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**Datasheet for the decision  
of 17 July 2009**

**Case Number:** J 0014/08 - 3.1.01

**Application Number:** 04755004.1

**Publication Number:** 1638393

**IPC:** A01N 1/00

**Language of the proceedings:** EN

**Title of invention:**  
Cryogenic storage system

**Patentee:**  
21st Century Medicine Inc.

**Headword:**  
Re-establishment of rights

**Relevant legal provisions (EPC 1973):**  
EPC Art. 122

**Keyword:**  
"Completion of omitted act (no)"  
"Implicit instruction to deduct fee (no)"

**Decisions cited:**  
J 0013/90, J 0006/90, T 0152/82, T 0014/89, G 0002/97,  
J 0002/94, T 0455/98

**Catchword:**

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Case Number: J 0014/08 - 3.1.01

**D E C I S I O N**  
of the Legal Board of Appeal 3.1.01  
of 17 July 2009

**Appellant:** 21st Century Medicine Inc.  
10844 Edison Court  
Rancho Cucamonga, CA 91730 (US)

**Representative:** Icely, D. M.  
Marks & Clerk LLP  
90 Long Acre  
London WC2E 9RA (GB)

**Decision under appeal:** Decision of the Receiving Section of 25 April  
2008 rejecting a request for re-establishment  
of rights.

**Composition of the Board:**

**Chairman:** B. Günzel  
**Members:** D. S. Rogers  
R. Menapace

## Summary of Facts and Submissions

- I. The appeal is directed against the decision of the Receiving Section dated 25 April 2008. This decision rejected as inadmissible a request for re-establishment of rights in relation to the time limit for paying the third-year renewal fee with surcharge in respect of Euro-PCT application No. 04755004.1. The European Representative of the U.S. applicant, 21st Century Medicine Inc., filed the request on 20 April 2007 and paid the fee for re-establishment of rights on the same day.

The third-year renewal fee fell due on 30 June 2006 and payment of that fee, together with a surcharge, could still have been validly effected within the subsequent six-month grace period. However, the EPO received no payment by the expiry of that period. As a consequence, with a communication dated 16 February 2007, the EPO 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the applicant of a loss of rights under Rule 69(1) EPC 1973, namely that the application in suit was deemed to be withdrawn under Article 86(3) EPC 1973.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. The application for re-establishment was filed on, and dated, 20 April 2007. The fee for re-establishment was paid on the same day. In the application for re-establishment, the European Representative stated that:

"Further to your Communication dated 16 February 2007, we hereby request re-establishment of rights (Restitutio in Integrum) under Article 122 EPC. We confirm that we have paid the appropriate fee by separate order...

...

The Notification of Loss of Rights pursuant to Rule 69(1) EPC, dated 16 February 2007, was received by Marks & Clerk on 20 February 2007, which we submit is the date of the removal of the cause of non-compliance. Accordingly, the present application for Restitutio is within the two-month time limit pursuant to Article 122(2) EPC".

III. The request of 20 April 2007 stated that the cause of the non-payment of the third renewal fee was due to a re-organisation in the applicant's business affairs. Up until the end of 2002 the US representative of the applicant, Foley & Lardner LLP, had handled all aspects of patent procurement and maintenance, which included the reporting of all new filings to Dennemeyer, a US annuities service that handled the actual payment of patent fees. From about the end of 2002 this arrangement was changed so that Foley & Lardner LLP had the responsibility of reporting patent filing particulars to the applicant who then had the responsibility for reporting such information to Dennemeyer.

Two "statutory declarations" were enclosed with the request for re-establishment of rights. The first of these is from Stephen E. Reiter of Foley & Lardner LLP, and the second is a joint declaration by J. Dean Barry and Harvey Horswell of the Appellant. Paragraphs 6 of both these declarations are identical and address the reason for the non-payment of the third renewal fee in the following terms:

"The above-described change in procedure has introduced another party (annuity service) into the

equation, and mandated the implementation of new lines of communication to ensure that new filings are timely added to the docket of the annuity service for payment of maintenance fees. Unfortunately, the relative responsibilities of each party in the equation were not fully understood, nor clearly communicated, at the time of the transition; indeed it has taken some time to develop the procedures necessary to implement the revised payment procedure".

IV. The Receiving Section sent a communication to the European Representative on 29 November 2007 concerning the Appellant's request for re-establishment of rights. This communication stated that as the third renewal fee and additional fee had not been paid, the omitted act had not been completed within two months of removal of the cause of non-compliance, and thus it was the intention of the Receiving Section to reject the request as inadmissible.

