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D E C I S I O N
of 7 April 2000

Case Number: J 0005/98 - 3.1.1

Application Number: 95929664.1

Publication Number: 0777890

IPC: G06K 19/067

Language of the proceedings: EN

Title of invention:

Method and apparatus for providing identification

Applicant:

GEEFIELD PTY. LTD.

Opponent:

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Headword:

-

Relevant legal provisions:

EPC Art. 79(2)
EPC.R. 85, 85a

Keyword:

"Designation fees - expiry of period of grace - national holidays"

Decisions cited:

G 0005/88, G 0007/88, G 0008/88, G 0003/91, J 0011/88, J 0005/91

Headnote:

The occurrence of a national holiday on the last day of the period of grace for payment of designation fees pursuant to Rule 85a(2) EPC does not have the effect of extending that period.



Case Number: J 0005/98 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal 3.1.1
of 7 April 2000

Appellant: GEEFIELD PTY. LTD.
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Decision under appeal: Decision of the Receiving Section of the European Patent Office posted 3 September 1997 refusing the designations CH/LI, SE, NL and ES for European patent application No. 95 929 664.1 pursuant to Article 91(4) EPC.

Composition of the Board:

Chairman: J.-C. Saisset
Members: C. Rennie-Smith
M. K. S. Aúz Castro

Summary of Facts and Submissions

- I. This appeal, which concerns European patent application No. 95 929 664.1, is against the Receiving Section's decision of 3 September 1997 to refuse the designations of CH/LI, SE, NL and ES for non-payment, within the prescribed time, of the appropriate fees and surcharge.
- II. The appellant (applicant) is an Australian company whose professional representative is in the UK. The application derives from a PCT application No. PCT/AU95/00545 filed on 25 August 1995 claiming priority from Australian applications Nos. PM7690 of 25 August 1994 and PN4702 of 9 August 1995 and designating, for the purpose of obtaining a regional patent, all the then Contracting States of the European Patent Convention. A request for preliminary examination was filed on 25 March 1997.
- III. On that date designation fees were paid for four states - DE, FR, GB and IT - which were marked with a cross by the applicant in section 10.1 of EPO Form 1200. Section 10.2 of Form 1200 contained the following text:
- "At present it is not intended to pay designation fees for the EPC Contracting States not marked with a cross under 10.1 but designated in the International application. No communication under Rule 85a(1) EPC in respect of these designation fees need be notified. If they have not been paid by the time the period of grace allowed in Rule 85a(2) expires, it is requested that no communication be sent under Rule 69(1) EPC."
- The check-box beside this text was pre-crossed by the Office and left unchanged by the applicant.

- IV. On 27 May 1997 a written request for the further designations CH/LI, SE, NL and ES was filed together with an order debiting the representative's account at the EPO with the appropriate designation fees and surcharge. In a letter of 29 May 1997 the appellant's representative informed the Receiving Section that Monday 26 May 1997 had been a public holiday in the UK on which the banking system had been closed. The instruction to pay further designation fees for CH/LI, SE, NL and ES had been given by the appellant on 23 May 1997 but the representative's formalities manager who usually deals with such matters was absent on 23 May and another employee, to whom the fax was given, assumed that, because 26 May was a UK public holiday, payment could be made on 27 May 1997.
- V. By a communication of 4 July 1997 the appellant was informed that the fact that 26 May 1997 was a public holiday in the UK was not covered by Rules 85(1) and (2) EPC as they only concerned days on which the filing offices of the EPO were closed, that there was no question of a general interruption or dislocation in the delivery of mail and that, therefore, the further designations were invalid and the payments of 27 May 1997 would be refunded unless an appealable decision was requested within two months. Such a request was made on 11 July 1997 and the decision now under appeal was issued on 3 September 1997.
- VI. In its Grounds of Appeal, as developed and supplemented in further written submissions of 10 January and 3 April 2000 and at the oral proceedings held on 7 April 2000, the appellant put forward the following arguments as to why the decision of the Receiving Section was incorrect.

