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**Datasheet for the decision
of 07 July 2008**

Case Number: J 0004/07 - 3.1.01

Application Number: 01914431.0

Publication Number: 1259128

IPC: A23L 2/52

Language of the proceedings: EN

Title of invention:
Water containing soluble fiber

Applicant:
Stillman, Suzanne Jaffe

Opponent:
-

Headword:
Re-establishment of rights/STILLMAN

Relevant legal provisions:
-

Relevant legal provisions:
EPC 1973 Art. 86, 122
Decision of the Administrative Council on the transitional provisions under Article 7 of the EPC Revision Act, Art. 1

Keyword:
"Re-establishment of rights for paying the renewal fee (no)"

Decisions cited:
J 0005/80, J 0013/90, J 0027/90, J 0025/96, J 0019/05,
J 0011/06, J 0001/07, T 0014/89, T 0667/92, T 0381/93

Catchword:
-



Case Number: J 0004/07 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 07 July 2008

Appellant: Stillman, Suzanne Jaffe
1712 Barrington Avenue, No. 4
Los Angeles
California 90025 (US)

Representative: Fiener, Josef
Patentanw. J. Fiener et col.
P.O. Box 12 49
87712 Mindelheim (DE)

Decision under appeal: Decision of the Examining Division of the
European Patent Office of 31 August 2006

Composition of the Board:

Chairman: B. Günzel
Members: B. Müller
D. S. Rogers

Summary of Facts and Submissions

- I. The appeal is directed against the decision of the examining division dated 31 August 2006. This decision refused a request for re-establishment of rights in relation to the time limit for paying the fourth-year renewal fee and surcharge in respect of Euro-PCT application No. 01914431.0. Mr. Fiener, the European professional representative of the U.S. applicant, Mrs. Stillman, filed that request on 30 December 2004 and paid the corresponding fee on 28 December 2004. The fourth-year renewal fee and a surcharge were paid on 30 December 2004.

The fourth-year renewal fee had fallen due on 29 February 2004 and payment of that fee, together with a surcharge, could still have been validly effected within the subsequent six-month grace period, i.e. by 31 August 2004. However, the EPO had received no payment by the expiry of that period. As a consequence, with a communication dated 20 October 2004, the EPO had informed the applicant of a loss of rights under Rule 69(1) EPC 1973, namely that the application in suit was deemed to be withdrawn under Article 86(3) EPC 1973.

- II. In his application for re-establishment that comprised one page and was received on 30 December 2004, the European representative submitted the following grounds why the applicant and her U.S. representative were unable to observe the time limit in question, in spite of having taken all due care required by the circumstances:

Patent applications of Mrs Stillman were handled in the U.S. by the attorney Mr. Kirchanski. He was a member of the law firm Reed Smith. On 21 January 2004 that law firm "instructed" that the fourth-year renewal fee would be paid by CPA, "which however never happened, *whichever the reasons are. One assumption* is that the signing paralegal Michael Moores left this law firm in spring 2004." (Emphasis added.) That seemed to be the reason why the European representative's reminder dated 6 April 2004 and sent to Reed Smith was not processed.

Furthermore, the responsible attorney, Mr. Kirchanski left Reed Smith in summer 2004. As evidence that Mr. Kirchanski was working for another law firm as of summer 2004, a letter by the European representative sent to the law firm Liner Yankelevitz Sunshine & Regenstreif LLP (hereinafter referred to as "LYSR") and addressed to Mr. Kirchanski personally, was filed with the request for re-establishment. It is dated 28 July 2004 and concerns a different person than the one in the present case, namely the patent proprietor Shanbrom Technologies LLC ("Shanbrom").

The European representative pointed out that several European patents had recently been issued on behalf of Shanbrom which was also represented by Mr. Kirchanski. From this it could be concluded that all due care had usually been taken, i.e. "... the Applicant's annuity system worked very well". In the present case, however, an isolated procedural mistake occurred, "*apparently* caused by several changes of responsibility as shown by 'switching' to *several US-law firms/annuity services*" (emphasis added). Out of dozens of European patent applications the present case was the only one to suffer

an unintended non-payment of a renewal fee. This fact also showed that the applicant had taken all due care.

