Internal distribution code:

(A) [-] Publication in OJ
(B) [-] To Chairmen and Members
(C) [-] To Chairmen
(D) [X] No distribution

Datasheet for the decision of 22 July 2014

Case Number: J 0025/12 - 3.1.01

Application Number: 04797395.3

Publication Number: 1831857

IPC: G09B9/00, G09B19/00, A63F13/08, A63G31/16, A63J23/02

Language of the proceedings: EN

Title of invention:
SIMULATION UNIT

Patent Proprietor:
Tuma, Pavel

Headword:
Renewal fee/PAVEL TUMA

Relevant legal provisions:
EPC Art. 86(1), 108
EPC R. 51(2), 112(1), 112(2)
RRFees Art. 7(3) and (4), Art. 8

Keyword:
Admissibility of appeal - filed within time limit (yes)
Non-observance of the time limit pursuant to Rule 51(2) EPC
Renewal fee paid in time pursuant to Articles 7(3), (4) RFees - (no)
Application of principle of protection of legitimate expectations - (no)
Overlooking small amount justified - (no)

Decisions cited:
J 0020/00, T 0389/86

Catchword:

Europäisches Patentamt
European Patent Office
Office européen des brevets

Beschwerdekammern
Boards of Appeal
Chambres de recours

European Patent Office
D-80298 MUNICH
GERMANY
Tel. +49 (0) 89 2399-0
Fax +49 (0) 89 2399-4465

Case Number: J 0025/12 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 22 July 2014

Appellant: (Applicant)	Tuma, Pavel Krasova 701/3 130 00 Praha 3 (CZ)
Representative:	Kratochvil, Vaclav Patent and Trademark Office P.O. Box 26 295 01 Mnichovo Hradiste (CZ)
Decision under appeal:	**Decision of the Examining Division of the European Patent Office dated 29 June 2012 refusing the request under Article 7(3) and (4) RFees and stating that the European patent application No. 04797395.3 was deemed to be withdrawn under Article 86(1) EPC as from 1 June 2010.**

Composition of the Board:

Chairman	G. Weiss
Members:	W. Ungler
	O. Loizou

Summary of Facts and Submissions

I. The appeal is directed against the decision of the Examining Division dated 29 June 2012 refusing the request under Article 7(3) and (4) RFees in relation to the payment of the sixth-year renewal fee plus additional fee for Euro-PCT application No. EP 04797395.3, and stating that the application was deemed to be withdrawn under Article 86(1) EPC as from 1 June 2010.

II. The application was filed as PCT/CZ2004/000075 with the Industrial Property Office of the Czech Republic on 12 November 2004. The renewal fee for the sixth year had fallen due on 30 November 2009. On 7 January 2010 the Examining Division issued a communication informing that said renewal fee, together with an additional fee, could still be validly paid within six months of the due date, i.e. by 31 May 2010.

III. Payment of EUR 900 for the renewal fee plus EUR 450 for the additional fee was received by the EPO on 6 May 2010. However, due to a change in the fee rate for payments made on or after 1 April 2010, an underpayment of EUR 67.50 occurred. With communication dated 20 May 2010 the professional representative duly appointed (hereafter: the representative) was invited to pay the missing amount within two months under Article 4(3) of the decision of the Administrative Council of 28 October 2009 amending the Rules relating to Fees (OJ EPO 2009, 587). However, the EPO had received no payment by the expiry of that period. With communication dated 7 September 2010 the representative was therefore informed pursuant to Rule 112(1) EPC that the European patent application was deemed to be withdrawn under Article 86(1) EPC.

IV. On 2 November 2010 the EPO received from the representative a copy of the aforementioned loss-of-rights communication containing the handwritten annotation "75,- EUR - 26.10.2010" and an exclamation mark next to the paragraph giving information about the legal remedy pursuant to Article 7(3) and (4) RFees.

