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D E C I S I O N
of 4 December 1997

Case Number: T 0804/95 - 3.3.1

Application Number: 89908047.7

Publication Number: 0425539

IPC: C07D 213/09

Language of the proceedings: EN

Title of invention:

High temperature process for selective production of
3-methylpyridine

Applicant:

Reilly Industries, Inc.

Opponent:

-

Headword:

Re-establishment of rights/REILLY INDUSTRIES

Relevant legal provisions:

EPC Art. 108, 122, 134(1)
EPC R. 78

Keyword:

"Late filing of both the notice of appeal and the grounds of
appeal and late payment of the appeal fee"

"All due care (no)"

"Re-establishment of rights (no)"

"Reimbursement of the appeal fee (yes)"

Decisions cited:

T 0111/92, T 0374/95, J 0005/80, J 0002/86, J 0003/86

Catchword:

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Boards of Appeal

Chambres de recours

Case Number: T 0804/95 - 3.3.1

D E C I S I O N
of the Technical Board of Appeal 3.3.1
of 4 December 1997

Appellant:

Reilly Industries, Inc.
1510 Market Square Center
Indianapolis
Indiana 46204 (US)

Representative:

Bannerman, David Gardner
Withers & Rogers
4 Dyer's Buildings
Holborn
London, EC1N 2JT (GB)

Decision under appeal:

Decision of the Examining Division of the
European Patent Office posted 23 March 1995
refusing European patent application
No. 89 908 047.7 pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: A. J. Nuss
Members: W. Moser
P. Krasa

Summary of Facts and Submissions

- I. European patent application No. 89 908 047.7 was refused by a decision of an Examining Division dated 23 March 1995.
- II. In a letter dated 17 May 1995 and received by the EPO on 19 May 1995, the appellant (applicant) requested an extension of two months to the term set for responding to the Official Letter of 23 March 1995.
- III. By a letter dated 29 May 1995, which reached the office of the professional representative (Article 134 EPC) of the appellant (hereinafter: the representative) on 1 June 1995, the EPO informed the appellant that the time limit in question could not be extended.
- IV. On 7 July 1995, the appellant filed a notice of appeal against the decision of the Examining Division and paid the appeal fee.

On 7 July 1995, the appellant also filed an application for re-establishment of rights under Article 122 EPC and paid the appropriate fee because the appeal was not lodged and the appeal fee was not paid within the time limit pursuant to Article 108, first sentence EPC.

- V. In a letter dated 13 July 1995 and received by the EPO on 18 July 1995, the representative explained the circumstances in which the notice of appeal was not filed in due time.
- VI. The grounds of appeal were filed on 4 September 1995. On 4 September 1995, the appellant also filed an application for re-establishment of rights under Article 122 EPC because the grounds of appeal were not

filed within the time limit pursuant to Article 108, third sentence EPC. The appropriate fee was paid on 5 September 1995.

- VII. In a letter dated 4 September 1995, the representative explained the circumstances in which the grounds of appeal were not filed in due time.
- VIII. In a communication pursuant to Article 110(2) EPC of 16 July 1996, the Board informed the appellant of its provisional opinion that the representative had not taken all due care required by Article 122(1) EPC, and that for that reason both applications for re-establishment of rights would probably have to be rejected, with the consequence that the appeal would be deemed not to have been filed (Article 108, second sentence EPC) and the appeal fee would have to be refunded.
- IX. On 6 November 1996, the representative filed observations on the communication of the Board dated 16 July 1996.
- X. In an annex to the summons to attend oral proceedings dated 7 July 1997, the Board indicated the points in particular to be discussed during oral proceedings. On 3 November 1997, the representative filed observations on the points indicated in said annex. Oral proceedings were held on 4 December 1997.
- XI. The representative's main arguments, presented in written submissions and at the oral proceedings, were as follows:
- On 29 March 1995, he had written to the appellant's patent attorney in the USA (hereinafter: the attorney) reporting the decision of the Examining Division and pointing out the

right of appeal. The attorney had been further informed that any notice of appeal had to be filed within the time limit set out in Article 108, first sentence EPC, and that this time limit was inextensible.