III. In the decision under appeal the examining division in essence gave the following reasons for refusing the application for re-establishment of rights: the European representative did not indicate the specific circumstances which had prevented the applicant and her U.S. representative, Mr. Kirchanski, from paying the fourth-year renewal fee in time. Despite an invitation from the examining division the European representative did not provide further explanations, e.g. as to the system for monitoring time limits in Mr. Kirchanski's U.S. law firm Reed Smith, nor did he furnish the necessary pieces of evidence. Therefore the examining division could not conclude that Reed Smith had a normally well-functioning system in place whose aim it was to avoid making mistakes and missing time limits. Concerning the absence of the responsible persons, Mr. Kirchanski and Mr. Moores, the administration of a law firm such as Reed Smith should at least have been organised in such a way that timely payment of renewal fees did not depend on the presence or absence of one person only. There was no indication as to whether or not arrangements were made to replace Mr. Kirchanski or Mr. Moores.

IV. The appeal was filed on 9 November 2006, and the appeal fee was paid on the same day. The statement setting out the grounds of appeal was received on 10 January 2007 and, as the application for re-establishment, comprises one page. The European representative repeats that, in Year 2004, the appellant was represented in the U.S. by

Mr. Kirchanski, "being a member of the law firm of REED SMITH".

The European representative asserts that it was "demonstrated and evidenced" that at least one of the two limbs of the criterion established by the case law for the interpretation of the term "due care" had been complied with. Under that criterion due care was considered to have been taken if non-compliance with the time limit resulted either from "exceptional circumstances" (see (i) below) or from "only" an "isolated mistake within a normally satisfactory monitoring system" (see (ii) below).

(i) Exceptional circumstances

The European representative again submits that the U.S. attorney, Mr. Kirchanski, and the U.S. paralegal, Mr. Moores, both of whom were concerned with prosecuting the application in suit with Reed Smith, left that firm in summer and spring 2004 respectively. The European representative maintains that the "absence" of the responsible attorney and his paralegal amounted to exceptional conditions, "even in a law firm".

(ii) Isolated mistake within a normally satisfactory monitoring system

In this regard, the European representative repeats that several European patents that in the U.S. were handled by Mr. Kirchanski as well had been granted and that an isolated procedural mistake was apparently caused in this case by "'switching' to several US-law firms/annuity services."

- V. In a communication pursuant to Article 110(2) EPC 1973, dated 7 December 2007, the Board explained its preliminary and non-binding view on the merits of the appeal. The Board considered that the appellant had clearly failed to show that it had met the requirements for re-establishment of rights. The Board noted that no request for oral proceedings was on file. The appellant was afforded a period of two months to reply to the communication.
- VI. On 7 February 2008 the European representative requested an extension of that period by two months. He submitted that more time was required to gather all details, as the "central" person, Mr. Kirchanski, had left LYSR. The Board granted the request. On 6 April 2008 the European representative filed another request to extend the term "exceptionally" by two further months. As a matter of precaution, he also requested oral proceedings. The Board summoned the European representative to oral proceedings scheduled to take place on 7 July 2008. In a communication annexed to the summons the Board informed the European representative that the request for a further extension of the time limit could not be granted. It explained that his new request was based on substantially the same reasons as the first request for extension. However, the new request did not identify why the two-month extension already granted had not been sufficient to clarify the facts in detail and why a further extension would make it possible to do so.
- VII. With a (one-page) letter dated 3 July 2008 the European representative confirmed that he would not attend the

oral proceedings "as no further details are available in view of several changes of law firms in this case". He substantially repeated the grounds why the application for re-establishment should be granted. He added that re-establishment was allowed in the case of another European patent application that his law firm handled (No. 01994441.2). He attached the respective decision of the examining division, dated 6 June 2007. The situation in this case was very similar to the present one, involving the change of a representative and subsequent confusion as to annuity payment. The case had also been handled by Mr. Kirchanski, but the excusable error had occurred with the attorney Mr. Rosenberg during the switching period. The only evidence submitted was a letter dated 23 June 2005, which was signed by Mr. Kirchanski as a member of LYSR. This letter stated that responsibility for the patent application had been transferred to Mr. Rosenberg.