V. With letter of 5 January 2011 the Examining Division informed the representative that the renewal fee for the 7th year had fallen due on 30 November 2010 and could still be validly paid up to the last day of the sixth calendar month following the due date, provided that the additional fee (50% of the renewal fee) was paid at the same time.

VI. By fax dated 22 May 2011 the EPO again received a copy of the loss-of-rights communication containing the handwritten remarks mentioned under point IV above.

VII. On 24 May 2011 the 7th-year renewal fee (and the additional fee) was paid.

VIII. In a letter dated 12 September 2011, received by the EPO on 14 September 2011, the representative pointed out that with respect to the 6th-year renewal fee (and the additional fee) an amount of EUR 1350 had been paid by 20 May 2010 and that the missing amount of EUR 67.50 had been paid with a surcharge of 10% on 26 October 2010. Thus, the full amount due had been paid. A copy of this letter was faxed to the EPO also on 7 October 2011.

IX. With communication of 20 October 2011 the Examining Division informed the representative that his reply to the communication dated 7 September 2010 noting a loss

of rights was being interpreted as a request under Article 7(3) and (4) RFees. Since the aforementioned provisions were only applicable if evidence was provided that the payment had been effected in an EPC contracting state before expiry of the period for the payment, evidence should be provided that an order to transfer the amount of the payment had been given to a banking establishment within the period in which the payment should have been made. Furthermore, the Examining Division noted that an invitation to pay the missing amount of the 6th-year renewal fee plus additional fee within a time limit of two months from notification of said communication had been notified. Thus, since the date of payment (26 October 2010), as indicated in the representative's reply, was well after the expiry of said time limit, the Examining Division concluded that the period for the payment could not be considered as having been observed pursuant to Article 7(3) RFees.

X. In its reply dated 7 November 2011 the representative "supposed" that the EPO had considered the payment to have been made on time due to its failure to react to the letter dated 2 November 2010 and the payment of 26 October 2010. Furthermore he argued that the matter was closed due to the fact that he had received the EPO's notice requesting the payment of the renewal fee for the 7th year.

XI. With letter of 4 January 2012 the Examining Division informed the representative that the renewal fee for the 8th year had fallen due on 30 November 2011 and could still be validly paid up to the last day of the sixth calendar month following the due date, provided that the additional fee (50% of the renewal fee) was paid at the same time.

XII. In its decision dated 29 June 2012 the Examining Division refused the request under Article 7(3) RFees and held that the application was deemed to be withdrawn under Article 86(1) EPC as from 1 June 2010. The Examining Division held, in essence, that a period for payment was only deemed to have been observed if the full amount of the fee was paid in due time. Since only EUR 1350 instead of EUR 1417.50 for the 6th-year renewal fee plus additional fee had been paid in the six-month time limit, the representative had been invited to pay the underpayment of EUR 67.50 within two months from notification of the communication dated 20 May 2010. But he had not done so until 26 October 2010, i.e. after expiry of the time limit fixed for payment. Thus, the Examining Division concluded that the payment could not be accepted under Article 7(3) RFees. Furthermore, the Examining Division refused to apply the principle of good faith, arguing inter alia, that automatic dispatch of notices by the EPO drawing attention to the payment of renewal fees, falling due in the meantime could not have led the applicants to the believe that no loss of rights had taken place.

XIII. Notice of appeal was filed on 27 August 2012, and the appeal fee was paid on 29 August 2012. In the first statement setting out the grounds of appeal, dated 10 October 2012 and received by the EPO on 26 October 2012, it was argued in essence as follows:
The EPO had misled the appellant with its notice of 7 January 2010 requiring the payment of EUR 1350 for the renewal fee for the 6th year and the additional fee. Although it had known that the fees had changed, it had not informed the appellant accordingly. The communication dated 7 September 2010 giving information about the loss of rights under Rule 112(1) EPC had not

been received by the representative. It was requested "recovery of rights", sent 6 reminders to the EPO asking about the status of the proceedings and made good the underpayment for the 6th year. In addition, the renewal fees (and additional fees) for the 7th and the 8th years had been paid as requested by the EPO. Moreover, according to the European Patent Register the application was still in examination ("Examination is in progress"). Thus, in view of the EPO's conduct of the proceedings the appellant had assumed that everything was in order with the patent application. Furthermore, the appellant requested the EPO to consider the underpayment of EUR 67.50 as a small amount pursuant to Article 8, last sentence, RFees. A second version of the statement setting out the grounds of appeal was filed on 29 October 2012.

