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**Datasheet for the decision
of 17 January 2014**

Case Number: J 0005/13 - 3.1.01

Application Number: 04785119.1

Publication Number: 1667566

IPC: F26B21/06

Language of the proceedings: EN

Title of invention:

HEAT PUMP CLOTHES DRYER

Applicant:

Self Propelled Research and Development
Specialists LLC

Headword:

Re-establishment of rights - payment of renewal fee

Relevant legal provisions:

EPC Art. 122
EPC R. 51, 112, 136

Keyword:

Re-establishment of rights - payment of renewal fee
Re-establishment of rights -
all due care by the applicant and the professional representa
tive (yes)

Decisions cited:

J 0005/80, T 0287/84, J 0027/90, T 0667/92, J 0016/93,
T 0381/93, T 0005/94, J 0001/07

Catchword:

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Case Number: J 0005/13 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 17 January 2014

Appellant: Self Propelled Research and Development
(Patent Proprietor) Specialists LLC
176 Stanley Drive
Glastonbury, CT 06033 (US)

Representative: Pichat, Thierry
Novagraaf Technologies
122, rue Edouard Vaillant
92593 Levallois-Perret Cedex (FR)

Decision under appeal: **Decision of the Receiving Section of the European Patent Office posted on 19 September 2012 rejecting a request for re-establishment of rights.**

Composition of the Board:

Chairwoman P. Schmitz
Members: C. Schmidt
W. Ungler

Summary of Facts and Submissions

- I. The appellant (applicant) contests the decision of the Receiving Section dated 19 September 2012 rejecting his request for re-establishment of rights concerning European patent application No. 04785119.1, which was based on international application PCT/US 2004/031624 filed on 23 September 2004. The first inventor mentioned in the international application was Michael Goldberg.
- II. The renewal fee for the fifth year - which is the subject of these proceedings - fell due on 30 September 2008. The six-month time limit pursuant to Rule 51(2) EPC for paying with an additional fee expired on 30 March 2009. On 18 May 2009 the EPO sent a notice of loss of rights pursuant to Rule 112(1) EPC to the appointed European representative.
- III. With letter dated 9 July 2009, received on 10 July 2009, the European representative requested re-establishment of rights pursuant to Article 122(1) EPC in respect of the time limit for payment of the renewal fee for the fifth year and the additional fee. The renewal fee for the fifth year, the additional fee and the fee for re-establishment were all paid on 10 July 2009.
- IV. With the contested decision the Receiving Section rejected the request for re-establishment of rights. It came to the conclusion that the request was admissible but not allowable because the European representative had not exercised all due care required by the circumstances to observe the time limit.

V. On 15 November 2012, the appellant filed notice of appeal and paid the appeal fee. The statement setting out the grounds of appeal was filed on 18 January 2013.

VI. The appellant's arguments can be summarised as follows:

In order to enter the European phase the appellant's US patent attorneys (hereafter called "US law firm") mandated a French law firm (hereafter called "European representative") with letter dated 15 March 2006. At the same time the US law firm provided the European representative with the address of the appellant - "479 Silver Lane, East Hartford, CT 06118 US" - and the address of the inventor and "managing member" of the appellant, Mr Goldberg - "176 Stanley Drive, Glastonbury, CT 06033 (US)". The US law firm and the European representative had been working together for many years.

The European representative was not in charge of paying the renewal fees. Nevertheless, he monitored the due dates for paying them. For this purpose he had installed a "Système Qualité" called PT-204-Annuités to monitor the time limits for renewal fees. According to this system the "agent des annuités" was obliged to send a first reminder by regular mail about three months before the end of the time limit for the payment of renewal fees. If the applicant did not answer, it was arranged that a second reminder would be sent during the month before the expiration of the deadline. Finally, PT-204-Annuités prescribed a third (and last) reminder to be sent during the month following the expiration of the deadline. This reminder had to give information about the possibility of paying the renewal fee and an additional fee during a period of six months after the expiration of the deadline.

With letter dated 12 March 2008, the US law firm informed the European representative that it no longer represented the appellant. It was said in this letter: "You may communicate directly with the inventor, Michael Goldberg at 479 Silver Lane, East Hartford, CT 06118."

