

PATENTS ACT 1977*Corrected version of the decision***IN THE MATTER OF**

Applications No. GB 0129021.2 & GB 0130370.0

In the name of Smart Card Solutions Limited

DECISION**Introduction**

1. Patent applications GB 0129021.2 and GB 0130370.0 were filed in December 2001 in the name of Smart Card Solutions Limited. The first of these applications is entitled “Method of developing a software program for a target platform” and the second, “Computing device with an embedded microprocessor or micro-controller”. The applications claim priority from separate GB applications filed in December 2000, and were published in September 2002 as GB 2372853A and GB 2373079A respectively.
 2. Both applications qualified for combined search and examination. In the case of GB 0129021.2 ('021), the examiner's combined search and examination report was issued on 26 June 2002. GB 0130370.0 ('370) was search and examined by a different examiner and his combined report was issued on 4 July 2002. Both examiners allowed the usual six months for the applicant to respond to the objections that they had raised in their examination reports.
 3. In each case, roughly a week before the six month period expired, the agent acting for the applicant wrote to the examiner requesting that the period be extended by three months. The reason given in each case was the same; that is:

“... because the EPO hasn't issued the International Search Report on the corresponding PCT case”.
- The letter goes on to explain:
- “We would like to have the opportunity to study the International Search Report before responding to your Combined Search and Examination Report.”
4. In each case, the examiner considered that this was not a satisfactory reason for extending the period, and telephoned the applicant's agent to inform him that they were refusing the request. Nevertheless, in both cases the examiners did agree to extend the reply period such that at least ten days would still remain. This meant that the applicant would not be in a worse position as a result of the time it had taken for his agent's letter, carrying the extension request, to reach the examiners concerned.
 5. On 17th January 2003, the date when the reply period of application '370 (as extended) was due to expire, the applicant's agent Mr Peter Langley wrote to the Office in response to the examiners' decision not to allow the full three month extension. (The

extended reply period of '021 was not due to run out until 23 January.) In his letter, which is the same for both applications, Mr Langley expanded further on the reasons for his original request, and asked the examiner to reconsider his request for a longer extension of time. At the end of his letter Mr Langley requests a hearing in the event that the examiner is unable to accept his submissions.

6. In both cases, having considered Mr Langley's submissions, the examiners maintained their original view that an extension was not justified by the reason given, and wrote to the applicant confirming that a hearing would be appointed in accordance with their request. That hearing took place on 17th March 2003. At the hearing the applicant was represented by Mr Peter Langley of Origin Ltd. The examiners concerned, Messrs Nik Dowell and Paul Jefferies, also attended.

The Law

7. Whenever an examiner issues an examination report under section 18(3), the Comptroller always gives the applicant an opportunity to respond to the report and/or to amend the application so as to comply with the requirements of the Act. In order to ensure a smooth flow of amendments through the Office, section 18(3) confines this opportunity to "*within a specified period*". Although the period is specified by the examiner after considering the particular circumstances of each case, the period specified in relation to a first report under section 18(3) will not normally be less than six months.
8. In most cases six months should be more than sufficient. Nevertheless, it is well established that the Comptroller has discretion to extend the period specified in an examination report. This discretion was considered by the Comptroller's Hearing Officer in Jaskowski's Application¹ and he observed:

"Section 18(3) clearly gives the comptroller discretion to extend the specified period but unless a coach and horses is to be driven through the subsection he must have some adequate reason for exercising that discretion which is peculiar to the particular applicant or application in suit."
9. There is another precedent case that is mentioned in the Manual of Patent Practice² and which was also discussed at the hearing, and that is McDonald's Application.³ The Hearing Officer's decision in McDonald's Application is particularly interesting because in that case:

"... the applicant had suggested that they should delay responding to the UK examiner's report until they had obtained various search and examination reports from parallel applications abroad. As these reports came in, decisions were taken to await further

¹Jaskowski's Application [1981] RPC 13 at page 199.

²Manual of Patent Practice, at paragraph 18.56

³McDonald's Application BL O/71/96, dated 9th April 1996.

reports because it was felt that with the benefit of these a better response could be made to the objections raised in the section 18(3) report.”

Mr Langley’s Submissions

10. At the hearing, Mr Langley addressed me in relation to the main issue and did not seek to distinguish between the two applications. Similarly, I have deliberately not described the content or the subject matter of the two applications in any detail because it is completely irrelevant to the issue that I have to decide. Moreover, apart from a few days difference here and there, the two applications have proceeded through the Office in parallel, and the circumstances in the two cases are, for present purposes, identical.
11. Mr Langley informed me that he strongly advises all his clients to “parallel track” patent applications through national and international routes. In Mr Langley’s words:

“... the quality of the UK searches in many cases is actually better than we are getting out of Europe, and likewise for the examination — which was not the case five years ago”.
12. However, Mr Langley went on to say that because the UK Patent Office is “procedurally very, very efficient these days”, he was receiving examination reports back very early, and that this was causing a problem for some of his clients.
13. Mr Langley explained that while many of his larger clients might be happy to proceed to grant with a UK application independently, and well in advance of a corresponding International application, for smaller companies the cost of responding separately to a UK examination report and a written opinion (eg. in connection with an International application) was a significant cost that they could not afford.
14. With this in mind, Mr Langley said that he has often requested an extension of time of up to three or four months so that his client would be able to take account of any additional prior art identified in an International search report on a corresponding application made under the Patent Cooperation Treaty (PCT).
15. In the present case, Mr Langley informed me that the applicant is a small company, comprising six engineers. It is a fairly new venture, and these two patent applications represent the company’s first encounter with the patent system. Not surprisingly, Mr Langley said that the company is anxious to keep its costs down as much as possible. Corresponding PCT applications have been filed, and the applicant is still waiting for the International search reports (ISR) to be issued by the European Patent Office (EPO).
16. When Mr Langley originally requested three month extensions on these two applications at the end of last year, he had still not received an estimate from the EPO as to when the International search reports would be issued. However, at the beginning of the hearing, he advised me that the EPO has recently indicated that the International search reports should be issued at the beginning of May this year. In order to give the applicant a few weeks to consider the International search reports when responding to

the UK examination report, Mr Langley said that he was now requesting an extension of around five months, up until the beginning of June.

