DECISIONS OF THE ENLARGED BOARD OF APPEAL

Decision of the Enlarged Board of Appeal dated 12 November 1998

G 2/97

(Language of the proceedings)

Composition of the board:

Chairman: P. Messerli
Members: G. Davies
C. Andries
W. Moser
J.-C. Saisset
R. Teschemacher
P. van den Berg

Patent proprietor/Respondent: Unilever Plc, et al
Opponent/Appellant: Procter & Gamble European Technical Center N.V.

Headword: Good faith/UNILEVER
Article: 112(1)(a), 108 EPC
Rule: 69(1) EPC
Keyword: "Fee for appeal" - "Principle of good faith" - "Principle of the protection of legitimate expectations"

Headnote

The principle of good faith does not impose any obligation on the boards of appeal to notify an appellant that an appeal fee is missing when the notice of appeal is filed so early that the appellant could react and pay the fee in time, if there is no indication - either in the notice of appeal or in any other document filed in relation to the appeal - from which it could be inferred that the appellant would, without such notification, inadvertently miss the time limit for payment of the appeal fee.

Summary of facts and submissions

I. In case T 742/96 (OJ EPO 1997, 533), Board of Appeal 3.2.5 in its decision dated 9 June 1997, in response to a request from a party to the appeal, referred the following question of law to the Enlarged Board of Appeal under Article 112(1)(a) EPC:

Are the boards of appeal, in application of the principle of good faith, bound to notify the appellant of a missing appeal fee when the notice of appeal is filed so early that the appellant could react and pay the fee in time, even if there was no indication - either in the notice of appeal or in any other document filed in relation to the appeal - from which it could be inferred that the appellant would, without such notification, inadvertently miss the time limit for payment of the appeal fee?

II. The question was raised in the context of an appeal by an opponent from a decision of the opposition division rejecting the opposition. The opponent filed a notice of appeal against the decision within the two-month time limit under Article 108 EPC, first sentence, but did not meet the same time limit for the payment of the appeal fee under Article 108 EPC, second sentence. After receipt of the notice of appeal, notices (EPO Forms 3342 and 3343) were sent from the registry of the boards of appeal to the appellant (opponent) as well as to the respondent

(proprietor), referring to the "appeal filed" in the appellant's "communication", indicating the Technical Board of Appeal to which the case had been assigned and mentioning the reference number of the appeal proceedings. Subsequently, the appellant was notified by means of a communication of loss of rights pursuant to Rule 69(1) EPC that the notice of appeal was deemed not to have been filed (Article 108 EPC, second sentence).

III. Following receipt of the Rule 69(1) EPC communication, the appellant paid the appeal fee and sought review under Rule 69(2) EPC on the ground that the notice of appeal had been filed more than five weeks before the expiry of the period for payment of the appeal fee and that the notice from the registry of Board of Appeal 3.2.5 confirming receipt of the communication giving notice of appeal, although sent well in advance of the expiry of the time limit, had failed to draw attention to the fact that the appeal fee had not been paid. The appellant requested that the principle of good faith be applied to the case, according to which in its opinion it should have been reminded of the missing payment. It referred to a decision which it alleged concerned a case in which the circumstances were similar to those of the present case, where the party was given the opportunity to remedy the deficiency (T 14/89, OJ EPO 1990, 432, **Uhde GmbH**, a case where the fee for re-establishment of rights had not been paid in time).

IV. Board of Appeal 3.2.5 then issued a communication annexed to the summons to attend oral proceedings drawing the appellant's attention inter alia to J 2/94 (EPOR 1998, 195, **Union**) where it was decided that "the appellant could not expect to be informed of the missing fees, immediately after receipt of his request for re-establishment by the EPO. Whereas the EPO may be obliged, on the basis of the principle of good faith governing the procedure before the EPO (G 5/88, G 7/88 and G 8/88, OJ EPO 1991, 137, **Medtronic Inc.**), to give prompt information on a specific query, a party may not expect a warning in respect of any deficiency occurring in the course of the proceedings (J 41/92, OJ EPO 1995, 93, **Marron Blanco**, point 2.4 of

