



7 September 2009

PATENTS ACT 1977

APPLICANT

Ian A Ferguson

ISSUE

Whether the comptroller's discretion under rule 108(3) may be exercised to further extend the compliance period of patent application GB 0701177.8 to enable a divisional application to be filed

HEARING OFFICER

H L Craven

Introduction

- 1 International patent application PCT/IB2005/004077 entitled "Agents and methods for early diagnosis and monitoring of Alzheimer's disease and other neurological disorders" was filed on 23 June 2005 in the name of Ian A Ferguson. The application claimed priority from an Australian application having a filing date of 23 June 2004.
- 2 The application entered the UK national phase on 23 January 2007 and a first examination report was issued on 14 July 2008 with a covering letter notifying that the compliance period would end on 14 July 2009. Further correspondence followed between the examiner and the applicant's UK attorney, Frank B Dehn & Co, culminating with two sets of amended claims being filed by the attorney on 30 June 2009. These included a "main" set, having three additional independent claims, and an "auxiliary" set which did not include the additional claims. It was explained in the attorney's covering letter that, given the proximity of the compliance date, the "auxiliary" set was included to expedite proceedings in the event that the examiner was not satisfied with the additional independent claims.
- 3 On 3 July 2009 the examiner telephoned the attorney to advise that the "auxiliary" amended claims were allowable and that all that was required to place the application in order was for the "auxiliary" claims to be made the new claim set and for the description to be brought into conformity with the new claims. Throughout all the exchanges of correspondence the examiner made no objection to plurality of invention and there was no indication from the attorney that the applicant wished to file a divisional application.
- 4 With the compliance date of 14 July 2009 imminent, on 7 July 2009 the attorney requested to extend the compliance period of the application by four months to

allow the applicant to file a divisional application. The examiner was of the view that a two month extension was allowable, but a further extension, which would be required to enable a divisional application to be filed, was not. Subsequent correspondence between the attorney and the examiner failed to resolve the matter and so, in a letter dated 10 August 2009, the examiner offered the applicant the opportunity to be heard. In a telephone conversation with the examiner on 11 August 2009, the attorney requested that a decision be made on the papers on the question of whether the compliance period may be further extended by two months to allow a divisional application to be filed.

5 On 13 August 2009, patent application GB 0914209.2 was filed which claimed divisional status from the application in suit. I shall refer to this as “the 2009 application”.

6 It now falls to me to decide, from the papers on file, whether the compliance period of the application in suit may be further extended by two months in order to allow a divisional application to be made. If I find that such an extension is allowable, the 2009 application will have been filed in time to be accorded divisional status.

The law

7 The relevant provision in relation to the filing of a divisional application is section 15(9) of the Patents Act 1977 (as amended), which reads:

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.

8 The relevant rule is rule 19 of the Patents Rules 2007 which states:

(1) A new application for a patent may be filed as mentioned in section 15(9)—

(a) before the end of the relevant period; or

(b) if earlier, before the earlier application is terminated or withdrawn.

(2) Such an application must include a statement that it is filed as mentioned in section 15(9).

(3) For the purposes of this rule the relevant period is—

(a) where an applicant is notified under section 18(4) that his earlier application complies with the requirements of the Act and these Rules, two months beginning with the date of that notification; or

(b) in any other case, the period ending three months before the compliance date

of the earlier application.

9 Also relevant are rule 108 of and Schedule 4 to the 2007 Rules, which set out the regime for acquiring extensions of time to prescribed periods. Rule 108 reads:

(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 with 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.

10 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 the period for filing a divisional application (as prescribed in rule 19) is listed only in Part 3 of

Schedule 4.

Interpretation

- 11 Guidance on the circumstances under which the comptroller's discretion may be exercised to award a discretionary extension of time under rule 108(3) is given in paragraph 123.37 of the Manual of Patent Practice. The parts of that paragraph that are of relevance to this decision are reproduced below:

In order for discretion to be exercised favourably, as a general rule the failure to meet the time period must have been unintentional at the time that the period expired. This is consistent with the statutory test that applies to requests for reinstatement under s.20A (see 20A.13-16 for guidance on the meaning of unintentional). However, since rule 108 sets out no statutory test for discretionary extensions of time, discretion may be exercised favourably in appropriate circumstances even if the unintentional criterion does not appear to have been met.

