

| | |
|-------------------------------------|---------|
| Veröffentlichung im Amtsblatt | Ja/Non |
| Publication in the Official Journal | Yes/No |
| Publication au Journal Officiel | Oui/Non |



Aktenzeichen / Case Number / N^o du recours : T 26/88 - 3.3.1

Anmeldenummer / Filing No / N^o de la demande : 81 200 005.1

Veröffentlichungs-Nr. / Publication No / N^o de la publication : 0 032 757

Bezeichnung der Erfindung: Aqueous peroxide emulsion and its use in suspensive
Title of invention: (co)polymerization reactions
Titre de l'invention :

Klassifikation / Classification / Classement : C07C 179/14

ENTSCHEIDUNG / DECISION

vom / of / du 7 July 1989

Anmelder / Applicant / Demandeur :

Patentinhaber / Proprietor of the patent /
Titulaire du brevet : Akzo N.V.

Einsprechender / Opponent / Opposant : Pennwalt Corporation

Stichwort / Headword / Référence : Automatic Revocation/Akzo

EPÜ / EPC / CBE Articles 68, 102(3), (4), (5), 106(1), 112(1)(a),
122, Rules 58(5), 69

Schlagwort / Keyword / Mot clé : Opposition - patent maintained in amended
form - printing fee not paid and translation not filed within time limit -
patent revoked automatically immediately upon expiry of time limit -
documents issued by the EPO not decisions within Article 106(1) EPC -
non-existent appeal - application for re-establishment and effect of
amended Rule 58 EPC to be decided at first instance - appeal fee
refunded - rejection of request for referral to the Enlarged Board.

Leitsatz / Headnote / Sommaire

I. If the time limit for carrying out the requirements of Article 102(4) EPC is not observed, the patent is automatically revoked by operation of law immediately upon expiry of such time limit: no decision is required to cause revocation to occur.

II. A document issued after expiry of such a time limit and stating that the patent is revoked should not in its context be interpreted as a decision within the meaning of Article 106(1) EPC, but as a notification of the revocation of the patent which has already occurred. No appeal therefore lies from such a document.

Europäisches
Patentamt

Beschwerdekammern

European Patent
Office

Boards of Appeal

Office européen
des brevets

Chambres de recours



Case Number : T 26/88 - 3.3.1

D E C I S I O N
of the Technical Board of Appeal 3.3.1
of 7 July 1989

Appellant : Akzo N.V.
(Proprietor of patent) Velperweg 76
NL-6824 BM Arnhem

Representative : Sieders René et al
PO Box 314
6800 AH Arnhem
The Netherlands

Respondent : Pennwalt Corporation
(Opponent) Pennwalt Building
Three Parkway
Philadelphia
Pennsylvania 19120
USA

Representative : Kraus, Walter, Dr.
Patentanwälte Kraus, Weisert & Partner
Thomas-Wimmer-Ring 15
D-8000 München 22

Decision under appeal : Decision of the Opposition Division of the
European Patent Office dated 27 October 1987
revoking European patent No. 0 032 757 pursuant
to Article 102(1) EPC.

Composition of the Board :

Chairman : K. Jahn

Members : G.D. Paterson
F. Antony

Summary of Facts and Submissions

- I. European patent No. 0 032 757 was granted on European patent application No. 81 200 005.7 filed on 6 January 1981. A notice of opposition to the grant of the patent was filed on 23 December 1983. In the proceedings before the Opposition Division, the opposition was rejected and the patent was maintained in its form as granted. A notice of appeal against the Decision of the Opposition Division was filed on 14 August 1985. A decision of the Board of Appeal was issued on 17 March 1987, in which it was ordered that the patent be maintained on the basis of amended claims and description which were filed during the oral proceedings.
- II. On 15 June 1987 the Formalities Officer of the Opposition Division issued a Communication under Rule 58(5) EPC (Form 2328.2) to the Patentee, informing him that the Decision of the Board of Appeal had become final, and requesting the Patentee within a period of three months from notification to pay the printing fee and to file translations of the amended claims. The form stated that "If this request is not complied with in full and in due time, the European patent will be revoked (Article 102(4) and (5) EPC)".
- By 25 September 1987 the printing fee had not been paid and translations had not been filed.
- III. On 27 October 1987 the Formalities Officer issued documents respectively headed "Revocation of the European patent pursuant to Article 102(4) EPC" and "...pursuant to Article 102(5) EPC" (Forms 2332 and 2333). Under the heading "Grounds for the decision" the forms state inter alia that the printing fee was not paid and that the translations were not filed. Information is set out in accordance with

Rule 68(2) EPC as to the possibility of appeal under Articles 106 to 108 EPC.

- IV. On 22 December 1987 the Patentee filed an application for re-establishment of rights under Article 122 EPC.

On 29 December 1987 the Patentee filed a notice of appeal against what he considered to be the decision dated 27 October 1987, and paid an appeal fee.

- V. On 28 December 1987 the Formalities Officer issued a further Communication under Rule 58(5) EPC to the Patentee in the same terms as the earlier Communication. On 8 January 1988 further Communications were sent to both parties to the opposition, stating that the further Rule 58(5) Communication had been sent erroneously.

