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**Datasheet for the decision
of 31 January 2007**

Case Number: T 0439/06 - 3.5.01

Application Number: 96942546.1

Publication Number: 0873549

IPC: G06F 17/60

Language of the proceedings: EN

Title of invention:

Electronic trading system including an auto-arbitrage feature
or name switching feature

Patentee:

REUTERS LIMITED

Opponents:

HSBC Bank plc et al.

Headword:

Electronic trading system/REUTERS

Relevant legal provisions:

EPC Art. 108, 122

EPC R. 65(1), 78(2), 83(2), (4)

Keyword:

"Re-establishment of rights (no)"

"All due care required by the representative (no)"

"Application of principle of proportionality (no)"

Decisions cited:

J 0005/80, T 0309/88, T 0043/96, T 0719/03, T 1401/05,

T 1561/05

Headnote:

1. Article 122(1) EPC stipulates that a patent proprietor can only have his rights reestablished if he has observed all due care required by the circumstances. Thus what all due care calls for depends on the specific circumstances of the case. In this respect, not only the individual circumstances of the person concerned have to be taken into consideration, but also the kind of time limit that needs to be observed and the legal consequences of missing it.

2. The representative bears the final responsibility. As the consequences of missing the time limit for filing the statement of grounds of appeal are severe, all due care under these circumstances requires the representative to verify the time limit calculated by his records department when he receives the file for dealing with it. He cannot simply rely on having delegated this task once and for all to his records department (see points 8 and 10 of the Reasons).



Case Number: T 0439/06 - 3.5.01

D E C I S I O N
of the Technical Board of Appeal 3.5.01
of 31 January 2007

Appellant:
(Patent Proprietor)

REUTERS LIMITED
85 Fleet Street
London EC4P 4AJ (GB)

Representative:

Musker, David Charles et al.
R.G.C. Jenkins & Co.
26 Caxton Street
London SW1H ORJ (GB)

Respondents:
(Opponents)

HSBC Bank plc
Thames Exchange
10 Queen St Plaza
London EC4R 1BL (GB)

Salomon Brothers International Ltd.
Victoria Plaza
111 Buckingham Palace Road
London SW1W OSB (GB)

ICAP plc
Park House
16 Finsbury Circus
London EC2M 7UR (GB)

Representative:

Harris, Ian Richard
D Young & Co
120 Holborn
London EC1N 2DY (GB)

Decision under appeal:

**Decision of the Opposition Division of the
European Patent Office posted 30 January 2006
revoking European patent No. 0873549 pursuant
to Article 102(1) EPC.**

Composition of the Board:

Chairman: S. Steinbrener
Members: P. Schmitz
S. Wibergh

Summary of Facts and Submissions

- I. The decision to revoke European patent No 0 873 549 (application No. 96 942 546.1) was posted on 30 January 2006. The appellant (patent proprietor) filed a notice of appeal on 27 March 2006 and paid the respective fee on the same day.

- II. On 13 June 2006, the statement setting out the grounds of appeal was filed together with an application for re-establishment of rights. The fee for re-establishment was paid on the same day. As evidence, *inter alia*, witness statements from the appellant's authorised representative and from Mr H., the head of the records department in the representative's office, as well as the front page of the decision under appeal from the representative's file were submitted. These witness statements were later filed in the form of an affidavit. The reasons given for the request can be summarised as follows:

- III. In the representative's firm, due dates were entered in a computer system called COMUS, which was a system used by several firms of patent attorneys in the UK. Mr H. had been the manager of this docketing system for the last 18 years. His responsibilities included overseeing the docketing system and managing a number of employees to ensure that this system operated reliably. When the decision underlying this appeal, dated 30 January 2006, was received, this date was entered into COMUS by Mr C., one of the persons responsible for updating the fields of the docketing system. The system then calculated as due dates 30 March 2006 and 30 May 2006, respectively, for filing the notice and the grounds of appeal. Mr C.

wrote these dates onto the front page of the decision. Mr H., who checked Mr C.'s work, realised that Mr C. had failed to apply the "ten day rule". He therefore "tippexed" out the dates on the decision and wrote over them with the incorrect dates 15 April 2006 and 15 June 2006, respectively. He then entered the adjusted dates into COMUS. As a result, all the reminder letters to the client, to the representative responsible and other staff indicated the wrong dates. He was well aware of how to calculate the ten days and during his entire career he had never missed a time limit due to an incorrect application of the ten day rule. In the present case, he had added 16 days instead of 10 days but it was not understandable how or why he did so.

