



BL O/254/06

8th September 2006

PATENTS ACT 1977

APPLICANT	Bloomberg LP
ISSUE	Whether an extension to the deadline for filing forms 53/77 on patent application GB 0403012.8 should be granted
HEARING OFFICER	J J Elbro

DECISION

Introduction

- 1 This decision arises from a request by the applicant to extend the periods for filing the forms and fees for effecting agreed extensions of the period of time for an application's compliance with the Act and Rules. Correspondence between the applicant's agent, Mr Mark Kenrick of Marks and Clerk, and the Patent Office has failed to resolve the matter. Mr Kenrick has requested that a formal decision be issued. In view of the imminence of the first deadline he is content for a decision without a hearing.

Background

- 2 International Application no PCT/US02/27098 entitled "Distribution and mapping of financial records from data stream" was filed on 14 August 2002 in the name of Bloomberg LP ("Bloomberg") and claims priority from an earlier US application filed on 14 August 2001. It entered the UK national phase following the submission of a form NP1 on 11 February 2004 as GB 0403012.8. Rule 34 of the Patents Rules 1995 prescribes a period of four years and six months from the priority date within which an application must comply with the Act and Rules. That period, if not extended, would therefore expire on 14 February 2006.
- 3 The first examination report under Section 18(3) on this application was issued on 21 September 2004, with a deadline for reply of 21 March 2005. Bloomberg's then agents replied with amendments on 23 May 2005, taking advantage of the two months extension available as of right. A second examination report was issued on 6 June 2005, with a reply deadline of 8 August 2005. The agents replied with amendments on 10 October, again taking advantage of a two month extension. A third examination report issued on 2 November 2005 with a deadline for reply of 3 January 2006. The agents

replied on 13 February, again taking advantage of a two month extension and also filing a form 52/77 to extend the rule 34 period by two months, to 14 April 2006. A fourth examination report issued 1 March 2006 setting a date for reply of 24 March. This report indicated that the examiner considered further correspondence to be unlikely to be productive and offered the applicant a hearing to decide if the patent should be granted.

- 4 Bloomberg's current agents replied to this on 11 April 2006, taking advantage of another extension as of right. They also filed a form 51/77 effecting the change of agents on 12 April 2006 and discussed the case with an examiner by telephone on 12 and 13 April, whereupon they requested a hearing as soon as possible. A hearing was held on 12 May 2006 and a decision issued, refusing the application, on 15 June 2006. Bloomberg appealed to the Patents Court on 12 July 2006.
- 5 Bloomberg's agents filed a form 52/77 on 14 June requesting the comptroller exercise his discretion under rule 110(4) to extend the rule 34 period by two months to 14 June 2006. This was granted and the agent informed on 11 July that they had two months to file the form 53/77 and fee (£135) required under rule 110(6). The agent filed a further form 52/77 on 11 July requesting a further two month extension, which was also granted and the agent informed on 25 July, setting a deadline of 25 September for filing the form 53/77 and fee.
- 6 Once the forms 53/77 and fees are filed, the extension to the rule 34 period will become effective, meaning that the period will not have expired at the time the hearing officer issued his decision. As a result, the court would be able under Section 20(2) of the Patents Act 1977 to extend the rule 34 period as it may determine, enabling any amendments that the court considered would allow the patent to be granted to be made. If this is not done, the court will only be able to hold that the patent should be refused or granted in its present form.
- 7 On 15 August Mr Kenrick wrote to the office requesting that the periods of time (11 September and 25 September) for filing the forms 53/77 and fees be extended to 14 days after final determination of the case by the court (or appellant court as appropriate). The examiner telephoned Mr Kenrick on 5 September indicating that he was not minded to grant this request, and Mr Kenrick requested a formal decision. Mr Kenrick followed this up with a letter on 6 September amplifying Bloomberg's arguments for the exercise of the comptroller's discretion.

Applicant's arguments

- 8 In his letters of 15 August and 6 September and his telephone conversation with the examiner on 5 September, Mr Kenrick put forward two arguments why an extension should be allowed.
- 9 Mr Kenrick's main argument is that the money spent on the fees may be unnecessary. If the court holds the patent should be granted in its present form, or refuses the patent outright, the question of amendment does not arise and so the expiry of the rule 34 period is irrelevant. He argues that there is no

purpose in requiring the fees be paid when they may ultimately prove superfluous.

