



BL O/256/05

15<sup>th</sup> September  
2005

**PATENTS ACT 1977**

APPLICANT Chalmor Limited

ISSUE Whether to allow a request under rule 110(4) to extend the time limit for requesting substantive examination of patent application number GB 0123220.6

HEARING OFFICER B Micklewright

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**DECISION**

**Introduction**

- 1 Patent application GB 0123220.6 (“the application”) entitled “Protection device for isolating an electrically powered remote apparatus” was filed on 27 September 2001 in the name of Chalmor Limited (“the applicant”). The application proceeded to preliminary examination and search and was published on 2 April 2003 as GB 2380338 A.
- 2 An Office letter dated 4 March 2003 informing the applicant that the application would soon be published also reminded the applicant that the period for requesting substantive examination expired on 2 October 2003. The letter also informed the applicant that this period could be extended by one month if a Form 52/77 was filed together with the associated fee. The Office issued a further reminder in a letter dated 16 September 2003. The Office did not receive a request for a substantive examination by the deadline and thus the application was treated as withdrawn and its termination was advertised in the Patents and Designs Journal on 28 January 2004. On 19 November 2004 a Form 52/77 was filed requesting, under rule 110(4) of the Patent Rules 1995, an extension to the prescribed period for requesting substantive examination. This request was advertised in the Patents and Designs Journal on 5 January 2005.
- 3 Mr. Robert Sanders replied to the applicant on 31 January 2005 indicating that he was minded on behalf of the Comptroller to refuse the request. The applicant’s agent responded on 29 March 2005 requesting a hearing. The matter therefore came before me at a hearing on 21 July 2005, at which Mr. Steven Henry, Managing Director of Chalmor Limited, attended for the applicant and Mr. Robert Sanders attended on behalf of the Office.

## **The evidence**

- 4 The evidence filed in support of the request consisted of:
- a. a statutory declaration dated 16 November 2004 from Steven Henry, Managing Director of Chalmor Limited
  - b. six exhibits SH1-SH6 comprising a series of letters exchanged between Mr. Henry and his patent agent between 20 June 2002 and 30 September 2003
  - c. an email exchange between Mr. Henry and his patent agent from between 10 October 2001 and 15 October 2001.

## **The facts**

- 5 On 20 June 2002 Mr. Henry's patent agent wrote to Mr. Henry concerning his patent application GB 0123220.6 (exhibit SH1). The agent stated in this letter, amongst other things, that substantive examination would need to be requested by September 2003. Mr. Henry said at the hearing that he did not know what it was that had to be done by September 2003 and, as this was some 15 months away, saw no immediate need to follow this up. Mr. Henry, in his statutory declaration, said that he was unhappy with the way his agent had run up fees without his prior approval. Moreover in June 2002 Mr. Henry was uncertain as to whether it would be commercially worthwhile to prosecute the application further. He therefore decided he didn't want his agent to run up further costs without prior approval and on 21 June 2002 wrote to his agent saying "Further to your letter dated 20<sup>th</sup> June 2002 concerning the above patent application, I confirm that I do not wish you to proceed until further notice" (exhibit SH2). Mr. Henry explained at the hearing that he always intended to continue with the application and that this was in no way a request to abandon the application. Rather this letter was aimed at managing the agent's fees for his application. Moreover Mr. Henry commented that the specification of his product was still under review and therefore it seemed to him better to postpone further work on his patent application until the final specification of his product had been completed. Mr. Henry pointed out that the fundamental principles behind the product would not have changed.
- 6 The agent replied to this letter on 18 July 2002 saying, amongst other things "We shall report further progress of the British application in due course" (exhibit SH3). Mr. Henry replied to this letter on 30 July 2002 saying "Further to your letter dated 18 July 2002 concerning the above application; I would like you to stop any work concerning this application as we are uncertain if we are going to bring the economy device to market and I do not wish to run up any more fees without prior approval." (exhibit SH4). On the issue of bringing the product to market, Mr. Henry commented that there were ongoing discussions at that time in relation to the state of the market but that, as they had already paid a large proportion of the fees, he intended to continue with the application regardless. This letter was aimed entirely at preventing his agent running up further fees without prior approval.
- 7 Mr. Henry received a copy of this letter faxed back to him on 31 July 2002 with a stamp on it which read "Thank you for your instructions. We are attending to the

matter” (exhibit SH5). Some 10 months later on 30 September 2003, two days before the deadline for filing a Form 10/77 requesting substantive examination, the agent replied to Mr. Henry’s letter saying “According to your letter of 30 July 2002 to my former firm, you stated your intention to abandon the above application. I now confirm that the application will become irrevocably abandoned on 2 November 2003.” (exhibit SH6).