XIV. In a communication dated 5 November 2013 the Board of Appeal set out its provisional non-binding opinion that:
- the renewal fee and the additional fee for the sixth year had not been paid in full before expiry of the time limit set by the communication dated 20 May 2010;
- the EPO had not taken any measures from which the appellant could legitimately have concluded that “everything is in good order with the application”;
- there was no justification in the present case for overlooking non-payment of the underpayment under Article 8, last sentence, RFees.

XV. In response to said communication the appellant with letter of 4 March 2014 stated that the Board’s communication dated 5 November 2013 had not taken into account the following:
- the request dated 23 June 2010 for debiting the deposit account;

- the non-receipt of the loss-of-rights communication dated 7 September 2010;
- the Examining Division's failure to communicate in time with the appellant;
- the failed notification of the Examining Division's decision dated 29 June 2012.

XVI. In a communication dated 8 April 2014 annexed to the summons to oral proceedings the Board of Appeal set out its provisional non-binding opinion on the issues addressed in the appellant's letter dated 4 March 2014.

XVII. Oral proceedings took place on 22 July 2014, during which the appellant emphasised that the EPO had given contradictory information about the amount to be paid as renewal fee for the sixth year, that it had always intended to pay the fees including the underpayment, and that the contradictory statements contained in the two versions of the statement setting out the grounds of appeal filed were due to language problems.

Reasons for the Decision

1. Appeal deemed to be filed and admissibility of the appeal

1.1 The impugned decision refusing the request under Article 7(3) and (4) RFees was despatched twice because the first letter containing the decision dated 29 June 2012 could not be notified to the addressee. In the absence of a valid notification the decision was despatched again on 13 September 2012 bearing same date. Receipt of the letter on 18 September 2012 was confirmed by the representative by signing the advice of delivery. Although the first letter had not been

received by the representative, notice of appeal was filed on 27 August 2012. The representative became aware of the decision via online file inspection and filed notice of appeal without having received the EPO's decision dated 29 June 2012 by post.

1.2 The fact that notice of appeal was filed, and the appeal fee paid, before the decision was notified does not mean that the appeal must be deemed not to have been filed. An appeal can be filed before notification of the reasoned decision in writing, i.e. before commencement of the two-month time limit under Article 108, first sentence, EPC (cf. also established case law, for example T 389/86, OJ EPO 1988, 87).

In view of the above, the Board judges that the appeal was filed in due time. The statements setting out the grounds of appeal were also filed during the prescribed four-month time limit under Article 108, third sentence, EPC. Thus, the appeal is admissible.

In this respect, the Board cannot follow the appellant’s submissions that he was disadvantaged by the failed notification of the decision dated 29 June 2012. As pointed out above, the decision was subsequently notified to the representative and the appeal – filed in the meantime – is considered to have been filed in due time. Thus, the Board cannot see how this has been detrimental to the appellant’s rights in the present case.

2. The appeal is against the decision of the Examining Division dated 29 June 2012 refusing the request under Article 7(3) and (4) RFees in relation to payment of the sixth-year renewal fee plus additional fee and finding that Euro-PCT application No. EP 04797395.3 was

deemed to be withdrawn under Article 86(1) EPC as from 1 June 2010.

According to the statement setting out the grounds of appeal (cf. page 3, last paragraph), the appellant "ask(ed) the EPO to continue in the proceedings on this application". During the oral proceedings on 22 July 2014 the appellant's representative confirmed the Board's understanding of the above wording as meaning that the appellant requested that the decision under appeal be set aside and that the case be remitted to the Examining Division for further prosecution.

