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D E C I S I O N
of 10 May 2001

Case Number: J 0019/00 - 3.1.1

Application Number: 96904980.8

Publication Number: 0815457

IPC: G01R 21/133

Language of the proceedings: EN

Title of invention:
Electricity meter

Applicant:
Horstmann Timers & Controls Limited, et al

Opponent:
-

Headword:
Extension Agreement/HORSTMANN TIMERS & CONTROLS LIMITED, ET AL

Relevant legal provisions:
EPC Art. 33(4), 78(2), 79(2), 106(1), 108
EPC R. 9(3), 68(2), 85a(2)
RFees Art. 9(1)
Extension Ordinance on the extension of European patents to Slovenia

Keyword:
"Extension Ordinance on the extension of European patents to Slovenia (EO); Application of the provisions of the EPC - only when expressly mentioned in the EO"

Decisions cited:
J 0008/81, J 0013/83, J 0026/87, J 0002/93, J 0024/94, T 0934/91

Catchword:
"The extension of European patents to Slovenia is determined by the Extension Ordinance on the extension of European patents to Slovenia (EO) alone; the provisions of the EPC apply only where it is expressly mentioned in the EO."

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Beschwerdekammern | Boards of Appeal | Chambres de recours

Case Number: J 0019/00 - 3.1.1

D E C I S I O N
of the Technical Board of Appeal 3.1.1
of 10 May 2001

Appellant: Horstmann Timers & Controls Limited
Newbridge Road
Bath BA1 3EF (GB)

Representative: Hogg, Jeffery Keith
Withers & Rogers
Golding House
2 Hays Lane
London SE1 2HW (GB)

Decision under appeal: **Communication of the Examining Division of the European Patent Office posted 17 March 2000 refusing the extension of European patent application No. 96 904 980.8 to Slovenia.**

Composition of the Board:

Chairman: J. Saisset
Members: M. J. Vogel
S. C. Perryman

Summary of Facts and Submissions

I. 1. The appellant is the applicant in respect of Euro-PCT application No. 96 904 980.8. When this application entered the regional phase before the EPO, the appellant requested extension to Slovenia (Form 1200.5, section 11) on 15 September 1997. Section 11 of this form informs applicants that the extension only takes effect if the prescribed extension fee is paid. On 26 September 1997 the applicant paid other fees arising on entry into the regional phase at the EPO, totalling DM 4 850. Details of the fees paid (designation, claims, examination and national fees) were given on Form 1010, "Payment of fees and costs", dated 25 September 1997. The extension fee for Slovenia was neither marked on the fee sheet nor paid.

2. By a letter dated 13 December 1999 the appellant requested correction of an error under Rule 88 EPC, the error being the omission to pay the extension fee. He argued that, because of the EPO's practice of not issuing notification of non-payment of extension fees, he only became aware of the non-payment when he sought to confirm the grant of the patent at the Slovenian Patent Office. He claimed that the mistake of the fee clerk in failing to mark the requirement for Slovenia as an extension state could be regarded as a transcription error within the meaning of Rule 88 EPC.

Alternatively the appellant requested that the discretion under Article 9(1) of the Rules relating to Fees (RFees), which is applicable in

this case pursuant to Article 3(3) of the Extension Ordinance on the extension of European patents to Slovenia (EO), be exercised in his favour because he only overlooked paying a small amount (about 2%) of the total amount paid of DM 4 850.

Finally the appellant pointed to what appeared to him an unjustified difference between the practice as regards the payment of designation fees under the EPC, where the possibility exists to correct mistakes, and the payment of extension fees, where it does not. No reason for that difference was apparent.

3. In response to these submissions the senior formalities officer issued a communication dated 17 March 2000 pointing out that Rule 88 EPC is not applicable to the extension system, whereas Article 9(1) RFees is, although only in cases where a small amount is lacking. In the present case, however, the payment of the whole extension fee had been omitted. It was also pointed out that the legal remedies under the EPC do not apply in extension cases. For these reasons the request for extension was deemed to be withdrawn pursuant to Articles 2 and 3 EO.