- 8 Mr. Henry stated in his declaration that he heard nothing from his agent between 31 July 2002 and 30 September 2003 and that no correspondence from the Patent Office was forwarded to him, including the two reminders issued by the Office and the copy of the published specification. When Mr. Henry received the letter from his agent dated 30 September 2003 he understood that letter as saying that the application was destined to be irrevocably abandoned on 2 November 2003 and there was nothing that could be done that could save it from that fate. He also states in his declaration that it was not the case that in his letter he stated his intention to abandon the application, as his agent had stated in his letter of 30 September 2003. The agent had misunderstood his letters and at no point had he intended this application to be abandoned. Because of previous difficulties and misunderstandings with his agent, Mr. Henry did not consider it worth pursuing this further. Moreover he did not think such action would be fruitful as his understanding was that there was nothing he could do to keep the application alive. The email exchange from October 2001 between Mr. Henry and his agent concerned a dispute over agent’s fees and was submitted as evidence of difficulties between Mr. Henry and his agent concerning fees.
- 9 Mr. Henry engaged a new agent in October 2004 to prosecute another application and, following discussions with this agent, Mr. Henry states in his declaration that he realized he had been misled by his former agent and that the request for substantive examination could still have been made until 2 October 2003, or, with the one month extension, until 2 November 2003. Mr. Henry said that he would have made the request and paid the relevant fees, with the extra fee for the extension if necessary, had he known at the time that this possibility existed, and would certainly have done so had he received the reminder from the Patent Office dated 16 September 2003. It was upon engaging a new agent that he was made aware by this new agent that he should have received these letters and it was this agent that obtained copies of these letters for him from the Patent Office. The new agent also informed him of the possibility of a discretionary extension of time for filing the request for substantive examination and therefore, on 19 November 2004, Mr. Henry filed a Form 52/77 requesting such an extension under rule 110(4).

### **Assessment**

- 10 Rule 110 of the Patents Rules 1995 was amended by the Patents (Amendment) Rules 2004 which came into force on 1 January 2005. However, as in the present case the request under rule 110(4) was made before this date, on 19 November 2004, it is the rule as it was before these amendments were made which applies in the present case. Rule 110(4), as it was on 19 November 2004, the date the Form 52/77 was filed, provides:

110(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.

Paragraph (3) of rule 110 as it was on 19 November 2004 includes in particular the period prescribed in rule 33(2) for requesting substantive examination of an application.

- 11 Rule 110(4) does not prescribe any particular standard that has to be met for a request to be allowed and so the Comptroller has very broad discretion. That said, in assessing such requests the Patent Office has applied the reasoning set out by the hearing officer in *Heatex Group Limited's application* [1995] RPC 546. In his decision on this case the hearing officer took the view that the scheme of the Act and Rules is such as to provide a satisfactory degree of certainty for third parties as to whether an application has lapsed. He said 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 the application and that to allow an extension on the basis of a change of mind would be a "massive assault on public certainty" which the Office is right to resist. This is a very persuasive argument which the Office has applied in assessing subsequent extensions under rule 110(4). However the principles set out in *Heatex* are not binding on me nor are they definitive for determining whether discretion should be exercised. Nevertheless I believe they are relevant to the circumstances of the present case and Mr. Henry did not disagree with their relevance to his case. Therefore I intend to take these principles into account in determining whether to allow the present requested extension.
- 12 I will initially examine the intentions of Mr. Henry so as to determine whether Mr. Henry had a continuing underlying intention to proceed with the application and whether the request for an extension of time was based on a change of mind on the part of Mr. Henry.
- 13 When I initially read the exchange of letters between Mr. Henry and his agent, which are found in exhibits SH1-SH6, I found both the letters written by Mr. Henry and the letters written by his agent somewhat unclear. Mr. Henry's comments at the hearing helped to clarify his intentions behind each of his letters and his understanding of the letters from his agent.
- 14 At the hearing Mr. Henry clarified that his letters were an attempt to keep control of the fees run up by the agent and he never intended to abandon the application, and indeed would have made the request for substantive examination and paid the relevant Patent Office fees had he received the Patent Office reminder dated 16 September 2003. The email exchange from 2001 demonstrates that Mr. Henry was concerned about unforeseen fees and there had been some discussion on the issue between Mr. Henry and his agent at that time. At the hearing Mr. Henry seemed to me to be honest and credible and I therefore accept his submissions, made under oath, that he intended to continue with the application throughout the period in which the letters of exhibits SH1-SH6 were exchanged. Mr. Henry's instructions to his agent could have been

clearer but, bearing in mind that Mr. Henry was not an expert in patent procedures and that the letters he received from his agent could have been more comprehensive, I am satisfied that Mr. Henry intended to proceed with his application throughout that period. This argument is strengthened by the financial investment already made by Mr. Henry in the application and his belief (whether correct or not) that he had already paid the larger proportion of the costs involved.

