PATENTS ACT 1977 BLO/088/87

IN THE MATTER OF Application
No 8310843 in the name of
Farmitalia Carlo Erba S.p.A.

DECISION

Application No 8310843 in the name of Farmitalia Carlo Erba SpA was filed on 21 April 1983 claiming priority from an earlier United Kingdom application filed on 30 April 1982. The application proceeded in the normal manner with a search report being issued and an Office letter of 25 August 1983 advising that publication of the application was expected on 30 November 1983.

In due course the application was published according to Section 16 of the Act on 30 November 1983 under the serial no 2120242. The period for filing the request for substantive examination on Patents Form No 10/77 and the associated fee thus expired on 30 May 1984. This period was extendible under the provision of Rule 110(3) of the Patents Rules by one month to 30 June 1984. Both dates having passed without any Patents Form No 10/77 having been filed the application was treated as having been withdrawn in accordance with Section 18(1) and this was announced in the issue of the Official Journal (Patents) dated 12 September 1984.

In a letter dated 16 July 1986 from the agents for the applicants a request was made for the application to be restored upon payment of the fee for substantive examination. The grounds for the request were set out in a statutory declaration by Mr I E McKelvey, the agent responsible for the application. A second declaration by Mrs C P Walker, a secretary of the agents, was promised and was received on 28 July 1986. Neither the Form 10/77 nor the fee were filed and have not yet been filed.

After consideration of the matter by the Office a letter of 14 August 1986 was issued stating that there seemed on the

evidence provided no discretion for the Comptroller to extend the period for filing the request for substantive examination, and that a hearing would be arranged if one was still wished. A reply within a month was requested. The 4½ year period prescribed under Section 20 in which an application must comply with the Act and Rules expired on 30 October 1986. Eventually in a letter of 13 November 1986 the agents asked for a hearing to be arranged. One was arranged for 10 December 1986. On 5 December 1986 this hearing was postponed to await the Patents Court judgment on Katashi Aoki's Application since similar points arose on that case.

The Aoki's judgment (not yet reported but available in the Science Reference and Information Service) was issued on 19 December 1986 and after a delay while it was considered whether to proceed with the hearing one was requested in a letter dated 15 April 1987.

At a hearing before me on 14 May 1987 Mr M Chapple appeared as counsel for the applicants. Mr W G Sceats for the office was present.

The two statutory declarations set out the circumstances surrounding the preparation by the agents of a Form 10/77. I will now outline the salient details. On 30 July 1983 the agents received a letter from their Italian instructing agents instructing the payment of the examination fee. In accordance with the (English) agents normal practice an entry was made in their computer records for payment to be made when the application was published. When the agents received a copy of the published printed application they sent the printed application to their clients with a computer-generated letter dated 2 December 1983 confirming that the examination fee was being paid. The generation of this letter caused the computer record to be updated with regard to the payment of the fee. However by an oversight neither Form 10/77 nor the note of fees for the clients was prepared.

By chance on 10 May 1984 Mr McKelvey took the file from a filing cabinet in mistake for another file and realised that the examination fee had not been paid. Apparently a Form 10/77 was then typed and a carbon copy of the typing has been filed as Exhibit IEMcK 6 to the first declaration. In paragraph 10 of his declaration Mr McKelvey stated that he truly believed that he signed the Form 10/77 that had been prepared on 10 May 1984 and had placed it in the firm's post room in the place appropriate for papers being filed at the Patent Office, but that over two years later he naturally had no specific recollection of doing so but found it inconceivable that he would not have taken full, due and proper care on the very day and very case on which there had been discovered an error potentially fatal to the application.

There is support for the preparation of a Form 10/77 on 10 May 1984 in the second declaration which referred to a letter to the client and fee note (neither exhibited) being typed on that day. On the evidence before me I am satisfied that a Form 10/77 was prepared.

No direct evidence of the transmission of the form to the Office has been provided. Mr Chapple commented during the hearing that had there been a statutory declaration that the form had been delivered at a particular time in May 1984 by a particular person it might be considered suspicious. Whether or not that be so, it does not, I consider, mean that more positive evidence could not, if available, have been provided. In this connection I would mention that some firms keep records of postings etc.

However Mr McKelvey did explain in his declaration the arrangements for transmitting documents to the Office. The documents to be transmitted are placed in a special pigeon hole which is checked each day by a partner to ensure that urgent matters are not overlooked. The policy of the firm is, if possible, for the documents to be delivered by hand when one of the partners visits London usually about once a week. Mr McKelvey stated in his declaration that he believed that the Form 10/77 was

certainly posted to the Office with a properly addressed envelope, or alternatively was delivered by hand by one of the partners.