II. The appellant filed a notice of appeal dated 4 April 2000 against this "decision ... in the communication" and paid the appeal fee on the same day. He requested that the decision under appeal be set aside and the extension fee for Slovenia be deemed to have been paid. In his statement of grounds of appeal dated 14 July 2000, sent by fax on 17 July 2000, he drew attention to

the Ikaplast (OJ EPO 1986, 1) and Maxtor (OJ EPO 1995, 288) decisions of the Legal Board of Appeal and claimed that the extension fee was a small amount within the meaning of Article 9(1) RFees and the grounds of the Ikaplast decision. Furthermore, the communication under appeal had not dealt with the appellant's observation that the Office had given no notification of non-payment of the extension fee, as it would have done under Rule 85a EPC had a designation fee not been paid.

By a communication dated 29 January 2001 the Legal Board of Appeal gave its preliminary, non-binding view of the case under consideration, which can be summarised as follows:

1. According to Article 10 of the Extension Ordinance on the extension of European patents to Slovenia (OJ EPO 1994, 80), in the extension procedure the EPC and its Implementing Regulations do not apply unless otherwise provided in the Regulation. Since there is no provision in the EO that Articles 106 to 108 EPC even apply in extension procedures, there was no appealable decision in this case, only a non-appealable communication.

2. Even assuming an appeal were admissible, it was doubtful whether there would be any case for setting aside the appealed "decision". The Board agreed with the appellant that, pursuant to Article 3(3) EO, the EPO Rules relating to Fees, namely Article 9(1) of these Rules, apply mutatis mutandis to the payment of extension fees. But with respect to their wording and to the jurisdiction of the boards of appeal (see Ikaplast and Maxtor) in the present case there was not a

"small" amount lacking, but on the contrary, the extension fee formed no part of the total, as the fee sheet shows. The extension fee was wholly unpaid.

3. Moreover, Article 9(2) RFees, which regulates the allocation of designation fees if the amount paid is insufficient, allows no other result, because in the present case the amount paid covers the fees for all the states actually designated, and therefore there is no insufficiency in the amount paid.

4. Finally the Board pointed out that it cannot agree with the appellant that the principle of good faith governing relations between the EPO and the applicant applies. In the introduction to the Extension Ordinance (OJ EPO 1994, 75) reference is made under II.2 to the fact that notifications of non-observance of the basic time limit or expiry of the period of grace are not issued and that re-establishment of rights is not possible. Thus this statement cannot create any legitimate expectations to the contrary.

III. The appellant was invited to file a reply to this notification at least one month before the oral proceedings at the latest. By a letter dated 25 April 2001 he submitted further observations, which can be summarised as follows:

1. The EO constitutes an arrangement whereby the EPO acts on behalf of patent applicants and proprietors having a jus tertii in the appropriate management, by the EPO, of their extension

requests. The appellant agreed that there was no specific cross reference in Article 10 EO to Articles 106 to 108 EPC. But in order to carry out all its obligations under the EO, while remaining intra vires, the EPO must implicitly rely upon further provisions of the EPC anyway (for example Article 103, Rule 58(5) EPC). That is why the word "provided" in Article 10 EO is to be construed as embracing all the individual articles and rules of the EPC which are required for the proper performance by the EPO of its duties under the EO.

According to the appellant, if the provisional viewpoint of the Board were to be upheld, the actions taken by formalities officers under the EO would be uncontrollable, since they would fall outside the competence of the boards. This is in contrast to the purpose of the jurisdiction of the boards of appeal which is to provide a control. Thus, the letters of the Receiving Section dated 17 March 2000 constitute appealable decisions rather than non-appealable communications.

2. As to Article 9(1) EO the appellant stressed that he did intend to pay the extension fee. He points out that in Form 1200 the Slovenian box is completed, and in addition to that there is an automatic deeming of extension to Slovenia which arises under Article 2(1) EO. Furthermore the appellant submits that, when assessing payment intention, the Board should keep in mind the full circumstances of the case and not rely solely on the format of the fee sheet. The shortfall under Article 9(1) EO has to be assessed against the totality of the fees it was intended to pay, as in

the Ikaplast decision. To avoid making arbitrary distinctions between single and multiple fee payment situations the word "fee" in Article 9(1) must include the plural "fees" as well.

3. As to Article 9(2) EO, due to the different natures of the EPC and the EO the EPO lacks the power to enlarge the scope of that provision to extension countries. The fact that designation and extension may constitute conceptually similar techniques for obtaining patent protection is irrelevant. The application of Article 9(2) EO is precluded by Article 3(3) EO, which states that the Rules relating to Fees apply mutatis mutandis, that means with the necessary changes, ie the non-application of Article 9(2) EO.

