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**Datasheet for the decision
of 10 October 2016**

Case Number: J 0014/16 - 3.1.01

Application Number: 09015402.2

Publication Number: 2206435

IPC: A22C15/00, B21D15/02

Language of the proceedings: EN

Title of invention:

Press-formed shape, in particular a smoking rod, and method of manufacturing thereof

Applicant:

BASTRA WEINDICH SPÓLKA JAWNA

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 (no),
exceptional circumstances (no),
isolated mistake within a normally satisfactory monitoring
system (no)

Decisions cited:

R 18/13, T 287/84, T 369/91, T 413/91, T 667/92, T 381/93, T
489/04, T 473/07, T 1465/07, T 1764/08, T 1962/08, T 836/09, T
942/12, J 0021/92, J 0024/92, J 3/93, J 9/93, J 0016/93, J
17/03, J 1/07, J 7/12, J 3/13

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 0014/16 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 10 October 2016

Appellant: BASTRA WEINDICH SPÓLKA JAWNA
(Applicant) Ul. Adamickiego 8
41-503 Chorzów (PL)

Representative: Lukaszzyk, Szymon
Kancelaria Patentowa Lukaszzyk
ul. Glowackiego 8
40-062 Katowice (PL)

Decision under appeal: **Decision of the Examining Division of the European Patent Office posted on 13 April 2016 rejecting a request for re-establishment of rights.**

Composition of the Board:

Chairwoman C. Vallet
Members: C. Brandt
C. Schmidt

Summary of Facts and Submissions

- I. The appeal lies from the decision of the Examining Division dated 13 April 2016 rejecting the request dated 11 September 2013, received on 19 September 2013, for re-establishment of rights in respect of the time limit for paying the fourth renewal fee (plus additional fee), and finding that European patent application No. 09015402.2 was deemed withdrawn with effect from 2 July 2013.

- II. The renewal fee for the fourth year - which is the subject of these proceedings - fell due on 31 December 2012. As it was not paid a Notice drawing the applicant's attention to Rule 51(2) EPC was issued on 4 February 2013. The six-month time limit pursuant to Rule 51(2) EPC for paying with an additional fee expired on 30 June 2013. On 8 August 2013 the EPO sent a notice of loss of rights pursuant to Rule 112(1) EPC to the appointed European representative, since the renewal fee for the fourth year and the surcharge had not been paid within the additional period according to Rule 51(2) EPC.

- III. With letter dated 19 September 2013, received on the same day, the applicant/appellant requested re-establishment of rights pursuant to Article 122(1) EPC in respect of the time limit for payment of the renewal fee for the fourth year and the additional fee attaching i.a. written testimonies of Mr. Gegontek (employee of the appellant) and Mr. Serylo (engineer from TELNETS Systemy Informatyczne Sp.zo.o). The renewal fee for the fourth year, the additional fee and the fee for re-establishment were all paid on 14 October 2013.

IV. With the contested decision the Examining Division rejected the request for re-establishment of rights. It came to the conclusion that the request was admissible but not allowable because neither the applicant nor the European representative having fulfilled their obligation under Article 122 EPC to exercise all due care.

V. By letter dated 2 June 2016, received on 13 June 2016, the appellant filed a notice of appeal including a statement of grounds of appeal.

VI. The appellant's arguments can be summarised as follows:

The appellant had a proper and reliable system of monitoring payments pertaining to patent applications and renewal fees. In particular the appellant had entrusted Mr. Lukaszyk, European Patent Attorney with the task of, inter alia, sending notices to the appellant about the upcoming renewal payments. Mr. Lukaszyk had informed the appellant by e-mail of 5 September 2012 about the need of payment of the search fee (555 EUR) and the examination fee (1244 EUR), which were paid by the appellant in due time. On 7 February 2013 the appellant had received an e-mail from Mr. Lukaszyk that the renewal fee for the underlying patent application had not been paid to the EPO attaching the EPO's communication of 4 February 2013 under Rule 51(2) EPC pointing out that the fourth renewal fee could be paid up until 30 June 2013 (the end of the six-month grace period) together with an additional fee. Unfortunately the amounts of the renewal fee and the search fee were identical (555 EUR). Therefore, Mr. Gegontek assumed that the payment of 555 EUR had already been done.