- In accordance with his usual procedure, the file in question had then been put away in his filing cabinet with a diary note for 3 May 1995. As a result of the diary entry, the file had been retrieved either on 3 or 4 May 1995 and, as no instructions had been received from the attorney, a reminder copy of his letter of 29 March 1995 had been sent to the attorney on 4 May 1995. The file in question had then been put away with a new diary note. As a result of that diary note, the file in question had again been retrieved from his filing cabinet on or just before 17 May 1995.

- He operated a system whereby files on which no action was outstanding on the part of the attorney were put away in his filing cabinet with a forward entry in his diary reminder system, so that every file was brought out and reviewed every few months. Files with diary notes falling due were retrieved from his filing cabinet about twice a week and reviewed by him. The majority of these files concerned European patent applications. Sometimes, no action was required and a file was simply put away with a new, later, diary note. Often though, instructions were awaited to enable him to deal with an Official Letter. For each European patent application with an Official Letter outstanding, it was his practice automatically to request an extension of two months if instructions had not been received close to the deadline date for filing a response. At the same time he would write to the applicant or the

attorney of the applicant pointing out that an extension had been obtained, but that another extension was unlikely to be available, and reminding them that their instructions were awaited. In cases where no extension (or further extension) was available, it was his practice simply to send a reminder to the applicant or attorney, by telefax if the matter was urgent.

- In the present case, his long-established system appeared to have broken down in that a letter dated 17 May 1995 requesting an extension of two months had erroneously been sent to the EPO, despite the fact that no extension was possible, as had already been reported to the attorney in his letter of 29 March 1995. At the same time, a letter had been sent by telefax on 17 May 1995 informing the attorney that an extension of two months had been obtained.

- It was impossible to be certain how this error occurred. Both he and either of the two secretaries who worked for him dealt with some twenty to thirty files each time the diary notes were reviewed, and because both of his secretaries were very experienced there was no need for him to dictate individual letters where a reminder needed to be sent to the client or a letter needed to be sent to the EPO requesting an extension. It was therefore possible that the secretary concerned had momentarily become confused and had adopted the wrong procedure in connection with the present application. Another likely explanation was that two files had inadvertently been transposed.

- In accordance with the guidelines for examination part A, chapter 9, paragraph 3.1, all documents to be filed at the EPO in connection with a European patent application had to be signed either by the applicant himself or his duly-appointed professional representative. However, because of the number of letters which a professional representative had to sign each working day, it was not practicable for him to review all the files at the same time as signing the letters. Rather, the general practice was for the secretary who had prepared the letters to present them to the professional representative concerned in a signature book for checking and signing. The professional representative concerned would ask for a particular file only if a letter presented for signature appeared in some way incorrect. In the present case, however, there had been nothing either in the letter to the EPO of 17 May 1995 or in the letter to the attorney of the same date to indicate that there had been anything wrong.

- Unfortunately, his letter to the attorney of 17 May 1995 indicating that the EPO had granted an extension of two months had caused the docketing department of the attorney to change the due date for action on the case from 23 May 1995 to 23 July 1995. For that reason, the attorney had not sent him the instructions required to enable him to file a notice of appeal. On the other hand, the registered letter from the EPO dated 29 May 1995 informing him that the time limit in question was one that could not be extended had reached his office only on 1 June 1995 and, because he had been away from the office on that day and on the following, it had not come to his attention until

too late. Had that letter been sent to him more promptly or by fax, or had the formalities officer concerned telephoned him, the situation could have been saved because he could have filed the notice of appeal validly up to 2 June 1995.

- The failure to file the notice of appeal in due time had been the result of an isolated error in a reminder system which he had been operating successfully ever since the EPC had come into force. In fact, the notice of appeal had not been filed in due time as the result of an error by a secretary who had made a routine application for an extension of two months when he had already informed the attorney by letter that no extension was available. This had been an isolated mistake in that no secretary directly responsible to him had ever made such an error previously, and, as far as he was aware, such an error had not previously been made by any employee of the representative's office.

- With letter dated 22 June 1995, he had informed the attorney that a detailed statement setting out the grounds of appeal had to be filed by 23 July 1995, and that that term was inextensible. The file had then been put away with a diary entry for 22 July 1995.

- The attorney had telephoned the representative's office on 24 July 1995 to ask whether the grounds of appeal had been filed. He (the representative) had been away from the office on holiday at that time and so the attorney's call had been taken by his assistant. He had made the assistant responsible for checking his incoming post and his diary during his absence on holiday and for dealing with any straightforward routine matters.

