

Internal distribution code:

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

**Datasheet for the decision
of 12 October 2016**

Case Number: J 0008/15 - 3.1.01

Application Number: 10729365.6

Publication Number: 2376248

IPC: B22F3/16, B22F3/11, B22F3/12,
B22F3/15, B22F3/17, C22C33/02

Language of the proceedings: EN

Title of invention:

METHOD FOR THE MANUFACTURE OF A METAL PART

Applicant:

Metec Powder Metal AB

Headword:

Re-establishment of rights

Relevant legal provisions:

EPC Art. 122
EPC R. 51, 112, 136

Keyword:

Re-establishment of rights - payment of renewal fee - all due care by the applicant (yes) - isolated mistake within a normally satisfactory monitoring system

Decisions cited:

T 0309/88, T 0030/90, J 0031/90, J 0032/90, J 0016/93,
T 0529/09, T 1289/10, T 2017/12

Catchword:



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 0008/15 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 12 October 2016

Appellant: Metec Powder Metal AB
(Applicant) Bofors Industriområde
691 80 Karlskoga (SE)

Representative: Bergenstråhle Group AB
P.O. Box 17704
118 93 Stockholm (SE)

Decision under appeal: Decision of the Examining Division of the European Patent Office posted on 5 March 2015 refusing the request for re-establishment of rights into the time limit for payment of the renewal fee for the fifth year and the additional fee pursuant to Rule 51(2) EPC.

Composition of the Board:

Chairwoman C. Vallet
Members: D. T. Keeling
R. Cramer

Summary of Facts and Submissions

I. European patent application 10729365.6 was filed on 8 January 2010 on behalf of Metec Powder Metal AB (hereafter "The Appellant").

II. The renewal fee for the fifth year fell due on 31 January 2014, in accordance with Rule 51(1) EPC. Having received no payment, the EPO sent a notice to the Appellant's representative on 10 March 2014, drawing attention to Rule 51(2) EPC and stating that the renewal fee could still be paid up to the last day of the sixth calendar month following the due date, provided that an additional fee of 50% was paid at the same time, failing which the European patent application would be deemed to be withdrawn pursuant to Article 86(1) EPC.

III. On 29 September 2014 the Receiving Section of the EPO sent the Appellant a notice of loss of rights under Rule 112(1) EPC. The Receiving Section observed that the renewal fee and additional fee had not been paid in due time and that the European patent application was deemed to be withdrawn.

IV. On 13 October 2014 the Appellant requested re-establishment of rights under Article 122 EPC. On the same date the Appellant paid the fee for re-establishment of rights as well as the renewal fee for the 5th year and the additional fee of 50%.

V. The Appellant argued as follows:

The Appellant uses the firm Patrafee AB for the payment of renewal fees. Patrafee AB sends notifications to the Appellant. The notifications have different check-boxes. The Appellant checks the box "betala" ("pay" in Swedish) if it wishes Patrafee AB to pay the fee and sends the notification back to Patrafee AB by ordinary mail. Patrafee AB receives the letter

and makes the payment. That system has always worked well in the past. The instant case was one of eight cases in which renewal fees were due at the end of July 2014. In all those cases the Appellant had decided to pay the renewal fees within the six-month period after the due date and to pay the additional fee of 50%. Patrafee AB sent the Appellant a reminder notification on 2 April 2014. An employee of the Appellant (Mr C. Åslund) checked the "betala" box and sent the notification back to Patrafee AB on 3 April 2014 by ordinary mail. Patrafee AB had also sent the reminder notification to the Appellant's representative, who forwarded it to Mr Åslund as an additional precaution. Mr Åslund telephoned Patrafee AB "both before and after 3 April 2014" and asked whether "there was anything in the pipeline". He did not "get any information about missing instructions" but got the response that everything was in order. According to a declaration by Mr Åslund, he spoke to Ms Åsa Enbom at Patrafee AB but she could not remember the phone call. In the absence of instructions Patrafee AB did not pay the renewal fees that were due on 31 July 2014. On 18 August 2014 Patrafee AB notified the Appellant that it had not received any response and that it had removed the cases from its system. That notification was received by the Appellant around 2 September 2014, at which point the Appellant realized that the renewal fees had not been paid. Patrafee AB informed the Appellant on 2 September 2014 that it had carried out an investigation and concluded that it had not received any payment instructions from the Appellant in April 2014.

