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**Datasheet for the decision
of 7 December 2010**

Case Number: T 0997/10 - 3.5.06

Application Number: 92908098.4

Publication Number: 0576546

IPC: G06F 13/00

Language of the proceedings: EN

Title of invention:
Networked variables

Applicant:
ECHELON CORPORATION

Headword:
Re-establishment of rights (no)

Relevant legal provisions:
EPC Art. 122
EPC R. 136(1), 136(2), 126(2), 134 (1)

Relevant legal provisions (EPC 1973):
-

Keyword:
"Re-establishment of rights"
"All due care"

Decisions cited:
J 0003/88, J 0009/86

Catchword:
-

Case Number: T 0997/10 - 3.5.06

**DECISION
of the Technical Board of Appeal 3.5.06
of 7 December 2010**

Appellant: ECHELON CORPORATION
4015 Miranda Avenue
Palo Alto, CA 94304 (US)

Representative: Wombwell, Francis
Potts, Kerr & Co.
15, Hamilton Square
Birkenhead
Merseyside CH41 6BR (GB)

Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 6 November
2009 refusing European patent application
No. 92908098.4 pursuant to Article 97(2)
EPC.

Composition of the Board:

Chairman: D. H. Rees
Members: M. Müller
C. Heath

Summary of Facts and Submissions

- I. European application 92908098 by Echelon Corporation was refused on 15 October 2009 in oral proceedings, and the written reasons were duly dispatched to the applicant on 6 November 2009. On 29 March 2010, the applicant filed (1) a request for establishment of rights, (2) a notice of appeal, (3) grounds of appeal, and paid (4) one appeal fee, and (5) two fees for re-establishment of rights. Oral proceedings were requested should the Board not be inclined to grant the request for re-establishment of rights.
- II. The time limit for filing an appeal expired on 18 January 2010 (16 January being a Saturday), and the time limit for filing the grounds of appeal expired on 16 March 2010. A request for re-establishment of rights has been made for both of these time periods, including the corresponding payment of a fee for each request.
- III. In the case at issue, the case management was essentially handled by a U.S. firm of patent attorneys, while the European representative acted on instructions from the U.S. firm rather than directly from the patentee. The decision to refuse the patent was sent to the European representative, Mr Wombwell of Potts, Kerr & Co., who forwarded the decision on to the U.S. firm Blakely, Sokoloff, Taylor and Zafman. A declaration of Mr Nicholson, who handles the majority of Echelon Corporation's European patent applications at the above U.S. firm (including, evidently, this one), filed with the request for re-establishment of rights, explains why the deadline for filing an appeal was missed, and why this was an isolated mistake.
- IV. According to Mr Nicholson's declaration, time limits were handled by one of Mr. Nicholson's assistants, and only the assistant reminded the attorney of a first "soft deadline" set two weeks before the actual deadline by an automated docketing programme. As to what happened in this case, Mr Nicholson in his declaration states the following:
"Unfortunately, one of my assistants, in generating this note on the file, misread the docket and stated that the due date for filing the notice of appeal was 16 January 2010, and not 6 January 2010... When I saw the file in late December 2009 and asked about it, I was told that 16 January 2010 or 6 February 2010 was the deadline for filing the appeal as written on the note. Given that 16 January 2010 was approximately two weeks prior to 6 February 2010, we assumed that 16 January 2010 was a "soft" deadline and that 6 February 2010 was the "hard" deadline... This error was further compounded by the fact that the assistant that was in charge of this particular file, and who primarily runs my docket, was sick the week of 6 January 2010."