- 15 It was apparent from Mr. Henry's comments at the hearing and those in his statutory declaration that he understood upon receiving his agent's letter dated 30 September 2003 that he thought that from that point there was nothing he could do to prevent his application becoming abandoned. Mr. Henry received none of the official letters from the Patent Office informing him of what he needed to do by a certain date. Therefore it is evident that Mr. Henry was labouring under a misapprehension at that time. I note that when Mr. Henry discovered, a year later, that there was an option available which could enable him to proceed with his application he took prompt action to file a request under rule 110(4). Moreover I accept Mr. Henry's comments that, had he received the Patent Office reminders, he would have requested substantive examination either by the initial deadline or within the one-month extension provided by rule 110(3). It therefore seems to me that at no time did Mr. Henry make a positive decision to abandon his application. Nor did he change his mind in his desire to obtain a patent from this patent application.
- 16 Taking all these factors into account and Mr. Henry's unfamiliarity with patent matters, I consider that, on the balance of probabilities, Mr. Henry always wished to proceed with his application and that, had he not been labouring under a misapprehension, he would have done so. I believe that, had Mr. Henry become aware of the option of requesting a discretionary extension at any earlier point in time, or had he known of the availability of the one-month extension, he would have taken prompt action to make use of these options, as indeed he did when he did become aware of the possibility of an extension. I am satisfied that to allow this extension would not have the effect of permitting him to change his mind. I am therefore inclined to allow his request for an extension of time.

### **Third party terms**

- 17 I must however also consider the effects allowing the extension would have on third parties, particularly as the request for an extension was filed a year after the initial period for requesting substantive examination had expired. In my view, to avoid uncertainty for third parties it is appropriate to make the extension subject to certain terms, bearing in mind that under rule 110(4) the Comptroller may allow an extension on such terms may direct. Such terms, which I shall refer to as "third party terms", are indeed commonly imposed when extensions under rule 110(4) are allowed, and under the amendments made to the Patents Act by the Regulatory Reform (Patents) Order 2004 which came into force on 1 January 2005, in the case of reinstatements under new section 20A, have been given a statutory basis in new section 20B. I mentioned this matter to Mr. Henry at the hearing and he commented that he would rather have some protection for his invention, even if such protection is limited by third party terms, than have no protection at all. I understand from these comments that Mr. Henry can accept third party terms.

18 The third party terms which seem to me to be appropriate are those analogous to section 28A of the Patents Act 1977 which apply when a patent is restored under section 28. Incidentally these terms are also analogous to those of section 20B which apply to reinstatements under section 20A. These terms are as follows:

“(i) If between 28 January 2004 and 5 January 2005, a person -

(a) began in good faith to do an act which would have constituted an infringement of a patent granted on application number GB 0123220.6 or any application divided under section 15(4) from this application, or

(b) made in good faith effective and serious preparations to do such an act,

he shall have the right to continue to do that act or, as the case may be, to do the act, notwithstanding the grant of the patent; but this right does not extend to granting a licence to another person to do the act.

(ii) If the act was done, or the preparations were made, in the course of a business, the person entitled to the right conferred by sub-paragraph (i) above may -

(a) authorise the doing of that act by any partners of his for the time being in that business, and

(b) assign that right, or transmit it on death (or in the case of a body corporate on its dissolution), to any person who acquires that part of the business in the course of which the act was done or the preparations were made.

(iii) Where a product is disposed of to another in exercise of the rights conferred by sub-paragraph (i) or (ii) above, that other and any person claiming through him may deal with the product in the same way as if it had been disposed of by the registered proprietor of the patent.

(iv) The above provisions apply in relation to the use of a patent for the services of the Crown as they apply in relation to infringement of the patent.”

### **Conclusion**

19 Therefore in conclusion I am prepared to allow Mr. Henry an extension of time under rule 110(4) to the prescribed period for requesting substantive examination. A Form 10/77 requesting substantive examination was filed on 19 November 2004 together with the associated fee and I will therefore extend the prescribed period to that date. This extension is however subject to the third party terms detailed in paragraph 18 above. Mr. Henry will also have to file a Form 53/77 together with its fee of £135 within two months of the date of this decision in accordance with rule 110(6) for this extension to have effect.

### **Appeal**

20 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

**B MICKLEWRIGHT**

Senior Legal Adviser acting for the Comptroller