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D E C I S I O N
of 1 July 2005

Case Number: T 0170/04 - 3.2.3

Application Number: 96926263.3

Publication Number: 0712335

IPC: E03F 5/14

Language of the proceedings: EN

Title of invention:

A skimmer

Applicant:

INTERNATIONAL FLUID SEPARATION PYT. LIMITED

Opponent:

-

Headword:

-

Relevant legal provisions:

EPC Art. 122(2)

EPC R. 69(1)

Keyword:

"Restitutio - time limit for filing application - two months"

Decisions cited:

J 0027/90, J 0027/88, J 0029/86, T 0315/90, T 0900/90,

J 0007/82, J 0016/86, J 0002/87

Catchword:

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Case Number: T 0170/04 - 3.2.3

D E C I S I O N
of the Technical Board of Appeal 3.2.3
of 1 July 2005

Appellant: INTERNATIONAL FLUID SEPARATION PTY. LIMITED
27 Tourello Avenue
East Hawthorn
VIC 3123 (AU)

Representative: Spall, Christopher John
Barker Brettell
138 Hagley Road
Edgbaston
Birmingham B16 9PW (GB)

Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 3 April 2001
refusing European application No. 96926263.3
pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: U. Krause
Members: J. B. F. Kollar
M. J. Vogel
G. Ashley
J. P. B. Seitz

Summary of Facts and Submissions

- I. The Australian appellant is the applicant of the international patent application No. PCT/AU96/00502 filed on 9 August 1999, which was allocated European patent application No. 96926263.3 after entry into the regional phase before the EPO. In the application procedure the appellant had several representatives: a British patent attorney acting before the EPO, an Australian patent attorney responsible for the correspondence with the British attorney and Computer Patent Annuities (CPA), a company for the observation of the time limits for paying the annual fees.
- II. By a letter dated 4 October 2000 sent to the European patent attorney, the EPO drew the attention to the fact that the 5th renewal fee was not paid by the due date of 31 August 2000, but nevertheless could still be validly paid up to the last day of the sixth calendar month following the due date, provided that the additional fee of 10% of the renewal fee was paid at the same time; otherwise, the application would be deemed to be withdrawn. As no fee was paid within due time, i.e. up to and including 28 February 2001, the office issued a notice of loss of rights according Rule 69(1) EPC on 4 April 2001; investigations confirmed however, that this notice was lost in the post.
- III. On 13 July 2001 the European representative filed a request for *restitutio in integrum*, paid the outstanding fees and the fee for re-establishment of rights; he based his request on the following grounds:

There was no record of having received the Rule 69(1) EPC communication in his file, and thus the first indication that the loss of rights had happened was given during a telephone conversation between his office and the EPO on 9 July 2001. The non observance of the respective time limit for paying the 5th annual fee had happened owing to a mistake of CPA. Although CPA had received faxed instructions on 27 February 2001 to pay the annuities and a telegraphic transfer for payment from the applicant, they missed the time limit, in spite of all due care, owing to a mistake occurring in their accounts department on 28 February 2001, which was the last day for payment.

- IV. On 11 February 2002 the representative filed further submissions in response to a communication of the EPO dated 11 October 2001, which raised doubts whether the request for restitution has been filed within two months of the removal of the cause of non compliance with the time limit pursuant Article 122(2) EPC. He insisted that he was not aware that the application had really lapsed when he received CPA's letter of 21 March 2001 advising him of its failure to pay the renewal fee. Such a lapse would have only been known for certain when he received the Rule 69(1) EPC communication from the EPO; but this had been lost in the post. Therefore the representative did not know definitely of the missed time limit before the telephone call of the EPO on 9 July 2001. He enclosed two statutory declarations, one from the applicant's managing director, David Carnell, who stated that he became aware of the failure that the latest renewal fee had not been paid during a conversation with his Australian patent attorney in early March 2001, and a second one from Roy Moore of

CPA confirming that its letter of 13 March 2001 to the applicant could not be understood as a definitive statement that the application had lapsed. The representative also submitted copies of two letters from CPA, the first of 13 March 2001 informing the applicant that the application had lapsed due to their error and that they would investigate reinstatement proceedings at their own expense as soon as possible, and a second letter of 21 March 2001 informing the British patent attorney of the failure to pay the renewal fee and requesting him to seek restitution.