The appellant contends that non-payment of the fee was caused by an exceptional error of Mr. Robert Gegontek, employee of the appellant and the person responsible for making payments on its behalf. The error was due mainly to an unexpected breakdown of the appellant's information systems at the time of receiving the e-mail of 7 February 2013, resulting in the loss of large amounts of data and requiring Mr. Gegontek to spend almost two months trying to rectify the situation. The decision under appeal had completely ignored these exceptional circumstances, and had also failed to consider the written testimony submitted by Mr. Gegontek and Mr. Serylo, an engineer with TELNET Systemy Informatyczne Sp. z o. o. In the context of the breakdown, double-checking renewal-fee payments had not seemed a top priority, especially since in Mr. Gegontek's opinion the fee had already been paid.

The appellant cites board of appeal decisions which it believes support its case. It also emphasises that Mr. Gegontek is a highly experienced financial specialist who has been dealing with payments within its company for over nine years, had never made any mistakes with fee payments, and was supervised by the company's general manager.

Having never intended to withdraw its application, the appellant had assumed in good faith that all requisite fees had been paid. Good faith, and the *in dubio pro reo* rule required the EPO to take that into account.

The appellant further argues that in contrast to the Examining Division's opinion requiring the representative to send further reminders was unjustified; and that the payment of renewal fees was not part of its mandate.

- VII. The appellant requested that the decision under appeal be set aside and that the request for re-establishment of rights in respect of the time limit for paying the renewal fee for the fourth year with surcharge be allowed.
- Neither oral proceedings nor an interim-communication by the Board were requested.

Reasons for the Decision

1. The appeal complies with Articles 106 to 108 EPC and Rule 99 EPC and is admissible.
2. Admissibility of the request for re-establishment of rights
 - 2.1 In accordance with Rule 136(1) EPC the request must be filed within two months of the removal of the cause of non-compliance with the time limit, i.e. normally from the date on which the person responsible for the application becomes aware of the fact that a time limit has not been observed (cf. J 27/90 OJ EPO 1993, 422, 426) and within one year following the expiry of the unobserved time limit.
 - 2.2 In the present case the appellant essentially submitted that he had not noticed the failure to pay the renewal fee for the fourth year. Thus the date on which the European representative received the communication pursuant to Rule 112(1) EPC dated 8 August 2013 was decisive. Accordingly, the request for re-establishment of rights which reached the European Patent Office on 19 September 2013 was filed in due time.

- 2.3 The necessary acts required under Rule 136(1) and (2) EPC, i.e. payment of the renewal fee for the fourth year with surcharge, payment of the fee for re-establishment and submission of the grounds for re-establishment, were also performed in due time.
- 2.4 The appellant's request for re-establishment is therefore admissible.
3. Allowability of the request for re-establishment of rights
 - 3.1 Under Article 122(1) EPC, an applicant for a European patent who, in spite of all due care required by the circumstances having been taken, was unable to observe a time limit vis-à-vis the European Patent Office, which has the direct consequence of causing a loss of rights, shall, upon request, have his rights re-established.
 - 3.2 In assessing whether all due care required by the circumstances has been taken, the circumstances of each case must be considered as a whole (cf. T 287/84 OJ EPO 1985, 333, 338, Reasons 2; J 1/07 of 25 July 2007, Reasons 4.1). The requirement of due care must be judged in view of the situation existing before the time limit expired. This means that the measures taken by the party to meet the time limit must be judged in the light of the circumstances as they were at that time (cf. T 667/92 of 10 March 1994, Reasons 3; T 381/93 of 12 August 1994, Reasons 3; J 1/07 of 25 July 2007, Reasons 4.1).
4. The present case does not fulfil either of the case law's two criteria for acknowledging that a party took due care despite making some error that led to an

unintended failure to comply with a time limit, namely that said failure was the result either of *exceptional circumstances* or of an *isolated mistake within a normally satisfactory monitoring system* (see Enlarged Board of Appeal decision R 18/13 of 17 March 2014, point 11 of the Reasons).

5. The duty of due care under Article 122(1) EPC 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 of 22 February 1994, J 7/12 of 25 January 2013). Considering the facts and submissions underlying the present case at least the appellant has not taken all due care under Article 122(1) EPC.

Exceptional circumstances

6. The Board is not convinced that the computer-system breakdown described by the appellant, and the ensuing substantial data loss and organisational disruption, qualify as exceptional circumstances according to the above-mentioned case law. These days it is usual for companies or persons dealing with patent applications and patents to be equipped with computer systems and software to monitor fee payments and compliance with time limits. And it is also well known that computer systems can suffer program defects or even complete breakdowns, leading to loss of data (see T 473/07 of 30 November 2007). The consequences of such breakdowns are thus to a certain extent foreseeable and to be taken into account, like the organisational disruption caused for example by changing a computerised time-limit monitoring system (T 369/91 of 15 May 1992) or introducing a new computer system (T 489/04 of 8 September 2005). In these cases, the "all due care"

requirement of Article 122(1) EPC was not considered to have been met, and the request for re-establishment was refused. For such a request to meet that requirement, it is reasonable to expect the party making it to have taken appropriate measures to ensure that its business can continue to function if its computer systems break down. However, the appellant did not put forward that proper and appropriate precautionary measures had been taken in its company to avoid or at least mitigate the consequences of a computer-system breakdown or disruption.

