



## PATENTS ACT 1977

APPLICANT                      4D Pharma Research Limited

ISSUE                            Whether to allow an extension to the compliance  
   period of GB1809729.5 under Rule 108(3)

HEARING OFFICER              Mary Taylor

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### DECISION

#### Introduction

- 1 This decision relates to whether to allow a request made on 28 May 2021 to extend the compliance period – the period prescribed in the Patents Act and Rules for putting a patent application in order for grant – on patent application GB1809729.5. The purpose of the extension was so that divisional applications based on this application could be filed. The issue came before me to decide at a hearing via video conferencing on 9 August 2021. The applicant was represented by barrister Simon Keevey-Kothari and attorney Tanja Preissner, both of Carpmaels & Ransford, with Adrian Murray, General Counsel of the applicant, also present.

#### Background

- 2 GB1809729.5 was filed on 23 November 2016 in the name of 4D Pharma Research Limited, claiming an earliest priority date of 23 November 2015. It was published as international application WO 2017/089795 on 1 June 2017 and republished as GB 2560139 on 29 August 2018, following its entry into the UK national phase.
- 3 The compliance period on the application was originally set to expire on 23 May 2020. Due to the COVID-19 pandemic, there was a period of interrupted days which ran from 27 March until 29 July 2020. This meant that the compliance date (the last day of the compliance period) did not actually pass until 30 July. The compliance period was extended as-of-right under rule 108(2) to 30 September. Since then, the application has been reliant on discretionary extensions to the compliance period under rule 108(3).
- 4 During the examination process, the examiner and the applicant were unable to reach agreement on issues of support and sufficiency of disclosure, which led to a hearing which took place on 12 October 2020 (the “first hearing”). The hearing officer issued his decision on 26 March 2021 ([BL O/202/21](#)) in which he found that the application did comply with the requirements for sufficiency and support, and so

remitted it back to the examiner to deal with any issues still outstanding. In addition, the hearing officer considered requests for the compliance period to be extended further, including one made in a non-standard format, and determined that the extended compliance period would expire on 30 March 2021. The technical details of the issues considered at the first hearing do not factor into the question before me.

- 5 On 13 April 2021, the applicant filed two Form 52s to request two further discretionary extensions, first to 30 May and second to 30 July. The first extension was requested to provide additional time to put the application in order for grant and the second so that divisional applications could be filed on time.
- 6 The examiner issued a report on 23 April 2021 setting out a minor issue which needed addressing before the application could be granted. He also considered the extension requests made on 13 April. The examiner accepted the first request but declined the second. The compliance period was therefore extended to 30 May.
- 7 The applicant's response, filed on 12 May 2021, addressed the minor issue but did not discuss the examiner's rejection of the second request for a discretionary extension of time. Consequently, the examiner issued a notification of intention to grant on 19 May, stating that the application complied with the requirements of the Act and Rules and would be granted shortly after 21 June. The notification warned that divisional applications cannot be filed once the application has been granted and noted that any such application "should be received by this Office by [21 June] and also must be filed at least three months before the compliance date". As the law on divisional applications requires that the divisional application is filed before the 'parent' is granted, grant was postponed and has not yet taken place.
- 8 The applicant filed two further Form 52s on 28 May. The first was to extend the compliance period to 30 July, with the reason given being that the intention to grant letter stated that the application would be sent to grant after the 30 May compliance date. The second request was to extend the period to 30 September, so that divisional applications can be filed. The request noted that a divisional application was enclosed, but no application was enclosed.
- 9 The examiner responded to the requests on 9 June 2021, declining to allow either extension and offering a hearing. The offer was accepted by the applicant in a letter of 17 June.
- 10 At around the same time, four new patent applications – GB2108591.5, GB2108660.8, GB2108662.4, and GB2108667.3 – were filed on 16 and 17 June 2021, claiming divisional status with this application as their parent. For these applications to be accepted for divisional status, the compliance period on this application must expire no earlier than 17 September. The examiner provided a pre-hearing report dated 24 June, in which he noted that divisionals had not yet been filed; however, this was because they had not been sent to him through the Office's internal systems at that time.
- 11 Prior to the hearing, the applicant provided skeleton arguments which set out that the applicant's reasons for both requests for extension for time filed on 28 May were the same - to file divisionals. This is presumably because the reason given on 28 May for the first request – to allow the application to be granted – was not needed, as an