V. The European Representative replied to the above communication in a letter dated 11 February 2008 which states that:

"...as it was the clear intention to request re-establishment of rights, it was also the clear intention to pay the outstanding renewal fee and the fine at the same time. Thus, our letter dated 20 April 2007 contains implicit instructions for the European Patent Office to debit our Deposit Account No. 28050065 for the outstanding renewal fee and its fine".

The Receiving Section did not accept these arguments. It based its decision to reject the request for re-establishment as inadmissible upon the non-completion of the omitted act of payment of the third renewal fee and surcharge, and a finding that the letter of 20 April 2007 did not contain an implicit instruction to debit the outstanding renewal fee and surcharge from the European Representative's deposit account with the EPO.

- VI. The notice of appeal was filed on, and dated, 3 July 2008. The appeal fee was paid on 2 July 2008. The statement of grounds of appeal was filed on, and dated, 5 September 2008. The statement of grounds of appeal advances several arguments as to why the request for re-establishment of rights of 20 April 2007 should be considered to contain an implicit instruction to the EPO to deduct the third renewal fee and surcharge from the European Representative's deposit account with the EPO. The Appellant argued that:
- (a) The second sentence of the first paragraph of the European Representative's letter of 20 April 2007 (quoted in II above) was wrongly interpreted by the Receiving Section as referring solely to the re-establishment fee. An equally valid interpretation was that it also referred to the third renewal fee and surcharge as the applicant had made clear its intention to proceed with a request for re-establishment and this clearly required the payment of these fees.
  - (b) The Receiving Section should have realised that the responsibility of Dennemeyer for the payment of renewal and other fees was a future responsibility, and that the responsibility for the payment of the third renewal fee and surcharge

was with the European Representative. This was because the request for re-establishment was filed on the last possible day and this meant that there would not have been enough time to instruct Dennemeyer, who was based abroad, to carry out the payment.

- (c) The Appellant compared the factual and legal situation of the present case with that of case J 13/90 (OJ EPO 1994, 456), as the deficiency of the non-payment of the renewal fees was readily identifiable from the fee sheet, and with that of case J 6/90 (OJ EPO 1993, 714) where the Board allowed an application for re-establishment, despite the fact that the "...ground for re-establishment was filed outside the 1 year period previously specified in Art 122(2)EPC 1973". In addition the Appellant also referred to T 152/82 (OJ EPO 1984, 301) as support for its argument that an applicant is under no obligation to specify an amount in a Debit Order, and that the distinction between "fee" and "fees" is very slight.

VII. In its 3 April 2009 response to the Board's communication of 18 February 2009, the European Representative stated that it had only received instructions to file the request for re-establishment on 13 April 2007. Thus with only 5 working days to prepare the request there was very little time to instruct Dennemeyer regarding the payment of the renewal fees.

VIII. The Appellant also referred in the oral proceedings to T 14/89 (OJ EPO 1990, 432) as support for the contention that the Receiving Section should have allowed a further opportunity to pay the outstanding renewal fee.

IX. The Appellant argued at the oral proceedings that the Receiving Section should have understood paragraphs 2 and 3 on page 2 of its 20 April 2007 letter as only indicating with whom responsibility for the payment of renewal fees lay in normal circumstances. When these paragraphs are read in the context of the abnormal situation of a request for re-establishment of rights, it is clear that it is the European Representative, and not Denemeyer, who has responsibility for their payment.

### **Reasons for the Decision**

1. The appeal is admissible.
2. In order to be allowable, the request for re-establishment has 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.)
3. The issue to be addressed in this appeal is whether the request for re-establishment of 20 April 2007 contains an instruction to the EPO to debit the third renewal fee and surcharge from the European Representative's



deposit account with the EPO, thus completing the relevant "omitted act" under Article 122 EPC 1973.

4. It is clear from reading the request for re-establishment of 20 April 2007 that this document does not contain any explicit instructions to the EPO to debit the third renewal fee and surcharge from the European Representative's deposit account with the EPO. The issue, therefore, is whether it contains an implicit instruction to debit the European Representative's deposit account.

5. The first argument to address is that it was clear from the 20 April 2007 letter that Dennemeyer, the US based annuities firm, had no responsibility for paying the third renewal fee and surcharge - Dennemeyer's responsibility began with the fees subsequent to these fees, for example the fourth renewal fee.

5.1 The fifth paragraph on page 2 of the request for re-establishment of 20 April 2007 states:

"Following the investigation conducted into the present situation, the relationships between the parties have been revisited to the extent that all parties are now clear [emphasis added by Board] that it is the Applicant who has the sole responsibility for instructing the annuity payment service, Dennemeyer, to pay the renewal fees for this European patent application. Thus, the present misunderstanding is an isolated incident and will not happen again".