the reasons)". In response, the appellant argued that the registry of Board of Appeal 3.2.5, when confirming receipt of the communication giving notice of appeal in its notice dated 20 August 1996 (well in advance of the deadline for paying the appeal fee), should have drawn the appellant's attention to the missing payment. The reference in the notice to "The appeal filed" carried, in the appellant's view, a strong implication that the appeal was in order, so that the notice was ambiguous. Moreover, the appellant argued that the decision in J 2/94 supra relied on by Board of Appeal 3.2.5 was in conflict with T 14/89 supra and requested referral of a question to resolve the matter to the Enlarged Board of Appeal.

V. Following the issue of the decision of Board of Appeal 3.2.5 dated 9 June 1997, the parties were invited in the present case G 2/97, **Good faith/Unilever,** to file observations on the referred question. The appellant replied that it wished to rely on the submissions it had made to Board of Appeal 3.2.5, which it said had been accurately summarised in its decision, and had no further observations. The respondent stated that it did not have any comments or observations to make concerning the question referred to the Enlarged Board of Appeal.

Reasons for the decision

1. The question referred to the Enlarged Board of Appeal concerns the scope of application of the principle of good faith, also referred to as the principle of the protection of legitimate expectations, in proceedings before the EPO. This principle is generally recognised among the Contracting States of the European Patent Convention and is well established in European Community law. The boards of appeal have held that the principle of good faith applies in proceedings pursuant to the EPC and, on this basis, the case law of the boards of appeal has developed the principle of the protection of the legitimate expectations of users of the European patent system. Its application to procedures before the EPO implies that measures

taken by the EPO should not violate the reasonable expectations of parties to such proceedings (G 5/88, G 7/88 and G 8/88, supra).

2. A substantial body of case law has been developed by the boards of appeal of the EPO concerning the application of the principle of the protection of legitimate expectations, some of which is directly relevant to the present case. The appellant has put forward two arguments: first, that the registry of the boards of appeal should have drawn its attention to the fact that the appeal fee had not been paid in the notice sent to confirm receipt of the notice of appeal and, second, that the former notice was in itself misleading because it did not indicate whether or not the appeal was considered admissible and could be construed as acknowledging that a valid appeal had been filed. In support of these arguments, the appellant relies on T 14/89 supra.

Concerning the duty of the EPO to warn users of the European patent system of omissions or errors which could lead to a final loss of rights

3.1 In T 14/89 supra the Board held, in a case concerning deficiencies in an application for re-establishment of rights, that "the principles of good faith governing the relations between the parties and the European Patent Office...demand that the European Patent Office should not fail to draw the appellant's attention to obvious deficiencies in his acts. This obligation certainly exists if...the obvious deficiencies can be expected to be remedied within the time limit for re-establishment" (reasons, point 5). It decided, therefore, that the applicant could have expected to be informed of the obvious deficiencies in question (failure to set out the grounds on which the application for re-establishment was based and the facts on which it relied as well as lack of payment of the fee) and that the EPO should have drawn these obvious deficiencies to the applicant's attention in time for him to remedy them before the deadline.

3.2 The decision in T 14/89 supra has been followed in a number of cases, notably J 13/90 (OJ EPO 1994, 456, **Castleton**), where in another case of re-establishment of rights the Board found that the principle of good faith requires the EPO to warn the applicant of any impending loss of rights, if such a warning can be expected in all good faith, and that such a warning may be expected if the deficiency is readily identifiable for the EPO and the applicant can still correct it within the time limit. In that case, it was clear from a letter addressed to the EPO by the appellant that the latter was in error with regard to the need to make payment of a renewal fee within the two-month period for re-establishment of rights (Article 122(2)EPC). The Board found that the EPO must not omit any acts which the party to the proceedings could legitimately have expected and which might well have helped avoid a loss of rights (reasons, point 5). However, the Board also found that: "It would be taking the principle of good faith too far to expect the Office to warn the applicant of deficiencies in every case - even when the deficiency is not readily identifiable...". In J 41/92 supra, the Board also pointed out that the users of the EPC cannot, by merely asking the EPO to warn them of any deficiency that might arise in the course of the proceedings, shift their own responsibility for complying with the provisions of the European Patent Convention to the EPO. A warning should, however, be issued if a deficiency is readily identifiable and can be easily corrected within the time limit.

