



Case Number: D 0025/05

D E C I S I O N
of the Disciplinary Board of Appeal
of 15 November 2006

Appellant: N.N.

Decision under appeal: Decision of the Disciplinary Committee dated
17 June 2005.

Composition of the Board:

Chairman: P. Messerli
Members: E. Dufrasne
H. Preglau
C. Onn
A. V. Huygens

Summary of Facts and Submissions

- I. The present appeal concerns the decision of the EPO Disciplinary Committee of 17 June 2005 to issue X with a reprimand.
- II. The European Patent Attorney Y (the Complainant) had entrusted the firm Z with the validation in Spain of the Spanish counterpart of the European patent published under Nr ...85 and with the further payment of renewal fees for this patent. In its turn, the firm Z entrusted the Spanish European patent attorney X therewith.

On 23 July 2002, Z sent to X "Annual fee payment instructions" for the (n)th renewal fee of the concerned patent due to be paid in Spain on ... 2002.

On 20 September 2002, X acknowledged receipt of these instructions, with a corresponding invoice to Z and the indication that the payment of the renewal fee would only be made upon the settlement of the invoice.

On 2 October 2002, Z ordered its bank to pay to X's firm an amount settling i.a. the corresponding invoice.

The renewal fee concerned was however not paid in due time by X.

On 15 September 2003, Z sent to X "Annual fee payment instructions" for the (n+1)th renewal fee of the concerned patent due to be paid in Spain on ... 2003.

On 29 September 2003, X acknowledged receipt of these instructions, with a corresponding invoice to Z and the indication that the payment of the renewal fee would only be made upon the settlement of the invoice.

It appears from a handwritten mention on said invoice that Z ordered on 6 October 2003 its bank to pay to X's firm an amount settling i.a. the corresponding invoice.

However, neither the still due (n)th nor the (n+1)th renewal fees were paid by X.

III. In view of this situation, the Complainant filed a complaint against X before the Disciplinary Committee on 14 September 2004.

The complaint also referred at that time to the alleged non-payment of renewal fees of the Spanish counterpart of the European patent published under Nr ...96, but it appeared later that these fees had been finally paid with surcharge.

The complaint also enclosed and referred to a letter from Z dated 10 September 2004 alleging other malpractice and misconduct by X, but these were never enlarged upon or supported by further evidence.

The Complainant finally drew attention to the importance of the damage suffered by his client having lost the Spanish counterpart of his European patent published under Nr ...85.

IV. In his reply sent on 14 February 2005 (with an English translation filed on 7 April 2005) to A, the Rapporteur

of the Disciplinary Committee, X raised the following arguments:

a. the non-applicability of the Code of conduct of the Institute of Professional representatives before the EPO to the situation concerned, on the basis that the services concerned were not offered as a European patent attorney but as a Spanish patent attorney acting before the Spanish Patent Office;

b. the non-admissibility of the complaint by the Complainant, in the absence of a direct relation between himself and the Complainant;

c. the delayed settlement by Z of different invoices sent to them regarding the payment of renewal fees in Spain, so that X's firm had to pay in advance corresponding amounts to the Spanish Patent Office.

V. In its decision of 17 June 2005, in view of the facts and arguments submitted and on the basis of Articles 4(1) and 6(2)b of the Regulation on discipline for professional representatives (RDR, OJ EPO 1978, 91), the Disciplinary Committee issued X with a reprimand.

VI. On 15 July 2005, X (the Appellant) filed an appeal before the Disciplinary Board of Appeal (the Board) against the above decision. The statement setting out the grounds of appeal was received on 16 August 2005.

VII. By letters from the Board of 29 September 2005, the Presidents of the European Patent Office and of the Council of the Institute of Professional Representatives were given the opportunity to comment

on this appeal, pursuant to Article 12 RDR. Neither President gave a comment.

VIII. On 6 April 2006, the Board issued a communication setting out its preliminary views on the merits of the appeal.

IX. The Appellant provided a reply to that communication on 23 June 2006 and further arguments on 21 August 2006.

The Appellant's arguments in the present appeal are summarised as follows:

The Appellant essentially maintained the arguments he had submitted before the Disciplinary Committee (above mentioned in section IV).

The Appellant also requested, for the first time in his statement of grounds of appeal, the exclusion of A as a Member of the Disciplinary Committee. That request was based on the ground that A was a member of the Directorate of the Official Bar Association of Industrial Property Agents of Spain (COAPI), said Directorate having taken, on ... 2002, a decision applying a disciplinary sanction to him, which decision was appealed against and set aside by the Superior Tribunal of Justice by a judgment notified to the Appellant on 23 May 2005.

