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**Datasheet for the decision
of 2 October 2008**

Case Number: J 0003/08 - 3.1.01

Application Number: 01942513.1

Publication Number: -

IPC: B41J 13/14

Language of the proceedings: EN

Title of invention:

Improvements in and relating to printed edible products

Applicant:

Coyle, Paul, Patrick

Opponent:

-

Headword:

Re-establishment of rights/COYLE

Relevant legal provisions

Act revising the EPC of 29 November 2000:

Art. 7

**Decision of the Administrative Council of 28 June 2001 on the
transitional provisions under Article 7 of the Act revising
the EPC of 29 November 2000:**

Art. 1

EPC 1973:

EPC Art. 122

EPC R. 69(1), 90

Keyword:

"Re-establishment into the time limit for paying the renewal fee (no)"

"Fraud of the agent - not sufficiently proven"

Decisions cited:

J 0005/80, J 0003/93, J 0017/03, J 0009/07

Catchword:

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Case Number: J 0003/08 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 2 October 2008

Appellant: Coyle, Paul, Patrick
Newtownhortland
Donadee
Kilcock
County Kildare (IE)

Representative: Lane, Cathal Michael
c/o Tomkins & Co.
5 Dartmouth Road
Dublin 6 (IE)

Decision under appeal: Decision of the Receiving Section of the
European Patent Office of 22 August 2007
rejecting the request for re-establishment of
rights.

Composition of the Board:

Chairman: B. Günzel
Members: P. Schmitz
E. Lachacinski

Summary of Facts and Submissions

- I. The appeal lies from the decision of the Receiving Section dated 22 August 2007 rejecting the request for *restitutio in integrum* into the time limit for paying the renewal fee for the third year.
- II. Euro-PCT application 01942513.1, claiming a priority of 17 January 2000, was filed on 16 January 2001 with the Irish Patent Office as international application PCT/IE01/00007 in the name of Paul Patrick Coyle. The PCT Request (PCT/RO/101) was signed by a professional representative acting on behalf of the applicant (appellant). On 23 February 2001, a general power of attorney signed with the name of the applicant was filed with the Irish Patent Office.
- III. The time limit for entry into the European phase expired on 19 August 2002. On 20 September 2002 a communication noting a loss of rights pursuant to Rule 69(1) EPC 1973 was issued to the applicant because the national basic fee, a designation fee and the examination fee had not been paid.
- IV. On 12 November 2003, EPO Form 1200 for entry into the European phase was filed, which was signed by the same professional representative who had been acting in the international phase. On the same day, the necessary fees were paid. In addition, the renewal fee for the third year which was due on 31 January 2003 was paid.
- V. The applicant requested that the communication under Rule 69(1) EPC 1973 be reissued because he had no record of having received this communication. In case

this request was not allowed, interruption of proceedings under Rule 90 EPC 1973 was requested, because the applicant, as well as his agent, had been legally incapacitated.

VI. By letter dated 22 December 2003 and received on the same day, the applicant requested *restitutio in integrum* into the time limit for paying the renewal fee for the third year. The surcharge for the renewal fee, as well as the fee for *restitutio in integrum* were paid on the same day. The grounds on which this request was based can be summarised as follows:

The applicant had engaged an agent to look after his patent matters, but the agent did not act as instructed and paid for by the applicant. He had met the agent when the agent worked in firm B as an experienced but, as he discovered only later, unqualified patent person and continued to engage the agent's services after the agent had left that firm to work on his own account. Firm B was a firm of patent and trade mark attorneys. The applicant had every confidence in the agent and placed responsibility for all of his patent matters with him. He was not aware that the agent was not on the list of professional representatives before the European Patent Office. Nevertheless, the agent had many years of experience in dealing with patent matters. The applicant entrusted an initial filing of a priority application and later a PCT application to the agent. The agent contractually engaged the services of a professional representative to file a PCT application and provided a prepared patent specification for filing with the application. All the applicant's instructions

were to the agent. The professional representative had no direct contact with the applicant until October 2003.

The applicant was aware of the necessity to enter the regional phase before the European Patent Office by the due date. The applicant instructed the agent to take the necessary action to proceed with the European patent application and paid invoices issued by the agent covering the costs in relation to the European patent application. One of the agent's invoices, covering the costs for the European patent application, was issued on 17 July 2002, i.e. prior to the 31 month deadline for entry into the regional phase. The further invoice covering fees for further services was issued by the agent on 27 March 2003.