- 10 The second argument is that the extensions of the rule 34 period are required because a hearing was held so late in the life of the application and a decision was subsequently issued one day outside the period as extended for the second time. It is argued that it is “grossly unfair” to require that the applicant pays official fees which may in the event be unnecessary.
- 11 Mr Kenrick also maintains in his original letter that there are no disadvantages for third parties and, in response to disagreement by the examiner, amplifies this in his letter of 6 September. He argues in essence that third parties will be in the same position regardless of whether this request is agreed, because if it is refused the applicant will simply pay the fees within the original deadlines.
- 12 In response to concerns expressed by the examiner, Mr Kenrick denies that there is anything open-ended about the extension sought. He points to the Civil Procedure Rules under which the courts operate which will ensure matters are dealt with expeditiously.
- 13 Mr Kenrick also makes the point in his letter of 6 September that I should make my decision independently and not base it on the examiner’s feelings. He submits that my decision must be based on my independent assessment of his letters of 15 August and 6 September.

Assessment

- 14 Taking the last point first, I agree entirely that this decision must be based on my own independent assessment of the papers, and this is what I have done, having had no previous involvement with this case. I have taken the entire history of the case into consideration, including Mr Kenrick’s indicated two letters.
- 15 The relevant parts of rule 110 are as follows:

(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 rules listed in Parts 1 and 3 of Schedule 4A.

...

(4) The comptroller may, if he thinks fit, extend (or further extend) any period of time prescribed by the rules listed in Part 3 of Schedule 4A where-

(a) a request is filed on Patents Form 52/77; and

(b) unless the comptroller otherwise directs, the person making the request has furnished evidence supporting the grounds of the request.

(5) Where the request under paragraph (4) has been granted the comptroller shall notify the person who made the request accordingly.

(6) Where a person is notified under paragraph (5) that his request has been granted, he shall, before the end of the period of two months starting on the date of the notification, file Patents Form 53/77; otherwise the extension granted under paragraph (4) shall have no effect.

...

(8) Any alteration made under paragraphs (1), (2) or (4) 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 4 of Schedule 4A may only be extended (or further extended) for a period of two months.

...

(10) No extension may be granted in relation to the periods of time prescribed by the rules listed in Part 4 of Schedule 4A after the expiry of the period of two months starting immediately after the period of time as prescribed (or previously extended) has expired.

- 16 The extensions to the rule 34 period requested on 14 April and 14 June were allowed under rule 110(4) as rule 34 is listed in Part 3 of Schedule 4A. Rule 110(6) requires the filing of the forms 53/77. Rule 110(6) is not listed in Schedule 4A and so it is clear the comptroller has the power under rule 110(1) to grant the requested extension for filing the forms 53/77 “if he thinks fit”. What I have to decide is whether or not to exercise this discretion. In order to do this I have to determine whether there is good reason to do so – as is made clear in “*Rawhide*” Trade Mark [1962] RPC 133, discretion must be exercised judicially on reasonable grounds and never in an arbitrary way. As noted above, Mr Kenrick has put forward two potential reasons: the fees may be superfluous, and it is unjust to require the applicant to pay as a result of the extended processing time of the application.
- 17 I agree with Mr Kenrick that it may be possible in the future, with the court’s final judgment in hand, to say “Well, we wouldn’t be any worse off if we hadn’t paid those fees”, and in that sense the money may prove to be “wasted”. The same is true of any costs incurred prosecuting the appeal in the event that it is unsuccessful. I do not however accept that this means that the fees may prove superfluous. What the applicant gains by extending the rule 34 period is the chance to argue before the court that an amended version of the patent should be granted. That he may not ultimately succeed in this argument is neither here nor there; it is the chance to argue the point that the applicant is obtaining. It seems reasonable to me that he should be expected to pay the statutory fees to have that chance. If I exercise discretion to allow the applicant to delay payment until after the final judgment, the applicant may gain this benefit without having paid the fee laid down by law. This points against allowing the applicant’s request.
- 18 Regarding the second point relating to the lateness of the hearing, I consider that looking at the history of the case outlined above, the applicant is largely responsible for the lateness of the hearing and hence that of the decision. It can be seen that on every occasion the applicant took advantage (as it was entitled to do) of extension to deadlines for reply to examination reports, whereas in contrast the examiner issued a new examination report in under a month each time. Furthermore, a hearing was offered at the beginning of March, but the applicant did not respond until only a couple of days of the extended rule 34 period remained. A hearing was then held in less than a month and a decision issued less than 5 weeks later. It is unfortunate that if the decision had issued a day earlier, the applicant would not have needed the

second extension, but I do not see this as significant in the context of the delays prior to this. In any case it would only be relevant to one of the fees. In all the circumstances, I do not consider it unfair on the applicants that they are required to pay the relatively modest sum of £270.

