

**Internal distribution code:**

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

**Datasheet for the decision  
of 3 August 2017**

**Case Number:** J 0019/16 - 3.1.01

**Application Number:** 05858797.3

**Publication Number:**

**IPC:** B60T8/32

**Language of the proceedings:** EN

**Title of invention:**  
ROTOR AND EXCITER RING

**Applicant:**  
Performance Friction Corporation

**Headword:**

**Relevant legal provisions:**

PCT Art. 3(4) (iv), 11(3), 14(3) (a), 24(1) (ii), 24(2), 25(2),  
48(2) (a)  
EPC Art. 127 sentence 1  
EPC R. 112(1), 143(1) (n)

**Keyword:**

International application - loss of rights in international phase  
parallel competences of receiving Office and designated Office (yes)  
time limits for request for excuse under Article 24(2) PCT  
principle of the protection of legitimate expectations  
missing entry in the European Patent Register

**Decisions cited:**

J 0014/94, J 0001/08, T 0905/90, T 0799/97, T 0854/12

**Catchword:**

The time limit, if any, for making a request to be excused under Article 24(2) PCT is subject to national law only. The two-month time limit pursuant to Article 25 PCT is therefore not applicable under Article 24(2) PCT.



**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 0019/16 - 3.1.01

**D E C I S I O N**  
**of the Legal Board of Appeal 3.1.01**  
**of 3 August 2017**

**Appellant:** Performance Friction Corporation  
(Applicant) 83 Carbon Metallic Highway  
Clover, SC 29710 (US)

**Representative:** Kador & Partner  
Corneliusstraße 15  
80469 München (DE)

**Decision under appeal:** Decision of the Receiving Section of the  
European Patent Office posted on 17 August 2016  
declaring the European patent application  
No. 05 858 797.3 deemed to be withdrawn with  
effect from 22 January 2009

**Composition of the Board:**

**Chairwoman** C. Vallet  
**Members:** G. Decker  
C. Brandt

## **Summary of Facts and Submissions**

- I. The appellant (applicant) contests the decision of the Receiving Section dated 17 August 2016 declaring that European patent application No. 05 858 797.3 is deemed to be withdrawn with effect from 22 January 2009.
- II. The application was based on an international application that was filed by the original applicant Robert Bosch GmbH under the PCT on 2 May 2005 with the United States Patent and Trademark Office (USPTO) as receiving Office, claiming priority of 24 May 2004. It was assigned the international application No. PCT/US2005/015105.
- III. The international application entered the European phase on 23 November 2006. The European Patent Office (EPO) assigned it the European application No. 05 742 104.2.
- IV. On 12 February 2008 the USPTO, not being competent under Rule 19(1)(2) PCT to receive the international application, transmitted the latter pursuant to Rule 19.4 PCT to the International Bureau of WIPO as receiving Office (IB/RO), which assigned it a new international application number (PCT/IB2005/004218) and informed the original applicant by communication dated 13 June 2008. The EPO subsequently assigned it the new European application No. 05 858 797.3.
- V. With communication of 11 December 2008 the Receiving Section issued a noting of loss of rights pursuant to Rule 112(1) EPC in respect of European application No. 05 858 797.3, informing the original applicant that the application was deemed to be withdrawn (Rule 160(1))

EPC) for non-performance of the acts required by Rule 159(1) EPC for entry into the European phase.

- VI. The IB/RO informed the original applicant's professional representative with notification dated 24 November 2008 that the prescribed fees for the international phase had not been paid and at the same time invited the original applicant to pay the unpaid fees and the late payment fee within one month from the date of mailing. The IB/RO subsequently notified the original applicant's professional representative with letter dated 22 January 2009 that the international application was declared to be considered withdrawn for failure to pay prescribed fees. The EPO as International Searching Authority has never drawn up an international search report.
- VII. The application was transferred in 2012 to a first transferee and in 2013 to the current applicant (which is the appellant) as second transferee. At the request of the new representative of the first transferee received on 13 July 2012, the EPO amended the entry in the European Patent Register concerning the representative and subsequently informed the applicant in its official communication dated 19 July 2012.
- VIII. Starting in 2007, the renewal fees for the third to eighth year were paid by the original applicant, the renewal fee for the ninth year by the first transferee and the renewal fees for the tenth to twelfth year by the appellant. The latter renewal fee was paid on 24 November 2016 after the EPO with a communication of 5 July 2016 under Rule 51(2) EPC had drawn attention to the missing payment of this renewal fee and to the consequence pursuant to Article 86(1) EPC whereby an

application is deemed withdrawn if a renewal fee is not paid in due time.