17. As Mr Langley put it, the applicant is in a position where the efficiency of the UK Patent Office would put his client to additional, unnecessary expense — unless the Comptroller's discretion were to be exercised so that the applicant does not have to respond to the UK examination reports *before* having an opportunity to consider the International search reports. Mr Langley said that he has often given this reason when seeking a three or four month extension of time, and the examiners are usually willing to allow such an extension. In this regard, Mr Langley was arguing that the financial status of the applicant was a possible 'peculiarity' which might be used to allow the exercise of discretion.
18. Mr Langley also reminded me that the period for putting these two applications in order (the "rule 34 period") does not expire until June 2005. As such, these were not cases where the Office needed to hurry things along.
19. In relation to the earlier decisions mentioned above, and which the examiners had identified in correspondence prior to the hearing, Mr Langley correctly observed that in McDonald's Application the applicant had failed to request an extension of time before the specified period had expired, and had not even responded within the period for putting the application in order — the rule 34 period. Furthermore, Mr Langley pointed out that his client was now seeking to extend the specified period by a definite interval; since the EPO had now confirmed when the International search report would be available. As Mr Langley said, this contrasts with McDonald's Application where the applicant was not sure when the reports from abroad would be received.

The Decision

20. I have carefully considered all the circumstances of these two applications, in the light of the relevant law as outlined above, and having regard to Mr Langley's submissions which I found to be very helpful. It is perhaps worth stating clearly that the conclusion I have reached is not influenced in any way by the fact that the applicant is now seeking an extension of five months, instead of the original three months. It seems to me that in the specific circumstances of these two cases, if the reason given is sufficient to justify an extension of three months, then it is equally sufficient to justify an extension of five months, or even longer.
21. One reason why section 18(3) specifies a period for responding to an examination report is to ensure a smooth flow of amendments through the Office as stated above. However, another and perhaps more important reason is to protect the public interest by ensuring that any uncertainty involving a patent application is resolved as quickly as possible. When a patent application is published under section 16, the public is placed on notice that a particular monopoly has been sought. Until that application is either granted or refused, any member of the public having an interest in the subject and/or scope of the patent is somewhat limited in terms of what he/she can usefully do. There is therefore a burden on the Comptroller to protect the public interest by not allowing the examination process to be drawn out unless there are good reasons for any delay.

22. In the present case, it seems to me that the reason given to support the request for an extension of time is inherently inadequate. On this occasion, the applicant would like to wait for a search being done by the EPO, but in principle the same argument could be made in relation to a search being done in any Patent Office. If, as a matter of course, the Comptroller were to accept this as a suitable reason for delaying the process of examination in the UK, then it would tend to slow down the process of granting patents in the UK towards the performance of the slowest Patent Office in the world. I do not think that such a move could possibly be in the public interest, and neither do I regard it as an adequate reason to justify exercise of the Comptroller's discretion.
23. In coming to this conclusion, I am also mindful of the principle, established in *Jaskowski's Application* and also applied in *McDonald's Application*, that in order for a reason to be considered adequate, it must be "peculiar to the particular applicant or application in suit". In contrast, the reason given in these cases has nothing to do with the particular applicant or applications in suit. As I understood him, Mr Langley said that it was his normal practice to file parallel applications, and, where the applicant had limited resources, it made sense to delay responding to the first examination report until the International search report was available.
24. Moreover, and notwithstanding the difference in circumstances indicated by Mr Langley, the facts in the *McDonald's* decision have also had some bearing on my decision. There were clearly a number of failures on the part of the applicant in *McDonald's Application* that led the hearing officer to refuse the application. But in particular I note that although the hearing officer accepted that family illness might provide an adequate reason, he took no account of it because the illness occurred well outside the period set for response and *none of the other reasons put forward for the delay up to that point were sufficient*. One of the other reasons put forward for the delay up to that point was precisely the reason that has been offered in these two applications — ie. the applicant wanted to wait for various search and examination reports from parallel applications abroad.
25. The fact that Mr Langley may have been allowed similar extensions of time after having given the same reason in several other cases is not something that I can properly consider in reaching my decision; not least because I am not aware of all the relevant circumstances in those other cases. In any event, it would not alter my own view, based on a full consideration of all the facts in the two cases before me, that the reason provided is not an adequate reason for exercising the Comptroller's discretion. Neither am I persuaded that the applicant's limited financial resources provide a reason that can properly be described as "peculiar to the particular applicant". Many patent applications are filed by small companies and individuals with limited financial resources.

Summary

26. In summary I have decided that the reason given for seeking to extend the period specified by section 18(3) is not adequate, and thus the Comptroller's discretion to extend that period will not be exercised in either of these cases. I therefore refuse both applications for failure to comply with section 18(3) within the specified period.

Appeal

27. This being a procedural matter, any appeal from this decision must be lodged within 14 days of the date of this decision.

Dated this 28th day of March 2003

Stephen Probert
Deputy Director, acting for the Comptroller

PATENT OFFICE