In the same period, i.e. on 11 March 2008, Mr Goldberg contacted the European representative by email sent from his business account and provided him - apart from the mentioned email address - with his office telephone and fax number as well as with his cell-phone number. With the same email Mr Goldberg gave order to pay the renewal fee for the fourth year. Further to several email exchanges between Mr Goldberg and the European representative, the European representative paid the renewal fee for the fourth year and the corresponding additional fee on 27 March 2008. In the meantime this fee had been paid by a licensee. Therefore it was reimbursed to the European representative by the European Patent Office.

Concerning the renewal fee for the fifth year, the European representative tried to get in contact with the appellant by the following means:

On 12 June 2008, the European representative sent a "first reminder" by regular mail to the address GOLDBERG Michael, 476 Silver Lane, East Hartford, ct 6118 UNITED STATES. This reminder was not answered.

On 9 September 2008, the European representative sent a second reminder also by regular mail to the same address. This reminder was not answered either.

After the expiration of the due date of 30 September 2008 the European representative sent a third reminder on 8 October 2008 once again to the same address. This also contained an indication that no further reminder would be sent. This letter once again went unanswered.

On 14 November 2008, a fourth reminder was sent by registered mail once again to the Silver Lane address. This letter was returned as undelivered on 2 December 2008.

On 15 December 2008, a fifth and final reminder was sent by registered mail to the personal address of Mr Goldberg, 176 Stanley Drive, Glastonbury, CT 06033 UNITED STATES. This letter remained unanswered and was not returned by the postal service.

As the European representative explained during the oral proceedings, in 2008 he only used letter mail as a standard means of communication with his clients. Correspondence via email had not been common. Clients were contacted via email only if they had so requested. Thus, at that time his database had contained only postal addresses.

The notice of loss of rights pursuant to Rule 112(1) EPC sent by the EPO on 18 May 2009 to the European representative was forwarded to the appellant by registered mail using the Stanley Drive address. This notice reached the appellant and was answered by Mr Goldberg by email on 3 June 2009.

The centralised renewal fee department of the European representative rigorously applied the quality guide "PT-204-Annuités" by sending the reminders dated 12 June, 9 September and 8 October 2008 to the postal

address provided by the US law firm. Additionally, two further reminders not provided for in the quality guide were sent.

Since the European representative was not in charge of paying renewal fees, he applied a computerised system for reminding the appellant of an upcoming renewal fee. This system was based on the database entry in the computer and not on an individual check of the file. Such a check was only done when he was in charge of paying the renewal fees.

It was not uncommon that renewal fee reminders were not answered when the appellant was no longer interested in the application.

The European representative had no reason to believe that the first three reminders had not been received by the appellant. When the fourth reminder was returned as undelivered he took action and sent a fifth reminder to the Stanley Drive address which was contained in the database. Since he was not in charge of paying the renewal fees and since in those days the communication channel was via postal services, there was no need to check the file and look for other contact information.

The fifth reminder was not returned and it could therefore be assumed that it had reached its addressee.

Also, the appellant himself had exercised all due care required by the circumstances to observe the time limit for paying the fifth renewal fee.

None of the reminders 1 to 5 had reached him. The Silver Lane facility had been vacated around June 2007 and thus this address was no longer valid. The fifth

reminder sent to Stanley Drive apparently got lost by the post. The appellant had inquired with US postal authorities but had received no answer. The appellant, or rather Mr Goldberg, had initiated direct communications with the European representative via email concerning the payment of the fourth renewal fee in March 2008.

- VII. The appellant requested that the decision under appeal be set aside and that the request for re-establishment of rights in respect of the time limit for paying the renewal fee for the fifth year with surcharge be allowed, or auxiliarily that the case be remitted to the department of first instance for further prosecution.

As a further auxiliary request the appellant requested that some questions of law as annexed to the minutes of the oral proceedings be referred to the Enlarged Board of Appeal.

Reasons for the Decision

1. The appeal complies with Articles 106 to 108 EPC and Rule 99 EPC and is admissible.
2. *Admissibility of the request for re-establishment of rights*
 - 2.1 In accordance with Rule 136(1) EPC the request must be filed within two months of the removal of the cause of non-compliance with the time limit, i.e. normally from the date on which the person responsible for the application becomes aware of the fact that a time limit has not been observed (cf. J 27/90 OJ EPO 1993, 422,

426) and within one year following the expiry of the unobserved time limit.

- 2.2 In the present case the appellant essentially submitted that neither he nor his European representative had noticed the failure to pay the renewal fee for the fifth year. Thus the date on which the European representative received the communication pursuant to Rule 112(1) EPC dated 18 May 2009 was decisive.

