

PATENTS ACT 1977

IN THE MATTER OF

Patent application GB 0111205.1

in the name of David John Anderson

DECISION

Introduction

1. Patent application number GB 0111205.1 in the name of David John Anderson was filed on 8 May 2001 as an application under section 15(4) divided from GB 9724005.5. Since there was less than a week to go until the end of the rule 34 period under the Patents Rules 1995 for the parent application, the substantive patent examiner informed the applicant Mr Anderson through his agent Mr Lawrence Shaw that the application failed to meet rule 24(1) of the Patents Rules 1995. He also informed the agent that the comptroller has discretion under rule 110(1) to extend certain time limits. Although there have been various exchanges of correspondence between the agent and the examiner these have failed to resolve the matter of the late filing of GB 0111205.1 and the request for divisional status under section 15(4) to their satisfaction. The applicant has requested a hearing and it now falls to me to decide the matter on the papers.

Background

2. Patent application number GB 0111205.1 relates to a radiant heat reflective laminate for use in a wide variety of applications involving heat absorption or insulation. It claims priority from GB 9623638.5 which was filed on 13 November 1996. GB 9724005.5, the parent application, was filed on 13 November 1997. Form 52/77 and fee were also filed on 8 May 2001 to extend the rule 34 period for putting this parent application in order by one month to 13 June 2001. At no time has an objection to lack of unity of invention been made by the substantive examiner.
3. The exchange of correspondence between the applicant's agent and the substantive examiner extended to 12 November 2001 at which time the agent posed two questions to the Patent Office. The first question was to consider whether the Patent Office was entitled not to exercise its discretion in favour of the applicant Mr Anderson notwithstanding the Human Rights Act 1998. The second question was whether the Patent Office was exercising its discretion against Mr Anderson unfairly by requiring "exceptional circumstances" and "proper diligence". The agent provided submissions prepared by Mr Giles Fernando, counsel for the applicant, to demonstrate that the attitude of the Office was not justified. The agent had also requested that the second question be considered once the first one had been considered. In a letter dated 4 February 2002, the agent requested that the first question should be on the basis of the papers on file and that the applicant reserved his position in relation to the second question.

Issues to be resolved

4. As I see it, there are two issues to be resolved. The first is to consider whether the substantive examiner was correct in refusing to allow the late filing of GB 0111205.1 under section 15(4) and not exercising discretion in favour of the applicant and, in the event that I find he is correct under UK patent law, the second is whether the comptroller is entitled not to exercise her discretion in favour of the applicant Mr Anderson notwithstanding the Human Rights Act 1998.

The law

5. Section 15(4) of the Patents Act 1977 states that:

(4) Where, after an application for a patent has been filed and before the patent is granted, a new application is filed by the original applicant or his successor in title in accordance with rules in respect of any part of the matter contained in the earlier application and the conditions mentioned in subsection (1) above are satisfied in relation to the new application (without the new application contravening section 76 below) the new application shall be treated as having, as its date of filing, the date of filing the earlier application.

6. The relevant rule relating to new applications being filed under section 15(4) is rule 24 of the Patents Rules 1995 as amended. This rule states that:

24.-(1) Subject to paragraph (2) below, a new application for a patent, which includes a request that it shall be treated as having as its date of filing the date of filing of an earlier application, may be filed in accordance with section 15(4) not later than the beginning of the third month before the end of the period ascertained under rule 34 in relation to the earlier application as altered, if that be the case, under rule 100 or rule 110 ("the rule 34 period"):

Provided that, where the first report of the examiner under section 18 is made under subsection (4) and the comptroller notifies the applicant that the earlier application complies with the requirements of the Act and these Rules, notwithstanding the foregoing provisions of this paragraph but subject to paragraph (2) below, a new application may be filed not later than the expiry of the period of two months beginning on the day that the notification is sent.

(2) Where any of the following dates falls before the date ascertained under paragraph (1) above, a new application may only be filed before that date instead of the date so ascertained-

(a) the date when the earlier application is refused, is withdrawn, is treated as having been withdrawn or is taken to be withdrawn;

(b) the expiry of the rule 34 period ascertained in relation to the earlier application; and

(c) the date when a patent is granted on the earlier application.

6. Section 20(1) states that:

20.-(1) If it is not determined that an application for a patent complies before the end of the prescribed period with all the requirements of this Act and the rules, the application shall be treated as having been refused by the comptroller at the end of that period, and section 97 below shall apply accordingly.

