BL O/201/05

20th July 2005

PATENTS ACT 1977

APPLICANT Schlumberger Holdings Limited

ISSUE Whether patent application no GB 0126239.3 should be refused under section 18(3) for a late response to an examination report

HEARING OFFICER R C Kennell

DECISION

Introduction

1 This decision arises from the failure of the applicant to reply in time to a combined search and examination report issued under sections 17 and 18(3) of the Act. Correspondence between the applicant's agent, Mr Brian D Stoole, and the Patent Office failed to resolve the matter. However, although a hearing was offered by the examiner in a letter dated 19 April 2005, repeated attempts to arrange the hearing have failed, for reasons which I explain further below. With Mr Stoole's agreement I am therefore deciding the matter on the basis of the papers on file.

Background

2 Application no GB 0126239.3 entitled "Communicating with a downhole tool" was filed on 1 November 2001 in the name of Schlumberger Holdings Limited ("Schlumberger") and claims priority from an earlier US application filed on 21 November 2000. Rule 34 of the Patents Rules 1995 prescribes a period of four years and six months from the priority date within which an application must comply with the Act and Rules. That period expired on 21 May 2005.

3 The application included requests for both search and examination and so, as is normal Office practice, a combined search and examination report was issued on 1 March 2002. Amongst other things the examiner raised objection to plurality of invention and lack of novelty and inventive step. In accordance with section 18(3) of the Act the report specified a latest date for reply of 21 November 2002 (two years after the

priority date) and the covering letter included, again as is normal Office practice, a warning that failure to respond to the report by the date set may result in refusal of the application.

4 Following notification to the agent on 23 April 2002, the application was published on 22 May 2002 under serial no. GB 2369139 A.

5 No response to the combined search and examination report was received within the period specified and on 6 April 2005 the Office issued a standard letter warning that it intended, under section 20(1) of the Act, to treat the application as refused from the expiry of the period for putting it in order on 21 May 2005.

6 Mr Stoole replied to that letter on 13 April 2005, filing amended pages of the description and a full set of amended claims and also requesting that the period allowed for filing a divisional application be extended. He explained that the failure to respond to the examiner's report was unintentional, and that although instructions for responding to the report were e-mailed to him ten days before the response deadline, he did not follow his usual practice of printing out the instructions and getting out the file. He believes that this was probably because the e-mail to which the instructions were attached contained a query to which he replied almost immediately, and that he was therefore expecting the instructions to be supplemented on the basis of his reply. Not having got out the file, he thought it likely that he simply forgot about receipt of the original instructions when the expected supplementary instructions did not materialise. Mr Stoole further explained that, having formally retired from Schlumberger in 2001 and now working for them only on a part time subcontract basis, he had lost access to Schlumberger's in-house deadline reminder system and was temporarily relying on the arrival of instructions to trigger action.

7 In a letter of 19 April the examiner considered that argument insufficient to justify a response filed over twenty-eight months late and offered a hearing. Mr Stoole replied by fax the following day, adding to his previous argument only that he had been operating under some pressure and in difficult circumstances at the time and that his workload over the few days following receipt of the instructions had included responding to examination reports on at least six other applications and filing as many as six new convention applications. He asked to be heard should the examiner not accept the late response.

8 The examiner was not persuaded by Mr Stoole's further submission and, in a letter of 28 April, stated that a hearing would be arranged and that the hearing officer would wish to be addressed on the following questions: (i) whether the incident was an isolated slip in an otherwise well organised system (as referred to in paragraph 18.57.1 of the Manual of Patent Practice); (ii) if Mr Stoole was temporarily reliant upon the receipt of instructions to trigger him to respond to the Office, how long did that

situation last; and (iii) why did the applicant fail to notice that no reply had been made to the report?

9 With the expiry of the rule 34 period fast approaching, it appears that the Patent Office made a number of unsuccessful attempts to contact Mr Stoole, asking him to ring back as a matter of urgency to agree a date for the hearing. In the absence of any reply, the examiner finally issued a letter on 30 June referring to these attempts and saying that if a hearing had not taken place by 13 July the matter would be decided on the papers. He explained that the rule 34 period had now expired and that the period within which an extension could be obtained by right would expire on 21 July.

10 Mr Stoole telephoned the Office on 18 July, apparently having been unaware of any attempts by the Office to contact him and only just having received the examiner's letter, and followed this up the same day with a letter explaining matters in greater detail. He suspected that the difficulty in contacting him might have arisen because he only worked two or three days a week, and that he and the administrator who sometimes took messages for him were absent on holiday at various times in May and June.

11 As Mr Stoole explains it, after his formal retirement in July 2001 he agreed to carry on filing and prosecuting UK patent applications for Schlumberger colleagues in France and the USA, working part-time on contract. Initially he remained in the Schlumberger office at Gatwick, with access to a patent administrator, but after the administrator was made redundant at the end of December 2001 he lost access to his deadline reminder system. Although he was able to print out the deadlines for the first quarter of 2002 and tried to maintain a "pen and paper" reminder system, matters were further exacerbated by the loss of some pages of this in the course of transfer to a new office in Southampton during that period. There was at that time no patent administrator in the Southampton office and Mr Stoole had no access to Schlumberger's reminder system. Finding it increasingly difficult to cope with an increasing volume of work, Mr Stoole says that until he was able to devise a system of his own early in 2003 he was forced to rely on his French and US colleagues to remind him of deadlines - this therefore being the arrangement that was in force at the relevant time, as explained above.