Mr Wombwell in his letter of 8 November 2010 provided the following additional information from Mr Nicholson:

- "Our [that is, Mr. Nicholson's] docketing had at least two entries for this matter:
(1) "Deadline to appeal decision to refuse" of 6 January 2010 and
(2) An entry for 6 February 2010 as when "instructions due" for "statement of grounds of appeal due. On 6 January 2010, I was provided an email from one of my assistants that response was due, but as noted in the declaration, the note on the case was presumed to be "soft" date of when something should be sent to our European associates regarding the appeal. The email was generated solely on the docket entry and with two of them there a misunderstanding occurred."
- V. On 27 September 2010, the Board invited the Appellant for oral proceedings to be held on 7 December 2010. In the annex to the summons, the Board highlighted a number of issues that in its provisional view made the appeal unlikely to succeed. As a response to the Board's communication, the Appellant on 8 November 2010 clarified a number of further issues, inter alia the "fail-safe" system established by the U.S. firm handling the Appellant's files. Part of this clarification is cited above. Mr. Nicholson also submitted a graph on docket and process tasks in relation to cases before the (US) PTO.
- VI. In a letter of 11 November 2010, the request for oral proceedings was withdrawn and instead a written decision was requested.
- VII. In the Appellant's view, all due care was taken under the circumstances, and the missed time limit was an isolated mistake in a normally satisfactory system. The Appellant therefore requests re-establishment of rights with the consequence that the appeal filed against the decision of 6 November 2009 would be deemed to have been filed in due time.

Reasons for the Decision

1. Re-establishment of rights is foreseen in cases where missing a time limit would lead to a loss of rights (Art. 122 EPC). The request for re-establishment must be made within two months "of the removal of the cause of non-compliance", Rule 136(1) EPC, state the grounds on which it is based, and complete the omitted act, Rule 136(2) EPC. In the present case, the applicant has complied with all of the above. According to the appellant's submissions, the error was discovered on 28 January, and on 29 March (28 March being a Sunday), a reasoned request for re-establishment including a notice and grounds of appeal was filed, and the corresponding fees were paid.

2. The request for re-establishment of rights can only be granted if "all due care required under the circumstances" has been taken. According to decision **J 3/88**, once the files are effectively handled by someone other than the authorised representative, as is the case here, it is this person who is required to have taken all due care, including an appropriate selection and supervision of his assistant:

"3. As regards the requirement of "all due care" within the meaning of Article 122(1) EPC, the US patent attorney must be regarded as the agent of the Appellant. Thus, in order to comply with this requirement, it has to be established that the US patent attorney has taken the due care required of an applicant for or proprietor of a European patent by Article 122(1) EPC (cf. **J 05/80**; OJ EPO 1981, 343). This means among other things that, in case of culpable errors committed by the US patent attorney's assistants, the Appellant may only benefit from the provisions of Article 122 EPC if he is able to prove that these assistants were carefully selected and properly instructed in the tasks to be performed, and that a reasonable supervision of their activity has been exercised (cf. **J 05/80**, above)."

3. In the further submission of 8 November 2010, the Board was told that both of Mr Nicholson's assistants were certified paralegals in California, and have worked at the firm of Blakely, Sokoloff, Taylor and Zafman LLP for several years. The Board has not been told who these assistants actually were, or how and whether they have been continuously supervised.
4. An important issue for the Appellant's case of re-establishment of rights is the "fail-safe" system as described by Mr Nicholson. In effect, these are the docketing programme that gives out a soft deadline, and the assistant him or herself who writes the deadline on the file, alerts the attorney to the deadline and partakes in weekly docket meetings in which upcoming cases are discussed. In the case at issue, the assistant failed to perform his or her duties due to an illness in the week of 6 January 2010. The date of 6 January 2010 had found its way to the docketing programme as an alleged "soft" deadline and was ignored.
5. When looking at the facts of the case, the Board first of all has difficulties in identifying a proper fail-safe system that requires effective cross-checks. Decision **J 9/86** dealt with a similar case where there was an inconsistency between data in the computer file and data in the manual entries. The Board in this case held as follows (point 9, paragraphs 3 to 6 of the Reasons):

"The Statement of Grounds sets out in detail the system used in the representative's office for recording a time limit in a manual diary, a computer file, and in the representative's

personal reminder system. However, in spite of the existence of such a seemingly comprehensive entry and checking system, it appears that the failure to observe the time limit was caused primarily by a failure to enter the time limit in the computer file. The lack of data in the computer file for this case was then later accepted as correct, in preference to the manual diary entry of the time limit, which was therefore deleted.