- IX. On 18 September 2014 the Receiving Section issued a communication informing the appellant that, in order to consolidate the proceedings concerning one single Euro-PCT application with two assigned European patent application numbers, proceedings would continue in respect of application No. 05 858 797.3 and that the communication of 11 December 2008 should be disregarded. Furthermore, the appellant was informed that the application could not be processed by the EPO as designated Office, as it was considered withdrawn in the international phase, and that the time limit for requesting review of the findings of the IB/RO under Articles 24(2) and 25(2)(a) PCT seemed to have expired. After the subsequent reply of the appellant dated 25 November 2014 with which it requested *"to further prosecute the 'correctly assigned' European application number EP 05858797.3 (PCT/IB2005/004218)"*, the Receiving Section with a communication of 10 November 2015 reiterated the opinion that it had already expressed.
- X. At the request of the appellant, the Receiving Section on 17 August 2016 decided that European patent application No. 05 858 797.3 was deemed to be withdrawn with effect from 22 January 2009 and that all fees paid after that date would be refunded once the decision had become final. It came to the conclusion that, as the IB/RO with notification of 22 January 2009 considered the international application withdrawn by virtue of Article 14(3)(a) PCT for failure to pay the prescribed fees, its effect as a regular Euro-PCT application (Articles 11(3) PCT, 153(2) EPC) had ceased as from the date of mailing of the notification from the IB/RO,

with the same consequences as the withdrawal of a European application (Article 24(1)(ii) PCT).

XI. On 17 October 2016, the appellant filed a notice of appeal and paid the appeal fee on the same date. The statement setting out the grounds of appeal was filed on 16 December 2016.

XII. As far as they are relevant for the board's decision, the appellant's submissions may be summarised as follows:

Once a pending international application has validly entered the European phase, its further fate is unaffected by possible deficiencies that occurred during the international phase and become apparent later on. Thus, the fact that the international application was deemed withdrawn did not influence the pendency of the European patent application, which by then had already validly entered the European phase.

Furthermore, the appellant could reasonably have assumed that the EPO had exercised its discretion under Article 24(2) PCT to maintain the effect of the international application despite its deemed withdrawal, as for more than seven years its conduct had suggested that the European patent application was still pending. In this respect, the appellant invoked the principle of good faith or protection of legitimate expectations and cited the allegedly pertinent decision J 14/94. Several circumstances of the present case gave rise to legitimate expectations in the appellant's favour: For example, after the deemed withdrawal of the international application and up to the issuing of the communication from the Receiving Section on 18 September 2014, the EPO did not issue a communication

indicating that the European patent application was deemed to be withdrawn. Also, as a consequence the Register up to said communication did not contain any information on or indication of the deemed withdrawal of the application which the appellant or third parties could obtain by inspecting the Register. Furthermore, the EPO continued the grant process, as can be seen from the amendment of entries in the Register concerning the applicant's representative, and accepted all renewal fees paid by the applicants. The notice from the EPO dated 5 July 2016 led to the reasonable assumption that the application was pending before the EPO and that only failure to pay the renewal fees in due time would lead to deemed withdrawal.

- XIII. In a communication under Article 15(1) RPBA, annexed to the summons to oral proceedings, the board informed the appellant of its provisional opinion that the loss of rights which had occurred in the international phase could no longer be remedied in the national phase.
- XIV. The appellant did not reply to the board's communication. However, with letter of 1 August 2017 it informed the board that it would not attend the oral proceedings.
- XV. The board held oral proceedings on 3 August 2017. As announced, the duly summoned appellant did not attend. During the oral proceedings, the board considered the appellant's request put forward in the statement of grounds of appeal that the decision under appeal be set aside and that the case be remitted to the department of first instance for further prosecution. At the end of the oral proceedings, the chairwoman announced the board's decision.



