

20 December 2007

PATENTS ACT 1977

REQUESTER Automation Conveyors Limited

ISSUE Whether or not the comptroller should issue an opinion on European patent (UK) no. EP1175160 B in respect of request no. 17/07 in accordance with section 74A(3) of the Patents Act 1977

HEARING OFFICER A C Howard

DECISION

Introduction

- 1 This decision relates to a request for an opinion on patentability under section 74A(1)(b) of the Patents Act 1977 as amended (“the Act”).
- 2 The request in question (no. 17/07) was filed on 17 July 2007 by Automation Conveyors Ltd. (“Automation”). An opinion is sought on whether European patent (UK) no. EP1175160 B (the patent) in the name of Heeling Sports Limited (“the patentee”) is valid in view of the disclosure in five prior patent documents, identified as DE 723266 (Frisch), US 3963251 (Miano), US 3476399 (Finn), US 3306623 (Weitzner) and US 5785327 (Gallant).
- 3 The Office copied the request to the patentee and to the exclusive licensee under cover of letters dated 26 July 2007. In accordance with the Act and Rules these letters specified that any observations should be received by 29 August 2007.
- 4 In a letter dated 6 August 2007 the Office informed Automation that it intended to refuse the request as it appeared to relate solely to a question that has been considered during the examination of the patent application prior to grant. This was a view the Office had reached on the basis of its own assessment of the situation and without the benefit of the views of the patentee. In accordance with s. 101 of the Act, Automation was given the opportunity to be heard on the matter, and they took up this offer.
- 5 Meanwhile, the patentee had been considering its position and, in a letter dated 28 September 2007 and received in the Office on the same day, submitted

observations in the form of arguments why the comptroller should refuse to issue an opinion. They also requested to attend as an observer at the hearing. Automation objected both to the admission of the patentees' observations and to their attendance as an observer.

- 6 The hearing was duly arranged and took place before me on 24 October 2007. On this occasion, Automation was represented by Nicholas Wallin of Withers & Rogers LLP.
- 7 The patentees' representatives had been notified of the time and place of the hearing but had been warned by the Office that they were not parties to the proceedings and would not be permitted to address me.
- 8 As a preliminary matter Mr Wallin addressed me *in camera* on whether the patentees' representatives should be allowed to observe the hearing. Having heard Mr Wallin's submissions I decided that the hearing should be held in public, and accordingly directed that the patentees' representatives should be allowed in. My reasons for this were given at the time.

The law

- 9 The applicable law is set out in section 74A of the Act, the relevant parts of which read as follows:

Section 74A(1)

The proprietor of a patent or any other person may request the comptroller to issue an opinion –

- (a) as to whether a particular act constitutes, or (if done) would constitute, an infringement of the patent;
- (b) as to whether, or to what extent, the invention in question is not patentable because the condition in section 1(1)(a) or (b) above is not satisfied.

Section 74A(3)

The comptroller shall issue an opinion if requested to do so under subsection (1) above, but shall not do so-

- (a) in such circumstances as may be prescribed, or
- (b) if for any reason he considers it inappropriate in all the circumstances to do so.

Section 74A(6)

In relation to a decision of the comptroller whether to issue an opinion under this section –

- (a) for the purposes of section 101 below, only the person making the request under subsection (1) above shall be regarded as a party to a proceeding before the comptroller; and
- (b) no appeal shall lie at the instance of any other person.

- 10 On 17 December 2007, the Patents Rules 2007 (“the 2007 Rules”) came into force, superseding the Patents Rules 1995 as amended (“the 1995 Rules”). The transitional provisions in Schedule 5 of the 2007 Rules are silent about the rules specific to opinions. Accordingly, although when the hearing and the events referred to in this decision took place, the 1995 Rules were in force, this decision as such, as well as any subsequent processing of the request will be subject to the 2007 Rules. This has no practical effect on the outcome since the substantive provisions governing opinions in the 1995 and 2007 Rules are identical in their meaning and effect, the only differences in wording between them being of a purely consequential or cosmetic nature.
- 11 Rules 92-100 of the 2007 Rules are relevant to this decision. Their equivalents under the 1995 Rules were rules 77A to 77J. In this decision I have referred to the 1995 or 2007 rules as the context requires.
- 12 I set out below the texts of the rules in question. I have quoted the precise wording of the 2007 Rules but, as I have already remarked, each of the respective provisions under the 1995 Rules had identical effect.

