

PATENTS ACT 1977

BETWEEN

Rigcool Limited

Pursuer

and

Optima Solutions UK Limited

Defender

PROCEEDINGS

Reference under section 37, and applications under section 13(3) and 72(1)(b),
of the Patents Act 1977 in respect of patent GB 2441058B

HEARING OFFICER

Stephen Probert

PRELIMINARY DECISION

- 1 This decision follows on from an earlier preliminary decision (BL O/149/11) in these proceedings, and concerns specifically whether or not rule 107 can (and should) be used to rectify an irregularity in these proceedings.
- 2 The issue arises because proceedings under section 37 (to determine entitlement) and section 72(1)(b) (revocation on the grounds of lack of entitlement) were initiated on the second anniversary of the date of grant of the patent in question. For the reasons given in my earlier decision, the last day of the two year period specified in these sections was the day before the second anniversary of the date of grant. Rather than deal with the consequences of these actions being brought outside the two year period, the claimant requests that the Comptroller exercise discretion under rule 107 to extend the two year period in this case by one day.
- 3 I invited the parties to provide written submissions on this issue, which they have both done. In fact, I have received two sets of comments from both parties. Having carefully considered the arguments for and against extending the time period, I have concluded that it is the right thing to do in this case, for the reason(s) which I will now set out.

The Law

4 Rule 107 reads:-

Correction of irregularities

107.—(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.

(2) Any rectification made under paragraph (1) shall be made—

(a) after giving the parties such notice; and

(b) subject to such conditions, as the comptroller may direct.

(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.

5 According to the Court of Appeal in *M's Application*¹, the conditions for exercising discretion under rule 107 (or rule 100 as it was then) are threefold:-

“First, the applicant has to show that the Patent Office is guilty of an error, default or omission; and by ‘omission’, I mean an omission to do something which it can be said there is some sort of obligation to do, and that I think does not include, as in this case, the answering of routine letters within any particular time limit.

Secondly, he has to show that such error, default or omission can be said to have contributed to the failure to meet the time limit.

Thirdly, Mr. Laddie’s submission is that the contribution must be shown to have played a ‘significant’ or a ‘substantial’ part in the applicants’ failure. I find that submission an acceptable one, subject to this that it seems to me that it is to some extent a matter of words. It is always dangerous to paraphrase statutory wording but it seems to me that the word ‘attributable’ involves the concept that what has to be demonstrated is that the error, default or omission upon which reliance is placed, does play an active causative role in the irregularity which has taken place. It clearly does not have to be the sole cause, but it has I think, to be something more than a mere *causa sine qua non* so that it can be said to be a partial cause of the irregularity in the sense of having actively brought it about.”

6 In *Mills' Application*² the Court of Appeal endorsed the three conditions set out in *M's Application* for the exercise of this discretion, adding that, with regard to an ‘omission’, the obligation need not necessarily be of a legally enforceable nature³.

¹ See Oliver LJ in *M's Application* [1985] RPC 249 at page 272.

² *Mills' Application* [1985] RPC 339

³ “In *Mills*, the applicant sought to attribute his failure to file Form 10 in time at least in part to the Office’s failure (which was accepted on the balance of probabilities) to provide a free copy of the printed specification as had been promised in the section 16 publication letter and which, the applicant argued, would have served as a reminder. In overturning the decision in the Patents Court, which relied on the fact that the Office’s failure was not in respect of a statutory requirement, the Court of Appeal held that the applicant could reasonably have expected the Office to fulfil a specific promise given to the Agents in accordance with a well established practice.” — Manual of Patent Practice 123.10

The claimant's case (for extension)

7 Mr Alistair Hindle (of Hindle Lowther, representing the claimant) submitted that there has arisen a general understanding that the two year period includes the second anniversary of the date of grant. He says that the Office contributed to this understanding by accepting cases on the second anniversary in the past — eg. O/271/01 and O/303/00.

8 Mr Hindle also referred to the Office's Litigation Manual, which says:—

“7.17 Whilst a reference may be referred to the comptroller under section 37 at any time after the publication of the mention of its grant, the remedies available may be restricted if the reference is made more than two years after the mention of grant (section 37(5)). In such circumstances, although, for example, the claimant may claim a proprietary interest, the HO may not make an order that satisfies the relief sought.”

9 He also reminded me that the Manual of Patent Practice (MoPP) says, at paragraph 37.05:—

“... However, the remedies available may be restricted if the reference is made more than two years after the mention of grant.”

10 Finally, Mr Hindle observed that the Office did not raise any objection regarding the date of filing of these proceedings until after Tribunal Practice Notice (TPN) 4/2010 was issued. Although TPN 4/2010 concerns the calculation of a two month time period for filing trade mark oppositions, the circumstances were very similar. Corresponding with guidance not dissimilar to that in the Manuals quoted above, the Registry had previously accepted oppositions filed on the same day of the month, two months from the date of publication of the application. But following TPN 4/2010, interested parties are advised that oppositions should be filed, at the latest, on the day immediately preceding the day corresponding to the date two months after the date of publication.

11 As Mr Hindle observed in his letter dated 12 May 2011:—

“... in the case of the trade mark opposition deadline referred to in TPN 4/2010, the guidance material issued by the Registry including the Manual of Trade Mark Practice had contained inaccurate wording and so existing oppositions filed one day out of time under the new practice were treated as “subject of an irregularity of procedure partly attributable to an error by the Office”.”