Arguments

7. The examiner's argument was that the application filed under section 15(4) failed to meet rule 24(1) of the Patents Rules 1995 as amended which requires in this particular set of circumstances that divisional applications should not be filed later than the beginning of the third month before the end of the period ascertained under rule 34 for the parent application, in this case GB 9724005.5. Although the comptroller has discretion under rule 110(1) to extend the period for filing a divisional application, such discretion will normally be exercised only if the applicant can show that the circumstances are exceptional and that he has been properly diligent. In support, the examiner cited that there was no reply to the examination report issued on 30 April 1999 on GB 9724005.5 within the period specified for reply (and its subsequent agreed extension to 30 November 1999) and that there was no reply to the official letter dated 28 February 2001 warning of refusal of the application under section 20(1).
8. In response, the agent indicated in a letter dated 31 May 2001 that the parent application was based on theoretical work and a prototype was later tested at the Plastic Institute Research Association to provide data about the heat properties of the laminate which were subsequently analysed by a materials scientist specialist to determine the efficacy of the product. Until the information had become available the applicant was not able to commit further expenditure on patents. Once the data had become available the applicant advanced the patent application and in order to refocus the invention, decided that it would be better to lodge a divisional application rather than proceed with the parent.
9. In the absence of any dates in the agent's submission to shed light on the diligence issue, the examiner maintained his objection. In response, the agent provided dates for the sourcing of samples and materials and the testing of specific products covering a period from October 1996 to January 1999. Subsequently, field tests were carried out and the results analysed. It then became clear to the applicant that he had produced a product worthy of patent protection. It was also submitted that it also became clear that the claims of the parent application were too broad and a decision was made at that stage to file a divisional application in a, and I quote, "more focussed form to streamline the patent prosecution process".
10. The examiner was of the opinion that no satisfactory reasons had been given for the failure to reply to the official letters dated 30 April 1999 and 28 February 2001 and drew the applicant's attention to paragraph 18.52 of the Manual of Patent Practice which outlines the comptroller's power to refuse an application if she is not satisfied that any objections have been overcome. However, this power will not be exercised where the applicant has made, within the specified period, an attempt to advance the case towards a final decision as to its allowability.

11. The agent for the applicant then submitted that under the Human Rights Act the applicant was entitled to the benefit of property in his patent application and that by refusing to examine it the Patent Office was open to a complaint that it was depriving him of his property and that such a failure to act was simply not fair. Also, the refusal to process an application for a patent monopoly merely on the basis of a delay was a disproportionate penalty compared to the alleged offence. In addition, the criteria imposed by the Patent Office for exercise of its discretion in relation to timing, namely exceptional circumstances and evidence of diligence in prosecuting the patent application, were too severe and out of step with the practice of a user friendly Patent Office. Finally, the agent requested detailed reasoning from the substantive examiner if he considered that the submissions were not persuasive and requested the appointment of a hearing.
12. The substantive examiner replied with detailed reasoning and referred the applicant to *International Barrier Corporation's Application* (SHB 61) in support of his argument that the reasons for the refocusing of the invention were not considered exceptional. In response to the entitlement under the Human Rights Act to property, the substantive examiner drew the applicant's attention to paragraphs 70 to 74 of *British American Tobacco v The Netherlands* (1996) 21 EHRR 409 in which the Commission did not agree that Article 1 of Protocol 1 of the European Convention of Human Rights had been contravened by the refusal of a patent application by the Netherlands Patent Office.
13. On the issues of proportionality, the substantive examiner submitted that the practices of the Patent Office were necessary and reasonable by placing a finite and reasonable time limit on processing applications to grant so that third parties are not placed in a position of prolonged uncertainty with regard to the eventual monopoly that might be granted. In respect of the filing of divisional applications, he added that the practices and procedures allow the latest possible filings consistent with allowing sufficient time to process the application within the statutory period in respect of matter present in the parent application.
14. The final arguments for me to consider are the submissions prepared by Mr Giles Fernando, counsel for the applicant. The submissions were likened by counsel to an appeal from the preliminary decision of the substantive examiner dated 12 October 2001 where the examiner opined that Article 1 of the First Protocol to the European Convention on Human Rights did not apply to applications for patents. However, since these relate to the second issue I have identified above, I do not want to consider these until I have decided on whether the substantive examiner was correct in law in refusing to allow the filing of GB 0111205.1 under section 15(4) and I have considered the exercise of discretion in this matter.

Was the substantive examiner correct to sustain his objection?

15. I am satisfied from the papers that the substantive examiner was correct in objecting to the late filing of GB 0111205.1 under section 15(4). Even allowing for the extension of the rule 34 period by one month on the parent application GB 9724005.5 it still results

in the application being filed some eight weeks late. I am also satisfied that the substantive examiner was correct to seek reasons for the absence of any substantive response by the applicant to the official letters issued on 30 April 1999 and 28 February 2001.