Rule 92 (equivalent to Rule 77A of the 1995 Rules)

In this Part

....

“relevant proceedings” means proceedings (whether pending or concluded) before the comptroller, the court or the European Patent Office.

Rule 93 (equivalent to Rule 77B of the 1995 Rules)

(1) A request must be made on Patents Form 17 and must be accompanied by a copy and a statement setting out fully—

.....

(2) The statement must be accompanied by—

...

(b) particulars of any relevant proceedings of which the requester is aware which relate to the patent in suit and which may be relevant to that question.

Rule 94 (equivalent to Rule 77D of the 1995 Rules)

(1) The comptroller shall not issue an opinion if—

- (a) the request appears to him to be frivolous or vexatious; or
- (b) the question upon which the opinion is sought appears to him to have been sufficiently considered in any relevant proceedings.

.....

(3) If the comptroller intends at any time—

- (a) to refuse the request because the condition in paragraph (1)(a) or (b) is satisfied; or
- (b) to refuse the request because, in accordance with section 74A(3)(b), he considers it inappropriate in all the circumstances to issue an opinion,
he shall notify the requester accordingly.

Rule 95 (equivalent to Rule 77E of the 1995 Rules)

- (1) The comptroller must notify the following persons of the request (except where the person concerned is the requester)—
 - (a) the patent holder;
 - (b) any holder of a licence or sub-licence under the patent in suit which has been registered under rule 47;

.....

....

- (5) However, if the request is refused or withdrawn before a notification has been made under paragraph (1)—
 - (a) the patent holder alone must be notified of the request (and of the fact that it has been refused or withdrawn);

....

Rule 96 (equivalent to Rule 77F of the 1995 Rules)

- (1) If the request has not been refused or withdrawn, any person may, before the end of the relevant period, file observations on any issue raised by the request.
- (2) Such observations may include reasons why the comptroller should refuse the request.

.....

- (7) For the purposes of this rule, the relevant period is four weeks beginning with the date of advertisement under rule 95(4).

Rule 97 (equivalent to Rule 77G of the 1995 Rules)

- (1) After the end of the procedure under rule 96, the comptroller must refer the request to an examiner for the preparation of the opinion.

.....

Admissibility of the patentees' submissions

- 13 Mr. Wallin had two arguments as to why I should not entertain the patentees' submissions. The first was that "*these are ex parte proceedings, and the patentee is not a party to these proceedings, so on that respect submissions from the patentee should not be considered*". In the alternative that this argument failed, he pointed out that, in this case, the submissions had been filed out of time, the four week period for observations provided in rule 77F having expired

on 29 August 2007.

- 14 Regarding his first argument Mr. Wallin suggested that there is an order of procedure implied by the Act and Rules according to which, following notification under rule 77E (rule 95 of the 2007 Rules), rule 77F (96) gives to the patentee (and other third parties) an opportunity to file observations, including on the question of refusal of the request. However, once the Office has indicated an intention to refuse a request, as in this case, then section 74A(6) is engaged. Since this specifies in terms that only the requester shall be a party to proceedings concerning whether to issue an opinion, it was Mr Wallin's contention that this overrides rule 77F and effectively closes off the possibility that submissions can be considered from anybody else.
- 15 I agree that there is a logical progression of events implied in the way the rules are set out although I do not agree entirely with Mr Wallin's analysis. To my mind, the normal course of events is as follows: (1) the request is filed; (2) the Office conducts an initial inspection and forms a view, *inter alia*, on the question of whether it should be accepted or refused; (3) interested parties are notified and the period for submissions starts to run; (4) submissions, which may address the question of whether or not the comptroller should refuse to issue an opinion, may be received; (5) if submissions on the question of refusal are received, the examiner comes to a view on whether to refuse or proceed with the opinion; (6) if the decision is to proceed, the opinion is drawn up and issued. That I would suggest is the typical sequence of events. However it is crystal clear from the wording of rule 77D(3) (rule 94(3) of the 2007 Rules) that the Office can refuse a request at any time.
- 16 There may be legitimate reasons why the question of whether to refuse may be considered other than at steps 2 and 5. In this case it appears that the possible overlap with the examination undertaken at the EPO was not picked up in the initial inspection of the request. However, once the nature of the overlap had been appreciated, the Office thought it desirable immediately to notify the requestor and the patentee that it was minded to refuse the application. This action was taken before any observations had been received, in an effort to reduce any burden on the patentee, at least until the issue of the proposed refusal had been resolved.
- 17 With hindsight, it might have been better for the Office, having served notice of the request on the patentee, to await any submissions before taking further action. This might have avoided the situation we now face. However I do not wish to be too critical – the opinion service is a relatively new service which is intended to be simple and cheap and not too burdensome on those involved. The Office, and indeed the parties involved, is still finding out how best to give effect to these objectives within the prescribed regime.
- 18 That said I still need to decide what to do with the observations. I have no difficulty with the notion that in coming to a decision on the question the comptroller can take into account observations from persons who are not party to any proceeding, since, for the reasons given above, this situation is clearly provided for in the rules. It is moreover analogous to s.21 of the Act, which allows an examiner to take into account observations from persons who are not party to

