

PATENTS ACT 1977

CLAIMANT	IT-ACS Limited
DEFENDANTS	Federal State Institution (Moscow) et al.
PROCEEDINGS	Reference under section 12(1)(a) in respect of various foreign and convention patent applications derived from WO 2014/077724 A1
HEARING OFFICER	H Jones

PRELIMINARY DECISION

- 1 The defendants were notified by letters dated 3 February 2017 that proceedings under section 12 of the Patents Act 1977 had been commenced in respect of various foreign and EP patent applications and that they had until 17 March 2017 to file counter-statements. The Office received a telephone call from the patent attorney for the defendants, Mr Guido Quiram (of Michalski, Hüttermann & Partner, Düsseldorf), shortly before 5pm on 17 March 2017 requesting an extension of the deadline for filing a counter-statement. He was asked to confirm his request and to set out reasons for the extension by email, which was received shortly after 5pm and in it explained that he (as the attorney representing the applicant in respect of the EP application) had just been informed by the applicant of these proceedings and that reaching out to all the Russian inventors would be difficult.
- 2 The claimant was invited to comment and promptly submitted arguments as to why the comptroller should refuse a late filing of the counter-statement. Further submissions were made by both sides, after which the hearing officer notified the parties that a further period of two weeks would be allowed for the filing of the counter-statement (the extended deadline for filing counter-statements being specified as 12 April 2017). The claimant objected to this extension of time and asked to be heard on the matter. This hearing took place by telephone conference on 31 May 2017, with Dr Cristina Penine (of IP21 Ltd) representing the claimant and Mr Guido Quiram representing the defendants.
- 3 The claimant sets out the following reasons why the deadline for filing counter-statements should not be extended:
 - a) The defendants had six weeks from the date of the notification letter (3 February 2017) to respond. While the claimant accepts that there are parties in these proceedings who are resident in Russia, it says that there is no justification for a further four-week extension at this early stage, especially given that the request for an extension was made so near to and possibly after the deadline;

- b) The request made by telephone on 17 March 2017 did not constitute a formal request and the subsequent email was received after close of business on the very last day of the period specified for filing counter-statements. Having been filed after 5pm on 17 March 2017, the effective date of receipt of the email in the Office was 20 March 2017, i.e. the Monday after the weekend. The claimant says that the request for an extension should have been made before 5pm on 17 March and that it is now too late for the defendants to become parties to the proceedings.
- c) The extension of time would result in hardship for the claimant, who had hoped that this matter would be settled quickly. It would also increase uncertainty for the claimant and would likely lead to additional costs.

4 In his submissions received before the hearing, Mr Quiram disputed the “5pm” argument advanced by Dr Penine, suggesting that he had responded similarly in other proceedings before the Office and, presumably (as he does not say so explicitly), with no questions raised. He also explained the circumstances by which he became aware of these proceedings, saying that he received a letter from the European Patent Office dated 13 February 2017 in respect of the EP application which notified “a stay in proceedings pursuant to Rule 14(1) EPC” but did not mention the Office deadline of 17 March 2017. I note that even though Michalski, Hüttermann & Partner was named as the attorney firm representative in the EP application, a letter notifying them of proceedings under section 12 was not sent to it as was the case for other interested parties. Although not required to do so, the claimant listed the contact details of likely interested parties in its statement of grounds but this list did not include contact details for the attorney representatives in the various patent applications.

5 At the hearing I explained to Dr Penine and Mr Quiram that I had consulted the Office’s Legal Section beforehand and had established the position as far as the Office’s hours of business and excluded days are concerned. Section 120 of the Act states that the comptroller may give directions specifying the hour at which the Office shall be taken to be closed on any day for purposes of the transaction by the public of business under the Act. These directions are set out on the Office’s [website](#) and say that, from Monday to Friday, the Office shall be taken to be closed at the following hours for the transaction of business of the classes specified:

(a) at midnight for the filing of applications, forms and other documents (except for the filing of applications in respect of which no declaration for the purpose of section 5(2) is made), and

(b) at 5pm for all other types of business not detailed above

6 Saturdays and Sundays are deemed to be excluded days.

7 I explained that requests for extension of time could not be considered to be a class of business where the close of business fell at midnight. This means that Dr Penine is correct in saying that the email request from Mr Quiram for an extension of time was not formally received until 20 March 2017.