V. In a further communication of 27 March 2002, the Formalities Officer of the Examining Division raised some questions directed to a) the admissibility of the request for restitution with respect to the date of the removal of the cause of non-compliance under Article 122(2) EPC, b) the relevance of the Rule 69(1) EPC communication in this context, and c) the person who was empowered and obliged to act when the missing of the time limit became obvious. The representative wrote three letters stressing that there is no justification to assume that the professional representative has a duty to monitor the EPO register, but rather is allowed to wait for the Rule 69(1) EPC communication. After these three letters, the examining division appointed oral proceedings, at the end of which it decided to reject the request for restitution under Article 122(1) EPC.

VI. According to the decision dispatched on 14 May 2003, the Examining division held that the date of the removal of the cause of non compliance was the 21 March 2001, this being the date when the representative, who

remained responsible for the application notwithstanding the fact that an independent firm was used for the payment of fees, became aware of the non payment of renewal fees. Consequently, the application of the request for re-establishment filed on 13 July 2001 was not within the two month time limit according to Article 122(2) EPC and therefore inadmissible.

VII. The appellant lodged an appeal on 11 July 2003 with the request to set aside the contested decision and to grant *restitutio in integrum*. He paid the appeal fee on the same day and filed the statement of the grounds of appeal on 19 September 2003. In this statement and in his submissions during the oral proceedings held on 1 July 2005 before the Board he insisted that 9 July 2001 was the relevant date of the removal of the cause of non compliance. Only on this day, during the telephone call from the EPO, had he become aware of the full circumstances of the matter. As the representative of the applicant, he had not been authorised to take instructions from CPA, such as given in the letter of 21 March 2001, and could not act before the situation had been confirmed by either the applicant or the EPO.

During the oral proceedings he repeated his requests and gave his explanation of the meaning behind Article 122(2) EPC, pointing out that this Article refers to two time limits. Firstly, the application for *restitutio* must be filed within one year following expiry of the unobserved time limit. This, he argued, was to provide legal certainty for third parties. Secondly, the application must be filed within two months of the removal of the cause of non-compliance. The two month time limit could not be there for the

protection of third parties, as in many cases a third party would not know when a time limit had started. Therefore, the only rationale behind imposing such a time limit is to encourage the applicant "to get a move on". That is the reason why the drafters of the convention did not see it as being so important and critical.

The representative distinguished between the situations when the failure to meet a time limit should have been discovered and when it was actually discovered, emphasising that only the latter situation is applicable to Article 122 EPC. In this case, it might be argued that the British patent attorney should have been aware of the missed time limit when he received the letter of 21 March 2001 from a third party (CPA). However, this could not be seen as actual discovery, as the attorney was not authorised to act under instructions from the third party; to have done so would have raised ethical questions concerning the conduct of the patent attorney. It would only be unequivocally known that a time limit had been missed when it was communicated under Rule 69(1) EPC. This had been done so by the EPO, but had unfortunately been lost in the post, and hence the only time when the attorney could be said with certainty to be factually aware of the non-compliance with the time limit was following the telephone conversation with the EPO on 9 June 2001.

In support of his submission, the patent attorney referred to the headnote of J 27/90, which states that it is knowledge of the professional representative and not of the payment agency that is important. He also

referred to J 27/88 in which, on the basis of the facts, it was held that it was the knowledge of the US attorney that was important, even though the applicant himself had prior knowledge. The patent attorney also cited J 29/86, as an example of the situation where an attorney is deemed to have actual knowledge of a missing time limit on a date later than a date when he might have known that there was a problem.

Finally, attention was brought to the fact that the required fee was actually paid on 1 March 2001, one day after the expiry of the time limit.

Reasons for the Decision

The request for re-establishment of rights is inadmissible.