## **Reasons for the Decision**

1. The appeal complies with the requirements of Articles 106 to 108 and Rule 99 EPC and is therefore admissible.
2. The duly summoned appellant did not attend the oral proceedings. In accordance with Rule 115(2) EPC, however, the proceedings continued without it. In accordance with Article 15(3) RPBA, the board relied for its decision only on the appellant's written submissions. The board was in a position to decide at the conclusion of the oral proceedings since the case was ready for decision (Article 15(5) and (6) RPBA), and the voluntary absence of the appellant was not a reason for delaying the decision (Article 15(3) RPBA). The principle of the right to be heard pursuant to Article 113(1) EPC was observed since, by absenting itself from the oral proceedings, a party gives up this opportunity to be heard (see the explanatory notes to Article 15(3) RPBA cited in T 1704/06, not published in OJ EPO).
3. In its annex to the summons the board gave the following opinion on the merits of the case:

"2. According to Article 24(1)(ii) PCT, if for instance an international application is considered withdrawn by virtue of Article 14(3)(a) PCT, the effect of the international application provided for in Article 11(3) PCT in principle ceases in any designated state, with the same consequences as the withdrawal of any national application in that state. Exceptions to this rule are provided in Rule 90bis.6(a) PCT, in Article 25(2) PCT and in Article 24(2) PCT.

**3.** The Board of Appeal has examined the file and considered the written arguments submitted by the Appellant, in particular in the statement of 16 December 2016 setting out the grounds of appeal. The Board's provisional view is that the loss of rights concerning the application at issue which occurred in the international phase can no longer be remedied in the national phase and that the Receiving Section therefore - at least as regards the outcome - acted correctly when it refused the Appellant's request to further prosecute the application. In reaching that provisional view, which - if maintained - will lead to the dismissal of the appeal, the Board has taken into account the considerations set out in the following paragraphs.

**4.** *No effects of valid entry into the European phase*

**a.** The Appellant submitted that once a still pending international application has validly entered the European phase, its further fate is unaffected by possible deficiencies that occurred during the international phase and become apparent later on. Thus, the fact that the international application was deemed withdrawn did not influence the pendency of the European patent application which by then had already validly entered the European phase (*see points 2.4, 2.5 of the grounds of appeal*).

**b.** This view seems to ignore Article 24(1)(ii) PCT (see point 2 above), according to which possible deficiencies of the international application that occur during the international phase are generally relevant for its effect as a direct European application and as a rule come to bear in respect of the latter.

**c.** Furthermore, the competence of the designated Office to process or examine the application (only) after effective entry into the national phase (Articles 23, 22 PCT) does not prevent the receiving Office from undertaking a procedural step regarding the non-payment of fees prescribed under Article 3(4) (iv), Rule 27.1 PCT in the international phase. In fact, Article 14(3) (a) PCT does not impose any obligation on the receiving Office to issue a corresponding declaration under said regulation within a certain period of time after the expiry of the prescribed time limits. In addition, the PCT neither contains a provision which - complementary to the provision laid down in Article 23 PCT - generally denies the competence of the receiving Office to take procedural steps once the application has entered the national phase nor a provision which assigns the competence for issuing the aforementioned declaration to the designated Office after the expiry of a certain time limit. Hence, parallel competences of receiving Office and designated Office regarding the same application are not excluded.

**d.** As a result, neither the effective entry into the European phase nor the announced disregard of the noting of loss of rights dated 11 December 2008, communicated by the European Patent Office on 18 September 2014, are appropriate to prevent the already mentioned legal consequences that derive from failure to pay the prescribed fees during the international phase.

##### **5.** *Request for review under Article 25(2) PCT*

**a.** Where the conditions under Article 25(2) PCT are met, every designated Office must maintain the effect of the international application as a national patent

application pursuant to Article 11(3) PCT. Article 25(2) PCT obliges the designated Office to review the decision of the receiving Office at the request of the applicant and to maintain the effect of the application if the decision "*was the result of an error or omission*".