7. In its statement of grounds of appeal the appellant cites decisions J 21/92 and J 24/92 in the context of changes to the fee-monitoring systems of both the applicant and his representative. However, the special circumstances in these cases involved further complications, so these decisions do not support the appellant's case. In those cases the unusual combination of the quite exceptional circumstances relating both to the reorganization of the system for payment of renewal fees at the applicant's company (MIT) and to the repeated changes in the system for payment of renewal fees at the particular US attorney's office, complicated by the fact that the latter no longer had responsibility for MIT's renewal fees at the point of time when the reminders (form 2522) that renewal fees were due were sent by the EPO to the European representative and by the latter to the US attorney, allowed said failure to be qualified as having occurred despite all due care required by the circumstances having been taken.

It is not clear to the Board why the appellant believes that "information system breakdown is something more serious than change of fee monitoring system". Albeit,

what is decisive and distinguishes the present case from the cited decisions is that it was not the information system breakdown as such that finally and inevitably lead to the non-payment of the fourth renewal fee plus additional fee, but that the missing of the respective time-limit was caused by an additional series of mistakes, inadvertences, omissions and misconceptions, as will be shown in detail below (see points 12 to 16). This erratic behaviour essentially led to the non-payment of the renewal fee up until 30 June 2013 (the end of the six-month grace period) together with an additional fee and prevents the assumption that all due care required by the circumstances having been taken in the present case.

Isolated mistake within a normally satisfactory monitoring system

8. In support of its contention that it had a "normally satisfactory monitoring system" the appellant says it had appointed a European representative (Mr Lukaszyk) to monitor and remind it about fees due, and that Mr Gegontek is a highly experienced financial specialist who has been dealing with payments within its company for over nine years, had never made any mistakes with fee payments, and was supervised by the company's general manager.

9. However, the appellant has not plausibly shown that these circumstances can be regarded as constituting a "normally satisfactory monitoring system", in the sense that independent control of those responsible actually occurs. The file shows that the appellant's company did not react properly to information and warnings from Mr. Lukaszyk about the fourth renewal fee, in particular with regard to the e-mails dated 5 September

2012 and 7 February 2013 and the latter attaching an EPO communication of 4 February 2013. Nor has the appellant explained what form the general manager's supervision took in practice. Simply asserting that this was the first instance of unintended failure to pay fees in time does not show that all due care was observed and that a satisfactory system was in place (T 1764/08 of 2 December 2010). In more recent case law, the boards of appeal have held that time-limit monitoring systems cannot be regarded as "normally satisfactory" just because they have worked without problems in the past, and that if doubts exist all due care may not have been taken. Evidence that a monitoring system has operated efficiently for many years will support its "normally satisfactory" character, but can be outweighed by evidence that essential hallmarks of that character, such as independent cross-checks, are missing (T 1465/07 of 9 May 2008; see also T 1962/08 of 12 December 2010).

10. The party requesting re-establishment of rights bears the burden of proving that the requirements are met (J 3/13 of 5 November 2014). The applicant, however, has failed to discharge that burden of proof by showing that its company operated a normally satisfactory monitoring system.
11. Furthermore, in the Board's opinion the time limit for paying the fourth renewal fee was not missed because of an "*isolated mistake*" in such a system. The facts submitted in the request for re-establishment and in the statement of grounds of appeal certainly do not suggest that the appellant made that kind of mistake.
12. Firstly, whilst the Board acknowledges the appellant's right to pay renewal fees (plus additional fees) right

up to the end of the longer period available under Rule 51(2) EPC, it also notes that no explanation has been forthcoming for not paying the fee in question before its due date of 31 December 2012. Timely payment could have been expected in view of the appellant's assertion that it never intended to withdraw or drop the application and Mr. Lukaszyk's confirmation, by e-mail of 5 September 2012, that the applicant itself would pay the fees for the application. The appellant has not argued that anything prevented it from paying the fourth renewal fee before 31 December 2012.

