

PATENTS ACT 1977

IN THE MATTER OF a request
under Rule 110(4) of the Patents Rules 1995
to extend the time limit for entering into
the national phase of International
application WO99/47965

DECISION

Background

- 1 On 30 May 2001 Mr Jan Walaski of the patent agents Venner, Shipley & Co. filed a request on behalf of Mr James F Pilat Jr. that the Patent Office begin national processing of International application WO99/47665 (“the application”) filed under the Patents Cooperation Treaty. The request was accompanied by a request under rule 110(4) of the Patents Rules 1995 for an extension of the period prescribed in rule 85(1) in which the application had to enter the UK national phase. That period expired on 20 October 2000. After considering the evidence filed in support of the request, the Patent Office took the preliminary view that the request should be refused. The Office’s view, together with the reasons for it, was set out in a letter dated 16 July 2001 which the Office sent to Mr Pilat, c/o Venner, Shipley & Co. Mr Pilat did not accept the preliminary view. The offer of a hearing was accepted and the matter came before me on 26 February 2002. Mr Walaski attended the hearing on Mr Pilat’s behalf. Mrs Christine Farrington of the Patent Office also attended.
- 2 The evidence filed in support of this request consists of a witness statement by Mr Jeffery M. Kaden, a US patent attorney who was responsible for the procurement of patent protection for Mr Pilat’s invention.

The facts

- 3 I think it would help if I start by summarising the main features of the Patent Cooperation Treaty (PCT) and the relevant provisions in the Patents Act 1977 and the Patents Rules 1995. The PCT enables an applicant to make a single “international” application for national (e.g. UK) and/or regional (e.g. European) patents in as many of the countries (Contracting States), which are signatories to the Treaty, as the applicant desires. Later, the applicant can decide in which of those countries he wishes to pursue the application to grant. An international application therefore has an “international phase”, during which it is processed under the PCT and a “national phase” (or “regional phase”) during which it is processed to grant in accordance with national requirements. The applicant files his international application with an office which acts as a receiving Office under the PCT. He must “designate” in the application those Contracting States in which he wishes to enter the national (or regional) phase. He cannot add fresh States after filing his application, but can decide not to pursue protection in any of the States he designates. The applicant then has a period of time in which to enter the national or regional phase.

4 In the case of the UK it is possible to designate the UK national phase to obtain patent (UK) or to include the UK in a European regional designation to obtain a European patent (UK). It is even possible to include both types of designation in the PCT application though the UK Patent Office will revoke a patent (UK) if a European patent (UK) is also eventually granted for the same invention.

5 Subsection 89A(3) of the Patents Act 1977 specifies:

*“(3) The national phase of the application begins -
(a) when the prescribed period expires, provided any necessary translation of the application into English has been filed at the Patent Office and the prescribed fee has been paid by the applicant; or
(b) on the applicant expressly requesting the comptroller to proceed earlier with the national phase, . . .”*

6 Subsection 89(4) reads:

“(4) If the prescribed period expires without the conditions mentioned in subsection (3)(a) being satisfied, the application shall be taken to be withdrawn.”

7 An international application must therefore enter the UK national phase within a prescribed period, otherwise it will be treated as withdrawn under the Act. The period is prescribed in rule 85(1) which, prior to being amended on 1 April 2002 and as it applies to the present application, read:

*“(1) Subject to the provision of this rule, in relation to an international application for a patent (UK) which is, under section 89, to be treated as an application for a patent under the Act, the prescribed periods for the purposes of section 89A(3) and (5) are-
(a) the period of twenty-one months calculated from the date which, by virtue of section 89B(1)(b), is to be treated as the declared priority date or, where there is no declared priority date, the date of filing of the international application for a patent (UK); or
(b) in a case where the United Kingdom has been elected in accordance with Chapter II of the Patent Co-operation Treaty -
(i) before the expiry of nineteen months calculated from the declared priority date, the period of thirty-one months calculated from the declared priority date; or
(ii) where there is no declared priority date and the United Kingdom has been so elected before the expiry of nineteen months calculated from the date of filing of the international application for a patent (UK), the period of thirty-one months calculated from the date of filing of that international application.”*

8 It follows that if an applicant did not request early entry into the national phase in the UK, but filed a ‘demand’ for international preliminary examination in accordance with Chapter II of the PCT and his application was filed in English, he would have to pay the prescribed fee within 31 months from the priority date in order to enter the UK national phase. The fee that had to be paid, which is prescribed in The Patents (Fees) (Amendment) Rules

1999, was £10.

