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**D E C I S I O N**  
**of 20 June 1995**

**Case Number:** J 0016/93 - 3.1.1

**Application Number:** 89305781.0

**Publication Number:** 0347099

**IPC:** F23J 13/02

**Language of the proceedings:** EN

**Title of invention:**  
Flue sealing and insulating system

**Applicant:**  
BRAID FLUES LIMITED

**Opponent:**  
-

**Headword:**  
Re-establishment of rights/BRAID FLUES LTD.

**Relevant legal provisions:**  
EPC Art. 122(2)

**Keyword:**  
"Restitutio in integrum"  
"Admissibility"  
"Professional representative"  
"Removal of the cause of non-compliance"

**Decisions cited:**  
J 0027/88, J 0027/90

**Catchword:**  
-



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Boards of Appeal

Chambres de recours

Case Number: J 0016/93 - 3.1.1

**DECISION**  
of the Legal Board of Appeal 3.1.1  
of 20 June 1995

**Appellant:**

BRAID FLUES LIMITED  
18 Highley Park,  
Clifton  
Brighouse HD6 4LE,  
West Yorkshire (GB)

**Representative:**

-

**Decision under appeal:**

Decision of the Receiving Section of the European  
Patent Office dated 30 June 1993 refusing the  
applicant's request for re-establishment of rights  
dated 30 June 1992.

**Composition of the Board:**

**Chairman:** R. L. J. Schulte  
**Members:** J. P. B. Seitz  
G. Davies

## Summary of Facts and Submissions

- I. The European patent application No. 89 305 781.0 was filed on 8 June 1989 by Fitzpatrick's acting as representatives of BRAID FLUES Ltd.

In the request for grant (EPO Form 1001) the following address was given for the applicant: Unit 11, Valley Business Centre, 67 Church Road, Newtownabbey, County Antrim, Northern Ireland.

The general authorization of the professional representatives also bore the same address.

- II. The renewal fee for the third year fell due on 1 July 1991 but was not paid at that time. On 2 August 1991 the Receiving Section of the EPO drew the representatives' attention to the provisions of Article 86(2) EPC and informed them that they could still validly pay the fee within six months of the due date, provided that an additional fee was paid at the same time.

Despite this notification, no fee and no additional fee were paid within the time limit so that on 28 January 1992 the Receiving Section notified the representatives of the loss of rights pursuant to Rule 69(1) EPC.

- III. On 30 June 1992, the representatives filed an application for re-establishment of rights. The corresponding fee, the omitted fee and the surcharge fee, were paid together on the same day.

In their application, the representatives stated that they had tried to inform the applicant of the impending loss of rights by letter dated 11 September 1991.

- IV. However, that letter, bearing the address entered in their records as being the one given by the applicant itself in its general authorization, was returned by the postal authorities marked "gone away".

In March 1992, the representatives learnt for the first time from a licensee (who contacted them to inquire as to the status of the application) that the applicant had moved from its previous place of business and that it might be reached at the address of one of its directors, Mr Weir. A first letter dated 27 March 1992 mailed to that address remained unanswered. A second letter bearing the same address was dispatched on 26 May 1992. The addressee contacted the representative by telephone saying that this was the first and only letter to have reached him. He also gave them the address of the principal shareholder and the Chairman of Braid Flues Ltd., Mr Buttery.

- V. In a statutory declaration dated 29 June 1992, Mr Buttery stated that the company had moved at the end of December 1990 from Valley Business Centre (i.e. the residence mentioned in the request for grant) to a new business address c/o its licensee, Douglas Preservation Limited, and that from January 1991 he had then arranged to have mail forwarded and telephone calls redirected from the former business address to the new one.

Later it became clear that not all mail had been duly forwarded. For this reason the applicant had received no warning letter from the representatives drawing its attention to the fact that a renewal fee had fallen due and that a loss of rights might result from the failure to pay it within the period of grace.

He added that subsequently the new registered office of Braid Flues Ltd. was changed to the former address of Mr Weir, a director of the company, who had been very unwell from August 1990 onwards and therefore unable to carry out all his duties for the applicant in a satisfactory way.