The Appellant finally elaborated on the argument of constant delays and irregularities in the payments made by Z to his firm, Z being therefore exclusively responsible for the non-payment of the renewal fees concerned.

- X. During the appeal procedure, the Complainant provided the Board with several submissions and requests (10 October 2005, 18 May 2006, 1 June 2006, 26 June 2006, 12 July 2006 and 29 August 2006), including book-keeping and invoicing matters in dispute between Z and the Appellant, a non-supported and non-specified reference to a former national disciplinary decision in Austria and a request for an aggravated sanction to be taken by the Board against the Appellant.
- XI. The Appellant requested the exclusion of A and the setting aside of the decision contested.

Reasons for the Decision

1. The appeal meets the requirements of Article 22(1) RDR and Article 6 of the Additional Rules of Procedure of the Disciplinary Board of Appeal dated 9 April 1980 (OJ EPO 1980,188). It is therefore admissible.
2. Exclusion of A

Article 16 of the RDR provides that Article 24 EPC shall apply *mutatis mutandis* as regards the exclusion of and objection to members of any of the Disciplinary Bodies.

Article 24 EPC prevents Members of the Boards from taking part in procedures if they have any personal interest therein (Art. 24(1) EPC) or are suspected of partiality (Art. 24(3) EPC).

Admissibility of the objection

Under Article 24(3) EPC, it is required, for an objection to be admissible, that it be raised by a party when said party is made aware of the reason for that objection, before the party takes any other procedural step.

In the present case, the Appellant raised his objection against A for the first time in his statement of grounds of appeal dated 16 August 2005.

Should a personal interest or partiality of A have existed, the Board considers it would have arisen from the decision taken in first instance by the Directorate of the COAPI, since that instance was the one to which A was possibly connected.

When the Appellant performed a procedural act in the procedure, i.e. when he sent to A his arguments in reply to the complaint in first instance, on 14 February 2005, he was aware of the possible reason for objection, i.e. the decision of the Directorate of the COAPI dated ... 2002 and the presence in the Disciplinary Committee of a member of the COAPI (allegedly of its Directorate), since he had already appealed said decision of the Directorate of the COAPI.

The Board is consequently of the opinion that the Appellant was no longer entitled to raise his objection for the first time before the Board.

This opinion is not changed by the allegation of the Appellant that A has a "personal interest" pursuant to

Article 24 EPC, because the decision of the Directorate of the COAPI dated ... 2002 was vacated by a Spanish Court, the decision of which was notified to the Appellant on 23 May 2005, i.e. after his first procedural step in the first instance of the present procedure. That Spanish procedure is unrelated to the present one and no facts whatsoever were presented why in this case A should have had a "personal interest".

The Board therefore dismisses the request for exclusion of A as inadmissible under Article 16 RDR and Article 24 EPC.

3. Relevant facts

It appears from the above-mentioned facts that the basis for the complaint lies only in the non-payment by the Appellant of the (n)th and (n+1)th renewal fees in Spain for the national counterpart of the European patent published under Nr ...85.

The renewal fees in Spain for the national counterpart of the European patent published under Nr ...96 appear to have finally been paid with surcharge.

The question raised by the Complainant of the damages allegedly suffered by the patent proprietor, is obviously out of the competence of this Board, the purpose of disciplinary proceedings being not for individuals to pursue their interests vis-à-vis others, although these might be affected in individual cases, but rather to serve the public interest in the orderly and proper exercise of professional representation before the EPO. The claims by individuals arising from

a representative's infringement of the rules of professional conduct are a matter for the competent courts under civil, criminal or administrative law (cf. D 24/99 of 14 May 2001, unpublished, point 1 of the Reasons and D 15/95, OJ EPO 1998, 297, point 2 of the Reasons).

No other element has been established or even substantiated in the present case.

4. Competence

The Appellant challenges the competence of the European Disciplinary Bodies in the present case, on the basis that it only concerns the payment of national fees before the Spanish Intellectual Property Office, which requires the participation of a Spanish registered Industrial Property Agent and not of a European authorised representative.

The Code of Conduct of the Institute of Professional Representatives before the EPO (Code of Conduct, as last amended on 8 May 2001, OJ EPO 2003, 523, Preamble) provides that "this Code is to govern the conduct and other activities of the members in so far as such activities are related to the Convention on the grant of European Patents".