Accordingly, the request for re-establishment of rights which reached the European Patent Office on 10 July 2009 was filed in due time.

- 2.3 The necessary acts required under Rule 136(1) and (2) EPC, i.e. payment of the renewal fee for the fifth year with surcharge, payment of the fee for re-establishment and submission of the grounds for re-establishment, were also performed in due time.

- 2.4 The appellant's request for re-establishment is therefore admissible.

3. *Allowability of the request for re-establishment of rights*

- 3.1 Under Article 122(1) EPC, an applicant for a European patent who, in spite of all due care required by the circumstances having been taken, was unable to observe a time limit vis-à-vis the European Patent Office, which has the direct consequence of causing a loss of rights, shall, upon request, have his rights re-established.

In considering whether all due care required by the circumstances has been taken, the circumstances of each

case must be considered as a whole (cf. T 287/84 OJ EPO 1985, 333, 338, Reasons 2; J 1/07 of 25 July 2007, Reasons 4.1). The requirement of due care must be judged in view of the situation existing before the time limit expired. This means that the measures taken by the party to meet the time limit must be judged in the light of the circumstances as they were at that time (cf. T 667/92 of 10 March 1994, Reasons 3; T 381/93 of 12 August 1994, Reasons 3; J 1/07 of 25 July 2007, Reasons 4.1).

- 3.2 Regarding the appellant's responsibility, the board shares the opinion of the Receiving Section that the appellant, i.e. Mr Goldberg as the responsible person within the appellant's company, has exercised all due care.
- 3.2.1 According to the established case law of the boards of appeal, it has to be taken into consideration whether or not the applicant is familiar with the requirements of the EPC or is in possession of an established office organisation attuned to ensuring that procedural deadlines are met (cf. J 5/94 of 28 September 1994, Reasons 3.1; J 1/07 of 25 July 2007, Reasons 4.2).
- 3.2.2 As the Receiving Section correctly pointed out, Mr Goldberg had no such office organisation, he relied upon his US attorneys and - after they had resigned from representation - upon his European representative.

Mr Goldberg had no reason to doubt that the European representative had his necessary contact details. Additionally, he had provided his European representative with his name, his office telephone number, fax and cell phone numbers and his business email address. Particularly with regard to the renewal

fee for the fifth year, which is the subject of this appeal, he could expect that his European representative would contact him by using the same communication means as he had in respect of the renewal fee for the fourth year. To put it another way, because of the experience of the year before, Mr Goldberg had no reason to believe that his representative would fail to contact him by using an outdated address.

3.2.3 Thus, based on the circumstances as they were at that time before the expiration of the time limit for payment of the renewal fee for the fifth year, the appellant exercised all due care to observe this time limit.

3.3 Regarding the European representative's responsibility, the board concludes that the representative too exercised all due care to meet the missed time limit.

3.3.1 If an applicant is represented by a professional representative, a request for re-establishment cannot be acceded to unless the representative himself can show that he has taken the due care required of an applicant or proprietor by Article 122(1) EPC (cf. J 5/80 of 7 July 1981, OJ EPO 1981, 343, Headnote I). The applicant has to accept the actions of his representative, including the actions of the attorney's assistants and employees, on his behalf (J 5/80, loc. cit., 346; J 1/07 of 25 July 2007, Reasons 4.3).

3.3.2 However, the extent of the duties of the representative depends on the agreement between the representative and his client. An appointed representative whose authorisation is silent concerning the payment of the renewal fees and who has not received any funds for this purpose is not expected to pay the fee by

advancing money on behalf of the applicant out of his own pocket (J 16/93 of June 1995, Reasons 4.3.3; J 19/04 of 14 July 2005, Reasons 10; J 1/07 of 25 July 2007, Reasons 4.4).

Instead, he retains only a "secondary responsibility" (cf. J 1/07 loc. cit.) to advise the applicant properly either if the applicant addresses him or if he becomes aware of any problem that might affect the applicant's position in respect of the patent application. Thus his responsibility, above all, consists in finding out what his client really intends to do with respect to payment of the renewal fees (cf. J 16/93 loc. cit.). Since he remains responsible in the procedure before the EPO and thus has to take the necessary steps to ensure payment, this includes a reliable monitoring system and sufficient reminders to the applicant (J 11/06 of 18 April 2007, Reasons 8; J 1/07 of 25 July 2007, Reasons 4.3).

