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D E C I S I O N
of 16 February 1996

Case Number: J 0012/94 - 3.1.1

Application Number: 92913068.0

Publication Number: W09222513

IPC: C04B 18/10

Language of the proceedings: EN

Title of invention:
Concrete

Applicant:
British Gas PLC

Opponent:
-

Headword:
BRITISH GAS PLC/Principle of good faith

Relevant legal provisions:
EPC Art. 122(5)
EPC R. 85a(1)

Keyword:
"Principle of good faith"
"Extent of obligation to warn applicant of any impending loss of rights"
"Readily identifiable deficiencies"

Decisions cited:
G 0003/91; J 0013/90; J 0041/92

Catchword:
The principle of good faith governs relations between the EPO and applicants; thus it is incumbent on both parties to act in good faith. Whereas the EPO may be obliged, on the basis of the principle of good faith, to give information on a specific query, a party may not expect a warning in respect of any deficiency occurring in the course of the proceedings, if it could not legitimately expect a reply from the EPO.



Case Number: J 0012/94 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal 3.1.1
of 16 February 1996

Appellant: British Gas PLC
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Representative: Brandon, Paul Laurence
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Decision under appeal: Decision of the Receiving Section of the European Patent Office dated 7 February 1994 in which European patent application No. 92 913 068.0 was deemed to be withdrawn pursuant to Article 24(1)(iii) PCT and Rule 104(1) EPC.

Composition of the Board:

Chairman: R. L. J. Schulte
Members: G. Davies
B. J. Schachenmann

Summary of Facts and Submissions

- I. International application no. PCT/GB92/01122 was filed at the UK Receiving Office on 19 June 1992, claiming priority from a GB application dated 19 June 1991, and designating several EPO member States. The application was allotted European patent application number 92 913 068.0.
- II. On 8 February 1993, the EPO sent the applicant EPO Form 1201.1 containing information concerning the requirements for entering the regional phase. No reply having been received thereto, a communication pursuant to Rule 85a(1)EPC was despatched on 26 April 1993 (notification date 6 May 1993 (Rule 78(3) EPC), indicating that the national and designation fees had not been paid within the time limit laid down in Rule 104b(1) EPC and informing the applicant that these could be paid together with a surcharge within a grace period of one month of the date of notification (ie in this case up to 7 June 1993).
- III. The applicant replied in a letter dated 6 May 1993 stating that it had requested Chapter II international preliminary examination procedure for the application in question and asking for a further letter withdrawing the Rule 85a(1) communication.
- IV. On 7 July 1993, the EPO despatched a notification pursuant to Rule 69(1) EPC, stating that the application was deemed to be withdrawn for non-payment of the national and designation fees. The applicant was further informed that the International Bureau of WIPO had not received any indication of a demand for preliminary examination. On 12 July 1993, the applicant replied, saying that it had only just come to light that no

demand for preliminary examination had been filed and that it wished to restore the application. On 6 August 1993, the EPO informed the applicant that re-establishment of rights was not available as a remedy in this case. In response to the applicant's enquiry, it also stated that, following receipt of the applicant's letter of 6 May 1993, the EPO had made enquiries with both the International Bureau of WIPO and the UK IPEA as to whether a demand for international preliminary examination had been made. The negative responses to these enquiries had been received after the expiry of the time limit set in the EPO communication pursuant to Rule 85a(1) EPC of 26 April 1993 (ie after 7 June 1993).

V. In a letter dated 20 August 1993, a newly-appointed representative requested the EPO to regard entry into the regional phase as having been made in due time on the basis of the application of the principle of good faith governing relations between the EPO and applicants. He claimed, citing decision J 13/90 (OJ EPO, 1994, 458), that the EPO had an obligation to warn the applicant of the impending loss of rights because allegedly prior to the expiration of the grace period the EPO should have been in a position to realise that a mistake had been made, either by the EPO itself, by the applicant or by WIPO. Alternatively, he requested a decision under Rule 69(2), should his main request be rejected.