3.3 The appellant has asserted that T 14/89 supra is in conflict with J 2/94 supra, which concerned the non-payment of the fee for reestablishment and a renewal fee. In J 2/94 supra, the Board found that the appellant could not expect to be informed of the missing fees, immediately after receipt of its request for reestablishment by the EPO. Following J 41/92 supra, the Board said that, whereas the EPO may be obliged on the basis of the principle of good faith to give prompt information on a specific query, a party may not expect a warning in respect of any deficiency occurring in the course of the proceedings. There was no evident indication in the appellant's letter which made a clarification or reminder necessary. The mere fact that the request was not accompanied by a cheque or debit order did not require an immediate

answer by the EPO. The Board observed that many payments are made in a way which is not apparent from the letter containing the request (cf Article 5(1) RFees). Therefore, the EPO can often only establish whether a specific fee has been paid after the expiry of a time limit when it disposes of the complete data on all payments made during the relevant period. The case was distinguished from cases where a party asks for clarification in respect of a certain requirement (cf J 41/92 supra), or where the documents filed show that a part which was intended to be filed is actually missing (T 128/87, OJ EPO 1989, 406, **Multivac**).

3.4 In the judgment of the Enlarged Board of Appeal, in the present case, like in J 2/94 supra, the appellant could not reasonably have expected a warning that the appeal fee was missing because there was no readily identifiable indication in the appellant's notice of appeal which would have made a clarification or reminder necessary. The notice of appeal made no reference whatever to the payment of the appeal fee and the mere fact that such notice was not accompanied by a cheque or a debit order did not require a reaction by the Board. Moreover, the European Patent Convention nowhere requires the EPO to inform a party to proceedings before it that a fee has not been paid in due time (J../87, OJ EPO 1988, 177, **Consolidation** (a case concerning an unpaid examination fee)). Furthermore, the facts on which the decision T 14/89 supra relied on by the appellant was based may be distinguished from those applying in the present case and in J 2/94 supra. T 14/89 supra concerned an application for re-establishment of rights which had two deficiencies at the time it was filed, the missing fee and the readily identifiable fact that it was not accompanied by a statement of grounds on which the application was based and setting out the facts on which it relied (Article 122(3) EPC). The Board in that case also took into account the fact that the appellant did not have the benefit of professional advice. Whether the application of the principle of good faith in favour of the appellant was justified in the particular circumstances of that case is not a question that the Enlarged Board of Appeal is required to decide. The Enlarged Board of Appeal finds, however, that the decision in T 14/89 supra related to the

particular facts of that case and that there is no generally applicable principle to be derived therefrom.

4.1 The protection of the legitimate expectations of users of the European patent system requires that such a user must not suffer a disadvantage as a result of having relied on erroneous information received from the EPO (J 2/87, OJ EPO 1988, 330, **Motorola**) or on a misleading communication (J 3/87, OJ EPO 1989, 3, **Memtec**). The protection of legitimate expectations also requires the EPO to warn the applicant of any loss of rights if such a warning can be expected in all good faith. This presupposes that the deficiency can be readily identified by the EPO within the framework of the normal handling of the case at the relevant stage of the proceedings and that the user is in a position to correct it within the time limit (J 12/94, cited in Case Law Report 1996, OJ EPO SE 1997, 61). For example, if a letter is received by the EPO specifically stating that a cheque in payment of an appeal fee is enclosed, but the cheque is missing, the EPO should notify the appellant (cf T 128/87 supra). Similarly, where the true nature of a request to the EPO is uncertain, the EPO should clarify the situation (J 15/92, cited in Case Law of the Boards of Appeal of the European Patent Office (CLBA), 1996, 2nd. ed., 190). A user may also rely on information provided as a courtesy service by the EPO in reply to a specific query (J 27/92, OJ EPO 1995, 288, **Maxtor**); however, the erroneous information from the EPO must be the direct cause of the action taken by the applicant or other user and must objectively justify their conduct (T 460/95, cited in Case Law Report 1996, op. cit., 62).

