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File Number: J 1/91 - 3.1.1

Application No.: 90 304 744.7

Publication No.:

Title of invention: Bypassing double action rope grip

Classification: A62B 35/04

I N T E R L O C U T O R Y  
D E C I S I O N  
of 31 March 1992

Applicant: LATCHWAYS LIMITED

Headword:

EPC Articles 60, 61, 125, 164; Rules 13, 14 15, 16

Keyword: "Final decision of Contracting State;  
Party other than applicant entitled to patent;  
Withdrawal of original application;  
Pendency of original application;  
Entitlement to patent;  
Filing of new patent application;  
Referral to Enlarged Board".

Headnote

The following question is referred to the Enlarged Board of Appeal:

Where it has been adjudged by a final decision of a national court that a person other than the applicant is entitled to the grant of a European patent, and that person, in compliance with the specific requirements of Article 61(1) EPC, files a new European patent application in respect of the same invention under Article 61(1)(b) EPC, is it a pre-condition for the application to be accepted that the original usurping application still be pending before the EPO at the time the new application is filed?



Case Number : J 1/91 - 3.1.1

**I N T E R L O C U T O R Y  
D E C I S I O N  
of the Legal Board of Appeal 3.1.1  
of 31 March 1992**

**Appellant :**

Latchways Limited  
3, St. Mary Street,  
Chippenham,  
Wiltshire,  
SN15 3JL (GB)

**Representative :**

Ben-Nathan, Lawrence Albert  
Urquhart-Dykes and Lord,  
91 Wimpole Street,  
London W1M 8AH (GB)

**Decision under appeal :**

**Decision of the Receiving Section of the European  
Patent Office dated 27 December 1990 refusing to  
consider European patent application  
No. 90 304 744.7 to be an application under  
Article 61(1)(b) EPC.**

**Composition of the Board :**

**Chairman :** O. Bossung  
**Members :** G. Davies  
J.P. Seitz

**Summary of Facts and Submissions**

I. On 1 May 1990, Latchways Limited filed European patent application No. 90 304 744.7 under Article 61(1)(b) EPC. The application was filed subsequent to a final decision of the comptroller of the UK Patent Office dated 6 March 1990 concerning a reference under Section 12(1) of the UK Patents Act 1977 for a ruling on the question whether Latchways Limited (hereinafter referred to as "Latchways") was entitled to the grant of European patent application No. 85 400 859.6. The latter application had been filed on 2 May 1985 by Cleveland E. Dodge JR, claiming priority from US application No. 606 351, filed on 2 May 1984, and is hereinafter referred to as the "Dodge European application".

II. According to the evidence, the sequence of events leading to the referral to the UK comptroller of patents of the question of Latchways' right to the Dodge European application was as follows.

In June 1982, Dodge, described by the UK comptroller as "someone who would exploit or develop Latchways' product in the United States", was shown, in confidence, a prototype and sample respectively of two separate rope grip devices by representatives of Latchways. On 2 May 1984, Dodge applied for a US patent for a rope grip device and subsequently filed the Dodge European application on 2 May 1985, claiming priority from the US application.

The Dodge European application was published on 4 December 1985 under No. EP-A-0 163 563. It was subsequently deemed to be withdrawn with effect from

5 August 1986 for failure to pay the examination fee (Article 94(3) EPC).

Latchways continued development work on rope grip devices and on 14 November 1986 filed application No. 8 627 320 in the UK. A European application, No. 87 309 752.1, claiming priority from the UK application, was filed on 4 November 1987 and subsequently published on 29 June 1988 as EP-A-0 272 782. The existence of the prior Dodge application was revealed to Latchways in the European search report, which it received on 28 April 1988. The reference under Section 12(1) of the UK Patents Act 1977 by Latchways to the UK comptroller was filed on 10 August 1988 and the decision referred to in I above was handed down on 6 March 1990.

In the reference filed under Section 12(1) of the UK Patents Act 1977, Latchways claimed to be entitled to be granted a patent for the invention disclosed in the Dodge European application. It also sought an order under Section 12(6) entitling it to make an application for a patent under the Patents Act 1977 for that invention, with the application being treated as having been filed on the filing date of the European application.

