



PATENTS ACT 1977

APPLICANT	Walmart Apollo, LLC
ISSUE	Whether to Exercise the Comptroller's Discretion to accept Form 52s to extend the S20 Compliance period on GB2013931.7
HEARING OFFICER	J Pullen

DECISION

Introduction

- 1 Patent application GB2013931.7 entitled "Systems and methods for rush order fulfilment optimization" was filed on 4 September 2020 as the national phase entry of international application PCT/US2019/019545 (published as WO 2019/165416 A8 with an international search conducted on 23 April 2019). The international application was filed on 26 February 2019 with an earliest priority date claimed as 26 February 2018.
- 2 The first examination report was issued on 18 February 2022. Under rule 30(2)(b)¹ the compliance period prescribed for the purposes of sections 18(4) and 20(1) of the Patents Act 1977 ("the Act") was set to expire on 18 February 2023.
- 3 Between the first examination report and the issue of a letter on 1 March 2023 informing the applicant of our intention to grant a patent in this case, a further five examination reports were issued. The examiner spoke to a representative of the applicant on the telephone on 16 February 2023, resulting in the filing of amendments that were deemed to be allowable.
- 4 On 3 April 2023, the applicant filed a letter and three Patents Form 52s. The first of these forms requested the as-of-right extension of the compliance period by two months under rule 108(2) until 18 April 2023. The other two forms each requested a further discretionary extension of the compliance period by two months under rule 108(3), amounting to a request to extend the compliance period until 18 August 2023. The letter cited the high number of examination reports issued since the first report (and consequently within 12 months of the unextended compliance period deadline) as justification for the exercise of discretion.
- 5 A "divisional" application, GB2304954.7, was filed on 3 April 2023, requesting under section 15(9) of the Act that the date of filing is treated as the date of filing of

¹ Patents Rules 2007 and Patents (Fees) Rules 2007

GB2013931.7. It was the applicant's intention (as expressed in their letter of 3 April 2023 on application GB2013931.7) that the extensions of time be granted to give sufficient time that the divisional application complies with rule 19(2)(b).

- 6 The examiner did not accept the applicant's requests to exercise the Comptroller's discretion to extend the compliance period. This was communicated to the applicant in the examiner's letter of 6 April 2023. Consequently, the divisional application was deemed not to have been filed in time and has not been awarded the earlier filing date. Furthermore, the application GB2013931.7 was granted on 18 April 2023. The matter to be decided is whether the examiner was correct to refuse the two requests for discretionary extensions of the compliance period deadline of GB2013931.7 under section 108(3).
- 7 The matter came before me at a hearing on 7 July 2023, at which the applicant was represented by Paul Brandon of Appleyard Lees LLP.

The Law

- 8 In relation to the compliance date, the relevant provision is Section 20(1) of the Act which states:

20. (1) 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:

- 30.—(1) The period prescribed for the purposes of sections 18(4) and 20(1) (failure of application) is the compliance period.*
- (2) For the purposes of paragraph (1), subject to paragraphs (3) and (4), the compliance period is—*
- (a) four years and six months beginning immediately after—*
- (i) where there is no declared priority date, the date of filing of the application,*
- or*
- (ii) where there is a declared priority date, that date; or*
- (b) if it expires later, the period of twelve months beginning immediately after the date on which the first substantive examination report is sent to the applicant.***
- (3) Subject to paragraph (4), where a new application is filed the compliance period is—*
- (a) where it is filed under section 8(3), 12(6) or 37(4)—*
- (i) the period specified in paragraph (2) in relation to the earlier application, or*
- (ii) if it expires later, the period of eighteen months beginning immediately after the initiation date; and*
- (b) where it is filed as mentioned in section 15(9), the period specified in paragraph (2) in relation to the earlier application.*
- (4) Where the first observations report is sent to the applicant during the last three months of the period specified in paragraphs (2) or (3), the compliance period is three months beginning immediately after the date on which that report is sent.*

10 Section 15(9) of the Act sets out the requirements for the filing of a divisional application:

15. (9) *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.***

11 The relevant rule is rule 19:

- 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).*

12 Also relevant are Rule 108 of and Schedule 4 to the Patent Rules, which set out the regime for acquiring extensions of time to prescribed periods. Rule 108 reads:

- 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.