- (a) None of the acts listed in Article 8(3) of the Rules relating to Fees ("RFees") could be performed in the UK on a public holiday. It, the appellant, was thus at a disadvantage compared to persons in other Contracting States. The decision under appeal discriminated unfairly between UK applicants and representatives and those of other Contracting States by denying the former the benefit of Rule 85(1) EPC which, in this case, postponed the last day of the grace period provided by Rule 85a(2) EPC from 25 May to 26 May 1997 which, being a public holiday in the UK, was of no benefit to the applicant.

- (b) The preamble to and Article 1 of the EPC envisage equality of treatment between the Contracting States and this principle is contravened by the decision under appeal which the appellant finds discriminatory.

- (c) The EPO should, as in G 5/88, G 7/88 and G 8/88 (OJ 1991, 137), take account of local conditions, in this case national holidays. Under UK law, UK public holidays are excluded as working days at the national patent office. Those conversant with the national rules and expecting equal treatment from the EPO reasonably assume the EPO will allow for national public holidays. In the UK such a holiday causes disruption of the mail in the state where it occurs and the President of the EPO should designate a UK national holiday as an interruption of the mail under Rule 85(2) EPC thus extending time limits until the day after the holiday. Following J 11/88 (OJ 1989, 433), the Board can take account of an actual interruption if the President has not issued a statement pursuant to Rule 85(2) EPC.

(d) Rule 85(3) EPC, which applies *mutatis mutandis* the extension of time provisions of Rule 85(1) and (2) EPC to "transactions carried out with the competent authority in accordance with Article 75, paragraph 1(b) or paragraph 2(b)", should be interpreted to apply to all transactions covered by Rule 85 EPC including payment of fees.

(e) Supplying Form 1200 with the check-box in section 10.2 already completed is an administrative convenience to the EPO and denies applicants a free choice because it indicates the EPO prefers the administratively more convenient Rule 85a(2) EPC procedure. If the appellant had cancelled the check-box at section 10.2, this would have required the EPO to send the appellant a communication pursuant to Rule 85a(1) EPC setting a time limit expiring after 26 May 1997.

The time limits set by Rules 85a(1) - involving a communication from the Office - and 85a(2) - involving no such communication - should coincide approximately, but in fact it was likely that a Rule 85a(1) communication would have set a time limit expiring later than the limit set by Rule 85a(2). It is clear from the EPO's own information, and is well-known, that Rule 85a(1) provides a longer time limit in practice.

Case J 5/91 (OJ 1993, 657), in which a Rule 85a(1) communication in respect of one state set a time limit expiring after the Rule 85a(2) time limit which applied to other states, decided that the later limit should apply to payment of designation fees for all states. Accordingly, the appellant should have the benefit of the later limit it would have been given if it had elected to delete section 10.2 on Form 1200 and thus receive a

communication from the EPO. J 5/91 suggests that, where two alternative time limits can apply, the later should be allowed, especially where the benefit of Article 122 EPC (re-establishment of rights) is not available.

- (f) European and Euro-PCT applications should in principle be treated equally. Under Article 79(2) EPC, as worded at the time in question here, a European application was published mentioning only those states for which designation fees had been paid. The appellant's Euro-PCT application was published under the PCT mentioning all the then EPC Contracting States. Decision J 5/91, which concerned European applications, should be applied to Euro-PCT applications to ensure payments of fees for both actual and "precautionary" designations are treated equally in respect of the grace period. This would require the issue of a Rule 85a(1) communication in respect of those EPC states mentioned in the published PCT application but for which designation fees had not been paid.

VII. In a communication sent on 29 September 1999, the Board gave its provisional views on the appellant's case, which at that time was just as originally presented in the Grounds of Appeal. As regards the "discrimination" argument, it said the EPO could not make exceptions for every public holiday in each Contracting State. As regards the argument relating to Form 1200, it is for an applicant or his representative to decide whether or not to cancel the check-box at section 10.2 and the Office should follow an applicant's wishes. If an applicant chooses not to be notified by letter of a time limit, it is for him or his representative to comply with the time limit he has chosen.