4. Alternatively, if the Board does not accept the arguments concerning Article 9(2), the appellant points out that the impact of the automatic deeming of Slovenia under Article 2(1) EO would appear to be that the payments made in September 1997 should have been allocated first to Slovenia, in priority to any other individual designated country.

Reasons for the Decision

1. The appeal is deemed to have been filed, in particular on account of the payment of the appeal fee within two months of the date of the communication deemed by the appellant to be impugnable (Article 108 EPC). It is, however, inadmissible, because, in the case for decision, there is no right of recourse to the EPO’s

boards of appeal.

1.1 According to the exhaustive provision of Article 106(1) EPC relating to decisions capable of being the subject of an appeal under the EPC, appeals may lie not only from decisions of the Examining Divisions, Opposition Divisions and the Legal Division, but also from decisions of the Receiving Section.

1.1.1 The fact that the letter of 17 March 2000 from the Examining Division which is the subject of the appeal was headed 'communication' rather than identified as a decision does not make any difference in this respect. The legal character of an official document does not depend on how it is headed. What determines its legal character, and hence whether or not an appeal can lie against it within the meaning of Article 106(1) EPC, is its substantive content. If the document conveys nothing more than a legal opinion, it cannot be said to be a decision. The same applies if it is quite obvious that the author does not have the authority required to either write or send the document. If, on the other hand, legal relations between the Office and an applicant under the provisions of the EPC are determined by a document, then irrespective of the heading of this document, according to the established case law of the boards of appeal it represents an appealable decision within the meaning of the law (see J 8/81, OJ EPO 1982, 10; J 2/93, OJ EPO 1995, 4; J 13/92; J 13/83; J 24/94; T 934/91, OJ EPO 1994, 184, and so on). In the present case a number of factors point to the content of the contested letter being in the nature of a determination of the legal relation and hence a decision, since the rejection of the extension of the patent application to Slovenia has a determining

effect on the scope of the territorial protection afforded to the application.

1.1.2 The admissibility of the present appeal is therefore not affected by the fact that the contested letter of 17 March 2000 from the Examining Division did not include a communication of the means of redress (see J 26/87, OJ EPO 1989, 329) and was written by a formalities officer in the Examining Division. On the one hand the issue of the fundamental admissibility of an appeal does not arise in the event of non-communication of the means of redress, because Rule 68(2), third sentence, EPC expressly states that the parties may not invoke the omission of such a communication. On the other hand, appealable decisions may within the framework of the duties of the Examining Divisions be issued with legal effect by a formalities officer in so far as he or she is authorised to do so by the notice of the Vice-President Directorate-General 2 (most recent version) of 28 April 1999 (OJ EPO 1999, 504), which is based on the authorisation under Rule 9(3) EPC.

1.2 The admissibility of the present appeal is rather precluded by the fact that, according to the exhaustive provision in Article 106(1) EPC, only those decisions of the EPO may be contested which are taken, within the framework of their duties under the EPC, by the departments listed therein. This is not, however, the case for decisions taken by the EPO when carrying out its obligations under the Agreement with the Republic of Slovenia extending the protection conferred by European patents (Extension Agreement), including the associated Extension Ordinance (EO) (OJ EPO 1994, 75).

1.2.1 The Extension Agreement, which came into force on 1 March 1994, is in turn based on the Patent Co-operation Agreement between the European Patent Organisation and the Republic of Slovenia, which came into force on 1 September 1993. This agreement is an international treaty of the kind which the President of the EPO is authorised by the Administrative Council to conclude with the Council's approval (Article 33(4) EPC), in order to carry out the functions assigned to him under the EPC. The agreement serves the interests not only of applicants, providing as it does a simple route to patent protection in the Republic of Slovenia, but also those of the Republic of Slovenia, enabling it to offer patent protection for its territory simply by extending the effects of European and Euro-PCT applications and patents.

1.2.2 As the appellant points out, there are certain parallels – in particular with regard to the payment of the due fee - between the formal procedures, particularly the timetable for taking procedural steps in respect of the extension of protection under the EO on the one hand and the designation of a contracting state under the EPC on the other (Articles 79(2), 78(2) EPC). The legal effects in each case are, however, different. Unlike the procedure for designating contracting states under the EPC, the extension procedure under the EO generates legal effects exclusively on the basis of Slovenian national law. The EO does not include the assignment of sovereign rights to the EPO. Instead, by way of administrative assistance, the EPO undertakes on behalf of the Republic of Slovenia the administrative task of collecting the fees, and, to cover the administrative costs it incurs, receives a fixed proportion of the

extension fee, the greater part of the fee passing to the extension state.

