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**Datasheet for the decision
of 29 March 2012**

Case Number: T 0742/11 - 3.4.03

Application Number: 02767717.8

Publication Number: 1497801

IPC: G07F 19/00

Language of the proceedings: EN

Title of invention:

A computerized money transfer system and method

Applicant:

Chequepoint Franchise Corporation

Headword:

Due care/CHEQUEPOINT FRANCHISE CORP.

Relevant legal provisions:

EPC Art. 108, 110, 122, 122(1), 133(2)

EPC R. 100(2), 101(1), 136(1)

Code of Conduct of the Institute of Professional
Representatives before the European Patent Office, point 4
Rules of Conduct for Patent Attorneys, Trade Mark Attorneys
and Other Regulated Persons (UK), Rule 6 incl. Guidance

Keyword:

"Duty to inform client, due care by non-european agent, due
care by professional representative, due care by assistant,
due care by manager of applicant, due care (no), due care (not
proven), re-establishment of rights (no)"

Decisions cited:

J 0002/86, T 0166/87, T 0030/90, J 0005/94, T 0580/06,
T 0257/07, T 0261/07

Catchword:

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Case Number: T 0742/11 - 3.4.03

D E C I S I O N
of the Technical Board of Appeal 3.4.03
of 29 March 2012

Appellant:
(Applicant)

Chequepoint Franchise Corporation
Edificio Banco do Brasil
Calle Elvira Mendez 10
Apt. 5246
Panama City (PA)

Representative:

Snipe, Benjamin Thomas Fletcher
Snipe Chandrasahen LLP
35 Kingsland Road
London E2 8AA (GB)

Decision under appeal:

Decision of the Examining Division of the
European Patent Office posted 2 July 2010
refusing European patent application
No. 02767717.8 pursuant to Article 97(2) EPC.

Composition of the Board:

Chairman: G. Eliasson
Members: T. Bokor
T. Häusser

Summary of Facts and Submissions

- I. The present appeal proceedings concern an appeal against the decision of the Examining Division, announced at the oral proceedings on 8 June 2010 and posted on 2 July 2010, by which European patent application No. 02767717.8 was refused. The time limit for filing an appeal and paying the appeal fee expired on 13 September 2010.
- II. Notice of appeal was filed on 18 March 2011 together with the grounds of appeal and accompanied by a request for re-establishment of rights under Article 122 EPC. The appeal fee and the fee for the request for re-establishment of rights were paid on the same day. The request contained an account of the events that led to the missing of the respective time limits (for filing notice and grounds of appeal) and was accompanied by a copy of the e-mail correspondence between the appellant and its agents and two witness statements attesting the course of the events as explained in the request. One witness statement was made by the professional representative acting before the Examining Division and also before the Board in the present appeal. The other was made by an employee working in the legal department of the appellant company "on behalf of" the appellant, i.e. not as a genuine witness statement by a natural person but rather a statement of facts on behalf of the appellant as a legal entity.
- III. The request explained the circumstances under which the time limit was missed essentially as follows:

IV. The applicant, now appellant, is a legal entity, a small firm. The patent portfolio of the appellant was managed by an Australian and New Zealand patent attorney, who was an "advisor" to the appellant. Though not a European patent attorney himself, he was experienced in European patent prosecution matters. He acted as an intermediary ("a trusted advisor") between the professional representative and the appellant, so that instructions from the appellant to the professional representative were given by him. He was well aware of the upcoming oral proceedings before the Examining Division, scheduled for 8 June 2010, and he was also aware that there was a time limit, 7 May 2010, set for submitting new requests or arguments. He duly reminded the appellant by e-mail of this time limit shortly before its expiry, namely on 4 May 2010 (at 16.21 hours). The appellant responded immediately (at 16.32 hours) to this e-mail, and instructed the advisor not to proceed with the application. The advisor confirmed these instructions to abandon the application by return e-mail (at 16.37 hours), and also immediately forwarded them without any comments to the professional representative. However, a short while later on that day (at 17.04 hours) the advisor wrote again to the appellant, recommending that the application should be maintained. Still later (at 17.23) the advisor wrote another e-mail to the appellant and advised the appellant that the professional representative would be able to provide an opinion on the chances of succeeding at the oral proceedings before the Examining Division. The e-mails from the appellant were received by and sent in the name of the Head Office of the appellant (as submitted later, by the assistant of the managing director). Thereafter the appellant called the advisor

