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D E C I S I O N
of 2 February 2006

Case Number: J 0004/05 - 3.1.01

Application Number: 01123196.6

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IPC: B65G 47/84

Language of the proceedings: EN

Title of invention:

Apparatus and method for inspecting articles of glassware

Patentee:

OWENS-BROCKWAY GLASS CONTAINER INC:

Headword:

Extension ordinances/OWENS-BROCKWAY

Relevant legal provisions:

EPC Art. 33(4), 78(2), 79(2), 106(1), 122(5)

RFEE Art. 9(1)

EPC R. 69(2), 85a(1) and (2)

Keyword:

"Extension ordinances on the extension of European patents"

Decisions cited:

G 0001/02, J 0009/04, J 0014/00, J 0019/00

Catchword:

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Case Number: J 0004/05 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 2 February 2006

Appellant: OWENS-BROCKWAY GLASS CONTAINER INC.
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Ohio 43666 (US)

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Decision under appeal: Decision of the Examining Division of the
European Patent Office dated 20 October 2004
rejecting the request that the payment of the
extension fee for Romania be deemed to be made
in time for application No. 01123196.6.

Composition of the Board:

Chairman: J.-c. Saisset
Members: M. J. Vogel
M.-B. Tardo-Dino

Summary of Facts and Submissions

- I. The appellant is the applicant in respect of European patent application No. 01 123 196.6 filed on 28 September 2001. As he left section 32 and 34 on EPO form 1001 unchanged all contracting states were designated and the extension to all states with which extension agreements existed at that time were requested.

The European Search Report was published on 10 April 2002 with the consequence that the designation and extension fees had to be paid on 10 October 2002 at the latest. On 13 September 2002 the appellant filed a debit order amounting € 1.955 on form 1010 for all designation and extension states mentioned there, however contrary to his original intention not for Romania.

- II. On 6 September 2003 (letter dated 2 September 2003) the appellant filed in due form a request for restitutio in integrum in so far as he missed erroneously to mention Romania as extension state on form 1010 within the respective time limit according to Article 79(2) EPC. As the EPO is obviously not inclined to apply Rule 85a EPC granting a grace period in cases of non-payment of extension fees it would be justified to grant re-establishment under the principle of good faith.

After a communication informing that under the EPC re-establishment of rights in respect of the time limit for payment of the extension fee is not possible the appellant asked for an appealable decision pursuant to Rule 69(2) EPC.

- III. In its decision taken on 20 October 2004 the formalities officer of the Examining Division pointed out that both the request for re-establishment and the request pursuant to Rule 69(2) EPC are inadmissible because they have not been provided under the legally relevant Extension Ordinances (EO). The extension procedures are governed only by the national law of the extension states and those Rules of the EPC which are expressly mentioned in the EOs. Referring to decision J 14/00 (OJ EPO 2002, 432) and J 19/00 (not published) the formalities officer of the Examining Division stressed that legal remedies and appeals against decisions taken by the EPO in extension cases are therefore only allowed under the national law and jurisdiction of the respective extension states.
- IV. With a letter filed on 5 November 2004 the appellant lodged an appeal requesting revision of the contested decision, paid the appeal fee and submitted his grounds of appeal at the same time. Therein he referred to his submissions filed in case J 9/04 which was based on very similar facts. In a further letter he made clear that - contrary to the summary of the facts and submissions of the decision in case J 9/04 - he is not of the opinion that the wording of all EOs and national provisions ruling the extension of European patents is identical.
- V. With respects to the submissions in case J 9/04 (letter of 16 January 2004) the appellant's arguments as far as they comply mutatis mutandis with the facts of this case are summarised as follows:

1. Having regard to the admissibility of the appeal the reasoning of decision J 14/00 was not pertinent because the present case is different from that decided in case J 14/00.

2. As restitutio in integrum has been requested under Article 122 EPC before the first instance the formalities officer was not competent to issue the contested decision but only the Examining Division or the Legal Division. For the admissibility of the appeal it should not be decisive which instance made the decision but which instance is competent according to the EPC.