VIII. At the oral proceedings, the representative's formalities manager attended and answered questions from the Board. While supporting the arguments put forward on behalf of the appellant, he admitted that, had he been in the office on 23 May 1997, he would have paid the outstanding designation fees and surcharge on that date. He also confirmed he was familiar with both UK national and EPO fees procedures, that the representative's firm has offices in a number of EPC Contracting States and other jurisdictions, and that each such office is relied on to monitor and take account of local national holidays and their effect on time limits for payment of fees. He also agreed that, within the UK, there are some days which are public holidays in only parts of that state.

IX. The appellant requested that the decision under appeal be set aside and that the additional designation fees be considered validly paid or, if the Board was not prepared to grant that request, to refer to the Enlarged Board of Appeal two questions as follows:

- "1. If a time limit relating to the procedural act of payment of a fee expires on a day on which one of the filing offices of the European Patent Office in the sense of Article 75, paragraph 1(a) is not open for the receipt of documents, or on which ordinary mail is not delivered there, and if the first day thereafter on which all the filing offices are open for receipt of documents and on which ordinary documents are delivered is a national holiday in a Contracting State shall the time limit for performing the procedural act of payment of a fee to the EPO by someone resident in or having an address for service in the Contracting State be extended until the first day thereafter which is not a national holiday in the Contracting State?

2. Alternatively, should such national holidays that result in a general interruption or subsequent dislocation of mail between a Contracting State and the EPO be recognised by the President of the EPO or by other order so that the time limit shall extend to the first day following the end of the period of interruption or dislocation for parties resident in the State concerned or who have appointed representatives with a place of business in that State?"

Reasons for the Decision

1. The appeal is admissible.
2. The appellant having made a demand for International Preliminary examination under Article 31 PCT, the time limit for paying the designation fees lapsed, pursuant to Article 79(2) and Rule 104(1)(b)(ii) EPC (both as then worded), for 31 months from the earlier priority date of 25 August 1994 until it ended, pursuant to Rule 83(4) EPC, on 25 March 1997 on which the designation fees for only FR, DE, IT and GB were paid. According to Rule 85a(1) EPC, designation (and other) fees may still be validly paid within a period of grace of one month after notification of a communication pointing out the failure to observe the time limit, provided that within this period a surcharge is paid. Alternatively, Rule 85a(2) EPC allows just designation fees in respect of which the applicant has dispensed with such notification under Rule 85a(1) to be validly paid, again with a surcharge, within a period of grace of two months after expiry of the normal time limit. In the present case the appellant chose this second alternative since it did not cancel the pre-crossed check-box at section 10.2 of Form 1200 "Entry into the

regional phase before the EPO as designated or elected Office". Thus, the period of grace pursuant to Rule 85a(2) EPC ended on 26 May 1997, 25 May 1997 being a Sunday (see Rules 83(4) and 85(1) EPC).

- 3.1 The Board accepts that the various acts listed in Article 8(3) RFees could not be performed in the UK on 26 May 1997. However, it is not accepted that the appellant was thereby disadvantaged compared with persons in other EPC states, since the same situation can arise for any applicants and representatives when there are public holidays in their states. The principle of equality of treatment is not offended if applicants and representatives in each Contracting State have to make themselves aware of public holiday dates in their own state and to take appropriate action to ensure that such holidays do not cause time limits to be missed, as indeed the representative's formalities manager (see paragraph VIII) confirmed he does and would, had he been available, have done in the present case. Following the appellant's line of reasoning, it could be said that applicants and representatives in NL and DE, where the EPO has filing offices, are at an advantage compared with their opposite numbers in other Contracting States because the EPO is usually closed on days which are national holidays in NL and DE. However, such "closed days" at the EPO merely reflect local public holidays in those countries. The EPO could no more expect its staff to work when the majority of other workers in those countries have a holiday than applicants or representatives in other countries could expect their employees to work on their national holidays. As the appellant has observed, the UK national office closes for business on UK public holidays and the EPO quite simply does the same on public holidays in the states where it has offices.