by telephone and instructed him orally to continue with the application. However, these instructions were not forwarded to the professional representative, as a result of "an oversight on the part of Mr...[the advisor]". The appellant realised that the application was no longer pending when the aforementioned employee of the legal department (see point II) called the professional representative on 19 January 2011 to inquire about the instructions that the latter had received. The professional representative responded to this phone call on 19 January 2011 by forwarding a copy of the e-mail sent by the appellant to the advisor at 16.32 on 4 May 2010. Thus 19 January 2011 was the date of the removal of the cause of non-compliance with the time limit in question.

- V. A communication under Rule 100(2) EPC with a preliminary assessment of the request for re-establishment of rights was issued by the Board on 12 September 2011. The Board indicated that the request did not appear to be allowable, as neither the advisor nor the appellant appeared to have acted with the required care. The Board further indicated that not only had the instructions to proceed with the application not got through to the professional representative, but apparently the latter had also not reported to the appellant that the application had been refused and that an appeal could still be filed. It was further unclear who had instructed the advisor to continue with the application, and moreover no details had been given as to how the time limit monitoring system of the advisor or that of the appellant was set up.

VI. The appellant responded to this communication by letter dated 12 December 2011. This second letter contained further details of the events leading to the loss of rights and was accompanied by two separate witness statements made by the advisor (one signed and one unsigned) and a copy of a reminder letter dated 4 August 2010 from the professional representative sent by e-mail to the advisor.

VII. In this second letter the professional representative stated that the advisor was contacted on 4 May 2010 over the phone by the assistant of the managing director of the appellant. She had been instructed to make the phone call by the managing director. It was believed that there was a misunderstanding between the assistant and the advisor, and this was the main cause of the missing of the time limit. The appellant mistakenly believed that the application would be continued, while the advisor could not have been expected to discover this error, since misunderstandings of this kind were "such that [the advisor] would not know that he had misunderstood". Therefore, it was irrelevant what systems were in place to monitor the time limits, because the advisor would not have monitored the time limits anyway, assuming that the application was to be abandoned. The letter also mentioned that the assistant was no longer employed by the appellant.

VIII. Concerning his duty to inform his client about the possibility of appeal, the professional representative stated that he informed the advisor in an e-mail dated 4 August 2010 about the refusal of the application and

the time limit for filing an appeal. This e-mail was worded as follows:

"Dear....

We have received from the EPO a decision to refuse this application, together with a write up of a telephone conversation I had with a member of the Examining Division on whether we would attend Oral Proceedings and a copy of the minutes of the Oral Proceedings, which proceeded in our absence. I attach a copy of these documents.

The applicant now has the option of appealing the decision to refuse the application. The period for notifying the EPO that the applicant wishes to appeal ends 10 September 2010. A further two months are allowed for filing grounds of appeal.

In the absence of instructions from you before 10 September 2010 we will take no action to effect an appeal. We will also not issue any reminders in this regard.

I look forward to any instructions you might have. We will issue our invoice for reporting the decision shortly.

Yours sincerely ..."

- IX. This e-mail from the professional representative was sent to the office address of the advisor and also to his private e-mail address. The e-mail sent to the office address was apparently not received by the advisor, and also could no longer be traced. His business had been wound up, and the advisor had to retrieve e-mails from an archive in a form which was not searchable. In any event, this e-mail could not be found. The e-mails sent to the private e-mail address