- 9 I turn now to the events that lead to this request under rule 110(4). Mr Kaden's firm of patent attorneys was instructed by Mr Pilat to prepare an international application for a patent claiming priority from US provisional patent application 60/078,863, filed on 20 March 1998, and US utility patent application 09/257,278, filed on 24 February 1999. Mr Pilat had requested that the international application designate regional patent protection in Europe as well as national protection, particularly in the UK, France and Germany. Mr Kaden duly instructed his secretary to prepare a PCT request form and include the designations Mr Pilat requested. However, when the form was returned to him for checking and approval, Mr Kaden noticed that his secretary had inadvertently designed Eurasia rather than Europe for regional protection. He therefore returned the form to her with instructions that she include the European regional designation and specify the UK, France and Germany as the states in which the European regional patent protection should apply. When this was done, he rechecked the form to confirm that European regional designation had been added and when satisfied that it had he returned the form to his secretary with instructions to file it with the United States Patent and Trademark Office in its capacity as a PCT receiving Office. The international application was then filed with the US receiving Office on 19 March 1999.
- 10 Mr Kaden subsequently received an invitation from the US receiving Office to correct defects on the form, one of which was that page 3 of the form needed to be signed by Mr Pilat. He then arranged for Mr Pilat to visit his office to sign the form. He says he specifically recalls that the form Mr Pilat signed included the European regional designation. Mr Kaden then sent the replacement page 3 to the US receiving Office.
- 11 A demand under Chapter II of the PCT was subsequently filed which meant that the period for entering the UK national phase and the European regional phase was 20 October 2000, i.e. 31 months from the earliest priority date of 20 March 1998. Mr Kaden wrote to Mr Pilat on 5 June 2000 to alert him to this deadline and to seek his instructions as to where he wanted the application filed. Mr Pilat duly wrote back to Mr Kaden on 3 August 2000 with a request that the application should enter the European regional phase and the national phase in Japan. He gave no instructions to pursue the UK national phase. Mr Kaden's firm then instructed their UK associates, Fry Heath & Spence, to file a European patent application and designate the UK, France and Germany in that application. The application was then filed with the European Patent Office on 1 September 2000 and was accorded a European patent application number. However, on 30 November 2000 Fry Heath & Spence informed Mr Kaden that they had been advised by the European Patent Office that the international application did not include a European regional designation.
- 12 Mr Kaden checked his file and found that the copy of the PCT request form on the file did include a European regional designation. However, further investigation revealed that the PCT request form which had been filed with the US receiving Office did not include a European regional designation. Mr Kaden says he can only assume that his secretary must have mistakenly filed the old form which designated Eurasia instead of Europe for regional protection and placed the correct copy in the office file.
- 13 After learning from Fry Heath & Spence that there was virtually no prospect of the EPO

agreeing to a request to correct the PCT request form by adding a European regional designation Mr Pilat instructed Mr Kaden to file a request to extend the period for entering the UK national phase under rule 110(4) which provides:

“(4) Without prejudice to paragraph (3) above, a time or period prescribed in the rules referred to in that paragraph may, upon request made on Patents Form 52/77, be extended or further extended if the comptroller thinks fit, whether or not the time or period (including any extension obtained under paragraph (3) above) has expired; and the comptroller may allow an extension, or further extension, under this paragraph on such terms as he may direct and subject, unless he otherwise directs, to the furnishing of a statutory declaration or affidavit verifying the grounds for the request.”

- 14 Among the rules referred to in paragraph (3) is rule 85(1) which, as explained above, prescribes the period in which an international application has to enter the UK national phase.