VIII. The night before the oral proceedings, that is on Sunday, 6 July 2008, shortly after 11 p.m., the European representative made another (one-page) submission by fax. He reported to have come across a letter of the appellant, Mrs Stillman, dated 31 August 2007 and sent via e-mail. The letter was attached. It was docketed in another case but also referred to the present one. In the other case, European patent No. 1268305 was issued in 2007, which was at least a strong hint or even *prima facie* evidence that the former responsible U.S. law firm had a well-working annuity system in 2004, and that in the case under appeal an *isolated* procedural mistake had happened, which had been caused by several changes of responsibility by said "switching". This was also confirmed by the

appellant herself, namely by the fact that she changed representation to the Trojan law firm (i.e. neither to Reed Smith nor to LYSR with both of whom Mr. Kirchanski formerly worked). Thus, if the text of Article 122 EPC was strictly applied to the appellant (but not to the U.S. representative, as in the appealed decision), the criterion of all due care was fulfilled by Mrs Stillman. She had selected a known, well-working law firm, as shown by the granted parallel European patent 1268305 (and many other granted patents), but an *isolated* mistake within a satisfactory system occurred due to exceptional circumstances, as demonstrated and evidenced again by Mrs Stillman's letter. Further, this letter showed that Mr Kirchanski actually had a paralegal to replace Mr Moores (in contrast to the opinion of the examining division). Thus, by Mrs Stillman's selection of a well-known law firm the requirements of Article 122 EPC were met.

- IX. The appellant requests that the decision under appeal be set aside and that the appellant's rights in relation to the time limit for paying the fourth-year renewal fee be re-established.

- X. Oral proceedings were held in the absence of any representative of the appellant. At the end of the oral proceedings the Board gave its decision.

Reasons for the Decision

- 1. The appeal is admissible.

In order to be allowable, the appeal would have to meet the requirements of Article 122 EPC 1973, which is applicable to the present case pursuant to Article 1, No. 5, of the decision of the Administrative Council of 28 June 2001 on the transitional provisions under Article 7 of the EPC Revision Act (see special edition No. 1/2007 OJ EPO, at pp. 197 *et seq.*)

2. The question as to whether the application for re-establishment is admissible, in particular whether the statement of grounds on which it is based is sufficient in that regard (cf. J 19/05 of 24 November 2006), is left an open one.

3. As for the merits of the application, the Board considers that the appellant has clearly failed to show that it has met the requirements of Article 122(1) EPC 1973, namely that it was unable, despite having taken all due care required by the circumstances, to observe the time limit for payment of the fourth-year renewal fee, together with the surcharge, by the end of the grace period on 31 August 2004, non-observance of which directly led to the loss of the right to its application pursuant to Article 86(3) EPC 1973.

The requirement of "due care" must be judged in view of the situation existing before the time limit expired. This means that the measures taken by the party to meet the time limit must only be judged with regard to the circumstances as they were at that time (cf. T 667/92 of 10 March 1994, point 3 of the reasons; T 381/93 of 12 August 1994, point 3 of the reasons).

The request for re-establishment of rights of an applicant with a professional representative acting on his behalf is only allowable if both the applicant himself and his representative have met the necessary standard of care (see J 1/07, point 4.1 of the reasons). When an applicant is represented by a professional representative, a request for re-establishment of rights cannot be acceded to unless the representative himself can show that he has taken the due care required of an applicant or proprietor by Article 122(1) EPC 1973 (cf. J 5/80, OJ EPO 1981, 343, headnote I). Where, as in the case at hand, there are two representatives, a non-European domestic representative, Mr Kirchanski, and a European representative, Mr Fiener, the duty of due care applies to both of them (cf. J 1/07, at points 4.3 *et seq.* of the reasons).