3. As he could find only the text of the EO concerning Slovenia (OJ EPO 1994, 75) it is not clear that the wording of the Cooperation Agreements (CA) and the EO for the different extension states is the same. At least for certain extension states other legal provisions apply, for example Article 18(2) of the Latvian Patent law which reads:

"The provisions of the European Patent Convention and its regulations are applicable in so far as this chapter does not provide otherwise."

Moreover there are obviously important differences regarding the interpretation of these provisions by both the EPO and the national patent authorities. In view of the national regulations of the extension states the different interpretation and application of Rule 85a(1) EPC as to contracting and to extension states respectively would appear to be unjustified and in contradiction to the intention of the legislator.

That is why Article 6 CA should be understood as a general reference to all provisions of the EPC relating to payment of fees, Rule 85a(1) EPC included, even if Article 6(3) CA only refers to Rule 85a(2) EPC.

4. Furthermore, the EPO's interpretation of the EOs is not in line with the intention of the Administrative Council (AC) when Rule 85a EPC was adopted. The AC acknowledged that a period of grace with respect to missing important time limits would be of great importance in such cases since *restitutio in integrum* was not possible. But the grace period would only be effective if the applicant could be informed of missing a basic time limit.

5. On the other hand when applying Art. 122(5) EPC no difference is made between fees for contracting and extension states. This would be inconsistent. If a distinction between designation and extension states is made under Rule 85a EPC then this should be made as well with regard to Art. 122(5) EPC, as this provision only excludes *restitutio* with respect to payment of designation fees.

6. In addition, the current practice of not sending a communication according to Rule 85a EPC to the applicant in cases of non-payment of the extension fee is not comprehensible in view of the official request form 1001.1 11.98. There the contracting states are all automatically marked with a cross according to No. 32.1. or specifically according to No. 32.2. respectively. In the latter case the applicant may request that no communication under Rule 85a EPC is notified regarding states not marked with a cross.

In the case of extension states, however, it would serve no purpose to mark the specific states if no communication under Rule 85a EPC was to be notified with respect to the extension fee. That is why the applicant marking the extension states was thus explicitly expressing his wish for a Rule 85a EPC notification in case of failure to pay the fees, as a period of grace can only be effective, if the applicant is actually informed of missing the basic time limit. Otherwise he has no fair chance to recognise the failure of non-payment of the extension fee. Thus, the principle of good faith would require application of Rule 85a EPC equally with respect to both extension and contracting states, and for the EPO to act in the same manner according to the requests submitted.

7. The EPO's current interpretation of Rule 85a EPC with respect to the extension procedure would have severe consequences for the applicant as there is no chance to correct a failure in paying the extension fee either under the EPC or under the national law of the extension states as it is obvious from the letters of his representatives in these countries. Moreover, it is not practicable if the national patent authorities have to revise a decision of the EPO regarding the payment of the extension fee. In addition, it cannot be accepted that a formalities officer may decide on the correct payment of fees without an independent instance being entitled to review the decision. This is not in line with the fundamental constitutional principles of the Contracting States to the EPC.

8. Finally the appellant remarks that the legislative body regulating the EPC has recognised the difficult situation of the applicants with respect to Article 122 EPC and will - as already adopted by a Diplomatic Conference in 2000 - enlarge the applicability of Article 121 EPC to all cases of missing a time-limit for payment of fees.

VI. The appellant withdrew his originally request for oral proceedings at a later stage and asked for a decision in writing. In his submissions he requested:

- that the decision under appeal be set aside and that the payment of the extension fees "for all extension states as designated on the request form 1001.6, 11.98, Romania included, filed on 22 July 1999" (sic !) to be made in time;

auxiliary:

- to grant re-establishment of rights.

He further requested referral of the case to the Enlarged Board with the following question, namely "if the current practice of no sending communications under Rule 85a EPC in case of a missing payment of extension fees, although those extension states are separately and explicitly marked on the request form, is in accordance with the intention and purpose of Rule 85a as an important point of law".

Reasons for the Decision

1. As a preliminary remark the Board would like to observe that there is only one extension fee at stake concerning Romania (see communication of 13 October 2003) and that the relevant form 1001 for this case is 1001.1.07.99 dated 27 September 2002 and not form 1001.1.11.98 of 22 July 1999 as erroneously mentioned in the appellant's submissions.