1.3 The procedure for payment of the extension fee is determined by the EO alone. Despite certain similarities with European law, the EO's validity is, however, based not on the provisions of the EPC, but on Slovenian national law alone, in the performance of which the EPO simply offers administrative assistance within the framework of the national provisions. This legal assessment follows not only from the wording of the EO, which in itself is quite clear, but also from its structure, as well as its intention and purpose.

1.3.1 Thus Article 3, second paragraph, EO clearly and unequivocally applies the period of grace under Rule 85a(2) EPC to failure to pay the extension fee on time, and under Article 3, third paragraph, EO the EPO Rules relating to Fees apply mutatis mutandis to payment procedures. Article 10 EO, however, stipulates that the provisions of the EPC and its Implementing Regulations do not apply unless otherwise provided in the EO. The EO thus makes it absolutely clear that its references to provisions of the EPC are exhaustive and thus that there can be no corresponding application of other provisions, including those of Articles 106 et seq EPC on the appeals procedure.

1.3.2 Neither is there anything in the structure or legal nature of the EO to support the appealability of the letter of the Receiving Section of 17 March 2000. Also bilateral ordinance, the EO essentially deals - exhaustively and strictly separately from the EPC - with matters pertaining to the integration of extended European applications and protective rights into

Slovenian national law and their relationship to national applications and rights based on the Slovenian Law on Industrial Property (Blatt für Patent-, Muster- und Zeichenwesen 1993, 303).

This includes, in particular, the conferral of the same effects on extended applications and patents as on national ones, the obligation to provide the Slovenian Patent Office with a translation of the claims into Slovenian, the national authentic text of extended applications and patents, their prior-art effect with respect to national applications and patents, and, finally, simultaneous protection. None of these provisions give rise to any obligations on the part of the EPO. Under the EO, the EPO merely undertakes vis-à-vis the Republic of Slovenia to assist with the administrative tasks associated with the extension of European patents, namely receiving requests for extension, levying extension fees and, after deducting an amount to cover its expenses, forwarding the remaining amount to the Slovenian Patent Office.

1.3.3 It is clear from its provisions that the EO is governed by the principle of minimal intervention in the sovereign rights of the Republic of Slovenia. Thus, for example, Article 10 EO precludes the application of the provisions of the EPC - including those of Articles 106 et seq EPC relating to the appeals procedure - in the extension procedure. For the same reason, and unlike the arrangement under the EPC, Article 9 EO stipulates that the renewal fees for extended European patents be paid in full to the Slovenian Patent Office.

The EPC on the other hand is based amongst other things on the delegation of national sovereign rights to the

EPO, on the participation in and control of the administration of the EPO by the Administrative Council, and on the division of renewal fees between the EPO and the contracting states involved.

1.3.4 The EO does not afford any of the rights and obligations associated with accession to the EPC. Contrary to the appellant's assertion, it thus does not set up a jus tertii for services rendered by the EPO in fulfillment of its obligations under the EO either. As a result there is no right of recourse to the boards of appeal in respect of extensions of patent applications and patents to the Republic of Slovenia. Instead, in cases such as the one at issue, it is the Slovenian national jurisdiction which is responsible. Article 6(2) of the Slovenian Law provides for appeal proceedings against decisions of the Slovenian Patent Office.

1.4 Nor can the appellant invoke the principle of good faith to obtain legal recourse to the EPO’s boards of appeal. The Board grants that this principle is one of the fundamental principles of European patent law. However, as far as the extension procedure is concerned, the EPO is not acting within the framework of the EPC, but is simply assisting with the establishment of national property rights in Slovenia. Moreover, in its introduction to the EO, the EPO expressly states that the EO is based on Slovenian national law only (OJ EPO 1994, 75) and that the extension procedure and its effects are governed solely by Slovenian law (OJ EPO 1994, 80).

Order

For these reasons it is decided that:

The appeal is rejected as inadmissible.

The Registrar: The Chairman:

S. Fabiani J. C. Saisset