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**D E C I S I O N**  
of 26 April 1995

**Case Number:** J 0009/93 - 3.1.1

**Application Number:** 90912083.4

**Publication Number:** -

**IPC:** B31B 23/18, B31B 33/16

**Language of the proceedings:** EN

**Title of invention:**  
Dual-envelope making machine and method of using

**Applicant:**  
STERLING ENVELOPE CORPORATION

**Opponent:**  
-

**Headword:**  
Restitutio/STERLING ENVELOPE CORPORATION

**Relevant legal provisions:**  
EPC Art. 122(5), 122(1)

**Keyword:**  
"Restitutio - inapplicable time limits"  
"Restitutio - all due care - assistant"

**Decisions cited:** -  
G 0003/91, G 0005/93, J 0032/86, T 0191/85, J 0027/88

**Catchword:**  
-



Case Number: J 0009/93 - 3.1.1

**D E C I S I O N**  
**of the Legal Board of Appeal 3.1.1**  
**of 26 April 1995**

**Appellant:** STERLING ENVELOPE CORPORATION  
56 Leonard Street  
Foxborough  
MA 02035 (US)

**Representative:** KUHLEN, WACKER & PARTNER  
Alois-Steinecker-Strasse 22  
D-85354 Freising (DE)

**Decision under appeal:** Decision of the Receiving Section of the European Patent Office dated 5 March 1993 refusing a request for re-establishment filed in connection with the European patent application No. 90 912 083.4.

**Composition of the Board:**

**Chairman:** R. L. J. Schulte  
**Members:** B. J. Schachenmann  
S. C. Perryman

## Summary of Facts and Submissions

- I. The Appellant's European patent application No. 90 912 083.4 derives from the International application No. PCT/US90/03991 (publication No. WO 91/01216) for which the European Patent Office acts as elected Office within the meaning of Article 2 xiv PCT and Article 156 EPC.
- II. The thirty-one month period pursuant to Rule 104b(1) EPC ended on 25 February 1992. The Appellant did not comply with the requirements provided for in this Rule by the date referred to above. On 1 April 1992 the EPO, therefore, dispatched communications pursuant to Rule 85a(1), Rule 85b and Rule 31 EPC to the Appellant in the United States of America. The Appellant was not represented by a professional representative according to Article 133(2) EPC at that time. The letter containing the communications was returned by the postal authorities as undeliverable. The same happened after the letter had been dispatched for a second time on 16 April 1992.
- III. The Appellant neither paid the national basic fee, the designation fees or the search fee within the period of grace of Rule 85a, nor did it file a request for examination within the period of grace of Rule 85b EPC. Therefore, a notification pursuant to Rule 69(1) EPC was sent to the Appellant on 15 June 1992 stating that the application was deemed to be withdrawn. This letter was not returned.
- IV. The circumstances in which the relevant fees were not paid in time were as follows. The Appellant, a small company with no patent department, was represented in the international phase by US patent attorneys. Direct

contact with these patent attorneys was the responsibility of an assistant of the president of the Appellant. The president of the Appellant, who was at the same time president of the Appellant's holding company and who did not work at the same site as the assistant, was responsible for authorizing the filing of patent applications.

Late in 1991 the president discussed with the assistant in which countries the PCT application should be pursued. He decided that it should be pursued for Europe, but that the expenditure should be delayed as long as possible since money was tight. The assistant however understood that it would still be necessary for the president to authorize the expenditure as such. When such authorization did not come by the due date in February 1992, the assistant instructed the US patent attorneys, who had been querying the point, that the PCT application was not to be pursued in Europe.

On 6 July 1992, the president made a telephone call to the assistant to inquire as to the progress of the European application. It was only as a result of this telephone call that the misunderstanding which had led to the fees not being paid came to light.

V. On 4 September 1992 an application for re-establishment of rights with regard to the time limits provided for in Rule 104b(1) EPC was filed on behalf of the Appellant and the fees referred to above were paid with surcharge.

VI. The Receiving Section issued a decision on 5 March 1993 refusing the request for re-establishment on the ground that, following the decision G 3/91 of the Enlarged Board of Appeal (OJ 1993, 8), re-establishment of rights in respect of the time limits for paying the national fee, the designation fees and the search fee could no

longer be granted for Euro-PCT applications. In addition, in the summary of facts of the decision under appeal there appears the sentence "This request has been filed at the EPO outside the time limits mentioned in Article 122(2) EPC".

VII. A Notice of Appeal and a written statement setting out the grounds of appeal were filed on 6 March 1993. The Appellant requested that:

1. the appealed decision be set aside,
2. the application for re-establishment of rights in the time limits be granted,
3. a date for oral proceedings be fixed if the request under 1 above could not be allowed already on the basis of the written submissions.

The Appellant submitted that the decision G 3/91 of the Enlarged Board of Appeal precluding re-establishment had changed a previously clear and generally accepted legal situation so that it should not be applied to requests for re-establishment filed before that decision was made, i.e. before 7 September 1992. In addition, the Appellant challenged the statement of the Receiving Section in respect of the late filing of the request for re-establishment as being incorrect.