Arguments

The Office's case

- 15 The Patent Office's reasons for its preliminary view not to allow the applicant's request were based on a decision by the Office in *Heatex Group's Application [1995] RPC 546*. That application was concerned with a request to extend the period for requesting substantive examination of a UK national patent. In that case, the Hearing Officer held that in order for discretion to be exercised favourably under rule 110(4), there must have been a continuing underlying intention to proceed with the application or patent and that a change of mind regarding whether to proceed on the part of those responsible for its prosecution was not a legitimate reason for favourable exercise of discretion.
- 16 In the present case, the Patent Office took the preliminary view that although it was always Mr Pilat's intention to seek patent protection for his invention in the UK, it was not his intention to do so by entering the UK national phase, preferring instead to pursue protection via the European regional route. The request to enter the UK national phase late was therefore, in the Office's view, a change of mind resulting from the applicant's discovery that his US agent had omitted to enter a European regional designation on the PCT request form and that the prospect of the European Patent Office allowing the late designation of the regional phase was virtually nil.
- 17 The Office also took the view that there was no circumstance of which the applicant was aware that prevented him from entering the UK national phase at the relevant time. Moreover, as the applicant was unaware of the error until 30 November 2000, it could not have had a bearing on the decision he took on 3 August 2000.

The Applicant's case

- 18 The counter arguments put forward by Mr Walaski can be summarised as follows.
- 19 In referring to *Heatex's Application*, Mr Walaski said that the Hearing Officer, in

considering whether to exercise discretion under rule 110(4), said that the basic principle to be drawn from the scheme of section 28 and of rules 100 and 111, under which the Comptroller could also exercise discretion, was that “the applicant should not suffer loss of rights through unforeseen circumstances” or “Put another way, the circumstances leading to the failure must have been set against a continuing underlying intention to proceed with the application or patent.” Mr Walaski therefore argued that case law provides that for the favourable exercise of discretion under rule 110(4) it is sufficient if the loss of rights has resulted from unforeseen circumstances.

- 20 Mr Walaski also referred to *Meunier International’s Application* (BL 0/13/01). That case was concerned with an international application which included both UK national and European regional designation and involved a request to extend the period for entry into the UK national phase. As such, he said it had a much closer parallel to the present application than is the case with *Heatex’s Application*. In *Meunier’s Application* the applicant decided not to pursue the UK phase because he had instructed his agent to pursue the European regional phase which had been properly designated. However, the agent then failed to include the UK among the countries in the European designation.
- 21 Mr Walaski says there was a fundamental difference between the present application and *Meunier’s Application* in that, at the time of entry into the UK national phase, unlike *Meunier’s Application*, the “unforeseen circumstances”, referred to in *Heatex’s Application*, already existed, i.e. Mr Pilat was unaware that Mr Kaden’s secretary had filed the wrong PCT request form which did not include a European regional designation. Moreover, he was not made aware of this error until after the period in which it would have been possible to enter the national phase or to have had an automatic one month extension of that period under rule 110(3). Mr Walaski considered this to be an important factor as he said that in the case of *Meunier’s Application* the Hearing Officer said “it is important in my view to recognise that the mistake occurred after Mr Meunier decided not to pursue the national route and so it could not have had a bearing on his decision”. Mr Walaski says that with the present application the mistake already existed at the time Mr Pilat decided not to pursue the UK national phase. Consequently, Mr Walaski contended that unforeseen circumstances had a material affect on the applicant’s decision such as to affect its validity.
- 22 Mr Walaski added that had Mr Pilat been told about the error before the expiry of the period for entering the UK national phase he would undoubtedly have issued instruction for the international application to enter that phase.
- 23 Mr Walaski also argued that it should be sufficient for the purposes of exercising discretion under rule 110(4) that the applicant had a continuing intention to obtain patent protection in the UK, rather than to obtain such protection by the specific route of pursuing a UK national phase entry.
- 24 A further point which Mr Walaski felt was relevant to the continuing intention point was the concept of what he referred to as “double-patenting”, i.e. where an applicant for an international application pursues protection via the UK national and European regional routes and where the Comptroller is empowered to revoke any consequential patent (UK) if a European patent (UK) is granted for the same invention. Mr Walaski argued that since an applicant cannot obtain two patents for the same invention, it seems consistent

with the scheme of the Act that the UK and European routes to obtaining a UK patent are merely two facets of the same route rather than two separate routes. As I understand it, what he was endeavouring to say is that it is not appropriate to distinguish between the two routes so that if the applicant chooses to pursue one route only he is effectively pursuing both. Hence, a decision to pursue the European regional route should be treated as a decision to pursue the UK national route also.