Thus the system in the representative's office which was supposed to ensure that payments to the EPO were made in due time did not include any effective cross-check. A simple failure by one person to make an entry of the time limit into the computer file resulted in non-payment of the fees and failure to file translations of the claims within the time limit specified.

The question whether a particular system used in a particular office to ensure that acts such as the payment of fees are completed in due time satisfies the requirements of "all due care" in Article 122 EPC must depend upon the individual circumstances of each case. However, in a large firm where a large number of dates have to be monitored at any given time, it is normally to be expected that at least one effective cross-check is built into the system. For a cross-check to be effective, it is clearly essential that if the cross-check shows in a particular case an inconsistency between the data being checked and the data which is being used to cross-check, an investigation must then be carried out to ascertain which data is correct.

In the present case, although there was inconsistency between the data in the computer file and the data in the manual entry diary, it appears that the reason for the inconsistency was not investigated. Furthermore, it has not been established that the person who carried out the cross-check was under a duty to investigate an inconsistency in such circumstances. Therefore, on the information at present before the Board, the system in use in the representative's office could be open to criticism."

6. The Board regards it of particular importance in the case at issue that nowhere in Mr Nicholson's statement can the actual time limit for filing an appeal be found. As the decision under appeal dates from 6 November 2009, the time limit for filing the notice of appeal would have been 18 January taking into account the ten day rule of postal delivery (Rule 126(2) EPC) and the fact that 16 January was a Saturday (Rule 134(1) EPC). From Mr Nicholson's statement (and, curiously enough, also from Mr. Wombwell's letter of 29 March 2010 requesting re-establishment of rights), it would seem that 6 January 2010 was thought to be the time limit for filing an appeal, and that Mr Nicholson was (wrongly) told by an assistant "that 16 January 2010 or 6 February 2010 was the deadline for filing the appeal". The vagueness of this statement would already have been a good

reason for further inquiries. Mr. Nicholson further mentions that an internal "soft" deadline was assumed to have been set for a date two weeks before the actual "hard" deadline". But neither is 6 January two weeks prior to 16 January, nor is 16 January two weeks prior to 6 February. In respect of the latter two dates, Mr. Nicholson states that "16 January 2010 was approximately two weeks prior to 6 February, [and] we assumed that 16 January was a "soft" deadline and that 6 February was the "hard" deadline". - Again, this statement is rather vague. 6 February was actually three weeks after 16 January. Further, it was a Saturday, and according to Rule 134(1) EPC, no "hard" deadlines fall on days when the Office is closed.

7. According to Mr Nicholson, 6 January 2010 was the due date for filing the notice of appeal. This, first of all, was an incorrect calculation. Next, and admitted by Mr. Nicholson, a mistake was made in noting the date to indicate 16 January as the "hard" deadline. In such case, the computer should presumably have given an alert two weeks prior to this date, and it is not clear from the facts why this was not the case. If, on the other hand, 6 January was the alert for a soft deadline, it is not entirely clear why this was ignored. Further, had Mr. Nicholson taken a look at the case on the alleged "soft" deadline of 16 January, he could still have managed to instruct Mr. Wombwell to file a notice of appeal on 18 January, which was the actual time limit. Finally, no explanation has been given how the date of 6 February 2010 was calculated. The note for this date presumably should have concerned the "grounds of appeal", and not the notice of appeal, giving further credence to the impression that the persons in charge of the file were unfamiliar with procedures and time limits before the EPO, since the actual "hard" deadline for filing the grounds of appeal would have been 16 March, one month and ten days later than the deadline noted. In sum, on the evidence presented, the Board is not convinced that "all due care" was given to calculating and meeting the time limit for filing a notice of appeal.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:

The Chairman:

B. Atienza Vivancos

D. H. Rees