Two declarations referred to in the second paragraph of III above were attached to the request for re-establishment. These are both dated 19 April 2007. Both declarations state that at the end of 2002 a new system was set up whereby responsibility for liaising with Dennemeyer lay with the Appellant, rather than with the US representatives, Foley & Lardner. However, the Appellant did not completely understand this new system with the consequence that about three and a half years later the third renewal fee was not paid. Paragraphs 10 and 11 of the declarations are identical and read as follows:

"That it was only upon receipt of the Notice of loss of rights from the European Patent Office (dated 16 February 2007) that either 21CM, or attorneys of Foley & Lardner LLP were made aware of the inadvertent lack of communication with the annuity service and failure to timely pay annuities.

That the chain of communication required to have newly filed cases added to the docket of 21CM's annuity service is now clearly [emphasis added by the Board] understood by both Foley & Gardner LLP and 21CM so that a repeat of the misunderstandings which lead to the failure to timely pay the renewal fees in the present case are highly unlikely to occur again".

- 5.2 As a preliminary remark, these declarations do not assist in interpreting the 20 April 2007 request for re-establishment of rights. What these declarations do indicate is that it was never the intention of the Appellant that it would be the European Representative who would pay the renewal fees. Thus these declarations

do not assist the Appellant's case. The Board considers that the EPO would understand from the above text of the European Representative's request for re-establishment of 20 April 2007 and further from the attached declarations that any fees due on or after 20 April 2007 would be paid by Dennemeyer, as the US representatives and the Appellant were "now clear" about this on 19 April 2007, and the European Representative was "now clear" about this on 20 April 2007.

5.3 The request for re-establishment of 20 April 2007 and the attached declarations contain explicit statements that Dennemyer was responsible for the payment of fees. It would therefore require rather clear language to inform the EPO that it was, nevertheless, to debit the deposit account of the European Representative. Such clear language as regards the fee for re-establishment of rights is found in the first paragraph of the request for re-establishment of 20 April 2007, referred to at point II above, and also in the "Payment of fees and costs" form, where the European Representative filled in the box for "Fee for re-establishment of rights", and faxed this to the EPO on 20 April 2007, about 4 hours before it faxed the request for re-establishment. No such wording as regards the third renewal fee and surcharge can be found even though a box for these fees appears on this form.

6. The Appellant also argued that the Receiving Section should have derived an implied request to deduct the third renewal fee and surcharge from the European Representative's deposit account from the fact that the request for re-establishment was filed on the last day

for doing so. Hence the Receiving Section should have noted that this meant that there was only a limited time for Dennemeyer to be instructed to pay the fees and have therefore deducted these fees from the European Representative's deposit account.

- 6.1 From the third paragraph, page 1 of the request for re-establishment and from paragraph 10 of both of the attached declarations it is apparent that on or about 20 February 2007 the European Representative, Foley & Lardner and the Appellant became aware of the non-payment of the third renewal fee and surcharge. Hence there was a period of approximately 2 months in which it could have been arranged for Dennemeyer to pay the fee. Thus the Receiving Section had no reason to consider that "there was only a very limited time in which to instruct the renewal fees service, particularly in view of the fact that Dennemeyer were based abroad".

The argument advanced by the European Representative, that it had only received instructions to file the request for re-establishment on 13 April 2007, and hence did not have time to instruct Dennemeyer regarding the payment of the renewal fees, is unconvincing. This is because with modern communications 5 working days should have been enough time to give instructions. In addition, when precisely an applicant decides to give instructions to their professional representatives is a matter within their own control and thus any negative consequences from belated instructions are to be borne by the applicant. This is especially the case here where the Appellant had known of the problem for 2 months.

7. Turning now to the arguments, set out in point VI (c) above, based upon the case law of the Boards, the first case cited is T 152/82. T 152/82 concerned a case where the applicant had given a debit order for an amount that was too low as it corresponded to the old fee for re-establishment of rights, not the fee in force at the time of the request. The Board in this case found that such an order was sufficient to instruct the EPO to debit the correct fee as neither the EPC nor the relevant "Arrangement for deposit accounts", issued by the President of the EPO, required that a debit order specify the amount to be deducted. The Appellant argued that this decision would support interpreting the word "fee" in the second sentence of the first paragraph of the request for re-establishment as encompassing "fees" and thus including both the fee for re-establishment and the third renewal fee and surcharge.

The current fact situation concerns a fee that was not named and an amount that was neither mentioned nor paid. Thus the facts of T 152/82 and the present case are sufficiently remote from each other that the reasoning of T 152/82 cannot be applied to the present case.