The assistant had been instructed to consult one of the several qualified patent attorneys in the representative's office in the case of any difficult or unusual matters. The assistant had worked for the representative's office for some eighteen months. Before joining this office he had been employed as an examiner at the British Patent Office for some four years. The assistant was therefore more than averagely experienced in patent matters and had been well aware that in any appeal a notice of appeal had to be filed within two months and the grounds of appeal within four months of notification of the decision subject to appeal.

- The assistant had informed the attorney during their telephone conversation on 24 July 1995 that the grounds of appeal had been sent to the EPO on 13 July 1995. Unfortunately, that had not been correct. Rather, a letter containing the grounds for applying for re-establishment of rights, and not the grounds of appeal, had been sent to the EPO on 13 July 1995. The assistant had thus mistaken the letter of 13 July 1995 for the grounds of appeal and misinformed the attorney that the grounds of appeal had been filed.

- When he had returned from holiday on 31 July 1995 he had reviewed with the assistant all of the files which the assistant had handled in his absence, including the file for the present European patent application. Unfortunately, he had been misled by the report of the telephone conversation between the assistant and the attorney on 24 July 1995, which indicated that the grounds of appeal had been filed. Although it would still have been possible to file the grounds of appeal within the due time, the file had simply

been diarized and put away in his filing cabinet as it had seemed that no further action had been required on the part of the representative.

- Although the assistant was quite experienced in patent matters, the fact that this case was an unusual one had undoubtedly contributed to the assistant's misunderstanding of the documents on file. Although he (the representative) had handled many appeals at the EPO, and although the assistant had assisted him with the more recent of these appeals, this was the only appeal that he had ever handled where it had been necessary to apply for restoration of rights under Article 122 EPC because of belated filing of the grounds of appeal. In these unusual circumstances it was understandable that the assistant had confused the letter of 13 July 1995 with the grounds of appeal.
- As the mistakes which had led to the failure to file both the notice of appeal and the grounds of appeal in due time had been completely different in nature and had been made by different individuals, he believed that they could both be regarded as isolated mistakes.
- When he was away from the office for more than two or three days at a time, he always observed the following procedure: (1) He reviewed the entries in his personal diary system (kept by one of his secretaries) for the whole period when he expected to be away. (2) He collected together the files for any matter which was likely to require attention during his absence. (3) He dictated written instructions to the assistant explaining exactly what he had to do during his absence and he passed the files to the assistant before his departure with those written instructions.

- The assistant had always been reminded of the overriding instruction to consult one of the partners or at least one of the qualified representatives in the representative's office if he was in any doubt as to how he should handle any particular situation.

- The assistant had also been instructed to review his incoming post and diary daily and to deal with any urgent matters, either by himself or, if he had been in any doubt, with the assistance of one of the qualified representatives in the representative's office.

- The file relating to the present case had been among the specially-selected files given to the assistant with specific written instructions prior to his departure on holiday. Although the written instructions had not been retained, he would have warned the assistant to look out for a draft of the grounds of appeal from the attorney.

- The assistant had looked at the file and had taken his (ie. the representative's) letter of 13 July 1995 as the grounds of appeal and had informed the attorney that the ground of appeal had already been filed.

- In a sense, the failure to file the notice of appeal in due time had contributed to the assistant's error, because had the notice of appeal not been filed late, the file would have contained no letter dated 13 July 1995 setting out the grounds for re-establishment of rights under Article 122 EPC in respect of the belated filing

of the notice of appeal. On the other hand, it could not have been reasonably predicted that the assistant would be likely to be confused by the letter of 13 July 1995 in the event that he had to review the file during his absence.

- Interlocutory decision T 374/95 of 23 October 1995, in which an error by a suitably qualified and experienced assistant which had led to the belated filing of grounds of appeal had been excused and reinstatement of the application was permitted, was a similar case. Furthermore, in interlocutory decision T 111/92 of 3 August 1992 it had been affirmed that "a procedural means used to achieve a given end (e.g. a sanction following a procedural non-compliance) should be no more than that which is appropriate and necessary to achieve that end". In that decision it had further been stated that bearing this principle (commonly referred to as the principle of proportionality) in mind "the loss of the patent application because of the procedural irregularity which has occurred...would be a severe result". Consequently, this applied equally to the present case. An isolated moment of inattention by a secretary which had led to the failure to file the notice of appeal in due time, and an unforeseeable misunderstanding by an experienced assistant, should therefore not lead to the loss of the present patent application.

