



26 July 2010

PATENTS ACT 1977

APPLICANTS	Ibrahim Ghulam Murad Ali Jamal Kashani Mehdi Farzpourmachiani Ali Farzpourmachiani
ISSUE	Whether patent application GB 0225836.6 may be amended following its reinstatement after the end of the compliance period
HEARING OFFICER	J E Porter

DECISION

Introduction

- 1 Patent application GB 0225836.6 (“the application”) entitled “Image Display System” was filed on 6 November 2002, with a claim to a priority date of 29 July 2002. The applicants are Ibrahim Ghulam Murad Ali, Jamal Kashani, Mehdi Farzpourmachiani and Ali Farzpourmachiani.
- 2 After publication and substantive examination, the application was eventually treated as refused on 29 January 2007 following a failure by the applicants to respond to an examination report dated 30 November 2005.
- 3 The applicants subsequently requested reinstatement of the application on 26 July 2007. After the matter was referred to one of the comptroller’s hearing officers for a decision, the application was reinstated on 14 January 2010 and so it was remitted to the examiner for further processing.
- 4 Under the terms of the reinstatement, the Office set a new period for response to the outstanding examination report. However, the Office’s preliminary view was that, because the compliance period had now ended, no further amendment of the application would be allowed. The only way that the applicants could respond to the outstanding examination report was to supply arguments to the effect that the application had, in fact, been in order at the compliance date and so should now be granted.
- 5 The applicants disagreed and argued that an extension to the compliance period should follow from the reinstatement and that they should be allowed to make amendments in response to the outstanding examination report.

- 6 With the position unresolved, the applicants requested a decision on the papers and the matter was referred to me.

The law

- 7 Section 18(3) refers to the issuing of an examination report where an application does not comply with the requirements of the Act and Rules:

If the examiner reports that any of those requirements are not complied with, the comptroller shall give the applicant an opportunity within a specified period to make observations on the report and to amend the application so as to comply with those requirements (subject, however, to section 76 below), and if the applicant fails to satisfy the comptroller that those requirements are complied with, or to amend the application so as to comply with them, the comptroller may refuse the application.

- 8 Section 20(1) provides that there is a period within which an application must comply with the Act and Rules, and sets out the consequence of not doing so:

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.

- 9 The “prescribed period” is set out in rule 30 of the Patents Rules 2007¹ and is referred to in the Rules as the “compliance period”. The last day of that period is referred to as the “compliance date”.

- 10 The provision in relation to reinstatement of applications is section 20A, the relevant parts of which read:

(1) Subsection (2) below applies where an application for a patent is refused, or is treated as having been refused or withdrawn, as a direct consequence of a failure by the applicant to comply with a requirement of this Act or rules within a period which is –

- (a) set out in this Act or rules, or*
- (b) specified by the comptroller.*

(2) Subject to subsection (3) below, the comptroller shall reinstate the application if, and only if –

- (a) the applicant requests him to do so;*
- (b) the request complies with the relevant requirements of rules; and*
- (c) he is satisfied that the failure to comply referred to in subsection (1) above was unintentional.*

[...]

(7) If an application is reinstated under this section the applicant shall comply with the requirement referred to in subsection (1) above within the further period specified by the comptroller in the order reinstating the application.

(8) The further period specified under subsection (7) above shall not be less than two months.

¹ SI 2007/3291 (as amended)

(9) If the applicant fails to comply with subsection (7) above the application shall be treated as having been withdrawn on the expiry of the period specified under that subsection.

- 11 The attorneys acting on behalf of the applicants, Marks and Clerk LLP, made a number of submissions in writing, particularly in respect of the decision of the Patents Court in *Anning*² and the Office's Practice Notice of 14 August 2009 entitled *Patents Act 1977: Reinstatement of patent applications*³ ("the Practice Notice"). I discuss these submissions in my analysis below.