application can be granted after the compliance date provided that it is found to be compliant before it. During the hearing, the applicant offered to provide written submissions in relation to a point raised during the hearing which required further exposition, which I was happy to accept. Those submissions were provided on 12 August.

### **The law**

- 12 The legal basis for divisional applications comes from section 15(9) of the Patents Act 1977 (as amended), which states:

*Where, after an application for a patent has been filed and before the patent is granted –*

*(a) 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*

*(b) 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.*

- 13 “In accordance with rules” refers to, in particular, rule 19 of the Patents Rules 2007 (as amended), which reads:

*19.—(1) For the purposes of section 15(9) a new application may only be filed in accordance with this rule.*

*(2) A new application may be filed as mentioned in section 15(9) if—*

*(a) the earlier application has not been terminated or withdrawn; and*

*(b) the period ending three months before the compliance date of the earlier application has not expired.*

*(3) A new application must include a statement that it is filed as mentioned in section 15(9).*

- 14 Therefore, at least three clear months are normally required before the compliance date for a divisional application to be validly filed. Since, in this case, the compliance period must be extended for that to happen, the rules on extension of time are also relevant. These are found in rule 108, which states:

*108.—(1) The comptroller may, if he thinks fit, extend or further extend any period of time prescribed by these Rules except a period prescribed by the provisions listed in Parts 1 and 2 of Schedule 4.*

*(2) The comptroller shall extend, by a period of two months, any period of time prescribed by the provisions listed in Part 2 of Schedule 4 where—*

*(a) a request is filed on Patents Form 52;*

*(b) no previous request has been made under this paragraph; and*

*(c) that request is filed before the end of the period of two months beginning immediately after the date on which the relevant period of time expired.*

(3) The comptroller may, if he thinks fit, extend or further extend any period of time prescribed by the rules listed in Part 2 of Schedule 4 where—

(a) a request is filed on Patents Form 52; and

(b) the person making the request has furnished evidence supporting the grounds of the request, except where the comptroller otherwise directs.

(4) Each request under paragraph (2) or (3) for a period of time to be extended must be made on a separate form unless—

(a) each of those requests relate to the same patent or application for a patent; and

(b) the grant of each of those requests would result in the expiry of all the extended periods of time on the same date,

in which case those requests may be combined and made on a single form.

(5) Any extension made under paragraph (1) or (3) shall be made—

(a) after giving the parties such notice; and

(b) subject to such conditions,

as the comptroller may direct, except that a period of time prescribed by the rules listed in Part 3 of Schedule 4 may be extended (or further extended) for a period of two months only.

(6) An extension may be granted under paragraph (1) or (3) notwithstanding the period of time prescribed by the relevant rule has expired.

(7) But no extension may be granted in relation to the periods of time prescribed by the rules listed in Part 3 of Schedule 4 after the end of the period of two months beginning immediately after the period of time as prescribed (or previously extended) has expired.

15 I note that the compliance period falls within Parts 2 and 3 of Schedule 4, so that the request for a further extension beyond the as-of-right extension is subject to the discretion of the comptroller, and it can only be made in two-month tranches.