This could have had the result that any mail reaching that new address may not have been acted upon properly within a reasonable time.

VI. Upon learning of the circumstances, Mr Buttery had given instructions on 15 June 1992 to take immediate steps to request re-establishment of rights since there had never been any intention to allow the application to lapse. In a communication under Article 113(1) EPC dated 11 December 1992, the Receiving Section put forward the following observations, concluding that the application for re-establishment of rights did not appear to be allowable:

- Since 26 May 1992 could be considered to be the date of the removal of the cause of non-compliance, the application for re-establishment of rights met the formal requirements of Article 122(2) and (3) and therefore was admissible.
- However, no evidence concerning the mail-forwarding facilities had been submitted, so that the first instance was unable to appreciate whether the arrangements made by the applicant had been sufficiently reliable.
- Furthermore the condition of due care provided for in Article 122(1) EPC would require that the applicant had properly informed its representatives of any change of address.

VII. In response to that communication, Mr Buttery, in a statutory declaration dated 12 February 1993, provided additional information concerning the circumstances of the case.

Having closed its production operation in December 1990, the applicant had moved its manufacturing equipment to the premises of Douglas Preservation Ltd.. The applicant then notified all current business contacts of the new address. Furthermore, the applicant checked regularly with Valley Business Centre and with Douglas Preservation Ltd. regarding mail, Mr Weir collecting it in person from both addresses at regular intervals. For the first three months, mail was collected twice weekly and thereafter until May once weekly. At the end of May, the applicant had been assured that any further mail would be forwarded and regular checks continued to be made by the applicant until July 1991. Telephone calls had also been redirected to Douglas Preservation Ltd. and the applicant had been in touch with its licensee on a daily basis.

In May 1991 the applicant had changed its registered address to that of Mr Weir.

Mr Weir had made several attempts to contact the representative responsible for the case, Mr Sorrell, by telephone during the first six months of 1991 without success. The Belfast Office of Fitzpatrick's had closed in September 1990 and he was referred first to the Glasgow Office and then to the London Office, to which Mr Sorrell had apparently moved.

In June 1991, Douglas Preservation Ltd. also moved its business address, which was another factor to be taken into account.

VIII. By facsimile received on 15 February 1993, the EPO was informed by Mr Buttery, Chairman of the applicant company that he no longer wished the company's former representatives to represent it in the present case and that he would be dealing with the application for re-establishment personally.

On 25 February 1993, the representatives confirmed that their authorisation had been withdrawn by the applicant.

On 2 March 1993, the EPO acknowledged receipt of the cancellation of the authorisation.

IX. By decision dated 30 June 1993, the Receiving Section of the EPO decided as follows:

- (1) The applicant's request for re-establishment of rights dated 30 June 1992 in respect of the time limit under Article 86(2) EPC was refused.
- (2) The European patent application was deemed to be withdrawn as from 1 January 1992.
- (3) All fees paid after 31 December 1991 would be refunded once the decision had become final.

X. On 23 August 1993, the appellant lodged an appeal against this decision and stated that the appeal fee had been paid in English currency to the EPO's bank in London.

In fact the appellant only paid £ 798.50 whereas the correct amount of the appeal fee was at that time £ 858.

The appellant's attention was drawn on 8 October 1993 to the fact that an amount of £ 58.50 was lacking.

On 25 October 1993, the appellant explained that it had used the currency rate in force at the date of its payment and invited the EPO to verify these values before requesting a balance payment.

After a communication dated 12 November 1993 was issued by the Board, the lacking small amount was paid on 17 January 1994.