For cases where the cause of non-compliance with a time limit involves some error in the carrying out of the party's intention to comply with the time limit, what in the present case happened in the area of her European and U.S. representatives, the case law has established the criterion that due care is considered to have been taken if non-compliance with the time limit results either from exceptional circumstances or from an isolated mistake within a normally satisfactory monitoring system (see Case Law of the Boards of Appeal of the European Patent Office, 5th edition 2006, at VI.E.6.2.). The appellant, however, has not established that non-compliance with the time limit in question resulted either from an "isolated mistake within a normally satisfactory monitoring system" (see below, under point 4) or from "exceptional circumstances" (see

point 5) in the area of responsibility of her European and U.S. representatives.

Consequently, there is no need to address the question as to whether the appellant, Mrs Stillman, herself has exercised all due care. In the letter of 6 July 2008 the European representative argues on the basis of Mrs Stillman's letter dated 31 August 2007 that she exerted all due care, "as she elected a known, well-working law firm", namely Trojan. But from his statement that "the *former* responsible US-law firm had a well-working annuity system in 2004" (emphasis added) it would anyway have to be concluded that the change to Trojan took place *after* the end of Year 2004. For that reason alone her employment of Trojan would be immaterial in this context. In any case, even assuming that she had exercised all due care before the time limit had expired on 31 August 2004 this would have no impact on the fact that her two representatives were also responsible and that she has to accept their actions on her behalf, including any missing of deadlines in their areas of responsibility that cannot be reinstated under Article 122 EPC 1973.

4. *Isolated mistake within a normally satisfactory monitoring system*

The analysis below will show that compliance with this limb of the due care criterion has not been established for either of the two representatives.

4.1 The European professional representative (Mr Fiener)

The European representative submitted that he sent a reminder to Reed Smith dated 6 April 2004. The fourth-year renewal fee had not been paid before the relevant date i.e. on 29 February 2004. The European representative has not asserted that he had sent any further reminder before the expiry of the grace period on 31 August 2004, subsequent to which the Office issued a communication of a loss of rights.

The Board notes that, even if renewal fees are paid by someone else (i.e. the U.S. patent attorney, an annuity service or even the applicant himself), the appointed professional representative remains responsible in the procedure before the EPO and he has to take the necessary steps to ensure payment, if intended. This includes a reliable monitoring system, reminders to the applicant, etc. (See J 11/06 of 18 April 2007, at point 8 of the reasons, relying on the established case law of the Legal Board of Appeal following decision J 27/90 (OJ EPO 1993, 422)). The subject of those proceedings in which the same European representative acted was also a request for re-establishment of rights in relation to the non-payment of a renewal fee in due time.

In the present case it is of relevance that Reed Smith informed the European representative in a letter signed on 21 January 2004 that the fourth-year renewal fee would be paid by the annuity service CPA. Furthermore, in his reminder letter of 6 April 2004 the European representative referred to Mr Kirchanski's instructions of 24 March 2004 to proceed with the examination. Thus

the European representative had every reason to believe that it was the appellant's intention to continue prosecution of the application in suit.

Under these circumstances the Board does not consider that it was sufficient for the European representative only to send a single reminder more than four months prior to the expiry of the critical term on 31 August 2004. Rather, the Board is of the opinion that the European representative could have reasonably been expected to send a further reminder shortly before 31 August 2004. The reminder would have had to be transmitted to the representative prosecuting the application in suit. According to the findings below (under "U.S. representative") this person continued to be Mr Kirchanski. Mr Kirchanski could have been reached in his new law firm LYSR, as evidenced by the letter dated 28 July 2004 sent to his address in the law offices of LYSR in the matter of his other client Shanbrom (see section II above).

