PATENTS ACT 1977

0/127/93

IN THE MATTER OF Patent Application
No 9302356.2 in the name of Alphaplan Ltd

DECISION

Application No 9302356.2, which contained no declaration of priority for the purposes of section 5, was initially treated on receipt in the Patent Office as entitled to a filing date of 6 February 1993, that being a Saturday and the provisions of rules 97 and 98 of the Patents Rules 1990 being applicable. The application was received, along with two Trade Mark applications under cover of a common fee sheet and cheque. Unfortunately, and originally unnoticed in the Office, the fee sheet and cheque were both dated "5.3.93", ie effectively post-dated by one month. This had the result that the cheque was not honoured by the agents' bank. Upon being notified to this effect by their bank on 18 February 1993, and failing to persuade the bank to honour the cheque, the agents immediately arranged for a bank-to-bank transfer of the original amount on the same day. Thus the respective filing fees were effectively paid on 18 February 1993.

In the case of the application in suit, a favourable exercise of discretion under rule 100 was requested to enable the application to retain the original filing date, but the view was taken in the Office that the application would have to be accorded a filing date of 18 February 1993. Having failed in their request, the agents asked to be heard and the matter came before me at a hearing on 19 August 1993. At the hearing, Mr R P Maury appeared as agent, and the Office was represented by Mr R G Evans.

It is appropriate at this point to set out the terms of rule 100:

> **100**.-(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.
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> (2) In the case of an irregularity or prospective irregularity-
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> (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(a) 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;
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> (b) which is attributable wholly or in part to an error, default or omission on the part of the Patent Office; and
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> (c) which it appears to the comptroller should be rectified,
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> the comptroller may direct that the time or period in question shall be altered but not otherwise.
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> (3) Paragraph (2) above is without prejudice to the comptroller's power to extend any times or periods under rule 110 or 111.

According to Mr Maury, the opening proviso to rule 100(1) did not preclude the relief he was seeking, ie maintenance of the original filing date, being available under that sub-paragraph. He confirmed that the fee sheet and cheque were wrongly (post) dated by virtue of a clerical error in the agent's office, and he argued that this resulted in an irregularity in procedure within the terms of rule 100(1). In that connection, Mr Maury referred me to the decision of the House of Lords in E's Applications [1983] RPC 231, and in particular to Lord Diplock's observation (p 250, ll 42-44) that:

"An irregularity in procedure is simply a failure to observe procedural rules, whatever the cause of the failure may be".

Whilst I must admit to some doubt as to exactly what Lord Diplock meant by his reference to "procedural rules", I am prepared to accept that a failure to pay the filing fee at the outset is an irregularity in procedure potentially capable of rectification under rule 100. However, it seems clear to me that the proviso to rule 100(1) has the effect that rectification of the irregularity in procedure in this case is only potentially available under rule 100(2), since what Mr Maury is seeking in effect is extra time to pay the filing fee. That view reflects the requirements of section 14(1) and section 15(1) in regard to payment of the filing fee, viz:

14.-(1) Every application for a patent-

(a) shall be made in the prescribed form and shall be filed at the Patent Office in the prescribed manner: and

(b) shall be accompanied by the fee prescribed for the purposes of this subsection (hereafter in this Act referred to as the filing fee).

15.-(1) The date of filing an application for a patent shall, subject to the following provisions of this Act, be taken to be the earliest date on which the following conditions are satisfied in relation to the application, that is to say-

(a) the documents filed at the Patent Office contain an indication that a patent is sought in pursuance of the application:

(b) those documents identify the applicant or applicants for the patent:

(c) those documents contain a description of the invention for which a patent is sought (whether or not the description complies with the other provisions of this Act and with any relevant rules): and

(d) the applicant pays the filing fee.

Since the fee was not paid until 18 February 1993, a direction under rule 100(2) that the present application should proceed with a filing date of 6 February 1993 would only be appropriate if it is demonstrated that the fee was not paid at the outset due to some error, default or omission on the part of the Patent Office. In arguing for such a direction,

Mr Maury drew my attention to the judgment of the Court of Appeal in Mill's Application [1985] RPC 339. In that case, subject to the rider mentioned below, the Court endorsed the approach of the Court of Appeal in M's Application [1985] RPC 249, namely that the relief under rule 100(2) was only available to applicants who demonstrated that three conditions were met, namely that (using the words of the headnote):

(a) the Patent Office was guilty of an error, default or omission, and the omission must be an omission to do something which the Office had some sort of obligation to do - which did not include ... the answering of routine letters within any particular time limit;

(b) such error, default or omission contributed to the failure to meet the time limit; and

(c) the error, default or omission, although not necessarily the sole cause, was at least a partial cause of the irregularity in the sense of having actively brought it about.

The rider added by the Mill's judgment was to the effect that, as regards (a), there might be an obligation even though not of a legally enforceable nature (page 359, ll 30-37). In that case, the failure by the Office to perform a specific promise (to forward a copy of the published specification), in accordance with a well-established and generally well-known practice, was held to be an "omission" within the meaning of rule 100(2) (p 360, ll 16-20).

