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**Datasheet for the decision
of 26 February 2008**

Case Number: J 0005/07 - 3.1.01

Application Number: 02258752.1

Publication Number: 1321889

IPC: G06K 19/077

Language of the proceedings: EN

Title of invention:

IC card reader/writer, identification method

Applicant:

MATSUSHITA ELECTRIC INDUSTRIAL Co., LTD

Headword:

Divisional as response to communication/MATSUSHITA

Relevant legal provisions:

EPC Art. 94(3)(4)

Relevant legal provisions (EPC 1973):

EPC Art. 96(2)(3), 106-108, 121

EPC R. 69(2)

Keyword:

-

Decisions cited:

J 0003/87, T 0441/92, G 0002/97, J 0005/02, G 0001/05,

J 0010/07

Catchword:

The filing of a divisional application does not constitute a response to an invitation by the Examining Division in the parent application within the meaning of Article 96(3) EPC 1973/94(4) EPC.



Case Number: J 0005/07 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 26 February 2008

Appellant: MATSUSHITA ELECTRIC INDUSTRIAL CO., LTD
1006, Oaza-Kadoma
Kadoma-shi, Osaka 571-8501 (JP)

Representative: Dempster, Benjamin John Naftel
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Decision under appeal: Decision of the Receiving Section of the
European Patent Office of 29 December 2005.

Composition of the Board:

Chairman: B. Günzel
Members: U. Tronser
D. S. Rogers

Summary of Facts and Submissions

- I. This appeal is against the decision of 29 December 2005 refusing the appellants request for further processing with regard to the European patent application No. 02 258 752.1.
- II. By communication of the Examining Division dated 16 March 2005 the appellant was invited to file observations according to Article 96(2) EPC (1973) within a period of 4 months. No observations were received by the European Patent Office by 26 July 2005.
- III. On 5 August 2005, the appellant requested further processing of the application and paid the prescribed fee, but did not file any observations in response to the Examining Division's communication of 16 March 2005.
- IV. By standard letter on EPO-Form 2021 A dated 13 September 2005 the appellant was informed that the European patent application was deemed to be withdrawn under Article 96(3) EPC (1973) "because the invitation to file observations on the communication from the Examining Division dated 16 March 2005 was not complied with". Reference was made to the possibility to apply for a decision under Rule 69(2) EPC (1973) and to request further processing under Article 121 EPC (1973) within two months after notification of this communication, the latter further requiring that the fee for further processing was paid, and the omitted act was completed.

The appellant did not file any response to the letter dated 13 September 2005.

- V. By decision dated 29 December 2005 the request for further processing was rejected for the reason that the omitted act was not completed in due time (Article 121(2) EPC (1973)).
- VI. The appellant filed an appeal against this decision on 7 March 2006 and paid the appeal fee simultaneously. The grounds for the appeal reached the European Patent Office on 8 May 2006.
- VII. Earlier, on 3 March 2006, observations in response to the communication of the Examining Division dated 16 March 2005 were submitted by the appellant along with a request for re-establishment of rights that referred to the European Patent Offices' decision of 29 December 2005.
- VIII. In reasoning the appeal the appellant argued essentially as follows:

On 3 August 2005 he had filed a divisional application based on the present application. By letter dated 3 January 2006, however, he was informed about the opinion of the European Patent Office that the divisional application was not validly filed, because the date on which the loss of rights communicated in respect of the present application (the parent application) became final was 27 July 2005, i.e. after the expiry of the time limit for responding to the communication of the European Patent Office dated 16 March 2005.

The decision of the European Patent Office dated 29 December 2005 was wrongly based on the ground that

the omitted act was not completed in due time. The omitted act was in fact completed because in response to the communication dated 16 March 2005 the divisional application was filed. In T 160/92 the Board held that Article 96(3) EPC (1973) did not require a "complete reply" but only "a reply" in order to avoid the consequence of having the application deemed withdrawn.

The appellant contests that the legal consequence of the decision under appeal is that the present application should be deemed to have been withdrawn on 27 July 2005. Following its request for further processing dated 1 August 2005, the legal consequence of deemed withdrawal did not take effect on 27 July 2005. It could not take effect until the decision was handed down on 29 December 2005, since according to the established case law decisions enter into force in written proceedings when the decision is notified. The decision itself did not include any statement concerning the legal consequence of the decision for the status of the present application.

