

MODERNISATION AND CONSOLIDATION OF THE PATENTS RULES

AN INFORMAL CONSULTATION

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MODERNISATION AND CONSOLIDATION OF THE PATENTS RULES

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A. Overview

Introduction

1. The Patents Rules 1995 are the main piece of secondary legislation made under the Patents Act 1977. They regulate the business and procedure of the Patent Office in respect of patents and patent applications – and so they give details of (for example) formal and filing requirements, time periods and deadlines, and procedures concerning how patent disputes are resolved at the Office.
2. The 1995 Rules have been amended 10 times since they came into force (further details can be found from the Office's view of [the 1995 Rules as they currently stand](#)). As a result, some users have commented that a consolidated version of the Patents Rules would now be helpful and appropriate. However, the 1995 Rules themselves were in large part based on previous rules packages, and so the wording of many rules can be traced back to 1978. Furthermore, some areas of the Rules are increasingly seen as being at odds with best practice (for example, in the area of case management during litigation) or are seen as unnecessarily lacking in flexibility.
3. Therefore, we suggest that it is time for a substantial modernisation of the 1995 Rules, alongside a consolidation.
4. It is worth noting that a similar exercise has been undertaken for the Registered Designs Rules 1995, as part of a general modernisation of designs law (details are contained in the [recent consultation document](#)).

Why we are consulting informally

5. Whilst we believe that our proposals will result in a significant improvement, the changes are extensive and so we would like to check that our users broadly agree with our suggested structure for the Rules – before we complete all the necessary detailed drafting work. In addition, because we see the need for fairly radical restructuring of the rules on litigation at the Patent Office, we have gone rather further in this area and have proposed a detailed draft. We are keen to know whether users are happy with it.

6. This informal consultation is open for anyone to respond. As well as being available on our website, this document has been sent to certain of the Office's focus groups and specific interests.

What happens next

7. This informal consultation sets out the structure of the proposed Rules and also contains a draft of the proposed new part of the Rules concerning litigation at the Patent Office. Work on the rest of the rules is still going on, but because our proposals for the litigation rules involve such radical changes, we felt it would be very helpful to seek comments from users now.
8. Accordingly, we would welcome your comments. Do you agree with the proposed structure for the Rules? Do you agree that a single, generic set of litigation rules would be an improvement, and can you see any problems with the draft we have suggested?
9. We may, as drafting work progresses, add other discrete parts of the draft Rules to this informal consultation – but in any case when drafting is complete there will be (subject to any views expressed beforehand) a formal 12-week public consultation on the whole draft Rules package. If we proceed with a new Rules package, we will build in a reasonable time delay between the Rules being finalised and actually taking effect. This would give users and the Office itself the necessary time to adjust to the new Rules package (including new rules numbering) before it takes effect.

How to respond

10. We would be very happy to attend meetings of user groups to explain in more detail the reasoning behind this proposal, and to discuss the draft rules as they progress.
11. Any comments or questions should be sent by 30 November 2005 to:

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B. An overview of the proposed new Rules

12. We propose that the new Rules are structured as follows:

Part 1: Introductory

This part will set out definitions and any matters of interpretation.

Part 2: Applications for patents

This part will contain rules which govern the procedure for making and prosecuting a patent application. It will therefore contain the rules on claiming priority, formal requirements, missing parts, search and examination, amendment before grant, reinstatement and other related matters. It will not contain rules on pre-grant entitlement or inventorship disputes. As a rough guide, most of this material is currently in rules 5 to 6C and 15 to 37.

Part 3: Granted patents

This part will contain rules which govern post-grant non-contentious matters. Rules on post-grant amendment (but not opposition), renewal fees and restoration, and surrender will appear here. This largely corresponds to current rules 38 to 43.

Part 4: The Register and other information

This part will contain rules which apply to the Register of patents, including inspection and correction. At present, these are in rules 44 to 53. However, it will also contain rules regarding access to information generally – such as the rules on caveat requests, inspection of documents that are open to the public, confidentiality requests and bibliographic information. These matters are currently set out in rules 92 to 96.

