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D E C I S I O N
of 7 November 2003

Case Number: J 0010/03 - 3.1.1

Application Number: 97943999.9

Publication Number: 1037738

IPC: B29C 67/00

Language of the proceedings: EN

Title of invention:
Modelling apparatus and method

Applicant:
Marrill Engineering Co. Limited

Opponent:
-

Headword:
Re-establishment/MARRILL

Relevant legal provisions:
EPC Art. 122

Keyword:
"Article 122(2) EPC requirements (no)"
"Receipt of later renewal fees equals deemed payment in time
of earlier renewal fee actually paid late (no)"

Decisions cited:
J 0007/82, T 0428/98

Catchword:
-



Case Number: J 0010/03 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal 3.1.1
of 7 November 2003

Appellant: Marrill Engineering Co. Limited
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Representative: Hallam, Arnold Vincent
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Decision under appeal: Decision of the Examining Division of 14 August
2002 confirming the European application
No. 9794399.9 was deemed withdrawn as of
16 November 2000.

Composition of the Board:

Chairman: J.-C Saisset
Members: C. Rennie-Smith
G. E. Weiss

Summary of Facts and Submissions

- I. This appeal is from the decision of the Examining Division of 14 August 2002 confirming that European patent application No. 9 794 399.9, based on International application No. PCT/GB97/02715 whose international filing date was 14 October 1997, was correctly deemed withdrawn as of 16 November 2000 for non-payment in time of the third year renewal fee.
- II. The applicant (appellant) was sent a letter dated 20 June 2000 by the Receiving Section drawing attention to the facts that the third year renewal fee fell due on 15 May 2000, that the fee could be paid (together with an additional fee) within the following six months (thus, by 15 November 2000), and that if not paid by then the application would be deemed to be withdrawn.
- III. The appellant paid the renewal fee and additional fee on 29 November 2000. The EPO sent the applicant a "Noting of Loss of Rights" letter dated 8 December 2000 stating the application was deemed to be withdrawn and drawing its attention to the possibilities of applying for a written decision under Rule 69(2) EPC and of applying for re-establishment of rights under Article 122 EPC. In answer the appellant sent a faxed letter dated 14 February 2001 stating that the fees were paid on 29 November 2000 and asking for confirmation that the application was not deemed to be withdrawn. Although that letter did not contain a request under Rule 69(2), it was treated as such by a reply of 5 March 2001 from the Examining Division which observed (with reference to Rule 107(1)(g) EPC and the Receiving Section's letter of 20 June 2000) that the

final date for payment was 15 November 2000, that payment had in fact been made on 29 November 2000, and therefore that the noting of loss of rights was correct. The same letter further noted that no re-establishment request had been made, gave the appellant two months to file further comments, and ended by stating that, if no further relevant facts were brought to the attention of the EPO, a negative decision would be issued.

IV. The appellant, in a letter dated 9 April 2001 and received on 11 April 2001, submitted that by its calculations the final date for payment of the third renewal fee was 30 November 2000 and that the payment on 29 November 2000 had thus been made in time. Having received no reply to that letter, the appellant wrote again on 3 December 2001 (enclosing a copy of its previous letter) and asking when it could expect a reply. The EPO replied by a communication of 3 May 2002 apologising for the delay, explaining why the appellant's calculation was incorrect and again giving the appellant two months to say whether it maintained its request for a decision.

V. The appellant then sent a faxed letter of 27 May 2002 observing that the European Online Patents Register showed the application as still pending and, although mentioning the "Noting of Loss of Rights" letter of 8 December 2000, indicated no date of the legal effect of the deemed withdrawal; that the fourth year renewal fee had been accepted on 28 November 2000 (the appellant must have meant the **third** year fee and **29** November 2000); and that the EPO communication of 3 May 2000 had pointed out that the fifth year renewal fee fell due on 30 April 2002 (the communication had in

fact referred to the **fourth** year fee). The appellant asked whether, in the light of those matters, the application was in fact still pending and whether it was possible to file a divisional application. It asked for a reply well in advance of the deadline for replying to the 3 May 2002 communication which it stated to be 3 July 2002 (although in fact it was 13 July 2002 - see Rule 78(2) EPC).