XI. In its Statement of Grounds of Appeal filed on 26 October 1993 the appellant pointed out that:

- It could not accept the alleged fact in point 5 of the summary of facts of the decision under appeal, according to which the representatives had only been provided in March 1992 with Mr Weir's address by a licensee with an interest in the status of the application. The licensee's address had been the address to which the appellant's mail had been redirected until July 1991, when the manager of Douglas Preservation Ltd., Mr Douglas, was dismissed. Moreover, there had been no need at all for Douglas Preservation Ltd. (i.e. the licensee) to contact the representatives; in fact, the applicant and its director Mr Weir had tried unsuccessfully during the period of July 1991 to March 1992 to obtain payment of royalties from the licensee for the licence agreement.
- Mr Weir, although unwell, had still been able to deal with the simple affairs of the appellant in the period 1991 to July 1992. According to the appellant, Mr Weir had notified all concerned regarding the new address. There was no evidence to the contrary. During this period he had also tried on many occasions to speak to the representatives' and had left telephone messages at both their



Glasgow and London offices, to which, however, there had been no reply. Evidence was submitted that the representatives' office in Belfast had closed and Mr Weir had tried to reach the representative in charge of the case, Mr Sorrell, at their Glasgow and London offices.

- No-one had been able to prove that the representatives did in fact send warning letters to the appellant and had them returned marked "gone away" since the original address of the appellant was in an industrial trading centre where mail was distributed on a daily basis and where at least four people were aware of the new address of the appellant.
- The representatives themselves were fully aware of the involvement in the licence agreement of the Local Enterprise Development Unit (LEDU) in Belfast and, therefore, could have obtained the appellant's new address from LEDU at any time.
- Under normal business conditions, a six-month period was sufficient to allow for postal redirection.
- The appellant had problems with its representatives, and had in fact never been given any written information as to when payments of fees fell due.
- The appellant's Chairman was not in Northern Ireland when the above problems occurred and was only in contact with Mr Weir, its director, by telephone, during a period where the latter was seriously ill.

- In summary, it believed that there was not much more that could have been done during the Chairman's absence in the USA and that since he had taken over the patent application everything had been done correctly.

XII. On 27 October 1994, a communication was sent to Mr Buttery, Chairman of the company Braid Flues Ltd, inviting him to provide all possible evidence:

- (1) of Mr Weir's illness, between 19 July 1991 and 19 December 1991;
- (2) that the appellant had endeavoured to have its mail forwarded to its new address.

The appellant was also invited to file copies of the representatives' letters dated 11 September 1991 and 27 March 1992.

On 7 December 1994 the addressee filed all relevant documents he could gather in reply to the said communication providing the best evidence available to him on these issues and a copy of the letter dated 27 March 1992. He had no copy of the letter dated 11 September 1991.

#### **Reasons for the Decision**

1. The appeal is admissible.
2. 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 EPO shall have its rights re-established *inter alia* if the said non-observance has caused the deeming of the European patent application to have been withdrawn.

- 2.1 Having declared the request for re-establishment admissible, the first instance rejected the request because in its view the applicant itself had not exercised all the due care required by the circumstances.
3. In the present case, the renewal fee for the third year fell due on 1 January 1991, but was not paid on that date. On 2 August 1991, the Receiving Section of the EPO drew the representatives' attention to the provisions of Articles 86(2) and 86(3) EPC.
- 3.1 By 2 January 1992 no payment had been made, so that the application was deemed to be withdrawn. The representatives were informed of the loss of rights on 28 January 1992. The application for re-establishment was filed only on 30 June 1992 so that the admissibility of the request is in question.
4. *Admissibility of request for re-establishment of rights*
- Under Article 122(2) EPC, such a request must be filed within two months from the removal of the cause of non-compliance with a time limit.
- 4.1 In this particular case, the request was filed on 30 June 1992, so that its admissibility is dependent on the Board finding that the applicant was not in a position before 30 April 1992 to perform the act the omission of which had led to a loss of rights.
- 4.2 According to the established case law of the Boards of Appeal, the cause of non-compliance is removed on the date on which the person responsible for the application is informed that a time limit has not been observed.

4.2.1 Accordingly, by virtue of the contractual relationship between the applicant for a European patent and the professional representative, to which the express authorization on file with the patent application bears witness, the professional representative is responsible for complying with all the obligations incumbent on its client under the EPC. Furthermore, under the ordinary law applicable to representation, the client must not do anything which might interfere with the proper execution of the representatives' brief, but - on the contrary - provide him from the start with the means enabling him to perform it.