of the advisor were not monitored regularly, so that the reminder had only come to his attention later. Hence he was not aware of the possibility of appeal, and also did not inform the appellant of it. Nevertheless, he sent occasional status reports about the patent portfolio to the appellant, and informed the appellant on two occasions, 28 and 31 August 2010, that the application in question had the status "rejected/instructions to abandon". These status reports were received at the offices of the appellant, but the staff dealing with patent matters were not particularly specialised, even though they had to handle a significant amount of patent correspondence. There was only a small staff, so that they normally relied on the advisor to look after the patent portfolio. The patent portfolio was too small to engage a full-time employee to look for it or to train someone in the office in matters of patent prosecution. In this manner the staff at the offices of the appellant could not have been expected to realise that a draft submission was due or that status reports should be checked. The practice was that the advisor would be expected to make efforts to procure instructions if he knew that the application was to be continued. Further, the staff handling the patent-related correspondence, i.e. the in-house counsel and the employee of the legal department were no longer employed by the appellant. All in all, the professional representative stated that all due care required by the circumstances had been taken, and the misunderstood phone call had to be considered an isolated mistake in a normally satisfactorily functioning system.

- X. According to the witness statements made by the advisor, he had a telephone discussion with the managing director of the appellant (who was also one of the inventors) on 4 May 2010 (from the overall context it appears this had to be on 3 May 2010). The next day he received an e-mail from the appellant instructing him that the application was not to be continued. Nevertheless, he has offered to contact the professional representative in order to obtain a view on the application and its chances of success. Later the same day he contacted the appellant once more to clarify that his advice was to maintain the application as it "could potentially be very valuable". No answer was received from the appellant, so that he was left in the belief that the application was to be abandoned. Nor was he aware of any phone call by the assistant or anyone else on the 4 May 2010. However, besides the two portfolio status reports on 28 and 31 August 2010, he had also raised the issue of maintaining the application in a discussion with the managing director on 16 July 2010.
- XI. In a summons to attend oral proceedings issued on 27 December 2011 the Board indicated that the latest submissions of the appellant did not provide a clearer picture, but rather contradicted the facts presented earlier. Instead of the missing of the time limit being ascribed to an "oversight" by the advisor, the error was now attributed to a misunderstanding or a lost communication between the advisor and the appellant. Furthermore, another lost communication emerged. All these facts appeared to point to a lack of due care so that the request for re-establishment of rights still did not appear allowable.

- XII. The appellant responded to the summons by a further letter dated 29 February 2012, accompanied by a signed witness statement from the managing director. The letter stated that the professional representative had not been able to obtain further evidence from the advisor.
- XIII. In his witness statement the managing director explained that on 4 May 2010 he instructed the advisor to abandon the application, given the latter's earlier negative opinion, but changed his mind after having received his more positive e-mails. Owing to time pressure he did not call the advisor personally, but instructed the assistant to call him immediately with the instructions to continue the application. It was assumed that the assistant did as instructed and contacted the advisor. He did not have further discussions about the application with the advisor, but realised only on 18 or 19 January 2011 that the application had not been continued. He had no recollection either of any discussions with the advisor in July 2010. Nor did he remember having seen the status reports, given that he generally saw a large volume of correspondence. However, he would have reacted to the "indication that this European patent application had been mistakenly abandoned". It was possible that the status reports were received by the in-house counsel, who was, however, probably not familiar with the relatively large patent portfolio of about 20 cases. Therefore, the in-house counsel could not have been expected to realise that a patent application had been abandoned by mistake.

- XIV. Oral proceedings were held on 29 March 2012 and were attended by the professional representative.
- XV. During the oral proceedings the professional representative clarified that the advisor's firm was still operating in August 2010, but no explanation could be found as to why the reminder e-mail of 4 August 2010 from the professional representative was not received at the advisor's office e-mail address (see point IX). The professional representative emphasised that both the appellant and the advisor's firm were small firms, which could not have been reasonably expected to keep a very sophisticated monitoring system for time limits or making their correspondence in a very formal manner. In this respect, reference was made to decision T 166/87 of 16 May 1988, in which it was held that the requirement of "all due care" had to be examined in the light of the individual circumstances, and that in a small office a system of double-checks could be dispensed with. In fact, the patent portfolio of the appellant constituted a major portion of the work of the advisor. On the other hand, the managing director of the appellant decided personally on the maintenance of the patents in the patent portfolio, but could not be reasonably expected to be familiar with patent procedures or to review long patent status reports and portfolios. At any rate, the size of the patent portfolio of the appellant was rather unfortunately neither too small nor too big, in the sense that it could not easily be overseen by the managing director himself, but was still not big enough to justify the employment of a full-time employee to manage that.