8. The second case cited is J 6/90. J 6/90 concerned a situation where the missing renewal fee and re-establishment fee had been paid in time and the applicant filed a letter indicating that "...a written application for re-establishment of rights" would follow. This written application was received outside the time limit and hence the Receiving Section found the request to be inadmissible. The Board found the

letter, which was filed in time, to amount to a request for re-establishment in itself. The Appellant argues that the situation of J 6/90 is analogous to that of the present case and that hence its letter of 20 April 2007 could be seen as a request for the deduction of the third renewal fee and surcharge from the European Representative's deposit account.

This case would only be helpful to the Appellant if its letter of 20 April 2007 could be considered as indicating an intention that the third renewal fee and surcharge be deducted from the European Representative's deposit account with the EPO. As set out in point 5 above, the entire thrust of the 20 April 2007 request is that Dennemeyer and not the European Representative would be responsible for paying such fees.

9. The third case, J 13/90 concerned a request for re-establishment following non-payment of a renewal fee. The Receiving Section rejected the request as the omitted act, the payment of the renewal fee, did not take place within the time limit. In its request for re-establishment the applicant had indicated that they would pay the missing fee once their rights had been re-established. The Board found that the applicant was "...evidently confusing the provisions of Article 122(2), second sentence, EPC with those of national law which would have allowed them to pay the missing fee after re-establishment had been granted" (see point 7 of the reasons of J 13/90). Applying the principle of good faith the Board found that the EPO should have warned the applicant about this deficiency. The European Representative argues that in this case

the non-payment of the renewal fee was also obvious from the fee sheet, (faxed to the EPO on the same day as the request for re-establishment, but 4 hours earlier), as this only mentioned the re-establishment fee and was easily correctable by the EPO deducting the renewal fee and surcharge.

Thus J 13/90 deals with a situation where the party gave a clear indication that they had a mistaken understanding of the relevant provisions of the EPC and hence, under the principle of protection of legitimate expectations (sometimes called "good faith"), the EPO had a duty to correct this misunderstanding. This is not the case here and this case cannot assist the Appellant.

10. Finally the Appellant referred to T 14/89 in support of his appeal. T 14/89 concerns a patent proprietor who filed a request for re-establishment of rights well within the time limit for doing so. This request had two deficiencies: the fee for re-establishment had not been paid and the facts to substantiate the request had not been filed. The Board found (at point 5 of the reasons) that under the principle of good faith, "...the European Patent Office should not fail to draw the appellant's attention to obvious deficiencies in his acts. This obligation certainly exists if as in the present case, the obvious deficiencies can be expected to be remedied within the time-limit for re-establishment".

T 14/89 was commented upon by the Enlarged Board of Appeal in G 2/97 (OJ EPO 1999, 123) where it found that this decision "... related to the particular facts of

that case and that there is no generally applicable principle to be derived therefrom" (point 3.4 of the reasons). In T 14/89, it is to be noted that the EPO had ample time, about 6 weeks before the expiry of the time limit for requesting re-establishment, in which to inform the proprietor of the deficiencies of his request. There is a substantial case law on the principle of protection of legitimate expectations. The duties of the EPO under this principle are limited and do not extend to informing a party of missing fees immediately after the receipt of a request for re-establishment (see J 2/94 of 21 June 1995, point 2 of the reasons).

This principle is further limited in that the EPO can only be expected to warn a party of a deficiency if the deficiency is readily identifiable by the EPO and the party can still correct it within the relevant time limit (see T 455/98 of 10 July 2000, point 2 of the reasons). In the present case the deficiency was not readily identifiable and, as the appellant filed his request for re-establishment on the last day for doing so and after EPO office hours, there was no time for the EPO to warn the appellant about the non-payment of the third renewal-fee and surcharge even if the EPO had been in a position to spot this deficiency.

Thus T 14/89 is of no assistance to the Appellant.

11. Thus in conclusion none of the cases cited support the appeal.



12. The Appellant made a further argument that the second and third paragraphs of page 2 of its request for re-establishment dated 20 April 2007 refer to the "normal" situation concerning responsibility for paying the renewal fees, and that the Receiving Section should have understood that from the context of the "abnormal" situation of a request for re-establishment that it was the European Representative who had responsibility for the payment of these fees.

From reading these paragraphs it is clear that they are concerned with setting the scene for the request for re-establishment as they indicate how the non-payment of the renewal fees came about in the first place. This is confirmed by the immediately following fourth paragraph which states:

"As a result of these misunderstandings, Dennemeyer were never instructed to pay the fees within the time limit, despite the Applicant's intention to maintain the present European patent application".

Thus, these paragraphs cannot be read as giving any indication to the Receiving Section that it should deduct the renewal fees from the deposit account of the European Representative.

13. In conclusion the Board finds that the Receiving Section was correct to find that the request for re-establishment was inadmissible due to non-completion of the omitted act.

**Order**

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

The appeal is dismissed.

The Registrar:

The Chairwoman:

W. Roepstorff

B. Günzel