1. It is clear from the file and from the presentation given by the appellant's representative during the oral proceedings that there were many errors surrounding payment of the 5th annual fee.

Firstly, the monitoring of the respective time limits had not been properly organised. The applicant was only made aware that the renewal fee had not been paid before the time limit had expired, when the letter from the EPO dated 4 October 2000 was received by the European patent attorney. Secondly, the application lapsed, despite the additional information given by the EPO that the fee can still be validly paid up to the last day of the sixth calendar month following the due date, provided an additional fee of 10% of the renewal fee is paid at the same time. The reason for this was

that CPA received instructions from the applicant to pay the fees only one day before the end of the time limit, which was on 27 February 2001. Normally this would have been sufficient time to pay the fee, but because of an internal administrative error at CPA, the fee was not paid in time. Consequently, the application was deemed to be withdrawn pursuant to Article 86(3) EPC. When CPA realised that a loss of rights had resulted from their mistake, they instructed the European representative of the applicant (the British patent attorney) to file a request for re-establishment of rights according to Article 122 EPC at their expense.

2. The carelessness of the applicant and persons representing him is, however, not relevant to the question of admissibility of an Article 122 EPC application.

Rather the pertinent question in this case is whether or not the application for re-establishment of rights filed on 11 July 2001 meets the requirements of Article 122(2) EPC, namely if it was filed in writing within two months from the date of the removal of the cause of non-compliance with the time limit to pay the renewal fee, and if the omitted act was completed within this term.

Therefore it is not necessary to determine who was responsible for the lapse of the application, but rather firstly, who was obliged to file the application for re-establishment of rights after the lapse of the patent application, and secondly, did this person observe the time limit according to Article 122(2) EPC

and file the request for re-establishment within two months from the removal of the cause of non-compliance.

- 2.1 With regard to the first question, even the applicant's authorised European patent attorney does not deny that he alone had the duty to file the request for *restitutio in integrum*. The applicant is not a resident of a Contracting State of the EPO, and according to Article 133(2) EPC is only allowed to act through an authorised professional representative before the EPO. As neither the applicant's Australian patent attorney nor CPA is a professional representative before the EPO, only the European representative was allowed to act.

However, this does not necessarily mean that it is only the date when the European patent attorney becomes aware of the failure to pay the renewal fee that is the relevant moment when the cause of non-compliance referred to in Article 122(2) EPC is removed. In this case, the cause of non-compliance might also have been removed when the applicant or its representative in Australia received information concerning the lapse of the patent application. As stated in the statutory declaration from the applicant's managing director dated 6 February 2002, the applicant was already made aware during a meeting with his Australian patent attorney in early March 2001 that the application had been lost owing to a failure to pay the 5th renewal fee. Even if the applicant or the Australian patent attorney were not definitely sure at this moment that the patent application had been deemed to be withdrawn, they would have known that something was wrong, and should have taken all necessary measures to find out what had really happened.

2.2 However, the Board can leave open the question as to whether this knowledge of the applicant and the Australian patent attorney had already removed the cause of non-compliance, or whether it is the actual knowledge of the authorised representative before the EPO that is required by that provision. Even if the date when the applicant's professional representative before the EPO, being the relevant person, realised that the time limit had been overlooked is the only relevant date for the removal of the cause of non-compliance under Article 122(2) EPC, the two month time limit set out in that provision was not met, with the consequence that the application for *restitutio in integrum* is inadmissible.

2.2.1 The Board shares the opinion set out in the contested decision, that the time limit in question began to run at the latest with the notification of CPA's letter dated 21 March 2001. This letter clearly informed the European patent attorney that the application was deemed to have been withdrawn because of a failure to observe the time limit; the letter also requested the attorney to seek restitution. Since the European patent attorney has overall responsibility for a case before the EPO, the Board is of the view that the attorney should not have ignored this letter, and does not concur with the argument that the attorney could not act because it was from a third party and not from the EPO.