4.2.2 Moreover, it is a corollary of the fact that the EPC gives professional representatives and legal practitioners a monopoly of representation, as well as making representation compulsory for applicants for European patents having neither their residence nor principle place of business within the territory of one of the contracting states, that professional representatives are intended to act according to the instructions and on behalf of their client.

4.2.3 It normally follows that, once the EPO has communicated a loss of rights in accordance with Rule 69(1) EPC, the cause of non-compliance is removed, and the Office cannot be taken to task for failure to notify the applicant directly, nor can the latter normally take advantage of the fact that it was unaware that a loss of rights had occurred.

(Confirmation of J 0027/88 of 5 July 1988.

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T 0191/82, OJ EPO 1985, 189,  
T 0287/84, OJ EPO 1985, 333,  
J 0027/90, OJ EPO 1993, 422,)

4.3 Nevertheless, it is likewise established case law that whether or not the cause of non-compliance has been removed is a question of pure fact to be judged by the authority called upon to rule on the request for re-establishment of rights.

Thus decision J 0027/88 states that:

"According to the established case law of the Boards of Appeal, the removal of the cause of non-compliance is a question of fact and occurs on the date on which the responsible person (i.e. the patent applicant or proprietor, or his authorised agent, as the case may be) is made aware of the fact that a time limit has not been observed".

(Confirmation of J 0007/82, OJ EPO 1992, 391,  
T 0191/89, OJ EPO 1985, 189,  
J 0009/86 of 17 March 1987.

Furthermore, it is likewise pointed out in decision J 0027/90 (OJ EPO 1993, 422 *supra*) that "In the absence of circumstances to the contrary, a communication under Rule 69(1) EPC to the representative...removes the cause of non-compliance".

4.3.1 Specifically in the event of exceptional circumstances such as those in the present case, the Board considers that the cause of non-compliance with a time limit may persist even though the applicant's representatives were duly informed of the loss of rights resulting therefrom.

4.3.2 This is the case when a combination of circumstances, which cannot be blamed on either the applicant or its representatives, and which arose in particular from the fact that they had both moved to new addresses and from

the illness of a director of the company applying for a European patent, made it impossible for the professional representatives to contact the applicant in due time.

It is true that this combination of circumstances did not prevent the representatives from making the request for re-establishment of rights on time or from advancing the appropriate fee from their own funds without bearing any heavy risk, but it did prevent them, during the two-month period after the communication of loss of rights under Rule 69(1) EPC (the effective date of which was 8 February 1992 at the latest), from performing the omitted act - i.e. paying the renewal fee for the third year plus the additional fee before 8 April 1992 at the latest - since they had not received any advance.

4.3.3 A representative whose authorization is silent in this respect and who has not received any funds for this purpose is not expected to advance moneys on behalf of his client out of his own pocket. As the client is, in this situation, free to abandon its application by ceasing to pay the fees demanded by the EPC, the representative risks effecting a payment which he would not be able to recover either from the EPO (even though his client had not wished the payment to be made), or from the client, if the authorization is silent in this respect.

4.3.4 In the present case, the applicant, Braid Flues Ltd., could only have been informed of the loss of rights on 26 May 1992 when it received a letter from its representatives, who had finally obtained the personal address of Mr Weir, director of Braid Flues Ltd..

The request dated 30 June 1992, accompanied by payment of the appropriate fee, plus the renewal fee for the third year together with the additional fee, must therefore be considered admissible in view of the very specific circumstances of the case.

5. *Due care to be taken by the professional representative*

5.1 The notice dated 2 August 1991 by which the Receiving Section drew the representatives' attention to the non-payment of the third renewal fee was forwarded by them to the appellant on 11 September 1991. This letter, although bearing the address originally entered in the representatives' records, was returned to them by the postal authorities marked "gone away".

