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D E C I S I O N
of 30 October 2003

Case Number: J 0024/01 - 3.1.1

Application Number: 94932140.0

Publication Number: 0727008

IPC: E21B 36/00

Language of the proceedings: EN

Title of invention:

Method for stimulation of liquid flow in a well

Applicant:

AQUA FREED OF NEW YORK, INC.

Opponent:

-

Headword:

-

Relevant legal provisions:

EPC Art.106, 108, 122

EPC R. 67, 68(1)(2), 69(1), 78(1)

Keyword:

"Restitutio in integrum"

"Request for a second decision - nullity of the second

"decision" - Imadmissibility of the appeal against this

"decision"

"Reimbursement of fee"

Decisions cited:

J 0006/90, J 0043/92, T 0222/85

Catchword:

-



Case Number: J 0024/01 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal 3.1.1
of 30 October 2003

Appellant: AQUA FREED OF NEW YORK, INC.
Powelton Road
Newburgh, New York 12550 (US)

Representative: BLOCH & ASSOCIÉS
Bloch, Gérard
2, square de l'Avenue du Bois
F-75116 Paris (FR)

Decision under appeal: Decision of the Receiving Section of the
European Patent Office dated 26 October 2000
refusing re-establishment of rights under
Article 122 EPC into the time limit for payment
of the fifth renewal fee and additional fee
concerning application No. 94932140.0.

Composition of the Board:

Chairman: J.-C.Saisset
Members: E. Lachacinski
C. Rennie-Smith

Summary of Facts and Submissions

- I. European patent application No. 94 932 140.0, based on international application PCT/US94/12524, was filed by the Appellant on 1 November 1994 and claimed a priority date of 2 November 1993.
- II. The Appellant confirmed in a letter dated 21 April 1998 that it wished to proceed further with the European application. By a letter of 7 January 1999 it was informed that, under Article 86(2) EPC and Article 2 No. 5 RFF, the renewal fee for the fifth year had fallen due on 30 November 1998 but might still be validly paid together with the additional fee up to the last day of the sixth calendar month following the due date, i.e. on or before 31 May 1999.
- III. Such payment of the renewal and additional fees not having been paid by that date, the Examining Division informed the Appellant by a letter dated 6 July 1999 that the European application was deemed to be withdrawn pursuant to Article 86(3) EPC. This "Noting of loss of rights" contained reminders to the Appellant that it could apply for a decision within two months under Rule 69(2) EPC and of the possibility of an application for re-establishment of rights under Article 122 EPC.
- IV. A letter dated 7 April 2000 from the Appellant's new (second) representative requested reinstatement into the term for paying the fifth renewal fee and additional fee in accordance with Article 122 EPC. The fee for that re-establishment of rights application was paid on the same date as were the fifth renewal and

additional fees themselves. The arguments in support of the request were substantially the same as those set out at IX 4.3 below.

- V. In response to a telephone call on 23 October 2000 by the representative to the Receiving Section seeking a reply to the said letter, the Receiving Section stated in a document dated 26 October 2000 and sent to the applicant's representative that, first, a request for a decision under Rule 69(2) EPC would only have been admissible when filed before the 16 September 1999; and, second, that the application for re-establishment of rights filed on 7 April 2000 was not admissible as the last possible date for such an application was 30 November 1999; and, third, the fee paid for that application would be refunded. Such refund was subsequently made. This "communication" was not entitled "Decision", did not contain and was not accompanied by any notification of the right to appeal, and was not sent by registered post with advice of delivery.
- VI. On 5 January 2001 the Appellant filed a first notice of appeal and paid the appeal fee and re-paid the fee for re-establishment of rights. In the notice of appeal the Appellant requested that "the decision dated October 26, 2000" be set aside and that re-establishment into the term for paying the fifth renewal and additional fees be granted. It also requested reimbursement of the appeal fee and, as auxiliary request, oral proceedings. No grounds of appeal were subsequently filed. On 14 November 2001 the appeal fee was refunded with the reason that the appeal was not filed against an

official decision but against a letter preceding the decision.