- VI. On 7 March 1988 the Patentee (the Appellant) filed a Statement of Grounds of Appeal. As the only ground of appeal, the Patentee referred to the fact that there are proposals to amend Rule 58 EPC, and requested that in anticipation of such a forthcoming amendment, the revocation of the patent should be set aside.

- VII. In a communication from the Board dated 6 December 1988, it was provisionally indicated that Article 102(4) and (5) EPC should be interpreted as providing that upon expiry of the relevant time limit (i.e. 25 September 1987), the patent immediately becomes revoked automatically, and that no decision within Article 106(1) EPC is required in order that revocation shall occur. On that basis, it was indicated that the documents issued on 27 October 1987 should be considered as notification under Rule 69 EPC of such revocation, and not as decisions within Article 106(1) EPC, and the appeal should be considered as not having existed. The application for re-establishment should be remitted to the Opposition Division for decision.

In this connection it was pointed out that the issue of a decision could preclude operation of Article 122 EPC.

In his observations in reply dated 14 March 1989, the above matters were contested by the Patentee.

- (i) In particular, he contested that Article 102(4) and (5) EPC should be interpreted as suggested in the communication, essentially for the following reasons:
- (a) The idea of automatic revocation is new and finds no support in the EPC. Even with the known legal fiction of "deemed withdrawal", the deemed withdrawal becomes effective from the day of expiration of the term under Rule 69(2) EPC, not from expiry of the unobserved underlying term. As to Decision J 22/86 (OJ EPO 1987, 280), the appeal was effectively declared admissible.
 - (b) Such an interpretation would lead to an undesirable result, namely that, even if a finding by the EPO, for example that the printing fee had not been paid, was incorrect, there would be no possibility of an appeal in order to rectify such incorrect finding. At most, the document dated 27 October 1987 should be interpreted as a decision under Rule 69(2) EPC, so that the appeal would then be admissible.
 - (c) Article 102(4) and (5) EPC require a decision of revocation to be issued, in order to allow Article 68 EPC to become effective. Article 68 EPC is an exceptional power of the EPO to interfere with granted national patent rights.

- (d) The preliminary drafts and working papers leading to the EPC indicate that a decision of revocation is required under Article 102(4) and (5) EPC: automatic revocation is precluded by the history of the EPC.
- (ii) As to procedure, the Patentee requested that the application for re-establishment be examined and decided first by the Opposition Division, and that the appeal proceedings be declared admissible but suspended pending such examination, because the application under Article 122 EPC was filed before the appeal, and because this course would lead to economy of procedure.

Alternatively, if the application is not remitted to the Opposition Division, the Patentee requested that the Board of Appeal should examine and decide upon the application under Article 122 EPC. Reliance was placed upon Decisions T 13/82 (OJ EPO 1983, 411), J 16/82 (OJ EPO 1983, 262) and J 22/86 (OJ EPO 1987, 280). Decision J 22/86 was directly comparable, except that it was concerned with an application rather than a patent.

In this connection, the Patentee admitted that the appeal was filed in view inter alia of the provisions of Article 122(6) EPC, giving continuing rights of use to a person who in good faith has used or prepared to use the invention following a loss of rights.

(iii) Alternatively, the Patentee requested that the Board of Appeal should decide in his favour having regard to the anticipated amendment to Rule 58 EPC, as referred to in the Statement of Grounds of Appeal.

VIII. Following a further communication, the Patentee filed further observations in support of his contention that the appeal was admissible and did not preclude a parallel application for re-establishment, in particular because a decision of revocation is required from the Opposition Division under Article 102(4) and (5) EPC, there being no basis in the EPC for automatic revocation without such a decision. In summary, the Patentee relied upon the following facts and matters:

1. Several Appeal Boards have granted restitutio pending appeal proceedings.
2. The EPO issues a standard Form, EPO Form 2333 09.83.
3. The Guidelines, part D, Chapter VIII, § 1.2.4.
4. The Administrative Council issued a transitional provision for existing appeals in its Decision of 8 December 1988.
5. The history of the Convention.
6. The language of the Convention itself teaches in Article 102(4) and (5) EPC that the patent shall be revoked rather than shall be deemed to be revoked.

In conclusion, the Patentee's submissions were summarised as follows:

1. In the light of the history of the Convention and that of Article 102 EPC in particular, the Board's suggestion that revocation following failure to pay the printing fee and file the translated claims is not by way of an appealable decision is incorrect.
 2. The Board should interpret the use of the imperative "shall be" in Article 102(4) and (5) EPC as an obligation to issue an appealable decision.
 3. The Convention does not provide any basis for allowing the Opposition Division just to notify the parties that a patent is deemed not to exist anymore.
 4. To interpret revocation under Article 102(4) and (5) EPC as a mere, non-appealable observation is inconsistent with the words "decision" and "final decision" in the two Guidelines passages referred to above, and with EPO Form 2333 09.83.
 5. To interpret revocation under Article 102(4) and (5) EPC as a mere, non-appealable observation is inconsistent with the Decision of the Administrative Council of December 8, 1988, Article 2.
- IX. The Patentee also requested that, if this Board did not consider the appeal to be admissible, the question of admissibility should be referred to the Enlarged Board of Appeal under Article 112(1)(a) EPC. He submitted that according to Decision J 5/81 (OJ EPO 1982, 155, reason 11) this Board would have to refer the question to the Enlarged Board if the question cannot be answered by direct reference to the EPC.