From inquiries subsequently made by the applicant it transpired that the agent had not taken action to enter into the regional phase. Up until very recently the applicant was unaware that a European patent application was not pending. The applicant had made attempts to contact the agent but was not successful. From inquiries it appeared that the agent had left his home address and had not left a forwarding address. Due to this concern the applicant contacted the professional representative on 22 October 2003 and asked to investigate the position in relation to this matter.

VII. In a first Statutory Declaration filed with a letter dated 26 November 2004 the applicant confirmed what had been set out earlier. In addition, he submitted that he now knew, but had been unaware at that time, that the agent was neither on the list of professional

representatives before the European Patent Office nor a registered patent agent in Ireland. He had last had contact with the agent on 26 and 27 July 2003, when they met face to face and when he had been assured that all was in order in relation to his patent matters. It was only in late October 2003 that he became aware that there was possibly a problem. He contacted the professional representative because he had become aware that this firm appeared on the PCT application. It was only during the meeting on 22 October 2003 with the professional representative and after further investigations that he became fully certain that no action had been taken by the agent.

VIII. By communication dated 3 March 2005, the Legal Division informed the applicant that it had not been shown that an interruption of proceedings had taken place.

IX. By communication dated 28 March 2006, the Receiving Section informed the applicant that it had to be assumed that the communication under Rule 69(1) EPC 1973 dated 20 September 2002 had not reached the applicant, because due notification could not be established. Since all acts listed in this communication had in the meantime been completed, reissue of the communication was not necessary. Thus the loss of rights communicated in this communication was no longer upheld and the only remaining issue was the request for re-establishment of rights into the time limit for paying the renewal fee.

X. In a decision dated 22 August 2007, the Receiving Section rejected this request. In the reasons it was set out that the agent was to be considered as the

person responsible for the application since the applicant had entrusted all matters to him. However, it had not been shown that the agent had taken all the due care required by the circumstances. It was not the applicant himself who was to be considered the person responsible.

XI. Under cover of a letter dated and received 22 October 2007, notice of appeal was filed. The appeal fee was paid on the same day. Oral proceedings were requested on an auxiliary basis.

XII. On 21 December 2007 the statement setting out the grounds of appeal was filed. The appellant submitted that in decision J 3/93 which had been cited by the Receiving Section, it was clearly recognized that under Article 122 EPC the first and foremost responsibility for showing all due care fell on the applicant or proprietor of the European patent. It had been shown that the applicant had observed all due care. There was no requirement to consider the agent's part in the missed deadline in so far as showing all due care was concerned. Under Irish law, a contract of agency was terminated by any act of renunciation of the agent, and was implicitly terminated by a fundamental breach of the agent's duties, in particular duties of trust and honesty. Fraud committed by an agent against the principal absolved the principal of any liability in respect of that agent's action. The appellant, having established an apparently safe and competent method of discharging his obligations was disabled from any means of knowing of his default by an act of deceit which inherently concealed the breach of trust.

XIII. On 10 July 2008 the Board issued a summons to oral proceedings. In the annex to the summons the Board explained that in order to allow a request for re-establishment of rights it must be shown that both the agent, as well as the appellant, have observed all due care. It was clear and uncontested that the agent had not properly handled the case. Moreover, the role of the professional representative did not seem to be clear. The Board also doubted whether the appellant himself had observed all due care.

XIV. In the oral proceedings which took place on 2 October 2008, the appellant made further submissions as to the circumstances underlying his request which will be referred to in the reasons for the decision. The appellant requested that the decision under appeal be set aside and that he be re-established with respect to the time limit for paying the renewal fee for the third year. At the end of the oral proceedings the Board announced its decision.

Reasons for the Decision

1. The appeal is admissible.

Applicability of EPC 1973

2. On 13 December 2007 EPC 2000 entered into force. According to the transitional provisions on the applicability of the EPC 2000, Article 122 EPC shall apply to European patent applications pending at the date of entry into force of the EPC 2000, in so far as the time limit for requesting re-establishment of

rights has not yet expired (Article 1, No. 5 of the Decision of the Administrative Council of 28 June 2001 on the transitional provisions, in conjunction with Article 7(1), sentence 2, of the Act revising the EPC of 29 November 2000). Since, in the present case, the time limit for requesting re-establishment of rights expired in the year 2003 (see below point 3), Article 122 EPC 1973 is to be applied. For further details with respect to the transitional provisions concerning Article 122 EPC reference is made to decision J 9/07 of 30 June 2008, points 2 to 4.

