

THE PATENTS ACT 1977

IN THE MATTER OF

Patent application number GB9724367.9 in the name of Motorola Limited and a request for it to be treated as a divisional application on the earlier patent application GB9307008.4 under Section 15(4) of the Act.

DECISION

Introduction

1. The applicants (Motorola) filed the present application on 19 November 1997 requesting that it be treated as a divisional on the earlier application GB9307008.4. The examiner, on inquiry from the agent shortly before it was filed, expressed the view that the new application could not be permitted to proceed as a divisional because it had not been filed by the latest possible date calculated according to rule 24 of the Patents Rules 1995. The agent Mr Marc Morgan wrote asking the Office to reconsider, and putting forward a number of arguments related to difficulties in the processing of the earlier application as to why the divisional application should be allowed to proceed.

2. An exchange of letters followed, in which the applicants were not able to persuade the examiner that the application should be allowed to proceed as a divisional, and the matter came before me at a hearing on 24 April 1998 when Mr Morgan and Mr Tony Wray appeared for Motorola.

Prosecution of GB9307008.4

3. Mr Wray helpfully set out the chronology of events during the prosecution of the earlier application, which are as follows: The first s18(3) report issued on 3 July 1996 giving, as is usual, a 6 months period for reply, which meant that 3 January 1997 was the latest date by

which the reply should have been filed. No response was in fact received until much later, on 3 July 1997. That response contained amendments answering the objections made in the examination report and, in addition, an affidavit explaining that the late filing was occasioned by a mistake in the agent's diarying system, and providing evidence to substantiate the occurrence of the mistake. This explanation was accepted by the examiner and the application was allowed to proceed. A second examination report issued on 17 July 1997 giving as is usual for a second report, a 4 month period for reply, that is, stipulating that a reply had to be filed by 17 November 1997. Unfortunately, since much of the rule 34 period had already passed, the latest date for reply, of 17 November, given in the letter was in fact later than the end of the rule 34 period which was due to expire on 2 October 1997. Mr Wray telephoned the examiner on 14 November 1997 having discovered the error, and the examiner responded that Rule 100 would be exercised to extend the Rule 34 period to allow the application to be put in order. The discussion on the filing of a divisional application took place during this conversation. Amendments were filed by fax on 17 November putting the case in order and rule 100 was exercised to extend the rule 34 period to 17 November 1997. The new application intended as a divisional was filed shortly afterwards, together with a paper copy of the amendments sent in confirmation of the fax, on 19 November 1997.

The Provisions of the Act and Rules

4. Before looking at the arguments put forward by the agents it is convenient to review the provisions of the Act and Rules that govern when a divisional can be filed, and the way they operate in the present case. The latest date on which a divisional can be filed is determined by rule 24. The first part of rule 24, paragraph (1), determines a latest date in relation to any of a number of events that may occur in the prosecution of an application. In the present case it appears that sub-paragraph (c) is operative. This allows a divisional to be filed up until the end of the period for replying to the first s18(3) report. In the present case, the date given in the report itself was 3 January 1997, but the "expiry of the period specified for reply" was, as we have seen, extended in the event to 3 July 1997. I therefore take 3 July 1997 to be the latest date calculated under rule 24(1)(c). This is not the last word however: the comptroller has discretion under Rule 110(1) to extend the period which is defined by rule 24(1). The Manual

of Patent Practice (MPP) in paragraph 15.21 discusses some earlier decisions which considered the factors relevant to exercise of that discretion. They found that the applicant must show there are exceptional circumstances, and that he has been properly diligent if the late filing of a divisional application is to be permitted. I consider these factors are also applicable in the present case and while, in the main, the earlier decisions were made under an earlier version of rule 24 which was more restrictive in the periods allowed for the filing of divisionals, nevertheless, in my view, the justification for filing outside the times permitted set out in those decisions are as valid in respect of the new time periods as they were in respect of the old. Consequently, if the factors of exceptional conditions and proper diligence were satisfied, it would in my view be possible to relax rule 24(1) and allow the present application to be filed later than 3 July 1997.

5. The agents put forward an argument that could bring sub-paragraph (a) of rule 24(1) into contention to provide a later date than sub-paragraph (c). Sub-paragraph (a) allows filing up until a date six months earlier than the end of the rule 34 period. The agents argued on various grounds that the rule 34 period should be extended further under rule 100 or rule 110. If that argument were to succeed, and the rule 34 period were extended by a sufficient length of time, the time allowed under sub-paragraph (a) would also be extended (automatically, as provided in its wording) and the divisional would then be "within time" as it were.