3.2 The suggestion that allowance should be made for those who, being familiar with the closure of the UK office on UK public holidays, would expect the EPO to allow for those holidays as well, is not accepted by the Board. It ignores the reality that representatives in each Contracting State and their formalities manager are familiar with both their own national and EPO rules and procedures and in practice take account of their own national holidays in ensuring time limits are met at both national offices and the EPO.

4. *Rule 85(2) EPC provides as follows:*

"If a time limit expires on a day on which there is a general interruption or subsequent dislocation in the delivery of mail in a Contracting State or between a Contracting State and the European Patent Office, the time limit shall extend to the first day following the end of the period of interruption or dislocation for parties resident in the State concerned or who have appointed representatives in that State.... The duration of the above-mentioned period shall be as stated by the President of the European Patent Office."

The suggestion that the President of the EPO should generally exempt every national holiday, or at least every such holiday which interrupts mail, or that if the President fails to do so the Board should do so retrospectively in particular cases, appears not only impractical but tinged with a degree of unreality. The Board may, as in J 11/88, accept there has been a postal disruption but only if it has evidence before it to reach such a conclusion. In the present case, the appellant simply alleged during the oral proceedings that in the UK a public holiday causes postal disruption. It is within the Board's knowledge that there are no postal deliveries in the UK on public holidays, but this is not to say there is, in the words

of Rule 85(2) EPC, "a general interruption or subsequent dislocation in the delivery of mail in a Contracting State or between a Contracting State and the European Patent Office". There was no evidence before the Board that, for example, sorting offices or the transport of mail did not function in the UK on 26 May 1997. The argument raises the question, what is or is not a "general interruption or subsequent dislocation"? The reader would fairly naturally consider the phrase to cover for example strikes, lock-outs, severe weather conditions and the like. However, it would follow from the appellant's submissions that anything less than a full postal service should qualify. While no definition of "general interruption or subsequent dislocation" is required for the purpose of this decision, the Board would find that a strange conclusion as regards a public holiday of one day which the public and the business community in a state take in their stride.

5. The Board cannot accept the suggestion that Rule 85(3) EPC should be interpreted to apply to all transactions covered by Rule 85 including payment of fees. Rule 85(3) refers quite specifically to Article 75(1)(b) and 75(2)(b) EPC which concern the filing of European patent applications at national offices. Rule 85(1) and (2) EPC extend any time limits under the EPC for such filing to, respectively, the day after a day on which the EPO's filing offices are closed or the day after a postal disruption of a duration stated by the EPO President. Since EPO fees cannot be paid via national offices, it is impossible to construe Rule 85(1)-(3) so as to extend the time for payment of EPO fees to take account of national holidays. Even the appellant, in making this argument, was constrained to say, in its final written submissions, "The Rules do not prohibit the payment of fees at national offices, but as a matter of practice

this is not possible nor was it at the relevant time". The difference between "prohibited" and "impossible" may appear academic. The Board considers no reasonable person would believe fees can be paid in a manner not provided for in the EPC, and it appears the appellant at least concedes that, in practice and at the time in question, this could not happen. In the Board's view, Rule 85(3) EPC can only be read as referring to the filing of European patent applications and nothing else.

6. It is also significant that this case is concerned with the expiry of a period of grace and not an initial time limit. The period of grace, as its name indicates, exists to allow those who miss the initial time limit to comply belatedly, provided they pay a surcharge. On one view, to extend such periods of grace to allow for national holidays in contracting states would be to add a second period of grace to the first. That would be contrary to the intention behind the present Rule 85a EPC which was to regularise the practice relating to payment of fees after expiry of the initial time limit. On another view, which the appellant understandably espoused, to deny a further day by not allowing for a national holiday reduces the grace period by one day. It is unnecessary for the present decision to decide between these opposing points of view if, as the Board considers, the law does not allow the extension the appellant seeks.