### Reasons for the Decision

1. The appeal is admissible.
2. The first instance rejected the Appellant's request for re-establishment of rights on the ground that, following the decision G 3/91 of the Enlarged Board of Appeal (OJ EPO 1993, 8), re-establishment of rights was excluded in respect of the time limits concerned (cf. above point VI). The Appellant challenged this finding based on the submission that the decision G 3/91 should not be applied to the present request for re-establishment since it had been filed before decision G 3/91 was made.
3. A first issue at stake is therefore whether, in the circumstances of the present case, the European Patent Office was bound by its former practice to admit the possibility for Euro-PCT applicants to have their rights re-established with regard to the time limits of Rule 104b(1) EPC.
  - 3.1 An answer to this question can be derived from the **decision G 5/93**, OJ EPO 1994, 447, of the Enlarged Board of Appeal. According to that decision the European Patent Office was bound, by its own interpretation and practice, to admit the possibility of Euro-PCT applicants to having their rights re-established with regard to the time limit for paying the national fee provided for in Rule 104b EPC in all cases where re-establishment of rights was applied for before decision G 3/91 was made available to the public.
  - 3.2 It is to be noted that the decision G 5/93 mainly concerned the time limit for paying the **national fee** pursuant to Rule 104b (1)(b) EPC and did not explicitly consider the other acts to be performed according to

Rule 104b(1) EPC, i.e. -inter alia- paying the **search fee** (Rule 104b(1)(c) EPC) and filing the **request for examination** (Rule 104b(1)(d) EPC). However, it has to be taken into account that according to the former interpretation and practice of the European Patent Office re-establishment of rights was equally admitted with respect to all acts referred to above (cf. "Information for PCT applicants", OJ EPO 1991, 339 et seq.). Therefore, the considerations of the Enlarged Board of Appeal concerning the binding effect of the former practice of the EPO also apply to the time limit for paying the search fee (Rule 104b(1)(c) EPC) and the time limit for filing the request for examination (Rule 104b(1)(d) EPC). The same is true for the periods of grace under Rules 85a and 85b EPC in respect to which, according to the former practice of the EPO, re-establishment was also possible in Euro-PCT applications (see G 3/91, OJ EPO 1993, 8, point 1.1 of the reasons; J 32/86, not published, point 2 of the reasons).

- 3.3 The Appellant's application for re-establishment of rights was filed on 4 September 1992, i.e. before the Enlarged Board of Appeal, on 7 September 1992, made the decision G 3/91. According to the findings of the decision G 5/93 referred to above the Appellant may, therefore, have its rights re-established with regard to the time limits (or periods of grace) for paying the national fee, and by analogy also with regard to the time limit for paying the search fee and for filing the request for examination, provided that the requirements of Article 122(1) to (3) EPC are complied with.
4. According to an unreasoned conclusion of the Receiving Section (see VI above) the request for re-establishment of rights was filed at the EPO outside the time limits mentioned in Article 122(2) EPC. The Board however accepts that the cause of the failure to pay the fees

within the time limit was a misunderstanding as to whether the fees should be paid, between the president of the Appellant and the assistant (see point IV, above). This misunderstanding was removed on 6 July 1992. While it lasted, the receipt or non-receipt of the communications pointing out the failure to observe time limits and of the notification pursuant to Rule 69(1) EPC from the EPO was irrelevant. Even if these communications had reached the assistant, he would have had no reason to inform the president thereof. The Board is therefore satisfied that the responsible person was not aware until 6 July 1992 of the fact that time limits had not been observed (see T 191/82, OJ EPO 1985, 189; J 27/88). The request for restitutio having been filed on 4 September 1992, this was within the two month period from the removal of the cause of non-compliance specified in Article 122(2) EPC.

5. Regarding the question of whether all due care was shown it is to be considered that the cause for the non-compliance with the time limits in question was a misunderstanding between the president of the Appellant who had the final say about all expenditures and the assistant who was handling administration of the patent matters. While the president was convinced to have issued all necessary instructions already in 1991, the assistant had the understanding that it would still be necessary for the president to specifically authorize the expenditure for the prosecution of the PCT application in Europe.

5.1 According to the Appellant's submissions supported by corresponding affidavits, the assistant had proven to be extremely trustworthy and had followed all instructions without fail for years. Thus the president could assume also in this case that the assistant had correctly understood the instructions and would not fail to act



accordingly. Since the assistant was in direct contact with the patent attorneys, the president, after having given the instructions, had no reason to further attend to the matter.

- 5.2 The assistant, having understood that he should only proceed to authorize the corresponding expenditure upon receiving specific instructions from the president, passed this information to the patent attorneys. When he had not heard anything from the president until the last possible day for performing the acts pursuant to Rule 104b EPC he simply assumed that the expenditure for the prosecution of the application in Europe was not authorized and informed the patent attorneys accordingly.

In the Board's opinion this way of proceeding was not appropriate. In ordinary circumstances the assistant, being aware of the president's intention to pursue the PCT application in Europe, should have reminded the same of the outstanding instructions rather than concluding, from the mere absence of such instructions, that the application should not be pursued. If he had done so, the misunderstanding could have easily been cleared up.

- 5.3 The Appellant was a very low budget company operating in exceptionally difficult circumstances at that time, involving a reduction of its work force by some 60%. In such a situation with numerous serious problems competing for his attention, it is understandable that even a man as experienced and trustworthy as the assistant, should simply assume, without taking the time to check the matter out with the president, that the absence of the further authorization from the president that the assistant mistakenly was expecting, indicated a deliberate decision by the president not to pay the fees. In these special circumstances the Board considers

that the mistake made is excusable, and does not prevent reinstatement of the Appellant. The Board finds that the failure to pay the fees and to file the request for examination in either the normal or the extended periods under Rules 85a and 85b EPC occurred despite all due care required in the circumstances having been taken. The request for reinstatement is thus allowed.

**Order**

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

1. The decision under appeal is set aside.
2. The fees prescribed by Rule 104b(1) EPC are deemed to be paid in due time within the period of grace of Rule 85a EPC and the request for examination is deemed to be filed in due time within the period of grace of Rule 85b EPC.
3. The case is remitted to the first instance for further prosecution.

The Registrar:



J. Rückerl

The Chairman:



R. Schulte

*B. Selh.*  
*1/18*