25 Mr Walaski also expressed the view that it seems unfair to penalise an applicant who does not have the funds to pursue both routes.

26 Finally, Mr Walaski asked that account be taken of the fact that, whereas in the case of *Meunier's Application* five years had elapsed between the expiry of the application and the hearing, in the present case less than one and a half years had elapsed. Therefore, he said the effect on third parties is correspondingly less. In fact the period of relevance for third parties is the seven months between 20 October 2000, which is when the period for entering the national phase in the UK expired, and 30 May 2001, which is when the request to extend that period under rule 110(4) was filed.

Assessment

27 In assessing this request I should stress at the outset, as I did at the hearing, that rule 110(4) provides the Comptroller with very broad discretion to allow extensions of certain periods prescribed in the Rules, including the period prescribed in rule 85(1) in which an international application has to enter the national phase in the UK. Furthermore, the views expressed by the Hearing Officer in *Heatex's Application*, while they may be sound, are not binding on me nor are they definitive for determining whether discretion should be exercised under rule 110(4). That said, I will take those views into account to the extent that I consider them appropriate to the present case.

Applicant intended obtaining patent protection in the UK

28 I shall first deal with Mr Walaski's point that it is sufficient for the favourable exercise of discretion for Mr Pilat to have had a continuing underlying intention to obtain patent protection in the UK regardless of whether it was via the UK national or European regional routes.

29 In *Heatex's Application*, the Hearing Officer took the view that for discretion to be exercised in the applicant's favour it must be shown that the applicant had a continuing underlying intention to proceed with his application. This is a forceful principle, which the Patent Office has used in assessing subsequent requests for the exercise of discretion under rule 110(4). However, I do not believe it is appropriate to broaden this to the extent that it would be acceptable to exercise such discretion if the applicant had a continuing underlying intention to obtain patent protection by whatever route. My reason for this is that the discretion available under rule 110(4) relates to extending periods prescribed in the Rules for undertaking certain actions in order for an application to proceed. In the present case, the period in question is the period prescribed in rule 85(1) in which the applicant had to pay £10 to the UK Patent Office to enter the PCT national phase in the UK. To allow an applicant more time to undertake that action, I believe it is right that an applicant must have intended to carry out that act in the first place. If he

did not, then to grant an extension would be to allow him to change his mind.

30 Moreover, it would mean that an applicant for an international application, who designated both the UK national and European regional route and subsequently abandoned the former, could use rule 110(4) as a fall back should, for any reason, his European patent application be refused by the European Patent Office during the European regional phase. I do not believe it would be right to use rule 110(4) for such a purpose.

31 While it is possible to obtain protection in the UK for the same invention by the UK national or European regional routes, I do not accept Mr Walaski's proposition that they should be viewed as facets of the same route as they are clearly different. Under the UK national route the Office will examine the application and eventually decide whether to grant a patent. Under the European regional route, the European Patent Office will examine the application and decide whether to grant a patent. A clear distinction is also made in the PCT between the designation of national and regional patents. For example PCT rule 4.9(a) reads:

“Contracting States shall be designated in the request:

(i) in the case of designations for the purpose of obtaining national patents, by an indication of each State concerned;

(ii) in the case of designations for the purpose of obtaining a regional patent, by an indication that a regional patent is desired either for all Contracting States which are party to the regional patent treaty concerned or only for such Contracting States as are specified.”

32 I do not believe it is right that these two distinct routes should be viewed as coexistent or linked in such a way that if an applicant chose not to pursue one route he should be allowed to change his mind and continue with that route simple because he intended obtaining patent protection via the other route. That would undermine the distinction between the two routes and create an unpredictability inconsistent with the scheme of the PCT.

33 I should add that I am not persuaded that an exception should be made where an applicant chooses to follow one route because he does not have the funds to pursue both.

34 In the case before me I am satisfied that the applicant did have a continuing underlying intention to obtain patent protection in the UK. However, there is little doubt in my mind that he intended doing so by means of the European phase rather than the UK national phase. Therefore, I am not persuaded that the applicant did have a continuing underlying intention to proceed into the UK national phase, i.e. by paying the prescribed fee of £10. At the hearing Mr Walaski accepted that this was the case.