On 2 July 1986, when Mr McKelvey again took the file from the filing cabinet he realised that no substantive examination had occurred and found out that the application had been advertised as treated as withdrawn.

Before me Mr Chapple based his case solely on the basis that the evidence established an omission on behalf of the Patent Office which attributed to the failure to file the examination fee within the prescribed period and thus under Rule 100 of the Patent Rules I had discretion to extend the period. He agreed that the version of Rule 100 to be considered is the current one, that is the one contained in the Patents (Amendment) Rules 1987, rather than the earlier version contained in the Patents Rules 1982. In fact I do not consider that there is any change in substance between the two versions, the rule having been amended merely to meet judicial comment on the lack of clarity of the previous version. Thus the interpretation of Rule 100, particularly by the Court of Appeal in Mill's Application [1985] RPC 339 to which Mr Chapple referred, is still applicable.

Rule 100 as worded in the 1987 (Amendment) Rules is as follows:-

> "100.- (1) Subject to paragraph (2) below, any document filed in any procedings 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) Where the irregularity in procedure consists of a failure to comply with any limitation as to times or periods specified in the Act or tne 1949 Act or prescribed in these Rules or the Patents Rules 1968, as they continue to apply, the comptroller may direct that the time or period in question shall be altered if the irregularity is attributable

wholly or in part to an error, default or omission on the part of the Patent Office, but not otherwise.

(3) Paragraph (2) above is without prejudice to the comptroller's power to extend any times or periods under rule 110 below."

Mr Chapple submitted that on the balance of probabilities, the Form 10/77 was filed but without the fee, and that the omission by the Office to inform the agents of the missing fee contributed to their failure to file the fee within the prescribed period, there being nearly three weeks between the alleged filing of the form and the end of the period in which they could have paid the fee. This submission raises two questions, was the Form 10/77 filed, and, if it was, was the failure by the office to inform the Agents of the missing fee an omission within the meaning of Rule 100? I will deal with each question in turn before considering whether if these two questions are answered in the applicants' favour, discretion should in fact be exercised to extend the period.

Mr Chapple's submissions on the first question were based on what he termed the Justice Sherlock Holmes dictum that if you eliminate the impossible whatever remains, however improbable must be the truth. This dictum was referred to by Mr Justice Falconer in Katashi Aoki's Application which I mentioned above. It would be convenient if I now refer to the facts and judgment in that case.

Aoki was again a case of a Form 10/77 apparently going astray. Evidence was provided that the form was prepared in the agents' office and that the practice was to put documents for the Patent Office in a basket kept by the Office Manager whose duties included the preparation of the daily fee sheet. No fee was prepared for the form and there was no trace in the Patent Office of the form ever having been filed.

The case for the applicant was that on the balance of probabilities the form was filed at the Office and that there was

an omission by the Office in not informing the applicant of the absence of the fee. In the decision on behalf of the Comptroller it was held that it was unlikely that the form was ever filed and an extension under Rule 100 refused. In the Patents Court Mr Justice Falconer observed that there was no direct evidence that the form was ever put in the Office Manager's basket. Before the Comptroller it was suggested that the reason why the form was not included in the fee sheet was that the form became caught up with other documents and was not detected by the Office Manager. In additional evidence provided to the Patents Court the Office Manager suggested that he might have mis-sorted the form into a bundle of non-fee paying documents to be filed at the Patent Office. Before the Patents Court is was common ground that the practice in the Patent Office on discovering that a form had been filed without a fee was for the applicants to be informed, and that a failure to so inform the applicants when a form without a fee was detected would be an omission within the meaning of Rule 100. When considering the balance of probabilities Mr Justice Falconer in his judgment referred to the opinion of Lord Brandon in Rhesa Shipping S.A.v Edmunds [1981] 1 WLR 948 concerning the Sherlock Holmes dictum I referred to above on which Mr Chapple placed reliance before me. Lord Brandon stated in his view that there were three reasons why it was inappropriate to apply this dictum to the process of fact finding in a case of the kind with which he was concerned. First, a judge is not always bound to make a finding one way or the other - he has the alternative of saying that the party on whom the burden of proof lies has failed to discharge that burden. Second, the dictum can only apply when all the relevant facts are known so that all possible explanations, except a simple extremely improbable one, can properly be eliminated. Third, the concept of proof on a balance of probabilities must be applied with common sense - it requires a judge before he finds a particular event occurred to be satisfied on the evidence that it is more likely to have occurred than not. Having considered the evidence Mr Justice Falconer was not satisfied that, on the balance of probabilities, a Form 10/77 was filed.