- VII. Following a further change of representative, the Appellant's new (third) representative referred in a letter of 7 March 2001 to the "communication" of 26 October 2000 and requested an "Official Decision" which could be the subject of an appeal.
- VIII. In reply the Examining Division stated in a communication of 14 May 2001 entitled "Decision to refuse the request for restitutio in integrum" that the request filed on 7 April 2000 was ineffective as it was not filed in due time pursuant to Article 122(2) EPC and that this decision was open to appeal. It also bore the handwritten remark: "NB for further details we wanted like to refer to the official communication dated 26.10.2000". This communication informed the Appellant of its right to appeal and was sent by registered post with advice of delivery.
- IX. By a letter faxed on 10 July 2001 the Appellant filed a second notice of appeal against that decision of 14 May 2001 and the appeal fee was paid on the same date. In its statement of grounds of appeal filed by fax on 14 September 2001 the Appellant presented its arguments as follows.
- 1.1 As its first argument, the Appellant admitted that the one-year time limit for a re-establishment request expired on 30 November 1999, that is one year after the non-payment of the fifth renewal fee.

1.2 However, quoting from decision J 6/90 (OJ 1993, 714), it argued that "The purpose of the one-year period provided for in Article 122(2), third sentence, EPC being to ensure legal certainty, this provision is fully complied with if a third party, on inspecting the files, is bound to conclude that a desire exists for re-establishment of rights in respect of failure to observe the time limit. This requirement is sufficiently fulfilled if the applicant or patent proprietor has unequivocally indicated his wish to proceed further with the patent application or to maintain the patent".

1.3 In the present case, the Appellant maintained, a third party consulting the on-line European Patent Register (a copy of which was enclosed with the grounds of appeal) would learn that a request for re-establishment of rights was filed on 7 April 2000, that an appeal was received on 5 January 2001 and that the result was positive as shown by the entry "request accepted/14-05-2001". From this a third party would understand that the Appellant was taking the necessary steps to obtain the reinstatement of its patent application and that, although the one-year time limit was not observed, the request had none the less been considered as accepted.

1.4 The Appellant argues it can thus be concluded that the one-year time limit for a re-establishment request is not an absolute limit but can be exceeded under certain circumstances if third parties are aware that proceedings are pending.

2. The Appellant's second argument was that the new version of Article 122 EPC that will come into force in the future no longer mentions the one-year requirement for admissibility of a re-establishment request.

3. As to the separate time limit of two months from removal of the cause of non-compliance, the Appellant referred to the letter of 7 April 2000 from its previous (second) representative requesting re-establishment (see IV above) and said that representative received the first detailed information regarding this case from the Appellant's US Attorney in charge of the corresponding US patent on 8 February 2000 and thus took the necessary steps within two months.

- 4.1 Lastly, the Appellant filed with its grounds of appeal declarations of Mr Catania, President of the Appellant company, dated 29 November 2000 and of its US attorney Mr Rzucidlo dated 14 December 2000.

- 4.2 Mr Catania's declaration says that he gave standing instructions to the US attorney to maintain and prosecute the European application to grant; that he never intended to allow the application, which is a key asset of the company and forms one of the bases of its licence agreements in Europe, to lapse; and that it would be unfair and inequitable not to reinstate the application which was only withdrawn because of one error by the US attorney.

4.3 The declaration of Mr Rzucidlo, the US attorney, as well as giving the same evidence as Mr Catania's declaration, explains the circumstances which led to the time limit for payment of the renewal fee for the fifth year and the additional fee to be missed. Supplementing the evidence in his declaration with information in the re-establishment request of 7 April 2000, the following appears, in chronological order, to have happened.

On 1 February 1999, Mr Rzucidlo changed firms. The files relating to the European application were only transferred to his new firm some time later and even then without any record of fee due dates and reminder letters. Reminders from the Appellant's European representative continued to be sent to his previous firm with the result they did not reach him when intended and, in the present case, until after the final date (31 May 1999) had passed. At this point (no exact date is specified) he contacted various European associates about the case including, on 8 February 2000, the Appellant's second representative and, as a result, the re-establishment request was filed (on 7 April 2000).