Validity of the applicants decision

35 The agent's error is very regrettable as it meant that Mr Pilat's subsequent decision to enter the European regional phase was ineffective due to the failure to designate the European regional phase. However, it does not alter the fact that Mr Pilat decided not to enter the UK national phase. The error itself did not preclude him from deciding to

pursue that phase. Not could it have influenced him in taking that decision. Therefore, even though it occurred before he took his decision, I am not persuaded that the error had a bearing on that decision as to make the decision itself invalid. I am not persuaded therefore that the decision not to pursue the UK national phase should be disregarded.

Loss of rights due to unforeseen circumstances

- 36 I would now like to turn to Mr Walaski's point that an applicant should not suffer loss of rights due to unforeseen circumstances. In *Heatex's Application*, to which Mr Walaski referred, the Hearing Officer said "an applicant should not suffer loss of rights through unforeseen circumstances". However, he immediately went on to say "Put another way, the circumstances leading to the failure must have been set against a continuing underlying intention to proceed with the application or patent". This implies to me that the kind of situation the Hearing Officer had in mind was one in which an applicant had every intention of pursuing his application and instructs his agent to take whatever steps were necessary, e.g. to file a request for substantive examination, but that agent fails to carry out those instructions. In that situation the circumstances leading to the failure to file the request for substantive examination, i.e. the omission by the agent to comply with the applicant's request, was clearly set against the applicant's continuing underlying intention to proceed with his application. However, that was not the situation in the present case where Mr Pilat decided not to pursue the UK national phase and so his US agent's error in not filing the correct PCT request form, which would constitute the unforeseen circumstances, was not set against a continuing underlying intention by Mr Pilat to pursue the national phase in the UK.
- 37 This said, as I indicated at the outset, I am not tied by the views expressed by the Hearing Officer in *Heatex's Application*. Each case has to be judged on its merits and, bearing in mind the broad discretion available under rule 110(4), I need to determine whether in light of the particular circumstances, in the present case I would be justified in allowing an extension.
- 38 A key factor in this case is Mr Pilat's decision not to enter the UK national phase. As I have already said, I am satisfied that that was a valid decision. However, I believe it would be wholly inappropriate to use rule 110(4) to allow an applicant to change his mind at this stage. I would agree with the Hearing Officer in *Heatex's Application* that that would be a massive assault on public certainty and contrary to the scheme of the Act and Rules. I cannot believe that it was ever intended that the rule should be used in such a way.
- 39 The unforeseen circumstance, which has lead to the applicant losing out on obtaining patent protection in the UK, was the failure by his US agent to include a European regional designation on the PCT request. The proper way to correct that would be by requesting that the European Patent Office allow the applicant to correct the form or allow the late filing of the corrected form which was inadvertently placed in the agent's file. If the European Patent Office is not prepared to allow such a request then I do not believe that that is a reason for allowing the applicant to use rule 110(4) to effectively change his mind and have a second bite at the cherry with regard to pursuing the UK route.
- 40 As for Mr Walaski's point about the time that has elapsed since the expiry of the

prescribed period for entering the PCT national phase in the UK and the request to extend that period, I can see no reason why that should have a bearing on whether to exercise discretion under rule 110(4).

Conclusion

- 41 I have considerable sympathy with Mr Pilat who, through no fault of his own, is unable to proceed with the European regional designation he instructed his agent to pursue. The situation was not helped by the fact that the European Patent Office did not alert the agent to the omission of a European regional designation for almost two months after the application was filed with that Office by which time it was too late to recover the situation by entering the UK national phase within the prescribed period. However, for the reasons set out in my above assessment, I am satisfied that the Patent Office was correct in its preliminary view. I therefore refuse to allow the applicant's request under rule 110(4) to extend the period prescribed in rule 85(1) and therefore the application shall be taken to be withdrawn in accordance with the provisions of section 89(4). Any appeal against this decision must be lodged within six weeks of the date of this decision.

Dated this 2nd day of April 2002

M C Wright
Assistant Director, acting for the Comptroller

THE PATENT OFFICE