6. There are therefore alternative routes available to the applicants to remove the obstacle presented by rule 24(1). They could either demonstrate that there are exceptional circumstances, and that they have been properly diligent, and discretion could thereby be exercised to extend the limit imposed by rule 24(1), or they could obtain an extension to the rule 34 period under rule 100 or rule 110, and thereby automatically extend rule 24(1).

7. There is a further consideration. The second part of rule 24, paragraph (2), contains a number of cut-off dates beyond which the filing of a divisional is prohibited. Sub-paragraph (a) relates to refusal or withdrawal of the earlier application, (b) relates to expiry of the rule 34 period of the earlier application and (c) relates to grant of the earlier application. In the present case, the rule 34 period of the earlier application, as extended under rule 100, expired before

the new application was filed. Sub-paragraph (b) therefore operates to prevent the present case proceeding as a divisional. The agents' argument that rule 34 should be extended, would therefore have to be successful in any event to remove the obstacle presented by rule 24(2) for it to be possible for the application filed on 19 November to proceed as a divisional.

The Central Issue

8. The agents did not direct separate arguments to each of the above matters but put forward, rather, a number of points to support a general contention that the applicants had not had a fair opportunity to file a divisional application. As I understood it, they were asking either for rule 100 to be exercised differently to prolong the rule 34 period, or for discretion to be exercised under rule 110 to prolong the rule 34 period, and in addition if it were necessary, for discretion to be exercised to allow the late filing of the divisional. The arguments therefore need to be teased out a little and since extension of the rule 34 period is a critical matter, it is necessary to determine primarily how the arguments address that issue. I shall therefore deal firstly with what I understand to be the main thrust of the arguments and how they address the need to extend rule 34, and then deal with the remaining points raised.

9. There are two preliminary points. Firstly, the agents said that as an alternative to filing a divisional, the applicants might have wished instead to file new claims in the earlier application. It is convenient to deal with the issue of new claims, in part alongside that of the divisional, and in part as a separate matter, which I have done below. Secondly, I am being asked to exercise discretion under rule 110(4) to extend the rule 34 period, but no Form 52/77 has been filed as is required under rule 110(4). I shall therefore, for the purposes of this decision, set out how I would exercise that discretion had a Form 52/77 been filed.

10. The main thrust of the agents' arguments was that the unusual circumstances of the prosecution of the earlier application and the way rule 100 had been exercised had operated so as to disadvantage the applicants by preventing them from filing a valid divisional application within time. I did not understand them to say that they thought anything inappropriate, for example in the exercise of rule 100, had been done in respect of the earlier application itself -

only that the circumstances had left them disadvantaged in respect of the filing of a divisional application. One therefore has to ask, firstly, how the unusual procedural events in the prosecution of the earlier case impinged on the applicants' opportunity to file a divisional. One also needs to inquire whether there were any other exceptional conditions in the genesis of the divisional, such as might lead to favourable exercise of discretion to extend the rule 24(1) period. Clearly, if on either account, the applicants had for some reason been prevented from filing the divisional until the end of the rule 34 period, there might be grounds for considering whether rule 100 had been exercised too restrictively.

11. The agents did indeed argue that there were exceptional conditions, and said that the exceptional conditions were nothing other than the difficulties in prosecuting the earlier application. They were quite clear, when I asked them at the hearing, that there had been no external circumstances which had created exceptional delay in the formulation or filing of the divisional, so there is nothing to go into the balance on the second of the two possible sources of exceptional conditions referred to above. They maintained it had always (at least since before 3 July 1997) been the intention to file a divisional or new claims.

12. I turn now to the actions taken in the prosecution of the case. The agents in making the late response to the examination report of 3 July 1996, said they considered it would have been inappropriate to file a divisional or new claims at the same time as the late response because they were concerned that this might have prejudiced the request to allow it. I do not think an applicant can have any grounds for such a fear. The Office is obliged to exercise discretion fairly, and the mere fact that an applicant chose to file a divisional or new claims at the same time as requesting an extension of time to reply would not affect that judgement. This view is reinforced in respect of the option of new claims being filed with the amendments, by the commentary in MPP paragraph 18.60 for example, which makes clear that the allowability of a late filed response is determined independently of its content. The filing of a divisional would have been a quite separate matter from the late response and so could not be expected to figure in any decision to allow or disallow it. Consequently, I do not consider the applicants can have had any serious grounds for supposing the Office would allow the filing of a divisional or new claims to prejudice its decision on the late response.