As decided by the Disciplinary Board of Appeal in case D 19/99 of 18 December 2001 (unpublished, Reasons 5.1 and 5.2), this, in conjunction with the principle of strict interpretation of disciplinary measures, excludes the application of the European disciplinary rules to acts performed by a European authorised

representative referring only to national patents, without any connection with any European patent.

However, it was also decided by the Disciplinary Board of Appeal in case D 16/95 of 29 March 1998 (unpublished, Reasons, 3) that the filing of a translation and the payment of corresponding fees in the national phase for the national counterpart of a European patent, even if these activities are not in direct relation with the grant, opposition or appeal procedures, are in relation to a European patent and basically belong to the sphere of competence of a European authorised representative.

The Board confirms that the exercise of the profession of a European authorised representative under the obligations of the European disciplinary rules, although not encompassing acts without any connection with a European patent, cannot be solely restricted to the acts as a professional representative directly before the EPO.

It further notes that, even under the principle of strict interpretation of disciplinary measures, the activities governed by the Code of Conduct, under its Preamble, are not restricted to activities due to be carried out under the EPC but more broadly encompasses all activities "related" to the EPC.

The Board therefore considers, in the present case, that the acts for which the European authorised representative was responsible were related to the EPC, that the European disciplinary rules apply thereto and that consequently the European Disciplinary Bodies are competent.

5. Admissibility of the complaint

The Appellant refers to the absence of a direct relation between himself and the Complainant to challenge the admissibility of the original complaint.

Although it is correct that there is no direct relation between the Appellant and the Complainant, it is clear that in the present case the Appellant acted through the intermediary of another firm for the Complainant.

The Board considers that, even with the existence of an intermediate firm, there is a clear relation between the Appellant and the Complainant, the Appellant having acted for the Complainant and being responsible among others to him, for the acts so accomplished or omitted.

6. The disciplinary measure

The Disciplinary Committee issued X with a reprimand.

The Appellant requests the revocation of the decision, whereas the Complainant "requests" the deletion of the Appellant from the list of professional representatives.

Concerning the submissions provided by the Complainant, the Board observes that the Complainant is not a party to the disciplinary proceedings, as established under Articles 8(2) and 21(1) RDR and confirmed by the case law of the Disciplinary Board of Appeal (cf. D 16/95, D 1/98 of 21 July 1998 and D 24/99 of 14 May 2001, both unpublished). The Complainant is therefore not entitled to present any request in the present proceedings, in

particular to request that the Appellant be issued with a heavier sanction.

The facts established consist of:

- non-payment of a renewal fee for which the Appellant had received instructions and payment;
- failure to notice and report to the client the non-payment, thus missing the possibility of later payment with surcharge;
- request for payment of the next renewal fee as though everything was in order, i.e. without having checked the status of payments and having noticed lack of payment of the previous renewal fee.

The only argument raised in substance by the Appellant as possible justification is that the delay in payment by Z provoked the irregularities that caused the non-payment of the official fees, Z being therefore exclusively responsible for the situation that arose.

The Board first notes, as already mentioned, that invoices related to the payment of the (n)th and (n+1)th renewal fees in Spain for the national counterpart of the European patent published under Nr ...85 were settled in due time by Z to the firm of the Appellant to allow him to pay said renewal fees to the Spanish Patent Office.

On the other hand, the alleged invoicing problems are for the most part subsequent to the established fact of the non-payment of renewal fees in Spain by the Appellant, and consequently do not justify these non-payments.

In any case, invoicing and book-keeping problems as alleged in the present case, could not have been balanced with the duties of the European authorised representative to execute payment of the renewal fees for which he had accepted the mandate and for which he had received pre-payment, moreover being aware that the consequence of default of payment of said renewal fees would be the loss of the patent in Spain.

Finally, contrary to his first argument that Z was solely responsible for the non-payment, the Appellant himself stated that the annuity due in 2002 was "invoiced but not paid by (his firm)", "likely due to changes in our staff that mainly affected to our Annuity Department". He further acknowledged "that more errors than desired have taken place at the time of invoicing during year 2003" and concludes " We apologize for our mistake and, at our cost, will appeal to the Spanish Office to get the reinstatement of the patents" (letter of 16.12.03 to Z).

The Board holds therefore that the situation did not justify the Appellant's lack of action and considers that the Appellant failed in these circumstances to comply with the Rules of professional conduct of the members of the Institute of Professional Representatives before the EPO, in particular that he has failed to fulfil his obligation to give at all times adequate care and attention and apply the necessary expertise to work entrusted to him by clients, as required by point 4(a) of the Code of Conduct.

In conclusion, the Board concurs with the impugned decision to issue X with a reprimand.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

P. Martorana

P. Messerli