

PATENTS ACT 1977

Miss Durow
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IN THE MATTER OF Patent Application
No 9104707.6 in the name of
Nokia Mobile Phones (UK) Limited

01127.95

The application was filed on 6 March 1991 and published as GB 2253541A on 9 September 1992. Following substantive examination, a letter issued on 26 July 1994, headed "Report under Section 18(4) on Application No GB9104707.6", reporting that the application complied with the requirements of the Act and of the Rules made thereunder. The letter set out the period allowed for filing own-volition amendments under rule 36(4) and/or a divisional application and stated that the application would not be forwarded for grant until 2 months after issue of the letter. It also warned of a potential conflict under Section 73 with European Patent Application EP 0502617.

Upon the expiry of the two months period allowed, the application was returned to the examining group and went through the usual pre-grant checking procedure, in the course of which procedure it was discovered that the examiner had omitted to consider the contents of the search report, published 9 December 1992, on the corresponding European patent application. A further report, dated 28 October 1994, stated that, subsequent to the issue of the report under Section 18(4), dated 26 July 1994, the examiner had become aware of a prior French patent specification FR 2556538 which had been cited in the published search report issued on EP 0502617 and that the examiner considered that this French specification anticipated claims 1 and 9, at least, of the application in suit. The letter went on to say that "In these circumstances grant will be delayed for two months from the date of this letter to allow voluntary amendments to be made to the specification".

The applicants' letter in response dated 21 December 1994 stated that it was "felt that the claims currently on file are adequately distinguished from the cited French patent

specification FR 2556538. We therefore require no amendments to be made to the application and look forward to the subsequent granting of the patent".

A further official letter then issued, dated 6 February 1995, rescinding the Section 18(4) report as a correction of an irregularity in procedure due to an error on the part of the Patent Office. In addition, objection was raised that "the invention so far as claimed in Claims 1 and 9 of this application is not new having regard to the matter contained in patent specification FR 2556538 (LEHIR)". Further, it was stated that "As regards the propriety of raising objection at this stage, the wording of Section 18(4) is not considered to take precedence over the requirements of Section 1(1). The limitation on patents that they be granted only in respect of something new is one that dates from the statute of Monopolies of 1623 and has been in every Patents Act since". The examiner apologised for any inconvenience caused by the error in procedure and stated that the applicant was "being required to explain satisfactorily the distinction referred to in Mr Frain's letter 21 December 1994, or to amend the specification".

The Applicants replied in May 1995 with comments and observations contesting the comptroller's right to withdraw the Section 18(4) letter of 26 July 1994 and subsequently to issue a report under section 18(3) on 6 February 1995 on the basis that "the comptroller has exceeded his rights and authority under the Patents Act 1977", and setting out further details of the argument in support of this view.

The examiner's letter in response, dated 6 June 1995, under Section 18(3), stated that in respect of the irregularity in procedure to which reference had been made, the procedure was that set out in the Manual of Patent Practice (MPP) at 18.10 :-

"... Where the examiner finds an EP, WO, US or other counterpart of the application including a published search report, he should consider the contents of that report."

The letter went on "... under the terms of Section 18(3) and Section 1(1) of the Act, because the requirements of Section 1(1)(a),(b) and (c) are expressed as positive requirements, the onus is upon an applicant to demonstrate compliance when faced with a reasonable challenge (see MPP 1.05), and the mere assertion that the claims currently on file are distinguished

over FR 2556538 does not demonstrate compliance, that is it fails to satisfy the comptroller that the requirements of Section 1(1) are complied with".

Subsequently, and following several telephone discussions which failed to settle the points at issue, the Applicants requested a hearing "to decide on the propriety of the exercise of the comptroller's discretion in rescinding the Section 18(4) report on this application dated 26 July 1994, and further to decide on the request made in the Applicant's letter dated 10 May 1995 to treat the documents comprising annex A filed therewith as confidential".

Whilst, in general, the comptroller seeks to minimise the number of preliminary or procedural hearings in advance of substantive hearings, the Applicants requested that the substantive matter, i.e. the question of anticipation, should be held in abeyance until the section 18(4) matter had been decided. This request was acceded to and consequently the matter came before me at a hearing on 29 September 1995 when Mr Roger Wyand appeared as Counsel for the Applicants, instructed by Dr J M Potter, Patent Agent for Nokia Mobile Phones (UK) Limited.