16 The nature of the comptroller's discretion in extending time limits on divisional applications, and the considerations that apply when deciding whether to exercise it, has been the subject of decisions by the Office and by the courts. The Manual of Patent Practice paragraph 15.21 summarises it as follows:

*The comptroller has discretion under r.108(1) to extend the period of time allowed under r.19 for filing a divisional application. However, this discretion will normally be exercised only if the applicant shows that the circumstances are exceptional and that they have been properly diligent ([Penwalt Corporations's Application BL O/72/82](#); [International Barrier Corporations's Application](#); [Kokusai Denshin Denwa's Application \(BL O/9/83\)](#); [Luk Lamellan und Kupplungsbau GmbH's Application \[1997\] RPC 104](#)).*

*The comptroller also has discretion to extend the compliance period of a parent application under rule 108(3) to allow a divisional application to be filed within the period prescribed by rule 19. This discretion will normally be exercised only*

*if the applicant shows that the circumstances are exceptional and that they have been properly diligent see [Ferguson's Application, BL O/272/09](#) and [Knauf Insulation's Application BL O/098/13](#).*

The decisions in *Ferguson* and *Knauf* set out that the test for deciding whether the compliance period should be extended under rule 108(3) to allow the late filing of a divisional application should be consistent with the test for exercising discretion to allow a divisional application to be filed out of time under rule 108(1), i.e. the applicant needs to demonstrate that the circumstances are exceptional and that the applicant has been properly diligent. This was the approach taken by the examiner in their letter of 9 June 2021 and Mr Keevey-Kothari agreed at the hearing that it is the correct test to apply.

- 17 In their submissions, the applicant also referred to rule 107 on the rectification of irregularities, as an alternative basis for allowing an extension. Paragraphs (1) and (3) of rule 107 are relevant for this decision:

*(1) Subject to paragraph (3), the comptroller may, if he thinks fit, authorise the rectification of any irregularity of procedure connected with any proceeding or other matter before the comptroller, an examiner or the Patent Office.*

*(3) A period of time specified in the Act or listed in Parts 1 to 3 of Schedule 4 (whether it has already expired or not) may be extended under paragraph (1) if, and only if—*

*(a) the irregularity or prospective irregularity is attributable, wholly or in part, to a default, omission or other error by the comptroller, an examiner or the Patent Office; and*

*(b) it appears to the comptroller that the irregularity should be rectified.*

### **Arguments and analysis**

- 18 As mentioned, the test for deciding whether the compliance period should be extended to allow the filing of a divisional is that the circumstances are exceptional and that the applicant has shown proper diligence. I will consider each of these aspects in turn, and the applicant's arguments as to why they believe they have been met, before looking at the issue of rule 107.

#### *Exceptional circumstances*

- 19 Mr Keevey-Kothari raised a number of points to argue that the circumstances in this case were exceptional. He noted that only a small number of patent applications reach the point of requiring a hearing, thereby making it an exceptional circumstance. In addition, the time taken for the hearing to be resolved – 23½ weeks – was significantly longer than might have been expected.
- 20 Mr Keevey-Kothari further argued that the nature of the outstanding objection, coupled with the applicant's financial position, meant that it was not reasonable for the applicant to file a divisional application before the decision was issued. He noted that the examiner's objection to sufficiency of disclosure was a complex and fundamental one, which went to the heart of the invention. If the applicant had gone ahead with filing divisional applications at an earlier point, it was quite likely that

those would also be caught by that objection. The applicant would end up having to address the same issue across multiple applications with no clear solution evident from the previous correspondence. Although the applicant ultimately prevailed at the first hearing, it was not until the objection was resolved that the necessary clarity was achieved. Mr Keevey-Kothari referred to the decision in *Knauf*, noting that an impasse over an added matter objection was a factor in finding that circumstances were exceptional in that case.