As I understood Mr Maury, the Office is under an obligation to detect any errors in cheques presented to it in payment of filing fees, and to notify applicants or their agents accordingly and without delay to enable them to put matters right, or at least minimise the risk of damage. However, in the present case this would have obliged the Office to check the application on a Saturday, when the relevant staff are not normally present, as is doubtless also the case at the agent's office, and when (as Mr Evans explained) no mail is normally delivered in any event. I can only conclude that no obligation within the terms of the Mill's judgment arises in those circumstances, and therefore I cannot agree with Mr Maury that the

failure to pay the filing fee on 6 February 1993 is attributable, even in part, to an error, default omission on the part of the Patent Office.

It follows that in my view the application is not entitled to a filing date of 6 February 1993, but I consider that I must also proceed to determine whether there is an entitlement to a filing date earlier than 18 February 1993, ie the date when the filing fee was actually paid. In that connection, I should explain that records indicate that the application was received in the Patent Office in Newport on Monday 8 February 1993. In accordance with normal procedure, initial processing was undertaken on the same day in Document Reception Section where the cheque was date-stamped and its details entered in the "Cash Book", an action undertaken in compliance with an accounting requirement for recording all moneys received. The date of the cheque was not required to be recorded in the "Cash Book", so it was not a feature of that particular action that any scrutiny of the date of the cheque was required. Subsequently, the cheque, along with a batch of others, and the respective accompanying documents, was transferred to Cashiers' Section where the various forms were endorsed to indicate receipt of the relevant fee.

Patent Office records also indicate in fact that the cheque was processed in Cashiers' Section on 9 February 1993. At the hearing, Mr Evans explained that the aim was to get cheques and accompanying forms, etc to Cashiers' Section on the day of receipt, but on this occasion there was clearly a slight, but perhaps inevitable, delay. As explained above, the erroneous post-dating of the cheque in this case escaped detection in Cashiers' Section, and it would seem that it also escaped detection within the banking system until the cheque arrived with the agents' bank. According to Mr Maury, the agents had previously had an arrangement with their bank whereby cheques in favour of the Patent Office would be cleared notwithstanding defects, albeit following consultation with the agents when appropriate. Unfortunately, that arrangement had apparently lapsed by the time the application in suit was filed, and it seems that the bank would not clear the cheque, though Mr Maury did not elaborate as to the precise reasons.

In the light of the agents' immediate reaction to eventual notification of the error in the cheque, I consider it likely that if the Office had detected and notified the agents of the error

in the cheque on 9 February 1993, then the conditions of section 15(1) would have been satisfied on that date, entitling the application to a corresponding filing date. What I have to determine of course is whether the Office was under "some sort of obligation" to detect the error and notify the agents. Accordingly to Mr Maury, the Office is obliged to scrutinise an application to determine whether the conditions of section 15(1) are satisfied before according a filing date, and to his knowledge it had long been the practice of the Office to alert agents or applicants to significant errors by telephone as soon as they were detected. Mr Maury was in no doubt, and Mr Evans agreed, that if the cheque had inadvertently not been included with the application the agents would have been alerted much quicker, by Document Reception Section.

At the hearing, reference was made to a letter dated 18 April 1991 which was sent by the Assistant Comptroller to the Honorary Secretary of the Chartered Institute of Patent Agents, and others, which outlined how the Office saw its responsibilities in regard to vetting cheques. That letter made the following points:

> "First, I must make clear that the Patent Office cannot undertake to vet every cheque to ensure that it is free from defects and, even if we attempted to do so, I doubt whether any of us could ever be certain that the system would hold good in the long run. Staff do, however, reconcile the monetary value expressed on the cheque with the supporting documents but do so with a presumption and expectation that the cheque is properly constructed and will result in the expressed value being cleared.
>
> There are instances when Patent Office staff do spot obvious defects and there are instances when they become aware that banks have failed to honour defective cheques (although some time may have elapsed in this latter instance). However, and without wishing to appear unhelpful, there is little we can do other than to inform the sender as speedily as possible that their cheque is defective.

Staff will always seek to assist in senders' corrective action in such cases but the Patent Office would be acting outside its authority if it sought to become involved with, or actively recognised, specific arrangements made between senders and their bankers.

Of course, having informed the sender of any defects of which they become aware, staff would normally respond in accordance with the sender's wishes. For example, if the sender requested that the cheque be 'banked' anyway, staff would do so but responsibility for clearance and the consequences of non-clearance must lie with the sender. Providing the cheque was honoured when banked, even if this meant returning a cheque to the bank a second time because the bank had failed to act on instructions, the office would be content. I do not think it would be for us to enquire into the relationship between an agent and his bank. I hope this reply will help to reassure your members."