IV. The representative explained that Mr H. was the most reliable, capable and conscientious records clerk he had ever encountered. His experience with the COMUS computer system and his knowledge of European and other patent procedures marked him as an outstanding assistant to whom he could delegate routine matters such as entering due dates using, where necessary, the "ten day rule". It was on 12 June 2006 that the representative received an email from the opponents' representative enquiring whether grounds of appeal had been filed. The tone of the email indicated that the deadline had already expired. Only then was the error realised.

V. The representative submitted further that he and his firm had filed many hundreds of European patent applications, oppositions and appeals over the years and were familiar with the "ten day rule" under Rule 78(2) EPC. This was the first occasion, in

- 20 years of practice, in which he was required to request re-establishment of rights. The error in calculating the date was an isolated slip in an otherwise reliable system.
- VI. In reply to a communication from the Board, annexed to the summons to oral proceedings, a second affidavit of the appellant's representative was filed, giving further details about their office procedures. In the oral proceedings, the appellant maintained that there was an effective system in place for monitoring time limits. The case law required, at least in bigger firms, that a cross-check was made. However, it did not require that this check had to be performed by the professional representative. In decision J 5/80 it was acknowledged that routine tasks, such as monitoring time limits, could be delegated to assistants. In such a situation, all due care required by the representative meant that he had to choose for the work a suitable person, instruct him properly and exercise reasonable supervision. All due care did not mean that he himself had to recalculate the time limit in the form of a triple check. If the system was satisfactory the representative could rely on it.
- VII. The appellant further explained that the time limit was only missed by 2 working days and, at least if the Board considered this a borderline case, the principle of proportionality should be taken into account.
- VIII. The respondents (joint opponents) submitted that the appellant's representative could not be said to have exercised all due care. It seemed that he had not checked the due dates although he had had a plurality

of opportunities to make his own assessment. He had reported the decision to his client indicating wrongly that the due date for filing the notice of appeal was 15 April 2006. It appeared that the dates he had reported were based on the hand-written dates on the decision. However, the decision had also printed on it the actual date of the decision. Had he checked the hand-written dates against the printed date of the decision, as had to be expected of an authorised representative exercising all due care, he would have immediately seen that the hand-written dates 15 April and 15 June 2006 were wrong. When filing the notice of appeal the representative had to review the decision and thus had another opportunity to check the due dates. In contrast with, for example, entering due dates for responding to an office action, which was routine and for which further processing was available, entering due dates for filing a notice of appeal and grounds of appeal against a decision to revoke a European patent was not a routine matter. A system that did not include cross-checks made by the authorised representative could not be said to be a satisfactory monitoring system.

IX. At the end of the oral proceedings, the Board pronounced its decision.

Reasons for the Decision

1. Under Article 108, third sentence EPC a written statement setting out the grounds of appeal must be filed within four months of the date of notification of the decision. In the present case this time limit expired on 9 June 2006 (Rule 78(2), Rule 83(2), (4) EPC). The statement setting out the grounds of appeal was indisputably received on 13 June 2006. Therefore, the appeal should be rejected as inadmissible according to Rule 65(1) EPC unless the application for re-establishment of rights can be allowed.
2. The application for re-establishment of rights complies with the formal requirements of Article 122(2) and (3) EPC and is thus admissible. The cause of non-compliance was removed on 12 June 2006 when the appellant's representative received the email from the opponents' representative inquiring whether grounds of appeal had been filed. Within 2 months of this date, namely on 13 June 2006, a reasoned application for re-establishment of rights was filed, the fee for re-establishment was paid and the omitted act, i.e. filing of the statement setting out the grounds of appeal, was completed.
3. According to Article 122(1) EPC a proprietor of a European patent can only then have his rights re-established if he was unable to observe a time limit in spite of all due care required by the circumstances.
4. Under the established case law of the boards of appeal, restitutio in integrum is intended to ensure that an isolated mistake within a normally satisfactory system

