



BL O/356/04

6 December 2004

PATENTS ACT 1977

APPLICANT Shirwan Al Pasha Al Bahdaini

ISSUE Request under Rule 110(4) of the Patents Rules 1995
 to extend the time period for entry into the national
 phase of international application PCT/IB99/00178

HEARING OFFICER M C Wright

DECISION

- 1 International application PCT/IB99/00178 was filed on 29 January 1999 claiming priority from PCT/IB98/00122 dated 30 January 1998. This meant that as the applicant, Mr Al Pasha Al Bahdaini, had filed a demand for International Preliminary Examination under Chapter II of the Patent Cooperation Treaty (PCT) the application had to enter the national phase in the UK by 30 August 2000. To enter the national phase Mr Al Pasha Al Bahdaini had to pay a fee of £10. The fee was not paid and so, in accordance with section 89A(4) of the Patents Act 1977, the application was taken to be withdrawn.
- 2 On 15 August 2003 Dr Jaafar Ali, acting on Mr Al Pasha Al Bahdaini behalf, filed a Patents Form 1/77 together with a description and drawings for the same invention as international application PCT/IB99/00178. However, it was apparent from the accompanying letter that Mr Al Pasha Al Bahdaini intended pursuing the international application into the UK national phase rather than file a separate national application. The Patent Office therefore wrote to him on 26 August 2003 explaining that as the period for entering the national phase had expired the international application had been taken to be withdrawn. In its letter the Office explained that, in accordance with rule 110(4), a request could be filed to extend the period for entering the national phase. On 24 November 2003, Dr Ali, who is Mr Al Pasha Al Bahdaini's brother-in-law and lives in the United Kingdom, filed a Patents Form 52/77 and fee for Mr Al Pasha Al Bahdaini requesting such an extension.
- 3 After considering the request the Patent Office issued a preliminary decision refusing to allow the extension but offered Mr Al Pasha Al Bahdaini the opportunity to be heard in the matter. Mr Al Pasha Al Bahdaini declined the offer of a hearing but instead asked that a decision be taken on the basis of the written evidence and arguments.

The Facts

Requirements for entering the UK national phase

4 The process of applying for an international patent application consists of an “international phase”, during which the application is processed under PCT, and a “national phase” when it is subject to the national laws of the individual countries designated in the application. In accordance with rule 85(1) of the Patents Rules 1995, before it was amended on 1 April 2002, an international application, for which a demand had been filed under the PCT for International Preliminary Examination, had to enter the national phase in the UK not later than 31 months from the priority date. This meant that, as a demand had been filed in respect to the subject application, it had until 30 August 2000 to enter the UK national phase.

5 To enter the national phase in the UK the applicant has to meet the requirements specified in the Patents Act 1977, namely subsection 89A(3) which states:

“(3) The national phase of the application begins –

(a) when the prescribed period expires, provided any necessary translation of the application into English has been filed at the Patent Office and the prescribed fee has been paid by the applicant; or

(b) on the applicant expressly requesting the comptroller to proceed earlier with the national phase, . . .”

6 Subsection 89A(4) reads:

“(4) If the prescribed period expires without the conditions mentioned in subsection (3)(a) being satisfied, the application shall be taken to be withdrawn.”

7 The fee for entering the national phase is £10 as prescribed in the Patents (Fees) (Amendment) Rules 1999.

8 It follows that as Mr Al Pasha Al Bahdaini had filed his international application in English, all he had to do for it to enter the national phase in the UK was to pay the prescribed fee of £10 by 30 August 2000.

Evidence

9 The evidence filed in support of this extension request consists of signed letters from Mr Al Pasha Al Bahdaini dated 12 November 2003, 31 March 2004 and 21 July 2004 and a witness statement by Dr. Ali dated 7 April 2004.

10 Among the papers Mr Al Pasha Al Bahdaini submitted with his letter of 31 March 2004, was a copy of a letter in French issued by the ‘Swiss Asylum Appeals Commission’. The letter, which the Patent Office has translated into English, concerns an appeal by Mr Al Pasha Al Bahdaini against the decision on 30 August 2000 by the Swiss Office of the Federation of Refugees not to allow him to remain in Switzerland as a refugee. The letter explains that after considering Mr Al Pasha Al Bahdaini’s appeal the Commission decided to allow him to

remain in the country on a temporary basis.