- The Board should also take into account the fact that, in the event of an adverse decision by the Board, the appellant would have no right of appeal. Indeed, the present applications for re-

establishment of rights could be considered only by one instance. This aspect should be taken into account by the Board when exercising its discretion under Article 122 EPC.

XII. The appellant requested that he be re-established in his rights and that the appeal be held admissible.

Reasons for the Decision

1. The applications for re-establishment of rights are admissible.
2. When an applicant is represented by a professional representative (Article 134(1) EPC), an application for re-establishment of rights under Article 122 EPC cannot be acceded to unless the representative himself can show that he has taken the due care required of an applicant by Article 122(1) EPC (cf. J 05/80 [OJ EPO 1981, 343], point 4 of the Reasons).

However, if the representative has entrusted to an assistant the performance of routine tasks, the same strict standards of care are not expected of the assistant as are expected of the applicant or his representative (cf. J 05/80 above, point 6 of the Reasons). Hence, a culpable error on the part of the assistant made in the course of carrying out routine tasks is not to be imputed to the representative if the latter has himself shown that he exercised the necessary due care in dealing with his assistant. In this respect, it is incumbent upon the representative to choose for the work a suitable person, properly instructed in the tasks to be performed, and to exercise reasonable supervision over the work (cf. J 05/80 above, point 7 of the Reasons).

Furthermore, when considering an application for re-establishment of rights, it has to be kept in mind that Article 122 EPC is intended to ensure that in appropriate cases the loss of substantive rights does not result from an isolated procedural mistake within a normally satisfactory system (cf. J 02/86, J 03/86 [OJ EPO 1987, 362]).

3. In his letter dated 29 March 1995, the representative informed the attorney correctly that any notice of appeal had to be filed within the time limit set out in Article 108, first sentence EPC, and that said time limit was inextensible. However, in his letter to the EPO dated 17 May 1995, the representative requested nonetheless an extension of two months to the time limit for filing a notice of appeal from the EPO. Furthermore, in his letter to the attorney dated 17 May 1995, which was sent by telefax, the representative informed the attorney that an extension of two months had been obtained. That erroneous information was doubtless instrumental in causing the representative's late filing of the present notice of appeal and late payment of the appeal fee.

The assessment as to whether a given time limit is extensible or not requires an in-depth knowledge of the European Patent Convention and its Implementing Regulations and does therefore not constitute a routine task the performance of which may be entrusted to an assistant (eg. a secretary). Thus, instead of relying exclusively upon his secretary's assessment, the representative should have checked whether or not the time limit in question was actually extensible before signing said letters dated 17 May 1995.

Consequently, since it did not clearly follow from said letters dated 17 May 1995 which specific time limit was under consideration (the time limit having actually been defined in these letters as "term set for responding to the Official Letter of 23 March 1995" and "term for dealing with the Office Action of 23 March 1995", respectively), the representative should have reviewed the corresponding file beforehand, irrespective of the number of letters he had to sign on that working day. So much the more as there is no evidence that the representative had other sources of information, eg. a personal diary system, at his disposal enabling him to assess the legal nature of the time limit in question.

From the above it follows that the representative did not take all due care required by the circumstances within the meaning of Article 122(1) EPC. He has therefore to assume the entire responsibility for the late filing of the present notice of appeal and the late payment of the appeal fee.

4. The decision under appeal was despatched on 23 March 1995. Hence, in accordance with Article 108, first sentence EPC and Rule 78 EPC, the period for lodging a notice of appeal expired on Friday, 2 June 1995. The letter from the EPO dated 29 May 1995, informing the appellant that the time limit for lodging a notice of appeal could not be extended, reached the representative's office on Thursday, 1 June 1995. Thus, it would have been easy for the representative to file a notice of appeal by telefax and to make arrangements for the payment of the appeal fee on Friday, 2 June 1995. The fact that the representative was away from the office on 1 and 2 June 1995 is irrelevant because he should have appointed somebody else in his office to deal with such urgent matter during his absence. The representative has therefore to answer for the fact

that the information contained in said letter dated 29 May 1995 came to his attention only after the period for filing the notice of appeal and for the payment of the appeal fee had already elapsed.

