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**Datasheet for the decision  
of 28 September 2009**

**Case Number:** J 0001/08 - 3.1.01

**Application Number:** 01933008.3

**Publication Number:** -

**IPC:** G06F 7/00

**Language of the proceedings:** EN

**Title of invention:**

System and method for instant online postage metering

**Appellant (Applicant):**

PITNEY BOWES INC.

**Headword:**

PCT International application deemed to be withdrawn due to late payment of the renewal fee

**Relevant legal provisions:**

PCT Art. 48(2)(b)  
PCT R. 82bis.1.(iii)

**Relevant legal provisions (EPC 1973):**

EPC Art. 86(1), 86(2), 86(3), 150(2), 150(3)  
EPC R. 37(2), 69(1), 69(2), 78(3), 85(1), 107(1), 107(1)(g),  
108(1), 108(2), 108(3)

**Keyword:**

"PCT International application - renewal fee - time limit for payment - third parties' rights - good faith"

**Decisions cited:**

G 0003/91, G 0002/97, J 0012/84, J 0001/89, J 0014/94,  
J 0010/07, T 1366/04, T 1465/07

**Catchword:**

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Case Number: J 0001/08 - 3.1.01

**D E C I S I O N**  
of the Legal Board of Appeal 3.1.01  
of 28 September 2009

**Appellant:**  
(Applicant)

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**Representative:**

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**Decision under appeal:**

**Decision of the Receiving Section of the  
European Patent Office of 4 September 2007.**

**Composition of the Board:**

**Chairman:** B. Günzel  
**Members:** E. DufRASne  
C. Vallet

## Summary of Facts and Submissions

- I. The appeal concerns the decision of the Receiving Section dated 4 September 2007 which refused the request to confirm that application 01933008.3 was still pending and held that the application was deemed to be withdrawn due to late payment of the renewal fee for the third year (Article 86(3) EPC 1973).
- II. The application in suit was filed on 3 May 2001 as PCT international application PCT/US01/14447 designating the European Patent Office ("EPO") claiming 5 May 2000 as its earliest priority date.
- III. By a communication dated 22 November 2001, the EPO drew the applicant's attention to the procedural steps required for entry into the European phase before the EPO and to the corresponding time limits.
- IV. By a communication dated 29 January 2003, the EPO informed the applicant of a loss of rights, i.e. that the application was deemed to be withdrawn, due to non-payment of the required fees for entry into the European phase.
- V. By a letter dated 5 August 2004, the applicant alleged not having received the EPO's communication dated 29 January 2003. It requested the entry of its application into the European phase and paid the corresponding fees with additional fee, in accordance with Rule 108(3) EPC 1973, failing any communication that certain requirements under Rule 108(1) and (2) EPC 1973 had not been fulfilled. On 17 August 2004, the

- renewal fee for the third year was paid with the additional fee.
- VI. By a communication dated 7 March 2007, the applicant was informed by the EPO that the noting of loss of its rights should in principle be notified a second time, the EPO having been unable to establish in accordance with Rule 78(3) EPC 1973 that the communication of 29 January 2003 was indeed delivered at the applicant's address.
- VII. In view of the fact that steps for entry into the European phase had been taken, the time limit under Rule 108(3) EPC 1973 was regarded as observed and no additional communication was required on that matter. However, as the renewal fee for the third year and its additional fee were not paid until 17 August 2004, which is after expiry of the time limit under Article 86(2) EPC 1973, the applicant was informed that the application was deemed to be withdrawn on that basis, under Article 86(3) EPC 1973.
- VIII. By a letter dated 16 May 2007, the applicant submitted arguments and requested a decision concluding that its application was still pending or at least an appealable decision.
- IX. By decision dated 4 September 2007 the Receiving Section refused the request to confirm that the application was still pending and held that the application was deemed to be withdrawn due to late payment of the renewal fee for the third year (Article 86(3) EPC 1973).

The Receiving Section held that for the application in suit the first renewal fee fell due on 31 May 2003 under Article 86(1) EPC 1973 in respect of the third year calculated from the date of filing of this application as a PCT international application. The renewal fee not having been paid on that date, it might still have been validly paid under Article 86(2) EPC 1973 in conjunction with Rule 37(2) EPC 1973, with an additional fee, within a further period of six months from the due date, i.e. until 30 November 2003. The 30 November 2003 being a Sunday, the time limit extended under Rule 85(1) EPC 1973 to 1 December 2003. From that date, in the absence of payment of the renewal fee and of the additional fee, the application was deemed to be withdrawn under Article 86(3) EPC 1973.