**b.** However, the original applicant never filed such a review request pursuant to Article 25(2) PCT within the prescribed time limit, and the Appellant too did not rely on this remedy. Having said that, as far as the non-payment of the fees is concerned, and possible procedural errors relating to the transmittal of the international application to the International Bureau as receiving Office notwithstanding, the International Bureau/receiving Office's decision dated 22 January 2009 is clearly not the result of an error: it is an undisputed fact that the original applicant failed to pay the fees due.

**6.** *Request for excuse under Article 24(2) PCT*

**a.** As a further exception to the principle pursuant to Article 24(1)(ii) PCT, the European Patent Office as designated Office by virtue of Article 24(2) PCT may maintain the effect of the international application as a European patent application pursuant to Article 11(3) PCT for other reasons, if the loss of rights occurred due to a mistake made by the applicant.

**b.** The Appellant expressly referred to this remedy when stating that it could reasonably have assumed that the European Patent Office had exercised its discretion under said Article, as for more than seven years its conduct had suggested that the European patent

application was still pending (*see points 2.13, 2.14 of the grounds of appeal*).

**c.** Contrary to the assessment of the Receiving Section expressed in its communications of 18 September 2014 and 10 November 2015, the Board does not hold that in the present case a request for excuse under Article 24(2) PCT is already ruled out because the alleged procedural prerequisites have not been fulfilled. In fact, the two-month time limit pursuant to Article 25 PCT is not to be applied for circumstances that are to be considered under Article 24(2) PCT: that would not be in line with Article 48(2)(a) PCT which obliges a contracting party to the PCT to "*excuse, for reasons admitted under its national law, any delay in meeting any time limit*". Thus, the time limit, if any, for making a request to be excused under Article 24(2) PCT is subject to national law, and to national law only.

**d.** However, the Appellant has not presented any facts and arguments whatsoever as to why - by ignoring the notifications of 24 November 2008 and 22 January 2009 - the fees due in the international phase were not paid, and why the European Patent Office as designated Office under Article 24(2) PCT should already have excused this deficiency that lay in the area of the applicant's own responsibility.

#### *7. Principle of the protection of legitimate expectations*

**a.** The protection of legitimate expectations is a fundamental principle of European patent law that has been explicitly recognised by the Enlarged Board and which can be taken into consideration under Article 24(2) PCT. There is no time limit for invoking it.

**b.** The protection of the legitimate expectations of users of the European patent system requires that such users must not suffer a disadvantage as a result of having relied on erroneous information received from the European Patent Office or on a misleading communication. It also requires the European Patent Office to warn the applicant of any loss of rights if such a warning can be expected in all good faith. Furthermore, it is incumbent on both the European Patent Office and users of the European patent system who are parties to proceedings before it to act in good faith. Users of the European patent system have a responsibility to take all necessary steps to avoid a loss of rights.

**c.** The Board is of the preliminary opinion that neither the original applicant nor the present applicant (Appellant) as its successor in title can successfully invoke the principle of the protection of legitimate expectations.

**d.** As regards the original applicant, the principle of the protection of legitimate expectations is not applicable in its favour since it did not comply with the subjective prerequisite of acting in good faith.

**aa.** This is due to the fact that the original applicant's professional representative got both the notification dated 24 November 2008 from WIPO's Receiving Office, containing the - required, see point 7. b. above - warning that the prescribed fees had not been paid together with the invitation to pay them within one month from the date of mailing and the note about the legal consequences of failing to do so, and the notification dated 22 January 2009 from the Receiving Office with the

declaration that the international application was considered to be withdrawn due to the failure to pay prescribed fees. Thus, once the applicant has got unambiguous knowledge of its loss of rights, a basis for the legitimate expectation that this right might still persist or resume cannot exist.