Furthermore in the communication dated 13 September 2005 the date upon which the deemed withdrawal would take effect was not stated. The European Patent Office itself confirmed that the application had not been considered definitely withdrawn on 27 July 2005 when in its communication noting a loss of rights dated 13 September 2005 it offered a further opportunity to request further processing within two months, i.e. 23 November 2005. The appellant did not reply to this communication because he had already filed a request for further processing and knowing from experience that it takes

time for the EPO file to be updated, it was not thought to be necessary. The effect of the communication of 13 September 2005 was to mislead the appellant into a false sense of security. The appellant had filed a request for further processing, paid the corresponding fee and filed a divisional application, and so was under the impression that he had fulfilled all the requirements for further processing.

The official letter dated 13 September 2005 did not refer at all to the request for further processing that was already pending or point out the deficiency therein caused by the non-completion of the omitted act or enquire as to the status of the divisional application. The letter was instead the standard official letter noting a loss of rights and indicating the possibility of making a request for an appealable decision and for requesting further processing. Under the principle of legitimate expectations a letter specifically pointing out the deficiencies, namely that filing the divisional application was not considered a sufficient reply to complete the omitted act, should have been issued by the European Patent Office in the present case, and failure to do so constituted a procedural violation.

According to the principle of legitimate expectations as recognised in J 1/80 the loss of rights did not take place until the possibility of obtaining further processing had been exhausted following the expiry of the further period, i.e. in this case 23 November 2005 and the decision to that effect had been issued on 29 December 2005.

In reply to the Boards communication dated 29 October 2007 the appellant submitted that the filing of the divisional application was not at the time intended to form a response to the official letter dated 16 March 2005, the filing of a response having been inadvertently overlooked. The appellant nevertheless suggested that the action of filing the divisional application was sufficient to meet the further processing requirement in the light of the fact that both a letter requesting further processing and payment of the prescribed fee had been filed in time. The applicant's reaction to the last official letter from the Examiner, which contained further objections to the claims of the present application, was to file a divisional patent application. In this sense at least, the filing of the divisional application was "a reply" to the Examiner's official letter. The fact that the file for the parent application indicates that a daughter divisional application had been filed, as the Board had pointed out in its communication, implies that the "reply" was thus entered against the present application in the EPO records.

Since the European Patent Office had received a written request for further processing and the associated fee it had a duty to clarify the matter and to warn the appellant that no response had been received. This is to be concluded from the decision J 25/92, where the examination fee was paid in due time but no written request for examination was filed, an equivalent situation to that of the present case. Thus the principle of good faith led to the legitimate expectation that a reminder would be sent in respect of the omitted response, since the deficiency was obvious

or easy to identify and the appellant could easily have put the deficiency right within the time remaining.

IX. The appellant requested that:

- (1) The decision under appeal be set aside,
- (2) that the request for further processing be granted, and
- (3) as an auxiliary request to set aside the decision under appeal and remit the case to the first instance for further prosecution; and
- (4) reimbursement of the appeal fee.

Reasons for the Decision

1. The appeal complies with the requirements of Articles 106 to 108 and Rule 64 EPC (1973). It is therefore admissible. (As to the applicability of the provisions governing the formal requirements for an appeal under Articles 106 to 108 EPC (1973) and the corresponding Implementation Regulations to the Convention (1973) on appeals, where the required time limits had expired before the EPC 2000 entered into force, see J 10/07 of 31 March 2008, point 1 of the reasons, not yet published in the Official Journal of the EPO).
2. The decision under appeal correctly refused the appellants request for further processing under Article 121 EPC (1973) (see Article 1 point 5 of the decision of the Administrative Council of 28 June 2001 on the transitional provisions under Article 7 of the Act revising the European Patent Convention of

29 November 2000, in the following "decision of the Administrative Council") on the ground that the omitted act was not completed in due time.

2.1 The omitted act was the failure to submit observations in reply to the communication of the Examining Division dated 16 March 2005 within the time limit of four months as fixed therein according to Article 96(2) EPC (1973) being then in force (see synonymous Article 94(3) and (4) EPC being applicable now according to Article 1 point 1 of the decision of the Administrative Council).