III. According to the decision of the comptroller, Latchways was found to be entitled to be granted a patent for the invention disclosed in the Dodge European application. By way of relief, as requested, he exercised his discretion under Section 12(6) of the UK Patents Act 1977 and ordered that Latchways make a new application under that section for a patent in respect of the invention, subject to amending the claims in certain respects. He ordered further that the new application be treated as having been filed on the date of filing of the Dodge European application, that is, 2 May 1985. In making the order

concerning the priority date, the comptroller took account of the fact that, in finding Latchways to be entitled to apply for a patent for the invention disclosed in the Dodge European application, a substantial period would have elapsed between the Dodge European application and any Latchways' application with respect thereto. He expressed the view that it had been reasonable of Latchways to divulge its invention in confidence to Dodge and that the company had acted with reasonable dispatch after learning of the Dodge European application.

IV. On 1 May 1990, Latchways filed a new European patent application in respect of the invention disclosed in the Dodge European application under Article 61(1)(b) EPC. Latchways submitted that the decision of the UK comptroller of 6 March 1990 was a final decision within the meaning of Article 61(1), which had to be recognised on the basis of the Protocol of Jurisdiction and the Recognition of Decisions in Respect of the Right to the Grant of the European Patent annexed to the EPC (hereinafter referred to as the Protocol on Recognition).

V. In the decision under appeal, the Receiving Section refused Latchways' request that its application be considered an application under Article 61(1)(b) EPC on the ground that an application may be made under Article 61 (and the relevant Rules) only "in the frame of a pending initial procedure". In view of the fact that the Dodge European application had been deemed withdrawn with effect from 5 August 1986, the filing of the application under Article 61(1)(b) was not valid. The Receiving Section relied upon decision T 146/82, which, it said, "clearly makes the stay of proceedings dependent on a still pending initial procedure". The following passage from the headnote to the case was quoted "provided that the European patent application has not been withdrawn or

is not deemed to be withdrawn". The Receiving Section ordered, therefore, that the application be dealt with as a new European patent application with a filing date of 1 May 1990. The priority based on US patent application No. 606 351 of 2 May 1984 was not recognised since more than one year had elapsed between that date and the filing date of 1 May 1990 accorded by the Receiving Section's decision to Latchways' application.

VI. Latchways appealed against the decision of the Receiving Section, filing a notice of appeal, a statement of grounds of appeal and paying the prescribed fee on 19 February 1991, and requested cancellation in its entirety of the decision to refuse to consider the application as an application under Article 61(1)(b) EPC. The appellant challenged the decision on the grounds that a distinction should be made between the three alternatives open to the person entitled under Article 61, paragraphs (1)(a), (b) and (c) and that paragraph (1)(b) did not require a pending application. The only restriction given in Article 61 was that "the European patent has not yet been granted". With regard to decision T 146/82, in Latchways' opinion, the headnote would have been no more than a statement of the obvious unless a situation was envisaged where a relevant final decision could still be of relevance after the original European patent application had been withdrawn. It was pointed out also in the grounds of appeal that, were the appeal to be refused, the applicant would lose patent protection for the invention in all the designated countries other than the United Kingdom.

VII. Subsequently, Latchways submitted a supplementary request dated 21 February 1991 (received 25 February 1991)

requesting that, should the appeal be refused, it be granted a refund of the fees paid in respect of the application.

VIII. On 29 September 1991, a Communication under Article 110(2) EPC was sent by the Board to the appellant's representative informing him, without prejudice to its final decision, that the preliminary view of the Board was that Article 61(1) as a whole only applied in the frame of a pending procedure and that, in this respect, no distinction could be drawn between the three options open to the person entitled. The appellant was invited to file further observations.

On 15 October 1991, a reply was received from the appellant in which a number of points were made, which may be summarised as follows:

Article 61(1) EPC provides three separate and distinct ways of proceeding and does not specifically exclude the case where the relevant earlier European patent application is no longer pending. The sole condition in Article 61(1) is that the European patent should not have been granted. Article 61(3) states only that the procedure to be followed is given in the Implementing Regulations. The Articles of the Convention are paramount in determining the provisions of the EPC. Rule 15, which specifically relates to the filing of a new European patent application by the person entitled to apply, and deems the original application to be withdrawn with effect from the date of filing the new application, is compatible with a situation where the original patent application had already been deemed to be withdrawn.