Part 5: European patents (UK)

This part will contain rules which relate to the translation of European patents (UK) and the conversion of applications for a European patent (UK). It will therefore cover what is currently in rules 80 to 84, 86 and 87 and some of Schedule 4.

Part 6: International applications

This part will contain rules which relate to international applications in the national phase (currently rule 85) and rules which relate to the Patent Office's role as a receiving office (currently rules 117 to 120).

Part 7: Proceedings heard before the comptroller

This part will contain all the rules which relate to proceedings before the comptroller in respect of patents. This is a significant change from the approach in the 1995 Rules, and is discussed in greater detail below.

Part 8: Patent Office opinions

This part will contain the rules introduced on 1 October 2005 to regulate the new opinions procedure under section 74A of the 1977 Act.

Part 9: Miscellaneous

This part will sweep up a few miscellaneous rules, including those dealing with address for service, making corrections, remission of fees, extensions of time limits, interrupted days and other matters.

Part 10: Publications

This part will contain a few rules on the publication of the Journal, RPCs and related matters (currently rules 114 to 116).

Schedules

We propose that, as at present, there will be Schedules concerning biological material and the alteration of time limits. We also propose two new Schedules - one concerning the details of formal requirements that apply to a patent application or European translation, and another setting out the different classes of proceedings before the comptroller. Transitional provisions and repeals will probably also be contained in a Schedule.

C. Revision of the rules relating to patent litigation before the comptroller

Introduction

13. As noted above, we propose to simplify the rules relating to litigation before the comptroller under the Patents Act 1977 for the benefit of both users and the Patent Office.

The disadvantages of the existing Rules

14. At present every type of dispute has its own set of rules. Whilst this has some advantages, it also has a significant number of disadvantages:

(a) The structure is very complex, with users having to find their way around a large number of rules (e.g. rules 7 to 14, 40, 43, 54 to 60, 62, 64 to 66, 68 to 76, 78, 88 to 89 and 91).

(b) In many respects the rules are very repetitious, with a “core” of similar procedural points being repeated for each section of the Act under which disputes can arise. As a result these rules occupy a disproportionate amount of space in the Rules as a whole.

(c) However, there are also many arbitrary differences between the rules for different types of dispute, and this in itself creates unnecessary complexity. The differences lie not just in the details but also in the extent to which procedures are prescribed rather than being left to the comptroller’s discretion.

(d) Those rules which are over-prescriptive don’t always provide the flexibility to cope with the range of circumstances that can arise. They are also misleading in the sense that, in practice, cases rarely manage to step through the prescribed procedures with no deviations on the way. Moreover, some of the most-prescriptive – and hence longest – rules are for types of dispute that hardly ever occur.

(e) Most importantly, there is a significant range of matters on which the existing Rules are largely silent, including the case management powers which the Office is increasingly exercising in order to simplify and accelerate proceedings and reduce their cost to customers.

Proposed scheme of rules

15. We feel it would be much better to replace all these rules with a single, common set of rules that apply, so far as possible, to all types of dispute. Our draft litigation rules, which are shown in Annex A, have the following main features:

- an over-riding objective for the conduct of proceedings which corresponds to that adopted by the courts under the Civil Procedure Rules;
 - the statement and counter-statement stages prescribed in generic terms, but with a clear indication of what each needs to contain; the time for filing the counter-statement to be specified by the comptroller so as to give more flexibility if there are problems with the statement;
 - a general duty on the comptroller to notify every person likely to have an interest in the case;
 - evidence rounds to be specified by the comptroller (as is already the case for many types of dispute), again to give more flexibility
 - general powers for case management and other issues such as striking out.
16. These rules are not intended to change the way a straightforward case is handled. Such a case will still go through much the same steps, and follow much the same timetable, as at present. However, they will eliminate most of the unnecessary complexities mentioned above and be flexible enough to cater for the wide range of situations which arise in proceedings before the comptroller. They will also give greater scope for the use of case management to help bring proceedings to a conclusion more quickly, fairly and effectively. They will be capable of extension to the resolution of disputes over whether proceedings should be held in Scotland and whether a biological sample should be released to an expert, currently provided for by rule 108 and Schedule 2 paragraph 4.
17. Some residual provision for specific types of dispute would still be necessary, e.g., to prescribe the periods for filing new applications under sections 8(3), 12(6) and 37(4) (current rules 10 and 56), for applying for a licence under sections 11(3) and (3A) and 38(3) (rules 9 and 57) and for applying for compensation under sections 40(1) and 40(2) (rule 59).
18. The scheme would also be subject to additional general rules covering matters such as the form and content of evidence (rule 103) and the confidentiality of documents (rule 94). Revision of these rules is also under consideration, but they would not apply solely to litigation and so are likely to be outside Part 7.

