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Bezeichnung der Erfindung: Exhaust gas scrubber for internal
Title of invention: combustion engines
Titre de l'invention :

Klassifikation / Classification / Classement : F 01 N 3/04

ENTSCHEIDUNG / DECISION

vom / of / du 12 June 1987

Anmelder / Applicant / Demandeur : PACCAR INC.

Patentinhaber / Proprietor of the patent /
Titulaire du brevet :

Einsprechender / Opponent / Opposant :

Stichwort / Headword / Référence : Excess claims/PACCAR

EPO/EPC/CBE Article 122, Rules 31, 69

Kennwort / Keyword / Mot clé :

"Excess claims fees not paid in due time" - "incorrect notification of loss of rights did not remove cause of non-compliance" - "re-establishment allowed" - "failure to issue decision under Rule 69(2) EPC was procedural violation" - "appeal fee reimbursed"

Leitsatz / Headnote / Sommaire

- I. If the correctness of a notification of loss of rights under Rule 69(1) EPC is challenged, the EPO owes a duty to reply within a period of time which is reasonable having regard to the subject-matter of the notification.
- II. Under Rule 69(2) EPC a person who applies for a decision is entitled to receive one, and a failure to issue a decision in such circumstances is a substantial procedural violation.



Case Number : J 29/86

D E C I S I O N
of the Legal Board of Appeal
of 12 June 1987

Appellant : PACCAR INC.
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USA

Representative : MEDDLE, Alan. L.
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Decision under appeal : Decision of the Head of the Formalities
Section of the European Patent Office
dated 15 July 1986

Composition of the Board :

Chairman : P. Ford
Member : G.D. Paterson
Member : E. Persson

Summary of Facts and Submissions

I. The European patent application was filed with 13 claims, and the excess claims fees in respect of Claims 11 to 13 were duly paid. During examination of the application, a further four claims were added. In due course a Communication under Rule 51(4) EPC was sent on 12 February 1985 to the Appellant, which requested payment of the fees for grant and printing, payment of the excess claims fees for Claims 14 to 17 and filing of translations of the claims, within 3 months of notification, i.e. by 22 May 1985. The Communication stated inter alia that if the excess claims fees were not paid in due time, the claims concerned would be deemed to be abandoned.

The fees for grant and printing were paid, and translations of Claims 1 to 17 were filed in due time. The excess claims fees were not paid in due time. In a letter dated 11 June 1985 the Appellant requested that some minor clerical errors be corrected. By a Communication in accordance with Rule 69(1) EPC dated 26 June 1985 the Appellant was informed that Claims 11 to 17 were deemed to be abandoned (pursuant to Rule 31(3) EPC).

By letter dated 2 July 1985 filed on 4 July 1985, the Appellant pointed out that the fees for Claims 11 to 13 had in fact been paid on filing the application; he also paid the excess claims fees for Claims 14 to 17. In that letter, and in a further letter dated 12 July 1985 (filed on 16 July 1985), the Appellant argued inter alia that he had not communicated approval of the text, on the basis that the claims fees for Claims 14 to 17 were only paid belatedly, and a further communication under Rule 51(4) EPC, in accordance with the "Guidelines for examination before the EPO", Part C, Chapter VI, paragraph 15.4.4, was therefore requested.

On 10 October 1985, a Communication was issued, which quoted paragraph 15.4.1 of the "Guidelines" and stated that it was not possible to issue a new communication under Rule 51(4) EPC. The Appellant was also invited to file an application for re-establishment of rights in respect of Claims 14 to 17.