Arguments and analysis

Introduction

- 12 Following the hearing officer's decision to reinstate the application, an official wrote to the applicants on 14 January 2010. The letter contained the following paragraph:

You should note that the period for putting the application in order has expired. While the attached reinstatement Order provides a period for responding to the examination report, no amendment of the application will be allowed. In responding to the examination report, you may wish to submit arguments setting out why you believe the application was in order at the end of the prescribed period.

- 13 The attorneys for the applicants replied on 18 February 2010, arguing on a number of grounds that this statement, and the Practice Notice on which it was based, is wrong. The official replied on 2 March 2010 and further expanded his counter-arguments in a letter on 1 April 2010. The attorneys sent further arguments in letters on 11 March 2010 and 29 April 2010.
- 14 I note here that, in the official letter of 1 April 2010, the Office's view was clarified. The official explained that he considered that amendment of the application was, strictly speaking, possible. However, any amendment would not change the fact that the application had not been in order on the compliance date. Thus amendment following the reinstatement was possible, but in practice of no effect. The only option open to the applicants in reality was therefore to argue that the application had, in fact, been in order on the compliance date.

The relevance of "Anning"

- 15 The position set out in the Practice Notice (which has been followed by the Office thus far in this case) is that, following paragraph 16 of *Anning*, the relevant failure for the purposes of reinstatement is the failure to reply to the examination report, and not the failure to get the application in order for grant by the compliance date. The Office says that it follows, under section 20A(7), that there is a further period for responding to the examination report, but it does not also provide for an extension to the compliance period.
- 16 The attorneys argue that the Practice Notice does not properly reflect the judgment in *Anning*, that the Office has taken paragraph 16 of the judgment out

² *Anning's Patent Application* [2007] EWHC 2770 (Pat)

³ See www.ipo.gov.uk/p-pn-reinststate.htm

of context, and that the meaning given to it by the Office “cannot be what was intended by Mr Justice Pumfrey”.

- 17 In *Anning*, the applicant had failed to respond to an examination report and in due course the application was treated as refused under section 20. It was acknowledged that the applicant had always intended to keep the application in being, but that he intended not to reply to the examination report in question, albeit for an erroneous reason. Counsel for Mr Anning had put forward the proposition that the direct reason for refusal of the application was actually Mr Anning’s failure to put the application in order for grant by the compliance date, and not his failure to respond to the examination report.
- 18 Paragraph 16 of the judgment, the attorneys argue, is directed to dismissing this line of argument and so is concerned with the question of whether reinstatement in the particular circumstances of the case should be allowed on the basis of unintentionality. It is not, they say, concerned with the question of whether the compliance period should be extended when an application is successfully reinstated after that period has expired. Nor does it preclude the possibility of such an extension where that extension is necessary to put the application back into the position it was in prior to the failure to comply. It is therefore not relevant to the question of whether the applicants in this case can file amendments in response to the outstanding examination report, and so it cannot provide any basis for refusing to give the applicant that opportunity. The attorneys also suggest that Pumfrey J’s comments in this respect were *obiter*.
- 19 My view of the matter is this: what Pumfrey J makes clear at paragraph 16 is that, where the patent application has been treated as refused on the compliance date following the absence of a reply to an examination report, the failure which has caused the application to be treated as refused, and which is therefore the relevant failure for the purposes of considering reinstatement, is the failure to respond to the examination report as envisaged under section 18(3), rather than the failure to put the application in order for grant by the compliance date.
- 20 It therefore seems clear to me that what this paragraph is doing is answering the question of which failure is the relevant failure to be considered when assessing whether to allow a request for reinstatement. I cannot see that Pumfrey J’s comments in this respect are *obiter*, and it follows that the Office is bound by them.
- 21 In any event, this specific point is not in dispute. The hearing officer who decided in the present case to allow the reinstatement based her decision on the applicants’ failure to respond to the examination report, and not their failure to put the application in order for grant by the compliance date, and in the attorneys’ letter of 29th April they agree that “the failure that led to the present application being treated as refused was the failure to file a response under Section 18(3) to the examination report dated 30th November 2005”.
- 22 However, I agree with the attorneys that the court in *Anning* did not go on to deal with the question of whether the compliance period can be extended when reinstatement has been allowed. This is because the request for reinstatement was refused, so that was the end of the matter.