A further letter dated 27 March 1992 was sent by the representatives to Mr Weir, then director of Braid Flues Ltd. (whose private address they had obtained from a licensee of the applicant, Douglas Preservation Ltd.), inquiring as to the status of the application.

According to the representatives, no reply was received to this second letter.

A final letter from the representatives was mailed on 26 May 1992 to advise the same Mr Weir, the addressee supposed to be acting on behalf of the applicant, that in the absence of replies to previous letters the file would be considered closed. Mr Weir then contacted the representatives' office and explained that only the letter dated 26 May 1992 had reached him.

5.2 Although only a copy of the letter dated 27 March 1992 has been filed, since the applicant cancelled the representatives' authorization on 19 March 1993, - i.e. on a date when the first instance was still seeking

evidence regarding the due care required by the circumstances - the Board is satisfied with the representatives' affirmations that they sent these letters.

On receipt of the letter dated 26 May 1992, Mr Weir put the representatives in touch with Mr Buttery, the present Chairman of Braid Flues Ltd., who was then able to confirm that the applicant had always intended to maintain the application.

5.3 Nothing else could reasonably be expected from professional representatives whose communications with applicants having their place of business in another country would normally be in writing.

6. *Concerning the due care required from the applicant*

6.1 The duty under Article 122 EPC to take all the due care required by the circumstances is primarily that of the authorised representative, as the applicant's agent.

Nevertheless, the absence of any fault on the part of the representative in the execution of his duties as the applicant's agent, does not exonerate the applicant if the latter's own lack of care meant that the representative was unable to act in a useful way.

Therefore, in such situations it may be necessary to consider whether all due care was exercised by the applicant itself.

6.2 The following facts need to be taken into account when considering the continuing obligation of an applicant for a European patent - in this case the company Braid Flues Ltd. - to take all due care.



6.2.1 Braid Flues Ltd. is a small company which no longer has any production facilities of its own.

The company originally had its registered office and principal place of business at the following address:

Unit 11, Valley Business Centre,  
67 Church Road, Newtownabbey, County Antrim,  
Northern Ireland,

as evidenced by the Request for Grant (EPO Form 1001 - 1 October 1986) filed on 9 June 1989.

The form also lists the applicants' professional representatives, the firm of Fitzpatricks, as having their offices at

4 West Regent Street, Glasgow G2 IRS, Scotland,  
Great Britain,

with a further office at 7 Donegal Square, Belfast, with Mr T.G. Sorrell acting for Braid Flues Ltd. on behalf of Fitzpatricks.

According to the evidence, Fitzpatrick's Belfast office closed in September 1990 and this may have contributed to the failure to communicate between Mr Weir and the representatives.

6.2.2 At the time the application was filed in June 1989, the managing director of Braid Flues Ltd. was Mr A. Braidner, who was also designated as the inventor.

According to a contract dated 23 April 1990, Mr G.R. BATTERY bought Mr A. Braidner's shares in Braid Flues Ltd., thus becoming the principal shareholder in the company and acquiring the company's rights to the present patent application.

Mr Randal Weir, a director of Braid Flues Ltd. prior to this agreement, retained his position.

Various items of correspondence contained in the appeal file show that, as part of his normal duties as director, Mr R. Weir was responsible for pursuing patent applications relating to Braid Flues Ltd.'s products.

(See exchange of letters with LEDU dated 27 September 1989 and 3 July 1990.)

LEDU is the acronym for Local Enterprise Development Unit, a company set up by the Department of Economic Development to act as a technical, economic and logistical support agency for small and medium-sized businesses in Northern Ireland. Braid Flues Ltd. was one of the companies to which it gave such assistance (see aforementioned letters).

A new tripartite agreement between Braid Flues Ltd, Douglas Preservation Ltd. and LEDU was signed on 10 January 1991, LEDU acting as the intermediary through which Braid Flues Ltd. assigned all its production facilities and licensed its sub-manufacturing rights for the UK and Ireland in the chimney flues - which are the subject-matter of the present patent application - to Douglas Preservation Ltd..