2.2 The expiry of this four months time limit on 27 July 2005 without any reply led to the European patent application being deemed to be withdrawn according to Article 94(3) EPC. Such a deemed withdrawal shall be retracted under Article 121 EPC (1973) if the applicant requests further processing of the application within two months of the date on which either the decision to refuse the application or the communication that the application is deemed to be withdrawn (this was in the present case the communication noting the loss of rights dated 13 September 2005) is notified, the further processing fee is paid, the omitted act is completed within this two months time limit (Article 121(2) EPC (1973)) and a positive decision of the Examining Division on the request is issued according to Article 121(3) EPC (1973).

2.3 The Board sees no reason to doubt that the filing of a divisional application was a reaction of the appellant to the Examining Division's objections to the claims of

the present application made in its communication dated 16 March 2005. This does not mean, however, that the filing of a divisional application could be regarded as a response to the said communication within the meaning of Article 96(2) EPC 1973.

2.4 A divisional application is legally and administratively separate and independent from the grant proceedings concerning the parent application (see G 1/05 of 28 June 2007, will be published, points 3.1 and 8.1 of the reasons; T 441/92 of 10 March 1995, point 4.1 of the reasons and Case Law of the Boards of Appeal of the European Patent Office, fifth edition, chapter III, F 1.1.1). The filing of a divisional application leaves the text of the patent application objected to unamended. Therefore, from these considerations no logical or legal basis can be found for treating actions made in a grant procedure for one application (the divisional) as amounting to the procedural step needed to make up for a failure to comply with a time limit to be observed in entirely separate grant proceedings (the parent).

2.5 According to the appellant's submissions during oral proceedings the divisional application as filed was identical to the parent application, it was, however, intended to narrow the claims during the further divisional proceedings. However, as the divisional application was identical to the present parent application, no one could have had any reason to assume that this divisional application was intended to be a reply to the communication dated 16 March 2005 in the present parent application.

2.6 As a final point on this issue the Board notes that in its submissions the appellant referred to decision T 160/92 of 27 January 1994 to support its contention that the filing of a divisional application could be considered as the omitted act. The Board notes that T 160/92 concerns a finding that a letter of reply to a communication of the examining division filed in due time by the applicant and dealing with substantial points of this communication (emphasis added) (see headnote 3) constitutes a reply within the meaning of Article 96(3) EPC (1973). Thus the factual circumstances of T 160/92 and the present case appear to have nothing in common.

2.7 Hence implying that the action of filing a divisional application was sufficient, in the present case, to meet the further processing requirements, as suggested by the appellant, would have been in breach of Article 121(2) second sentence EPC (1973), a provision not leaving the requirements to be met in the discretionary power of the department competent to decide on the omitted act (Article 121(3) EPC (1973)).

3. Applying the principle of Good Faith to the appellant's case can also not lead to the effect that the decision under appeal is set aside and the request for further processing is granted.

3.1 It is true that the protection of legitimate expectations of users of the European patent system requires that such a user must not suffer a disadvantage as a result of having relied on erroneous or misleading information received from the European

Patent Office. Furthermore the application of this principle also requires the European Patent Office to warn an applicant of any loss of rights if such a warning can be expected in all good faith and such a deficiency can be readily identified by the European Patent Office within the framework of the normal handling of the case at the relevant stage of the proceedings and that the user is in a position to correct it within the time limit (see G 2/97, OJ EPO 1999, 123, point 4.1 of the reasons and the cases cited therein).

- 3.2 The information received from the European Patent Office, however, must be the direct cause of the action taken by the applicant and must objectively justify its conduct (see G 2/97 supra; J 3/87, OJ EPO 1989, 3, point 7 of the reasons; J 5/02 of 30 July 2002, point 5.2 of the reasons).

In the present case after having received the Boards communication dated 29 October 2007 the appellant admitted that the filing of the divisional application was not at the time intended to form a response to the official letter of 16 March 2005. The filing of the letter of response to this official letter was inadvertently overlooked.

From this it follows that the appellant when filing the divisional application on 3 August 2005 was not acting under the misconception that he was simultaneously submitting a letter of response dealing with substantial points of the communication of the Examining Division dated 16 March 2005 received in the present application.

The Board therefore cannot see any reason why the communication noting a loss of rights dated 13 September 2005 could have misled the appellant into believing that the filing of the divisional application could be considered as a reply to the communication dated 16 March 2005 and thus that he had complied with all requirements for grant of its request for further processing according to Article 121(2) EPC (1973).