The Appellant has taken all due care. It has a working system for the payment of renewal fees which has worked flawlessly until now. The Appellant took every reasonable action to ensure that the payments were made, including telephone calls to the renewal fee payment agency. Thus this was an isolated error in an otherwise satisfactory system.

VI. On 10 December 2014 the Receiving Section issued a preliminary opinion that the "due care" criterion laid down in Article 122 EPC had not been met. The Appellant was given a further opportunity to comment within two months.

VII. The Appellant submitted further comments by letter of 27 January 2015.

VIII. On 5 March 2015 the Receiving Section issued a decision refusing the request for re-establishment of rights and declaring that the European patent application was deemed to have been withdrawn as from 1 August 2014 under Article 86(1) EPC. All fees paid after that date, except the fee for re-establishment of rights, were to be refunded. The decision was reasoned as follows:

It is established case law that Article 122 EPC is intended to ensure that in appropriate cases the loss of rights does not result from an isolated mistake within a normally satisfactory system (J 2/86 and J 3/86). The duty to exercise all due care applies first and foremost to the applicant and then, by virtue of the delegation implicit in his appointment, to the professional representative (J 3/93). In the instant case it was the sole responsibility of the Appellant to provide Patrafee AB with payment instructions in due time and to ensure that Patrafee AB had actually received the instructions. The Appellant failed to exercise all due care required by the circumstances because, after returning the notification to Patrafee AB on 3 April 2014, it did not check whether the payment instructions had been received and whether payment had in fact been made. In addition, a telephone enquiry asking generally whether "everything is in order" does not fulfil the requirements of all due care. The Appellant should have requested a written statement, especially as it must have noted that no fees had been booked from its account and no invoice

had been received from Patrafee AB in respect of the relevant patent applications.

Even if renewal fees are paid by an outside firm or by the applicant itself, the appointed professional representative remains responsible in the procedure before the EPO and must take the necessary steps to ensure payment. That includes a reliable monitoring system and reminders to the applicant (see J 11/06, at point 8 of the reasons, and J 01/07, at point 4.1 of the reasons). A professional representative should be aware of the importance of observing time limits in connection with a patent application. Where several parties are involved (in this case the Appellant, its professional representative and Patrafee AB) extra care must be taken and some cross checking is needed in order to avoid the lapse of a right in proceedings before the EPO. Over a period of several months (3 April to 31 July 2014) it would still have been possible to pay the renewal fee if the payment situation had been carefully checked either with Patrafee AB or with the EPO.

IX. On 29 April 2015 the Appellant filed a notice of appeal against the decision of the Receiving Section of 5 March 2015. The appeal fee was paid on the same date. The Appellant requested that the decision under appeal be set aside and that the request for re-establishment of rights into the time limit for payment of the renewal fee for the 5th year and the additional fee be accepted. A statement setting out the grounds of appeal was filed on 2 June 2015.

X. The Appellant's arguments may be summarized as follows:

The Appellant has used a method for paying renewal fees that has proved reliable for over 15 years. Sometimes the fees have been paid within the ordinary period and sometimes within the additional six-month period provided for in Rule 51(2) EPC. When the renewal fee was paid within the additional six-month period, Patrafee AB sent the Appellant an invoice after the fee

had been paid and after the expiry of the extended due date. Thus the receipt of an invoice from Patrafee AB could not be used as a verification that instructions to make the payment had been received. The absence of an invoice before the final due date was no reason for the Appellant to assume that the instructions had not been received.

