. We think that whereas extensions are necessary they must be reasonable. It is our considered opinion, that such laxity is bound to lead to laxity of a patentee in obeying the Rules, as was in the case in the procedure followed by the appellant in this case. We tend to think that it was not a result of the Director General's discretion. We are fortified by the fact that the patentee was not always warned about the discretion that was going to be applied. This is because Instruction 13 (1)

stipulates that the Director General in exercising his discretion, should give the terms to be followed by the patentee or whoever else he is instructing. There was no such a notice to the appellant, at least we saw none. We are of the view the discretion should be exercised transparently.

Conclusions;

In this case both parties are to blame for the delays in the payments. The patentee had always been late in paying the annual maintenance fees.

It is significant that the appellant paid maintenance fees in 2005 in addition to surcharge being levied for the lateness in remitting the fees. The fees were accepted by the respondent in spite of the fact that the Respondent claims that the maintenance fee was outstanding as far back as 2002. From 2003, the appellant was paying maintenance fees for two countries namely, Kenya and Uganda.

The Respondent by its letter of May 26th, 2005 advised the appellant that their patent had been renewed in respect of Kenya and Uganda. The Respondent advised the appellant that it was not possible to issue a certificate of renewal for the two countries unless the appellant completely withdrew its patent in respect of the remaining countries. In our opinion, a patent can lapse in a designated state due to non-payment of maintenance fees in respect of that designated state. But it could also lapse if the patentee decides to expressly withdraw it, in this case the patentee was not obliged to "**completely**" withdraw the patent over the other three countries since they lapsed due to non-payment of maintenance fees - see Section 3 (10) of the Protocol.

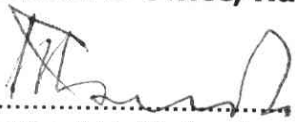
We observe that the irregular payments of the renewal fees by the appellant was mainly as a consequence of the failure by the Respondent to comply with Rule 21 (3) of the Regulations of the Protocol which states that the "the ARIPO Office shall, at least one month prior to the date on which the annual maintenance fee shall fall due, issue a reminder to the applicant or the owner of the patent". We note that the Respondent instead of complying with this requirement asked the appellant to appoint an agent to be reminding him whenever the maintenance fees are due. This was certainly wrong. The respondent was under legal obligation to issue a reminder whenever the annual maintenance fees were due. We are of the view that this piece of legislation is there for a purpose and in particular to avoid what has happened in the present case. The Respondent had shown a willingness to maintain the patent if the Board of Appeal orders so. In this regard, we refer to the Respondent's letter dated March 14th, 2007. This was repeated by the Respondent during the hearing of this appeal.

The Respondent never gave the appellant notice of its intention to remove the patent from the register due to non-payment of annual maintenance fees. Instead, the appellant was advised by letter dated 8th January 2007 that in fact his patent lapsed in 2002 and had been published in the October 2006 issue of the ARIPO Journal. Under the rules of natural justice the appellant was entitled to the notice.

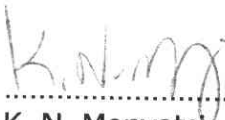
We have read the grounds of appeal, and having listened to both parties, we are of the view that the Respondent unfairly removed the patent from the register. In view of the Respondent's information to the appellant that its patent had been renewed in respect of Kenya and Uganda, and also the Respondent having given the impression that it was willing to maintain it, and the failure by the Respondent to give the appellant notice of the intention to remove the patent from the register before publication. We have also taken into consideration the Respondent's failure to comply with Rule 21 (3) of the Protocol. We, in the circumstances, order that the patent be reinstated onto the register in respect of Kenya and Uganda subject to payment of all the fees and surcharges that may have fallen due excluding the surcharges for the period when it had been removed from the register. The fees and the surcharges due must be paid within a period of three (3) months from the date of this order.

Finally, we would like to urge the ARIPO office to strictly observe the Protocol and in particular adherence to time limits, information delivery, procedure and processing of application, procedure on appeals and rules of natural justice

Dated at **ARIPO Office, Harare, Zimbabwe** on this **30th** day of **August 2007**.


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Hon. Justice J.H. Ntabgoba
Chairman of the Board of Appeal


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Justice A.S.E Msosa
Member of the Board of Appeal


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K. N. Monyatsi
Member of the Board of Appeal