16. As alluded to in later correspondence when he gave detailed reasons for maintaining his objection, the substantive examiner demonstrated that he was minded not only of the statutory requirements of the Patents Act 1977 and of the Patents Rules 1995 and of current practice in the Patent Office but he was also minded of the public interest. I am therefore satisfied that he has sought to identify the relevant factors that he should consider in the exercise of discretion in this matter.
17. I must now turn to the reasons put forward by the applicant and consider whether they relate to “exceptional circumstances” and whether the applicant has exhibited “proper diligence” in respect of the processing of his patent applications.
18. My first reaction on reading the papers is that no serious attempt was made initially by the applicant to explain any exceptional circumstances which may have led to the late filing of GB 0111205.1 and the lack of response to outstanding official letters on GB 9724005.5. In the agent’s letter dated 31 May 2001, it was stated that the parent application was based on theoretical work and that once the applicant had received encouraging test results on heat properties of the laminate of the invention he took appropriate action in advancing the patent application, though the letter is silent on this action. In a subsequent agent’s letter dated 21 June 2001, dates were provided for the testing of the laminate material. These dates relate to the period October 1998 to January 1999.
19. Unfortunately, there is no indication of when the subsequent field tests were carried out or when the analysis of the results indicated to the applicant that there was a product worthy of patent protection. The letter is also silent on when it became clear to the applicant that the original claims were too broad and on when the decision was made to file a divisional application in a more focussed form. There is no evidence on file that the applicant sought to progress the parent application since seeking the one month’s extension of the period to reply to the outstanding examination report of 30 April 1999 on the parent application in a fax dated 1 November 1999. Subsequent to the substantive examiner’s confirmation on 3 November 1999 of allowing the extension, there was no further response from the applicant until the divisional application was filed on 8 May 2001.
20. I do not consider that the circumstances described by the applicant and which it is proposed led to the lack of response on the parent application and the late filing of the divisional application as exceptional. Nor do I consider that proper diligence has been demonstrated with regard to the progressing of the parent patent application. This has been exemplified by the behaviour exhibited after 8 May 2001 where it is clear that the substantive examiner had to prompt the applicant for reasons and explanations concerning the eighteen month delay in responding on the parent application and the late filing of the divisional application. Moreover, the reasons for filing the divisional application - the claims of the parent application being considered too broad and the need to refocus the invention - appear unusual to say the least. In my opinion, both

these matters could have been resolved by the filing of timely amendments to the parent application. It also appears to me from the papers that the extension requested on the parent application was not for the purpose of progressing the parent application but rather to facilitate the late filing of the divisional application.

21. I conclude therefore that the substantive examiner exercised his discretion judiciously and was correct in refusing to accept the late filing of the divisional application under section 15(4). It now remains for me to consider the second issue of whether the comptroller is entitled not to exercise her discretion in favour of the applicant Mr Anderson notwithstanding the Human Rights Act 1998.

What is the effect of the Human Rights Act 1998?

22. Before considering this issue I should recite the relevant jurisprudence relating to the protection of property. Article 1 of the First Protocol of Part II of Schedule 1 of the Human Rights Act 1998 states that:

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

23. The substantive examiner has drawn the applicant's attention to *British American Tobacco v The Netherlands* (1996) 21 EHRR 409. This case was heard first by the European Commission of Human Rights before being decided by the European Court of Human Rights. One of the arguments was that the applicant had been deprived of his possessions under Article 1 of Protocol 1 (Protection of property) by the refusal of a patent application filed before the Netherlands Patent Office. The Commission found that the challenge was unsuccessful because the provision applies to existing property and does not guarantee any right to acquire property: the applicant was denied protection for its invention by an intellectual property right but was not deprived of existing property. The Court found it unnecessary to rule on the point.
24. Counsel's submissions of 12 November 2001 essentially relate to four main points. They are (i) the definition of property, (ii) the relationship between an invention and a property right for that invention, (iii) the consequences if the examiner's interpretation was correct, and (iv) the authority relied upon by the examiner.
25. (i) Definition of property
In his submissions, counsel stated that whether or not a relevant property right exists is to be determined by reference to UK national law and, with reference to section 30(1) of the Patents Act 1977, maintained that the position under UK law is entirely unambiguous. He argued therefore that under domestic law the applicant has an existing personal property right in his patent application and that the examiner was entirely inconsistent with section 30(1) of the Act. He added that for this reason alone

the examiner was wrong to conclude that Article 1 of the First Protocol was of no application. Also, the decision relied upon of the Commission in *British American Tobacco v The Netherlands* (1996) 21 EHRR 409, could not have any bearing on the issue of whether or not as a matter of domestic law a right in a patent application was a property right. He also added that the decision was concerned with property rights in Dutch patent applications and implied that any decision would only be binding under Dutch law.

26. I accept that whether or not property exists is a matter for national law. With regard to UK patent applications, section 30(1) of the Patents Act 1977 states quite clearly that (emphasis added):

30.-(1) *Any patent or application is personal property (without being a thing in action), and any patent or any such application and rights in or under it may be transferred, created or granted in accordance with subsections (2) to (7) below.*

Therefore, I accept that a patent application under the Patents Act 1977 can be treated as property within the meaning of the Human Rights Act 1998.

