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D E C I S I O N
of 24 November 2003

Case Number: J 0015/02 - 3.1.1

Application Number: 99125770.0

Publication Number: 1002611

IPC: B23K 1/00

Language of the proceedings: EN

Title of invention:

Solder ball connections and assembly process

Applicant:

International Business Machines Corporation

Opponent:

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Headword:

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Relevant legal provisions:

EPC Art. 79(2), 122(5), 164(2)

EPC R. 25(2), 85a(1)

Keyword:

"Application of Article 4 of the Decision of the
Administration Council of 13 October 1999 as transitional
provision with respect to Rule 25(2) EPC"

Decisions cited:

G 0003/91, G 0004/98, J 0012/82, J 0018/82

Headnote:

The time limits under Rule 25(2), sentence 2 and Rule 85a EPC respectively do not form one integrated period, even if, according to Decision G 3/91 (OJ EPO 1993, 008), both time limits are closely linked, because the benefit of an extension under Rule 85a EPC is only available if the prescribed surcharge is paid together with the due designation fees. In view of Opinion G 4/98 (OJ EPO 2001, 131, 147) and the different requirements for compliance with both time limits, the wording of Article 4(1) of the Decision of the Administrative Council of 13 October 1999 "Rules 15(2) and 25(2) as amended shall apply to all European patent applications in respect of which, on March 2000, the designation fees have not been validly paid and the time limit under existing Rules 15(2) and 25(2) for paying them has not yet expired" cannot be interpreted as a time limit which includes an extension under Rule 85a(2) EPC.



Case Number: J 0015/02 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal
of 24 November 2003

Appellant: International Business Machines Corporation
New Orchard Road
Armonk
NY 10504 (US)

Representative: Teufel, Fritz, Dipl.-Phys.
IBM Deutschland Informationssysteme GmbH
Intellectual Property
Pascalstrasse 100
D-70548 Stuttgart (DE)

Decision under appeal: Decision of the Receiving Section of the
European patent office posted 20 August 2001
declaring that the European application
No. 99125770 is deemed to be withdrawn.

Composition of the Board:

Chairman: J.-C. Saisset
Members: S. U. Hoffmann
C. Rennie-Smith

Summary of Facts and Submissions

- I. European patent application No. 99125770.0 was filed on 23 December 1999 as a divisional application of the earlier application No. 94114605.2. On the same date the filing fee, search fee and the fee for three claims according to Rule 31(1) EPC were paid.
- II. On 9 March 2000 the Receiving Section dispatched a communication pursuant to Rule 85a(1) EPC indicating that the designation fees had not been paid in due time, but could be paid within a period of grace of one month after notification.
- III. By communication pursuant to Rule 69(1) EPC dated 16 May 2000 the applicant was informed that the application was deemed to be withdrawn for non-payment of the designation fees within one month after the filing of the application according to Article 79(3), Rule 25(2) in conjunction with Article 91(4) EPC.
- IV. By letter of 7 June 2000, received on 9 June 2000, the applicant filed a request pursuant to Rule 69(2) EPC to set aside the Noting of Loss of Rights dated 16 May 2000. At the same time the applicant authorised the European Patent Office to debit the amount of DEM 1040,48 for the 10 designated states from the applicant's deposit account. It was stated with regard to the amended Rule 25(2) EPC, which became effective on 1 March 2000, that the divisional application was not deemed to be withdrawn on 1 March 2000 since the designation fees could still be validly paid under the old Rule 25(2) in combination with Rule 85(a)(1) EPC.

Reference was made to Article 4 of the Decision of the Administrative Council of 13 October 1999.

V. On 20 August 2001 the Receiving Section issued a decision pursuant to Rule 69(2) EPC stating that the request to set aside the communication concerning loss of rights pursuant to Rule 69(1) EPC was rejected and that the application was therefore deemed to be withdrawn for the reason that the designation fees were not paid by 19 April 2000, the last day of the period of grace under Rule 85a(1) EPC. The Receiving Section did not agree with the appellant's opinion that the designation fees could still be validly paid on 9 June 2000 and that Article 4 of the decision of the Administrative Council also applied to European patent applications in respect of which, on 1 March 2000, the designation fees could only be validly paid within the period of grace under Rule 85a(1) EPC. The Receiving Section considered that, as the divisional application was filed on 23 December 1999, the time limit under the old Rule 25(2) EPC had already expired on 24 January 2000 before the amended Rule entered into force. The period of grace under Rule 85a(1) EPC which then followed did not avoid the legal fact that the application was deemed to be withdrawn after the 24 January 2000.