- 6.2.3 Mr Buttery, the principal shareholder and Chairman of Braid Flues Ltd., who was living at the time in the United States of America, has provided evidence that Mr Weir, who was effectively running the applicant company, was ill at this time, and it was proving difficult to find a replacement for him as Braid Flues Ltd. could not be run from the USA:

"As you know Randal Weir has not worked for three months and is likely to be away for some considerable time. There is no-one to take over, and I have been unable to find anyone else, and I certainly cannot run this business from the USA." (Letter to LEDU from G.R. Buttery dated 21 January 1991).

The approval of LEDU, which had a charge on 50% of "all copyrights, patents, trade marks, inventions, design rights, ...", was needed before sub-manufacturing rights could be assigned to a third party.

An exchange of letters relating to this agreement (21 January 1991, 30 January 1991, 12 February 1991), between David Greer, the managing director of LEDU, and F.R. Buttery, the principal shareholder and Chairman of Braid Flues Ltd., in which the parties discussed the status of existing patents, including the one in the present case, clearly shows that both parties wished to have these rights maintained.

6.3 Mr Weir, who was also a shareholder in Braid Flues Ltd, was seriously ill at this time and remained so until September 1991, at which point he attempted to resume some of his duties but was forced to give these up once and for all in June 1992.

Furthermore, the relations of Braid Flues Ltd. with both its professional representatives and its licensee, Douglas Preservation Ltd, were far from easy, as various letters from Mr G. Buttery attest.

It is on record that by 30 January 1991 the appellant company had transferred its principal place of business to the premises of its licensee, Douglas Preservation Ltd. and notified all current business contacts of the new address. Post was collected regularly from the

previous address until May 1991. Thereafter, mail was forwarded from the Valley Business Centre to the new company address. Telephone calls were likewise redirected to Douglas Preservation Ltd.. The Board is satisfied by the evidence that the appellant took all reasonable steps to have its mail collected and forwarded and its telephone calls redirected.

This proved to be insufficient however.

- 6.4 In view of the time that has passed since the loss of rights occurred and the increasing difficulty in reconstructing the sequence of events, there is little point in the Board's attempting to analyse the facts of the case any further.

It is sufficient for the Board to consider that the event leading to the loss of rights was, as the first instance correctly held, the fact that the letters from Fitzpatricks, the applicant company's professional representatives, informing it that the third-year renewal fee had to be paid before 2 January 1992 did not in fact arrive, because the company had in the meantime changed its address.

It is in the light of this fact being the sole cause of the loss of rights that the issue of whether the conditions required for re-establishment of rights laid down in Article 122(1) EPC have been met must be decided.

The question therefore is what the normal course of action would be for a company applying for a European patent when its address changes during the grant procedure. Clearly it would be for it to notify the EPO and its professional representatives in writing.

It was precisely this basic act that it failed to perform.

- 6.5 Given the circumstances of the present case, however, this isolated omission may be excused. It has been established that Mr Weir, Braid Flues Ltd.'s director at the time, was seriously ill. The company could not easily be run from the United States of America, the Chairman and principal shareholder's place of residence at the time.

In turn, it was Mr Weir's illness that led to production being transferred and licences granted to Douglas Preservation Ltd..

These exceptional circumstances must be borne in mind when the Board comes to consider the actions of the appellant requesting re-establishment of rights.

This situation (serious illness of the director responsible), when viewed in the context of the company's size and its inability to cope with the consequences of such an occurrence, while not constituting **force majeure**, was at least outside the reasonable control of the appellant.

- 6.6 Moreover if, whatever doubts it may have, the Board likewise accepts that the appellant company's attitude throughout - both prior and subsequent to the loss of rights incurred - was that it wished to pursue the patent application to a successful conclusion, it must apply the principle of "**in dubio pro reo**" and rule in the appellant's favour.

The decision under appeal is therefore set aside and the request for re-establishment of rights granted.

**Order**

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

1. The decision under appeal is set aside.
2. The request for re-establishment of rights is granted.

The Registrar:

The Chairman:

M. Beer

R. Schulte