8 These proceedings are being conducted under Part 7 of the Patents Rules (2007), and rule 81 of these Rules states that the comptroller may extend or shorten (or further extend or shorten) any period of time which has been specified under any

provision of this Part and that an extension may be granted notwithstanding the period of time specified has expired. In other words, the comptroller has the power to change any period of time which has been specified under this Part even when the deadline has already passed. In doing so, the comptroller is also bound by the overriding objective set out in Rule 74, which I set below:

Overriding objective

74(1) The rules in this Part set out a procedural code with the overriding objective of enabling the comptroller 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.

- 9 At the hearing, Mr Quiram said that the first he became aware of the deadline for filing a counter-statement was on or around 6 March 2017 when Ms Maria Kolesnikova (on behalf of the applicant) emailed to thank him for informing them of the stay in EPO proceedings and attached the notification letter, the statement of grounds and various exhibits the applicant had received from the Office. I asked Mr Quiram to provide me with copies of relevant correspondence between himself and the defendants as evidence of this and he kindly submitted this further documentation after the hearing. This further evidence confirms Mr Quiram's account of events: I can see that in the email dated 6 March 2017 that Ms Kolesnikova also asks whether it is possible to postpone the date for filing a counter-statement and that an email reply confirming receipt of Ms Kolesnikova's email was sent on 10 March 2017. In a letter accompanying this evidence, Mr Quiram explains that it was only on 12 March 2017 that they had "a kind of an idea what the situation was" and that they then contacted the Office on 17 March 2017.
- 10 I am satisfied from the evidence provided by Mr Quiram that there was indeed a delay in him receiving the necessary information upon which to act and to seek proper instructions from the various interested parties located in Russia. I note that he could have acted sooner in dealing with Ms Kolesnikova's enquiry having received the email on 6 March 2017 and that this might have allowed him to at least make the request for an extension of time before the deadline. Nevertheless, the comptroller has discretion to extend deadlines in these proceedings even when such deadlines have elapsed, and given the alternative of refusing the request and allowing these proceedings to continue unopposed, which would not allow for all of the relevant facts to be made available for a fair and just resolution of the issue, and

could lead to a counter-claim for entitlement being initiated by the defendants, I decide that the defendants should be given the extra time to file their counter-statements as the hearing officer had originally indicated, i.e. 12 April 2017. [I note that the defendants filed their counter-statement on 11 April 2017].

- 11 The claimant has advanced further arguments in relation to costs and for the Office to refuse to deal with the patent attorney. I indicated at the hearing that I could see no basis whatsoever for maintaining the argument for refusing to deal with Mr Quiram and explained my reasons, and I understood Dr Penine to agree with this. I said that the issue of costs incurred as a consequence of this preliminary matter would be considered as part of the substantive hearing and that the aim would be to stick to the existing timetable for the evidence rounds and for a substantive hearing in November. I note that even though the claimant has been unable to convince me not to extend the deadline for filing counter-statements (which might indicate an award of costs against it), there is evidence to suggest that Mr Quiram could have made the request for an extension slightly earlier, such that, on balance, no award of costs would be made to either side. However, this is a matter that can be decided at the substantive hearing.
- 12 The claimant has requested that the comptroller makes an order for security for costs under section 107(4) but has provided no written argument as to how the conditions necessary for such an order have been met. We discussed this briefly at the hearing and I was satisfied with Mr Quiram's assurances that such an order was not necessary at this point in proceedings.

Appeal

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

H Jones

Deputy Director, acting for the Comptroller