VI. On 26 October 2001 the appellant lodged an appeal against the decision of the Receiving Section having already paid the appeal fee on 24 October 2001.

The appellant argued that, according to Article 4 of the Decision of the Administrative Council, the designation fees were validly paid within the time

limit under the new Rule 25(2) EPC which expired six months after the publication of the search report on 24 May 2000. The period of grace under Rule 85a(1) EPC had to be considered as an extension of the basic time limit under the old Rule 25(2) EPC and, even if the period of grace under Rule 85a(1) EPC was not explicitly mentioned in Article 4 of the Decision of the Administrative Council, it could not be treated differently from the time limit under the old Rule 25(2) EPC. The appellant referred to the jurisprudence of the Boards of Appeal where it was acknowledged in various decisions that the period of grace under Rule 85a(1) EPC was closely linked to the basic time limit under Rule 25(2) EPC and was considered as an extension of this time limit. Additionally, the appellant submitted that this interpretation was the reason why the jurisprudence did not allow re-establishment of rights under Article 122 EPC after failing to meet the period of grace under Rule 85a(1) EPC. If now the two time limits were to be regarded as independent time limits, the appellant would be discriminated against.

VII. The appellant requested in writing that the decision under appeal be set aside, that the notice of loss of rights dated 16 May 2000 be set aside, and that the application be allowed to proceed.

VIII. On the appellant's request oral proceedings were held on 24 November 2003 at which the appellant was not represented due to "unexpected circumstance" as stated in a faxed letter of Friday 21 November 2003, although these circumstances were not further explained.

Reasons for the Decision

1. The appeal is admissible.
2. The outcome of this case depends on whether or not Rule 25(2) EPC as amended by decision of the Administrative Council of 13 October 1999 has to be applied in the present case.

The former version of Rule 25(2) EPC reads as follows:

"The filing fee, search fee and designation fees must be paid in respect of each European divisional application within one month after the filing thereof. Payment of the designation fees may still be made up to the expiry of the period specified for the earlier European patent application in Article 79, paragraph 2, if that period expires after the period referred to in the first sentence."

The applicant did not contest that the payment of the designation fees on 9 June 2000 was belated under this Rule because the prescribed time limit expired on Monday 24 January 2000 and no surcharges (together with the designation fees) were paid within the time limit under Rule 85a(1) EPC.

The decision of 13 October 1999 of the Administrative Council reads *inter alia* as follows:

- *Article 1*

"Rule 25(2) shall be amended to read as follows: The filing fee and search fee shall be payable in respect

of a European divisional application within one month after the filing thereof. The designation fees shall be payable within six months of the date on which the European Patent Bulletin mentions the publication of the European search report drawn up in respect of the new European divisional application"

- Article 3

"The present decision shall enter into force on 1 March 2000"

- Article 4

" The following transitional provisions shall apply: Rules 15(2) and 25(2) as amended shall apply to all European patent applications in respect of which, on 1 March 2000, the designation fees have not been validly paid and the time limit under **existing Rules 15(2) and 25(2) for paying them has not yet expired** (Emphasis added by the Board)."

According to its wording, Article 4(1) of the Decision of the Administrative Council refers *inter alia* to the time limit under Rule 25(2) EPC but not to the time limit under Rule 85a(1) EPC. Therefore, on its face Article 4 of the Decision of the Administrative Council does not apply in the present case.

3. However, the appellant submitted that this transitional provision also applies to the period of grace under Rule 85a(1) EPC because this provision has to be regarded as an extension of the normal time limit under Rule 25(2) EPC. In support of its argument, the appellant cited decisions J 12/82 (OJ EPO 1983, 221) and J 18/82 (OJ EPO 1983, 441) stating that the periods

of grace laid down in Rule 85a EPC extends the normal period for payment. The appellant further argued that, according to decision G 3/91 (OJ EPO 1993, 008), the periods of grace in Rule 85a EPC were closely linked to the respective normal periods. Therefore, in relation to the normal period pursuant to Rule 25(2) EPC, the period of grace pursuant to Rule 85a(1) EPC has to be considered as an extension to which the rules for the normal period have to apply.