The Receiving Section accepted that the notification of loss of rights pursuant to Rule 108(3) EPC 1973 had not been duly notified. However, it stated that, even if said notification had been duly notified, it would not have drawn the applicant's attention to the period of grace under Article 86(2) EPC 1973 for the payment of the renewal fee for the third year. Moreover, the applicant could not rely on the omission of a separate service communication such as the notice which draws the applicant's attention to the period of grace as the cause for non-payment of the renewal fee.

The Receiving Section further noted that no request for re-establishment of rights had been filed.

It finally stated that, under these circumstances, the public would have been informed that the application

was deemed to be withdrawn under Article 86(3) EPC 1973 due to late payment of the renewal fee for the third year.

- X. On 2 November 2007, the applicant lodged an appeal against the above decision and paid the appeal fee on the same date. A statement setting out the grounds of appeal was filed on 4 December 2007.
- XI. By communication dated 17 July 2009, the Board summoned the appellant to oral proceedings and set out its preliminary opinion on the merits of the appeal, concluding that it saw no reason to depart from the impugned decision.
- XII. Oral proceedings were held before the Board on 28 September 2009.
- XIII. The appellant's arguments in the appeal proceedings can be summarized as follows:
- (a) Under Rule 108(3) EPC 1973 the EPO had to send to the applicant a communication of loss of rights pursuant to Rule 69(1) EPC 1973 due to non-fulfilment of certain requirements under Rule 108(1) and (2) EPC 1973. At least said communication would have alerted it to review its application and it would then have noticed the time limit for payment of the renewal fee for the third year.

Further, Rule 108(3) EPC 1973 provides for a general extension of time to allow the applicant to comply with all requirements for entry into the

European phase due under Rule 107 EPC 1973 until the corresponding communication is duly notified. Therefore, in the present case, Rule 107(1)(g) became applicable under this general extension of time and the renewal fee for the third year paid before reception of the communication under Rule 108(3) EPC 1973 was paid in due time.

- (b) No separate advisory communication drawing its attention to the period of grace for payment of the renewal fee under Article 86(2) EPC 1973 was received.
- (c) If a further prosecution of the application was refused based on non-payment of the renewal fee, this would defeat the purpose of Rule 108(3) EPC 1973.
- (d) Under Article 48(2)(b) and Rule 82bis.1.(iii) PCT the EPO may excuse any delay in meeting any time limit. In that context, Article 150(2) EPC 1973 further provides that the Cooperation Treaty should prevail.
- (e) The present situation is not in accordance with the general principle of "good faith", because the applicant had every reason to assume that its application was still pending, since no refusal of the application ever reached it, no communication was received from the EPO for more than two and a half years (from August 2004 to March 2007) after remedying the late entry and also the payments of fees made were not refunded. According to decision J 14/94 (OJ EPO, 1995, 825) the EPO cannot decide

a loss of rights if during a long period of time its conduct lead to the legitimate belief that no such loss of rights had taken place.

- (f) There has been no legal uncertainty for the public in the present case, since an online file inspection would have shown the payment of all fees, including the renewal fee for the third year with the additional fee. Any way Article 122(6) EPC 1973 provides sufficient users' rights to third parties.

XIV. The appellant requests that the decision under appeal be set aside and that it be confirmed that the application is still pending.

### **Reasons for the Decision**

1. The appeal is admissible.
2. The revised text of the European Patent Convention ("EPC 2000") entered into force on 13 December 2007. All the time limits considered in the impugned decision elapsed before that date. EPC 2000 can not be applied retroactively in the evaluation of legal matters at the time of expiry of these time limits, which has therefore to be conducted under the European Patent Convention in force at that time ("EPC 1973") (J 10/07, OJ EPO, 2008, 567, Reasons, 1; T 1465/07 of 9 May 2008, not published in the OJ EPO, Reasons, 1; T 1366/04 of 16 April 2008, not published in the OJ EPO, Reasons, 1.2).



3. The renewal fees in respect of European patent applications are basically due under Article 86 EPC 1973 for the first time in respect of the third year calculated from the date of filing of the application.

Under Article 150(3) EPC 1973, an international application for which the EPO acts as designated Office shall be deemed to be a European patent application. According to Article 153(1), first sentence, EPC 1973 the EPO shall act as a designated Office for those Contracting States to the EPC which are designated in the international application if the applicant informs the receiving Office in the international application that he wishes to obtain a European patent for these States. Therefore, Article 86 EPC 1973 also applies in principle to the payment of renewal fees for an international application designating the EPO.