any proceedings in the course of examining a patent application.

- 19 Having decided that I can in principle entertain observations from any person who is not a party, I need to consider whether the particular observations filed by the patentee in this case can be admitted. Mr Wallin argues that the submissions had been filed out of time, the four week period for observations provided in rule 77F(6) having expired on 29 August 2007. However the period is extendable. Rule 108 of the 2007 Rules states that

“The comptroller may, if he thinks fit, extend or further extend any period of time prescribed by these Rules except a period prescribed by the provisions listed in Parts 1 and 2 of Schedule 4”

- 20 Rule 108 is substantially identically worded and is equivalent in effect to rule 110 of the repealed 1995 Rules. It is thus applicable to periods to which rule 110 formerly applied. The equivalent of rule 77F of the patents rules 1995 is rule 96 of the 2007 Rules. This provision is listed under neither Part 1 nor 2 of Schedule 4 (nor the equivalent parts of schedule 4A of the 1995 Rules). The only requirement for extending the period is accordingly that the comptroller must think it fit to do so.

- 21 In this respect I note that the letter issued by the Office to the requestor and copied to the proprietor indicating that it intended to refuse the request did not mention the implications of that decision on the period for filing observations. Hence it is possible that due to this oversight the patentee thought that the period no longer applied or had been suspended pending the resolution of the question of refusal. Consequently I think it would be entirely appropriate to extend the period. Indeed not to do so would I believe be unjust. Consequently I will admit the observations. In the event, for reasons that will become clear, it has proved possible to reach a decision without taking into account these submissions.

- 22 It is unfortunate that in this case the Office departed to some degree from what I have termed “normal” procedure. Thus, it was only after the patentee and licensee had been notified of the request, but before the period for observations was over, that the Office formed, on its own initiative, the view that the request should be refused. While this was perfectly within the rules, which do not impose a rigid procedural order, it did not conform to the logic as I have set out above and for that reason seems to have caused some confusion. With hindsight, it would probably have been preferable if the Office, having proceeded to the step of notifying interested parties, could have allowed the period for observations to run its course and only then expressed its view on the question of refusal. If it had done that I suspect we would not be faced with this question now.

The substantive question

- 23 The key question is whether the fact that important prior art documents cited in the request had previously been referenced in the course of the examination of the respective application at the EPO, warrants a refusal to issue an opinion.
- 24 There are two possible provisions of relevance. These are:

- Rule 94(1) (equivalent 77D(1)) invoked via section 74A(3)(a) relating to questions which “have been sufficiently considered in any relevant proceedings”
- Section 74A(3)(b) which requires the comptroller not to issue an opinion if for any reason he considers it inappropriate in all the circumstances to do so.

25 A similar point has previously been considered in two recent decisions before the Office: *Franks* (BL O/289/07) and *Naylor* (BL O/298/07). In *Franks* the Hearing Officer stated at paragraph 18:

“It was I believe always the intention that the opinion service would not be used to repeat or in some way reappraise the examination of the patent performed either in this Office or at the EPO”.

26 He based this view on a statement made in Parliament by the then Secretary of State at the second reading of the Patents Bill, and on notes on clauses produced for the Grand Committee of the House of Lords. He considered, however, that this intention was not delivered by the reference in rule 77D(1)(b) to “sufficiently considered in any proceedings” since it was his view that pre-grant patent examination does not constitute “proceedings” (paragraph 22). To his mind the objective not to repeat or reappraise pre-grant examination is realised by section 74A(3)(b) in which the comptroller is required to not issue an opinion “if for any reason he considers it inappropriate in all the circumstances to do so”. The Hearing Officer went on to express the view that while this did not mean that in every case a request should be founded on a new piece of prior art, there had at least to be a new argument. In *Naylor* a similar line was taken.