In the present case Mr Åslund, on behalf of the Appellant, telephoned Patrafee AB after posting the payment instructions and asked if everything was in order. He did not receive any information about missing instructions. He spoke to Ms Enbom, though she cannot recall the conversation. Possibly there was a misunderstanding. Mr Åslund wished to obtain confirmation that Patrafee AB had safely received his instructions to pay the renewal fees and that Patrafee AB would pay the fees. Ms Enbom may have understood differently and assumed that the necessary reminders were sent and that everything was in order. In the absence of instructions Patrafee AB did not pay the fees and informed the Appellant on 18 August 2014 that they had not received any response and had therefore removed the cases from their system. Only upon receipt of that notification, around 2 September 2104, did the Appellant realize that the renewal fees had not been paid.

The Appellant first sent written instructions by post and subsequently telephoned Patrafee AB to ensure that everything was in order. Mr Åslund could reasonably assume that Ms Enbom would tell him if something was not in order, for instance that payment instructions had not been received and that a number of patent applications would lapse soon, as he had a good personal relationship with the firm, and they would always receive instructions from him, even if he decided not to pay renewal fees. That is especially true if it is borne in mind that the payment instructions concerned a number of different patent applications. Subsequently the Appellant sent an e-mail to Patrafee AB on 8 July 2014, after having received a renewal fee reminder relating to other applications, asking if anything

would lapse in the near future. Patrafee AB answered by mentioning that there would be lapses on 30 and 31 October 2014, but did not mention the upcoming lapses on 31 July 2014. Thus the Appellant did everything that can reasonably be expected to ensure that the written instructions had reached Patrafee AB.

The Appellant's professional representative is not involved in the payment of renewal fees. Patrafee AB notifies the Appellant and receives instructions directly from the Appellant. There is a system for cross checking: when Patrafee AB receives a case from a representative the period for payment is calculated on the basis of the data provided and the file is exported back to the representative for verification and approval. This is a cross checking between the representative and Patrafee AB to ensure correct transfer of a case. This cross checking worked flawlessly in this case.

XI. Oral proceedings took place on 12 October 2016. The proceedings were attended by the Appellant's representative and by Mr Åslund, who provided further explanations about his company's relationship with Patrafee AB and about the method used for paying renewal fees. The Appellant handed in documents showing that re-establishment of rights has been granted in Germany, Denmark, Sweden and the United Kingdom.

Reasons for the Decision

Admissibility of the appeal

1. The appeal satisfies the requirements of Articles 106 to 108 and Rule 99 EPC and is therefore admissible.

Admissibility of the request for re-establishment of rights

2. Under Rule 136(1) EPC, a request for re-establishment of rights under Article 122 EPC be filed in writing within two months of the removal of the cause of non-compliance with the time limit, the non-observance of which led to the loss of rights. Moreover, the request must be filed at the latest within one year of the expiry of that time limit. Under Rule 136(2) EPC the request must state the grounds on which it is based and the omitted act must be completed within the relevant period for filing the request.

3. In the present case the loss of rights occurred as a result of the Appellant's failure to pay the renewal fee for the fifth year and the additional fee by 31 July 2014. The removal of the cause of non-compliance with the time limit occurred at the earliest when the Appellant received the notification from Patrafee AB of 18 August 2014 that Patrafee AB had removed the case from its system as no response had been received to the reminder of 2 April 2014. The request for re-establishment of rights was filed on 13 October 2014, *i.e.* within two months of the removal of the cause of non-compliance and within one year of the expiry of the unobserved time limit. On the same day the fee for re-establishment was paid and the omitted act was completed, inasmuch as both the renewal fee for the fifth year and the additional fee were paid. Thus, the requirements of Rule 136(1) and (2) EPC are met and the request for re-establishment of rights is admissible.

Allowability of the request for re-establishment of rights

4. According to Article 122(1) EPC, an applicant for a European patent whose application is deemed to have been withdrawn as a direct consequence of his non-observance of a time limit vis-à-vis the EPO can have his rights re-established, if he was unable to observe the time limit in spite of all care required by the circumstances having been taken.