4. Rule 107(1)(g) EPC 1973 relates to the specific situation in which the first renewal fee to be paid has fallen due under Rule 37(1) EPC 1973 before the end of the period of thirty-one months from the filing date or from the priority date of the international application for entry into the European phase. In this case, under Rule 37(1) EPC 1973, the applicant must pay the renewal fee - only - within the thirty-one months period. Rule 108 EPC 1973 relates to the consequences of non-fulfilment of certain specific requirements for entry into the regional phase before the EPO. A communication under Rule 108(3) EPC 1973 is due from the EPO only in case of loss of rights under paragraph 1 or 2 of that Rule, which does not encompass the lack of payment of the renewal fee in respect of the third year due upon

entry into the regional phase under Rule 107(1)(g) EPC 1973.

It appears from the above that the time limit under Rule 107(1)(g) for the payment of the renewal fee in respect of the third year is excluded from the communication and noting of loss of rights under combined Rules 108 and 69 EPC 1973. Hence, there is no applicant's right to a reminder on that legal basis concerning the time limit for payment of the renewal fee. A fortiori, such a right could not originate or derive indirectly from a specific legal context to be considered under Rule 108(3) EPC 1973. Such an extension would be against the rule of law enshrined in the other provisions setting up the regime which applies to the payment of the renewal fees.

5. Anyway, in the present case, the renewal fee for the third year was not even due under Rule 107(1)(g) EPC 1973 at the time for entry into the European phase but became due only later. Also on that basis, no right can be derived, as to the lack of payment of the renewal fee for the third year, from the absence of a communication under Rule 108(3) EPC 1973.
6. The appellant argued that Rule 108(3) EPC 1973 did not only deal with all the acts to be performed under Rule 107(1) EPC 1973 but that it would result in a general extension of the period to comply with all requirements for entry into the European phase. As mentioned above, Rule 108 EPC 1973 has a specific scope of application, which cannot be applied generally to all acts to be performed at the time of the entry into the European phase. A fortiori, there is no legal basis,

either from the text itself or from any interpretation of the intention of the lawmaker, to support a further generalisation of Rule 108(3) EPC 1973 which would result in a general extension of the period for entry into the European phase until after expiry of the time limit for completing any omitted acts after issue of a communication under Rule 108(3), first sentence, EPC. On the contrary, paragraphs 1, 2 and 3 of Rule 108 EPC 1973 clearly stipulate that the loss of rights takes place if the necessary acts are not performed within the thirty-one months period and completion of the omitted acts mentioning payment of the required surcharge within two months from the notification of the loss of rights communication under Rule 108(3) - only - has the effect that the loss of rights is then deemed not to have occurred. Hence, the issue of a communication under Rule 108(3) EPC 1973 does not extend the original time limit of thirty-one months for entry into the regional phase but solely provides the applicant with an opportunity to make good the loss of rights having actually occurred upon expiry of the thirty-one months, by performing the outstanding acts mentioning payment of a surcharge within the period under Rule 108(3) EPC. Therefore, in the present case, the renewal fee for the third year had not fallen due before the end of such an "extended" period for entry into the regional phase and Rule 107(1)g is not applicable.

7. Instead, in the present case, as it concerns the payment of the renewal fee and since the international application is to be treated as a European application from its international filing date, the legal basis for

that payment to become due is to be found in Article 86 EPC 1973.

As regards the time limit for the payment of the renewal fees for a European patent application under Article 86 EPC 1973, the EPO is under no obligation to remind the applicant of its expiration and the applicant can derive no right from the absence of any such reminder (established jurisprudence following J 12/84, OJ EPO 1985, 108; J 1/89, OJ EPO 1992, 17).

8. The appellant also submitted that if a further prosecution of the application is refused based on non-payment of the renewal fee, it would defeat the purpose of Rule 108(3) EPC 1973.

The above analysis demonstrates that there are distinct applicant's obligations and rights, on the one hand for the payment of the renewal fees and on the other hand for the entry into the European phase, with different time limits, different rights to reminders and different legal consequences. In the present case, the due date for the payment of the renewal fee and the deadline for its payment with surcharge had to be managed by the applicant independently from the requirements for the entry into the European phase. The lack of payment of the renewal fee for the third year is an omission which cannot be associated with the other omissions and which has to be considered on its own, independently.

Hence, even if the requirements for entry into the European phase have been fulfilled, the non-payment of the renewal fee in due time remains by itself a

sufficient ground for having the application deemed to be withdrawn.