Mr Rzucidlo then says he handled the case at his new firm where he was in charge of and responsible for the entire patent prosecution department. He describes how the firm's docketing department was staffed by relatively inexperienced staff whom he attempted to train and hoped to replace, and how

merger discussions with other firms caused uncertainty among those staff who eventually left and were replaced by one less experienced person who also subsequently left. The firm merged with another firm on 18 July 2000 and the integration of the two firms' docketing systems and the changeover to an entirely new, updated system lead to delays. Only then (an unspecified date but at least some time after 18 July 2000) was an experienced employee engaged but even this person required time to become familiar with the system.

The re-establishment request filed on 7 April 2000 gave a similar account of the history of the matter as Mr Rzucidlo's declaration, but supplied one additional piece of information, namely that when the original representative was conducting this case renewal fee payments were not dealt with by the representative's firm but by a fee-paying agency.

- X. The Appellant requests in both notices of appeal that the decisions under appeal be set aside and that re-establishment into the term for paying the fifth renewal fee with additional fee be allowed. Additionally, in the first notice of appeal, a request was made for reimbursement of the appeal fee and oral proceedings. There is no request for oral proceedings in the second appeal.

Reasons for the Decision

1. Since there are questions to be decided regarding the admissibility of each of the first appeal of 5 January 2001 and the second appeal of 10 July 2001, the Board will consider each of these in turn.

2. *Admissibility of the first appeal of 5 January 2001*
 - 2.1 To be admissible an appeal must be made against a decision (Article 106 EPC). The "communication" of 26 October 2000, although not entitled "Decision", was clearly intended to be the decision in response to the request of 7 April 2000 for re-establishment. That communication was headed "Subject: Request for restitutio in integrum", gave reasons why the request was inadmissible and concluded with the sentence "Therefore, the application for re-establishment of rights under Article 122 EPC filed by the European patent representatives Abitz & Partner [the Appellant's second representative's firm] on April 7th 2000 is not admissible and the fee for re-establishment of rights will be refunded". It could not be clearer from its content that this was seen by the writer as a decision even if not so entitled. It is the contents which determine whether a document issued by the EPO is a communication or a decision (see J 43/92, unpublished; T 222/85, OJ EPO 1988, 128). It is equally clear that the appellant treated the communication of 26 October 2000 as a decision since its response was to file a notice of appeal referring in so many words to the "decision of October 26, 2000". The Board also notes that the appeal was filed on 5 January 2001, the last day of the time limit for doing so (i.e. two months for

filing notice of appeal - see Article 108 EPC - which runs from the deemed date of receipt of the decision ten days after its despatch - see Rule 78(1) EPC).

2.2 The Appellant has not specifically taken the point that the requirement of Rule 78(1) EPC that decisions incurring a time limit for appeal shall be notified by registered letter with advice of delivery was not complied with and, in the opinion of the Board, this omission makes no difference. Rule 78 EPC is concerned with the formalities of notification by post by the EPO to parties and how any doubts as to the receipt of notifications are to be resolved. In the present case, there is no doubt that the communication of 26 October 2000 was received for the reasons just mentioned, namely that an appeal was filed in response exactly within the time limit for doing so.

2.3 Even though the communication of 26 October 2000 was not accompanied by a notification of the right to appeal as required by Rule 68(2) EPC, parties may not invoke the omission of such a notification (see Rule 68(2) EPC, last sentence). Accordingly, the absence of such notification does not affect the status of the communication as a decision. Again, the fact that the first appeal was filed against the "decision of October 26, 2000" shows clearly that the Appellant recognised it and treated it as a decision notwithstanding the absence of any Rule 68(2) EPC notification.

2.4 Since the notice of appeal otherwise complied with Article 108 EPC, the first appeal was admissible *ab initio*. However, no grounds of appeal were subsequently

filed, either within four months after the date of notification of the decision as required by Article 108 EPC (that is, by 5 March 2001) or at all. Thus, this appeal was rendered inadmissible for that reason.