VI. In its decision dated 7 February 1994, the Receiving Section refused the applicant's request and confirmed its finding of 7 July 1993 to the effect that the application was deemed to have been withdrawn. It found that it was not justified to apply the good faith principle in this case because the formalities officer could not have been expected to identify the impending loss of rights, when he had been assured that the

Chapter II PCT demand had been filed by the applicant. The decision drew attention to the advice to PCT applicants (OJ EPO 1992, 245), which points out that in practice the EPO may not be promptly notified within the 21-month period of its election under Article 31(7) and Rule 61.2 PCT. If in the meantime the 21-month period has expired, the EPO - regarding itself as designated office - issues the communications pursuant to Rule 85a and, where applicable, Rule 69 EPC, as was done in the present case. Should the EPO be notified in the meantime of its election, if it has already issued the above communications, it tells the applicant to ignore them. For these reasons, the said advice from the EPO invites applicants to inform the EPO if they receive one of the above communications even though they have filed a demand under PCT Chapter II in time. Under these circumstances, a warning of the impending loss of rights could not be expected by the applicant since for the good faith principle to apply a deficiency must be easily identified and that was not the case here.

VII. On 14 April 1994, the applicant filed a notice of appeal, paying the appeal fee and filing the statement of grounds of appeal the same day. Following a communication from the Board pursuant to Article 110(2) dated 4 August 1995, to which the appellant replied on 31 October 1995, oral proceedings were held on 16 February 1996.

VIII. The appellant's arguments in this appeal may be summarised as follows:

The appellant submits that there are three reasons why the established case law of the Boards of Appeal on the application of the principle of good faith governing relations between the EPO and parties to proceedings before it should apply in this case:

- (a) The EPO failed to reply to the appellant's fax of 6 May 1993, in which a letter withdrawing the Rule 85a(1) communication was requested. The appellant submits that this request represented a specific request for a response and that, having received no reply to its fax, it was entitled to assume that all was well. "By not replying to Mr Morgan's telefax, the EPO was, by implication, confirming its withdrawal of the Rule 85a(1) communication and, therefore, stating implicitly that its own enquiries had shown that the demand had been filed". The failure to reply could fairly be regarded as misleading to a reasonable person (cf. J 3/87 OJ EPO 1989, 3).

The appellant also refers to point 6 of the EPO advice (OJ EPO 5/1992, 245), which states that applicants who receive *inter alia* a Rule 85a(1) notice even though they have filed a PCT Chapter II demand in time are invited to inform the EPO accordingly so that it can check why it has not been notified thereof. The appellant claims therefore that it had a legitimate expectation that the EPO would make the necessary checks and either withdraw its Rule 85a(1) EPC communication or inform it of the deficiency that came to light. Failure to do so was contrary to the principle of good faith (cf. decisions J 10 /84 and G 5, 7 and 8/88 (OJ EPO 1991, 137)).

- (b) Secondly, the appellant relies on J 13/90 (OJ 1994, 456), according to which the EPO is required to warn the applicant of any impending loss of rights (if the deficiency is readily identifiable for the EPO and can be corrected within the time limit). The appellant submits that the deficiency in this case was actually identified by the EPO before the expiry of the grace period on 7 June 1993 and could have been corrected in time. The EPO had made

enquiries of the International Bureau of WIPO and the UK IPEA from which it was apparent by 1 June 1993 (in the case of WIPO) and 4 June 1993 (in the case of the UK IPEA) that there was no trace of a PCT Chapter II demand having been received at either office. The EPO should not have awaited the result of further investigations at the UK IPEA (not received until 11 June), before contacting the appellant to give it the necessary warning.

- (c) The appellant suggests that in accordance with the principle of good faith the EPO should notify an applicant of a deficiency of which it becomes aware (cf. J 13/90, *supra*). The EPO had over a month, from 26 April to 7 June 1993 to tell the appellant that in fact the Chapter II procedure had not been initiated and to give it a chance to pay the Chapter I fees as a precautionary measure. The EPO must have realised that a mistake had been made and/or that no demand had been filed.

The appellant further pleads that third party interests would not be affected by allowing the appeal, citing in support a letter from the EPO dated 9 December 1993 stating that the absence of a publication of legal effect in the EP Bulletin under Section I.2 (2) is sufficient to make the applicant community aware of further action having been taken.

- IX. The appellant requests that the decision of the Receiving Section be set aside, that the application be remitted to the First Instance for further prosecution and reimbursement of the appeal fee under Rule 67 EPC.