That is the context of the present case and does not generally deprive Rule 108(3) EPC 1973 of any application in any situation, e.g. in cases where the applicant had not complied in due time with the requirements for entry into the European phase, had then received a communication under Rule 108(3) EPC 1973 and had consequently complied with all due requirements for entry into the European phase when the time limit for payment of the renewal fee had not elapsed.

9. As to the reference made by the appellant to Article 48(2)(b) and Rule 82bis.1.(iii) PCT, the Board notes that these provisions establish that the EPO "may" excuse any delay in meeting any time limit for reasons not admitted under its own law, not that the EPO must excuse all such delays (distinguished from Art 48(2)(a) PCT 1973). Therefore, not to generally excuse all delays does not constitute a breach of any obligation of the EPO under the PCT nor, contrary to the appellant's argument, does it raise any conflict between the provisions of the EPC and of the PCT in which PCT's provisions should prevail under Article 150(2) PCT 1973. This is in line with decision G 3/91 (OJ EPO 1993, 8) where Article 48(2)(b) PCT had been considered (Reasons, 1.5) and where, however, equal treatment of the time limits which must be observed by Euro-PCT and direct European applicants was recognised as consistent with the law (Reasons, 1.8). In the present case, the Board sees no reason to depart from said decision nor any legal basis which could

justify a different and more favourable treatment of the application in suit as to the time limit for payment of the renewal fee because of its origin as a PCT international application.

10. The next appellant's argument is the lack of good faith by the EPO.

As already developed, the present situation of the application being deemed to be withdrawn is the result of the applicant's own omission to pay in due time the renewal fee for the third year. The applicant had to be aware of the corresponding time limit and had to act accordingly in due time. The deemed withdrawal of the application is the mere result of applicant's own omission. Hence, the appellant's argument that the notice under Rule 108(3) EPC 1973 would have alerted it to review its application and that it would then have noticed the due date for payment of the renewal fee for the third year or the time limit for its payment with surcharge, besides being a mere speculation not corroborated by any verifiable fact, is legally irrelevant.

The appellant also sees a lack of good faith in the absence of any reaction from the side of the Office, for more than two and a half years, to its late entry into the regional phase.

11. However, firstly, at the date of effective late payment of the renewal fee, no correction of the situation was any longer possible, since not only the time limit under Art 86(2) EPC 1973 but even the one-year period under Article 122(2) EPC 1973 for filing a request for

re-establishment of rights had already expired. Hence, the absence of reaction from the EPO for more than two and a half years to the appellant's late payment of the third renewal fee did not deprive the appellant of any opportunity to correct this deficiency the appellant would have had had the office reacted more speedily. It is therefore irrelevant for the loss of rights having occurred.

12. Furthermore, in the present case, the EPO has not taken any measure from which the appellant could legitimately have concluded that the EPO regarded the application as still pending. The mere fact that for an admittedly extremely long time period the EPO has simply not dealt with the application is not sufficient to justify a legitimate expectation on applicant's side that the application would be regarded by the EPO as still pending. Insofar, the present situation differs from the facts in J 14/94 (OJ EPO 1995, 825) cited by the appellant, where the EPO had actively continued the examination proceedings for several years, in a decisive respect.

13. The appellant's final argument is the lack of legal uncertainty for the public, since in the present case an online file inspection would have shown the payment of all fees, including the renewal fee for the third year with the additional fee.

The Board is of a different opinion. After expiry of the time limit for payment of the renewal fee for the third year, possibly with the additional fee, i.e. on 1 December 2003, any third party would have considered, based on an inspection of the public file, that the

application was deemed to be withdrawn due to the non-payment of that renewal fee. In the absence of any contrary information in the public file (request for re-establishment, interruption of proceedings,...), such conclusion would have prevailed in particular until the payment of the renewal fee on 17 August 2004 and even after that date, due to its lateness and absence of legal effect.

Since there is, however, no matter of good faith justifying that the application-in-suit be regarded as still pending although it was actually deemed to be withdrawn, this need not be pursued further and there is also no need for the Board to consider the issue of any potential users' rights possibly acquired by third parties.

14. In view of the above, the Board concurs with the impugned decision that the application is deemed to be withdrawn due to late payment of the renewal fee for the third year (Article 86(3) EPC 1973).



**Order**

**For these reasons it is decided that:**

The appeal is dismissed.

The Registrar:

The Chairman:

W. Roepstorff

B. Günzel