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Datasheet for the decision of 17 November 2015

Case Number: T 0942/12 - 3.3.03

Application Number: 03739861.7

Publication Number: 1572339

IPC: C08G18/32, C08G18/80, A61L27/18

Language of the proceedings: EN

Title of invention:
BIODEGRADABLE POLYURETHANE/UREA COMPOSITIONS

Applicant:
Polynovo Biomaterials Pty Limited

Headword:

Relevant legal provisions:
EPC Art. 122(1)

Keyword:
Re-establishment of rights - all due care (yes)

Decisions cited:
T 0469/93, T 1136/04

Catchword:

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Beschwerdekammern
Boards of Appeal
Chambres de recours

European Patent Office
D-80298 MUNICH
GERMANY
Tel. +49 (0) 89 2399-0
Fax +49 (0) 89 2399-4465

Case Number: T 0942/12 - 3.3.03

D E C I S I O N
of Technical Board of Appeal 3.3.03
of 17 November 2015

Appellant: Polynovo Biomaterials Pty Limited
(Patent Proprietor) Monash STRIP
Ground Floor, Building 75
Monash University
Clayton, Victoria 3800 (AU)

Representative: Macpherson, Craig Stuart
Page Hargrave
Southgate
Whitefriars
Lewins Mead
Bristol BS1 2NT (GB)

Decision under appeal: **Decision of the Examining Division of the European Patent Office posted on 10 November 2011 rejecting the request for re-establishemnt of rights into the time limit for paying the renewal fee (with surcharge) for the fifth year.**

Composition of the Board:

Chairman B. ter Laan
Members: M. C. Gordon
R. Cramer
O. Dury
C. Vallet

Summary of Facts and Submissions

I. The appeal lies from a decision by the examining division, enlarged by a legal member, to reject the request for re-establishment of rights into the time limit for paying the renewal fee (with surcharge) for the fifth year.

II. The examining division considered the request to be admissible. The six-month period under Article 86(2) EPC 1973 for paying the renewal fee for the 5th year fee with surcharge expired on 31 January 2008. According to the examining division the cause of non-compliance was removed at the earliest on 18 February 2008, when the (new) Australian agent for the present application enquired with the European representative about the renewal fee status. The request for re-establishment was filed on 17 April 2008 and thus within two months from 18 February 2008. The examining division found that the requirements of Rule 136(2) EPC were fulfilled.

III. The examining division however considered the request not to be allowable for three reasons:

- The European representative had not exercised all due care as he should have monitored the time limit for payment of the renewal fee even though the instructing Australian agent had told him that this was not his responsibility;
- The (new) applicant had not exercised all due care as it did not ascertain what steps had to be taken and by whom after the application had been assigned;
- The Australian representatives had not exercised all due care as they did not verify the responsibilities for renewal fee payments.

IV. With the grounds of appeal, the appellant submitted new evidence in order to show that the applicant had exercised all due care. The new evidence consisted of e-mail correspondence that, according to the appellant, only came to light in the course of preparing the grounds for appeal. According to the appellant this correspondence had not come to light earlier as it concerned in the first place other applications than the one presently under appeal. The appellant maintained that the due care of the European representative did not include monitoring the time limit for payment of the renewal fees if he had been expressly told that he was not required to do so.

V. The Board issued a first communication under Rule 100(2) EPC on 29 July 2013. The provisional opinion of the Board was that the request for re-establishment and the appeal were admissible. The Board was however not satisfied that the time limit for paying the renewal fee (with surcharge) had not been observed despite all due care required by the circumstances having been taken. In particular, the Board could not establish that the loss of rights could be attributed to a single isolated mistake, and identified the following possible origins of the loss of rights:

- The handling of the case by the original Australian representatives of the original applicant
- The handling of the case by the office of the new Australian representative
- The monitoring of the case by the new applicant
- The monitoring of the case by the European representatives of the applicant

VI. After several requests for extension of the time limit for reply which were granted, no further extension was

granted upon the request of 13 March 2014. On 22 April 2014 a noting of loss of rights was issued for failure to reply to the communication of 29 July 2013. On 22 June 2014 further processing was requested. The fee for further processing was paid and the omitted act completed by filing a response to the communication of the Board. On 8 August 2014 the appellant was informed that the request for further processing was granted. With the response the appellant addressed the issues identified by the Board and filed further evidence, in particular statutory declarations.