XVI. As to the actions of the assistant, no further details were available, given that she no longer worked for the appellant, but even if she could have been questioned, it was highly improbable that she would have remembered the details of the phone call to the advisor. She had no particular responsibility for the patents, but rather carried out immediately all kinds of tasks given to her by the managing director, as would be natural for an assistant in her position. Normally she worked very reliably. Given all facts, there was a very high probability that she did carry out the instructions of the managing director and indeed made the phone call.

XVII. Moreover, the advisor could not have been expected to forward the time limit reminder from the professional representative to the appellant, given that he was fully convinced that the application were not to be continued with the result that the reminder would have been superfluous anyway. In this manner the lost reminder e-mail of 4 August 2010 had no bearing on the case.

XVIII. The decision of the board was announced at the end of the oral proceedings.

Reasons for the decision

1. The admissibility of the appeal turns on the success of the request for re-establishment of rights. If this request is granted, the appeal will be examined on the merits. Otherwise it has to be rejected as inadmissible (Article 108 EPC, first sentence in conjunction with Article 110 EPC, first sentence and Rule 101(1) EPC).

2. The time limit for filing an appeal in the present case expired on 13 September 2010. The request for re-establishment of rights was filed on 18 March 2011. The Board accepts that in the present case the cause of non-compliance (Rule 136(1) EPC) was removed when an employee of the appellant realised that no action had been taken in the application (thereby implying that the appeal had not been filed either). According to the appellant, this happened on 19 January 2011, when the professional representative sent an email to an employee of the appellant following her inquiry by telephone. The Board accepts the given date of the email as the starting date for calculating the time limit pursuant to Rule 136(1) EPC (at least no other event after 13 September 2010 is evident from the file which potentially could have triggered an earlier time limit). In this manner, the cause of non-compliance with the missed time limit was the erroneous belief of the appellant that the advisor had been instructed and had taken the necessary steps, while for the advisor and the professional representative it was their erroneous belief that the application was to be abandoned. The omitted acts were completed together with the filing of the request and the necessary fees were paid. The request for re-establishments of rights is admissible.
3. Pursuant to Article 122(1) EPC, the request must be allowed if the applicant can show that the time limit was missed in spite of all due care required by the circumstances having been taken. It is settled case law of the Boards of Appeal that due care must be exercised by all persons acting on behalf of the applicant. Thus, in the present case it must be examined whether this

requirement has been fulfilled by all the persons involved. In the present case it can be established that the professional representative, the advisor, the assistant and the managing director of the appellant were all personally involved in the communication between the appellant and the professional representative.

4. The Board notes that the explanation of the events as presented in the request and the subsequent two written submissions of the professional representative on behalf of the appellant contradict each other to some extent, or at least convey this impression on first reading. To the extent that the later submissions give a different cause for the missing of the time limit, they have to be disregarded (or be considered as inadmissible, see J 2/86 (OJ EPO 1987, 362), T 257/07, T 261/07), given that the later submissions were filed after the expiration of the time limit stipulated by Rule 136(1) and (2) EPC. However, the Board accepts for the benefit of the appellant that the contradictions themselves do not amount to the presentation of a completely new and different factual situation, and that the three submissions essentially all relate to the same set of facts, so that in the end the Board is able to assess the case taking into account all the written and oral submissions of the appellant (see also J 5/94 of 28 September 1994).