VI. The EPO replied on 18 June 2002 confirming that the application was deemed withdrawn although not shown as such on the Register and that the retrospective effect of the deemed withdrawal as of 16 November 2000 could only be avoided if the EPO could be persuaded of a different opinion by a person requesting a decision under Rule 69(2) EPC or if a negative decision under that rule were to be set aside by the Board of Appeal. The appellant then sent a faxed letter of 1 July 2002 asking for a decision. The decision under appeal was posted on 14 August 2002. It recited the facts summarised above, explained why the appellant's calculation of the time limit for payment of the third year renewal fee was incorrect and confirmed that the application was deemed to be withdrawn as of 16 November 2000.

VII. The appellant filed a Notice of Appeal in the form of a faxed letter of 9 September 2002 and paid the appeal fee on 16 September 2002. In its statement of grounds of appeal contained in a faxed letter of 19 December 2002 the appellant argued as follows.

(A) Its letter of 9 April 2001 should have been replied to earlier than 3 May 2002 and in

particular prior to 20 June 2001 which, according to the appellant, was the time limit for filing a request for re-establishment of rights.

Relationships between the EPO and applicants are governed by the good-faith principle according to which an applicant should not suffer any loss of rights as a consequence of an omission on the part of the EPO.

(B) By issuing notices on 5 December 2000 and 5 December 2001 regarding respectively the fourth and fifth year renewal fees, the EPO had implicitly deemed the third year renewal fee as paid in time.

VIII. The Board sent a communication to the appellant dated 8 July 2003 containing its provisional opinion why neither of those arguments could succeed and inviting the appellant's comments within two months of the deemed date of receipt of the communication (that is, by 18 September 2003). The Board's reasons for that provisional opinion were substantially as set out below. The appellant has not replied, either by 18 September 2003 or at all.

The appellant requests in its Notice of Appeal "reversal of the decision in its entirety", in other words that the decision under appeal be set aside. There is no request for oral proceedings.

Reasons for the Decision

1. In this appeal, which is admissible, the appellant requests that the decision of 14 August 2002, confirming that the loss of rights notified by the EPO's letter of 8 December 2000 was correct, be set aside. The disputed loss of rights arose from the non-payment within the prescribed time of the third year renewal fee for the application in suit. The fee, together with the additional late payment fee, was paid on 29 November 2000. The appellant previously considered the time limit for payment ended on 30 November 2000 whereas the EPO calculated it ended on 15 November 2000. The appellant has never disputed (indeed in its letter of 14 February 2001 it averred) that payment was made on 29 November 2000. Although it appears from the grounds of appeal that the appellant no longer disputes the calculation of the time limit, the Board has considered the matter and finds that the calculation of the time limit set out in the decision under appeal is correct - the thirty-one month time limit expired on 15 May 2000 and the further six months for late payment on 15 November 2000 (see Article 86(2) EPC, Rules 107(1)(g), 83(4) and 85(1) EPC and, for details of the calculation, the reasons in the decision under appeal). It follows accordingly that the decision under appeal is correct in saying that, since the payment was made on 29 November 2000, it was out of time and the loss of rights letter was correctly sent.
2. The only arguments advanced by the appellant in its grounds of appeal are those set out in paragraph VII above. The first of these arguments is that the EPO should have replied to the appellant's letter of 9 April 2001 before 20 June 2001 which, it is said, was the time limit for filing a request for re-

establishment of rights. Article 122(2) EPC sets two time limits for filing re-establishment requests namely:

- (a) an overall one year limit which begins immediately the unobserved time limit expires and which in the present case thus began on 16 November 2000 and expired on 15 May 2001 since, in the case of non-payment of renewal fees, the further six months for late payment with an additional fee must be deducted from the one year period (see Article 122(2) EPC, last sentence);
- (b) a time limit of two months from the removal of the cause of non-compliance.