Reasons for the Decision

1. The appeal is admissible. The Board has no reason to question the finding of the examining division that the request for re-establishment is admissible as well.

2. The new evidence filed with the statement of grounds of appeal and with the response to the communication of the board is admitted to the proceedings. The judgement on a request for re-establishment involves in the first place a proper assessment of the facts that led to the loss of rights. The Board should try to find out what really happened. The new evidence is highly relevant and the appellant has given reasons why this evidence, in particular the evidence filed with the statement of grounds of appeal, could not have been filed earlier. The Board is further satisfied that at all stages of the procedure the appellant made a *bona fide* attempt to disclose the facts that led to the loss of rights.

3. In order to establish whether all due care within the meaning of Article 122(1) EPC can be considered to have been taken, it is necessary to investigate the actions and responsibilities of the different parties involved. The Board has established the following facts and draws the following conclusions on the basis of the evidence provided by the appellant.

3.1 The handling of the case by the original Australian representatives of the original applicant

The original applicant CSIRO acted through the Australian IP firm Watermark. Watermark had however no responsibility for renewal fees, this task was with Intellectual Property Management Pty Ltd. (IPM). IPM in turn instructed CPA to carry out the payments. In 2005 the Australian firm Griffith Hack (GH) took over the prosecution of the application from Watermark, without taking over responsibility for renewal fee payments on behalf of CSIRO at that time.

The application was assigned from CSIRO to PolyNovo Biomaterials Pty Limited (PolyNovo) on the basis of an agreement signed in January 2006. This assignment was subject to conditions being fulfilled, which was not the case until November 2006. For that reason the renewal fee for the fourth year, due in July 2006, was still paid by CPA on instructions from IPM, and on behalf of CSIRO.

The present application was not the only one that was assigned. There were several patent families in different jurisdictions that were transferred. The responsibility for a number of them remained with Watermark.

After the conditions in the assignment agreement had been fulfilled in November 2006, IPM confirmed to CSIRO that CPA would be advised of the assignments, and IPM removed their involvement with the applications, including the present one, from the CPA database through an online instruction.

Ms Goodwin of IPM did however check with Ms Reid of GH prior to instructing CPA to make sure that responsibility for the renewal fee payments for the applications handled by GH was now with GH. Ms Reid confirmed to IPM on 17 October 2006 that she had received instructions on these files and that they had been entered into the GH system.

The Board therefore concludes that no mistake on the part of IPM can be identified as they could justifiably assume that GH now had the responsibility for renewal fees under control, especially as handling renewal fees was the only matter that IPM was involved in.

3.2 The handling of the case by the office of the new Australian representative

At GH the responsible attorney was Ms Beadle. Ms Reid, who is Records and Renewals Manager at GH, states in her statutory declaration that her department had the sole responsibility for renewals at GH. If an EPO renewal fee reminder was forwarded by a European attorney to GH, this notice would also have been forwarded to her department. Ms Goodwin of IPM knew about Ms Reid's responsibility as she had previously worked at GH. That is why she contacted Ms Reid and not the responsible attorney to verify whether GH had taken over responsibility for renewal fee payments. As the prosecution of the present application was already

handled by GH prior to the assignment, the Board concludes that there was no particular reason why the attorney should have checked whether the renewals department was handling the case correctly, and that therefore no mistake on the part of Ms Beadle can be identified.

A mistake has however been made at the renewals department of GH, see below under No 4.

