

BLO /125/88

PATENTS ACT 1977

IN THE MATTER OF an application
No 8716897 in the name of
Toyama Chemical Co Ltd

INTERIM DECISION

In an official letter dated 7 September 1987 the examiner raised an objection of lack of novelty citing under Section 1(1)(a) of the Act a European Patent no EP 0153580 (ABBOTT LABORATORIES). Since this European application, which designates the UK, was published on 4 September 1985, after the filing date of the present application, i.e. 23 April 1985 the citation was made by virtue of the provisions of Section 2(3).

Agents for the applicants requested either that this matter should be left until after grant and resolved under Section 73(1) or alternatively that a particular form of disclaimer should be allowed. Neither solution being acceptable to the examiner the matter came before me at a hearing on 21 June 1988 at which the applicants were represented by Mr P J H Stebbing of F J Cleveland & Company and Mr D R A Perry appeared as examiner.

The present application relates to certain 1,4 - dihydro - 4 - oxonaphthyridine compounds which are useful as antibacterial agents. It is not in dispute that certain of these compounds are disclosed in the cited document which claims a priority date of 26 January 1984 on the basis of two US applications, 574120 and 574226. The priority date of the present application is 26 April 1984, later than that claimed for the cited document.

Section 2(3) of the Act provides that:-

The state of the art in the case of an invention to which an application for a patent or a patent relates shall be taken also to comprise matter contained in an application for another patent which was published on or after the priority

date of that invention if the following conditions are satisfied, that is to say -

- (a) that matter was contained in the application for that other patent both as filed and as published; and
- (b) the priority date of that matter is earlier than that of the invention.

Mr Stebbing reserved his position on the question of the priority date of the cited document but in other respects the requirements of Section 2(3) are met.

At the hearing Mr Stebbing firstly argued that the matter need not be resolved before grant but that it could be left in abeyance and resumed as proceedings under Section 73(1).

At this stage I must go into the reasons why the applicants are unwilling for the matter to be decided now. Mr Stebbing argued that if for any reason the cited EP does not proceed to grant, either because of withdrawal or refusal it would lose its status under Section 2(3) because of the provisions of Section 78(5). This states that:-

"Subsections (1) to (3) above shall cease to apply to an application for a European Patent (UK) when the application is refused or withdrawn, or the designation of the United Kingdom in the application is withdrawn or deemed to be withdrawn"

The provisions of subsections (1) to (3) I need not recite in full, suffice it to say that they establish that a European patent (UK) is treated as a UK application for the purposes of the Act and subsection (2) specifically applies to inter alia Section 2(3). The question of the meaning of Section 78(5) was the subject of a decision by Whitford J. in L'Oreal's Application, 1986 RPC 19 where he made it clear that if a European application is withdrawn or refused it can no longer be maintained as a citation because Section 2(3) no longer applies. In the course of his decision the learned judge observed (p.28 lines 7 - 12):-

"One can envisage a situation in which, as a result of citation of such an application as the Henkel application, persons in the position of the present applicants might decide to abandon their application, and at a later stage, when an application such as the Henkel application was withdrawn, they would find themselves in the position of having abandoned a patent which might perfectly well have gone forward."

It is just such a situation that the present applicants wish to avoid. Mr Stebbing argued then that the Comptroller has the discretion to postpone a decision on a citation made under the provisions of Section 2(3) and resume proceedings after grant under Section 73(1). That Section states:-

"If it appears to the comptroller that an invention for which a patent has been granted formed part of the state of the art by virtue only of section 2(3) above, he may on his own initiative by order revoke the patent, but shall not do so without giving the proprietor of the patent an opportunity of making any observations and of amending the specification of the patent so as to exclude any matter which formed part of the state of the art as aforesaid without contravening section 76 below."

The Comptroller then clearly has the power to raise and deal with such matters after grant. This is not however the same as saying that he has discretion to avoid making a decision before grant. Clearly if the Comptroller is unable to make a decision before grant then it is possible to resume proceedings after grant and the Manual of Patent Practice envisages such a situation (para 73.02) as "the exceptional case when it has not been possible before the end of the s.20 period to obtain a copy of the priority document of a cited European application (UK) in order to determine whether or not it has an earlier priority date than the invention".