Turning back now to Mr Chapple's submissions, his case, if I understood him correctly, was that there were only three possibilities as to where the Form 10/77 got mislaid - it could only have been mislaid in the agents' office, in the transmission to the Patent Office, or in the Patent Office itself - , and that if the first two possibilities can be eliminated then the third one, that is the mislaying of the form in the Patent Office, however improbable, must be the truth.

As regards the first possibility Mr Chapple submitted that they could only have circumstantial evidence but that circumstantial evidence is sufficient to show that the system of moving documentation around from the desk of Mr McKelvey to the Patent Office has worked in the past and there was no reason to believe that it did not work that day.

Concerning the second possibility Form 10/77 was allegedly sent to the Office by post or by hand. Mr Chapple submitted that incidence of loss by post is exceedingly remote and that I should accordingly draw the inference that is effectively impossible. I accept that loss by post is unlikely. In passing I note that Mr Chapple did not attempt to call in aid Rule 97 which provides that any document sent to the Patent Office by posting in the United Kingdom should be deemed to have been filed when the letter containing it would be delivered in the ordinary course of post. He did not address me on the alternative possibility of the form being filed by hand and whether loss of the form during that possible mode of transmission could be eliminated.

With regard to the third possibility Mr Sceats explained the procedure in the Patent Office. If the Form 10/77 had arrived with other documents from the agents it would have been kept with those documents. On 11 May 1984 an envelope was received from the agents containing documents and a fee sheet dated 10 May 1984. The fee sheet listed various Patent and Trade Mark Forms but not a Form 10/77 for this application. Mr Sceats explained that after

the cash had been dealt with by the cashier all the papers would have been sent to a receipt clerk who would have receipted the documents. If a form arrives without a fee a receipt would still be issued but with an entry 'no fee paid' or the equivalent. In that case it would also be passed to the executive officer who would inform the agents by telephone. It seemed to Mr Sceats that there are so many things that would have had not to have been done at the Patent Office for it to be said that in fact the form was received at the Office. If it had arrived the only place it could have been put is with some of the forms in the application files of the documents sent witn that particular bundle of forms. All these files have been searched and Trade Marks Branch have also been asked to search for the forms since some of the items on the fee sheet related to Trade Marks. The searches proved fruitless.

I asked Mr Chapple what was the system used by the agents for the preparation of the fee sheet and accompanying cheque and commented that no evidence had been provided on this. He informed me that the fee sheet was prepared from the bundle of documents placed in the firm's post room awaiting transmission to the Office. I enquired whether the absence of the Form 10/77 from the fee sheet was not perhaps evidence of the absence of the form from the bundle. I understood Mr Chapple to admit that this was a relevant, but not a convincing factor.

I also asked Mr Chapple how the evidence in this case differed from that in Aoki to enable me to find in his clients favour. He replied that there were differences between the evidence of the agent and that of the Office Manager in Aoki. The only difference of which I am aware is that in Aoki the two declarants gave different suggestions as to how the Office Manager failed to include the Form 10/77 in the fee sheet, that the form was caught up with other documents or was mis-sorted by him. However in this present case no explanation has been given concerning the omission of the Form 10/77 fee from the fee sheet. I do not consider this difference to be evidence sufficient enough to differentiate this case from Aoki.

Mr Chapple also commented that in Aoki there was no evidence of how the Form got from the basket to the Patent Office while in his case there was evidence and also an added incentive to take care to ensure that the form got to the Office in view of the previous failure to prepare the form and the luck in discovering the failure in time. The evidence concerning the alleged movement of the Form 10/77, it seems to me, is sparse indeed, but I will return to this in a moment. As to the extra care there does not appear to be any evidence. There is the evidence from Mr McKelvey that he truly believed he placed it in the firm's post room in the place appropriate for papers being filed at the Office, but over two years later he had, understandably I accept, no recollection of this. There is no evidence whatsoever of the progress of the form from that place, let alone of any special care in, or checking of, its progress, and no evidence relating to the preparation of a fee sheet.

Having considered the evidence and the submissions put to me the question I have to answer is whether I am satisfied on the balance of possibilities that the Form 10/77 was filed. Regretfully I conclude I am not. There is very little evidence that the form was filed. There is only Mr McKelvey's belief that he signed it and placed it in the post room. There is no evidence of what happened to the form in the post room, and no evidence whether the documents for the Office went by hand or by post. In Mr Chapple's words the evidence of how the form allegedly got to the Patent Office is circumstantial and he did not pretend that it was other than relatively vague. On the other hand the absence of the form from the fee sheet indicates that something had gone wrong in the system by the time the fee sheet was prepared before the form should have been transmitted to the Patent Office. Similarly the failure to discover the form in the Patent Office after a thorough search of the likely locations and files indicates that the form was not filed.