- 23 I also agree that the judgment does not preclude the possibility of such an extension - although it does seem to be a consequence of the judgment that one obvious way in which such an extension might have been made available is ruled out. If the court had found that the relevant failure for the purposes of considering reinstatement was the failure to put the application in order for compliance, it seems clear that section 20A(7) would then have provided an unarguable basis for extending the compliance period to deal with that failure.
- 24 But that consequence of *Anning* does not, in my view, automatically rule out the possibility of an extension to the compliance period being available by some means. The attorneys say that there is a legal basis for such an extension and the Office's position thus far is that there is not. That is therefore what I must consider next.

Legal basis for extending the compliance period

- 25 The attorneys say that, on a plain meaning of the word "reinstatement", a reinstated application should be put back to its position prior to the non-compliance. The Office's preliminary view is that this is not necessarily the case - and the official letter of 1 April pointed to the conditions imposed by section 20B on a reinstated application as an illustration of this point.
- 26 In response, the attorneys argue that the Act would make explicit any derogations from that general position. Apart from section 20B, there is no other such derogation and so the Office cannot create one. Thus, by not allowing an opportunity for effective amendments to be made, the Office is not properly providing "reinstatement".
- 27 More specifically, the attorneys say that section 20A(7) makes clear that the applicant shall comply with "the requirement referred to in subsection (1)" within a period specified by the comptroller when he reinstates the application. In this case, they point out that the "requirement referred to in subsection (1)" with which the applicant failed to comply was the requirement to respond to the outstanding examination report. They then point out that section 18(3) says (their emphasis):
- ...the comptroller shall give the applicant an opportunity within a specified period to make observations on the report and to amend the application...
- 28 It follows, the attorneys argue, that in order to comply with the requirement that they respond to the examination report, the applicants must be given the opportunity to respond in the way envisaged by section 18(3) – which includes the opportunity to make amendments. It does not "make any logical sense and cannot be what was envisaged by section 20A(7)" for the Office to extend the period of time for responding to the examination report, but not to allow a period of time in which to make amendments.
- 29 The attorneys argue that the proper way to provide for this opportunity is to extend the compliance period. They do not suggest that it would be possible to allow the opportunity for amendment without such an extension. As noted above, the Office's position is that, strictly speaking, amendments are allowed but cannot change the fact that the application was not in order for grant on the compliance

date. In other words, the Office says that reinstatement does not remove the application from the over-arching requirement in the Act that an application must be in order for grant by the compliance date. The attorneys' view is that this makes "a nonsense of the law" and so cannot be the correct interpretation.

- 30 Finally, the attorneys draw my attention to the purpose of the insertion into the Act of section 20A by the Regulatory Reform (Patents) Order 2004⁴. They point out that it was necessary in order to implement Article 12 of the WIPO Patent Law Treaty, the relevant part of which reads:

A contracting party shall provide that, where an applicant or owner has failed to comply with a time limit for an action in a procedure before the Office, and that failure has the direct consequence of causing a loss of rights with respect to an application or patent, the Office shall reinstate the rights of the applicant or owner with respect to the application or patent concerned....