This communication rather:

- informed the appellant about the loss of rights according to Article 96(3) EPC (1973) due to his non- response to the communication of the Examining Division dated 16 March 2005 within the time limit fixed therein according to Article 96(2) EPC (1973),
- gave information about the possibility to request a decision on this matter, i.e. if this loss of rights did occur in effect, and
- instructed the appellant about the possibility to request further processing in order to avoid the consequences of failure to comply with the time limit according to Article 96(2) EPC (1973) by observing the requirements laid down in Article 121(2) EPC (1973), i.e. within two months after the notification of this communication to file a request in writing, to pay the corresponding fee and to complete the omitted act.

Hence from the communication dated 13 September 2005 the appellant could learn that even if he did not apply for a decision under Rule 69(2) EPC (1973), and thus accepted that a loss of rights according to Article 96(3) EPC (1973) had occurred, he could remedy the situation by requesting further processing and observing the requirements laid down in Article 121(2) EPC (1973).

It is true that the communication dated 13 September 2005 did not mention that in the present case the requirements of filing a request for further processing in writing and of paying the prescribed fee were already complied with. But knowing that these requirements were already fulfilled and taking into account that the said communication was obviously a standard letter, the appellant could conclude from the clear and unambiguously formulated information given in this communication that the requirement of completing the omitted act was still outstanding and had to be effected by 23 November 2005 according to Article 121(2), second sentence, EPC (1973). The Board further points out that the appellant's representative submitted during the oral proceedings that if one receives such a communication noting a loss of rights (i.e. the letter dated 13 September 2005) after having filed a request for further processing and having paid the corresponding fee, one should assume that something went wrong and that such a communication would not have been sent out if the requirements for further processing had already been completed in full. It is not clear to the Board why the consideration "knowing that it takes time for the EPO file to be updated, as submitted by the appellant, could lead the

appellant to consider it unnecessary to fulfil the outstanding omitted act of replying to the examining division's communication. The appellant did not submit any explanation of this.

From this it follows that the appellants failure to complete the omitted act of replying to the Examining Division's communication dated 16 March 2005 within the two months time limit under Article 121(2) second sentence EPC (1973), was not caused by the information communicated by the letter of the Examining Division dated 13 September 2005.

The decisions of the Boards of Appeal cited by the appellant with regard to the application of the principle of Good Faith concern the sources of legitimate expectations. The question as to whether the information given by the European Patent Office was the direct cause of an applicant's conduct was not decisive in these decisions. Thus the appellant's submissions on this issue are not relevant to the Board's conclusion made above (see points 3, 3.1 and 3.2).

- 3.3 The appellant also argued during oral proceedings, that by filing the request for further processing and paying the corresponding fee on 5 August 2005 he had acted long before the communication dated 13 September 2005 was received, and that such expedition should be rewarded and not penalized. It is, however, to be pointed out that the application of the principle of legitimate expectations is not left to the discretionary power of the European Patent Office but is bound to requirements concretely and narrowly defined by the established jurisprudence of the Boards of Appeal and therefore this fact cannot absolve the

- appellant from its own responsibility for observing the requirements of Article 121(2) EPC (1973) in full.
4. With respect to the appellants' argument that the deemed withdrawal of the present application should be considered as having taken place on a date falling after the filing date of the divisional application (i.e. 3 August 2005), a decision on this does not lie within the subject matter of these appeal proceedings. The Examining Division gave its opinion on this issue in its letter dated 3 January 2006 relating to the proceedings of the divisional application. In order to review this opinion the European Patent Office will first have to make a decision on this issue with the appellant thereafter being able to appeal against a decision that adversely affects it (see communication of the Board dated 29 October 2007, page 2, issue "To III").
 5. Thus, neither the appellants request to set aside the decision under appeal (request 1) and to grant the request for further processing (request 2), nor its auxiliary request to set aside the decision under appeal and remit the case to the first instance for further prosecution (request 3) can succeed.
 6. Since neither an interlocutory revision was issued by the first instance nor is this appeal deemed to be allowable by this Board, the request for reimbursement of the appeal fee does not succeed either.
 7. As regards the appellants request for re-establishment of rights filed by him on 3 March 2006 after the appealed decision had been given the Board has come to

the conclusion that in the present case, the first instance should make the first decision on this request (see Benkard, EPÜ, Article 106 marginal note 10; Case Law, fifth edition, chapter VI. E. 2. 1).

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

S. Fabiani

B. Günzel