No written observations were at any time filed on behalf of the Opponent.

- X. During oral proceedings held on 7 July 1989, to which the Opponent was duly summoned, but at which he did not appear, the issues were further discussed. In relation to the main issue - whether Article 102(4) and (5) EPC provide that a patent shall be revoked by a decision that is open to appeal under Article 106 EPC, the Patentee accepted that under Article 102 EPC revocation is mandatory if the relevant time limit is not observed. He relied upon Article 68 EPC and submitted that it must be clear when the patent is revoked for the purpose of Article 68 EPC. He also relied upon Article 110(3) EPC as being concerned only with an application and not with a patent, thus indicating that a decision is necessary in respect of revocation of a patent.

The Patentee confirmed that the main reason why it was strongly contended that an appealable decision of revocation was required under Article 102(4) and (5) EPC was in order that the revocation of the patent should be set aside by means of appeal proceedings rather than proceedings under Article 122 EPC, thus avoiding the effect of Article 122(6) EPC (giving continuing rights to an intervening person using the invention in good faith).

During the oral proceedings, the following requests were filed in place of those that had previously been filed:-

"Main request

It is requested that the appeal is declared admissible and the file be remitted to the Opposition Division to decide on the outstanding issues.

1st auxiliary request

If the appeal is intended to be declared inadmissible, it is requested that the following question is presented to the Enlarged Board of Appeal:

"Does Article 102(4) and (5) EPC provide for revocation of the European patent by the way of a decision which is open to appeal under Article 106(1) EPC?"

2nd auxiliary request

It is requested to remit the file to the Opposition Division prior to deciding on the admissibility of the appeal.

3rd auxiliary request

If the appeal is declared inadmissible, it is requested to remit the file to the Opposition Division to decide on the outstanding issues."

At the conclusion of the oral proceedings the decision was announced to be in accordance with the 3rd auxiliary request.

Reasons for the Decision

1. This appeal raises the question as to whether the Appellant has a remedy available to him in respect of his admitted failure to comply with the request (pursuant to Rule 58(5) EPC) to pay the printing fee and to file translations of the claims within three months of notification of the request, and if so by what route? - by way of appeal, or by an application for re-establishment of rights, or by both?

As to this, the first question is whether on the proper interpretation of Article 102(4) and (5) EPC, non-observance of the relevant time limit requires the issue of a decision ordering revocation of the patent, or whether such non-observance automatically results in the patent being revoked without such a decision. In this connection, Article 106(1) EPC provides that an "appeal shall lie" from a decision of a first instance department such as the Opposition Division. The corollary of this provision is that an appeal does not lie except from a decision of a first instance department. It follows that if a decision ordering revocation of the patent is required under Article 102(4) and (5) EPC, an appeal from such a decision is possible, but if no such decision is required in order that the patent be revoked, the filing of an appeal is not possible.

This question of interpretation will be considered in the context of a case such as the present, in which the fact of non-observance of the relevant time limit under Article 102(4) and (5) EPC is not in dispute. The legal situation when such fact is in dispute will be considered separately below.

2. The relevant wording of Article 102 EPC is as follows:

"(4) If the fee for the printing of a new specification is not paid in due time, the patent shall be revoked" (German text: "so wird das europäische Patent widerrufen"; French text: "Le brevet est révoqué").

"(5) If the translation has not been filed in due time, the patent shall be revoked".

According to all three texts, revocation of the patent is clearly mandatory if the time limit is not observed. According to the more natural meaning of the English and French texts, non-observance of the time limit would result in the patent being revoked automatically without the need for a decision (although the wording does not specifically exclude the issue of a decision ordering revocation). The German text carries an implication that some form of official action (such as the issue of a decision) should take place in order to cause the patent to be revoked. The three texts are equally authentic (Article 177(1) EPC).

However, as already stated, the legal consequence of non-observance of the time limit is mandatory - revocation of the patent. In this circumstance, there is nothing left to be decided, and the issue of a decision is unnecessary and pointless.

The wording of Article 102(4) and (5) EPC can be compared and contrasted with that of Article 102(1) EPC, where in the circumstances there set out, involving the exercise of judgement as to whether the grounds of opposition prejudice the patent, the Opposition Division is required to revoke the patent by means of a decision. In contrast, no exercise of judgement is required under Article 102(4) and (5) EPC if the required fee has not been paid and/or no translations have been filed.

The wording of Rule 69(1) EPC, which specifically refers to the "loss of any right (which) results from the Convention, without any decision concerning the ... revocation ... of the European patent", is fully consistent with a decision not being necessary in order that a patent shall be revoked

under Article 102(4) and (5) EPC. Such wording of Rule 69(1) EPC would be redundant if that was not the proper interpretation of Article 102(4) and (5) EPC, and a decision was always required in order that a patent should be revoked under Article 102 EPC.