**bb.** Herein is to be found the decisive difference to the Board's ruling in J 14/94 which the Appellant has cited (*see point 2.16 of the grounds of appeal*): there the European Patent Office in the case of an unpaid renewal fee neither issued a notice drawing the applicant's attention to the possibility offered by Article 86(2) EPC 1973 nor issued thereupon a notice under Rule 69(1) EPC 1973 informing the applicant of its loss of rights due to the unpaid fee. In other words, in that case the European Patent Office had not informed the applicant of the outstanding payment, whereas here the former applicant has explicitly been notified of the loss of rights, and hence given the opportunity to file a petition for review of this decision under Articles 25(2), 24(2) PCT, an opportunity which it did not take. Therefore the former applicant could not continue the examination procedure in good faith.

**cc.** The former applicant additionally appears undeserving of protection because it showed a lack of good faith by ignoring the communication from the European Patent Office dated 11 December 2008 instead of clarifying that the payment of the prescribed fees under Rule 159(1)(c)-(f) EPC had in fact already taken place in respect of application number EP 05 742 104.2. The same applies to the fact that the former applicant apparently ignored

the notification from the International Bureau of WIPO/Receiving Office of 13 June 2008, too, which expressly asked it to indicate, in any future correspondence in connection with the underlying international application, the international application number newly assigned by the Receiving Office (PCT/IB2005/004218). This conduct shown by the former applicant seems at odds with the requirement that users of the European patent system must act in good faith, which is why they have a responsibility to take all necessary steps to avoid a loss of rights (see point 7. b. above) and therefore could for instance have an obligation to request a clarification from the European Patent Office (see T 905/90, OJ EPO 1994, 306, 316, 318, points 6 and 7 of the Reasons).

**dd.** Hence, at the time the international patent application at issue was transferred to the first transferee on 30 May 2012 and later to the Appellant on 5 August 2013, the effect of the international application as a European patent application had already ceased and could not be restored under the principle of the protection of legitimate expectations.

**e.** As a consequence, the Appellant - who, by the way, has not explicitly stated that it was not informed by its predecessor in title of the loss of rights that had already occurred - may not, in its role as transferee, successfully invoke the principle of the protection of legitimate expectations: since the effect of the international application as a European patent application had already ceased at the time it was transferred to the Appellant (see point 7. d. dd. above), a resumption of the rights conferred by the



application cannot be effected by the mere transfer of the application to third parties acting in good faith.

**f.** In addition, none of the aspects listed by the Appellant in its statement setting out the grounds of appeal can give rise to legitimate expectations in favour of the Appellant in its own role as applicant.

**aa.** Firstly, this applies to the fact that the European Patent Office - up to the issuance of the communication from the Receiving Section on 18 September 2014 with which the Appellant was notified of the loss of rights for the first time and contrary to its obligation pursuant to Rule 112(1) EPC regarding application number EP 05 742 104.2 - did not issue a communication that the European patent application was deemed to be withdrawn (*see point 2.7 of the grounds of appeal*), as well as, over a period of eight years (2007-2014) and despite said loss, did not refund the 3<sup>rd</sup> to the 10<sup>th</sup> renewal fees (*see point 2.9 of the grounds of appeal*).

**(1)** Sources of legitimate expectations generally require **positive actions**, such as erroneous information provided by the European Patent Office in individual cases (e.g. in the form of communications to the party) or contained in official statements of general applicability and published by the European Patent Office. A mere omission by the European Patent Office may thus give rise to legitimate expectations only if further circumstances comparable to positive actions arise, such as a misleading communication.

**(2)** Consequently, also in the case underlying the already cited decision J 14/94 the Board held that - in the absence of a provision in the European Patent Convention imposing any obligation on the European Patent Office to issue a corresponding communication under Rule 69(1) EPC 1973 within a certain period of time after a loss of rights has occurred - the mere fact that a communication pursuant to Rule 69(1) EPC 1973 is issued late may not, in itself, reverse a loss of rights (see point 3 of the Reasons). In the concrete case, however, additional circumstances existed that led to the legitimate belief that the application was still pending, since the European Patent Office not only accepted all the fees paid by the appellant but also continued substantive examination by issuing several communications inviting the appellant to perform procedural steps required with a view to a later grant of the patent. Consequently, the appellant, trusting that the application was still pending, invested time and effort in the examination procedure (see points 4 and 5 of the Reasons).