5. In the present case, the period for filing the grounds of appeal expired pursuant to Article 108, third sentence EPC and Rule 78 EPC on Wednesday, 2 August 1995 (despatch of the decision under appeal: cf. point 4 above). On Monday, 31 July 1995, the representative reviewed the file for the present European patent application together with the assistant. The representative refrained however from examining whether the grounds of appeal had actually been filed, in spite of the fact that by that time it would have still been possible to file admissible grounds of appeal. He confined himself instead to relying solely on the report of the telephone conversation between the assistant and the attorney, which incorrectly indicated that the grounds of appeal had been filed, although he should have known that the present case was critical because the time limit for filing the notice of appeal had not been observed. Hence follows, in the Board's judgement, that the representative did not exercise reasonable supervision over the work the assistant was engaged in (*lack of cura in custodiendo*).

As a matter of fact, the assistant has worked for the representative's office only for some eighteen months, which is indeed a very short period to familiarize oneself with the European patent law. On the other hand, as an Examiner at the British Patent Office, the assistant did in all probability not have to deal with appellate proceedings. In the light of the assistant's relative lack of experience, the representative, after having returned from holiday on 31 July 1995, should therefore have made sure that (i) the grounds of appeal

had actually been filed and, if so, that (ii) the grounds of appeal were with regard to the contents sufficient in view of the requirements for admissibility established by the jurisprudence of the Boards of Appeal of the EPO. So much the more as, according to the representative's submission, the file relating to the present case has been among the specially-selected files given to the assistant with specific written instructions prior to the representative's departure on holiday.

6. Interlocutory decisions T 111/92 and T 374/95 (cf. point XI above) deal each with a sole isolated procedural mistake within a normally satisfactory system. In both cases existed actually a system which had been established to ensure a proper observance of the various time limits under the EPC and which had further been designed to avoid reliance on the ten-day period provided under Rule 78(3) EPC other than in exceptional cases. These systems corresponded thus to reasonable requirements. On the other hand, the error in question was the result of an unintentional and isolated mistake in calculating the ten-day period (cf. T 111/92) and in entering the date of the decision under appeal (cf. T 374/95), respectively, which represent routine tasks the performance of which may be entrusted to an assistant (cf. point 2 above).

By way of contrast, in the present case the representative has to assume the entire responsibility for two serious procedural mistakes related to an incorrect assessment of the legal nature of the time limit for lodging the notice of appeal and an incorrect assessment of the grounds of appeal with regard to the contents in view of the requirements for admissibility, respectively, which do not represent routine tasks, but on the contrary require an in-depth knowledge of the European Patent Convention and its Implementing

Regulations and/or the relevant jurisprudence of the Boards of Appeal (cf. points 3 to 5 above).
Consequently, there is no similarity to the above-mentioned interlocutory decisions.

7. Since the representative has to assume the entire responsibility for the late filing of both the notice of appeal and the grounds of appeal and for the late payment of the appeal fee (cf. points 3 to 5 above), the applications for re-establishment of rights under Article 122 EPC have to be refused.
8. Because of the late payment of the appeal fee, the appeal is deemed not to have been filed (Article 108, second sentence EPC). Thus, the decision under appeal refusing the present European patent application becomes final.

Hence follows that two serious procedural mistakes of the representative give rise to the loss of the present European patent application. In the Board's judgement, this is consistent with the principle of proportionality referred to by the representative (cf. point XI above).

9. The assessment by a Board of Appeal as to whether all due care required by the circumstances has been taken within the meaning of Article 122(1) EPC must be based on the same objective criteria as the assessment by a department of the first instance. Consequently, the representative's argument according to which the aspect that the present applications for re-establishment of rights can be considered only by one instance should be taken into account by the Board when exercising its discretion under Article 122 EPC is to be rejected.

10. An appeal which is deemed not to have been filed does not exist. Hence, the appeal fee has to be refunded because it was paid for a nonexistent appeal.

Order

For these reasons it is decided that:

1. The applications under Article 122 EPC are refused.
2. The appeal is deemed not to have been filed.
3. The reimbursement of the appeal fee is ordered.

The Registrar:



P. Martorana

The Chairman:



A. Nuss

K. 21.4.88

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W. Moser / 9.4.98