27. (ii) The relationship between an invention and a property right in that invention
Counsel maintained that from first principles it was clear that a property right must subsist before actual registration of the right in an invention else what would be assigned when the rights in an invention (before the application for a patent was made) were assigned. Developing this further, he stated that once an inventor had made an invention which satisfied the requirements of section 1 of the Patents Act 1977 then he had an objectively realisable right at that stage to a patent for his invention. This, he considered, was in direct contrast to the circumstances considered in *Marckx v Belgium* (1979) 2 EHRR 30 (which case set out the proposition that Article 1 protected only existing property and did not guarantee the right to acquire property and was the basis for decision in *Van der Musselle v Belgium* (1984) 6 EHRR 163 which was relied upon by the Commission in *British American Tobacco v The Netherlands* (1996) 21 EHRR 409).
28. Although I am able to agree with Counsel on the definition of property within the meaning of the HRA, I cannot agree that “once an inventor has made an invention which further satisfies the requirements of section 1 of the Patents Act 1977 then he has an objectively realisable right at that stage to a patent for his invention”. The requirements to be satisfied by an applicant for a patent are those of the entire Patents Act and Rules, as stated in section 18(2) of the Patents Act 1977, and as implemented in accordance with practice and precedent. Moreover, the message from *British American Tobacco v The Netherlands* (1996) 21 EHRR 409 was that the possession of a patent application says nothing about the possession of monopoly rights over the invention of the application.
29. (iii) The consequences if the examiner’s interpretation was correct
Counsel opined that if the examiner was correct that patent applications are not possessions within the meaning of Article 1 then particularly absurd consequences would follow. He gave an example of the UK Government confiscating patent

applications that were otherwise in order for grant from an applicant on the day before they were to be granted. He argued that had the Government confiscated the patents post-grant, Article 1 would have undoubtedly been applied. It was therefore bizarre for Article 1 not to apply to the confiscation of patent applications simply because the registration formalities had not been completed.

30. In my opinion, such an argument implies that the filing of a patent application can never be refused by the Patent Office which undermines the whole basis of the Patents Act and Rules which are based on solid public interest requirements.
31. (iv) The authority relied upon by the examiner
Counsel opined that the decision of the Commission in *British American Tobacco v The Netherlands* (1996) 21 EHRR 409 was not a relevant authority and should not have been relied upon by the examiner for two reasons. Firstly, the European Court of Human Rights expressly disapproved of the finding of the Commission and left the matter open for determination at a later date. Secondly, the decision could not be taken to have interfered with the earlier decision of the European Court of Human Rights that the determination of whether or not a property right existed was a matter of national law and hence, given that only the position under Dutch law was argued, cannot affect the determination of the issue as a matter of UK law.
32. He referred to the statement made by the European Court of Human Rights in *British American Tobacco v The Netherlands* (1996) 21 EHRR 409 that “In the Court’s opinion, there is no call in the instant case to decide, as the Commission did, whether or not the patent application lodged by the applicant constituted a “possession” coming within the scope of the protection afforded by Article 1 of Protocol No. 1...”. In view of this cited passage he argued that the finding of the Commission cannot be a binding precedent.
33. Counsel added that the question of UK domestic law was not considered in the decision of the Commission, only matters relating to Dutch domestic law. Therefore, the case cannot be authority for the proposition that there are no property rights in the UK for patent applications.
34. It is clear to me that the UK Patent Office acting as a tribunal is required to consider such international case law by virtue of section 2(1) of the Human Rights Act 1998. I note that the findings of the Commission were consistent with previous case law and that the Court did not disturb their findings on this point, not considering it was necessary to decide the point.

Conclusion

35. I have reviewed the papers on the parent and divisional applications and consider that the substantive examiner was correct in refusing the late filing of the divisional application under section 15(4). In my opinion he has considered the relevant facts and exercised his discretion judiciously.
36. I have acknowledged that the applicant may rely upon Article 1 of the First Protocol of

Part II of Schedule 1 of the Human Rights Act 1998. Accordingly, I have also taken account of UK domestic patent law and the general principles of international law enforced via the Human Rights Act 1998. In interpreting the law, I consider that the applicant has had ample opportunity to patent his invention via the parent application so there has been no limitation of access to the patent system and hence no deprivation of his possessions. I am therefore unable to accept that the refusal to accept the late filing of the applicant's divisional application is inconsistent with the Convention rights afforded him through the Human Rights Act 1998. Consequently, I refuse patent application GB 0111205.1.

Appeal

As this is not a matter of procedure, an appeal may be made to the Patents Court within 6 weeks of the date of this decision.

Dated this day of June 2002.

D J JERREAT

Deputy Director acting for the Comptroller

THE PATENT OFFICE