- 31 In their view, the wording of the Article is unambiguous. The rights that were lost in this case include the right to make amendments in respect of the outstanding examination report. If the relevant conditions for reinstatement are satisfied (which, in this case, they have been) then the Article is clear that those rights must be reinstated. The attorneys say that the legislation must be construed in a way which is consistent with that outcome, since implementation of the Patent Law Treaty was clearly what Parliament had intended.
- 32 For completeness, I note that extensions to the compliance period are available in certain restricted circumstances under either rule 107 or rule 108. The Office made clear its view that those rules have no relevance in this case, and the attorneys do not dispute that.
- 33 In weighing all this up, I am not sure that the arguments about the plain meaning of "reinstate" assist me a great deal. It seems clear to me that, when the Act talks about reinstating an application that has been terminated, it means that the application ceases to be terminated and becomes - in a general sense - a live application once again.
- 34 I do not think it follows that reinstatement must necessarily put an application back into exactly the position it was in when the relevant failure occurred, and one can conceive of circumstances where an application is terminated on the basis of one of a number of particular failures, and is then successfully reinstated on the basis of the unintentionality of that one failure. Although the application will have been reinstated, and the particular failure will be able to be addressed, the application will not necessarily be put back in a position where all of the failures can still be addressed.
- 35 It seems to me that the proper interpretation is, on termination of an application, that the provisions which relate to a live application cease to apply. Upon reinstatement, all those provisions apply once again to the reinstated application in the same way as they apply to any application - subject to section 20A(7) and section 20B.

⁴ SI 2004/2357

- 36 So, it seems clear to me that I must return to the precise wording of the statute in deciding this point. As the attorneys point out, section 20A(7) says that, if an application is reinstated, the applicant shall comply with “the requirement referred to in subsection (1)” within a further period specified. Section 20A(1) simply refers to this as “a requirement of the Act or rules”. This decision therefore turns on a proper construction of what that requirement is. Construing it correctly should also deal with the attorneys’ point about Parliament’s intention and the rights that must be reinstated in accordance with the Patent Law Treaty.
- 37 This is, at first sight, not straightforward - not least because section 18(3) talks about an “opportunity” for the applicant to make observations and amendments within a specified period, and not a requirement for them to do so. Nevertheless, it seems to me that it is a requirement in the sense that the applicant must take up the opportunity in order to avoid either actual refusal under section 18(3) or deemed refusal under section 20.
- 38 The requirement as set out in section 18(3) is to make observations or “to amend the application so as to comply with those requirements [i.e. the requirements of the Act and rules]”. In the context of sections 18 and 20, the reference here to the application complying must mean it doing so on or before the compliance date. It follows, in my view, that the requirement which an applicant must be given a chance to meet upon reinstatement is the requirement in section 18(3) to make observations or amendments which bring the application into compliance and which necessarily avoid actual or deemed refusal of the application.
- 39 Allowing an applicant the opportunity to make ineffectual amendments after the compliance date does not give them the opportunity to meet that requirement as set out in section 18(3). Section 20A(7) provides the power to specify a period in order for that requirement to be met, and to do that properly it is therefore necessary to specify both a new period for replying to the examination report and a new period for overall compliance.
- 40 I am satisfied that construing the requirement in this way is consistent with *Anning*, as it remains the case that the relevant failure is the failure to respond to the examination report with observations or amendments which avoid actual or deemed refusal. The relevant failure is not the failure to get the application in order by the compliance date.
- 41 For completeness, I note that the attorneys in their submissions point out that it is the Office’s practice generally not to refuse an application under section 18(3) for failure to respond to an examination report, but instead to deem it refused at the end of the compliance period. They contend that this practice makes effective reinstatement of an application impossible, because by the time the application has been treated as refused the compliance date has necessarily passed and the Office will not extend it on ordering reinstatement.
- 42 I think I would rightly be criticised if I used an argument based upon the Office’s practice to sway my interpretation of the meaning of the statute, and so I should make clear that I have not given any weight to this point. In passing, I should say that I find it hard to see how the Office can be criticised for choosing not to refuse an application at an early stage (thus bringing possible reinstatement into play),

but choosing instead to remind the applicant shortly before the compliance date that deemed refusal is imminent, but may still be avoidable.

Conclusion and order

43 I conclude that a further period for compliance may be specified under section 20A(7).

44 A new period for reply to the outstanding examination report has already been specified under section 20A(7) in the Order to reinstate the application made on 14 January 2010.

45 I therefore order that:

the Order to reinstate the application of 14 January 2010 is treated as having specified a further period for compliance which expires two months from the date of this decision, and

the application is remitted to the examiner for continued processing.

Dr J E PORTER

Deputy Director acting for the Comptroller