ANNEX A: PART 7 OF THE DRAFT PATENTS RULES

A draft of Part 7 of the proposed Rules follows. A few related provisions are shown at the end, namely (i) a draft rule on new applications following entitlement disputes, which is likely to be in Part 2 of the Rules (ii) a draft rule on evidence, which is likely to be in Part 9 of the Rules and (iii) relevant provisions in proposed Schedule 3 to the Rules (setting out the various proceedings before the comptroller).

Rule numbering shown in this Annex is temporary. Where a rule number is shown in square brackets at the end of a rule title, this indicates that there is an existing rule in the Patents Rules 1995 which corresponds closely to the draft rule.

PART 7

PROCEEDINGS HEARD BEFORE THE COMPTROLLER

Proceedings to which this Part applies

1. This Part applies to the following proceedings before the comptroller—
 - (a) applications or references under the provisions mentioned in Part 1 of Schedule 3;
 - (b) oppositions under the provisions mentioned in Part 2 of that Schedule.

Overriding objective

2.—(1) In proceedings to which this Part applies the comptroller's overriding objective shall be to deal with cases justly.

- (2) Dealing with a case justly includes, so far as is practicable—
 - (a) ensuring that the parties are on an equal footing;
 - (b) saving expense;
 - (c) dealing with the case in ways which are proportionate—
 - (i) to the amount of money involved;
 - (ii) to the importance of the case;
 - (iii) to the complexity of the issues; and
 - (iv) to the financial position of each party.
 - (d) ensuring that it is dealt with expeditiously and fairly; and
 - (e) allotting to it an appropriate share of the resources available to the comptroller, while taking into account the need to allot resources to other cases.
- (3) The comptroller shall seek to give effect to the overriding objective when he—
 - (a) exercises any power given to him by this Part; or
 - (b) interprets any rule in this Part.
- (4) The parties are required to help the comptroller to further the overriding objective.

Publication of notices

3.—(1) The comptroller shall advertise in the Journal any event to which it is possible to object under any of the provisions mentioned in Part 2 of Schedule 3.

(2) For the purposes of rule 4(2), the “relevant notice” means the advertisement in the Journal mentioned in paragraph (1).

Conduct of hearings

Starting proceedings

4.—(1) Proceedings are started when a person (in this Part, “the claimant”) files in duplicate—

- (a) the relevant form; and
- (b) his statement of grounds.

(2) Any person may give notice of opposition under the provisions mentioned in Part 2 of Schedule 3 before the end of the period of 2 months beginning with the date of the relevant notice.

(3) For the purposes of paragraph (1) and rule 5 the “relevant form” means—

- (a) in relation to applications or references under the provisions mentioned in Part 1 of Schedule 3, Form 2/77; and
- (b) in relation to oppositions under the provisions mentioned in Part 2 of that Schedule, Form 15/77.

(4) A statement of grounds shall—

- (a) include a concise statement of the facts and grounds on which the claimant relies;
 - (b) where appropriate, include the period or terms of the licence which he believes are reasonable;
 - (c) specify the remedy which the claimant seeks,
- and it shall be verified by a statement of truth.

(5) The period prescribed for the purposes of section 47(6) shall be the period prescribed by paragraph (2).

Notification of the parties

5.—(1) Subject to paragraph (2), the comptroller shall notify—

- (a) the applicant for, or proprietor of, the patent or invention which is the subject matter of the case.
- (b) every person who appears to the comptroller to be likely to have an interest in the case, that proceedings have started.