Reasons for the Decision

1. The appeal is admissible.
- 2.1 Re-establishment of rights is not available as a remedy in respect of failure to meet time limits concerning entry into the regional phase at the EPO under the PCT (G 3/91 OJ EPO 1994, 365). Article 122(5) EPC, which is applicable to these time limits, excludes re-establishment in the interest of legal certainty for the benefit of competitors and the public. Rule 85a(1) provides a period of grace of one month for late payment of fees in these cases, together with a surcharge.
- 2.2 In view of the fact that there is no re-establishment possible, an applicant who receives a Rule 85a(1) notice may be expected to exercise a high standard of care in responding thereto and in this case it was the applicant's responsibility to take all necessary steps to avoid a loss of rights. This Board has found (cf. J 41/92 OJ EPO 1995, 93) that by merely asking the EPO to warn them of any deficiency that might arise in the course of the proceedings, users of the EPC cannot rely on the principle of good faith to shift their own responsibility for complying with the provisions of the Convention to the EPO. That finding presupposed that a request for a warning had in fact been made.
- 3.1 The principle of good faith governs relations **between the EPO and applicants** ; thus, it is incumbent on both parties to act in good faith. The appellant's fax of 6 May 1993 was not expressed in terms of a specific query to the EPO, to which a response might reasonably have been expected. On the contrary, it stated categorically that Chapter II PCT procedure had been requested and that the EPO's notice appeared to have

been sent in error and asked the EPO to send it a further letter withdrawing the notice. It is on the basis of the request for a letter withdrawing the notice that the appellant submits that it could have legitimately expected a reply from the EPO.

3.2 The Board does not share that view for the following reasons. Whereas the EPO may be obliged, on the basis of the principle of good faith to give information on a specific query, a party may not expect a warning in respect of any deficiency occurring in the course of the proceedings (J 41/92, OJ EPO 1995).

3.3 A warning on the basis of the principle of good faith can only be expected if the deficiency is readily identifiable for the EPO. As pointed out by the Receiving Section in its decision, the interface between the PCT international phase and the regional phase before the EPO as elected office under the PCT can give rise to practical problems of which the public has been informed in an advice published in OJ EPO 1992, 245. It happens that, when an applicant requests PCT Chapter II towards the end of the 19th month from the priority date, the EPO may not be promptly informed of its election within the 21-month period. In such cases, as in the present case, after the expiry of the 21-month period, the EPO proceeds under Chapter I PCT and issues communications pursuant to Rule 85a and, where applicable, Rule 69 EPC. If thereafter the EPO is informed of its election, it then tells the applicant to ignore these communications because the period for entry into the regional phase under Chapter II PCT is prolonged to 31 months. The EPO advice mentioned above therefore advises PCT applicants who receive a Chapter I

communication, even though they have requested Chapter II procedure, to inform the EPO accordingly "so that it can check why it has not yet been notified of its election".

3.4 The EPO therefore regularly receives communications from applicants informing it that they have indeed requested Chapter II procedure. It cannot be expected in each such case to query and double check such statements. What the EPO does is to check why it has not yet been notified of its election. This it did in this case. The EPO learnt on 1 June 1993 (in writing) that WIPO had received no Chapter II demand and on 4 June (on the telephone) that the UK IPEA had no trace of such a demand either. The UK IPEA promised to make a further check and the negative result of that was received on 11 June 1993. The deadline for entry into the regional phase under Chapter I PCT was 7 June 1993. The appellant suggests that according to the principle of good faith the EPO had a duty to contact the applicant between 4 and 7 June to warn it of the impending loss of rights.

3.5 In the view of the Board, the EPO had no such duty. The EPO was proceeding on the assumption that the categorical statement of the applicant that Chapter II PCT procedure had been requested was correct. It still had no definite reply from the UK IPEA to its enquiries of 4 June and was awaiting further information. As pointed out in J 41/92, *supra*, users of the EPC cannot, merely by asking the EPO to warn them of any deficiency that might arise in the course of the proceedings, shift their own responsibility for complying with the provisions of the EPC onto the EPO. In this case, the applicant had not asked the EPO to warn it of any deficiency in relation to its application, nor was it clear from the letter of 6 May 1993 that the appellant was in error concerning the situation (cf. J 13/90,

supra); on the contrary it expressed no doubt as to the situation. In the circumstances, the deficiency was not readily identifiable by the EPO and it was not legitimate for the appellant to expect a warning from the EPO of the impending loss of rights.

4. It follows that the appeal cannot be allowed.
5. Since the Board does not deem the appeal to be allowable, the request for reimbursement of the appeal fee must be refused (Rule 67 EPC).

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman

M. Beer

R. L. J. Schulte