27 I agree that the normal pre-grant examination process, as conducted by an examiner either before this Office or the EPO, does not constitute “relevant proceedings” for the purposes of rule 94(1). Although the term “proceedings” is not defined in the Act, I find support in this view from the wording of s.117B which provides *inter alia* for the extension of time limits specified by the comptroller in connection with an application for a patent. The effect of s.117B(5) is to exclude “proceedings” from the scope of the section. This is only meaningful if pre-grant processing is not “proceedings”. Mr. Wallin did not dispute this interpretation.

28 It follows that, since the issue which has been raised concerns prior art documents cited by the EPO pre-grant, rule 94(1) is not relevant and the question I have to decide is whether, in accordance with the wording of s.74A(3)(b), it is inappropriate in all the circumstances to issue an opinion.

29 The use of the words “in all the circumstances” in s.74A(3)(b) means to me that I have to weigh all relevant factors in deciding on the inappropriateness of issuing an opinion. There is no doubt in my mind that what was cited during the examination phase is indeed one of the factors than can be taken into consideration in this context.

30 To this end, Mr Wallin invited me to apply a test similar to the one under rule 77D(1) (now 94(1)), namely to ask whether the prior art cited in the request had been sufficiently considered pre-grant. There is however an important distinction

to be drawn between pre-grant examination on the one hand and “proceedings” on the other. The latter are typically terminated by some kind of reasoned decision. In such cases it will be clear what has been considered by the person making the decision and it should therefore be possible to come to a view on whether the consideration was sufficient. However, in pre-grant examination there is no corresponding window on the mind of the examiner. Although it may be possible to draw inferences from a sequence of correspondence, the examiner rarely gives an explanation as to why a particular line of argument or objection has been dropped. This is particularly true in relation to a decision not to pursue a citation made in a search report. It will therefore rarely be possible to draw the conclusion with any degree of certainty that a particular question has been “sufficiently considered”. Applying the test proposed by Mr Wallin would, it seems to me, lead to the outcome that many, possibly most, issues involving the relevance of prior art referred to pre-grant could end up being re-examined in an opinion. I do not believe that this was the intention of the legislator and it would not in my view be an appropriate use of the opinions service.

- 31 The hearing officer in *Franks* suggested that the key issue is whether a new argument has been put forward (paragraph 23). This was rephrased in *Naylor* in terms of whether there is a new question (paragraph 6). This view is supported by paragraph 16 of the 2005 Patent Office consultation paper concerning opinions, to which Mr. Wallin referred, in which it is said that “*a request would be refused where it does no more than repeat arguments already considered pre-grant*”.
- 32 But what is “a new question or argument”? Mr. Wallin suggested that a new question “*just has to be something that you can see from the prosecution history has not been considered before*”. I agree with this statement, although I think I probably differ with him over the detail of what it means in practice. It is an intrinsic part of the substantive examination process to assess the novelty and obviousness of the claims, as properly construed, in the light of the prior art. In this context, “prior art” means documents cited in the search report (at least under category “X” or “Y”, which indicate possible relevance to novelty or inventive step) as well as material which has come to the examiner’s attention in some other way. I think it reasonable to suppose in general that the examiner will have done his or her job properly in the absence of indication to the contrary, and I see no reason why this assumption should not apply even if the examiner has decided not to raise objection on the basis of any of the citations at substantive examination.
- 33 Having said that, I have to acknowledge the possibility that a decision by an examiner to discount a citation might be shown to have been clearly perverse, in the sense that no reasonable person could have reached it. Only in such a case might it be appropriate to reconsider the citation in an opinion as there could be said to be a new argument.
- 34 I should mention that Mr Wallin also proposed an alternative test by analogy with the one set out by Laddie J in *Series 5 Software* [1996] FSR 273. This concerned an application for an interlocutory injunction, in which there are a number of factors to be taken into consideration, but the one focused on by Mr Wallin was the “likelihood of success”. Obviously a request for an opinion is a very different

situation to a request for an injunction when fully litigated proceedings are in prospect, but what I understand Mr Wallin to have been suggesting was that the comptroller should proceed to issue the opinion if there was a significant likelihood that the outcome would be adverse to the patent. This is a qualitatively different test to that of whether a new question is raised, and is not fully consistent with the principle I set out above that the original examiner's decision should not be revisited unless it was clearly perverse. Moreover, it is self-contradictory in the sense that to come to a view on the likely outcome of the opinion process (which is a paper-based procedure) would in practice require investigating the merits of the request to an extent that could effectively mean doing the opinion.

