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D E C I S I O N
of 1 March 2005

Case Number: J 0009/04 - 3.1.1

Application Number: 99114381.9

Publication Number: 0978485

IPC: C03B 7/084

Language of the proceedings: EN

Title of invention:
Forehearth feeder tube lift system

Applicant:
OWENS-BROCKWAY GLASS CONTAINER INC.

Opponent:

-

Headword:
Extension agreements/OWENS-BROCKWAY

Relevant legal provisions:
EPC Art. 33(4), 78(2), 79(2), 106(1), 112(1), 121, 122(3)
RFee Art. 9(1)
EPC R. 9(3), 68(2), 83a(1) and (2)

Keyword:
"Extension ordinances on the extension of European patents"

Decisions cited:
G 0001/02, J 0008/81, J 0026/87, J 0002/93, J 0013/92,
J 0013/83, J 0024/94, J 0014/00, T 0934/91

Catchword:

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Case Number: J 0009/04 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal 3.1.1
of 1 March 2005

Appellant: OWENS-BROCKWAY GLASS CONTAINER INC.
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Toledo
Ohio 43666 (US)

Representative: Blumbach Zinngrebe
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Decision under appeal: Decision of the Examining Division of the
European Patent Office dated 17 November 2003
rejecting the request that the payment of
extension fees be deemed to be made in time for
application No. 99114381.9.

Composition of the Board:

Chairman: J.-C. Saisset
Members: M. J. Vogel
M.-B. Tardo-Dino

Summary of Facts and Submissions

- I. The appellant is the applicant in respect of European patent application No. 99 114 381.9 filed on 22 July 1999. Informed that the application was deemed to be a request to extend the application and the patent to all states with which the EPO had reached an extension agreement and that the extension only took effect if the prescribed extension fees were paid, he declared under No. 34 of form 1001 (request for grant a European patent) his current intention to pay the extension fees for the following States marked with a cross: AL, LT, LV, RO, SL. The decision to grant a European Patent pursuant to Art. 97(2) EPC was issued on 7 August 2003 with form 2006A, but contrary to the applicant's request not with respect to the designated extension states.
- II. On 4 September 2003 the applicant paid the extension fees for the said states, surcharges inclusive, and requested a decision that the payment of these fees was made in time, auxiliarily to grant restitutio in integrum according to Art. 122 EPC with respect to the time limit for the payment of the extension fees. He argued that contrary to the procedure for payment of EPC designation fees no communication under Rule 85a(1) and Rule 69(1) EPC had been notified indicating the non-payment of the outstanding fees. This was not in line with the fundamental principle of good faith. Re-establishment of rights should be granted having regard to the fact that all due care required by the circumstances had been observed.

- III. In a brief communication dated 17 November 2003 the formalities officer of the examining division pointed out with reference to decision J 14/00 that re-establishment of rights in respect of the payment of extension fees is not possible and that the EPC provisions concerning remedies and appeals are not applicable to extension procedures but only the national law of the extension states applied.
- IV. With a letter filed on 19 January 2004 the appellant lodged an appeal requesting revision of the contested decision and paid the appeal fee at the same time. On 17 March 2004 he submitted his grounds of appeal and with a further letter dated 1 February 2005 he answered a communication of the Board pointing out its preliminary opinion based on the decision in case J 14/00.
- V. The appellant's arguments are summarised as follows:
1. Having regard to the admissibility of the appeal the reasoning of decision J 14/00 was not pertinent because the present case is different from that decided in case J 14/00.
 2. As restitutio in integrum has been requested under Art. 122 EPC before the first instance the formalities officer was not competent to issue the contested decision (or communication) but only the Examining Division or the Legal Division. For the admissibility of the appeal it should not be decisive which instance made the decision but which instance is competent according to the EPC.

3. It is true that the wording of the Cooperation Agreements (CA) and the Extension Ordinances (EO) for the different extension states is the same, but there are obviously important differences regarding the interpretation of these provisions by both the EPO and the national patent authorities. In view of the national regulations of the extension states the different interpretation and application of Rule 85a(1) EPC as to contracting and to extension states respectively would appear to be unjustified and in contradiction to the intention of the legislator. That is why Art. 6 CA should be understood as a general reference to all provisions of the EPC relating to payment of fees, Rule 85a(1) EPC included, even if Art. 6(3) CA only refers to Rule 85a(2) EPC.