does not result in an irrevocable loss of rights (see references in "Case Law of the Boards of Appeal of the European Patent Office, 4th edition 2001", VI.E.5.1). In decision J 5/80 (OJ EPO 1981, 343), which is one of the basic decisions in the case law of the boards of appeal with respect to all due care, it was ruled that a representative may entrust assistants with routine tasks, which generally include the recording and monitoring of time limits. In such a situation the same strict standards of care are not expected of the assistant as are expected of the representative (Headnote II). It is further established case law (see above-cited Case Law Book, VI.E.5.1.2 c)) that in a large firm where a large number of dates has to be monitored, in order to qualify as a normally satisfactory system, at least one effective cross-check has to be built into the system.

5. In the present case, in the representative's firm, assistants monitor time limits by entering due dates into a computer system and at the same time noting them on the cover sheet of the decision arriving from the EPO. A cross-check is performed by a second assistant. From the evidence filed, it seems that the two assistants concerned were sufficiently qualified. However, it was the person who did the second check who made the decisive mistake in calculating the time limit by adding 16 days instead of 10 days when applying Rule 78(2) EPC. Mr H. stated in his affidavit that in his 25 year career he thinks that he had never missed a time limit due to an incorrect "ten day rule" calculation. Thus this might be qualified as an isolated mistake.

6. However, in decision J 5/80 the board further ruled that, when an applicant is represented by a professional representative, a request for restitution in integrum cannot be acceded to unless the representative himself can show that he has taken the due care required of an applicant or proprietor by Article 122(1) EPC (Headnote I). Therefore, it needs to be decided what "all due care" requires from a representative in a situation where he has delegated the monitoring of time limits to assistants. In J 5/80 it was set out that a culpable error on the part of the assistant made in the course of carrying out routine tasks is not to be imputed to the representative if the latter has himself shown that he exercised the necessary due care in dealing with his assistant. In this respect, it is incumbent upon the representative to choose for the work a suitable person, properly instructed in the tasks to be performed, and to exercise reasonable supervision over the work (Headnote III). From the evidence filed it seems that these requirements have been met in the present case.
7. However, complying with these requirements only means that the assistant's error in dealing with the delegated task can not be imputed to the representative. It does not mean that with the proper selection, instruction and supervision of the assistant the representative's responsibility ends there once and for all, and that he need not take further care with respect to the delegated task.

8. Article 122(1) EPC stipulates that a patent proprietor can only have his rights re-established if he has observed all due care *required by the circumstances*. Thus what all due care calls for depends on the specific circumstances of the case. In this respect, not only the individual circumstances of the person concerned have to be taken into consideration, but also the kind of time limit that needs to be observed and the legal consequences of missing it. It is clear from the Convention that not all time limits need the same attention. If further processing is available it might be sufficient to leave the monitoring of such a time limit completely to the assistants since there is no irrevocable loss of rights at stake. However, the time limits for filing an appeal provided for in Article 108 EPC against a decision revoking the patent are absolutely critical since if they are missed the patent remains revoked and there is no further ordinary remedy. Thus they need specific attention.
9. The appellant argued that the case law so far has only required a double check when noting time limits but not a triple check to be performed by the representative. As set out above, the Board is of the opinion that this is very much dependent on the specific circumstances. It is not necessary to perform a triple check from the outset, once such a decision is received in the representative's office and when the time limit is noted. This still belongs to the administrative treatment of the file where the representative does not yet need to be involved if he has installed a satisfactory system.

10. However, once the representative gets the file on his desk for his own action, in order to comply with the relevant time limit, responsibility passes over to him in all respects. The administrative system has worked in so far that the file was forwarded to him. Once it is in his area of responsibility, he has to deal with it with all the due care required by the circumstances. The representative bears the final responsibility. As the consequences of missing the time limit for filing the statement of grounds of appeal are severe, all due care under these circumstances requires the representative to verify the time limit calculated by his records department when he receives the file for dealing with it. He cannot simply rely on having delegated this task once and for all to his records department. In the present case, the front page of the decision, where the wrong deadlines for the notice of appeal and for the grounds of appeal were noted as 15/4/2006 and 15/6/2006, respectively, also bears the date of the decision, namely 30.01.2006. Thus, even a cursory check should have revealed the mistake. From the representative's affidavits it is clear that he did not make his own calculation, but only checked whether the time limits had been entered into the computer system without verifying their correctness. He submits that in checking for the presence of entries he would also spot obvious errors (for example, the wrong number of months between the Notice and the Grounds). But obviously in this case, the representative did not make his own assessment and thus did not realise the mistake. Moreover, the representative reported the decision to his client based on the incorrect dates and also, when filing the notice of appeal, did not check whether the time limits had been correctly calculated.