- 11 On 6 July 2000 Mr Al Pasha Al Bahdaini wrote to the Patent Office from Switzerland asking if he could be supplied with the documents he needed to enter the national phase, a schedule of the official fees and the Office's bank account to which the fees should be paid. In the absence of a reply, Mr Al Pasha Al Bahdaini sent a copy of the letter by fax on 17 July 2000 and a further letter on 23 July 2000 requesting the information. A reply was sent to Mr Al Pasha Al Bahdaini on 25 July 2000 providing him with the information he required and the necessary official forms. The Chief Executive of the Patent Office also sent Mr Al Pasha Al Bahdaini a letter on 2 August 2000 apologising for the delay in responding to his enquiry and enclosing a duplicate copy of the Office's letter of 25 July 2000.
- 12 No further correspondence was received concerning the application until Dr Ali filed a Patents Form 1/77 on 15 August 2003. This was followed by the filing on 24 November 2003 of the Patents Form 52/77, requesting an extension of the period for entering the national phase; a non statutory form NP1, which applicants are encouraged to use when entering the national phase; a Patents Forms 9/77, requesting preliminary examination and search; and a Patents Form 10/77, requesting substantive examination. A cheque for the sum of £315, to cover the fees associated with each of the forms, was also enclosed.

Arguments

The Applicant's case

- 13 In his letter of 12 November 2003 Mr Al Pasha Al Bahdaini explained that restrictions imposed by the UK Government on Iraqi nationals prevented him from paying the fee to progress his application into the UK national phase. Dr Ali also referred, in his letter of 22 November 2003, to the "difficulties" Mr Al Pasha Al Bahdaini had "in transferring/sending the fees required by the Patent Office". In his subsequent witness statement of 7 April 2004 Dr Ali says that financial sanctions had been applied to Iraqi nationals since 1990. As evidence of this, he enclosed copies of correspondence concerning an application by Mr Al Pasha Al Bahdaini's parents to unfreeze their UK bank account when they visited the UK in 2000. The correspondence included a copy of a letter that the Economic Secretary to the Treasury sent to Dr Ali's MP which confirms that there were financial sanctions on Iraq which included the freezing of bank accounts in the UK held by residents of Iraq. It was, however, possible for the account holders to apply to the Bank of England for their accounts to be debited to meet reasonable living, medical and educational expenses while in the UK. The letter went on to explain the conditions that needed to be met for an Iraqi resident to have unrestricted access to funds deposited with banks and other financial institutions in the UK, namely, they must "have taken up permanent residency in a country other than Iraq, been exercising that right, have severed all links with Iraq, and have no intention of returning".
- 14 In his letter of 21 July 2004 Mr Al Pasha Al Bahdaini repeated his argument that the sanctions on Iraqi citizens preventing them from "using their financial resources". He said that this "interfered" with his intention to enter the UK national phase until the sanctions were lifted in January 2003.

The Office's case

- 15 In considering Mr Al Pasha Al Bahdaini's extension request the Office applied the standard established in *Heatex Group Ltd's Application* [1995] RPC 546, namely that the applicant must have had a continuing underlying intention to proceed with his application. The Office was not satisfied that Mr Al Pasha Al Bahdaini was unable to access funds to pay the fee necessary to enter the UK national phase. The Office cited the fact that Mr Al Pasha Al Bahdaini's international application successfully entered the national phase in Australia, which also required the payment of a fee. The Office viewed this as an indication that he was able to access funds to pay such fees.

Assessment

- 16 Rule 110(4) provides:

A(4) Without prejudice to paragraph (3) above, a time or period prescribed in the rules referred to in that paragraph may, upon request made on Patents Form 52/77, be extended or further extended if the comptroller thinks fit, whether or not the time or period (including any extension obtained under paragraph (3) above) has expired; and the comptroller may allow an extension, or further extension, under this paragraph on such terms as he may direct and subject, unless he otherwise directs, to the furnishing of a statutory declaration or affidavit verifying the grounds for the request.@