3. The following considerations are also relevant.

3.1 If a decision within the meaning of Article 106(1) EPC is validly issued by any department of the EPO at first instance, its contents in relation to what it has decided are final and binding upon the department of the EPO which has issued it. Such a decision becomes effective immediately it is issued, and thereafter it may only be challenged by a party to the proceedings by way of appeal, under Article 106 EPC, and in the absence of an appeal it may not be changed by the department which issued it: it can only be changed ("set aside") by way of appeal (in this connection see Decision T 222/85 "Inadmissibility/PPG", OJ EPO 4/1988, 128 of Reasons, paragraph 3). Within appeal proceedings a decision at first instance may only be set aside by way of interlocutory revision under Article 109 EPC, or by a decision of a Board of Appeal.

The issue of a decision would bring into being a right of appeal under Article 106(1) EPC. However, since, as discussed above, revocation of the patent is mandatory if the time limit is not observed, such an appeal is also pointless because it would necessarily fail: the fact of non-observance of the time limit cannot be altered, and revocation necessarily follows from such fact.

Thus the issue of a decision is not only pointless in itself, but may also bring in its train a pointless appeal, this being a waste of time and money for the parties and the EPO.

3.2 As stated in (a) above, if a decision is issued it becomes effective immediately it is issued; obviously, however, a decision cannot become effective until it is issued. Thus, if Article 102(4) and (5) EPC were to require the issue of a decision for the patent to become revoked, this would cause uncertainty once the relevant time limit had expired as to when the patent would be revoked by the issue of a decision.

In contrast, if no decision is required, the patent becomes automatically revoked under the Convention by operation of law immediately upon expiry of the relevant time limit, thus (and contrary to the Patentee's submissions) providing certainty as to the date of revocation for the purpose of Article 68 EPC. In this connection, reference is made to Decisions J 4/86 (OJ EPO 1988, 119) and J 12/87 dated 12 March 1988 (to be published), which are concerned with analogous wording in Articles 90(3), 91(4) and 94(3) EPC, and which held that in each case the relevant loss of rights in a patent application occurs immediately upon expiry of the basic time limit provided under the EPC.

3.3 The issue of an (appealable) decision of revocation can also cause confusion in a case where the Patentee wishes to contend that he was unable to observe the time limit in spite of all due care required by the circumstances having been taken, as to whether a remedy is available on this ground by way of appeal, or whether an application under Article 122 EPC should be made, and if so, whether such application should be in addition to an appeal or on its own.

In this connection, as pointed out in the communication dated 6 December 1988, it is possible that the issue of a decision of revocation could preclude relief by way of Article 122 EPC.

- 3.4 In Decision J 22/86 "Disapproval/Medical Biological" (OJ EPO 7/1987, page 290), the Legal Board of Appeal interpreted analogous wording in Article 97(3) and (5) EPC. Article 97(3) EPC provides that "If the fees for grant and printing are not paid in due time the application shall be deemed to be withdrawn", and Article 97(5) EPC provides that "if the translation has not been filed, in due time the application shall be deemed to be withdrawn". At paragraphs 8 and 9 of the Decision these provisions are considered, and in paragraph 9 the Legal Board held that as soon as the time limit for paying the fees and filing the translation expired, loss of rights automatically occurred, in that the application automatically became "deemed to be withdrawn" by operation of law.

Decision J 22/86 was issued before Rule 51 EPC (which implements Article 97(2) EPC) was amended with effect from 1 September 1987, but this does not affect its relevance.

- 3.5 In the Board's view, provisions of the EPC which use similar wording in connection with comparable situations should be interpreted consistently. Articles 90(3) and 91(4) EPC provide for automatic withdrawal of an application if the filing and search fees, or the designation fees, are not paid in due time.

Article 97(3) and (5) EPC provide for automatic withdrawal of an application if it is ready to be granted but the grant and printing fees are not paid, or the translations of the claims are not filed, in due time. It is clearly appropriate to interpret Article 102(4) and (5) EPC in a similar way, because in each of these situations there is no need for exercising judgement as to whether loss of

rights should occur: loss of rights must follow if the relevant fees are not paid and/or the translations are not filed, in due time.

The use of "deemed to be withdrawn" as a legal fiction in Articles 90, 91 and 97 EPC is appropriate because the EPC is there concerned with an application, not a granted patent. An application is considered to have been notionally withdrawn by the applicant when he fails to observe a time limit for paying a required fee or filing translations, rather than refused by the EPO.

The fact that Article 102(4) and (5) EPC is concerned with a granted patent rather than a patent application does not otherwise affect the legal situation. In each case a loss of rights is provided for upon non-observance of a time limit. It is, of course, true that after grant, by virtue of Articles 2(2) and 64(1) EPC a European patent is generally governed by national laws, and opposition proceedings are exceptional in this respect. Nevertheless, the EPC should be interpreted so that the procedure in all proceedings before the EPO is consistent when this is otherwise appropriate.