The appellant also reiterated the argument (see VI, above), that the applicants' rights would be severely

prejudiced in a number of European countries if an unjustifiably limited interpretation were to be given to Article 61. It was not the applicant's fault that the earlier European application had been abandoned. It had had no control over that situation.

Finally, the appellant submitted that, in view of the importance of the matter, the case should be referred to the Enlarged Board of Appeal.

#### Reasons for the Decision

1. The appeal satisfies the conditions of Articles 106 to 108 and Rule 64 EPC and, therefore, is admissible.
2. Article 112(1)(a) EPC empowers a Board of Appeal, during proceedings on a case, either of its own motion or following a request from a party to the appeal, to refer a question to the Enlarged Board if it considers that a decision is required on an important point of law which has arisen. In the present case, the Appellant has requested referral to the Enlarged Board. Moreover, the Board of Appeal considers that a decision of the Enlarged Board is so required in relation to the important point of law which has arisen in the present case, in particular in view of the fact that any decision on the question will affect the relationship between the EPC and the national law of a Contracting State.
3. According to Article 60(1) EPC, the right to a European patent shall belong to the inventor or his successor in title and Article 60(3) lays down the principle that "For the purposes of proceedings before the European Patent Office, the applicant shall be deemed to be entitled to exercise the right to the European patent". Article 61,



however, provides a mechanism to deal with the situation where a European patent application is made by a person not having the right thereto. Where, by a final decision of a competent national court, it is adjudged that a person other than the applicant is entitled to the grant of a European patent, that person has the right under Article 61(1) to either:

- (a) prosecute the application as his own application in place of the applicant (Article 61(1)(a));
- (b) file a new European patent application in respect of the same invention (Article 61(1)(b)); or
- (c) request that the application be refused (Article 61(1)(c)).

The claimant may take one of these steps within three months of the decision of the national court becoming final provided that the European patent has not yet been granted (Article 61(1)).

- 4. Jurisdiction to decide claims, against the applicant, to the right to the grant of a European patent lies with the courts of the Contracting States by virtue of the Protocol on Recognition referred to in Article 61(1) (cf. Article 1 of the Protocol on Recognition).

The term "court" (Article 2 Protocol) includes authorities which, under the national law, have jurisdiction to decide such claims.

- 5. Section 12(1) of the UK Patents Act 1977, in its application to a European patent and an application for any such patent, has effect subject to Section 82 of the Act. Section 82(2) provides that Section 12 confers

jurisdiction on the comptroller to determine certain questions. Section 82(3) states: "This Section applies to a question arising before the grant of a European patent whether a person has a right to be granted a European patent". Section 82(4) gives the court and the comptroller jurisdiction, inter alia, if the party claiming that the patent should be granted to him has his residence or principal place of business in the United Kingdom and the applicant does not have his residence or principal place of business in any of the relevant Contracting States. This condition is satisfied in the present case as Latchways has its principal place of business in the UK and Dodge is resident in the United States of America.

6. In the case under appeal, the jurisdiction of the UK courts to determine Latchways' claim is expressly recognised by Article 3 of the Protocol on Recognition which provides that "... if the party claiming the right to the grant of the European patent has his residence or principal place of business within one of the Contracting States, the courts of the latter State shall have exclusive jurisdiction".
7. The question whether Latchways was entitled to the grant of a European patent, in respect of the invention disclosed in the Dodge European application, was referred under Section 12(1) of the UK Patents Act 1977 to the comptroller of the UK Patent Office. As seen above, the latter had jurisdiction to decide the issue in conformity with the provisions of the UK Patents Act 1977 giving effect to the UK's obligations under the EPC and the Protocol on Recognition.
8. Section 12(1) of the UK Patents Act 1977, which deals with questions of entitlement to, inter alia, European patents, provides:

"At any time before a patent is granted for an invention in pursuance of an application made under the law of any country other than the United Kingdom or under any Treaty or international convention (whether or not that application has been made) -

(a) any person may refer to the comptroller the question whether he is entitled to be granted ... any such patent for that invention or has or would have any right in or under any such patent or an application for such a patent ... and the comptroller shall determine the question so far as he is able to and may make such order as he thinks fit to give effect to the determination".