At the hearing Mr Wyand argued that, once a report under section 18(4) has issued, the wording of the section makes it quite plain that there are only certain limited exceptions to the grant of a patent - as prescribed by sections 18(5), 19 and 22 - and that, if none of these exceptions apply, grant is mandatory. He considered that, since in the present instance these exceptions did not apply, unless there is an error of procedure under rule 100, the patent should be granted. In this respect he considered that there was no difference between the type of official letter which states that an application will not be forwarded to grant until a prescribed period has expired and the type which states that an application is granted. Consequently he maintained that it was *ultra vires* for the comptroller to seek to withdraw the Section 18(4) letter of 26 July 1994. In support of his argument he particularly drew my attention to two precedent cases, *ITT Industries Inc.'s Application* [1984] RPC 23 and *Ogawa Chemical Industries Ltd.'s Applications* [1986] RPC 63, in both of which he argued that it was recognised as a requirement that, once the examiner has reported that the application complies with the Act and rules, the comptroller should grant the patent.

Mr Wyand argued further that there was no error of procedure that would allow rule 100 to be invoked. He considered that a failure of procedure related either to some provision of the Act that had not been followed, for example if the examiner had not fulfilled the requirements of section 18(2) or to circumstances in which there was no intention to send the section 18(4) notification letter. The fact that the examiner had merely failed to follow a guideline set out in the Manual of Office Practice did not amount to a failure of procedure.

If, however, it was considered that there had been a failure of procedure, Mr Wyand maintained that it had been corrected by the official letter of 28 October 1994 which postponed grant for two months to allow the opportunity for amendment. This was at a time when the prior art had been considered and therefore the alleged irregularity of procedure was righted at that stage.

Mr Wyand submitted, in respect of the public policy argument, that whilst, on the one hand, there should not be patents on the register which are not valid, on the other hand applicants should be entitled to rely on a report from the Patent Office and he considered that public policy argued in favour of the Office being bound by its report under section 18(4).

It is clear from the papers that the Patent Office, having recognised that an error had been made and considering that it was essential to correct it, found itself undecided as to how best to do so and, in fact, having chosen one path following the guidance in paragraph 18.89 of the Manual of Office Practice initially considering that the Applicants would welcome the opportunity to address this matter pre-grant, subsequently decided on another. It is not surprising that the Office found itself in some difficulty as to how best to handle the problem since the precedent cases are directed to applications in which the applicants disputed that, for the purposes of sections 1 - 23, grant had taken place when the notification of grant letter issued, and appear to provide no clear guidance in the present circumstances where the patent has not yet been granted.

I have carefully considered the arguments and submissions of Mr Wyand. However I am not persuaded by his argument that there is no difference in status between an application on which an official report issues, stating that the application complies with the Act and rules

and will not be forwarded to grant until after the expiry of a prescribed period, (as is the case in the application in suit) and one on which the report states that an application is granted. In particular I do not accept that, in an application in which the section 18(4) notification of compliance issues in advance of the notice of grant, such notification is effective to put an end to the need, pre-grant, to ensure compliance with section 1. In my view to accept Mr Wyand's argument is effectively to give the comptroller discretion to ignore the provisions of section 1. These are clearly statutory provisions, which following Lord Diplock's admonition in *E's Applications* [1983] RPC 231 at 253, there is no discretion to ignore.