(2) Where a person mentioned in paragraph (1)—

- (a) is the claimant; or
- (b) has indicated in writing to the comptroller that he supports the claimant’s case,

the comptroller has no duty to notify them under paragraph (1).

(3) The comptroller shall send the relevant form and the statement of grounds with the notification under paragraph (1).

(4) In the notification under paragraph (1), the comptroller shall specify a period within which the persons notified may file a counter-statement.

(5) Any person who was notified under paragraph (1) shall, before the end of that specified period, file a counter-statement in duplicate.

(6) A person who files a counter-statement under paragraph (5) shall for the purposes of this part be a “defendant”.

(7) Where—

- (a) a person was notified under paragraph (1); and
- (b) that person fails to file a counter-statement under paragraph (5),

the comptroller may treat him as supporting the claimant's case.

The counter-statement

6.—(1) In his counter-statement the defendant shall state—

- (a) which of the allegations in the statement of grounds he denies;
 - (b) which of the allegations he is unable to admit or deny, but which he requires the claimant to prove; and
 - (c) which allegations he admits,
- and it shall be verified by a statement of truth.

(2) Where the defendant denies an allegation—

- (a) he must state his reasons for doing so; and
- (b) if he intends to put forward a different version of events from that given by the claimant, he must state his own version.

(3) Subject to paragraph (4), a defendant who fails to deal with an allegation in a counter-statement shall be taken to admit that allegation.

(4) A defendant who—

- (a) fails to deal with an allegation; but
- (b) has set out in his counter-statement the nature of his case in relation to the issue to which the allegation is relevant,

shall be taken to require the allegation to be proved.

Copies of documents

7. Where the statement of case refers to any document (except a document which was published by the comptroller or is kept at the Patent Office), the statement of case shall be accompanied by two copies of that document.

Evidence rounds and the hearing

8.—(1) When the defendant has filed a counter-statement, the comptroller shall—

- (a) send the counter-statement to the claimant; and
- (b) specify the periods within which evidence may be filed by the claimant and the defendant.

(2) The comptroller may, at any time if he thinks fit, give leave to either party to file evidence upon such terms as he thinks fit.

(3) Under this rule, evidence shall only be considered to be filed when—

- (a) it has been received by the comptroller; and
- (b) it has been sent to all the other parties to the proceedings.

(4) When the periods specified under paragraph (1) have expired, the comptroller shall request that the parties give notice of whether they wish to be heard.

(5) Where any party requests to be heard, the comptroller shall send to the parties notice of a date for the hearing.

(6) When the comptroller has decided the matter he shall notify all the parties of his decision, including his reasons for making the decision.

Case management powers of the comptroller

9.—(1) The comptroller may extend or shorten (or further extend or shorten) any period which has been specified under any provision of this Part.

(2) An extension may be granted under paragraph (1) notwithstanding the period of time specified has expired.

(3) At any stage of proceedings before him, the comptroller may direct that the parties to the proceedings attend a case management conference or pre-hearing review.

General powers of the comptroller in relation to proceedings before him

10.—(1) The comptroller may give such directions as to the management of the proceedings as he thinks fit, in particular he may—

- (a) require a document, information or evidence to be filed;
- (b) require a translation of a specification, application or other document which is not in English;
- (c) require a party or a party's legal representative to attend a hearing;
- (d) hold a hearing and receive evidence by telephone or by using any other method of direct oral communication;
- (e) allow a statement of case to be amended;
- (f) stay the whole, or any part, of the proceedings either generally or until a specified date or event;
- (g) consolidate proceedings;
- (h) direct that part of any proceedings be dealt with as separate proceedings.

(2) The comptroller may control the evidence by giving directions as to—

- (a) the issues on which he requires evidence;
- (b) the nature of the evidence which he requires to decide those issues; and
- (c) the way in which the evidence is to be placed before him.

(3) When the comptroller gives directions under any provision of this Part, he may—

- (a) make them subject to conditions; and
- (b) specify the consequence of failure to comply with the directions or a condition.