3. *Admissibility of the second appeal of 10 July 2001*

3.1 This appeal was commenced by a notice of appeal filed on 10 July 2001 against the decision of 14 May 2001 and grounds of appeal were filed on 14 September 2001. The formal provisions of Articles 106 to 108 EPC have thus been complied with.

3.2 However, being a second appeal against a decision which had already been the subject of an appeal and against which the time for appealing had expired, the appeal is devoid of any object and accordingly inadmissible. It is clear that the letter of 7 March 2001 from the Appellant's (third) representative asking for "an Official Decision which could then be appealed by the applicant" was, in the circumstances, a tactic used by that representative to resurrect the case and re-open the decision contained in the "communication" of 26 October 2000. The Appellant's latest representative presumably noticed that the "communication" of 26 October 2000 was not headed "Decision" and hoped, by asking for "an Official Decision which could then be appealed", that the EPO would provide the means to re-open the case. Of course, the EPO should not have complied with that request since, even if this had been a step open to the Appellant (i.e. the "communication" of 26 October 2000 had **not** been an appealable decision but a notification of loss of rights), the time for taking that step expired two months after the

notification (see Rule 69(1) EPC). However, the Appellant had in fact already treated the "communication" of 26 October 2000 as an appealable decision and appealed against it. (The Appellant could have asked for an appealable decision under Rule 68(1) EPC within two months of receiving the "Noting of loss of rights" of 6 July 1999 but did not do so: see paragraphs III and V above.)

3.3 Such a tactic, although successful in extracting a second "decision" from the EPO, cannot be allowed to defeat the clear requirements of the law that only one appeal is permissible against a decision. The EPC makes no mention of more than one appeal (see Articles 106 to 108 EPC) and to allow a plurality of appeals would be contrary to the principle of *res judicata*. It is abundantly clear that the second appeal seeks to re-open the decision to refuse the re-establishment request since it refers specifically to that request and to the "communication" of 26 October 2000 (to which the "decision" of 14 May 2001 referred - see paragraph VIII above). Once the decision on that request had been made and notified by that "communication" and the subsequent appeal proceedings had ended, there was no longer any decision open to appeal. Consequently, the Board considers that the "decision" of 14 May 2001 must be treated as null and void with the result that the second appeal lodged on 14 September 2001 has no object.

3.4 The Board adds, for the sake of completeness, that if either appeal had been admissible, it would not have been allowable because the re-establishment request was itself inadmissible, having quite simply been filed

beyond the two time limits in Article 122 EPC and, if the Board was required to give a decision thereon, the arguments advanced in the second appeal as to why this should not be the case (see paragraph IX 1.1 to 3 above) would not have succeeded. Further, on the arguments and evidence before the Board (see paragraph IX 4.1 to 4.3 above) the re-establishment request could not have succeeded even if filed in time. The Appellant's own evidence shows on its face that the failure to pay fees arose not, as suggested, from one isolated error by the Appellant's US attorney but from a situation of near-chaos arising from that attorney's changes of firms and the absence of sufficient or competent staff to ensure a well-ordered system could be maintained.

4. *Reimbursement of the appeal fee*

4.1 Even if the first appeal, in which reimbursement of the appeal fee was requested, had been admissible the reimbursement request could only be considered if the appeal were allowable and then only if the Board should consider it equitable by reason of a substantial procedural violation (Rule 67 EPC). In the present case, the first appeal being inadmissible, the allowability of the appeal does not arise and therefore the request in that appeal for reimbursement of the appeal fee must be dismissed. It follows that the repayment of that fee (see paragraph VI above) was incorrect. There is no such request for reimbursement in the second appeal but, if there had been such a request, it would have to be dismissed for the same reason.

Order

For these reasons it is decided that:

1. The appeal against the decision dated 26 October 2000 is dismissed as inadmissible.
2. The "Decision" of 14 May 2001 is null and void.
3. The appeal against the "Decision" dated 14 May 2001 is dismissed as inadmissible.

The Registrar:

The Chairman:

S. Fabiani

J-C. Saisset