As the European representative, in neither of the statements of grounds nor in any of his subsequent submissions, explained how his time limit monitoring system normally worked and, more specifically, which measures were normally taken in order to guarantee the timely payment of renewal fees, the Board is unable to find that failure to send a further reminder to Mr Kirchanski amounts to an isolated mistake in a normally satisfactory monitoring system.

4.2 The U.S. representative

- Mr Kirchanski being the U.S. representative

A non-European representative can be held responsible for meeting the obligations of any representative whose duty it is to care for his client's interests, irrespective of whether such representative is entitled to represent before the EPO or any other patent office (cf. J 25/96 of 11 April 2000, at point 3.2 of the reasons). The monitoring of specific time limits that were set expressly does not depend on knowledge of EPC law. Thus a non-European representative must also establish a reliable monitoring system for such time limits. Furthermore, any representative, whether European or non-European, moving from one law firm to another must make provisions upon entry in that firm that those files that he carries over are integrated into a time limit monitoring system.

The European representative, in none of his submissions, ever identified expressly with whom responsibility for the application at issue rested after Mr Kirchanski's change from the law firm Reed Smith to LYSR, i.e. whether responsibility remained with Reed Smith, or whether Mr Kirchanski continued to be in charge in his new law firm LYSR, having carried over the file at issue. However, from the facts and evidence that the European representative supplied it follows for the Board that the latter was the case. The Board thus does not concur with the decision of the examining division (see part 2.2), insofar as it is based on the finding that the firm of Reed Smith continued to be responsible for the file after Mr Kirchanski's departure.

The Board concludes from the European representative's submissions that it was Mr Kirchanski who, during the

whole of Year 2004, acted as the appellant's representative in the U.S. In the statement of grounds for re-establishment received on 30 December 2004 it was said that patent applications of Mrs Stillman were handled in the U.S. by Mr Kirchanski. In the statement setting out the grounds of appeal it is said that in 2004 the appellant "was represented in USA by Mr KIRCHANSKI, being a member of REED SMITH". The European representative further claimed that the "absence" of Mr Kirchanski and his paralegal from Reed Smith amounted to "exceptional circumstances" (see below). This contention cannot be given the meaning that the responsibility for the file remained with Reed Smith, as the European representative also argued that the mistake was apparently caused "by several changes of responsibility as shown by 'switching' to several U.S. law firms/annuity services". Moreover he twice requested an extension of time in order to ascertain further facts with Mr Kirchanski whom he referred to in both requests as the "central" person. Had Reed Smith remained responsible for the file it would have been more sensible to turn to that firm to investigate the circumstances surrounding the missing of the deadline. Finally, from a post scriptum at the bottom of the European representative's letter dated 28 July 2004 ("Yes. ALL Shanbrom cases remain with us.") it follows that Mr Kirchanski carried over the cases of another client, Shanbrom, from Reed Smith to LYSR.

In any case, the European representative, in his letters filed subsequent to the Board's communication, on 3 and 6 July 2008 respectively, did not object to the Board's preliminary view expressed in the communication according to which it was Mr Kirchanski who, during the

whole of Year 2004, acted as the appellant's representative in the U.S.

It may remain unclear what is meant by "switching" to several law firms and several annuity firms given that only one transfer, namely that of Mr Kirchanski from Reed Smith to LYSR, and no "switch" at all from CPA to any other annuity payment service has been alleged to have taken place before expiry of the deadline on 31 August 2004 (the "switch" to the Trojan law firm happened after the end of 2004). However, from the letter dated 28 July 2004 it can be deduced that, before that date at the latest, Mr Kirchanski had left the law firm Reed Smith and by that date at the latest he had joined the law firm LYSR. Consequently, Reed Smith's responsibility for, and involvement in, the prosecution of the application ceased on 28 July 2004 at the latest.