3. Both time limits must be observed and, thus, if the two month limit expires before the one year limit, the former prevails; and the shorter time limit depends on the date of removal of the cause of non-compliance. Therefore, to see whether the shorter limit prevails, the first question the Board must consider is, what - in the appellant's favour - is the latest event which could possibly be seen as the removal of the cause of non-compliance? In the view of the Board, this could only be the date of receipt of the EPO letter of 8 December 2000 notifying the appellant's loss of rights. This letter stated the third year renewal fee had not been paid in time, further stated payment was in fact made on 29 November 2000, and drew attention to the possibility of a re-establishment application and the time limits in Article 122 EPC - as a removal of the cause of non-compliance in the present case, nothing could be clearer.

4. The next question therefore is what - again, in the appellant's favour - is the latest date on which the appellant could have received the letter of 8 December 2000? For any other purpose that letter would be deemed to have been received on 18 December 2000 (Rule 78(2) EPC) but this legal "fiction" of deemed receipt ten days after sending does not apply for the purpose of establishing the date of removal of a cause of non-compliance (see for example J 7/82 OJ 1982, 391, Reasons, paragraph 4; T 428/98 OJ 2001, 485, Reasons, paragraph 2.2; and see generally "Case Law of the Boards of Appeal of the European Patent Office", 4th Edition, 2001, pages 298 to 300). However it is beyond doubt that a reply was sent dated 14 February 2001, so the EPO letter must have been received on or before that date. Thus 14 February 2001 is the latest possible date which can be taken as the date of removal of the cause of non-compliance. (The appellant could, but cannot be compelled to, identify the actual date on which the EPO letter was actually received but if, as is likely, this was earlier than 14 February 2001, this would only work to its disadvantage.) The Board therefore finds that the two month time limit expired on 17 April 2001 - two months after 14 February 2001 being 14 April 2001 but, that date being a Saturday and 16 April 2001 being a public holiday when the EPO was closed for business, 17 April 2001 was the next official business day under Rule 85(1) EPC. 17 April 2001 being earlier than 15 May 2001 - the date of expiry of the other time limit under Article 122(2) EPC, see paragraph 2(a) above - it prevails over that other time limit and had to be observed.

5. Although the EPO letter of 8 December 2000, whenever it was received, clearly acted as a removal of the cause of non-compliance, the representative's reply of 14 February 2001 did not include any application for re-establishment. All the reply requested was confirmation that the patent application was not deemed withdrawn. Thus it appears that, notwithstanding the contents of that EPO letter, no steps were taken then by the appellant or its representative to check whether its own calculation of the fee payment deadline was correct or not.

6. The appellant appears to have made a further miscalculation in considering that the time limit for a re-establishment request expired on 20 June 2001. That calculation can only have been made by assuming the period of one year under Article 122(2) EPC ran from the date of the EPO letter of 20 June 2000 which drew the appellant's attention to the fact that the third year renewal fee had to be paid at the latest on 15 May 2000 and to the possibility of the further six month non-extendible period pursuant to Article 86(2) EPC and which therefore told the appellant the EPO considered the final deadline to be 15 November 2000. Since that letter was deemed received on 30 June 2000, the actual deadline (if the appellant's calculation was correct) would have been 2 July 2001 (30 June 2001 being a Saturday). However, in this case the deadline (again, if the appellant's calculation was correct) would have been 30 January 2001 since, as mentioned above, the one year period is, in the case of non-payment of renewal fees, reduced to six months. However, the 20 June 2000 letter cannot be seen as the removal of the cause of non-compliance since at that point the non-compliance

had not occurred; nor could it mark the beginning of the one year period (reduced in this case to six months) from the unobserved time limit since the end of that time limit fell on a later date, namely 15 November 2000. Moreover, as also mentioned above, there is the additional question of the two month time limit in Article 122(2) EPC which apparently did not occur to the appellant.