- 3.6 The Board has carefully considered the relevant preliminary drafts and working papers which led to the relevant provisions of the EPC discussed above. In the Board's view, an interpretation of Article 102(4) and (5) EPC by which revocation of a patent automatically and immediately occurs upon non-observance of the relevant time limit is not precluded by this history. Such drafts and working papers are inconclusive.

Furthermore, in the Board's view the importance of preliminary drafts and working papers leading to the Convention should not be over-emphasised when considering

how the Convention should be interpreted. According to the Vienna Convention on the Law of Treaties (OJ EPO, 1984, 192), which is a codification intended to reflect the generally recognised international practice relating to the interpretation of international treaties, the general rule of interpretation is set out in Article 31(1) as follows: "A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose" (emphasis added). Reference is made inter alia to the preparatory work of a treaty as a "supplementary" means of interpretation in Article 32, to which recourse may be had, either as a means of confirmation, or if the general rule of interpretation leads to ambiguity, obscurity, or an absurd or unreasonable result.

This approach obviously accords with common sense, in that the text of a treaty is the primary source of law, and that is what tells practitioners and the public what the law is. The working papers are not widely available. If the Convention itself can be sensibly interpreted so as to lead to a clear, fair and practically workable result which is in accordance with its object and purpose, recourse to the working papers is normally unnecessary. In any event, it is to be recognised that passages in the working papers leading up to a treaty may sometimes be misleading in relation to the proper interpretation of that treaty as finally agreed.

It is to be noted that the European Court of Justice has very rarely had recourse in its judgements to the working papers leading to the various treaties and conventions which it has to interpret.

In accordance with the generally accepted international practice referred to above, judgements of the European

Court of Justice commonly interpret treaties such of the Treaty of Rome in the light of its object and purpose. In the Board's view, this approach should normally be followed when interpreting the EPC. This is particularly the case when, as here, there are minor differences of emphasis between the three texts, as mentioned in paragraph 2 above.

3.7 While it would be possible to interpret the wording of Article 102(4) and (5) EPC when considered in isolation either so as to require a decision of revocation to be issued or so as to provide for immediate automatic revocation, in the Board's view the proper interpretation of such wording when considered in its context in the EPC as discussed above does not require a decision of revocation to be issued. Having regard to the general rule of interpretation as set out in the Vienna Convention, in the Board's view the true intention of the EPC was not to require the issue of a decision which is pointless (see 2 above), and which leads to uncertainty (see 3.2 above), and which can cause confusion (see 3.3 above). In this circumstance, there is really no need to refer to the working papers leading up to the EPC at all.

3.8 As set out in paragraph VII(b) above, the Patentee has contended that without the issue of a decision of revocation it would not be possible to challenge an incorrect factual finding of the EPO as regards payment of the required fees or filing of translations, by way of appeal. This contention results from a misunderstanding of the effect of Rule 69 EPC.

As previously stated, in the present case the Patentee has accepted that the relevant time limit was not in fact observed. However, in a case where a Patentee receives a notification from the EPC pursuant to Rule 69(1) EPC, to

the effect that the printing fee has not been paid in due time as required by Article 102(4) EPC and/or the translation has not been filed in due time as required by Article 102(5) EPC, and that the patent has therefore been revoked upon the expiry of the time limit, and he wishes to dispute this finding of the EPO because he contends that it is inaccurate, he may then apply for a decision on the matter by the EPO pursuant to Rule 69(2) EPC. In a case such as that set out above, the Patentee may wish to contend that he has in fact paid the printing fee and/or filed the translation, and he may file evidence in support of such contention. In such a case, what has then to be decided by the Opposition Division is simply the question of fact - whether or not the fee has been paid or the translation filed. In some cases this may involve the exercise of judgement as to whether or not a sufficient amount of money has in fact been paid in due time, or as to whether an adequate translation has been filed. Once a decision on this factual question has been issued by the Opposition Division, it is of course open to appeal under Article 106(1) EPC. It must be emphasised, however, that such a decision (or a subsequent decision on appeal) is only concerned with the question of fact set out above: depending upon the finding in the decision upon the question of fact, revocation of the patent either does or does not follow automatically.

This procedure enables the question of fact to be considered by two instances, in accordance with normal principles.

- 3.9 As stated in paragraphs VII(ii) and X above, the real reason why the Patentee has strongly urged the Board to hold that the documents dated 27 October 1987 constitute an appealable decision is because the Patentee wishes to avoid a finding that the rights in the European patent have

ever in fact been lost. If he can avoid such a finding, then he hopes to avoid the possibility of any person claiming continuing rights to use the invention, as provided for in Article 122(6) EPC. In other words, the Patentee wishes to be allowed to succeed by way of appeal rather than by way of re-establishment of rights which have previously been lost. The Board has no knowledge of the relevant facts concerning the activities of any such person, nor are such facts relevant to this Board's decision.

However, the undisputed fact is that the Patentee failed to observe the time limit for paying the printing fee and filing the translation. In his separate application under Article 122 EPC, he has contended that he was unable to observe the time limit in spite of all due care required by the circumstances having been taken.