7. If the appellant were correct, and every public holiday in every Contracting State were allowed to extend EPO time limits, a number of practical problems would arise. For example, what days would qualify as public holidays? If only days actually designated as such by national governments, one can envisage issues arising over traditional but "unofficial" holidays, or holidays or festivals or other non-working days of one national

or religious grouping within a state, or even single days falling between a public holiday and a weekend which large numbers of workers may take as a "bridge" to create a long weekend - on the appellant's contention, taken to its logical conclusion, such days could to some extent be seen to disrupt postal services. Then there is the question of official public holidays in part only of a state, as for example in the UK where there are two public holidays at New Year in Scotland but only one in England. Then there is the likelihood that the accession to the EPC of additional states would lead to an increase in the number of national holidays requiring recognition. Such considerations are not decisive for the present appeal but serve merely to indicate the practical difficulties which could arise if the appellant were correct.

8.1 The Board accepts that it may be administratively less convenient for the EPO if an applicant cancels the check box at section 10.2 of Form 1200 with the consequence that the Office must then send the applicant a letter setting a final time limit for payment of one month. However, the EPO is clearly prepared to accept any such inconvenience if, by such cancellation, the applicant so requests. Further, it is incumbent on the EPO to follow the applicant's wishes in this respect because it is bound by Rule 85a(1) EPC to do so. In this case, the applicant did not cancel the check-box at section 10.2 of Form 1200 and, it appears clear, the applicant's representative appreciated the implications of not doing so.

8.2 It may be that the time limits set by Rules 85a(1) and 85a(2) EPC should ideally "coincide approximately", as the appellant suggested in its Grounds of Appeal. There is however no requirement that they should and the rules themselves do not suggest that. The use by the appellant of the word "approximately" also indicates it

accepts that, as the Board agrees, the time limits under the two paragraphs of Rule 85a EPC cannot be expected to coincide exactly. If such were the intention of the rules in question, it would hardly be necessary to have the two different procedures provided in Rules 85a(1) and 85a(2) EPC. If the legislature had intended to provide the same time limit for all cases, it would have provided a single procedure leading to that limit. (In fact, the present Rule 85a EPC was introduced to improve on the arrangements under the previous Rule 85a EPC as is explained in points 3.1 to 4.2 of decision J 5/91, relied on by the appellant.) In its final written submissions and at the oral proceedings, the appellant itself observed that in practice the effective difference in time between the Rule 85a(1) and 85a(2) procedures may be as long as four or five months.

8.3 Accordingly, it is likely if not inevitable there will be a difference in the time limits produced by Rule 85a(1) and Rule 85a(2) EPC. The difference may depend on a number of factors including, as the appellant's Grounds of Appeal observed, the number of public holidays on which the EPO is closed. The essential difference between the two paragraphs of Rule 85a EPC is procedural - whether the EPO writes to the applicant or its representative setting a one month time limit or whether the applicant or its representative rely on a two month time limit without a communication from the EPO. The decision which procedural route to follow in respect of each state which may be designated is one made by the applicant or representative and not by the EPO which, as already indicated, is bound to abide by the applicant's or representative's decision. The Board is satisfied, from

the appellant's submissions and the representative's formalities manager's answers to its questions, that its representative was fully aware of the differences in the time limits produced by the two alternative procedures.

- 8.4 That the decision is that of the applicant or representative is clear from the language of Rule 85a(2) EPC which states

"Designation fees in respect of which the applicant has dispensed with notification under paragraph 1...".

The words "dispensed with" (in the French text "a renoncé", in the German "verzichtet hat") make clear the onus is on the applicant to decide which route to follow.