12 With the letter Mr Stoole filed a request under rule 110(3) to extend the rule 34 period by two months to 21 July - a mere three days away - and also a request under rule 110(4) for such further extension as might be necessary to conclude matters.

Assessment

13 It is well established that for the comptroller's discretion to be exercised in favour of allowing a late reply to an examination report under section 18(3) of the Act, the

applicant must have some adequate reason which is peculiar to the particular applicant or application in suit. The Manual of Patent Practice describes a number of examples that would constitute such a reason, and in essence what is required is something abnormal in the chain of communications or some exceptional factor. Thus as explained in paragraph 18.57.1 (which the examiner has quoted at (i) in his letter of 28 April and which I agree is of particular relevance to the case in hand) an isolated slip in an otherwise well organised system might be an adequate reason, as might an unusual congestion of urgent work.

14 The essence of Mr Stoole's argument is that his normal system for dealing with instructions was disrupted because those instructions were accompanied by a query. In responding to the query he bypassed his normal system of case management and was relying on receipt of a further set of instructions to once again trigger his system, but which never arrived.

15 As to whether there was a well-organised system, Mr Stoole says in his letter of 18 July (emphasis added):

> *"Re the question as to whether I have a well organised system here, to the extent that is possible for what is effectively a one-man band, I believe I do <u>now</u>."*

and

> *"The procedure I adopted during this period in 2002, when I had no deadline reminder system of my own and no time to create one, <u>was certainly far from perfect, but it worked to a large extent</u>."*;

but I have to say that to me these comments have the flavour of damning with faint praise, and beg the question of whether this was in fact an isolated slip. Although I have no information as to the extent to which other instructions might not have been actioned for similar reasons, I have no reason to suspect that Mr Stoole was doing other than his best with resources he had to hand. However, that such a small disturbance as a query in the original e-mail instructions could cause a deadline to go unnoticed for so long a period to my mind suggests a lack of robustness in the arrangements.

16 In fairness to Mr Stoole I accept that he was doing what he could to cope with a heavy workload in less than ideal circumstances, and that he was very busy at the time that the reply to the report was due. However, I do not think that this of itself is sufficient to mitigate the failure to reply in time. Thus even though Mr Stoole says that he has had his own deadline reminder system in place since early 2003 (no details of the system have been given), it appears not to have been retrospective, since filing of the response to the combined search and examination report was only prompted by

receipt of the Office's letter warning of the imminent refusal of the application.

17 Whilst it is possible that an excessive amount of urgent work may have caused the oversight to go unnoticed for such a long period, I do not think this can really be portrayed as an unusual congestion in the light of the following statements by Mr Stoole in his 18 July letter:

> *"As a result of the move to Southampton, and coupled with the fact that the volume of the work had increased since my retirement, to the extent that it was increasingly difficult to cope with it even on a three day a week basis, I was forced to rely on my French and US colleagues to keep me advised of deadlines .... ."*

and

> *"The problem I find with e-mails is that I receive so many, so that once I have opened and read one, I simply may not remember it if I don't either act on it immediately or have my own deadline reminder system in place to trigger me to search for it later."*

This suggests to me not so much an unusual congestion of urgent work as a consistently heavy workload which Mr Stoole was struggling to keep on top of, not necessarily, I hasten to add, through any fault of his own.

18 In (ii) of his letter of 28 April the examiner raised the question of how long the described system for processing instructions was in operation. I accept that there might be a mitigating factor if the failure was caused by a short-lived, temporary measure which was diligently replaced with a more effective system. However, I do not think that is the case here. On Mr Stoole's own admission, it seems that for a large part of 2002 he had no real reminder system in place apart from reliance on e-mailed instructions from colleagues.

19 Ultimately however I think it is question (iii) posed in the examiner's letter that is decisive - why did the applicant not notice that progress in the prosecution of this application had ceased? Even when an applicant employs an agent to prosecute an application for him, it is still the applicant who must assume overall responsibility for the progress of the case. However, in his letter of 13 April Mr Stoole refers to Schlumberger having an in-house reminder system "in which the 21 November 2002 response deadline was undoubtedly recorded", and in his letter of 18 July he says that he "had no access to the Schlumberger-wide Memotech reminder system". Taking this correspondence at face value, it appears that for reasons unexplained Schlumberger left a substantial UK patent operation in the hands of an agent who was working part-time and finding it increasingly difficult to cope with the workload, but with no access to their reminder system to pick up deadlines.

20 Thus, it seems the applicant simply did not have in place a system whereby either Mr Stoole could be reliably reminded of impending deadlines or any failure to meet them could be quickly picked up. To my mind, such nonchalance with regard to the fate of its UK patent applications tips the scales firmly against an exercise of the comptroller's discretion in favour of the applicant, particularly when regard is had to the length of the extension of the reply period that is sought.

Conclusion

21 Whilst I have every sympathy with the situation in which Mr Stoole found himself in November 2003, the applicant has in my view failed to provide an adequate reason for the late response to the combined search and examination report. Accordingly, I refuse the application under section 18(3) of the Act.

Appeal

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

R C KENNELL
Deputy Director acting for the Comptroller