Due diligence to be observed by the assistant

5. Firstly, the Board notes that there is absolutely no evidence on file in respect of the key action of the assistant, namely the alleged phone call to the advisor

on 4 May 2010 with the reversal of instructions. There is no witness statement from her. The only factual statement is that she was instructed to make the phone call. Whether she made the phone call or not remains unknown. From the facts on file it cannot be excluded that she did not make the phone call. This would be contrary to the assumption made in the two available witness statements from the managing director and the employee working in the legal department (see point II), but they only express an assumption, and not personal knowledge of this event (i.e. the phone call). This contrasts with the statement of the advisor, who does not remember any phone call. It is noted that the employee working in the legal department does not even name the assistant personally as having made the phone call. The managing director admits himself that he did not follow up the instructions given to his assistant to check if they reached the advisor (see points 3.9-10 of the witness statement made by the managing director). Though the request for re-establishment is based on an alleged "misunderstanding" between the advisor and the assistant, there is no evidence that there was anything to misunderstand at all. It is even possible that the misunderstanding occurred between the assistant and the managing director. Hence the Board is unable to establish that the assistant did act with the required level of care. The mere statement that she was a reliable employee is not sufficient. For this reason alone the request for re-establishment of rights can not be allowed. The argument that she probably would not have remembered the details of the phone call does not help because it does not change the fact that there is practically no information available to the Board

about the circumstances relating to how the instruction to the advisor was lost.

6. Assuming, again for the benefit of the appellant, that the assistant understood the instruction and made the phone call as instructed, the Board considers it appropriate to point out that her manner of proceeding by apparently not following up the alleged phone call (e.g. with an e-mail) does not appear particularly diligent under the given circumstances. On that day she had received several e-mails from the advisor, and also sent one herself with the instruction not to continue the application. In such a situation it would have been reasonable to expect that the instructions given by phone would be also confirmed by an e-mail at least, particularly in the light of the fact that the new instructions were meant to reverse completely the previously sent written instructions. In the opinion of the Board, this minimum level of diligence is to be expected from an office assistant even without special knowledge of patent matters. Conversely, if she was regularly expected to carry out instructions without any intellectual involvement on her part, it would have been reasonable to expect her superior to have checked if she had made this particular phone call, or alternatively to instruct her that this phone call was particularly important and needed written follow-up or checking for confirmation of receipt. However, the wording of her e-mails and the fact that e-mails were addressed to her personally ("Dear Patricia") do not convey the impression that she had no understanding of the matters passing between the advisor and the managing director: "I have spoken to [the managing director]...**we** are not interested in pursuing this

matter" (emphases by the Board), see Annex 3 to the request for re-establishment of rights (point II above).

Examination as to due care during subsequent events

7. The appellant based his case based on the argument that the time limit in question was missed because the advisor was unaware that the instructions had been reversed and that the application should be pursued further. The Board sees no reason either to doubt the existence of a strong causal relationship between the events and occurrences resulting in the erroneous belief of the advisor on the one hand and the final loss of rights on the other, and therefore these events, in the light of all the facts of the present case, are relevant to the missed time limit. Put differently, the Board has good reason to consider these events as falling under those circumstances in respect of which the due care required by Article 122 EPC must be shown. From this it follows that a finding of lack of due care in relation to these events could in itself be sufficient to lead to a refusal of the request for re-establishment of rights. Furthermore, this is not affected by the finding, as set out below, that the loss of rights could still have been avoided if all due care had been observed at a late stage.

8. On the other hand, the first error (the loss of the instructions from the managing director) did not cause any direct loss of rights at that time, but only meant that no submissions were prepared for the upcoming oral proceedings. The rights were finally lost more than four months later, when the appeal against the refusal of the application was not filed. Furthermore, the

appellant stated that the first error was of a type which could not have been discovered under the circumstances (see points VI and XII).

9. The Board also took note of the fact that the assistant was no longer working for the appellant. The causes and circumstances of her departure from the firm were not explained or given any significance. Yet, based on the available evidence, it cannot be excluded that the loss of the order from the managing director reversing his previous instructions did not depend on her or at least cannot be imputed to her. The Board is also aware of case law according to which inexplicable errors may be excusable, depending on the circumstances (see T 580/06 of 1 July 2008, point 2.3 of the Reasons).

10. The Board finds it appropriate also to examine the due care requirement in the time before the expiry of time limit for filing an appeal (see also T 30/90 of 13 June 1991, point 3 of the Reasons), if the Board accepts, *arguendo*, that the first lost communication (or misunderstanding) was excusable. In other words, the Board needs to examine if the appellant could have been realistically expected to discover the first error, given that it is clear that the proper observation of this time limit could have made good the earlier mistake, and also given that there had been ample time to discover the first error.