The appeal was filed, and the appeal fee was paid within two months of the date of the contested decision of 20 October 2004. The appeal therefore meets the requirements of Article 108 EPC. It is, however, inadmissible, because, in the present case, there is no right of recourse to the EPO's Boards of Appeal (Article 106 EPC) for the following reasons:

- 1.1 According to the exhaustive provisions of Article 106(1) EPC relating to decisions capable of being the subject of an appeal under the EPC, appeals lie only from decisions of the Examining Divisions, Opposition Divisions, the Legal Division and from decisions of the Receiving Section.

The admissibility of the present appeal is not tainted by the fact that the contested decision of 20 October 2004 was written by a formalities officer in the Examining Division. Since 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 and was accepted as not conflicting with provisions of EPC by the Enlarged Board (see G 1/02, OJ 2003, 165).

1.2 The admissibility of the present appeal is rather precluded by the fact that, according to the exhaustive provisions 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 CAs with the said states extending the protection conferred by European patents (Extension Agreement), including the associated EO (OJ EPO 1994, 75).

1.2.1 The respective Extension Agreements, which all came into force before the application in the case in question was filed, are in turn based on the Patent Co-operation Agreements between the European Patent Organisation and the extension states. These agreements having - contrary to the appellant's opinion - all the same content (see Ancillary Regulations to the EPC, 2005, p. 64 seq.) are international treaties of the kind which the President of the EPO is authorised by the AC 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 extension states, but also those of the extension countries, enabling them to offer patent protection for

their 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 fee due - between the formal procedures, particularly the timetable for taking procedural steps in respect of the extension of protection under the EOs 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 EOs generates legal effects exclusively on the basis of national law of the extension states. The EOs do not include the assignment of sovereign rights to the EPO. Instead, by way of administrative assistance, the EPO undertakes on behalf of the extension states 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 EOs alone. Despite certain similarities with European law, the EOs' validity is, however, based not on the provisions of the EPC, but on 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 EOs, 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, of the EOs 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 - Articles 121, 122 and the revised version of the EPC in particular - do not apply unless otherwise provided in the EOs. The EOs thus make it absolutely clear that 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 concerning the appeals procedure.

1.3.2 Neither is there anything in the structure or legal nature of the EOs to support the appealability of the decision of the Examining Division of 20 October 2004. As a bilateral ordinance, the EOs essentially deal - exhaustively and strictly separately from the EPC - with matters pertaining to the integration of extended European applications and protective rights into the respective national law and their relationship to national applications and rights based on the law on industrial property of the extension states (see for Slovenia *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 national Patent Offices with a translation of the claims into

the respective language, 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 EOs, the EPO merely undertakes vis-à-vis the national patent authorities 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 national Patent Offices.

- 1.3.3 It is clear from their provisions that the EOs are governed by the principle of minimal intervention in the sovereign rights of the extension states. 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 national Patent Offices.

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 EOs do 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 fulfilment of its obligations under the EOs 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 extension states. Instead, in cases such as the one at issue, it is the respective national jurisdiction which is responsible. For example Article 6(2) of the Slovenian Law provides for appeal proceedings against decisions of the Slovenian Patent Office. Equally Article 18(2) of the Latvian Patent Law, cited by the appellant, has no legal effect in so far as the admissibility of appeals before the EPO Boards of appeal in extension cases are in question. The national legislation of extension states have only the power to enforce acts for their own territory but not to act for other countries or international entities.

Nor can the appellant invoke the principle of good faith to obtain legal recourse to the EPO's Boards of Appeal. The Board recognises 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. Moreover, in its introduction to the EOs, the EPO expressly states that the EOs are based on national law only (see for example OJ EPO 1994, 75) and that the extension procedure and its effects are governed solely by national law.

The Board considers that there is no need to refer questions to the Enlarged Board of Appeal because there

is no contradictory case law and the board is itself in a position to resolve the points of law raised in the present case without any doubt.

Order

For these reasons it is decided that:

The appeal is rejected as inadmissible.

The Registrar:

The Chairman:

S. Fabiani

J.-C. Saisset