(4) In these Rules—

- (a) “statement of case” means the statement of grounds filed by the claimant and the counter-statement filed by the defendant; and
- (b) references to the statement of case include part of the statement of case.

Striking out a statement of case and summary judgment

11.—(1) A party may apply to the comptroller for him to strike out the statement of case or to give summary judgment.

(2) If it appears to the comptroller that—

- (a) the statement of case discloses no reasonable grounds for bringing or defending the claim;
- (b) the statement of case is an abuse of process or is otherwise likely to obstruct the just disposal of the proceedings; or
- (c) there has been a failure to comply with a section, a rule or a previous direction given by the comptroller,

he may strike out the statement of case.

(3) The comptroller may give summary judgment against a claimant or defendant on the whole of a case or on a particular issue if—

- (a) he considers that—
 - (i) that claimant has no real prospect of succeeding on the case or issue; or

- (ii) that defendant has no real prospect of successfully defending the case or issue; and
- (b) there is no other compelling reason why the case or issue should be disposed of at a hearing.

Hearings in public [rule 89]

12.—(1) Subject to paragraphs (3) and (4), any hearing before the comptroller of proceedings between two or more parties relating to an application for a patent, or a patent, shall be held in public.

(2) Any party to the proceedings may apply to the comptroller for a hearing, or part of a hearing, to be held in private.

(3) The comptroller shall only grant an application under paragraph (2) where—

- (a) there is good reason for the hearing to be held in private; and
- (b) all the parties to the proceedings have had an opportunity to be heard on the matter,

and where the application is granted the hearing, or part of it, shall be in private.

(4) Any hearing—

- (a) of an application under paragraph (2); or
- (b) regarding an application for a patent which has not been published under section 16,

shall be held in private.

(5) Nothing in this rule shall prevent a member of the Council of Tribunals or of its Scottish Committee from attending a hearing.

[Miscellaneous]

Security for costs or expenses [rule 89A]

13.—(1) The conditions prescribed for the purposes of making an order for security for costs under section 107(4) are that the party against whom the order is made—

- (a) is resident outside the United Kingdom, but not resident in—
 - (i) a Brussels Contracting State,
 - (ii) a Lugano Contracting State, or
 - (iii) a Regulation State,as defined in section 1(3) of the Civil Jurisdiction and Judgments Act 1982;
- (b) is a company or other body (whether incorporated inside or outside the United Kingdom) and there is reason to believe that it will be unable to pay another party's costs if ordered to do so;
- (c) has changed his address for service with a view to evading the consequences of the litigation;
- (d) has failed to furnish an address for service or furnished an incorrect address for service; or
- (e) has taken steps in relation to his assets that would make it difficult to enforce an order for costs against him.

(2) In relation to proceedings in Scotland, references in this rule to costs are to be construed as references to expenses.

Comptroller shall have the powers of official referee [rule 103(3) and (4)]

14. The comptroller shall have the powers of an official referee of the Supreme Court as regards—

- (a) the attendance of witnesses and their examination on oath; and

- (b) the discovery and production of documents.

Proceedings in Scotland [rule 108]

15.—(1) Where there is more than one party to proceedings a party to those proceedings may apply to the comptroller to hold proceedings in Scotland.

(2) An application made under paragraph (1) shall be granted where all the parties consent to the proceedings being held in Scotland.

(3) An application made under paragraph (1) shall also be granted where the comptroller considers it appropriate.

(4) A refusal of an application made under paragraph (1) is excepted from the right of appeal conferred by section 97.

Licences following entitlement proceedings [rule 9 and 57]

16.—(1) Subject to paragraph (2), the period prescribed for the purposes of sections 11(3) and (3A) shall be the period of 2 months beginning with the date the order under section 8 was made.

(2) Where section 11 is applied by section 12(5), the period prescribed for the purposes of section 11(3) and (3A) shall be the period of 2 months beginning with the date the order under section 12(1) was made.

(3) The period prescribed for the purposes of section 38(3) shall be the period of 2 months beginning with the date the order mentioned in section 38(2) was made.