All due care is a general and permanent obligation of a professional representative acting before the EPO, and as the authorised representative of the applicant, the

patent attorney was obliged to consider this letter as containing serious information, all the more so as it was from the agency authorised to monitor the payment of the renewal fees on behalf of the applicant.

The letter dated 21 March 2001 was at very least an alarm signal making clear that something had gone wrong and that the time limit of Article 86(2) EPC might have expired. From this date on the representative should not have simply waited for the information given in the letter to be confirmed by an official communication of the EPO notifying the loss of rights according to Rule 69(1) EPC. On the contrary, since it appears that the applicant was unaware of the seriousness of the situation, it was the duty of the patent attorney as the duly empowered representative to have the information confirmed by the EPO. For these reasons the receipt of this letter on 21 March 2001 has to be considered as the date of the removal of the cause of non-compliance in the sense of Article 122(2) EPC.

Even if the Board assumes that the letter dated 21 March 2001 cannot be considered to have removed the error itself, then this letter was at least the effective date of the removal of the cause of non-compliance under Article 122(2) EPC. According to the jurisprudence of the Boards of Appeal, the date of removal of non-compliance can also be the date on which the non-compliance ought to have been discovered if all due care had been observed (see decisions J 27/88 and T 315/90).

2.2.2 Contrary to the arguments of the appellant, the wording of Article 122 EPC is clear. It does not require that the cause of non-compliance is only removed when the lapse of the application is known for certain by an official letter from the EPO.

The Board is of the view that any piece of serious information is capable of removing it. This is the reason why under the jurisdiction of the Boards of Appeal the communication under Rule 69(1) EPC is not the earliest date of the removal but the latest (see T 900/90; T 315/90; J 7/82 OJ 1982, 391; J 27/90 OJ 1993, 422). Consequently, the applicant's representative should have acted immediately to take all steps and activities to reverse the loss of rights. Given these circumstances, it is not relevant that the Rule 69(1) EPC communication was lost in the post, because the representative was aware before the communication had been posted that the application had lapsed. The same arguments apply to the telephone call from the EPO to the representative on 9 July 2001; at that time, the representative had already known for more than three months that the application was no longer valid.

2.2.3 The appellant's interpretation of Article 122 EPC with respect to the one year and two month time limits given in this article is not convincing. The Board does not share the appellant's view that the two months time limit under Article 122(2) EPC is not so important or critical; the contrary is true. A loss of rights can only be remedied under the narrowly restricted conditions defined by this article. The application for re-establishment is only admissible within a period of

two months after the removal of the cause of non-compliance, and only then if the omitted act is completed within this two month period. A request for re-establishment filed over a year after expiry of the non-observed time limit is inadmissible whatever the reasons for its late submission are (see J 16/86 and J 2/87, OJ 1988, 330). Moreover the one year period is shortened in cases of failure to pay the annual fee. In such cases, the 6 months grace period specified in Article 86(2) EPC is deducted (Article 122(2) EPC last sentence). If the cause of non-compliance is removed after one year it is nevertheless legally irrelevant.

The Board agrees with the appellant that the one year term is there to provide legal certainty for third parties. But so does the two month time limit as well. The appellant argued that the two month limit cannot be there solely for the protection of third parties, as in many instances a third party would not be aware that the time limit was in existence; according to the appellant, the only rationale for the two month time limit is to encourage the applicant "to get a move on". However, the Board sees Article 122 EPC as the expression of a compromise between the interests of legal certainty of third parties on the one hand, and those of the applicant not to lose an application because of failure to observe a time limit in spite of all due care on the other.

Article 122 EPC provides an exception to the situation where an application is deemed withdrawn, it must therefore be interpreted strictly; *restitutio* can only be granted under the narrow provisions of this article. The interpretation proposed by the appellant that the

two month term acts merely as an encouragement for the applicant "to get a move on" is inconsistent with the Board's view of Article 122 EPC.

- 2.3 As the date of the removal of the cause of non-compliance was the 21 March 2001 at the latest, the application for re-establishment filed on 13 July 2001 does not meet the two month time limit according to Article 122(2) EPC and is therefore inadmissible.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

A. Counillon

U. Krause