3. From the submissions presented it appears that the appeal is based on the following main arguments:

a) all the fees were paid in due time;

b) there was a procedural violation during the first-instance proceedings because the noting of loss of rights dated 7 September 2010 was not notified to the representative;

c) the EPO gave misleading information about the amount to be paid, did not deal with the applicants' request in time and led the applicants to believe that everything was in good order (principle of good faith).

In addition the appellant requested that the amount of EUR 67.50 be regarded as small amount pursuant to Article 8, last sentence, RFees.

4. As regards the first argument:

4.1 The 6th-year renewal fee was not paid by the due date of 30 November 2009. The representative was therefore informed by communication dated 7 January 2010 that the 6th-year renewal fee of EUR 900 plus additional fee of

EUR 450 could still be validly paid within six months of the due date, i.e. by 31 May 2010.

4.2 Payment of EUR 900 for the renewal fee plus EUR 450 for the additional fee was received by the EPO on 6 May 2010. However, due to the change in the fee rate for payments made on or after 1 April 2010, an underpayment of EUR 67.50 occurred. With communication dated 20 May 2010 the representative was invited to pay the missing amount within two months under Article 4(3) of the decision of the Administrative Council of 28 October 2009 amending the Rules relating to Fees (OJ EPO, 2009, 587), i.e. by 30 July 2010. However, no payment had been received by the EPO by the expiry of that period. With communication dated 7 September 2010 the applicants were therefore informed pursuant to Rule 112(1) EPC that the European patent application was deemed to be withdrawn under Article 86(1) EPC.

4.3 The representative’s rather unusual letter dated 2 November 2010, being only a copy of the aforementioned loss-of-rights communication containing the handwritten annotation "75,- EUR - 26.10.2010" and an exclamation mark next to the paragraph giving information about the legal remedy pursuant to Article 7(3) and (4) RFees, was interpreted by the Examining Division as a request under Article 7(3) and (4) RFees. In the Board’s judgement, it must also be interpreted as a request under Article 7(3) and (4) RFees.

4.4 As also pointed out in the decision under appeal, the Board considers that the requirements of Article 7(3 (a)(i) or (ii) RFees are not fulfilled in the present case. The decisive criterion under Article 7(3)(a) RFees is whether either of the acts mentioned under subparagraph (i) or (ii) has been

performed *before expiry of the period* within which the payment should have been made. As confirmed by the appellant himself in the first version of the statement setting out the grounds of appeal, the payment was not effected within the period within which the missing amount of EUR 67.50 should have been paid but only on 26 October 2010, i.e. after expiry of the two-month time limit set by the communication dated 20 May 2010. Thus, the renewal fee plus additional fee for the sixth year were not paid in full before expiry of said time limit and - as a consequence thereof - the application is deemed withdrawn under Article 86(1) EPC.

4.5 Furthermore, it appears that the appellant's interpretation of Article 7(3) and (4) RFees is based on a misunderstanding that payment of a surcharge of 10% creates a possibility to pay the missing amount *after expiry* of the period within which payment should have been made. Payment of a surcharge of 10% is only necessary if payment is effected less than ten days *before* expiry of the period (cf. J 20/00 of 24 September 2001).

4.6 In the second version of the statement setting out the grounds of appeal, received by the EPO on 29 October 2012, and in the later letter dated 4 March 2014 the appellant’s representative contended that the deficit had already been paid via deposit account on 23 June 2010, i.e. within the time limit set by the Examining Division for doing so.