Due care to be observed by the advisor

11. The Board holds that even if the lost communication (or misunderstanding) between the assistant and the advisor could be excused, the request could still not be

granted because there was a lack of due care in respect of the second missed opportunity of saving the application, namely when the appellant should have become aware of the time limit for filing an appeal following the refusal. The Board holds that, based on the available evidence, either the advisor or the managing director of the appellant (or possibly both) did not show the required care in dealing with a time limit, in the present case the time limit for filing an appeal, the non-observance of which could cause a loss of rights.

12. The monitoring and observance of time limits is normally expected from a diligent applicant (or patent proprietor as the case may be), or at any rate from a professional representative representing the applicant. In the present case, the appellant is a company registered in Panama, and as such obliged to act through a professional representative (Article 133(2) EPC). The appellant chose to communicate with the professional representative through an intermediary, the advisor. The request for re-establishment of rights described the advisor as a "trusted advisor" to the appellant, and from all the evidence it appears that he was not an employee of the appellant. In the opinion of the Board, from a legal point of view he must be considered to have been an agent acting on behalf of the appellant in relation to the professional representative, since he was not a professional representative entitled to act before the EPO himself. Nevertheless, the actions of an agent must be imputed to the party he is acting for, and the same level of care is expected from the agent as from a professional representative, or at least as from the party itself.

See also Case Law of the Boards of Appeal, 6th edition, Chapter VI.E.7.4.3, page 523 onwards (Due care on the part of a non-authorized representative). Indeed, requiring a certain level of care from a professional representative and a party using his services would become utterly pointless if an intermediary acting between the party and the professional representative were not required to show the same level of care.

13. The appellant submits that even though the advisor himself was not a professional representative authorized to act directly before the EPO, so that he also had to rely on another representative besides the advisor, this arrangement did not involve an exceptional level of risk. It was also widely used, so that it must be considered as sufficiently diligent practice. The Board agrees that no party is obliged to communicate with his appointed representative before the EPO directly, but is free to choose any intermediary. However, in this case the party resorting to the services of such an intermediary bears the risk of all the consequences arising from this arrangement. The Board also accepts that an applicant may indeed find it convenient and practical to use a further agent between himself and the professional representative handling his matters before the EPO. Such a middleman may have a better personal knowledge of the patent portfolio and may have been engaged instead of an in-house patent clerk, all the more so as in-house patent staff are very often not fully qualified patent attorneys. Still, adding a middleman introduces another communication interface and increases the risk of error, if only marginally. However, the Board finds that the real risk may be not so much the loss of information,

but rather the loss of a well-defined sphere of responsibility with respect to the application, and with that an increased danger that errors remain hidden, as the present case illustrates.

14. In assessing the situation before it, the Board proceeds from the assumption that the appellant, being a relatively small firm, had neither its own patent department nor any other employee whose main task was the administration of the patent portfolio. The patent portfolio was essentially managed by the advisor, who was acting as an agent of the appellant vis-à-vis the outside world in patent matters, including the professional representative. The advisor himself had set up his business as a one-man firm. Furthermore, it is important to note that the professional representative sent his invoices to the firm of the advisor, who issued then his own invoice to the appellant, thereby making it clear that he was indeed an agent and not an employee of the appellant. In such a situation the Board accepts that neither the advisor nor the appellant could be expected to maintain a highly reliable and therefore necessarily sophisticated and expensive system for monitoring time limits. It was sufficient that time limits were monitored by the professional representative handling the case before the EPO. However, it is clear that the advisor had no powers to decide whether an application was to be maintained or not. This was decided by the managing director of the appellant. On the other hand, the managing director, while retaining the responsibility for deciding on patent matters, did not have time to look after the individual patent applications in the portfolio. Rather, this was the task of the advisor, on

the understanding that he would seek timely instructions from the managing director whenever needed. It also appears clear that even though a number of staff at the appellant's offices occasionally handled patent-related correspondence, at no time did they have any responsibility to monitor time limits or the status of the applications in general. Hence, on the one hand, it should have been clear to the advisor that he must seek instructions from the managing director directly, and on the other hand it should have been clear to the managing director that if the advisor was not taking any action in a file, nobody else would.