The Board does not share this view for the reasons as follows.

4. The Administrative Council was free to decide the date on which the new Rule 25(2) EPC should enter into force and whether or not pending cases should be governed by this provision. Even if, as the appellant argued, the period of grace under Rule 85a(1) EPC extends the normal time limit under Rule 25(2) EPC and has the same legal character as the normal period, the Administrative Council was free to limit the application of the new Rule 25(2) EPC to the normal time limit.

5. The time limits under Rule 25(2), sentence 2 and Rule 85a EPC respectively do not form one integrated period, even if, according to G 3/91 (cf. reasons point 2, supra), both time limits are closely linked, because the benefit of an extension under Rule 85a EPC is only available if the prescribed surcharge is paid together with the due designation fees. In view of the different requirements for compliance with both time limits, the Board comes to the conclusion that the wording of Article 4(1) of the Decision of the

Administrative Council of 13 October 1999 "...and the time limit under existing Rules 15(2) and 25(2) for paying them has not yet expired" cannot be interpreted as a time limit which includes an extension under Rule 85a(2) EPC. The appellant's opposite view that Article 4(1) of the Decision of the Administrative Council postpones the payment of designation fees, would lead to the result that the period of grace under Rule 85a EPC can be obtained and can take effect without payment of the required surcharge. Such an interpretation of Article 4 of the Decision of the Administrative Council of 13 October 1999 has no basis in its wording and is contrary to the clear intention of the provision to apply the new time limit only to validly pending applications.

6. Additionally, support for the appellant's interpretation of Article 4(1) of the Decision of the Administrative Council of 13 October 1999 cannot be derived from the jurisprudence of the Boards of Appeal stating that the period of grace under Rule 85a(1) EPC was closely linked to the normal time limit under Rule 25(2) EPC and was considered as an extension of this time limit with the result that re-establishment of rights under Article 122 EPC was not allowed after failing to meet the period of grace under Rule 85(a) (1) EPC.

The question whether or not Article 122 EPC is applicable to the time limits under Rules 25(2) and 85a EPC is quite separate from the question whether or not an application is validly pending as regards the designation of States. The Board points out that Opinion of the Enlarged Board of 27 November 2000

(G 4/98, OJ EPO 2001, 131, 147, conclusion to question 2) decided that "*the deemed withdrawal of the designation of a Contracting State provided for in Article 91(4) EPC takes effect upon expiry of the time limits mentioned in Article 79(2), Rules 15(2), 25(2) and 107(1) EPC, as applicable, and not upon expiry of the period of grace provided by Rule 85a EPC*".

Therefore, the present application was deemed to be withdrawn after the expiry of the time limit provided by the then valid Rule 25a(2) EPC on Monday 24 January 2000 i.e. before the amended new Rule 25(2) entered into force (1 March 2000). The additional period of grace pursuant to Rule 85a EPC cannot be considered as extending the normal time limit without payment of the prescribed surcharge in due time (9 March + 10 days + 1 month = 19 April 2000). Hence, on 1 March 2000, the day on which the new Rule 25(2) entered into force, the application in suit was already deemed to be withdrawn and no longer pending. If Article 4(1) of the Decision of the Administrative Council were to apply in that situation, this would have the effect of re-establishment of rights as regards the time limit of Article 79(2) EPC, which would in turn contravene Article 122(5) EPC (which itself cannot be amended, according to Article 164(2) EPC, by a decision of the Administrative Council). Therefore, the appellant's broad interpretation of Article 4 of the Decision of the Administrative Council of 13 October 1999 has no legal basis under the EPC.

7. Finally, the appellant relied on the principle of protection of legitimate expectations. Contrary to the appellant's contention, Opinion G 4/98 (cf. reasons

point 3.3, supra) did not change the previous jurisprudence of the Boards of Appeal, because it expressly referred to previous case law (J 4/86, OJ EPO 1988, 119). As a result, the Board cannot see any circumstances justifying application of the principle of protection of legitimate expectations to the present case in order to remedy the belated payment of the designation fees.

8. Therefore, the decision of the first instance that the European divisional application in suit was deemed to be withdrawn with regard to the non-payment of the designation fees in due time was correct and the appeal has to be dismissed.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

S. Fabiani

J-C. Saisset