Period prescribed for applications by employee for compensation [rule 59]

17.—(1) Subject to paragraph (2), the period prescribed for the purposes of section 40(1) and (2) shall be the period beginning with the date of grant of the patent and ending 1 year after the patent ceased to have effect.

(2) If an application for restoration is made under section 28 and—

- (a) the application is granted, the period prescribed under paragraph (1) shall continue as if the patent had remained continuously in effect; or
- (b) the application is refused, the period prescribed for the purposes of section 40(1) and (2) shall be—
 - (i) the period prescribed under paragraph (1); or
 - (ii) where it expires later, the period of 6 months beginning with the date the application was refused.

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{Since the following rule is a consequence of litigation rather than a part of any litigation, it is likely to appear in Part 2 – Applications for patents}

New applications under section 8(3), 12(6) and 37(4) [rule 10 and 56]

18.—(1) The period prescribed for filing a new application under section 8(3) or section 12(6) shall be the relevant period.

(2) A new application for a patent may be filed under section 37(4) before the end of the relevant period.

(3) The relevant period is—

- (a) where the comptroller’s decision to make an order under those provisions is not appealed, the period of 3 months beginning with the date the order was made; or

- (b) where that decision is appealed, the period of 3 months beginning with the date on which the appeal was finally disposed of.

{Since evidence is required in circumstances other than just during litigation, the following rule is likely to appear in Part 9 – Miscellaneous}

Evidence [rule 103]

19.—(1) Any evidence filed under these Rules shall be given by witness statement, affidavit or statutory declaration.

- (2) A witness statement is a written statement signed by a person that contains the evidence which that person would be allowed to give orally.
- (3) A witness statement may only be given in evidence if it includes a statement of truth.
- (4) A statement of case may be given in evidence.
- (5) The comptroller may direct in a particular case that—
 - (a) evidence shall only be given by affidavit or statutory declaration; or
 - (b) oral evidence shall be given in relation to a matter, either as examination in chief or under cross-examination.
- (6) For the purposes of these Rules, a statement of truth—
 - (a) means a statement that the person making the statement believes that the facts stated in a particular document are true; and
 - (b) shall be dated and signed by, or on behalf of, the person making the statement.

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SCHEDULE 3
PROCEEDINGS HEARD BEFORE THE COMPTROLLER

PART 1

APPLICATIONS AND REFERENCES

- section 8(1) (reference regarding entitlement in relation to a patent under the Act)
- section 8(5) (application to do things on behalf of person directed under section 8)
- section 10 (request for directions for handling a joint application)
- section 11(5) (reference regarding entitlement to a licence to continue working after transfer of application)
- section 12(1) (reference regarding entitlement in relation to a foreign or convention patent)
- section 12(4) (reference involving joint applications on entitlement in relation to a foreign or convention patent)
- section 13(3) (application to comptroller to remove person mentioned as inventor)
- section 37(1) (determination of right to patent after grant)
- section 38(5) (reference regarding entitlement to a licence to continue working after transfer of patent)
- section 40 (application for compensation by an employee)

section 41(8) (application to vary order for compensation for certain inventions)
section 46(3) (application to settle terms of licence that are available as of right)
section 48(1) (application for a compulsory licence)
section 50A(2) (application following merger and market investigation)
section 51(1) (application by Minister following report of Competition Commission)
section 52(2)(a) (application to cancel compulsory licence)
section 61(3) (reference on question of infringement before the comptroller)
section 71 (declaration of non-infringement)
section 72 (application to revoke patent)

To be provided in revised rules

[(application to be mentioned as inventor)
[(application to hear proceedings in Scotland)]
[(notification of objection to expert)]

PART 2

OPPOSITIONS

section 27(5) (opposition to amendment of specification after grant)
section 29(2) (opposition to surrender of patent)
section 47(6) (opposition to cancellation of entry that licences available as of right)
sections 52(1) and 52(2)(b) (opposition to compulsory licence)
section 75(2) (opposition to amendment of specification during infringement or revocation proceedings)
section 117(2) (opposition to correction of error in patents and applications)