15. The Board holds that under such circumstances it was to be expected from the professional representative that he reminds the appellant of the time limit for filing the appeal and that failing to file the appeal would result in a loss of rights, even if he had been instructed earlier not to put more work into the application. By implication, it was also to be expected from the advisor to remind the appellant, whether of his own volition or following a reminder from the professional representative. Proper monitoring of the procedure in order to avoid a loss of rights is one of the very reasons for using the services of a professional representative, whether directly or through a further agent. However, if the information from the professional representative concerning the imminent time limit does not get through to the applicant, then the system must be designated as inherently defective. It is true that the last identifiable instructions from the appellant (e-mail of 4 May 2010 at 16:32 hours) clearly state that the appellant was "not interested in pursuing [the

application] any further", but the confirmation of receipt of these instructions (advisor's e-mail of 4 May 2010 at 16:37 hours) leaves it open whether further possible actions of the advisor could be expected or whether it meant a definite termination of his involvement in the case. In particular, the confirmation e-mail did not warn the appellant that it would not be receiving any more reminders so that it must be prepared for a complete loss of rights.

16. The Board notes that the Code of Conduct for professional representatives (Code of Conduct of the Institute of Professional Representatives before the European Patent Office, OJ EPO 2010, Special edition 1, p. 203 onwards) expressly mentions the provision of case status information to clients as a professional obligation: "A member shall keep clients informed of the status of their cases.", see point 4 (Relations with clients), paragraph (a), second sentence. A diligent applicant using the services of a professional representative should always be able to rely on this obligation of the professional representative, which undoubtedly serves the interest of the clients. This is particularly so when the applicant itself does not have proper monitoring systems in place. A diligent professional representative must make sure that his clients are aware of this service and together they are responsible for ensuring that the status information provided by the professional representative will not be obstructed by a possible middleman or agent acting between them, such as the advisor in the present case.
17. The professional representative asserts that once instructions to abandon the application have been

received, no further actions or reminders either from the professional representative or from any other agent such as the advisor are expected. The Board agrees that there are situations where this is indeed the case, namely if the client has been so informed, either by an explicit statement or a tacit agreement based on pre-existing and long-standing relationship. None of this is proven in the present case.

18. On the contrary, the professional representative's letter of 4 August 2010 sent to the advisor contradicts such an assumption, all the more so as the professional representative indicated in this reminder that he would issue a further invoice for reporting on the refusal (see point VIII). It has to be presumed that the advisor would have issued a corresponding invoice to the appellant. Apparently it was not the understanding of the parties that the representatives would not need to take further action if an application was not pursued any further, otherwise the appellant could not have been expected to accept an invoice "for reporting the decision". It appears very unlikely to the Board that the professional representative was expected to report on the outcome of the oral proceedings before the Examining Division, but not expected to report whether and when an appeal against a possibly adverse decision at the oral proceedings could be filed.

19. Finally, quite apart from the intention to issue the invoice, the wording of the e-mail dated 4 August 2010 also contained a final warning to the appellant, illustrating that such a warning is customary and expected before a representative is indeed discharged from all obligations in a case: " *In the absence of*

instructions from you before 10 September 2010, we will take no action to effect an appeal. We will also not issue any reminders in this regard", see point VIII above. Only when such a warning is effectively received by the represented party does the duty of the professional representative normally end.

20. The Board recognises that the extent of an obligation to report on the status of abandoned applications may depend on various factors. These are not set out in detail in the Code of Conduct (see point 16). In this respect some helpful indications can be found in the Guidance passages of the Rules of Conduct for UK Patent Attorneys (Rules of Conduct for Patent Attorneys, Trade Mark Attorneys and Other Regulated Persons, source: http://www.ipreg.org.uk/document_file/file/IPReg_Code_20of_Conduct_Sept_2011.pdf). In particular, see Guidance 6.4: "*Even where there is no ongoing client relationship, **absent a formal termination including clear and reasonable notice to the former client that communications will not be forwarded** [emphasis by the Board], regulated persons should take timely steps to draw a former client's attention to correspondence or communications received relating to the former client and their rights. ...*". It goes without saying that this obligation applies even more strongly where the relationship with the client is still ongoing, e.g. because of other pending applications in a patent portfolio. The Board adds that this guidance of the UK code of conduct is provided for the purposes of applying Rule 6, the scope of which essentially corresponds to the scope of point 4 of the European Code of Conduct mentioned above (Relations with clients), and that the Board is not aware of any

circumstance which would suggest a substantially different professional standard for European and for UK patent attorneys.