**(3)** In the present case, on the contrary, the European Patent Office - apart from accepting payments of renewal fees - did not issue any communications regarding the substantive examination of the application or otherwise conduct itself in a way that suggested that it would continue or rather,

in the absence of an International Search Report, start the substantive examination procedure. The same applies to the fact submitted by the Appellant (*see point 2.8 of the grounds of appeal*) that the European Patent Office, upon request by a new representative received on 13 July 2012, amended the entries in the Register of European Patents concerning the representative and subsequently informed the applicant in its official communication dated 19 July 2012: the amendment and the communication hereof referred solely to a circumstance pertaining to the sphere of the applicant and did not relate to the substantive examination procedure. Hence, the Appellant was at no time prompted to invest any time or effort in this procedure.

**(4)** Accordingly, also in J 1/08 the Board held that the mere fact that for an admittedly extremely long time the European Patent Office has simply not dealt with the application is not sufficient to justify a legitimate expectation on the applicant's part that the application is regarded by the European Patent Office as still pending (*see point 12 of the Reasons*).

**(5)** As a result, the fact that the European Patent Office for a long period did not communicate the loss of rights and accepted the fees paid by the applicants is not enough to give rise to legitimate expectations.

**bb.** Furthermore, contrary to the Appellant's view (see point 2.9 of the grounds of appeal) the notice from the European Patent Office dated 5 July 2016, informing it that the renewal fee had not been paid by the due date, can also not be regarded as a source of legitimate expectations.

**(1)** This is already due to the fact that this notice was issued after the communication from the Receiving Section on 18 September 2014, with the effect that the Appellant at the time of said notice was already aware of the loss of rights and could therefore no longer act in good faith.

**(2)** In addition, the indication in the penultimate paragraph on page 1 of the notice ("*If the renewal fee and the additional fee are not paid in due time, the European patent application shall be deemed to be withdrawn (Art. 86(1) EPC)*") is not a legitimate basis for a reasonable expectation that the application at issue is pending before the European Patent Office and that only failure to pay the renewal fees in due time would lead to a deemed withdrawal, as asserted by the Appellant. Rather, the cited sentence draws attention only to the legal consequences concerning the sole subject of the notice, i.e. the payment of the renewal fee and the additional fee, and does not make any statement whatsoever about further possible deficiencies concerning the application that may lead to its deemed withdrawal.

**cc.** Lastly, these findings are not called into question by the fact relied on by the Appellant (*see points 2.11 and 2.12 of the grounds of appeal*) that the Register of European Patents, up to the issuance of the official communication from the Receiving Section of 18 September 2014 and contrary to the registration obligation pursuant to Article 127, first sentence, and Rule 143(1)(n) EPC, did not contain any information or indication of the deemed withdrawal of the application at issue which the Appellant or third parties could obtain by inspecting the Register: the European Patent Convention does not contain any provisions stipulating that entries (or omission of entries) in the Register can be invoked against the European Patent Office itself or third parties. In fact, entries in the European Patent Register have a declaratory effect only; the commencement, the existence and the cessation of a right depend only on their respective substantive requirements, which is why an entry (or lack of one) in the European Patent Register does not necessarily mean that its content is correct (*see T 799/97, point 3.2 a) of the Reasons; see also T 854/12, point 1.2.5 of the Reasons*). As a consequence, the Appellant could not legitimately conclude from the absence of an entry in the Register about the loss of rights that there were no obstacles to continuing the grant process."

4. The appellant did not submit further arguments as to substance against this opinion.

After having reconsidered the case, the board sees no reason to deviate from its preliminary opinion as given in point 3 above. The board therefore comes to the conclusion that the loss of rights which occurred in

the international phase can no longer be remedied in the national phase. Thus, the finding of the Receiving Section that the patent application at hand is deemed to be withdrawn with effect from 22 January 2009 and that all fees paid after this date are to be refunded is justified. The appeal is therefore to be dismissed.

## Order

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

The appeal is dismissed.

The Registrar:

The Chairwoman:



C. Eickhoff

C. Vallet

Decision electronically authenticated