13. Furthermore, it appears to me that the documents which were filed at that time do not support the proposition that the applicants were anxious to file a divisional application or new claims. Firstly, the agent's letter of 2 July 1997 is silent regarding any wish to do so. The agents knew they were at the latest date for the filing of a divisional, and must therefore have known they were at grave risk of having the divisional filing disallowed if they delayed. The absence of any comment in the letter regarding filing a divisional is, to say the least, surprising in these circumstances. Even if one accepts that the applicants may have felt inhibited in filing a divisional, one would certainly have expected them to indicate that they wished to do so in their letter. Second, the letter does not suggest the agents had any real concern that the application might be refused on account of the late response. The letter itself does not mention the fact that it had been filed much later than the deadline, and the reader has to turn to the affidavit which explains the nature of the mistake in the applicants' diary system, to discern that the letter and affidavit between them amount to a request for the late filing of the response to be allowed. The implication is that in the circumstances of a clear cut and well documented mistake in a diarying system, the applicants considered a positive response from the Office to be very likely, as indeed it was. Thirdly, the letter states that the amendments are intended to place the application in order and asks for it to be allowed. It states:

"In conclusion, it is submitted that the application satisfies the requirements of the Act and Rules and that the application should be allowed. Should the Examiner disagree, a further written communication or an informal interview if appropriate, is requested."

The agents said at the hearing that this was just a standard clause normally attached to letters to the Office. However, one must assume that the clause was selected intentionally and certainly, given that the application if found to be in order would indeed be sent to grant without further reference to the applicants, this wording does not suggest that the agent writing the letter had in mind that he wished to file a divisional.

14. If the agents had not assured me otherwise at the hearing I would have felt sure on the face of the documents that there was in fact no intention to file a divisional on 3 July 1997. If there was an intention to file, I can see no convincing reason why the filing was not made at

this stage. In the absence of an actual filing, if one accepts the reasons given for not doing so, the very least that would have been expected would have been an explanation in the letter to the effect that it was intended to file one shortly, explaining the reason for the delay and asking for the application not to be granted in view of the imminent filing of a divisional.

15. If nevertheless, what the agents say about the failure to file a divisional or new claims on 3 July is accepted, the next opportunity for a divisional to be filed was immediately the agent had received notice that the application was being allowed to proceed. Such notice was given in the Official letter dated 17 July 1997, which commenced with a report that the late filed response had been allowed. If the applicants were waiting to file the divisional at this stage, they would have known that the rule 24(1) period had now expired and it was imperative to take immediate action to put the divisional application in hand. However, no action was taken at this stage. In fact the divisional was not filed until the time came to respond to the second examination report on the earlier case, four months later.

16. It therefore appears that the applicants had every opportunity to file the divisional by the appropriate deadline according to rule 24(1), that is on 3 July 1997, or failing that shortly thereafter. There was a very forceful imperative to file at that time since they were aware of the expiry of the rule 24 period. In the absence of a filing, the divisional could have been foreshadowed and the applicants' fears regarding prejudicing the late response could have been explained, if that was a real concern. I therefore do not agree, as was suggested, that the response to the second examination report was the first real opportunity for a divisional to be filed.

17. To return to the line of reasoning in paragraph 10 above, the applicants have not succeeded in persuading me that the unusual procedural events in the history of the earlier application prevented the applicants from filing the divisional application at the proper time, or that there were exceptional conditions and that they have exercised the proper diligence in pursuing the filing of a divisional application such as would justify extension of the period for filing under rule 24(1). Consequently, there is no justification for revisiting the way rule 100 was exercised or invoking rule 110 to extend the rule 34 period further in order to avoid the

prohibition imposed on the filing of a divisional application by rule 24(2), or for allowing the extension of the rule 24(1) period and I refuse to permit the application to proceed as a divisional.

18. The agents clearly felt the applicants had been disadvantaged because they had missed the opportunity to file a divisional application. However, the Act and Rules provide a scheme of time scales for the filing of divisionals, to allow the orderly processing of work and certainty for third parties. While it has been the practice in prior decisions and it would be appropriate in this one for the Office to consider extension of the time period sympathetically if it can be shown that there are exceptional conditions and the applicant has been properly diligent, I can find no exceptional conditions contributing to delay in this case, or the necessary diligence. I therefore consider that the applicants have not been disadvantaged but have had the appropriate opportunity to file a divisional provided in the Act and Rules.

Other Arguments

19. In consequence of the above, many of the submissions, in the main those which relate to the events that took place around the end of the rule 34 period, and which argue for it to be extended further, appear to be of little force, since the matter has effectively already been determined by the failure to act at the appropriate time. However they deserve consideration and I deal with them below.