3. The application for re-establishment of rights complies with the formal requirements of Article 122(2) and (3) EPC 1973 and is thus admissible. According to the appellant's submissions, the cause of non-compliance was removed on 22 October 2003 when he contacted the professional representative and he finally found out that the agent had not acted as instructed. Within 2 months of this date, namely on 22 December 2003, a reasoned application for re-establishment of rights was filed, the fee for re-establishment and the additional fee for the renewal fee was paid. The omitted act, i.e. payment of the renewal fee for the third year had already been completed on 12 November 2003 when entering the regional phase. Thus, on the basis of the appellant's submissions, the 2-month time limit under Article 122(2), first sentence, EPC 1973 is met. Also the one year period under Article 122(2), third sentence, EPC 1973 has been complied with.
4. According to Article 122(1) EPC 1973, an applicant for or proprietor of a European patent who, in spite of all due care required by the circumstances having been

taken, was unable to observe a time limit shall have his rights re-established. From this it is clear that in the first place it is the applicant who has to observe all due care (J 3/93 of 22 February 1994, point 2.1). If a professional representative is appointed the duty of all due care applies both to the applicant himself and to his professional representative (J 5/80, OJ EPO 1981, 343, point 4; J 17/03 of 18 June 2004, point 5). All due care must also be applied by a third person not being a professional representative if he is entrusted with a patent application by an applicant.

Due care of the professional representative

5. After the Board had, in its communication of 10 July 2008, expressed some concern about the role of the professional representative, the representative submitted that he had acted on instruction of the agent, and not the appellant. He had sent several reminders to the agent asking for further instructions with respect to the national/regional phase of the international application but did not receive any reply. In the absence of any instructions, he was not authorised to take action or incur costs. He had not been aware that the correspondence between him and the agent had not been forwarded to the appellant. As evidence five written reminders plus a memorandum recording a telephone call to the agent were filed. In the last four reminders it was set out that the representative assumed that the applicant did not wish to proceed further unless instructions to the contrary were received. The Board is of the view that nothing more could be expected from the professional representative

since he had acted on the instructions of the agent and when, on express repeated requests, no instructions were given it was not necessary to take any further action.

Due care of the agent

6. In the present case it is clear that the agent, by not acting as presumably instructed, has not properly handled the case and thus has not applied all due care. This is not contested by the appellant.

7. The appellant is of the opinion that this improper behaviour should not be imputed to him. Under Irish law, according to the appellant, a contract of agency was implicitly terminated by a fundamental breach of the agent's duties and fraud committed by an agent against the principal absolved the principal of any liabilities in respect of that agent's actions. The Board accepts that this may be the situation under Irish law, specifically with respect to contractual obligations. However, in the procedure before the European Patent Office it is Article 122 EPC 1973, as interpreted by the Boards of Appeal, which is to be applied.

8. In this context, the question is, whether in the exceptional situation of a fraud committed by an agent, the agent's behaviour can be imputed to the applicant. Generally speaking, it is the established jurisprudence of the Board's of Appeal, that if an agent is appointed, the agent has also to observe all due care and if he does not act accordingly this is imputed to the applicant, even if the applicant himself has not made a mistake. This is justified because the agent is acting

for the applicant and he performs the necessary steps in the procedure in the applicant's place. However, where there is a case of fraud the agent does in fact not act on behalf of the applicant and puts himself intentionally outside the mandate given by the applicant. He has unilaterally denounced his obligations without notifying the applicant so that the applicant has no possibility of taking any measures to the effect that the necessary acts are performed. The Board has doubts whether it would be justified that a fraudulent behaviour, which an applicant can normally not anticipate and against which he can take no precautions, is also to be imputed to him.

- 8.1 However, if fraud by an agent were to be accepted as a reason for re-establishment of rights, by derogation from the general principle that an agent's behaviour is imputed to the applicant, the evidence presented must be so conclusive as to convince the Board that a fraud took place as opposed to just unprofessional behaviour. In the present context what has to be proven is that the non-payment of the renewal fee was an intentional behaviour of the agent and not the result of an unintentional, be it negligent, omission.

- 8.2 At first it would have to be clarified what is to be understood by the term "fraud" since this is a broad and undefined term. The appellant defined it as obtaining money under false pretences; sending an invoice describing work done which in fact is not. In any case it seems clear that fraud implies an intention not to act as instructed.