- 35 My conclusion from the above is accordingly that a request for an opinion on validity which argues on the basis of prior art that was cited as category "X" or "Y" in the search report, or as part of a substantive objection at any other time in the examination procedure, is, other than in exceptional circumstances, unlikely to clear the hurdle of raising a new question or argument.
- 36 I shall turn now to the facts of this particular request. The patent comprises 30 claims of which claims 1, 26 and 30 are independent. Claims 1-25 relate to an item of footwear including, *inter alia* rolling means in the heel, claims 26-29 to a method of transportation using such an item of footwear, and claim 30 to a method of forming such an item. The request relies on five prior art patent documents as listed above. Of these, Frisch and Finn were referred to during the substantive examination at the EPO, and Weitzner was cited under category "X" in the International Search Report drawn up by the EPO. It was not however referred to by the substantive examiner. The remaining two documents, Miano and Gallant, were not cited or referred to at all during the prosecution of the application. These however feature in the request only in relation to the obviousness of dependent claims 18 and 21 in combination with one or more of Frisch, Finn and Weitzner.
- 37 At the hearing Mr. Wallin took me through the detail of the pre-grant documentation and contrasted this with the arguments in the request. In particular he focused on the construction put on claim 1 of the application by the EPO examiner which led to the objection that the invention was obvious in the light of Frisch, described by the examiner as the closest prior art. By contrast the request seeks an opinion *inter alia* as to whether the patent is novel in light of Frisch. As Mr. Wallin put it, "*The EPO examiner failed to properly interpret the claims as amended in the light of the description, as well to fully apply the teaching of Frisch*". For Mr. Wallin this produces a new argument.
- 38 The arguments on which the request is based are not limited to claim 1 or to the disclosure of Frisch. However on a reading of the request and having considered Mr Wallin's submissions in the light of the granted claims and the cited documents, I can find nothing that leads me to conclude that the view of the EPO examiner regarding the relevance of Frisch, Finn and Weitzner was perverse or unreasonable. On the contrary, the disclosure of the citations is materially different from that of the patent, and Automation has had to advance detailed arguments regarding the proper construction of the granted claims to justify the position that they are invalidated by the prior art.

- 39 In effect, Automation's case in asking the comptroller not to refuse to issue an opinion can be summed up as being that arguments have been advanced which deserve to be considered because they have merit and considerable thought has been devoted to their preparation. Mr Wallin further submitted that the interest shown in the case by the patentees suggested that they also felt Automation's case to be strong. However it must be borne in mind that what is at stake here is only a request for a non-binding opinion, and other avenues remain open for Automation to have their arguments aired. For the reasons explained above I do not think this is the kind of situation with which the opinions service was intended to deal.
- 40 As I have already noted, the request does include two documents that do not appear anywhere in the pre-grant papers. However these are only held out as being relevant to claims 18 and 21, which are ultimately subordinate to claim 1. If it is not appropriate to issue an opinion regarding the validity of claim 1 it must follow that subordinate claims cannot be called into question as this would necessarily involve considering the patentability of claim 1.

The patentees' submissions

- 41 The grounds on which the patentees ask for the request to be refused are essentially the same as those discussed above, namely that all the matters raised by Automation will have been considered during the examination. They also draw attention to the processing of the equivalent UK patent application, serial no. GB2363562, which was granted with claims of similar scope to EP 1175160. In the light of my analysis above, it is not necessary to go into these submissions in any detail except to say that they are consistent with my conclusions.

Conclusion

- 42 For the above reasons I refuse the request made under section 74A by Automation Conveyors Ltd. for an opinion on EP 1175160 on the grounds that I consider it inappropriate in all the circumstances to issue such an opinion.

Appeal

- 43 Under the Practice Direction to Part 52 of the Civil Procedure Rules, any appeal must be lodged within 28 days.

A C HOWARD

Divisional Director acting for the Comptroller