4. Furthermore, the EPO's interpretation of the EOs is not in line with the intention of the Administrative Council (AC) when Rule 85a EPC was adopted. The AC acknowledged that a period of grace with respect to missing important time limits would be of great importance in such cases since restitutio in integrum was not possible. But the grace period would only be effective if the applicant could be informed of missing a basic time limit.

5. On the other hand when applying Art. 122(5) EPC no difference is made between fees for contracting and extension states. This would be inconsistent. If a distinction between designation and extension states is made under Rule 85a EPC then this should be made as well with regard to Art. 122(5) EPC, as this provision only excludes restitutio with respect to payment of designation fees.

6. Moreover, the current practice of not sending a communication according to Rule 85a EPC to the applicant in cases of non-payment of the extension fee is not comprehensible in view of the official request form 1001.1 11.98. There the contracting states are all automatically marked with a cross according to No. 32.1. or specifically according to No. 32.2. respectively. In the latter case the applicant may request that no communication under Rule 85a EPC is notified regarding states not marked with a cross.

In the case of extension states, however, it would serve no purpose to mark the specific states if no communication under Rule 85a EPC was to be notified with respect to the extension fee. That is why the applicant marking the extension states was thus explicitly expressing his wish for a Rule 85a EPC notification in case of failure to pay the fees, as a period of grace can only be effective, if the applicant is actually informed of missing the basic time limit. Otherwise he has no fair chance to recognise the failure of non-payment of the extension fee. Thus, the principle of good faith would require application of Rule 85a EPC equally with respect to both extension and contracting states, and for the EPO to act in the same manner according to the requests submitted.

7. The EPO's current interpretation of Rule 85a EPC with respect to the extension procedure would have severe consequences for the applicant as there is no chance to correct a failure in paying the extension fee either under the EPC or under the national law of the extension states as it is obvious from the letters of

his representatives in these countries. Moreover, it is not practicable if the national patent authorities have to revise a decision of the EPO regarding the payment of the extension fee. In addition, it cannot be accepted that a formalities officer may decide on the correct payment of fees without an independent instance being entitled to review the decision. This is not in line with the fundamental constitutional principles of the Contracting States to the EPC.

8. Finally the appellant remarks that the legislative body regulating the EPC has recognised the difficult situation of the applicants with respect to Art. 122 EPC and will - as already adopted by a Diplomatic Conference in 2000 - enlarge the applicability of Art. 121 EPC to all cases of missing a time-limit for payment of fees.

VI. During the oral proceedings held on 1 March 2005 the appellant re-inforced his arguments and requested:

- that the decision under appeal be set aside and that the payment for the extension states SL, LT, LV, AL and RO be accepted as made in time;

auxiliary:

- to grant re-establishment of rights;

further auxiliary:

- to remit the case for further prosecution to the department whose decision is appealed.

He further requested referral of the case to the Enlarged Board with the following questions:

1a) Is in general an appeal according to Art. 106 EPC against a decision of a formalities officer that an extension fee was not paid in time not admissible?

1b) If question 1a) is answered with "yes", is such an appeal even then not admissible, if the implementation of the Cooperation Agreement between the EPO and an extension state is made by regulations in the national patent law of the extension state and this patent law expressly lays down that the EPC and its regulations are applicable.

2a) Is Rule 85a(1) EPC to be applied in general with respect to the payment of the extension fees to provide the applicant with a fair chance to recognise the failure in case the fee was unintentionally not paid by the applicant.

2b) Is Rule 85a(1) EPC to be applied with respect to the payment of the extension fees, if the applicant has crossed a specific extension state on the application form 1001 in addition to the automatic designation of all extension states provided by the form.