- 21 At the hearing, and in further written submissions afterwards, Mr Murray very helpfully explained the applicant's business model, and how this may factor into the question of exceptional circumstances. He set out that 4D Pharma Research Limited is a bioscience SME, currently operating "pre-revenue" with products still in costly clinical trials and not yet approved by regulators. Therefore, no commercial revenue is being generated and the company is reliant on inward investment and must manage its resources very carefully. He explained that it did not make sense to incur the additional costs of filing divisionals prior to the decision from the first hearing as it would have meant contesting the same points as on the parent, potentially over multiple rounds of correspondence. Resolving the issue first was a more effective use of the applicant's limited resources, as it was highly confident that its position on the sufficiency of the parent would succeed, which it ultimately did at the first hearing.
- 22 Finally in relation to exceptional circumstances, Mr Keevey-Kothari argued that to allow the extension and permit the divisionals would benefit a major UK innovator with a breakthrough medical technology, thus fulfilling the objective set out in the Office's 'strapline', "making life better through IP", and supporting innovation in the UK. However, my role is to follow the law and that does not provide for distinctions to be made between applicants or applications based on their location or the potential benefits of their technology. Therefore, I do not think that the Office's strapline has any bearing on whether or not there were exceptional circumstances.
- 23 In my view, the fact that the application reached the point where a hearing was required, because of an impasse between the applicant and the examiner, does not itself constitute exceptional circumstances. It is true that only a small number of cases get to a hearing, but a hearing before the Office is a standard part of the patent prosecution process and is not a circumstance specific to this case. The timescales involved in reaching the first hearing and issuing the decision were clearly merited by the complexity of the case and were equally not exceptional.
- 24 This was a situation where the applicant was faced with two alternatives either file divisionals with the objection still unresolved and have them get caught up in the same issue or wait for that objection to be resolved and then pursue any divisionals that might be needed. The former would have incurred significant additional costs by dealing with multiple applications on which the same objection would need to be overcome, whereas the latter option, which was ultimately pursued, required costs to be incurred in relation to only one application. The decision in *Ferguson* demonstrates that financial circumstances and the need to consider investment security can be reasons which demonstrate exceptionality. As a pre-revenue company with no commercial income and solely dependent solely on inward investment, I appreciate that the applicant needed to manage its resources carefully. I also appreciate that their confidence that they would overcome the objection at the

first hearing was vindicated. It is clear to me that these were exceptional circumstances and the applicant's need to manage resources so carefully meant that the only way for them to file divisionals was to extend the compliance period. I therefore find that, in this case, the circumstances in which the need to consider discretion arises were exceptional.

### *Diligence*

- 25 Mr Keevey-Kothari submitted that the applicant had been diligent throughout the application process. He set out that responses to reports had been provided in due time, with clear efforts being made to resolve the outstanding issues, and the applicant had taken the necessary steps to keep the case alive while the first hearing decision remained pending. As he put it, the applicant had "stuck to their guns" on insufficiency, but that was not through intransigence, but rather through their steadfast belief in their position, which was upheld. Therefore, taken as a whole, the applicant had acted diligently, as acknowledged by the examiner in his pre-hearing report.
- 26 The examiner's pre-hearing report queried that there could be an issue in relation to diligence because there had been no indication from the applicant of their intention to file divisional applications, but Mr Keevey-Kothari pointed out that the applicant did raise the possibility of a divisional in a response dated 22 August 2018. In any event, the practice of foreshadowing divisionals has long since been disapproved by the Office (as discussed in paragraph 15.46 of the Manual of Patent Practice) and therefore I do not consider foreshadowing to be relevant to the question of diligence.
- 27 It is clear to me that up until the first hearing, the applicant was diligent in prosecuting their application, filing constructive responses to examination reports in a timely manner. However, it seems that the applicant's representatives were somewhat confused about how to proceed in the final phase of this application. Their apparent unfamiliarity with the process of requesting further discretionary extensions of time and the resulting interactions with the deadlines for filing divisionals added some difficulties to the process. There was the non-standard extension request in November 2020, the failure to address the examiner's rejection of their extension request in April 2021 and the statement in the request of 28 May that the divisional application was "enclosed" when it was not. Dr Preissner noted at the hearing that the April rejection was not addressed because the request would no longer have provided the required three months and therefore the request of 28 May was made instead. However, these multiple issues with the requests for extensions of time raised concerns as I considered whether the applicant had been diligent throughout.
- 28 That said, the wording of the intention to grant letter of 19 May 2021 stated that any divisionals "should be received by this Office by [21 June] and also must be filed at least three months before the compliance date". This is standard wording, but it may have led to an assumption that the applicant had until 21 June to file the divisionals, subject to being at least 3 months before the compliance period. Indeed, the applicant filed their divisionals shortly before 21 June.
- 29 In the specific circumstances of this case, it does not seem just to find that these issues cross the line of not being diligent. There was no evidence of delaying tactics, prevarication, or disengagement from the process. The applicant and their