That reflects clearly the Office's own assessment of its obligations in respect of vetting cheques, at least at the date of issue of the letter. Thus, in the light of that letter, even though I am prepared to assume that the failure to pay the filing fee on 9 February 1993 can be said to be part of the original irregularity, which is consistent with the approach adopted by Oliver LJ in the case of M's Application (p 270, ll 11-24), it would still be difficult to attribute the irregularity to an error, default or omission on the part of the Patent Office. As in the case of M's Application, the Office's failure to detect the error and react as Mr Maury might have wished would not, of course, have contributed in any way to the original error.

However, I understand that by the date of filing of the application in suit the practice in Cashier's Section was to vet cheques for "obvious inconsistencies", such as post-dating or lack of signature, and immediately advise the remitter. Given the volume and variety of cheques handled each day, it is not surprising that the odd error escapes detection, as in this case.

The question thus arises as to whether the above approach to vetting cheques is simply one of a large number of non-obligatory gratuitous services which the Office provides or whether

it reflects "some sort of obligation". In that respect I should explain that I do not consider that the Office has been guilty in this case of any error or default. As in the case of Mill's Application, the only candidate for consideration under rule 100(2)(b) is an "omission" by the Office.

Mr Maury also submitted that it was relevant for me to take into account the obvious bona fides of the agents. There was, he urged, an obvious intention to pay the filing fee at the outset, and a genuine effort was made to do so. However, it seems to me that the scheme of things under rule 100(2) is that the exercise of discretion is not primarily dependent on such factors. In that respect, it is relevant to note well-known remarks of Lord Diplock in the case of E's Applications, notably at p 253, ll 31-38:

> "……; no tribunal and no court of law has any discretion to vary the meaning of the words of primary or secondary legislation from case to case in order to meet what the tribunal or the court happens to think is the justice of the particular case. Tempting though it may sound, to do so is the negation of the rule of law. If there are cases in which the application of the Patents Rules leads to injustice, the cure is for the Secretary of State to amend the Rules. If what is thought to be the injustice results from the terms of the Act itself, the remedy is for Parliament to amend the Act."

The above remarks are reflected in the judgment of Oliver LJ in the case of M's Application, at p 271, l 48 - p 272, l 7, where he states (as a prelude to setting out the three conditions mentioned above):

> "It is true that the Comptroller has a wide discretion to rectify any irregularity in procedure, but as Mr Laddie points out, the effect of the case of E's Applications is that it is not open to an applicant for a patent to avoid the results of failure to meet an inflexible time limit by calling it an irregularity in procedure and trying to rectify it by means of rule 100.

He submits (and speaking for myself I find this an acceptable submission) that the proviso to rule 100 has to be construed in this context. It is not designed to relieve the applicant, or his agent, of the obligation to meet the critical time limits. It is only where the applicant, or the agent, has complied, or attempted to comply, with his obligation, and the failure to meet the time limit can be said, in some substantial way, to be the fault of the Patent Office, that the proviso comes in at all."

Having given the matter careful consideration, I am prepared on balance to resolve in the applicants' favour the question of whether the Office was under "some sort of obligation" to detect the error in the cheque and alert the agents, having regard to the qualified condition (a) mentioned above. In that respect, I should explain that there seems to me to be a reasonably clear distinction between the point at issue in the present case and that in the case of M's Application, which concerned the answering of routine letters within a particular time limit. The distinction is highlighted by the following remarks of Oliver LJ in the latter case (p 271, ll 20-29):

"The submission of the applicants really comes to this - certainly in the way in which it was put by Mr Prescott - that the Patent Office is under some sort of obligation to adapt its office procedures so that they are geared to ensure that any mistake made by an agent in filing his documents within the time limit comes to light before the mistake is irreparable. That, as I say, seems to me to be an impossible submission. Indeed, the rationale, as it seems to me, of the whole system is that it is geared to correspondence being dealt with at a later stage than the essential time-critical documents, which have to be filed under the provisions of the Act and the Rules."

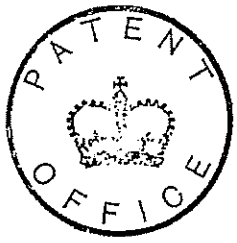
However, notwithstanding the above decision as to the Office's obligation in regard to cheques, I would not go so far as to conclude that the obligation extends to ensuring that vetting of cheques occurs before any mistakes which come to light are irreparable.

It remains, therefore, for me to determine whether conditions (b) and (c) above are met, and to my mind they are. Thus whilst I find the distinction between them a little blurred in the present context, I consider that by omitting to alert the agents to the error the Office not only

contributed to the irregularity in procedure, ie a failure to pay a filing fee on 9 February 1993, but also "actively brought it about". In the circumstances, rectification of that irregularity seems entirely appropriate.

In summary, therefore, my decision is that the present application is entitled to proceed with a filing date of 9 February 1993. Since it is on a matter of procedure, any appeal against the decision should be lodged within 14 days.

Dated this 1ST day of September 1993



M W Hills
Principal Examiner, acting for the Comptroller

THE PATENT OFFICE