20. In arguing to extend the rule 34 period, the agents said that confusion was caused in determining the appropriate last date for the filing of a divisional because the rule 34 period was extended retrospectively to the date the case was put in order. Had circumstances developed differently, they said - had a further examination report issued after the agent's response on 17 November for example - the rule 34 period might have been extended to some other later date, thereby extending the time for filing a divisional under sub-paragraph (a) of Rule 24(1). This is a hypothetical argument, and I therefore think it is of limited relevance to the matters in hand, but I have followed it through. To allow the divisional application to be filed "in time" under rule 24(1)(a) on 19 November 1997, the rule 34 period of the earlier case

would have had to have been extended to 19 May 1998. I think it very improbable that events would have been allowed to continue for so long when it was already extremely urgent for the case to be put in order. Even if, as the agents suggested another applicant in the same position might do, matters were deliberately delayed by filing amendments designed to elicit further objections rather than resolve disagreement, the examiner would have been very concerned to bring the case to a rapid conclusion, if necessary at a hearing, and the longest probable delay would have been a few weeks before a hearing was offered. The patent system assumes and requires that applicants act in good faith. In extending the rule 34 period to the date on which the case was put in order, rather than extending it to a fixed date, the assumption was made that the applicants would act in good faith to put the case in order at the earliest possible opportunity, as indeed transpired. This arrangement thus allowed the applicants a degree of flexibility with the possibility of one or more rapid responses to objections if that was necessary, yet created the minimum necessary extension to the rule 34 period to correct the irregularity. This seems quite appropriate and I find nothing which would now justify a wholesale extension of rule 34 to allow the divisional to be brought in on 19 November 1997. In the hypothetical circumstances envisaged in the agents' argument, an extension to the rule 34 period obtained by such delay which allowed the late filing of the divisional might be regarded as fortuitous, or an abuse of process, depending on the circumstances, but could not in my view amount to a reasonable redress for a loss of opportunity since the applicants have not been deprived of the appropriate opportunity to file a divisional at the proper time.

21. As an alternative argument, the agents said that because there was no definite date set for the expiry of the rule 34 period until after the case had been put in order, they did not know when it would expire (indeed they maintained that as far as they were aware it was still running - a point which I cover below) and therefore did not know when the time for filing a divisional expired. It may be true that for a short while the applicants did not know when the rule 34 period was going to end, but as just discussed, there could be no genuine expectation that it might last long enough for the application filed on 19 November 1997 to be allowed to proceed as a divisional. The uncertainty only commenced many months after the last date for filing a divisional within the normal time had passed, and was not occasioned by any matters relating to the filing of a divisional. Consequently, for similar reasons to those in the paragraph

above, any uncertainty can not in my view be justification for an extension of the rule 34 period to allow the late filing of a divisional.

22. Covering another point made by the agents at the hearing, it is true that in exercising rule 100, a definite date could have been set for the end of rule 34 instead of determining that it should expire when amendments were filed putting the application in order. In that case, a tight deadline would have been set to ensure it was put in order in the minimum possible time, having due regard to the applicants' needs. The following calculation might well have been done to assess the period:

The appropriate reply period for the examiner to have set in his 17 July 1997 report, rather than the 4 months that was actually set, would have been half the time to expiry of the rule 34 period on 2 October 1997 which is about 5 weeks. Had a 5 week response period been set, and had the applicants replied at the end of that 5 week period (as they replied at the end of the period that was actually given) then at the time of their reply, there would have been 5 weeks remaining to the end of the original rule 34 period.

If a decision had been taken in exercising rule 100 to set a definite date for the end of the rule 34 period, it might well have been decided to allow 5 weeks from the time the irregularity was discussed on the telephone, to put the applicants in the same position as they would have been if the irregularity had not occurred. The extended rule 34 period would then have expired on 19 December 1997. This would have extended the time under rule 24(1)(a) only to 19 June 1997, an earlier date than that already operational under rule 24(1)(c).

23. On another point, the agents argued that they had been undecided whether to file new claims in the earlier application as an alternative to the filing of a divisional, and that they were unable to decide which course of action to take because of the unusual events in the prosecution of the earlier case. Presumably the proposed new claims would have been of equivalent scope to those that were filed in the divisional application, and, assuming they relate to a separate invention, would have been objectionable on that ground. That being the

case, the only reason for the filing of such new claims would appear to be to generate, eventually, a divisional application. Consequently there appears to be no reason to file new claims in the earlier application in preference to filing a divisional straight away, and there should therefore be no reason for indecision about the appropriate course of action. If the thinking behind the submission was to determine whether by filing new claims, any further time could have been gained for the filing of the divisional, the answer appears to be that it could not. The applicants' last opportunity to file amendments of their own volition, as of right, is in their reply to the first s18(3) report. Any amendments of the applicants' own volition after that are only admitted with the comptroller's consent, as required by rule 36(6). That consent would depend on the circumstances of any particular case, but the comptroller would be unlikely to sanction an amendment which introduced a plurality of invention objection, so it is unlikely that such new claims would have been allowed after the response filed on 3 July 1997. If the applicants were not sure whether the new claims related to the same or a different invention, it seems clear that the appropriate course of action would have been to file them as amendments to the earlier application. There should again be no reason for indecision about what was needed. In any event, it would clearly have been preferable to take one course of action or the other at the time that the period for doing so was due to expire, rather than delay for some months, and any indecision does not justify taking no action at all.