- 12 However, the arguments that were put forward by the attorney in part questioned whether "unintentional" was an applicable criterion in the circumstances of the present case.

Background

- 13 The attorney filed two Patents Form 52s on 7 July 2009 to request a two month as-of-right extension to the compliance period under rule 108(2) and a further two month discretionary extension to that period under rule 108(3). The covering letter explained that the further extension was being requested to give the applicant the opportunity to file a divisional application. The period for filing a divisional application, as prescribed in rule 19(3)(b), had expired on 14 April 2009.
- 14 The request for the as-of-right extension under rule 108(2) was granted by the Office. However, in the light of evidence provided by the applicant explaining why the request to file a divisional application had not been made earlier, the examiner was of the view that the further discretionary extension was not allowable. Despite further arguments from the attorney, the examiner maintained that view and offered the applicant the opportunity to be heard.
- 15 Following the applicant's request for a decision to be made on the papers, the attorney provided further submissions in support of the request for a further extension on 19 August 2009.

Applicant's arguments

- 16 The two Patents Form 52s filed by the attorney on 7 July 2009 were accompanied by a letter dated 30 June 2009 from the applicant, Mr Ferguson, explaining why he needed to file a divisional application. Further evidence and arguments were filed in letters dated 16 July 2009 and 3 August 2009 during the process of correspondence with the examiner.
- 17 Those letters explained that Mr Ferguson, being an individual applicant rather than a corporation, had had difficulties in funding the process of obtaining patent protection for his inventions. He had gone through a period of having insufficient

funds to prosecute his pending applications and so he had been unable to proceed with filing a divisional application as this would have incurred further costs. It was asserted that Mr Ferguson had every intention of filing a divisional application within the prescribed time limit, but had been prevented from doing so by serious financial difficulties. He had only been in a position to file a divisional application when his financial situation had improved. It was also submitted that the fact that the applicant was based in Australia and was communicating via his local attorney had contributed to the delay in action being taken.

- 18 With regard to the correct test to be applied to determine whether the comptroller's discretion can be exercised, the attorney's letter of 3 August 2009 submitted that rule 108 does not set a statutory test for extensions of time and, with reference to paragraph 123.37 of the Manual of Patent Practice, it was contended that discretion may be exercised in a situation where sufficient funds were unavailable.
- 19 Further arguments and evidence of Mr Ferguson's financial difficulties, his efforts to secure funding and his intention to file a divisional application were provided on 19 August 2009. This further evidence was not available to the Office at the time the request was first considered. The evidence comprised a witness statement by the applicant dated 19 August 2009, a copy of a letter purported to have been sent by the applicant to a Mr Kelly in late 2007, a statement dated 19 August 2008 by Elizabeth Taljaard, a Financial Controller, and a copy of a letter and debtor statement from the applicant's Australian attorney dated 16 June 2009. I shall summarise the arguments and evidence below.
- 20 Mr Ferguson's financial difficulties started in July 2006, when he was left with no income until June 2007 after being forced to leave his position at Flinder's University, apparently due to a dispute regarding his patent applications. During this period, having exhausted his savings, Mr Ferguson found himself unable to pay his Australian patent attorney's invoices, which amounted to AU \$36,000 in September 2007. In addition to this he had a credit card debt of AU \$18,000. He was able to secure some investment from a Mr and Mrs Kelly to pay off the AU \$36,000 debt in September 2007, but he struggled to obtain further investment. This led to further debts being incurred with his Australian attorney and, in a letter dated 16 June 2009, his attorney threatened him with legal action if debts of AU \$38,537.98 were not paid within seven days. Some of those debts dated back to June 2008.
- 21 In his witness statement, Mr Ferguson contends that his PCT application relates to two inventions and that it was always his intention to pursue patent protection for both of these. In December 2005, he provided his Australian attorney with a claim set in connection with the Australian patent application from which his international application claims priority. This claim set included claims directed towards the nasal vaccine aspect which he intended to pursue in all applications derived from the international application. However, a lack of funds prevented him from incurring the costs associated with filing such applications. As such it was not until 21 May 2009 that he instructed his Australian attorney to file a UK divisional application. With the debt of AU \$38, 537.98 still unpaid, the Australian attorney was unwilling to pass on his instructions to the UK attorney until Mr Ferguson cleared his outstanding debt on 30 June 2009. Since the prescribed

period for filing a divisional application had already passed, the UK attorney established the reasons for the late filing of the divisional application before filing two Patents Form 52s on 7 July 2009.