9. Section 12(6) deals with the powers of the comptroller to make orders, in certain specific cases, to give effect to a determination of entitlement under Section 12(1) by giving relief under the UK Patents Act. In particular, it refers to the case "where an application for a European patent (UK) is refused or withdrawn, or the designation of the United Kingdom in the application is withdrawn, after publication of the application but before a question relating to the right to the patent has been referred to the comptroller under sub-section (1) above ..." and provides that, in such case, "the comptroller may order that any person (other than the applicant) appearing to him to be entitled to be granted a patent under this Act may ... make an application for such a patent for the whole or part of any matter comprised in the earlier application ... and that, if the application for a patent under this Act is filed, it shall be treated as having been filed on the date of filing the earlier application".

10. In the case under appeal, the comptroller thus had two issues before him. The reference under Section 12(1) for a

determination of the question whether Latchways was entitled to be granted a patent for the invention in the Dodge European application and a request for relief in the form of an order pursuant to Section 12(6). A decision under Section 12(1) was also a prerequisite for an order under Section 12(6). Although the comptroller made no specific order or declaration under Section 12(1), he declared himself satisfied from the evidence that there was subject-matter in the Dodge European application that was obtained from Latchways in confidence and that Latchways was in principle entitled to be granted a UK patent for it. He therefore made an order pursuant to Section 12(6) to the effect that Latchways might make a new application under that Section for a UK patent in respect of the invention disclosed in the Dodge European application. He ordered further that the new application be treated as having been filed on the date of filing of the Dodge European application, namely 2 May 1985. The Board is satisfied that the decision of the UK comptroller is a valid decision under Section 12(1) of the Act.

11. The Protocol on Recognition of 5 October 1973 referred to above provides in Article 9 that "final decisions given in any Contracting State on the right to the grant of a European patent in respect of one or more of the Contracting States designated in the European patent application shall be recognised without requiring a special procedure in the other Contracting States". Furthermore, "the jurisdiction of the court whose decision is to be recognised and the validity of such decision may not be reviewed".
  
12. Under Section 12(7)(b) of the UK Patents Act 1977, a decision is taken to be final when the time for appealing from it has expired without an appeal being brought or, where an appeal is brought, when it is finally disposed

of. In this case, no appeal was brought and the comptroller's decision is to be considered a final decision within the meaning of Article 61 EPC.

13. Under Article 61 EPC and the Protocol on Recognition, the issue of entitlement to the grant of a European patent application in case of dispute is to be determined by the national courts of the relevant country. Those courts, however, have no power to provide a remedy directly under the EPC, that being a matter to be dealt with by the EPO in accordance with Article 61 EPC. Thus, in the case in question, having decided the reference under Section 12(1) in favour of Latchways, the UK court made an order under Section 12(6) authorising Latchways to make a new application for a UK patent with the filing date of the Dodge European application.
14. The procedure for giving effect in the European grant procedure to decisions of national courts on the issue of entitlement is provided for in Article 61 EPC. Article 61 lays down two main conditions, both of which have been fulfilled in the present case, namely: (i) a person adjudged to be entitled to the grant of a European patent must take action under Article 61 within a period of three months after the decision of the national court has become final; (ii) the European patent must not yet have been granted.
15. The Receiving Section in its decision of 27 December 1990 maintained that Article 61(1) as a whole only "applies in the frame of a pending procedure" and that, in this respect, no distinction could be drawn between the three options open to the person entitled (see paragraph 3, above). In support of this proposition, the Receiving Section referred to Decision T 146/82 which it said "clearly makes the stay of proceedings dependent upon a