Due care to be observed by the appellant

21. For the sake of argument, if the Board were to accept the submission that the appellant explicitly or tacitly agreed with the advisor that the professional representative and/or the advisor was indeed discharged from all his obligations, i.e. that no reminders were necessary or expected following instructions not to pursue an application, then the Board would be bound to conclude that it was the appellant, in the present case the managing director acting directly for the appellant company, who did not exercise the expected due care.

22. Firstly, a normally diligent applicant would not give up the benefits resulting from the professional obligations and qualifications of the professional representative, for example in order to save costs. Such practice may be common, yet it cannot be considered diligent, in the sense of showing all due care in the light of the circumstances, as required by Article 122 EPC. In other words, depriving oneself of the "safety net" of such reminders cannot be considered as diligent behaviour. In practice, cases presumed abandoned may become important again, as the present case itself illustrates. This also means that a normally diligent applicant would not expect of an intermediary to "filter" out the status information or reminders originating from the professional representative. It follows that in the present case the managing director did not exercise due care if he

intentionally dispensed with the possibility to be reminded of the final loss of rights in the event of an abandoned matter. In the opinion of the Board, this manner of assessing this issue also provides a fair result. Either the applicant intended the decision to abandon to be final and irreversible, in which case not granting re-establishment is equitable. Or if the applicant expected the decision to abandon to be reviewed at a later stage, then waiving reminders - in spite of the applicant not having a time limit monitoring system of its own - obviously cannot be diligent.

23. Secondly, irrespective of the previous finding, if the managing director was conscious of the fact that there would be no reminders, and he also knew that he would not have the time or knowledge to monitor the prosecution of the applications himself, he ought to have followed up the instructions reversing his previous decision to abandon, and ought to have checked in some appropriate manner that they reached his appointed advisor. This was all the more to be expected, as it is clear from the submissions that the managing director must also have been aware that he gave the instructions very late, even though he was in frequent personal contact with the advisor. If he chose not to contact the advisor personally in this instance, at least a check on the confirmation of the receipt of the instructions would have been in order. Even this task could easily have been delegated to the assistant. In this respect the *ratio decidendi* of decision T 166/87 does not appear to be applicable, contrary to the submissions of the appellant (see point XV above). The advisor was not working daily and in close personal

contact with the other staff in the offices of the appellant, so that maintaining some redundancy in the communication with the advisor would have been in order.

24. As to the responsibility of the managing director, not realising the mistaken abandonment of the application from the status reports must also be imputed to him (if they existed at all, given that such status reports were not shown to the Board). After all, the primary purpose of status reports is to make sure that the client is made aware of the status of individual applications. If in a small company there is no dedicated staff to do deal with these, this task and the associated responsibility remain in the end with the person having the final say, in the present case the managing director. He cannot decline this responsibility by reference to a large amount of correspondence needing to be reviewed. It is normally to be presumed that correspondence addressed to a company will finally be read by the person responsible. Otherwise, written correspondence would completely lose its legal significance.

25. Accordingly, the Board holds that the appellant did not prove that the required due care was exercised in the period leading up to the time limit for filing an appeal, by all the persons involved. On the contrary, the Board finds that neither the advisor nor the managing director of the appellant acted with the required care, so that the request for re-establishment must be rejected.

Order

For these reasons it is decided that:

1. The request for re-establishment of rights concerning the time limit for filing an appeal is rejected.
2. The appeal is rejected as inadmissible.

The Registrar:

The Chairman:

S. Sánchez Chiquero

G. Eliasson