- 19 The points raised relating to certainty for third parties and the potentially open-ended nature of the extensions sought cannot strengthen the applicant's position; at best, they can fail to weaken it. Given my findings above, I do not propose to consider these issues further.
- 20 There is one further issue which has come to my attention on studying the history of this case. It is apparent that thus far no form 53/77 has been filed bringing the extension of the rule 34 period requested on 14 June and granted by the Office into effect. Therefore as things stand, the rule 34 period expired on 14 April. This means it was not possible to further extend this period to 14 August as requested on 11 July, as this would be an extension of greater than 2 months, contrary to rule 110(8)(b) and additionally would have been made outside the period of 2 months subsequent to expiry of the rule 34 period required by rule 110(10). The Office letter of 25 July 2006 purporting to grant this extension was therefore *ultra vires*. I apologise on the Office's behalf for this error.
- 21 Assuming the rule 34 period were extended to 14 June, a decision to grant a further extension needed to be made by 14 August by rule 110(10). Had the Office informed the applicant that no extension could be granted until the previous extension had been brought into effect, the applicant would have had time to file a form 53/77 to do so and the further extension could then have been granted.
- 22 Rule 100 gives the comptroller the power to rectify procedural irregularities:
- (1) Subject to paragraph 2 below, any document filed in any proceedings before the comptroller may, if he thinks fit, be amended, and any irregularity in procedure in or before the Patent Office may be rectified, on such terms as he may direct.*
- (2) In the case of an irregularity or prospective irregularity -*
- (a) which consists of a failure to comply with any limitation as to times or periods specified in the Act or the 1949 Act or prescribed in these Rules or the Patents Rules 1968 as they continue to apply which has occurred, or appears to the comptroller is likely to occur in the absence of a direction under this rule;*
- (b) which is attributable wholly or in part to an error, default or omission on the part of the Patent Office; and*
- (c) which it appears to the comptroller should be rectified,*
the comptroller may direct that the time or period in question shall be altered but not otherwise.
- 23 The Office's error in purporting to grant the extension is, in my view, at least partly responsible for the 14 August deadline being missed. It seems to me it would be unjust for the applicant to lose the chance of a further extension because of this. I will therefore extend the period for granting the further extension to 11 September. I will further direct that provided the applicant files

the first form 53/77 by the deadline of 11 September, the further extension to the rule 34 period to 14 August should be granted to allow the rule 34 period to be still running on the date of the 15 June decision. If the applicant does not file the form 53/77 on time, this issue falls away.

- 24 This gives no reason to extend the 11 September deadline for filing the first form 53/77; indeed it fortifies my decision not to. Before the second extension can be granted, the first has to be brought into effect. This illustrates that in general, extending the time allowed for filing a form 53/77 would need to be accompanied by an extension to the time periods for granting a further extension, which would seem to undermine the scheme of extensions in 2 month stretches envisioned by rules 110(8) and 110(10).

Conclusion

- 25 I consider that the applicant has not given an adequate reason why the comptroller should exercise his discretion to allow the extension sought. Accordingly, I decline to order an extension of time for the filing of the form 53/77 required for the extension of the rule 34 period on this case to 14 June.
- 26 Further, I rescind as *ultra vires* the Office communication of 25 July indicating the grant of a further extension to the rule 34 period. Under rule 100(2), I order an extension to 11 September of the period for granting a further extension of the rule 34 period. Further, I direct that provided the applicant files a form 53/77, effecting the extension of the rule 34 period to 14 June, by 11 September the request for extension of the rule 34 period to 14 August be granted as of 11 September. To effect this extension, under rule 110(6), the applicant must file a form 53/77 within two months, i.e. by 13 November.
- 27 I also consider that the applicant has not given an adequate reason why the comptroller should exercise his discretion to allow an extension of the period of time for filing this second form 53/77. Accordingly, I decline to order such an extension.

Appeal

- 28 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

J J ELBRO

Deputy Director acting for the Comptroller