Mr Stebbing argued - and I will be going into this more fully later - that indeed in this case it is not possible to establish the correct priority date on the Abbott application because this is something which can only be decided before the European Patent Office. As I shall explain later I cannot accept this argument and do not consider this a valid ground for postponing a decision under Section 2(3).

Other than the mere presence of Section 73(1), Mr Stebbing was unable to direct me to any authority which substantiated his contention that the Comptroller has discretion to postpone the decision or whether or not the cited document is relevant by virtue of Section 2(3).

He did however stress the unfairness of the potential situation and put forward the view that the Comptroller is under an obligation to assist the applicant to obtain the widest possible monopoly to which he is entitled. While I sympathise with this view I must say that I consider the Comptroller also has a duty to the general public not to grant a monopoly wider than that to which the applicant is entitled by virtue of the provisions of the Patents Act.

To this end, Section 18 imposes on the Comptroller the duty of examination before grant to ascertain whether an application satisfies the requirements of the Act and rules and section 18(3) states that "If the examiner reports that any of those requirements are not complied with the comptroller may refuse the application." As I read this Section the Comptroller is charged with the duty of deciding whether or not to grant a patent on an application and only in exceptional circumstances do I consider it would be proper for the Comptroller to grant a patent when an examiner's objection is outstanding.

The hearing officer also took this view in the L'Oreal case referred to above. He remarked (page 23 lines 39-43):

"However, the Act makes no provision for issues of this

nature to be held in abeyance. It would in my view be wrong to defer such issues to be dealt with post-grant under section 73(1) since here again, by contrast with the wording of section 73(2), no specific provision is made for holding matters in abeyance until the fate of the cited European application is known."

The Manual of Patent Practice also provides support for this view where in discussing decisions under Section 2(3) it states (para 2.32, last sentence) "However if a European application (UK) in the 2(3) field which impugns the novelty of the application in suit is still in being when the latter reaches the end of the section 20 period, the UK application will have to be refused."

Mr Stebbing said there were doubts about the validity of the priority date claimed for the Abbott application. While he did not go into details he indicated that an objection existed that the examples of the Abbott application did not work and that there was no disclosure on which the priority date could be established. He took the view that the correct forum to decide this issue is the European Patent Office, and that the present applicants would enter an opposition to any European patent which may be granted on the Abbott application on the grounds that the examples in the Abbott application do not work. He advanced the argument that if such an opposition were successful and the patent was accordingly revoked, the section 2(3) citation would again be rendered null and void. He based this on the fact that because revocation is effective ab initio there would no longer be a European application in existence. At the hearing I expressed doubt about this contention since it seems to me that once a publication has entered the section 2(3) field the status of the subject matter cannot change except as provided for in section 78(5). This view is indeed supported by the European Patent Convention which defines in Article 68 the effect of revocation and states:-

"The European patent application and the resulting patent shall be deemed not to have had, as from the outset, the effects specified in Articles 64 and 67, to the extent that

the patent has been revoked in opposition proceedings."

Articles 64 and 67 define the rights conferred by the patent and its application. Article 66, however, which creates the equivalence between a European designation and a national filing is unaffected by Article 68.

It is also noteworthy that the Act only provides for Section 2(3) to become ineffective by the provisions of Section 78(5) which relates only to applications. There is no equivalent provision regarding granted patents.

However I do not need to decide on this issue since this is merely another reason why the applicants wish to have the substantive issue postponed until the ultimate fate of the cited application is known. Mere speculation as to the possible future fate of the cited application does not seem to me a good ground for not deciding the issue.