In the Board's view, if a Patentee fails to observe the relevant time limit under Article 102(4) and (5) EPC, there are only two possibilities: either the patent is revoked, this being mandatory, and it remains revoked; or, the patent is first revoked and then, if the conditions set out in Article 122 EPC are satisfied, the Patentee's rights in the patent which have already been lost may be re-established. (Under the new Rule 58 EPC - see paragraph 8 below - a further possibility is provided, that the patent is first revoked and then validated by payment of a surcharge).

If, following the failure by the Patentee to observe the relevant time limit, any other person has (to follow the wording used in Article 122(6) EPC) in good faith used or made effective and serious preparations for using an invention which is the subject of a European patent in the course of the period between the loss of rights and their

re-establishment, such person may without payment continue such use in the course of his business or for the needs thereof. Thus, in the Board's view the intention behind Article 122(6) EPC is to give appropriate protection to a person who, as a result of the Patentee's failure to observe the time limit, has been led to believe that the Patentee's rights in the patent have been "finally" lost. In other words, if a person falls within the situation set out in Article 122(6) EPC, the intention of the EPC is that he should be appropriately protected.

It would thus be contrary to the intention of the EPC to allow a Patentee who has in fact failed to observe the time limit under Article 102(4) and (5) EPC to circumvent the protection which is given to a person who falls within Article 122(6) EPC, on the basis that no rights in the patent are in fact lost unless and until a decision of revocation has been issued, and in the event of an appeal from such decision, unless and until the appeal has been dismissed.

4. For the above reasons, in the Board's judgement the proper interpretation of Article 102(4) and (5) EPC is that if the time limit under Article 102(3) EPC and Rule 58(5) EPC is not observed, the patent is automatically revoked upon expiry of such time limit (subject to any application under Article 122 EPC).

In view of this interpretation it is not necessary to decide whether the possibility of re-establishment of rights under Article 122 EPC is precluded by the issue of a decision of revocation.

5. It is to be noted that this interpretation is consistent with the wording of the "Notice of the Vice-President of Directorate-General 2 concerning the entrustment to

Formalities Officers of certain duties normally the responsibility of the Opposition Divisions of the EPO, dated 15 June 1984" (OJ EPO 7/1984, page 319).

Paragraphs 10 and 11 of this Notice entrust Formalities Officers with the following duties:

"Revocation of the European patent in accordance with Article 102(4) and (5) EPC".

Thus the duties are not described as the issuing of a decision revoking the patent; cf. paragraph 8 of the Notice, for example, which specifically entrusts Formalities Officers with "Issue of a decision for the maintenance of the European patent as amended under Article 102(3) EPC". The duty to issue a decision is also specifically referred to in paragraphs 6, 12 and 19 to 21 of the Notice.

6. As stated previously, the Patentee relied in particular upon the following passages in the Guidelines, in support of his contention that a decision of revocation was required:

Part D, Chapter VIII headed "Decisions of the Opposition Division", Section 1 of this Chapter, headed "Final decisions on an admissible opposition", in particular the following passages:-

Paragraph 1.2.2. - which states that in the event that the printing fee is not paid or a translation is not filed within the 3-month period laid down in Rule 58(5) EPC, "the European patent will be revoked".

Paragraph 1.2.4, which states: "In the cases referred to in VIII, 1.2.2. ..., the European patent will be revoked even if the omitted acts have been completed during the period

between expiry of the time limit and the taking of a final decision, unless an application for restitutio in integrum has been filed, in which case a decision must first be given on the application."

As to paragraph 1.2.4, this appears to accept that revocation of the patent is mandatory in the event of non-observance of the time limit. However, the Board is not able to understand the reasoning behind the final part of this paragraph, which states that a decision of revocation will not be given until after a decision upon the application for re-establishment has been given. In the Board's view it would appear to be illogical to decide upon an application for re-establishment of the Patentee's rights in the patent, unless such rights have previously been lost. If they have already been lost, then for the reasons set out above there is no need for a decision of revocation to be issued at all.

In any event, in the Board's view the above passages in the Guidelines, insofar as they require a decision of revocation to be issued following non-compliance with the time limit under Rule 58(5) EPC, are incorrect for the reasons already stated.

7. The Board is aware of the following decisions of other Boards of Appeal which have been concerned with decisions of the Opposition Division following alleged failure by the Patentee to observe the relevant time limit under Article 102(4) or (5) EPC:
 - 7.1 In Decision T 387/88 dated 28 November 1988 it appears that a document purporting to be a decision was issued by the Formalities Officer of the Opposition Division, stating that the printing fee had not been paid in due time and that the patent was therefore revoked. The Patentee filed

an appeal referring to an earlier letter enclosing evidence to the effect that the printing fee had in fact been paid in due time. The Board of Appeal held that the appeal was admissible, and set aside the decision of the Opposition Division on the basis of such evidence.