Accordingly, the scope of duties of a representative who retains only such a "secondary responsibility" to inform and advise his client with respect to the due date for renewal fees cannot be the same as it would be if he were responsible for the payment itself.

- 3.3.3 Without error of law, the Receiving Section found that the "PT-204-Annuités" system was in line with the requirements the EPC imposes on the due care of a representative not in charge of the payment of renewal fees. The board also agrees with the finding that the European representative applied this system correctly by sending the first three reminders dated 12 June, 9 September and 8 October 2008 by regular mail to the Silver Lane address.

Nor can there be any objection to the fact that the European representative sent the first three reminders by regular mail to the Silver Lane address. From the European representative's point of view, the Silver Lane address was still valid because this was the address which he had received from the US representatives when he was appointed in March 2006 and which was confirmed two years later when the US law firm informed him that it no longer represented the appellant.

The appellant convincingly argued in the hearing before the board that in 2008 the use of regular mail had been standard practice in the European representative's office. Emails or other means of sending letters (i.e. fax) had been used only at the explicit request of the client. Since no such request had been submitted by the appellant and because - up to the return of the fourth reminder - the European representative had no indication that there could be something wrong with the Silver Lane address, there was no reason not to use regular mail and the Silver Lane address.

- 3.3.4 The additionally sent fourth reminder, now issued by registered mail and once again addressed to the Silver Lane address, already went beyond the standard procedure laid down in the guidelines ("PT-204-Annuités") used in the representative's law firm. However, because of the special circumstances of the case - i.e. the fact that the fourth reminder was returned - at that point in time the European representative had some reason to assume that the first three reminders, sent to the same address, might have failed to reach the addressee, and accordingly was obliged to try another route to contact the client.

3.3.5 In this situation the crucial question is whether or not the European representative exercised all due care by sending the last (fifth) reminder to the private postal address of Mr Goldberg.

The Receiving Section was right to assume that the use of Mr Goldberg's business email address was a suitable way to get in contact with the appellant because Mr Goldberg himself had used this address in order to communicate with the European representative with respect to payment of the fourth renewal fee only a few months before. On the other hand it has to be taken into account that - according to the credible pleading of the appellant - in the bureau of the European representative, in 2008 the sending of emails had not been a regular means of communication, so that email addresses were not stored in his database. Furthermore, the European representative - at the time when he sent the fifth reminder - had no reason to believe that the postal address of Mr Goldberg - which was stored in his database and which actually worked a short time later when the European representative informed his client about the loss of rights - could be wrong.

Thus, with respect to the scope of the mandate of the European representative, which amounted to nothing more than monitoring the time limit and informing his client of the impending loss of rights, the board considers it to be sufficient that he relied on the postal addresses stored in his database instead of checking his file for any other contact details.

In this context, it has to be observed that monitoring the due date for renewal fees and duly informing the applicant is a mass business which nowadays can be - and in practice is - most reliably performed on a

computerised basis. In a situation where the representative is not responsible for paying renewal fees and thus only has a secondary responsibility, he can perform this task on the basis of the database entries, unless special circumstances require additional measures. In the present case, special circumstances required the sending of an additional reminder. However, the circumstances did not require the file to be checked for other contact details, because the database contained an additional postal address under which the applicant could be contacted. The fact that the fifth reminder apparently got lost by mail cannot be blamed on the representative. As has been shown, the Stanley Drive address worked, since the loss-of-rights communication sent there was received by the appellant.

For that reason the board concludes that the European representative exercised all due care by relying on the address data stored in his electronic database.

- 3.4 Finally the board cannot find that the appellant's US representative, who was not in charge of payment of the renewal fee either, failed to exercise all due care. Although - according to Mr Goldberg's statement in his affidavit dated 12 April 2012 - the appellant vacated the Silver Lane address around June 2007 and despite the fact that the US representative still mentioned the Silver Lane address in his letter sent to his European colleagues informing them of his resignation from representation of the appellant in March 2008, the board has no cause to assume that the US representative had knowledge of the relocation of the appellant and thus gave incorrect information to his European colleagues.

Thus the board has no reason to assume that the US representative did not exercise all due care required by the circumstances.

4. Thus, the appellant's request for re-establishment is allowable. Accordingly, the appellant's auxiliary requests for remittal to the department of first instance and referral to the Enlarged Board of Appeal are redundant.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The appellant is re-established in his rights.

The Registrar:

The Chairwoman:



C. Eickhoff

P. Schmitz

Decision electronically authenticated