PATENTS ACT 1977

IN THE MATTER OF an application
for Letters Patent No 8323176
by Fibre Optics Designs Limited

DECISION

On 30 August 1983, Fibre Optics Designs Limited ("the Company") filed an application, subsequently numbered 8323176 and published under the serial number 2128010, for a patent. The application proceeded normally until the issue, on 12 December 1984, of the examiner's first substantive report under section 18(3). In accordance with current practice that report specified a period of six months for a reply by the applicant. However, no response was made until 12 August 1985, that is until precisely two months after the due date, and the response then made took the form simply of a request for an extension of the specified period, no amendment being filed. The examiner was not prepared to grant any extension, and accordingly the matter came before me at a hearing on 23 October 1985. Mr A S Watson appeared as agent for the applicant.

The facts giving rise to the present state of affairs, as explained by Mr Watson at the hearing, are as follows. On 21 December 1984, Mr Watson wrote to a Mr A Marshall, Director Special Products of the applicant company,

enclosing a copy of the examiner's first substantive report. That report specified a period of six months for a reply and warned the applicant that if he failed to respond within that period the Comptroller could refuse the application. Unbeknown to Mr Marshall or to his fellow directors, on 18 March 1985, a Mr Alan C Sutton, Marketing Director of the applicant company, wrote to Mr Watson stating in clear and unequivocal terms that the company did not wish to pursue the application. At that time, although Mr Sutton was aware that negotiations were in progress with a particular third party concerning the sale of optical harnesses, he was unaware that the proposed sale included indexing systems forming the subject of the present patent application. Mr Watson acknowledged Mr Sutton's instructions not to proceed with the application on 26 March 1985. On 12 August 1985, Mr Marshall telephoned Mr Watson to enquire about the application. Upon being told of Mr Sutton's instructions, Mr Marshall expressed his surprise, since he knew the relevance of the application to the pending sale of optical harnesses, and instructed Mr Watson to do whatever he could to re-establish the application on its path towards grant. Mr Watson accordingly immediately telephoned the examiner, and followed his telephone discussion by a letter received at the Office on 15 August 1985 setting out the facts then known to him, but after careful consideration of the facts, the examiner issued a letter dated 29 August 1985, confirming his initial opinion expressed during the telephone conversation, that they did not justify the

exercise of the Comptroller's discretion to extend the specified reply period.

These, then, are the facts as put by Mr Watson to me at the hearing, but they immediately raise a number of questions. For example, although it may be inferred that when Mr Sutton instructed Mr Watson not to pursue the application he did so because he thought that the company no longer had any interest in the subject matter of the application, Mr Watson could not state directly that this was the case, and nor could Mr Watson state why Mr Marshall had waited approximately eight months before he enquired about the progress of the application, nor even who in the company was charged with the responsibility of dealing with the application. Indeed, when I put these points to Mr Watson, very candidly he did agree that there were some gaps in the facts as presented by him, but the facts that he had presented, he said, went to the limit of his instructions.

It was recognised at the hearing that some of the facts presented were unsupported, but with the agreement of Mr Watson and the examiner, I said that I would assume that the facts were as stated and that if subsequently I decided that support was necessary I would give Mr Watson an opportunity to file evidence.

Although section 18(3) does not state in terms that a period specified by the Comptroller may also be extended by the

Comptroller, the hearing officer in Jaskowski's Application, [1981] RPC 197, found that the subsection clearly does provide the Comptroller with the discretionary power to extend a period already specified, and at the hearing before me it was implicitly accepted, as I also believe to be the case, that this is the proper construction of the sub-section. It was also common ground at the hearing that section 18(3) did empower the Comptroller to refuse an application if the applicant made no response within the period specified for a reply, and that if I did not exercise the Comptroller's discretion to grant an extension to the specified period as requested by the applicant, then I would have to refuse the application.

The hearing officer in Jaskowski's Application also found that before the Comptroller does exercise his discretionary power to extend a period set under section 18(3) -

> "he must have some adequate reason for exercising that discretion which is peculiar to the particular applicant or application in suit"

a finding which also went unchallenged at the hearing before me and which the examiner submitted should govern my decision on the present request. In support of this submission the examiner referred me at the hearing to Lintott Engineering Limited's Application, a decision which is available for inspection in the Science Reference

Library, in which, and apparently with the agreement of the agent in that case, another hearing officer accepted and applied the finding quoted above. This finding has therefore stood the test of time and I accept that it should govern my approach to the present request.