In the Board's view, in such a case the procedure discussed in paragraph 3.8 above is to be preferred. Thus, if the Opposition Division had issued a notification under Rule 69(1) EPC (rather than a decision) to the effect that the printing fee had not been paid and that the patent was revoked under Article 102(4) EPC, the Patentee could have filed the evidence to the effect that the fee had in fact been paid, and asked for a decision pursuant to Rule 69(2) EPC. It appears likely that upon receipt of such evidence the Opposition Division would have agreed with the Patentee that the fee had in fact been paid, and would have so informed the patentee in accordance with the final sentence of Rule 69(2) EPC. There would then have been no need for a decision or an appeal, with consequent simplification of the procedure for all concerned.

In the event that the Opposition Division did not accept the evidence of the Patentee, or otherwise did not share the opinion of the Patentee, an appealable decision would have been issued to that effect, thus enabling both instances to consider the question of fact.

- 7.2 In Decision T 35/88 dated 9 December 1988, the facts were similar except that in a document purporting to be a decision the Formalities Officer of the Opposition Division alleged that no translation had been filed and he therefore

revoked the patent. Again an appeal was filed, together with evidence that the translation had been filed. The decision was set aside by the Board of Appeal.

The same comments apply.

- 7.3 Neither of Decisions T 387/88 and T 35/88 appear to have considered whether or not Articles 102(4) and (5) EPC requires a decision of revocation to be issued, and they are therefore both unreasoned in this respect.
- 7.4 In Decision T 14/89 dated 12 June 1989 (to be published), the Patentee failed to file a translation in due time. A document purporting to be a decision was issued by the Opposition Division, which revoked the patent because of this omission, and which contained a notification of the possibility of appeal under Article 106 EPC.

The Patentee therefore filed an appeal, his grounds of appeal being grounds suitable for an application under Article 122 EPC. However, he did not pay a fee for an application for re-establishment and he did not substantiate the facts supporting an application for re-establishment.

This case is, in the Board's view, a typical case where the issue of a decision of revocation has caused confusion to the Patentee as to whether he should proceed by way of appeal or by way of an application for re-establishment. The Board in Decision T 14/89 appears to have considered that both courses were necessary; and it was able to overcome the Patentee's difficulty that the procedural requirements of Article 122 EPC had not been formally met. In this Board's view it is inappropriate to require two different procedures with two different fees in respect of only one potential remedy.

That Board does not appear to have considered whether or not Article 102(4) and (5) EPC requires a decision of revocation to be issued, and it is therefore unreasoned in this respect.

- 7.5 Grounds for this Board deviating from the interpretation of Article 102(4) and (5) EPC, which was accepted in the above Decisions, have been set out above.
8. The interpretation of Articles 102(4) and (5) EPC set out in paragraph 4 above is consistent with the amended version of Rule 58 EPC set out in a Decision of the Administrative Council of 8 December 1988, which entered into force on 1 April 1989. The addition of a new paragraph, Rule 58(6) EPC, provides that if the acts requested (payment of printing fee and filing of a translation) are not performed in due time, "they may still be validly performed within two months of notification of a communication pointing out the failure to observe the time limit" - provided a surcharge is paid within such two-month period.

According to this Board's interpretation of Article 102(4) and (5) EPC, failure to observe the basic three-month time limit of Rule 58(5) EPC results in the immediate automatic revocation of the patent. According to the new paragraph of Rule 58(6) EPC, performance of such acts together with payment of the surcharge within the subsequent two-month period as defined is a "valid performance" of such acts, and the revoked patent is thereby resuscitated, analogously to the re-establishment of a revoked patent under Article 122 EPC, but by a simpler procedure.

9. In the present case, it follows that the European patent was revoked automatically under Article 102(4) and (5) EPC on 25 September 1987, and no decision revoking the patent was thereafter necessary.

As set out in paragraph III above, on 27 October 1987 the Formalities Officer issued two documents pursuant to Article 102(4) and (5) EPC respectively. Having regard in particular to the heading "Grounds for the Decision" and to the inclusion of "Information as to means of redress" stating "This Decision is open to appeal" in each of these documents, there is no doubt that each document is by its form purporting to be a decision within Article 106(1) EPC. However, as was stated in Decision J 08/81 (OJ EPO 1982, 10), "whether a document issued by the EPO constitutes a decision or a communication depends on the substance of its contents, not upon its form." Furthermore, what constitutes the substance of a document must be determined having regard to its content.

As just stated, the documents dated 27 October 1987 were issued in the context that (on the Board's interpretation of Article 102(4) and (5) EPC) the patent had already been automatically revoked on 25 September 1987. In this circumstance, the contents of this documents should not be interpreted as constituting a decision revoking the patent within the meaning of Article 106(1) EPC. In the Board's view, the documents should properly be interpreted as a notification of the revocation of the patent which had already occurred.

10. Having regard to such interpretation of the documents issued on 27 October 1987, it follows that there is no basis for the present appeal, because there has been no decision revoking the patent, within the meaning of Article 106(1) EPC, from which an appeal could lie. Nevertheless, the Board has inherent power to deal with matters arising from the application which was made to it by way of a purported appeal.