- 8.5 The Board can accept that section 10.2 of Form 1200 is not perhaps as well-designed as it could be and the appropriate first instance department may wish to consider a re-design in the light of this case. But to say that the present design of the form denies free choice is not plausible. As the representative's formalities manager told the Board, the form is usually completed by professional representatives. Such persons are conversant with EPO procedure and know the consequences of cancelling or not cancelling the check-box in section 10.2. The first letter to an applicant after a PCT application enters the regional phase draws attention to Form 1200 so applicants have ample time (in this case, approximately a year until the end of the grace period) in which to obtain the form, consider what it requires and, if necessary, take advice on its completion.

9. The Board agrees with the appellant that European and Euro-PCT applications should be treated equally. It cannot however accept that the present Euro-PCT application was treated less favourably than a European application in respect of the grace period. Rule 85a EPC applies to both types of application. Which of the time limits of Rule 85a(1) or 85a(2) EPC should apply is, as already mentioned, decided by the applicant or his representative. If, in the PCT application as published, the applicant mentioned all EPC Contracting States, he gave notice to third parties of an intention to seek the maximum geographical protection, not distinguishing at that stage between actual and "precautionary" designations. If at the time, as the appellant argues, a European application would have been published mentioning only those states for which designation fees had been paid, which could at most be all the then Contracting States but could be less, it would appear the Euro-PCT application was treated at least as, and possibly more, favourably.

10.1 Decision J 5/91 concerned the quite different position where, in circumstances not foreseen when Rule 85a EPC in its present form was introduced, different time limits were imposed for different designations - under Rule 85a(1) for one country designated specifically by the crossing of a box against that state but in respect of which the fee was not paid until after receipt of a communication from the EPO setting a one month time limit; and under Rule 85a(2) in respect of other countries against which boxes had not been crossed. In J 5/91, the Board described that situation as a legal loophole and closed that loophole by allowing the later time limit to apply to all outstanding designations.

10.2 The Board also explained in J 5/91 that the alternative procedures in the two paragraphs of Rule 85a EPC were intended to deal with different matters - Rule 85a(1) deals with all fees payable on receipt of an application whereas Rule 85a(2) deals only with designation fees and is intended to provide a period of grace for "precautionary" designations for which the necessary payment has not been made on or before expiry of the normal time limit. This underlines the fundamental difference between J 5/91 and this case - J 5/91 was concerned with different time limits for different outstanding designations, whereas this case is concerned with only one time limit for all the outstanding designations.

10.3 The appellant argued that J 5/91 showed that, where two alternative time limits can apply, the later should be allowed, particularly where the benefit of Article 122 EPC (re-establishment of rights) is not available. That may be so, but the argument is inapplicable here since only one time limit - that of Rule 85a(2) EPC, chosen by the appellant or its representative - applied. Decision J 5/91 made good an unforeseen defect in the EPO's procedure. In the present case there was no defect in the EPO's procedure which was clear to the appellant's representative throughout. Unfortunately, the problem in this case was one of the internal office procedure of the representative. As was admitted in the letter of 29 May 1997 to the Receiving Section, the representative's staff made a mistake. The appellant through its representative chose one of the two alternative routes provided in Rule 85a EPC but the representative failed to follow it correctly. The Board cannot correct that mistake, bearing in mind Article 122 EPC does not apply (see Article 122(5) EPC and decision G 3/91 (OJ 1993, 8). The provisions of the law are clear: the Rule 85a(2) EPC route having been chosen, the time limit for payment of the additional

designation fees expired on 26 May 1997. By an unfortunate error, that deadline was missed. The law allows no scope for the application of the appellant's arguments even if the Board could accept them. In these circumstances the Board has no alternative but to dismiss the appeal.

11. As regards the auxiliary request to refer to the Enlarged Board of Appeal the questions set out at IX above, Article 112(1) EPC restricts such referral to cases where it is necessary to "ensure uniform application of the law" or "an important point of law arises". The Board's decision on the main request does not detract from the uniform application of the law; indeed, to have allowed the main request would arguably have created a degree of uncertainty and thus a possible reduction in uniform application of the law. Equally, no important point of law arises since, as explained above, the law is entirely clear.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

M. Beer

J.-C. Saisset