3.3 *The monitoring of the case by the new applicant*

The appellant states that after assignment of the application PolyNovo had taken over financial responsibility for renewal fee payments, not responsibility to monitor these. This statement is credible as the appellant was represented by patent attorneys and could therefore expect that they would monitor time limits, especially as a large number of applications in different jurisdictions were concerned. Therefore PolyNovo had no reason to doubt whether the attorneys were handling the present case correctly.

3.4 *The monitoring of the case by the European representatives of the applicant*

The renewal fee for the fifth year fell due by 31 July 2007 and was not paid. The notice drawing attention to Article 86(2) EPC dated 4 September 2007 was sent to the European representative of the applicant, Page Hargrave (PH). PH forwarded this notice to GH on 7 September 2007. GH states they have no record of ever having received this notice. PH took no further action with respect to the renewal fee as it had been instructed by letter of 9 September 2005 that it "was not required to maintain renewal fee reminder records

or attend to the payment of renewal fees". PH states that in their correspondence with GH on the prosecution of the file the issue of outstanding renewal fee payments was not addressed, as this was not part of their mandate and they had no reason to doubt that GH had the matter under control.

If a European representative is expressly instructed that he is not required to monitor the payment of renewal fees, the duty of due care does not involve that he nevertheless does so. It cannot be expected that the European representative monitors renewal fee payments at his own expense (he will not be able to charge fees for actions he is to refrain from according to his instructions). Furthermore, sending reminders against instructions may irritate the instructing party and may impair the relationship with the client. The client may have good reasons for giving such instructions, e.g. to avoid receiving reminders from different sources that will lead to additional work and expense for him. Reminders from different sources can also be a source of confusion and thus lead to mistakes.

The present case therefore differs from the case law where it was held that even if the renewal fee was paid by someone else, the European representative remained responsible in the procedure before the EPO, and had to take the necessary steps to ensure payment (see Case Law of the Boards of Appeal, 7th edition 2013, III.E. 4.5.2 b)), as in none of those cases the European representative had expressly been instructed not to monitor renewal fees.

The Board therefore concludes that the duty of care of PH involved the forwarding of the notice drawing

attention to Article 86(2) EPC to GH, not however checking whether GH indeed received the notice and took the appropriate action.

4. This leaves the issue of the mistake at GH, namely the failure to enter the application in the renewal fee monitoring system.

Ms Reid states that it was her responsibility to look after this matter. She has over 30 years of experience in the Records and Renewals Department of GH, and there is no indication that there are any flaws in the functioning of this department. She did check whether instructions had been received to enter the application on the system after the assignment had taken place, and believed at the time that the application had been correctly entered. However it later emerged that she had not properly checked whether the responsibility for renewals had also been correctly entered, which turned out not to be the case. Ms Reid blames the insufficiency of her check on the circumstance that the transfer of responsibility happened during a stressful time. The system for recording files at GH was changed, Ms Goodwin's mail was received while she was on training in order to learn how to work with the new system, and she had a major backlog of correspondence after returning from training.

The Board believes that this can be considered to be an "isolated mistake". It has been recognised by case law that in case of reorganisations or transfers isolated mistakes cannot be ruled out, and that such mistakes can be excused under Article 122 EPC (T 469/93, Reasons No 1; T 1136/04, Reasons No 1.2). In the present case numerous applications in different jurisdictions were assigned and transferred between attorneys, whereby the

responsibility for prosecution of the case and responsibility for monitoring payment of renewal fees did not always run in parallel. As far as the Board knows, the present application is the only one where something went wrong when transferring the responsibility for renewal fee payments. The Board therefore believes that the mistake can be excused, as the loss of rights is not due to gross negligence of any party, and all parties have acted in good faith to keep the application alive.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.

2. The request for re-establishment into the time limit for paying the renewal fee (with surcharge) for the 5th year is granted.

The Registrar: The Chairman:

B. ter Heijden B. ter Laan

Decision electronically authenticated