4.7 The Board disagrees: In the first statement of grounds of appeal received on 26 October 2012 the following passages can be found: “10 June 2010 – at a personal meeting, the applicant promised to pay the amount, even though it considered the process undertaken by the EPO

as incomprehensible; 23 June 2010 – the attorney sent a reminder to the applicant for the payment of EUR 67,50;". Furthermore, the following is stated in that first version of the statement of grounds of appeal: "26 October 2010 – the aforementioned amount of EUR 67,50 was paid to the EPO directly by the patent attorney, just to be sure;". In the second version of the grounds of appeal received on 29 October 2012 no meeting between the representative and the applicants on 10 June 2010 was mentioned and the text concerning the 23 June 2010 was amended to "23 June 2010 – Payment of fees and costs (deposit account)". There is no explanation on file as to why these passages of the grounds of appeal were subsequently deleted or amended. During the oral proceedings the appellant argued that there might have been language problems on the representative's or applicants' side and thus some information might have been overlooked. In that regard it is noted that according to the EPO's file no request for debiting EUR 67.50 from the deposit account was received on 23 June 2010. Moreover, both versions of the grounds of appeal confirm that the amount of EUR 67.50 was paid by the patent attorney on 26 October 2010, as put forward by the applicants in the first-instance proceedings, which is also in line with the EPO's records. In view of the above the Board does not accept that the assertion that the underpayment had already been paid on 23 June 2010 has been sufficiently proven.

5. As regards the appellant's second argument (cf. point 3(b) above):
It was submitted that the noting of loss of rights dated 7 September 2010 was not received by the representative. In that regard, it is noted that the representative - according to his own submissions -

became aware of the loss-of-rights communication via online file inspection and filed a request under Article 7(3) and (4) RFees in due time. In reaction to this request the Examining Division initiated proceedings in order to establish whether the sixth-year renewal fee plus additional fee had been paid in due time. In the end, the Examining Division refused said request and held that the application was deemed to be withdrawn under Article 86(1) EPC as from 1 June 2010. Thus, the Examining Division reviewed the communication issued under Rule 112(1) EPC and took a decision dated 29 June 2012 on whether the application was deemed withdrawn. Since a decision was taken under Rule 112(2) EPC the noting of loss of rights under Rule 112(1) EPC did not take any legal effect in the present case. Thus, the Board judges that the failure of notification of the loss of rights dated 7 September 2010 had neither a negative effect on the procedural position of the applicants nor any impact on the decision taken by the first instance. Hence, this procedural aspect cannot be considered as a ground to set the impugned decision aside.

6. As regards the appellant’s third argument relating to the application of the principle of good faith (see point 3(c) above):
By notice dated 7 January 2010 the applicants’ attention was drawn to the possibility of paying the 6th-year renewal fee plus surcharge within an additional six-month time limit as foreseen under Rule 51(2) EPC. The amounts to be paid were specified to be EUR 900 for the 6th-year renewal fee and EUR 450 for the additional fee. Furthermore, information was given in that notice about the fact that the amounts mentioned might be different - due to amendments to the Rules relating to Fees - from those due on the actual

date of payment (see last paragraph of the notice). Moreover, with communication dated 20 May 2010 information was given about the change of the fee rate and the applicants were invited to pay the missing amount within two months of notification of said communication, under Article 4(3) of the decision of the Administrative Council of 28 October 2009 amending the Rules relating to Fees (OJ EPO, 2009, 587). In view of the above the Board judges that the appellant did not receive misleading information about the amounts to be paid.

6.1 The appellant’s representative maintained that after payment of the missing amount the EPO made the appellant believe that "everything is in good order with the application". According to the case law of the Boards of Appeal the creation of legitimate expectations requires that the EPO's conduct, over a long period of time, leads the applicant to believe that no loss of rights has taken place, for example because the EPO actively continues the examination proceedings for several years in a decisive aspect (cf. e.g. J 14/94, OJ EPO 1995, 824; J 1/08 of 28 December 2009).

6.2 In the present case, in reaction to the request under Article 7(3) and (4) RFees received on 2 November 2010 and the letter dated 12 September 2011, the EPO informed the representative in a communication dated 20 October 2011 that the payment of the missing amount could not be accepted as having been made on time and that the request would be rejected if no further submissions or evidence were filed. Furthermore, the EPO dispatched two notices drawing attention to the possibility of paying the 7th-year and 8th-year renewal fees with additional fees. However, such notices are a

courtesy service designed to prevent further losses of rights if payment of an earlier renewal fee is (later) found to have been made on time.