The finding contains two requirements. Firstly, the reason must be peculiar to the particular applicant or application, by which I feel sure the hearing officer simply meant that the reason must be derived from the circumstances of the particular applicant and from the facts of his application, and secondly, the reason must be adequate, by which I think the hearing officer meant (a) that on balancing the various interests of the public and of the applicant it must be clear that the period that had been specified was too short, and (b) that having regard to all the circumstances it is just that an extension be granted. In applying this test of adequacy, it seems to me that three factors require consideration, namely the conduct of the applicant, the relationship of the burden experienced by him to that experienced by a standard applicant, and the applicant's reason for wanting an extension. Before looking at the particular facts of the present request, I think it will be useful if I discuss my general approach to these matters.

Firstly, since discretion is founded in equity, an applicant seeking a favourable exercise of discretion must come with clean hands. In the present context this means, in my

opinion, that the applicant must be seen to have acted reasonably vis-a-vis the public. To be more specific, I take the view that an applicant must be deemed to know what is required of him as an applicant, and that therefore by becoming an applicant he impliedly accepts an obligation to try to play his part fairly in the prosecution of his application. Thus, in my opinion the length of the delay from when an applicant first realises that he will be unable to reply within the specified period up to the moment when he asks for an extension is material, since it is not in the public interest that an application shall enter a state where it is not clear from the papers whether or not the application is proceeding. Also, in my opinion, the extent to which an applicant has tried to reply within the period is material. This does not mean that I think that an applicant who applies late for an extension, or an applicant who has not tried very hard to reply, is automatically barred from an exercise of discretion, rather it means that, in my opinion, such an applicant has a greater onus to show that he has acted reasonably than an applicant who applies himself wholeheartedly and recognising that he will fail requests an extension in good time.

Secondly, since the reply periods specified by the Comptroller have been determined so as to balance the interests of the public with those of a standard applicant, since the burdens actually experienced by individual applicants in attempting to comply with the periods

specified will vary from applicant to applicant in accordance with each applicant's own particular circumstances, and since the Comptroller has a duty to act even-handedly, it follows that the extent by which the burden actually experienced by an applicant exceeds the norm should be put into the balance.

Thirdly, it is clear that many applicants will find that the periods specified by the Comptroller do require them to respond more quickly than they would otherwise desire. In some cases an applicant's primary motive in wanting to proceed at his own speed will be cost. This is seen in the Lintott Engineering decision to which I was referred at the hearing. In that case the applicant wanted to be allowed to proceed with his UK application at the same speed as he proceeded with a corresponding US application, with the professed aim of saving time and money. But it is not difficult to think of reasons where the primary motive is not cost. For example, a novel legal problem requiring extensive discussions with counsel may arise, a major calamity may occur, or the inventor may contract a serious illness. In other words, it is to be expected that there will be applicants who will not want to reply within the specified period, and that there will be some for whom it may be substantially impossible. If an applicant succumbs to these pressures and does not respond, then the reason and the circumstances giving rise to the pressures are further factors to be put into the balance.

Having established how I intend to apply the finding in the Jaskowski Application to determine the present request for an extension to a specified reply period, I now turn to the particular facts of the request. Mr Watson says that he sent a copy of the examiner's report to a director (Mr Marshall) of his client company. There has been no suggestion that the report was not received and I shall therefore assume that it was. That report specified a reply period of six months and warned the applicant that failure to respond within the period could lead to refusal of the application. Moreover, throughout the entire proceedings the company has had the benefit of the advice of a firm of chartered patent agents. I shall therefore assume that the company was aware of the requirements placed upon it if it wished to succeed with its application for a patent. About three months later the applicant company, through its marketing director (Mr Sutton), instructed Mr Watson not to proceed with the application. Mr Watson could not say why this decision was taken, but nor could he suggest other than that it was a rational decision properly made by the marketing director on behalf of the company on the basis of the facts then known to him. Finally, about five months later, that is to say precisely two months after the date by when a response was due, the first director (Mr Marshall) instructed Mr Watson to apply for an extension of the reply period so that the application could proceed.