5. All due care required by the circumstances means appropriate conduct by the Appellant and its representatives. In this respect it is necessary to assess how a competent party or representative would reasonably have acted (T 1289/10, Reasons, point 3.1, T 2017/12, Reasons, point 1.3.1). Under the established case law of the Boards of Appeal, an isolated mistake within a normally satisfactory system is excusable. The fact that a system has operated efficiently for many years may be evidence of the fact that a satisfactory system was in operation (see J 31/90, J 32/90, T 309/88 and T 30/90).

6. A significant factor in the present case - and a factor that distinguishes it from other cases in which re-establishment was requested after the non-payment of fees - is that Appellant's representative was not in charge of paying the fees. That task was to be performed by Patrafee AB acting on instructions from Mr Åslund alone. It was indicated during the oral proceedings that the representative forwarded the reminders sent by the EPO to his client and therefore fulfilled his duty (J 16/93).

7. The Appellant points out that the method that it used for paying renewal fees proved reliable for over 15 years. At the oral proceedings Mr Åslund informed the Board that he has used the services of Patrafee AB since 1994 and always found that firm reliable. As a result he has come to trust them and believed that he could safely assume that if he sent them instructions to make a payment those instructions would be executed and the payment would be made on time. Furthermore, he expected Patrafee AB to warn him if instructions had not been received in time, as he had a good personal relationship with the firm and they would always receive instructions from him, even if it had been decided to abandon an application. Concerning the fact that he did not notice not to have received the invoice corresponding to the renewal fees, as relied upon in the contested decision, he explained that the invoice was

usually sent later on so that it was not a relevant factor in the present situation.

8. The Board notes that Mr Åslund took certain steps to check whether his instructions to pay the renewal fee had been executed. First, he telephoned Patrafee AB soon after posting those instructions. Second, he contacted Patrafee AB by email on 8 July 2014, i.e. before the end of the grace period, expressly enquiring whether any payments fell due in the near future and requesting a reply "snabbast möjligt" (as soon as possible). Patrafee AB replied by email on the same day, referring only to renewal fees that fell due at the end of October 2014.

9. It is not entirely clear to the Board what circumstances led to the non-payment of the renewal fee. It is possible that the payment instructions which Mr Åslund sent to Patrafee AB on 3 April 2014 went astray. It is equally plausible, as Mr Åslund suggests, that the normally reliable service that he had come to take for granted, after many years of successful collaboration with Patrafee AB, was quite unexpectedly denied him in the present case as a result of internal reorganization and staff changes following a takeover in 2014, of which he was unaware at the time. Furthermore, there may have been misunderstandings in the communication between Mr Åslund and Patrafee AB with respect to the applications concerned and/or the legal entities on whose behalf he was enquiring.

10. The obligation to exercise due care must be considered in the light of the situation as it stood before the time limit expired. At that time Mr Åslund was not aware of changes at Patrafee AB and could reasonably have expected Patrafee AB to have informed him if any instructions had not been properly received for renewal fees that were due in the short term. As noted above, it is impossible to determine with any degree of certitude what caused the non-payment of the renewal fee. In

the circumstances it is appropriate to give the benefit of the doubt to the appellant (cf. T 529/09). The Board notes, moreover, that re-establishment of rights has been granted in Germany, Denmark, Sweden and the United Kingdom.

11. The Board considers therefore that the Appellant has shown that all due care required by the circumstances was taken. It follows that the application for re-establishment of rights under Article 122(1) EPC must be granted and the decision under appeal must be set aside.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The request for re-establishment of rights into the time limit for paying the renewal fee for the fifth year and the additional fee is granted.
3. The case is remitted to the department of first instance for further prosecution.

The Registrar:

The Chairwoman:



C. Eickhoff

C. Vallet

Decision electronically authenticated