Section 18(4) provides that firstly the comptroller should send the applicant an examiner's report that the application complies with the relevant requirements, and secondly that he should grant the applicant a patent. As explained to Mr Wyand at the hearing, where the first examiner's report issues under section 18(4), the application is returned to the examiner at the end of the two month period for reconsideration. If, at this stage before the comptroller grants the patent, the examiner should withdraw his report of compliance with the Act and report instead that an objection exist, then it does not seem to me that the Act requires the comptroller to grant a patent knowing that the examiner considers the patent would be invalid. Mr Wyand submitted that this reconsideration is not in accordance with the Act but, as stated in *ITT Industries Inc.'s Application*, although once determined there are no means by which the date of grant can be withdrawn short of there being demonstrated an error of procedure under rule 100, the Act is silent as to the precise mechanism to be adopted for grant, the Office being able to decide what will be the point of grant. I do not consider that in following the current practice the Act or Rules are being contravened. I accept that the letter which the office sends to applicants notifying them of the grant of their patent terminates proceedings for those sections of the Act prior to section 24, the subsequent publication of the notice of the date of grant in the Official Journal (Patents) being operative for those sections following section 25. However, in the present case, the time when the application is sent forward to grant has not yet been reached and therefore, in my opinion, at this stage in the proceedings it is still necessary for the requirements of sections 1 - 23 to be met. Consequently I consider that a reasoned response is required from the Applicants to the objection raised under section 1.

In respect of the public policy argument to which Mr Wyand alluded, that it would be wrong to allow to go to grant patents which are open to objection; this requires, in my view, that when a potential cause of invalidity exists in a patent application pre-grant which has arisen because of an error within the Office, then it is necessary to correct the error, whilst balancing the public interest against any inconvenience caused to the applicant. In this instance, where the application has not yet been forwarded to grant because the examiner considers that the application does not comply with the requirements of the Act and rules but where the Applicants are apparently confident that no amendment of their application is necessary, I consider that the public interest is best served by the resolution of this matter pre-grant. I am reinforced in this view by the fact that the matter cannot be raised once the application has been granted since the provisions of section 73(1) only permit consideration of matter forming part of the state of the art by virtue only of section 2(3).

Consideration of the contents of the published search report on corresponding European patent applications is a routine procedure for all examiners and does not involve the examiner's judgement and expertise as does, for example, making the determination of the extent to which an application should be searched. The need for this consideration arises from the obligation to ensure that, as required by section 130(7) of the Patents Act, there is uniformity of effect between section 1 of the Act and Article 52 of the European Patent Convention. As stated by Nicholls LJ in *Gale's Application* [1991] RPC 305 :-

"It would be absurd if, on an issue of patentability, a patent application should suffer a different fate according to whether it was made in the United Kingdom under the Act or was made in Munich for a European patent(UK) under the Convention."

In the absence of any procedural rule appropriate to the particular facts of this case I am undecided as to whether or not errors of procedure under the terms of rule 100 have occurred and, in particular, I am not convinced that either the error which resulted in the issue of a section 18(4) notification in advance of the consideration of the search report or the error of omission in not considering that published search report were errors of procedure under the terms of rule 100. In *E's Applications* Lord Diplock stated :-

"An irregularity in procedure is simply a failure to observe procedural rules ..."
and it is not clear to me that "procedural rules" have been contravened in the present application. Mr Wyand has argued that the errors which occurred in the processing of this

application are not procedural errors under the terms of rule 100 and therefore may not be put right. It seems to me that, if those errors are such as would, if not corrected, lead to the Office ignoring the provisions of the Act, then, even if it is not clear that those errors are irregularities in procedure under the terms of rule 100, they must be corrected. In my opinion the action taken by the Office to correct those errors does not contravene the Act and rules, and therefore I do not need to decide whether or not the errors come under the terms of rule 100.

Having decided that, at this stage in the proceedings of the application in suit, compliance with the requirements of sections 1 - 23 of the Patents Act 1977 is necessary, it follows that a reasoned response from the Applicants to the objection first raised in the official letter of 28 October 1994 (set out in greater detail in letters dated 6 February 1995 and 6 June 1995) is required, the reply received on 21 December 1994 having failed to satisfy the comptroller. In the event that the Applicants fail to satisfy the comptroller that the requirements of the Act and rules are complied with, the comptroller may refuse the application. In the official letter of 6 June 1995 the period for putting the application in order under rule 34 was extended until 6 December 1995. The Applicants have, as usual, half the period remaining from the date of this decision, to reply.

It was decided at the hearing that certain documents may remain confidential until the present matter is finalised.

This being a procedural matter any appeal from this decision should be lodged within a period of two weeks.

Dated the ~~30th~~ day of October 1995

[REDACTED]

Mrs J A WILSON

Principal Examiner, acting for the Comptroller.