In the light of these facts, it seems undeniable that the company has made little attempt to respond within the specified period. Indeed, it is doubtful, from the facts presented on its behalf, whether the company made any attempt at all. Furthermore, the company made no approach to the Office or to its agent until two months after the due date. By way of explanation of these facts, Mr Watson made two points. Firstly, argued Mr Watson, the marketing director's decision not to proceed was apparently erroneous, and secondly the first director (Mr Marshall) clearly thought that the application was proceeding normally when he enquired of its progress. Mr Watson submitted that these circumstances are clearly peculiar to the company, and that they constitute an adequate reason for exercising the Comptroller's discretion, but he did not suggest that the marketing director was not qualified to give the instruction. Although I might agree with Mr Watson's first submission, in my opinion the facts let him down in the second. Thus, if the first director (Mr Marshall) thought that the application was proceeding normally when he enquired of its progress, he must also have thought that it was being dealt with by someone else (since he, Mr Marshall, must be presumed to know that a response was necessary within six months, yet he waited eight months before making any enquiries). Who was this other person? Was he an employee or a director? Unfortunately, the facts are silent on these questions. All that is clear is that the marketing director, on behalf of the company, gave an instruction not

to proceed with the application. This instruction is argued to have been made erroneously, but there is no suggestion that any facts were deliberately withheld from the marketing director, or that he was deceived. It seems to me from the facts presented at the hearing that the decision can be described as erroneous only in the sense that the company now wishes to change it. However, this is speculation. The nub of the matter is that Mr Watson has not explained why the first director (Mr Marshall) apparently did nothing about the patent application for eight months, despite the fact that he had been sent the examiner's report which specified six months, nor why the marketing director (Mr Sutton) apparently on his own authority and without informing his fellow directors, issued an instruction not to proceed with the application, an instruction which, having been shown it at the hearing, I think Mr Watson was bound to follow. Thus, whilst the actions of the company through its directors might appear more reasonable if the full circumstances were known, on the facts as presented I am forced to the conclusion that the company has not paid proper heed to its obligations as an applicant.

Mr Watson also argued that the application was of importance to his client and that the company would suffer hardship if an extension were not granted. I accept that this is the likely consequence if an extension is refused, but in my opinion, the discretionary power given to the Comptroller under section 18(3) is not simply to prevent hardship.

Indeed, if hardship per se were the test, then since any refusal to grant an extension is likely to cause hardship, it would follow that any request for an extension ought to be allowed, a proposition that is plainly hopeless. In the present case from the facts presented by Mr Watson it is clear to me that any hardship resulting from a refusal will not flow from an excessively onerous burden caused by the Comptroller's timetable, nor from any supervening event outside the control of the company, but from a positive decision by the company to cease work on the application made for reasons and in circumstances that the company has chosen not fully to disclose. Thus in my opinion, Mr Watson has shown no reason why the hardship which is likely to result if his request for an extension is refused should be put into the balance.

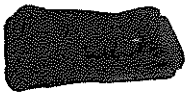
Finally, has it been shown that the circumstances of the present applicant differ sufficiently materially from those of the standard applicant to warrant a departure from the standard sequence of reply periods imposed by the Comptroller? In my opinion it has not. There is no evidence which suggests that the period specified has borne unduly harshly upon the company, there is no evidence of any difficulty with the application itself, and there is no evidence of any incapacity on the part of the company. Furthermore, as I have already indicated, I do not consider that the company has made a serious attempt to fulfil its obligations as an applicant, nor that it has made a full

disclosure of all the material circumstances, and what facts there are can be given many interpretations. Hence, I am of the firm opinion that it would be wrong for me to exercise the Comptroller's discretion in the present case to vary the specified reply period and I refuse to do so.

Accordingly, since the applicant has failed to respond within the reply period specified in the Official letter dated 12 December 1984 and since I have not been persuaded that this is a case where it would be proper for me to exercise the Comptroller's discretion to extend the reply period, I hereby refuse the application.

Since the present matter is procedural, any appeal against this decision should be lodged within 14 days of the date of the decision.

Dated this 22 day of November 1985



B J PHILLIPS

Principal Examiner, acting for the Comptroller-General

PATENT OFFICE