Mr Stebbing also argued that this argument regarding the non-workability of the examples is dependent on the filing of evidence which will call for a response from the other applicants. Accordingly this is of necessity an inter partes action which must be conducted before the European Patent Office. This I cannot accept. If the present applicants can provide sufficient evidence to persuade the comptroller that, for the purposes of this section 2(3) action, the Abbott application is not entitled to the claimed priority date this is sufficient. Faced with an equivalent situation where a UK application is cited the Comptroller would rule on the validity of the priority date for the purposes of Section 2(3) without recourse to an inter partes action. Since by virtue of Section 78(1) and (2), an application for a European patent (UK) shall be treated for the purposes of the Act as a UK application including inter alia the provisions of Section 5 which deals with priority date, the Comptroller is equally competent to decide whether or not the Abbott application is entitled (for the purposes of Section 2(3)) to its claimed priority date. It should of course be stated that the relevant priority documents are

available.

As I have already stated I can find no authority, nor do I see any reason, for postponing the decision under section 2(3). It would in my view be quite wrong to allow an application to proceed to grant when a valid objection exists with consequential doubts on the scope of the patent granted and possible serious effects on interested third parties.

It is of course open for the applicants to challenge the validity of the priority claim on the Abbott application. The examiner has expressed the prima facie view that one of the US documents provides support for the relevant disclosure but this was not argued before me at the hearing and I therefore decline to express a view at this stage on the validity of the Abbott priority date.

I turn now to the disclaimer which the applicants have put forward in their agents' letter dated 7 June 1988, requesting that it be considered at the hearing as an alternative solution.

The proposed disclaimer to be inserted before the present claims of this application reads;-

"EP-A-0153580 dated 21 January 1985 has a claim to priority of 26 January 1984. The said EP-A-0153580 claims [there follows a recital of the present claim 1 of EP-A-0153580].

We make no claim to any subject matter contained in a European Patent (UK) granted on EP-A-153580 and having a valid claim to the presently claimed convention priority.

The following claims are subject to this disclaimer."

Disclaimers are of course a valid means of avoiding prior disclosures where inventive step is not an issue. They should however be so drafted that it is still clear what monopoly is covered by the claims. It is not in my view legitimate to have a disclaimer in a situation where it is possible to amend the claims

to exclude the relevant matter, nor is it legitimate to have a disclaimer followed by claims which not only specifically claim the disclaimed matter but which are supported by particular description relating to such disclaimed matter. Equally it is not permissible to have a disclaimer which is itself not clear. All such situations would result in the claims not being clear and concise contrary to section 14(5)(b).

The presently proposed disclaimer is firstly dependent on the requirement that the excluded subject matter of the EP should have a valid priority claim. This to my mind places too much onus on the public to determine the valid scope of the disclaimer. Mr Stebbing attempted to argue that there was no difficulty in deciding whether such priority claim was valid or not. This does not lie easily with his assertion that the priority date can only be decided before the European Patent Office but leaving that aside I consider it a manifestly unfair imposition on the public to have to form an opinion (and it can be no more than that) on the priority date. The only information presently available lies in the priority documents. No information is yet available on the issue which Mr Stebbing contends raises doubts over the priority date. If and when such information becomes publicly available an informed reader may come to a different conclusion from the one he may reach now.

Even having decided that the claim to priority is valid, the reader must then decide what is still claimed after taking the disclaimer into consideration. Since the specification relates (though not solely) specifically to the subject matter which is common to both the present application and the Abbott application, this is no easy matter and imposes a further unfair task.

Furthermore the disclaimer, couched as it is in wording referring specifically only to matter contained in a patent ignores totally the fact that Section 2(3) refers to matter contained in an application. It is not the matter in any granted patent which is relevant, but the matter in the application (as filed and published). The final form of the patent may of course differ

considerably from that of the application but any such changes do not come within the provisions of Section 78(5). Therefore it is all relevant matter in the application as published which must be excluded.

Accordingly I am not able to accept the proposed disclaimer.

In the event therefore I decide this application cannot proceed to grant in its present form. Accordingly within six weeks from the date of this decision applicants must either

(a) submit amendments to overcome the novelty objection raised under section 1(1)(a) and 2(3) or

(b) submit arguments, which need not at this stage be supported by evidence, directed to challenging the claimed priority date of EP 0153580 or otherwise challenging the validity of the novelty objection.

I will thereafter decide on the further course of these proceedings. Otherwise the application will be refused.

Dated this

5

day of

August

1988

P L EGGINGTON

Principal Examiner, acting for the Comptroller