- still pending procedure". It relied on the following passage from the headnote to the case" ... provided that the European patent application has not been withdrawn or is not deemed to be withdrawn".
16. Decision T 146/82 may be distinguished from the present case. It concerned a request for suspension of proceedings for the grant of a European application under Rule 13 by a third party having opened proceedings in a national court against the applicant for the purpose of seeking a judgement that he was entitled to the grant of the European patent. The Board held that: "Since the application for a stay of the proceedings for the grant complies with the requirements of Rule 13(1) EPC, the third party having provided satisfactory proof of the opening of relevant proceedings against the applicant before the United Kingdom Patent Office, the application must be granted".
17. The passage in the headnote of Decision T 146/82, relied upon by the Receiving Section, does not appear in the Decision itself and, therefore, should be disregarded. As a matter of common sense, however, it is clear that it is only possible to suspend a pending procedure and Rule 13 is only relevant where an application is pending. In the present case, however, the Rule 13 procedure was not invoked since the Dodge European application had been withdrawn before Latchways became aware of it.
18. The Board is concerned in this case with a request by a person entitled to apply under Article 61(1)(b) to file a new European patent application in respect of the same invention as that in the original European application. According to Article 61(2), special conditions apply to such a new application which is treated, mutatis mutandis, in the same way as a divisional application.

Article 61(1)(b) is the subject of a separate Implementing Regulation, Rule 15. This Rule provides that the original European patent application shall be deemed to be withdrawn on the date of filing the new application and does not contemplate the situation where the application has already been withdrawn. Both Article 61 and Rule 15 are silent on the point whether a new application is admissible when the former application has been withdrawn.

19. The question to be decided is whether the three procedural choices open under Article 61(1) EPC to a person who has been adjudged by a final decision of a competent national authority to be entitled to the grant of a European patent presuppose that a European patent application is pending.
  
20. The Board considers that Article 61(1) may be interpreted as providing alternative courses of action to the person entitled in order to give effect to final decisions of national courts in different circumstances. Under Article 61(1)(a), the person entitled may prosecute the application as his own application in place of the applicant. In such a case, clearly, there must be a pending application. Under Article 61(1)(b), the case with which the Board is concerned, he is entitled to file a new European patent application in respect of the same invention. Here, the Board takes the view that there are valid reasons to doubt whether a pending application is required. Under Article 61(1)(c) he may request that the application be refused; this presupposes that an application subsists.
  
21. A number of arguments support the view taken by the Receiving Section in its decision of 27 December 1990. The procedures provided for in Rules 13 to 15 inclusive assume the existence of a pending application at the time a claim

is made under Article 61(1). Rule 13 provides a mechanism for suspension of proceedings before the EPO aimed at ensuring that an application remains pending while proceedings concerning entitlement to the grant of the European patent are continuing on the national level. Likewise, Rule 14 prohibits the withdrawal of a pending application during such proceedings. Finally, Rule 15, with respect to the specific procedure for filing a new patent application by the person entitled to apply under Article 61(1)(b), may be interpreted as presupposing the existence of a pending application by providing that "the original European patent application shall be deemed to be withdrawn on the date of filing of the new application". Thus, provided he is aware of the application, the Rules provide the person entitled with the means of ensuring that the original usurping application remains pending. It may be argued therefore that the safeguarding of the pendency of the original application is required for Article 61(1) as a whole, including Article 61(1)(b).

22. The present Board of Appeal, however, considers that the above arguments are not necessarily correct. A possible contrary view would be based on the following arguments. Article 61(1), as mentioned above, lays down only two conditions to be met by a person entitled when filing a new European patent application under Article 61(1)(b): he must apply within three months after the decision has become final and the European patent must not have been granted. These conditions have been met in this case. The text of Article 61 is clear. The fact that the Rules do not envisage the case where the original European patent application has already been withdrawn at the time of the filing of the new application under Article 61(1)(b) is not decisive. The fact that a situation is not specifically envisaged in the Rules does not mean that it is not permitted. It is a necessary requirement of Rule 15



for a new application to proceed that the former application be withdrawn and the Rule, therefore, is not incompatible with the situation in the present case. The Rules have to be interpreted in accordance with the provisions of the Convention and Article 61 does not prevent a person entitled from filing a new European application in the circumstances of this case.