4.2 In the judgment of the Enlarged Board of Appeal, however, as pointed out in J 12/94 supra, it is incumbent on both the EPO and users of the European patent system who are parties to proceedings before it to act in good faith. Users of the European patent system have the responsibility to take all necessary steps to avoid a loss of rights. The Enlarged Board of Appeal, therefore, sees no justification for the suggestion that the principle of good faith imposes on a board an obligation to warn

a party of deficiencies within the area of the party's own responsibility (cf T 690/93, cited in CLBA 1996, loc. cit., and T 161/96, **Mallinckrodt** (to be published)). The appellant's responsibility for fulfilling the conditions of an admissible appeal cannot be devolved to the board of appeal. There can be no legitimate expectation on the part of users of the European patent system that a board of appeal will issue warnings with respect to deficiencies in meeting such responsibilities. To take the principle of good faith that far would imply, in practice, that the boards of appeal would have to systematically assume the responsibilities of the parties to proceedings before them, a proposition for which there is no legal justification in the EPC or in general principles of law.

Concerning the EPO notice alleged by the appellant to be misleading

5.1 As mentioned in point 4.1 supra, in a number of other cases where a legitimate expectation was held to exist by the boards of appeal, the appellant had been given erroneous or misleading information by the EPO, which had led them into taking an action resulting in a loss of rights. In such cases, the boards of appeal have held that a party to proceedings before the EPO cannot suffer a disadvantage as a result of having been misled by a communication which could fairly be regarded as misleading to a reasonable addressee (see, for example, J 2/87 supra, J 3/87 supra, J 27/92 supra and T 460/95 supra). Likewise, the principle of the protection of legitimate expectations also applies to courtesy services provided by the EPO where these are worded in such a way that they may give rise to misunderstanding on the part of a reasonable addressee. However, an applicant cannot rely on the EPO systematically providing certain courtesy services and therefore is not entitled to base a claim on their omission (J 12/84, OJ EPO 1985, 108, **Proweco,** J 1/89, OJ EPO 1992, 17 **Emil Liesenfeld**, J 27/92 supra).

5.2 The appellant submitted that the notice it had received from the registry of the boards of appeal informing it of the reference number of the appeal proceedings was

misleading, because the notice could be read as a confirmation that a valid appeal had been filed. In this regard, the Enlarged Board observes that the notice, which was a standard form notice sent by the registry of the boards of appeal as a matter of routine to parties who file a notice of appeal, is nothing more than an administrative notice to inform the parties of the particular Board of Appeal to which the case has been allocated and of the number allotted to the file. The notice does no more than refer to the appellant's communication containing the notice of appeal and does not give the impression that the appeal in question has been the subject of any examination as to admissibility. It has no legal consequences; it merely furnishes information to facilitate communication between the appellant and the Board of Appeal in question to avoid the misdirection of incoming mail; it is not a "communication" within the meaning, for example, of Article 110(2) EPC. In the judgment of the Enlarged Board of Appeal, such a notice cannot be considered to give rise to any misunderstanding.

Order

For these reasons it is decided that:

The question of law referred to the Enlarged Board of Appeal is answered as follows:

The principle of good faith does not impose any obligation on the boards of appeal to notify an appellant that an appeal fee is missing in the circumstances mentioned in the question referred, ie when the notice of appeal is filed so early that the appellant could react and pay the fee in time, if there is no indication - either in the notice of appeal or in any other document filed in relation to the appeal - from which it could be inferred that the appellant would, without such notification, inadvertently miss the time limit for payment of the appeal fee.