11. The Board observes that having regard to the wording of the document issued on 27 October 1987, in particular as to the possibility of appeal, it is not surprising that the Patentee interpreted this document as being a decision within the meaning of Article 106(1) EPC. In the Board's view, in the circumstances of this case the wording of the document issued on 27 October 1987 was not appropriate. A formal communication under Rule 69(1) EPC should have been sent instead.

Nevertheless, the circumstances of this case do not justify the Board treating the Patentee's purported appeal as implying that a request for a decision under Rule 69(2) EPC had been made by the Patentee, with the consequent issue of a decision, as requested by the Patentee. Having regard to paragraph 3.8 above, there would have been no point in the Patentee contesting the accuracy of the EPO's finding that the relevant time limit was not observed, since he accepts that it was not observed.

12. The matter which was raised by the Patentee in his Statement of Grounds of Appeal dated 4 March 1988 remains to be considered - namely the effect of the amendment to Rule 58 EPC, which the Patentee had envisaged in his Grounds of Appeal, but which had not at that date been finally formulated. The Decision amending Rule 58 EPC entered into force on 1 April 1989, as previously stated - see paragraph 8 above.

In the Board's view, within the scheme provided by the "Appeals Procedure" set out in Part VI of the EPC, the essential function of an appeal is to consider whether a decision which has been issued by a first instance department is correct on its merits - see in particular Article 106(1) EPC. It is not normally the function of a

Board of Appeal in appeal proceedings to examine and decide upon issues in the case which have been raised for the first time during appeal proceedings. The principle of having two instances of decision has been referred to in many previous decisions by the Boards of Appeal.

In the present case the only "ground" raised by the Patentee in the Statement of Grounds of Appeal was the contention that the appeal should be allowed on the basis of anticipated future amendments to Rule 58 EPC. In the Board's view such contention was at its date unsustainable as a matter of law, in that a decision, whether at first instance or on appeal, can only be made on the basis of grounds which rely upon the law which is actually in force. At the date when the Statement of Grounds of Appeal was filed, there was therefore no proper ground of appeal, and for this reason the Statement of Grounds could have been held to be inadmissible.

Nevertheless, before the date of the oral hearing in this case and therefore of this Decision, the Decision containing the amended Rule 58 EPC had in fact entered into force, together with a transitional provision set out in Article 2 of the Decision. In the Board's view, the Patentee is entitled to a decision from the EPO as to whether the amended Rule 58 EPC is applicable as a matter of law to the present case.

With reference to paragraph 8 above, in the Board's view the Patentee's application for a decision on the applicability of the amended Rule 58 EPC is not a request for a decision under Rule 69(2) EPC on the basis that he considers a previous finding of the EPO to be inaccurate.

The two-month time limit in Rule 69(2) EPC is not therefore applicable.

In the Board's judgement, the proper course in this circumstance is for the case to be remitted to the first instance for a decision as to whether the amended Rule 58 EPC is applicable to the present case.

13. The application for re-establishment under Article 122 EPC dated 22 December 1987 should be decided by "the department competent to decide on the omitted act" (Article 122(4) EPC), which in this case is the Formalities Officer of the Opposition Division. This course is also consistent with the considerations concerning two instances set out in paragraph 12 above.

Decisions T 13/82 and J 16/85, which were relied upon by the Patentee in support of his request that the Board should itself decide upon the application for re-establishment (see paragraph VII(ii) above) are both cases in which the "omitted act" took place during appeal proceedings: the Board of Appeal is in such a case "the department competent to decide upon the omitted act" under Article 122(4) EPC, and is therefore competent to decide the application for re-establishment. Such cases exceptionally do not allow for two instances of decision.

Decision J 22/86 was also relied upon by the Patentee in this connection. However, the circumstances of Decision J 22/86 were quite different from the present case and justified the Board there exceptionally exercising the power of the Examining Division to decide upon the application for re-establishment.

14. As there is no decision to form the basis for an appeal, in the Board's view the appeal should be considered as not having existed. Consequently, the appeal fee should be refunded.

Since the appeal is considered as not having existed, it is clearly not admissible.

15. Finally, the Patentee's request for referral of a question of law to the Enlarged Board is rejected. Having regard to the entering into force of the amended Rule 58 EPC, the problem which has been considered in the present Decision is likely to arise very rarely in future, and for this reason the question is in the Board's judgement not sufficiently important to justify such a referral.

The Patentee's submission set out in paragraph IX above is not the correct legal inference to be derived from Decision J 5/81. The question of referral to the Enlarged Board is a matter for consideration and decision by the Board having regard to the matters set out in Article 112(1)(a) EPC. The Board's reasons for rejection of the Patentee's request are set out above.

Order

For these reasons it is decided that:

1. The request for referral of a question of law to the Enlarged Board is rejected.
2. The case is remitted to the Opposition Division in order that the following outstanding issues be decided, namely:
 - (i) The question whether the amended Rule 58 EPC set out in the Decision of the Administrative Council which entered into force on 1 April 1988 is applicable to the present case;

(ii) the application for re-establishment under
Article 122 EPC filed on 22 December 1987.

3. The appeal fee is to be refunded.

The Registrar:

The Chairman:

F. Klein

K. Jahn