23. The Board has taken account of the fact that, were Latchways' application to be allowed, it would benefit from a priority date five years older. The merits of the case for allowing that priority were considered by the UK comptroller and decided in favour of Latchways. It is not open to the EPO to dispute that finding under the Protocol on Recognition. Article 61(2) EPC, as seen above, applies Article 76(1) to a new application under Article 61(1)(b). According to Article 76(1), the new application is deemed to have been filed on the date of filing of the earlier application and has the benefit of any right to priority.

24. The Enlarged Board of Appeal has laid down Guidelines for the interpretation of the EPC (G 05/83, OJ EPO 1985, 64). The following rules are relevant in the present case:

"The Treaty (EPC) must be interpreted in good faith.

Unless it is established that the Contracting States intended that a special meaning should be given to a term, the terms of the Treaty shall be given their ordinary meaning in their context and in the light of the object and purpose of the EPC.

The preparatory documents may be taken into consideration - in order to confirm the meaning resulting from the application of the previous rules or

- to determine the meaning when applying those rules either leaves the meaning ambiguous or obscure or leads to a manifestly absurd or unreasonable result". (See Rules 1, 2 and 5, loc. cit. 65.)

The Board has examined the preparatory documents with care, and, in its opinion, these documents do not provide any conclusive evidence regarding the interpretation of Article 61 and the relevant Rules. It does not appear justified, therefore, to restrict the applicability of Article 61(1)(b), against the meaning of its wording, to cases where the original European patent application is still pending.

25. As mentioned above, under the EPC and the Protocol on Recognition it is for the national court to determine whether a person is entitled to the grant of a European patent. It is for the EPO to give effect to such decisions under Article 61. The question arises, in this case, whether the basic principle of intellectual property law that the true inventor, like any other worker, is entitled to the fruits of his labour, should be respected. It may be contended that it would be contrary to natural justice to deny a person entitled to apply under that Article for a new application in respect of an invention stolen from him the possibility of doing so on the ground that the wrongful usurper withdrew or abandoned the previous usurping application. Actions or omissions of the wrongful usurper should have no effect vis-à-vis the true inventor. In the present case, the person entitled to apply (Latchways) had no knowledge of or control over the processing of the previous application. It cannot be contended that Latchways should have known of the previous application. It was made without its knowledge and consent and in bad faith, in breach of confidence.

26. The interpretation given to Article 61 EPC by the Receiving Section could lead to miscarriages of justice. Rule 13(1) EPC allows a patent grant procedure which has been commenced by a non-entitled person to be interrupted in order to protect the rights of the person truly entitled. However, if, as in the present case, the person entitled had no knowledge of the European patent application, according to the interpretation of the Receiving Section, he would lose his rights insofar as the procedure before the EPO had already come to an end before the entitled party had even found out about the parent application. This would apply even where the original applicant had acted in bad faith (as in the present case) or had withdrawn his application with the specific intention of frustrating any efforts of the true inventor to recover the rights to his invention. Thus, an applicant acting in bad faith could frustrate the purpose of Rule 13. The case raises also important considerations relating to the relationship between the implementation of the EPC and the Protocol on Recognition by national courts, in this case in the United Kingdom, on the one hand, and by the EPO, on the other hand.

27. Thus, the contentions made by the appellant in its Statement of Grounds of Appeal, and in its reply to the Board's communication, raise a basic question of law, namely, whether it is a pre-condition for an application to be accepted under Article 61(1)(b) EPC that the original usurping application still be pending before the EPO at the time the new application is filed. In the Board's view, the EPC itself does not provide a clear answer to this important question of law. Consequently, the Board has decided, as requested by the appellant, to refer the question to the Enlarged Board of Appeal.

**Order**

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

The following question concerning an important point of law is hereby referred to the Enlarged Board of Appeal:

Where it has been adjudged by a final decision of a national court that a person other than the applicant is entitled to the grant of a European patent, and that person, in compliance with the specific requirements of Article 61(1) EPC, files a new European patent application in respect of the same invention under Article 61(1)(b) EPC, is it a pre-condition for the application to be accepted that the original usurping application still be pending before the EPO at the time the new application is filed?

**The Registrar:**

**The Chairman:**

**M. Beer**

**O. Bossung**