- No explanation of Mr Kirchanski's monitoring system

The European representative has not elaborated on how, before the relevant point in time when the loss of rights occurred, i.e. before expiry of the grace period for payment of the renewal fee and the surcharge at the end of August 2004, the time limit monitoring system in Mr Kirchanski's new area of responsibility with LYSR normally worked and which measures were taken in order to safeguard timely payment of renewal fees for such files. The new environment of LSYSR, and not that of Reed Smith, is considered to be decisive in this regard because a period of about one month (that is the time between the latest date on which Mr Kirchanski started work at LYSR (28 July 2004) and the date on which the grace period for paying the renewal fee and the

surcharge expired (31 August 2004) should it not have been done by that time) is judged to yet be largely sufficient for effecting payment, even in the course of an attorney's move from one law firm to another.

Instead of explaining any monitoring system, the European representative relies on the fact that several European patents (but not belonging to the appellant) handled by Mr Kirchanski had been granted, without providing any information on those patents with the exception of the number of one granted European patent (i.e. 1268305) in his submission of 6 July 2008. In this regard, the finding in J 11/06 (at point 6 of the reasons) is pertinent, according to which "the fact that recently several EP-patents had been granted on behalf of the applicant does not prove that a satisfactory [monitoring] system was in place."

On the basis of the foregoing legal considerations the Board cannot ascertain from the file that the appellant's European representative has "demonstrated and evidenced" that non-compliance with the time limit in question resulted from an isolated mistake within a normally satisfactory monitoring system within the responsibility of Mr Kirchanski.

5. *Exceptional circumstances*

The European representative also maintains that the "absence" of the responsible attorney and his paralegal from the law firm Reed Smith amount to exceptional circumstances within the meaning of the case law.

In a number of cases the Boards have recognised "exceptional circumstances" as an excuse for non-compliance with a time limit; cf. Case Law of the Boards of Appeal, *ibid.*, at VI.E.6.2.1 and in particular T 14/89 and J 13/90 cited there. In T 14/89 (OJ EPO 1990, 432) the conditions for re-establishment were met where a mistake had occurred due to internal reorganisation and removals. Similarly, in J 13/90 (OJ EPO 1994, 456), in the context of a change of attorney, an isolated mistake was held to be excusable. In both of those proceedings specific reasons were given why the mistakes happened and corroborating evidence was filed. Such is not the case as regards the present proceedings.

However, as Reed Smith's responsibility for and involvement in the application in suit ended on 28 July 2004 at the latest, the Board is unable to see any causal link between the "absences" of Mr Kirchanski and of his former paralegal from the firm Reed Smith and the failure to effect a timely payment of the renewal fee and the surcharge by LYSR. The reason is that the time limit in question expired end of August 2004 so that the responsibility of Reed Smith for the payment ceased to exist roughly one month before the end of the time limit. As stated, a period of about one month seems to be largely sufficient for effecting payment, even in the wake of an attorney's move from one law firm to another.

Apart from that, the European representative himself does not seem to be sure about the reason why the time limit was missed. In both statements of grounds it is said that payment "never happened, *whichever the reasons are*. One assumption is that the signing paralegal

Michael Moores left this law firm in spring 2004"
(emphasis added).

On the basis of the above submissions the Board cannot recognise the presence of "exceptional circumstances" within the meaning of the case law in the case at hand.

6. *European patent application No. 01994441.2*

In his submission dated 3 July 2008 the European representative reports on a request for re-establishment of rights regarding European patent application No. 01994441.2 that he had filed and that was granted by the examining division "on very similar reasons, namely change of responsibility to a new representative and subsequent confusion as to annuity payment." The scant information that he provided in respect of that case (see above, at point VII.) and the equally limited submissions that he made in the present case do not however make it possible for the Board to judge whether the two cases could at all be comparable.

7. *Conclusion*

In the light of the foregoing the Board had to arrive at the conclusion that the application for re-establishment of rights in relation to the time limit for paying the fourth-year renewal fee with surcharge is not well-founded.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairwoman:

S. Fabiani

B. Günzel