7. The Board is therefore of the opinion that the latest possible date for filing a re-establishment request and paying the related fee was 17 April 2001. It follows that the argument, that the appellant's letter of 9 April 2001 was not replied to before 20 June 2001, cannot assist the appellant since both the two month time limit and the one year time limit (reduced in this case to six months) for a re-establishment request expired before 20 June 2001 (on 17 April 2001 and 15 May 2001 respectively). The delay of over a year in replying to the letter of 9 April 2001 was of course very discourteous (as the apology given to the appellant acknowledged) and such delays cannot be condoned. However, a prompt reply would have made no difference in this case as the two month time-limit for a re-establishment application had only eight days (four working days) to run when the appellant wrote its letter of 9 April 2001, and the appellant had already failed, when writing its letter of 14 February 2001, to appreciate that the cause of non-compliance had then been removed.

8. The appellant's supporting argument as to the good faith principle in relations between the EPO and applicants cannot assist the appellant either. It is

founded on the premise of, to use the appellant's words in the grounds of appeal, "an omission on the part of the Office". The omission referred to is clearly the long delay in replying to the appellant's letter of 9 April 2001. However, as is clear from the above, first, it was the appellant's own omissions which had created the situation in which it found itself and, second, an earlier reply from the EPO would not have affected that situation.

9. The Board also observes that, since the expiry of the two month time-limit on 17 April 2001, the position has been beyond saving by a re-establishment request since such requests are themselves not capable of reviving by re-establishment (see Article 122(5) EPC).

10. Even if a re-establishment request had been made in time, the Board has little doubt that it would have failed. Such a request must show that a time limit was missed in spite of all due care having been taken (Article 122(1) EPC). It is difficult to see how, in the light of the EPO letter of 20 June 2000, the appellant could make an arguable case that due care was observed after that letter was received, the appellant then being on notice of the actual and correct time limit for payment of the renewal fee. At the very least, the requirement of due care meant that the appellant should, on receipt of that letter, have checked its own calculation and, if satisfied it was correct, questioned the EPO's calculation. Much the same could be said as regards receipt of the later EPO letter of 8 December 2000. Further, it is established case-law that one criterion of due care is whether the lapse was the result of one isolated error in an otherwise

satisfactory system. It appears in the present case that the mistake was based on a misinterpretation of law; it would be extremely difficult to argue that such a misinterpretation was made solely in, or for the purposes of, the present case. Thus the Board finds that the appellant's first argument cannot succeed.

11. The appellant's second argument is that, by issuing notices regarding subsequent renewal fees, the EPO has implicitly deemed the third year renewal fee as paid in time. It appears clear from the file that the payment of subsequent renewal fees was not viewed by the EPO as excusing the late payment of the third year fee or as deeming that fee paid in time. The late-paid third year fee and subsequent renewal fees have been marked in the EPO records as "Refund awaiting approval by the authorising officer". A notice was sent to the appellant on 29 May 2002 stating that a refund would be made. And the reply of 18 June 2002 to the appellant's letter of 27 May 2002, making this very argument, explained that the decision that the patent application was withdrawn could only be reversed by an appeal.

12. That stance of the EPO is entirely inconsistent with the appellant's suggestion that, by receiving later payments, the late-paid third year renewal fee was deemed to be a payment made in time. On the contrary, all the evidence on file is consistent with the stance of treating the late-paid third year fee and subsequent renewal fees as refundable pending the outcome of the appellant's challenge to its decision. Accordingly, the Board holds that the appellant's second argument cannot succeed.

13. It follows that the appeal must be dismissed. As a consequence, the third year renewal fee and the additional fee paid on 29 November 2000 and any further renewal and additional fees paid later must be refunded.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

S Fabiani

J.-C. Saisset