6.3 In view of the above and the fact that substantive examination of the application in question never started the Board judges that the EPO has not taken any measures from which the appellant could legitimately have concluded that "everything is in good order with the application". On the contrary, the Examining Division's intention to reject the applicants' request under Article 7(3) and (4) RFees was explicitly set out in the communication dated 20 October 2011. Thus, the information allegedly given in the European Patent Register that "Examination is in progress" could only be understood as meaning that said request was still pending and not finally settled. Furthermore, the applicants' procedural behaviour during the first-instance proceedings is in line with this understanding, as in their letter dated 12 September 2011, i.e. even after payment of the seventh-year renewal fee, they saw the need to clarify their position by pointing out that the shortfall had been paid on 26 October 2010 and that the full amount of the sixth-year renewal fee plus additional fee had been paid. Thus, it seems clear that the payment of the (full) renewal fee for the sixth year was also in the applicants' view a pending issue.

6.4 Regarding the principle of good faith it was argued that the EPO did not react in due time to the request pursuant to Article 7(3) and (4) RFees. But firstly, it must be taken into account that the so-called 'request' was rather unusual, consisting only of a copy of the noting of loss of rights dated 7 September 2010 containing the handwritten annotation "75,- EUR -

26.10.2010" and an exclamation mark next to the paragraph giving information about the legal remedy pursuant to Article 7(3) and (4) RFees. This might have been one reason for the rather late reply by the Examining Division. Secondly, and this is the main point, irrespective of whether the processing of the request by the Examining Division might be regarded as belated, it is obvious from the representative's letter dated 12 September 2011, as pointed out above, that the issue of payment of the (full) renewal fee for the sixth year was also in the representative's view a pending issue. Hence, the principle of good faith does not apply in the present case, because the file shows clearly that the applicants and representative themselves did not regard the issue of payment of the renewal fee for the sixth year as finally settled, i.e. no legitimate expectations had been created requiring protection by applying the principle of good faith.

6.5 The appellant claims also that he relied on good faith due to the absence of any reaction by the EPO to his request for "recovery of rights". In that regard it is noted that according to the file said request did not reach the EPO, this being confirmed by the appellant's statement that the letter might have been wrongly addressed, *probably* to the German Patent Office. However, the task of properly addressing a letter and of monitoring whether it actually reached the EPO was the appellant's responsibility. Here it is worth mentioning that the appellant produced no copy of said letter.

6.6 In view of the above the Board judges that the EPO has not taken any measures from which the appellant could legitimately have concluded that "everything is in good order with the application".

7. As to the appellant's request that the sum of EUR 67.50 be considered a small amount within the meaning of Article 8, last sentence, RFees:

7.1 According to Article 8, first sentence, RFees, a time limit for payment is in principle deemed to have been observed only if the full amount of the fee has been paid in due time. According to the last sentence of that provision the EPO may, *where this is considered justified*, overlook any small amounts lacking without prejudice to the rights of the person making the payment.

7.2 There is no doubt that EUR 67.50 may be regarded a small amount in relation to the total sum payable for the 6th-year renewal fee and additional fee. However, even if the underpayment were considered small within the meaning of Article 8, last sentence, RFees, the EPO may exercise its discretionary power to overlook small amounts only if that is justified. No such justification exists in the present case, where the representative, by communication dated 20 May 2010, was specifically informed about the change in the fee rate which had occurred in the meantime and was invited to pay the amount lacking within a time limit of two months - which however he failed to do.

8. In view of the above the Board judges that the impugned decision deeming the application to be withdrawn due to the late payment of the renewal fee for the sixth year (Article 86(1) EPC) was correct and that, therefore, the appeal has to be dismissed. The fees paid without legal basis as from 1 June 2010 are to be refunded.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar: The Chairman:

C. Eickhoff G. Weiss

Decision electronically authenticated