12 It is worth quoting paragraphs 15 and 16 of TPN 4/2010 here.

“15. The Registrar intends to regard any TM7A/TM7 (admitted up to and including the date of this notice), which was filed late, according to the interpretation of Rule 17, expressed in this notice, as having been the subject of an irregularity of procedure partly attributable to an error by the Office. This is due to the fact that guidance material including the Manual of Trade Marks Practice and the Opposition booklet supplied by the Registry and published on our web site contain inaccurate wording in respect of the calculation of time periods for filing opposition proceedings and extensions of time for doing so. The appropriate guidance has now been updated in line with this notice.

16. The Registrar does not intend to initiate a review of the admissibility of any TM7/7A already filed. If the matter of lateness is raised by either of the parties to an opposition the Registrar proposes to use the powers in Rule 74 and 77(5) to extend any relevant time limit retrospectively, so that it expires on the date that was understood to be the final date for filing a TM7/TM7A under the previous guidance.”

- 13 In Mr Hindle’s submission, the similarities between rule 77(5) of the Trade Marks Rules and rule 107 of the Patents Rules, and the similarities of circumstance, are such that it would be appropriate to extend the two year period specified in section 37(5) and in section 72(2)(b) by one day.

The defendant’s case (against extension)

- 14 Mr Charlie Balme (of Marks & Clerk Solicitors, representing the defendant) argues that the conditions associated with rule 107(3) are not satisfied in this case. He says that the Patent Rules 2007 are subordinate legislation, and that rule 107 cannot be used to override the time limits imposed by the Act except in very limited circumstances. As MoPP 123.10 puts it, “ ... *the power afforded by Rule 107 should not be applied too readily, but rather only in cases where the circumstances warrant it and in accordance with the case-law*”.
- 15 Specifically, Mr Balme says that there has been no relevant error etc. on the part of the Office. Mr Balme states that he is not aware that the Office had established a practice of eg. accepting entitlement references on the second anniversary of grant, and he certainly did not think that any such practice (if it did exist) was well-known. He went on to say that the Office has a clear understanding of the time limit imposed under section 37(5) and section 72(2)(b), not least because of the way in which similar expressions in other parts of the Act (eg. section 25(1)) are interpreted; but I did not find this argument very convincing in view of the recent change of practice explained in TPN 4/2010, or in view of the previous instances of entitlement proceedings being accepted as within the two year period when filed on the second anniversary of grant.
- 16 The defendant clearly considers that the claimant is wholly responsible for any error, default or omission in this case, and consequently they maintain that rule 107(3) cannot be used to rectify the claimant’s mistake.
- 17 Mr Balme emphasises that the claimant has not provided any evidence that the Office’s practice (of accepting filings on the second anniversary) was well-established. In other situations this would be a fair criticism. However, as an employee of the Office, I do not require formal evidence of what is, and what is not, Office practice as I am able to rely to some extent on personal knowledge. For example, I was aware of the two cases mentioned above (O/271/01 and O/303/00) where proceedings were accepted on the second anniversary of the date of grant.

Does rule 107(3) apply?

- 18 I don’t think the passages from the Litigation Manual and the Manual of Patent Practice (ie. “more than two years”) support Mr Hindle’s argument as much as he would like me to think. But then neither do they clearly support Mr Balme’s case in my view. I think the result must be that these passages do not clearly point out

that the second anniversary date is excluded from the two year period. So while the official guidance may not have been misleading, I do accept that it has not clearly been Office practice to regard the second anniversary of the date of grant as being outside the two year period. In this respect I note also that in one of the earlier cases (O/271/01), when this issue was raised, the Hearing Officer said:—

“I do not see that I have to decide on this difficult issue, however, for the reasons I give later below.”

- 19 It seems to me that if it was clear and plain when the two year period ended, and Office practice was well-established on the matter, the Hearing Officer in that case would not have regarded it as an issue that might have had to be decided. (In the event, the Hearing Officer did not need to decide the issue because he concluded that there was not enough evidence to justify transferring ownership of the patent anyway.)
- 20 I therefore reached the conclusion that the conditions associated with rule 107(3) are satisfied in this case. Specifically I consider that the wording in the various official manuals, combined with actual experience in the past, indicates that the irregularity (of the proceedings being brought a day late) is attributable in part to a default, omission or other error by the Office.
- 21 Having concluded that the discretion of rule 107(3) is available, I believe that the irregularity should be rectified by extending the two year period by one day in this case. I therefore order accordingly. This not only seems to be the right thing to do in the particular circumstances of this case, but I note that it would also be consistent with the approach indicated in the Tribunal Practice Notice (4/2010). This means that, subject to any appeals against this decision or the earlier decision, the revocation ground in these proceedings may continue, and the claimant may pursue all the remedies sought in relation to entitlement in their statement.

Costs

- 22 This is the second of two preliminary matters that I have had to decide already in this case, and I know that there will shortly be at least one further matter — ie. decline to deal. As requested on behalf of the defendant, I confirm that the costs of these preliminary issues will be addressed in my decision on whether to refer proceedings to the Scottish court.

Appeal

- 23 Under section 97(4), any appeal shall lie to the Court of Session. According to the Rules of the Court of Session 1994, any appeal must be lodged within six weeks of the date of this decision.

S PROBERT

Deputy Director acting for the Comptroller