- 13 For the purposes of this decision, it is sufficient to note that the compliance period (as prescribed in rule 30) is listed in Parts 2 and 3 of Schedule 4 and rule 19 is listed in Part 3 only of Schedule 4.
- 14 In reaching his decision not to exercise discretion, the examiner referenced the Hearing Officer's decision in *Knauf Insulation's Application*² and referred the applicant to sections 15.21 and 123.37 of the Manual of Patent Practice, which further refer to the court decision *Luk Lamellan und Kupplungsbau GmbH's Application*³ and Hearing Officers' decisions *Penwalt Corporation's Application*⁴ and *Ferguson's Application*⁵.

Analysis and arguments

- 15 The test for whether to apply discretion under rule 108(1) to extend the period of rule 19 to allow a divisional application to be filed out of time is that the circumstances are exceptional, and the applicant has been properly diligent. The Hearing Officers in *Ferguson's Application* and *Knauf Insulation's Application* both concluded that 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 under rule 108(1) for extending the period of rule 19 to allow a divisional application to be filed. I agree with this approach and to apply discretion under rule 108(3) in this case I will require that the circumstances are exceptional, and the applicant has been properly diligent.
- 16 The first argument raised by the applicant in their letter of 3 March 2023 is that, in responding to the series of examination reports promptly the applicant has been diligent. The examiner agreed with this statement, and I also agree that the applicant has been diligent, at least in relation to responding promptly and seeking to advance this case towards grant in a timely manner.
- 17 Regarding whether circumstances were exceptional, the applicant addressed this in their letter of 24 April 2023 and their representative made some further observations at the hearing. There were two main arguments that were raised.
- 18 The first argument is that the relatively large number of examination reports produced between the first examination report and the notification of intention of grant is exceptional. It is acknowledged that the number of reports sent before an agreement was reached may have been higher than average. However, assessing the patentability of patent applications can be complex; it is certainly not unusual for a

² BL O/098/13

³ Luk Lamellan und Kupplungsbau GmbH's Application [1997] RPC 104

⁴ BL O/72/82

⁵ BL O/272/09

large number of communications to pass between the examiner and the applicant in order to establish a shared understanding of the prior art, the technical field, the knowledge of the skilled person, a reasonable construction of the claims and the contribution made to the art. During this process, the claims are often amended (as has been the case here) and objections are discussed. That it took a larger than average number of examination reports over a period of about 12 months until allowable claims were filed is certainly not exceptional.

- 19 The second argument to address is that it was exceptional that the examiner and applicant agreed upon allowable claims at a late stage in proceedings after a number of reports in which the examiner indicated that they had not been able to identify any subject matter which would impart patentability. Once again, I am aware that examination of a complex invention is not straightforward. It is not exceptional for an examiner's view of patentability to evolve through consultation with the applicant and their representatives, as their awareness of the context of the invention develops, claims are amended, and objections are discussed. Furthermore, it is the responsibility of the applicant to identify patentable subject matter and to claim this in the independent claims in order to obtain a granted patent.
- 20 It was raised by the applicant's representative at the hearing that the UK rules for filing a divisional are exceptional in themselves as they differ from many other national patent regimes worldwide. However, it is not exceptional for a national patent office to have their own, well documented rules for any part of the patent process, nor is it exceptional for applicants to navigate different rules in different jurisdictions in order to gain multi-national patent protection.

Conclusion

- 21 Having considered the arguments on file and those presented at the hearing, I am not persuaded that the circumstances in this case are exceptional to allow the extension of the compliance period under rule 108(3). Therefore, I refuse the requests to exercise Comptroller's discretion to extend the compliance date of this case.

Appeal

- 22 Any appeal must be lodged within 28 days after the date of this decision.

J Pullen

Deputy Director, acting for the Comptroller