24. Following on from that submission, the agents asked whether, if the divisional application would not be allowed to proceed, the claims could instead be allowed as amendments to the earlier application. It is possible for an amendment to be allowed after the end of the rule 34 period, as discussed in MPP 19.22 and 20.07, but this is unusual and discretion will normally only be exercised to do so if the amendment does not necessitate substantial re-examination or further search. I have reviewed the content of the new claims and it is clear that substantial re-examination and/or further search would be required if they were added to the earlier application, either to make an immediate objection of plurality of invention, or to establish whether such an objection should be made, effectively reopening the application. I do not consider it appropriate to allow such amendment and therefore refuse to permit the claims of the new application to be included as amendments to the earlier application.

25. I referred above to the agents' contention that the rule 34 period had been extended without limit and, as they maintained, had not yet ended. I asked at the hearing what led them to that view and they directed me to the CIPA guide paragraph 15.13 where it states "... in most circumstances, an applicant should be able to file a divisional application up to six months before the end of the rule 34 period, provided that before then, the fate of the earlier application has not been determined, for example by the issue of a letter under section 18(4) which operates as the administrative date of grant ...". They said that because the grant letter had not yet issued (the earlier case having not been sent to grant pending the outcome of the agents' submissions as to allowability of the divisional, and now this hearing), this meant that the rule 34 period had not yet ended. I am unable to find this meaning in these words. They seem to me in fact to give one example, namely the grant of the earlier application, selected from the events set out in rule 24(2) which, once any of them has taken place in respect of the earlier case, precludes the filing of a divisional. Consequently, I do not think this passage addresses the determination of the expiry of the rule 34 period. It is in my view clear that the expiry of the rule 34 period on the earlier application was determined to be 17 November 1997 by the exercise of rule 100 when the case was put in order by the amendments filed on that date. It was initially explained to the applicants that the rule 34 period would expire when the case was put in order, and the date of expiry was communicated to them in the official letter of 19 December 1997, which at the end of the first paragraph states: "The rule 34 period on your parent application GB9307008.4 was thus extended to expire on 17 November 1997 under rule 100." There consequently seems to be no doubt that the rule 34 period expired on 17 November 1997.

26. The agents also argued that Patent Office policy on the exercise of rule 100 to extend rule 34 should be clear, and they did not consider that the way it had been applied was in fact clear since it had left them uncertain as to the expiry date. Mr Wray said he considered there ought to be a general principle which governed the exercise of discretion under rule 100 in determining extensions to rule 34 periods. I understand the point being made, but because of the nature of irregularities, the issues to be addressed on any occasion that rule 100 might be invoked to extend the rule 34 period are likely to be unique to the particular case and the matter is therefore not susceptible of a general approach. What is important is that the Office

exercises discretion in this and other matters in a fair and balanced way, consistent with the Act and Rules and so far as possible not to disadvantage an applicant or third parties. It appears to me that in this case, rule 100 was operated fairly to correct the irregularity, and the Office's obligations were therefore discharged appropriately.

Summary

27. In summary, I have found that application number GB9724367.9 should not be allowed to proceed as a divisional application on the earlier patent application GB9307008.4 since it was filed both after the latest date specified in paragraph (1) of rule 24 and also after the expiry of the rule 34 period contrary to paragraph (2) of rule 24. The applicants have not convinced me that there are any exceptional circumstances or that they have shown the proper diligence which would justify favourable exercise of discretion to extend the rule 24(1) period and allow later filing of the divisional. They have also failed to convince me that the rule 34 period should be extended for the same reason or any other reason, and as a consequence, the prohibition on the filing of the divisional presented by rule 24(2) also remains.

28. I have also found that the applicants may not amend the earlier application by introducing into it, the text of the claims filed in the divisional application.

Appeal

29. As this decision relates to a procedural matter, any appeal should, under the Rules of the Supreme Court, be lodged within 14 days of the date of this decision.

Dated this 11th Day of May 1998

P MARCHANT

Principal Examiner acting for the Comptroller

THE PATENT OFFICE