- 8.3 The written evidence on which the appellant mainly relies in this context consists of two invoices, allegedly dating from 17 July 2002 and 27 March 2003. The first one refers to "Consultancy services in relation to US and European phases of International Application No. WO 01/52661 including discharging legal and official fees" over an amount of 15 000 Euro. The second refers to "Further consultancy services in relation further processing of European, US and Irish Patent matters, including discharging foreign associate and official fees" over an amount of 5,203.00 Euro.
- 8.4 Assuming in the appellant's favour, for the sake of argument, that the invoices were issued on the dates as alleged by the appellant, the first invoice, dating from 17 July 2002, expressly referring to the application in suit and mentioning "official fees", was issued before the time limit for entry into the regional phase expired. It is usual in professional practice that an agent does not advance the sums to be paid for official fees but that the applicant has to pay the agent beforehand. As regards the remuneration of "consultancy services" billed in the invoice there is no indication which would relate to services not rendered in the past but to services yet to be performed. Thus an intention to betray cannot be inferred from these facts. Moreover, taking into account that the renewal fee for the third year was not expressly mentioned and only fell due on 31 January 2003, there is not even a likelihood that this invoice already covered the renewal fee for the third year.
- 8.5 On 27 March 2003, the alleged date of the second invoice, the European patent application had already

been declared deemed to be withdrawn due to non-performance of the necessary acts for entry into the regional phase. Thus if the agent, knowing about the loss of rights, had on this date charged the appellant for further pursuing the European patent application, an intention to betray might be presumed. However, it is not clear whether the agent was aware that the application was already deemed to be withdrawn, since the loss of rights communication had been sent to the applicant. In addition, the second invoice does also not state that it is in payment of the renewal fee for the application in suit. It also relates to US and Irish patent matters and it is not quite clear what happened to these ones.

- 8.6 In the copies of the invoices when filed for the first time in the procedure on 29 November 2004, all details referring to the issuer were blanked. Nor was the name of the agent given in the beginning. This was only done almost one year after the request for re-establishment had been filed. In the oral proceedings, it was explained that one was so shocked when learning about the incidents that one wanted to be careful with such accusations. Only on 29 September 2008, i.e. 3 days prior to the oral proceedings, were copies of the invoices filed, now showing the name (a company name) and address of the issuer. However, the dates were still missing. When asked by the Board in the oral proceedings, the appellant explained that the invoices bore no date and that the dates given were those when he had paid. He knew these dates from the entries in his cheque book stub. The invoices had been sent as attachments to e-mails. In the view of the Board it appears a priori not highly likely that a business

invoice, even if sent as an attachment to an e-mail, is not dated whereas on the other hand a VAT Registration ID is indicated on it. Moreover, neither the cheque book stub, nor the e-mails have been presented, so that there is no written evidence at all corroborating the alleged dates of the invoices.

8.7 The representative submitted that there was only little written evidence since the relation between the applicant and the agent was built on trust. There was no written correspondence, but all was done orally. Therefore the circumstantial evidence needed to be taken into account. The signature on the authorisation which had been filed in the international phase was not the applicant's, but the agent had forged it. The agent had not entered the regional phase. He had disappeared and was no longer contactable anymore. These facts could not be ignored.

8.8 The Board accepts that the signature on the authorisation does not seem to be the applicant's and that the agent obviously wanted to conceal from the applicant that he was not entitled to represent him in patent matters. Nevertheless, he has properly conducted the international phase, albeit with the help of the professional representative. In this situation he had fulfilled his tasks and had functioned as an agent so that from this it cannot be concluded that he intended to keep money to which he was not entitled.

8.9 The Board is of the opinion that if, due to the circumstances, there is little or no direct written evidence, at least a sufficient amount of circumstantial evidence must be presented. Neither the

cheque book stub, nor the e-mails submitting the invoices, nor the originals of the invoices have been presented. On the other hand an e-mail from the agent (where again the address of the sender was blanked) to the applicant dated 22 July 2003 was filed saying that things will be sorted out after his return from the US. Why is this e-mail, the date of which is close to that of the second invoice, filed, but not the ones with the attached invoices? The agent's name was originally not given in order to protect the agent. In the oral proceedings it was mentioned that the applicant had reported this incident to the police but no written report, or the like has been filed in this regard. Thus, even the circumstantial evidence is very poor. There remain essentially only the applicant's Statutory Declarations where, at least the first and most detailed one, was formulated by the professional representative as admitted in the oral proceedings. Moreover, a declaration made therein was later retracted. In his first Statutory Declaration the applicant said that he had instructed solicitors to try to contact the agent. Asked in the oral proceedings to this regard, the appellant's answer seemed to be that no solicitors had been employed to contact the agent, because their costs were too high in relation to the expected success rate. This is in clear contradiction to what he had set out in his first Statutory Declaration. Thus the evidential value of it is very weak.

9. As has been set out above, if a fraud is alleged, in order to justify an exception from the general principle that the agent's behaviour is imputed to the applicant, the evidence presented must be so conclusive

that the Board is convinced that a fraud took place.
This is not the case here, since there remain many
discrepancies and doubts so that the appellant's case
has not been proven to the Board's satisfaction.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

S. Fabiani

B. Günzel