13. Secondly, the appellant has explicitly acknowledged that it received not only the Mr. Lukaszyk's e-mail of 5 September 2012 but also that of 7 February 2013 attaching the EPO's communication of 4 February 2013 under Rule 51(2) EPC pointing out that the fourth renewal fee could be paid up until 30 June 2013 (the end of the six-month grace period) together with an additional fee. One of the fees specified in the e-mail of 5 September 2012 as having been paid by the appellant was a "search fee [005]: EUR 555". In contrast, both the e-mail of 7 February 2013 and the attached EPO communication of 4 February 2013 make it quite clear that the fee concerned is the fourth renewal fee in the amount of 555 EUR. Even if that fee did, like the search fee already paid before, also amount to EUR 555, it is therefore neither comprehensible nor excusable that Mr. Gegontek thought he had already paid the renewal fee rather than the search fee as indicated in the e-mail of 5 September 2012 - especially given that the communication of 4 February 2013 includes the additional fee, giving a total of EUR 832.50, which is quite different from EUR 555.

14. That under these circumstances Mr. Gegontek "assumed" - as the appellant contends - that the EUR 555 had already been paid, without making any further enquiries to establish whether that "assumption" was actually correct, was a further mistake on the appellant's part. In such a situation, the duty of care required from "a highly experienced financial specialist dealing with payments within appellant's company for over 9 years", as the appellant describes Mr. Gegontek, means carrying out careful checks to establish the real facts (see J 7/12 of 25 January 2013, points 4 to 6 of the Reasons).

15. According to the appellant, the failure to pay the fourth renewal fee in time was mainly caused by the unexpected and exceptional circumstance of a computer system breakdown. As indicated in the request for re-establishment (point 4) and confirmed by written testimony dated 2 September 2013 from Mr. Serylo, an engineer with TELNET Systemy Informatyczne Sp. z o. o., the breakdown occurred on 1 February 2013 and lasted about two months. The appellant has not indicated, let alone proved, why it was unable to make arrangements for the fee to be paid in some other way, e.g. exceptionally by the European representative who had all the necessary data available. It is even harder to see what prevented it from making the payment before the time limit's expiry on 30 June 2013, by which time the disruption caused by the breakdown had ended, considering that according to the appellant's own submission, the breakdown was over by late March or early April 2013. This is at odds with its assertion that it took all due care to comply with the missed time limit.

16. The appellant says that in the context of the computer system breakdown, double-checking renewal-fee payments did not seem a top priority, especially since in Mr. Gegontek's opinion the fee had been already paid. This may indeed reflect the appellant's priorities and preferences in running its business, but the Board cannot regard such an attitude and response to the case in point as sufficient and appropriate evidence that the appellant has taken all due care within the meaning of Article 122(1) EPC. As stated above (see points 11 to 13 in particular), the appellant has put forward no facts or evidence that Mr. Gegontek, as the employee responsible within its company, was objectively unable (see T 413/91 of 27 February 1996) to take appropriate measures to ensure timely payment of the fourth renewal fee during the actual breakdown and especially once it was over - even bearing in mind that he was reportedly heavily involved in dealing with the breakdown and its consequences. The appellant cites T 836/09 of 17 February 2010, but that case is not comparable to the present one, since it involved a single isolated mistake: the inadvertent placing of documents in the wrong mailbox, leading to non-compliance with the time limit for filing an appeal. This mistake thus created an objective obstacle to filing the documents in time. Thus the circumstances of the present case differ from those underlying T 836/09.

17. Taking all these facts and circumstances into account, it appears to the Board that non-payment of the fourth renewal fee within the time limit under Rule 51(2) EPC was caused by a series of mistakes, inadvertences, omissions and misconceptions rather than a "series of unfortunate circumstances" as submitted by the appellant in its statement setting out the grounds of appeal (see point 7).

18. The appellant argues that, having never intended to withdraw its application, it had assumed in good faith that all requisite fees had been paid; in view of the principle of good faith, the EPO could not ignore that. However, it is not clear to the Board why not intending to withdraw an application, and paying all past fees, might give cause to apply the principle of protection of legitimate expectations. The appellant has put forward no reasons for taking the view that the EPO has acted in breach of good faith, and nor can the Board discern any. Nor can the appellant adduce in its favour any "*in dubio pro reo*" rule. Decision J 9/93, which was cited by the appellant in this context, was based on very specific circumstances, namely serious illness of the person in charge, leading to production being transferred and licences granted to a third company. So it too is not comparable with the present case.
19. As the Board's view is that the appellant failed to exercise all due care under Article 122(1) EPC, it sees no need to decide whether the appellant's European representative, Mr. Lukaszyk, was similarly at fault in the failure to pay the fourth renewal fee in time.
20. On these grounds the request for re-establishment of rights concerning the time limit for paying the fourth renewal fee plus additional fee is not allowable.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairwoman:



C. Eickhoff

C. Vallet

Decision electronically authenticated