VII. At the end of the oral proceedings the Board announced its decision.

Reasons for the Decision

1. The appeal was filed, and the appeal fee was paid within two months of the date of the communication (17 November 2003) alleged by the appellant to be appealable (Article 108 EPC). The appeal therefore meets the requirements of Article 108 EPC. It is, however, inadmissible, because, in the present case, there is no right of recourse to the EPO's Boards of Appeal (Article 106 EPC).
 - 1.1 According to the exhaustive provisions of Article 106(1) EPC relating to decisions capable of being the subject of an appeal under the EPC, appeals lie only from decisions of the Examining Divisions, Opposition Divisions, the Legal Division and from decisions of the Receiving Section.
 - 1.1.1 The fact that the letter of 17 November 2003 from the Examining Division which is the subject of the appeal was headed 'Brief Communication' rather than identified as a decision does not make a substantive difference in this respect. The legal character of an official document does not depend on how it is headed. What determines its legal character, and hence whether or not an appeal can lie against it within the meaning of Article 106(1) EPC, is its substantive content. If the document conveys nothing more than a legal opinion, it cannot be said to be a decision. The same applies if it is quite obvious that the author does not have the authority required to either write or send the document. If, on the other hand, legal relations between the Office and an applicant under the provisions of the EPC are determined by a document, then irrespective of the

heading of this document, according to the established case law of the Boards of Appeal it represents an appealable decision within the meaning of the Convention (see J 8/81, OJ EPO 1982, 10; J 2/93, OJ EPO 1995, 4; J 13/92; J 13/83; J 24/94; T 934/91, OJ EPO 1994, 184, and so on). In the present case a number of factors point to the content of the contested communication being in the nature of a determination of the legal status and hence a decision, since the rejection of the extension of the patent application to the extension states marked in form 1001 has a determining effect on the scope of the territorial protection afforded to the application.

- 1.1.2 The admissibility of the present appeal is therefore not tainted by the fact that the contested letter of 17 November 2003 from the Examining Division did not include a communication of the means of redress (see J 26/87, OJ EPO 1989, 329) and was written by a formalities officer in the Examining Division. On the one hand the issue of the fundamental admissibility of an appeal does not arise in the event of non-communication of the means of redress, because Rule 68(2), third sentence, EPC expressly states that the parties may not invoke the omission of such a communication. On the other hand, appealable decisions may within the framework of the duties of the Examining Divisions be issued with legal effect by a formalities officer in so far as he or she is authorised to do so by the notice of the Vice-President Directorate-General 2 (most recent version) of 28 April 1999 (OJ EPO 1999, 504), which is based on the authorisation under Rule 9(3) EPC and was accepted as not conflicting with

provisions of EPC by the Enlarged Board (see G 1/02, OJ 2003, 165).

1.2 The admissibility of the present appeal is rather precluded by the fact that, according to the exhaustive provisions in Article 106(1) EPC, only those decisions of the EPO may be contested which are taken, within the framework of their duties under the EPC, by the departments listed therein. This is not, however, the case for decisions taken by the EPO when carrying out its obligations under the Cooperation Agreements with the said states extending the protection conferred by European patents (Extension Agreement), including the associated Extension Ordinance (EO) (OJ EPO 1994, 75).

1.2.1 The respective Extension Agreements, which all came into force before the application in the case in question was filed, are in turn based on the Patent Cooperation Agreements between the European Patent Organisation and the extension states. These agreements are international treaties of the kind which the President of the EPO is authorised by the Administrative Council to conclude with the Council's approval (Article 33(4) EPC), in order to carry out the functions assigned to him under the EPC. The agreement serves the interests not only of applicants, providing as it does a simple route to patent protection in the extension states, but also those of the extension countries, enabling them to offer patent protection for their territory simply by extending the effects of European and Euro-PCT applications and patents.

1.2.2 As the appellant points out, there are certain parallels - in particular with regard to the payment of

the fee due - between the formal procedures, particularly the timetable for taking procedural steps in respect of the extension of protection under the EOs on the one hand and the designation of a contracting state under the EPC on the other (Articles 79(2), 78(2) EPC). The legal effects in each case are, however, different. Unlike the procedure for designating contracting states under the EPC, the extension procedure under the EOs generates legal effects exclusively on the basis of national law of the extension states. The EOs do not include the assignment of sovereign rights to the EPO. Instead, by way of administrative assistance, the EPO undertakes on behalf of the extension states the administrative task of collecting the fees, and, to cover the administrative costs it incurs, receives a fixed proportion of the extension fee, the greater part of the fee passing to the extension state.

1.3 The procedure for payment of the extension fee is determined by the EOs alone. Despite certain similarities with European law, the EOs' validity is, however, based not on the provisions of the EPC, but on national law alone, in the performance of which the EPO simply offers administrative assistance within the framework of the national provisions. This legal assessment follows not only from the wording of the EOs, which in itself is quite clear, but also from its structure, as well as its intention and purpose.