- 22 It is argued that Mr Ferguson made continuous efforts to secure funding to allow him to pursue patent protection for his inventions. In particular, a copy of an undated letter has been provided which Mr Ferguson is purported to have sent to Mr Kelly to attract investment. A copy of a statement dated 19 August 2008 by Elizabeth Taljaard, a Financial Controller is also provided. In that statement, Ms Taljaard states that she was approached by Mr Ferguson in November 2007 with a view to obtaining investment capital that would, in part, help to pay for patent expenses. One client expressed an interest in supporting the request on the condition that Mr Ferguson first provided a financial plan detailing returns. Although this condition had not been met on the date of Ms Taljaard's statement, she comments that Mr Ferguson had "worked diligently towards this goal since late 2007 and made significant progress towards satisfying these conditions".
- 23 In conclusion, the main thrust of the applicant's argument is that discretion should be exercised to allow a further extension of time because he had a continuing intention to file a divisional application but, due to financial difficulties, was prevented from doing so until his financial situation had improved. It is also submitted, with reference to paragraph 123.37 of the Manual of Patent Practice, that there is no statutory test for extensions of time under rule 108(3) and that discretion may be exercised in a situation where sufficient funds were unavailable.

Office's arguments

- 24 The Office's initial arguments were set out in letters dated 24 July and 10 August 2009. It was agreed that rule 108 imposes no statutory test for discretionary extensions of time. However, it was considered that since the request under rule 108(3) was being made in order to give the applicant the opportunity to file a divisional application, the circumstances under which the comptroller's discretion could be exercised were those circumstances under which the late filing of a divisional application would be allowed.
- 25 It is worth pointing out at this stage that there are two different routes that can be taken to enable a divisional application to be filed out of time. The first route is to request one or more extensions to the compliance period of the parent application to allow a divisional application to be filed within the period prescribed by rule 19, i.e. within the period ending three months before the compliance date. This is the route that the applicant has chosen to take. The second route is to request one or more extensions to the period prescribed by rule 19. Such extensions may be requested under rule 108(1) and are granted at the comptroller's discretion. Rule 108(5) applies, so any extension (or further extension) under rule 108(1) is limited to two months.
- 26 Paragraph 15.21 of the Manual of Patent Practice sets out the test that the Office applies when considering whether to exercise discretion under rule 108(1) to allow a divisional application to be filed out of time:

...discretion to allow a divisional application to be filed out of time will normally be exercised only if the applicant shows that the circumstances are exceptional and that he has been properly diligent (*Penwalt Corporations's Application* (BL O/72/82); *International Barrier Corporations's Application*; *Kokusai Denshin Denwa's Application* (BL O/9/83); *Luk Lamellan und Kupplungsbau GmbH's Application* [1997]).

27 Thus it was argued that, in determining whether an extension could be granted under rule 108(3), it was necessary to consider whether the circumstances were exceptional and the applicant had been properly diligent. It was contended that the assertions of the applicant's financial difficulties in the letters of 16 July and 3 August 2009 were not sufficient to show that the circumstances were exceptional. It was further noted that the delays associated with the applicant being based in Australia did not provide adequate grounds for granting an extension, in line with *Jaskowski's Application* [1981] RPC 197, and did not provide evidence that the applicant had been properly diligent. Therefore, the Office's preliminary view was that the applicant had not provided sufficient grounds on which discretion under rule 108(3) could be exercised. As noted above, the Office did not have the benefit of the further submissions provided on 19 August 2009 in reaching this view.