11. In decision T 1561/05 of 17 October 2006 (not to be published in the OJ EPO), which has similar underlying facts, the board of appeal took the same view about what all due care required under these circumstances (see in particular points 2.2.1 and 2.2.2 of the reasons). In this decision, the board held that a representative may be entitled to delegate to assistants the recording and monitoring of due dates. However, once a file passed into the representative's domain because it was forwarded to him for further prosecution, he could no longer assume that his assistants had reliably completed all the duties delegated to them. His professional prudence demanded, moreover, that he not only carried out random checks of the diaries, but also verified the calculation of time limits once the file was handed over to him. This belonged to his own duty of care which could not be delegated.

12. Although these statements were made within the context of the removal of the cause of non-compliance, the Board does not share the appellant's view that a stricter standard of due care has to be applied within the context of admissibility of an application for re-establishment of rights than to the examination of its allowability. There is no basis for applying different levels of due care in these situations.

13. Also in decision T 719/03 of 14 October 2004 (not published in the OJ EPO), the board of appeal did not allow an application for re-establishment of rights because the representative himself had not observed all due care. The board set out that it had to be expected

from a representative, when a decision open to appeal was laid before him, to go mentally through all formal and substantive aspects of the further conduct of the procedure. This meant that he had to check whether the time limits had been noted. Normally, this also meant that he had to perform his own time limit calculation. The appellant submitted that the situation underlying decision T 719/03 was different since there was an inexperienced assistant involved, which was not the situation in the present case. However, from the decision it is quite clear that in the board's view, it belonged to the general duties of the representative to perform his own time limit calculation, irrespective of the reliability of the assistant (see points 3.1 and 3.2 of the reasons).

14. In decision T 43/96 of 5 July 1996 (not published in the OJ EPO) to which the appellant referred, the board of appeal allowed the application for re-establishment of rights on the basis of an isolated mistake of the secretary without addressing the representative's own obligations. However, this finding gives no reason for the present Board to come to another conclusion since every case has to be decided on the basis of its individual facts and no concrete details are given in this decision concerning the representative's involvement. Furthermore, the appellant considered decision T 309/88 of 28 February 1990 (not published in the OJ EPO) as being in his favour. However, in this case, the time limit was missed because the secretary had not noted the time limit in the diary. This mistake was not imputed to the representative because he had a satisfactory system. There are no indications that the representative failed to fulfil his own obligations.

15. The appellant submitted that the principle of proportionality should be applied since the time limit was only missed by 2 working days while the loss of a patent might be a considerable damage. It appears that the case law is not entirely harmonised in this respect (see above-cited Case Law Book, VI.E.9.). The present Board is of the view that the requirement which needs to be examined within this context is whether all due care has been observed when dealing with the time limit. Article 122(1) EPC does not provide for a proportionality test, but requires a consideration of the facts which led to the non-observance of the time limit. Once the time limit expires a loss of rights occurs and the number of days by which the time limit has been missed does not play any role. Only the character of the conduct before the time limit expires is decisive, not the length of the ensuing delay (see recent decisions T 1561/05 already cited above, point 2.4 of the reasons and T 1401/05 of 20 September 2006, not to be published, point 14 of the reasons). Furthermore, allowing additional days after the end of a time limit during which the non-observance would not entail the sanction would introduce an arbitrary element into the application of Article 122 EPC, which would be contrary to the principle of legal certainty.

Order

For these reasons it is decided that:

1. The application for re-establishment of rights is refused.
2. The appeal is rejected as inadmissible.

The Registrar

The Chairman

D. Sauter

S. Steinbrener