1.3.1 Thus Article 3, second paragraph, EOs clearly and unequivocally applies the period of grace under Rule 85a(2) EPC to failure to pay the extension fee on time, and under Article 3, third paragraph, EO the EPO

Rules relating to Fees apply mutatis mutandis to payment procedures. Article 10 EO, however, stipulates that the provisions of the EPC and its Implementing Regulations do not apply unless otherwise provided in the EO. The EO thus makes it absolutely clear that references to provisions of the EPC are exhaustive and thus that there can be no corresponding application of other provisions, including those of Articles 106 et seq EPC concerning the appeals procedure.

- 1.3.2 Neither is there anything in the structure or legal nature of the EOs to support the appealability of the letter of the Examining Division of 17 November 2003. As a bilateral ordinance, the EOs essentially deal - exhaustively and strictly separately from the EPC - with matters pertaining to the integration of extended European applications and protective rights into the respective national law and their relationship to national applications and rights based on the law on industrial property of the extension states (see for Slovenia Blatt für Patent-, Muster- und Zeichenwesen 1993, 303).

This includes, in particular, the conferral of the same effects on extended applications and patents as on national ones, the obligation to provide the national Patent Offices with a translation of the claims into the respective language, the national authentic text of extended applications and patents, their prior-art effect with respect to national applications and patents, and, finally, simultaneous protection. None of these provisions give rise to any obligations on the part of the EPO. Under the EOs, the EPO merely undertakes vis-à-vis the national patent authorities to

assist with the administrative tasks associated with the extension of European patents, namely receiving requests for extension, levying extension fees and, after deducting an amount to cover its expenses, forwarding the remaining amount to the national Patent Offices.

- 1.3.3 It is clear from their provisions that the EOs are governed by the principle of minimal intervention in the sovereign rights of the extension states. Thus, for example, Article 10 EO precludes the application of the provisions of the EPC - including those of Articles 106 et seq EPC relating to the appeals procedure - in the extension procedure. For the same reason, and unlike the arrangement under the EPC, Article 9 EO stipulates that the renewal fees for extended European patents be paid in full to the national Patent Offices.

The EPC on the other hand is based amongst other things on the delegation of national sovereign rights to the EPO, on the participation in and control of the administration of the EPO by the Administrative Council, and on the division of renewal fees between the EPO and the contracting states involved.

- 1.3.4 The EO does not afford any of the rights and obligations associated with accession to the EPC. Contrary to the appellant's assertion, it thus does not set up a *jus tertii* for services rendered by the EPO in fulfilment of its obligations under the EO either. As a result there is no right of recourse to the Boards of Appeal in respect of extensions of patent applications and patents to the extension states. Instead, in cases such as the one at issue, it is the respective national

jurisdiction which is responsible. For example Article 6(2) of the Slovenian Law provides for appeal proceedings against decisions of the Slovenian Patent Office.

- 1.4 Nor can the appellant invoke the principle of good faith to obtain legal recourse to the EPO's Boards of Appeal. The Board recognises that this principle is one of the fundamental principles of European patent law. However, as far as the extension procedure is concerned, the EPO is not acting within the framework of the EPC, but is simply assisting with the establishment of national property rights. Moreover, in its introduction to the EOs, the EPO expressly states that the Eos are based on national law only (see for example OJ EPO 1994, 75) and that the extension procedure and its effects are governed solely by national law.

2. The Board considers that there is no need to refer questions to the Enlarged Board of Appeal because there is no contradictory case law and the board is itself in a position to resolve the points of law raised in the present case without any doubt.

3. Nevertheless the case gives rise to a final remark. As the appellant points out it is in a thoroughly unsatisfactory situation since, either under the EPC or the national legislations of the extension states it is guaranteed that administrative acts of the patent authorities can be reviewed by an independent court. Therefore it would be appropriate that the EPO, before agreeing the extension of European patents to a particular state, considers whether the national legislation of that states observes fundamental legal

principles and provides for the judicial control of administrative acts.

Order

For these reasons it is decided that:

The appeal is rejected as inadmissible.

The Registrar:

The Chairman:

P. Martorana

J.-C. Saisset