Analysis

- 28 Before evaluating the evidence provided by the applicant, I shall consider which of the criteria I should use to determine whether an extension may be allowed.
- 29 I will first consider the "unintentional" test. This test is useful where discretion is being exercised in circumstances where a failure to meet a time period could give rise to a request for reinstatement under s.20A since it ensures consistency with the statutory test for reinstatement. However, no such circumstances exist here. I therefore agree with the contention of the examiner and the applicant that, in the circumstances of this case, it is not necessary to ask whether the failure to meet the time period was unintentional.
- 30 Mr Ferguson's attorney has indicated that the only reason for the request to extend the compliance period is to allow a divisional application to be filed. At no point during the correspondence between the examiner and Mr Ferguson's attorney has there been any indication that the extension is required for any other purpose. Having extended the compliance period as-of-right by two months under rule 108(2), as noted above Mr Ferguson could either have requested a further two month extension to the compliance period under rule 108(3) (as he did) to allow him to file a divisional application or he could have made a request under rule 108(1) for a two month extension to the period prescribed by rule 19. In the particular circumstances of the present case, I do not believe that different criteria should apply to the exercise of discretion depending on which route Mr Ferguson had chosen to obtain the result he was trying to achieve (i.e. to obtain an extension of time to allow him to file a divisional application). The criteria set out in paragraph 15.21 of the Manual of Patent Practice are well established and have been judicially approved in *Luk Lamellan und Kupplungsbau GmbH's Application* [1997] RPC 104. I see no reason why those criteria should not be applicable in the circumstances of this case and I think the examiner was correct to apply those criteria when considering Mr Ferguson's request under rule 108(3).

- 31 It therefore follows that I will decide on the basis of the evidence before me whether the circumstances are exceptional and the applicant has been properly diligent.
- 32 On the basis of the evidence provided on 19 August 2009, it is clear to me that Mr Ferguson was suffering considerable financial difficulties which hindered his ability to pay for the process of obtaining patent protection for his inventions. At the time that the usual period for filing the divisional application expired, Mr Ferguson was heavily in debt with his Australian attorney and I accept that he was unable to fund the filing of a divisional application within the usual deadline. In the light of the evidence provided, I am therefore satisfied that Mr Ferguson's financial situation was exceptional.
- 33 Turning to the question of whether Mr Ferguson was properly diligent, I am satisfied from the evidence provided that Mr Ferguson made reasonable attempts to secure investment to allow him to pay his patent costs and that this weighs in his favour in my assessment of his diligence. However, I should also consider whether he was properly diligent in pursuing a divisional application once his international application entered the UK national phase.
- 34 Mr Ferguson submits that he always appreciated that his international application related to two separate inventions and that it was always his intention to pursue patent protection for both of these. In the light of the fact that the specification of the international application as filed disclosed the nasal vaccine and the fact that he provided his Australian attorney with a claim set including claims directed towards the nasal vaccine in December 2005, on the balance of probabilities I accept that he intended to obtain protection for both inventions and that his attorney would have been aware of this intention. As Mr Ferguson had enlisted the services of an attorney to manage his patent portfolio, I do not think his unfamiliarity with the deadline for filing a divisional application shows a lack of diligence on his part. Besides, the evidence provided indicates that Mr Ferguson's financial difficulties began before his application entered the UK national phase on 23 January 2007, so his financial situation would evidently have prevented him from filing a divisional application even if he had been aware of the deadline. Further, I can find nothing to suggest that Mr Ferguson changed his mind at any point with regard to pursuing a divisional application.
- 35 Following Mr Ferguson's explicit instructions to his attorney on 21 May 2009, it is understandable that his Australian attorney was unable to proceed with the filing until 30 June 2009 when the outstanding debts were paid. Given Mr Ferguson's efforts to secure funding, I am satisfied that there was no lack of diligence in the period from 21 May 2009 to 30 June 2009. I am also satisfied that his Australian and UK attorneys acted promptly and diligently in seeking the necessary extensions to enable a divisional application to be filed out of time once Mr Ferguson's outstanding debts had been paid.
- 36 I therefore find that, on balance, Mr Ferguson's circumstances were exceptional and he was properly diligent at all material times.

Conclusion

- 37 I find that, in the circumstances of the present case, the appropriate criteria for the exercise of the comptroller's discretion under rule 108(3) are whether the circumstances are exceptional and the applicant has been properly diligent.
- 38 With the benefit of the additional evidence supplied on 19 August 2009, which was not available to the Office when it reached its preliminary decision, I find that those criteria have been met and I therefore allow an extension of time under rule 108(3).
- 39 The compliance period of the application in suit is therefore extended to 14 November 2009, with the result that the 2009 application has been filed in time to be accorded divisional status. Since the requests to extend the compliance period of the application in suit were filed before the filing date of the 2009 application, the extended compliance period applies to the 2009 application. The compliance date of the 2009 application is therefore 14 November 2009.

Dr H L CRAVEN

Senior Legal Adviser acting for the Comptroller