- 17 Among the rules referred to in paragraph (3) of rule 110 is rule 85(1) which prescribed a period of 31 months from the priority date or, where there is no priority date, the international filing date, in which an applicant had to pay the prescribed fee and file any necessary translation for an international application to enter the national phase.
- 18 The Comptroller, therefore, has very broad discretion under rule 110(4) to allow an extension of the period in which an international application can enter the national phase.
- 19 In *Heatex's Application*, the Hearing Officer took the view that the scheme of the Act and Rules is such as to provide a satisfactory degree of certainty for third parties as to whether an application has lapsed. He said that for discretion to be exercised in the applicant's favour it must be shown that the applicant had a "continuing underlying intention" to proceed with his application and that to allow an extension on the basis of a change of mind would be a "massive assault on public certainty" which the Office is right to resist. This is a very persuasive argument which the Office has applied in assessing subsequent extension requests under rule 110(4). However, the principles established in *Heatex* are not binding on me nor are they definitive for determining whether discretion should be exercised. Nevertheless, I believe they are relevant to the circumstances in the present case, particularly given the inordinate amount of time that has elapsed from the expiry of the period for entering the national phase and the time Mr Al Pasha Al Bahdaini filed a request to extend that period. I therefore intend taking those principles into account in determining whether to allow the present extension requested.

- 20 In his letter of 31 March 2004 Mr Al Pasha Al Bahdaini says that his parents “had voluntarily desired to sponsor me in this scientific effort at the time”. I assume the reference to “scientific effort” included Mr Al Pasha Al Bahdaini’s invention and presumably the sponsorship extended to the cost of obtaining patent protection.
- 21 The Patent Office has been informed by the Bank of England that financial sanctions against Iraq were introduced in the UK in August 1990 and that all accounts of ‘Residents of Iraq’ were frozen. These restrictions, of course, only applied to bank accounts held in the UK. Even if Mr Al Pasha Al Bahdaini could not access a bank account in the UK to obtain £10 to pay the fee, it does not explain why he could not have paid direct from Switzerland where he was living. The Patent Office has also been advised by the State Secretariat for Economic Affairs in Switzerland that in 2000 it was possible to make a payment from an individual account in Switzerland, which belonged to an Iraqi national, to a bank account in the UK provided the Swiss account did not belong to the Iraqi Government or an Iraqi company. The Patent Office was also able to establish that Mr Al Pasha Al Bahdaini’s international application entered the national phase in Australia which also requires the payment of a fee to the Australian patent office (IP Australia). This fact was mentioned in a letter the Patent Office’s sent to Mr Al Pasha Al Bahdaini on 15 July 2004. However, he did not offer any explanation in his reply of 21 July 2004 as to how he could pay the fee to enter the national phase in Australia but not the fee to enter the national phase in the UK. In the absence of any explanation it would appear that Mr Al Pasha Al Bahdaini was able to pay such fees while resident in Switzerland.
- 22 In its letter to Mr Al Pasha Al Bahdaini of 10 February 2004 the Patent Office said that it would be useful if he could provide evidence of attempts he made to enter the national phase before 30 August 2000. However, apart from providing copies of the correspondence relating to his parents’ endeavours to access their bank account to pay for medical expenses while in the UK, he has not provided information about any attempt he made to ensure his application entered the national phase by that deadline.
- 23 I am surprised that when Mr Al Pasha Al Bahdaini wrote to the Office in July 2000, asking for information about the national phase in the UK, including the forms he required and a schedule of fees, he did not at that time inform the Office that he would have difficulty paying the fees because of Government sanctions. No explanation has been given as to why he left it another three years before applying for an extension of the period to file the fees. Moreover, if the sanctions he claims prevented him from paying the fees were lifted in January 2003, why did he leave it some ten months from then before filing an extension request?

Conclusion

- 24 In the absence of an explanation and supporting evidence as to why he did not pay the £10 fee direct from Switzerland, either by bank transfer or by cash, I am not persuaded that Mr Al Pasha Al Bahdaini was prevented from paying the fee to enter the UK national phase by 30 August 2000. This, together with the considerable time that elapsed since being provided with the information he requested for entering the national phase suggests to me that he did not have a continuing underlying intention to pay the fee to proceed with his application into

the national phase. I therefore decline to exercise discretion under rule 110(4) to allow the late filing of the fee to enter the UK national phase. Consequently the application should remain withdrawn.

Appeal

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

MC Wright
Assistant Director, acting for the Comptroller