representative knew that time was running out, made efforts to ascertain the steps needed in order to file the divisional applications and, despite some issues, took them, filing before the date given to them by the Office in the intention to grant letter. I am therefore satisfied that the applicant has been properly diligent.

- 30 Since I have found that the applicant has been properly diligent and the circumstances exceptional, I find that the comptroller's discretion should be exercised in this case to allow the further extension of time requested by the applicant.

*Rule 107*

- 31 As Mr Keevey-Kothari made clear in his submissions at the hearing, his argument on rule 107 is in the alternative if I do not find for the applicant on the test for exercising discretion under rule 108. Although I have found that the comptroller's discretion should be exercised, I believe the point raised should be addressed.
- 32 Rule 107 requires there to be an irregularity in procedure – an error, default, or omission on the part of the Office – which is to be rectified. The courts have previously found (in *Mills' Application* [1985] RPC 339) that an omission may include a failure to follow well-established or well-known practice, and not just a statutory requirement.
- 33 Mr Keevey-Kothari argued that the time taken in the prosecution process was much greater than anyone envisaged. In particular, he considered that the delay between the original hearing and the issue of the decision (23½ weeks in total) was significant enough to constitute such an irregularity and that the delay was material to the inability to file the divisional applications until so late in the life of the application. He argued that the applicant's reasonable expectations for when the decision was to be issued were breached, relying upon statements in the Patents Hearing Manual at paragraph 5.01 that "*the hearing officer should normally issue a written decision - wherever possible within two months of the date of the hearing*".
- 34 I can deal with this point shortly. The Patents Hearing Manual was last updated in June 2014, and the page which holds the Manual includes a disclaimer as to the "*completeness, reliability and accuracy of the information contained [in the Manual] at any given point in time*". Also, the letter dated 18 September 2020 setting out the arrangements for the first hearing, said:

*There is an office target to issue decisions within 12 weeks of the hearing date. The need for further submissions, the complexity of the case or other workload priorities may delay the issuing of your decision.*

Therefore, the applicant was clearly informed in advance of the standard procedure and timescales, that this is a target only, and that there may be circumstances which result in a later issue. As it turned out, such circumstances did arise in this case (the complexity of the matter at hand and the need for further submissions after the hearing) which led to the delay. The Office's well-established practice was therefore followed in this case.



## **Conclusion**

- 35 The applicant's request of 28 May 2021 for a discretionary extension of time on GB1809729.5 is allowed. The compliance period is therefore extended to 30 September 2021, and the grant process should now go forward.
- 36 As a result, I find that the divisional applications filed on 16 and 17 June 2021 were filed within the timescale required by rule 19. Those applications inherit the compliance date that would have applied had the extension taken effect when the request was made – that is, 30 September 2021 – as their initial compliance period set under rule 30(3). The applications can now proceed to be considered by the examiner.
- 37 The applicant has requested extensions of the compliance period of the divisional applications, although those requests were not actioned whilst this issue was still to be decided. Those requests are now to be treated as ones for an extension as-of-right in accordance with rule 108(2), which would extend the compliance period on the divisional applications to 30 November 2021. Any further requests would fall under rule 108(3) and be subject to discretion.

**MARY TAYLOR**

Deputy Director, acting for the Comptroller