Mr Chapple based his submission largely on the Sherlock Holmes'

dictum. This, I consider, does not help his case since in the Aoki case Mr Justice Falconer used Lord Brandon's comments on the judicial application of the dictum in support of his finding against the applicants. Each of the three reasons given by Lord Brandon and mentioned above would be a reason for not applying the dictum in this case. I would mention in particular the second reason the need for all the relevant facts to be known.

If I am wrong in my finding that the Form 10/77 was not filed there is the other question of whether the failure by the Office to inform the agents of the outstanding fee within the remainder of the period prescribed for filing the form and fee was an error, default or omission within the meaning of Rule 100. As I mentioned above it was common ground before the Patents Court in Aoki that the practice of the Office was to inform the applicant when the absence of a fee was detected and that the failure to carry out the practice in any particular case would constitute an omission within Rule 100. That I accept but it is subject to the proviso made by the hearing officer for the Comptroller and accepted by Mr Justice Falconer that the Office is under no obligation under Rule 100 when the form was not detected by the agent's Office Manager and remained undetected by the Office because it was caught up with other documents. I think Mr Chapple accepted that the obligation on the Office only arose when the form had been detected. Thus the point to be decided in answering this question is if the form was filed was it filed in a manner that should have allowed it to be detected within the limited amount of the prescribed period remaining for filing the form and fee. (In Aoki the Form 10/77 was allegedly filed about 6 months before the end of the prescribed period thus allowing a longer time for the Office to detect it had it been caught up with other documents in such a way as not to be detected by the Office Manager.) I have no evidence before me as to the manner in which the form was allegedly filed to enable me to find in favour of the applicants on this question.

Thus on the evidence before me I am not satisfied that an error

default or omission on the part of the Office within the meaning of Rule 100 has occurred. Therefore no extension under this rule of the period for filing the Form 10/77 and fee is possible.

Had I been satisfied that on the balance of probabilities that an omission had occurred such as could bring Rule 100 into operation I would have had to decide whether in fact to grant an extension of the period in the exercise of the discretion given to the Comptroller by the rule. I consider the nature of the alleged omission is such as could justify the exercise of the Comptroller's discretion. I have come to this conclusion after some deliberation since I consider the agents would not be entirely without fault. They failed to file the fee, they had no system for checking the Form 10/77 and fee were in fact filed, and a long time period elapsed before they attempted to resuscitate this application. With regard to the checking whether the form and fee had been filed the Office issues receipts when a Form 10/77 is filed. It might appear to some people to be somewhat incongruous for the applicants to base their case on the Office's alleged failure to mark the receipt 'not paid' yet pay no attention if no receipt for the form is received.

Under Rule 100 the correction of an irregularity may be rectified on such terms as the Comptroller may direct. If I were to extend the period for filing the Form 10/77 I would have to have regard to the interests of third parties. Since the application was advertised on 12 September 1984 as treated as withdrawn anybody has been able to carry out the invention of this application without fear of a patent being subsequently granted. It would therefore have seemed appropriate to me had I been exercising the discretion under Rule 100 to make it subject to an order for the protection of the rights of third parties, analogous to the rights set out in Section 28(6) of the Patents Act 1977, a course of action approved by Mr Justice Falconer in Coal Industry (Patents) Ltd's Application [1986] RPC 57 in somewhat similar circumstances.

Finally, I pointed out to Mr Chapple that were I to extend the period for filing the Form 10/77 substantive examination would then be necessary and it might then be determined that the application did not comply before the end of the period prescribed under Section 20(1) with the requirements of the Act and Rules. As I mentioned above the period expired on 30 October 1986. If an application does not so comply then it is treated under Section 20(1) as having been refused. Mr Chapple asked that consideration of this point be deferred pending my decision on the request to extend the period for filing the Form 10/77. My view of the matter is that if it were proper under Rule 100 to extend the period for filing Form 10/77 and insufficient time was then left for substantive examination then it would not be improper also to extend the period prescribed under Section 20(1).

These being procedural matters, in accordance with R.S.C. Order 104 Rule 19(2)(a), any appeal must be lodged within 14 days after the date of this decision.

Dated this 9th day of June . 1987

B G HARDEN
Principal Examiner, acting for the Comptroller

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