The Appellant made the following requests and submissions:

- (a) In his letters dated 2 and 12 July 1985 the Appellant submitted that there had been no approval of the text of the application, and he requested that a further communication under Rule 51(4) EPC should be issued, in accordance with EPO practice in this respect.
- (b) By letter dated 28 October 1985 (filed on 31 October 1985) the Appellant applied for re-establishment of rights under Article 122 EPC. The letter was accompanied by a written statement pursuant to Article 122(3) EPC, and by payment of the fee for re-establishment.
- (c) In a second letter dated 28 October 1985 the Appellant submitted that the failure to pay the claims fees was a mistake or an error of transcription which, he requested, should be corrected under Rule 88 EPC.
- (d) In letters dated 2 July 1985 and 28 October 1985 the Appellant requested a decision under Rule 69(2) EPC. A reminder in respect of this request was sent in a letter dated 19 December 1985.
- (e) In his letter dated 4 November 1985 the Appellant submitted that having regard to the wording of

Rule 31(2) EPC, the Communication dated 26 June 1985 should be regarded as an invitation to correct a deficiency, rather than a notification of loss of rights.

III. In essence, the following submissions (inter alia) were made in support of the requests set out in II above:

- (a) (i) The Communication dated 26 June 1985 had been incorrect in stating that the claims fees for Claims 11 to 13 had not been paid. After this had been pointed out a new (correct) communication had been expected by the Appellant's representative. It was not appreciated at this stage that any rights had necessarily been lost. The Communication dated 10 October 1985 should be regarded as the first notification of loss of rights. The cause of non-compliance with the time limit for payment of the excess claims fees set by the Communication under Rule 51(4) EPC dated 12 February 1985 was therefore not removed until receipt of the Communication dated 10 October 1985.
- (ii) The failure to comply with the time limit for payment of the excess claims fees was caused by an error in the representative's office. An experienced technical assistant was instructed to prepare a reply to the Communication under Rule 51(4) EPC, under the supervision of the representative in charge of the case. The assistant duly dictated instructions to a secretary to prepare a letter and a fee voucher, but in connection with the fee voucher no reference was made to the excess claims fees for claims 14 to 17. The secretary duly prepared the

necessary documents. Under the normal system, such documents would be checked by the technical assistant. In the event of absence of the assistant, in an urgent case the documents would be checked only by the representative, who would then be told that the documents had not been checked by the assistant. In the present case, having completed the documents, the secretary found that the assistant was absent for the whole of that day, and as the case was urgent, she took the documents to the representative for checking. Unfortunately, she failed to mention that the documents had not been checked by the assistant. The representative assumed that they had already been checked. The fee voucher remained incorrect, and the cheque which was sent to the EPO on the basis of such fee voucher was also incorrect in that the excess claims fees for claims 14 to 17 were not paid. In the circumstances, all due care had been taken.

- (b) The payment of the excess claims fees for Claims 14 to 17 was a formal requirement under Rule 51(4) EPC. Belated payment of such claims fees meant that there had been no tacit approval of the text, and in accordance with EPO practice as set out in the Guidelines, C-VI, 15.4.4, the Communication dated 12 February 1985 should be deemed not to have been made, and a further communication under Rule 51(4) EPC should be sent.

IV. In a Communication dated 5 February 1986, it was stated inter alia that the loss of rights in Claims 14 to 17 could only be remedied by way of an application under Article 122 EPC, but that in the present case, the application under Article 122 EPC had been filed on 31

October 1985 which appeared to be more than two months after the removal of the cause of non-compliance with the relevant time limit (Article 122(2) EPC), since the claims fees were in fact paid on 4 July 1985.

In a reply dated 4 April 1986 the Appellant pointed out inter alia that the Communication dated 10 October 1985 had specifically invited the filing of an application under Article 122 EPC, and that there would have been no point in such an invitation if the two month time limit under Article 122(2) EPC had already expired.

- V. A Decision of the Formalities Section of the Examining Division was issued on 15 July 1986. On the first page it is stated that the request for a decision in accordance with Rule 69(2) EPC is refused. On the final page it is decided that Claims 14 to 17 are deemed to have been abandoned; that the application for re-establishment of rights is refused; and that the requests for a new communication under Rule 51(4) EPC and for correction of the error under Rule 88 EPC are refused.
- VI. The Appellant filed a Notice of Appeal and paid the appeal fee on 15 September 1986, and filed a Statement of Grounds of Appeal on the same day, in which it was submitted that Claims 14 to 17 should be reinstated essentially on the same grounds as previously relied upon.

Reasons for the Decision

1. The appeal complies with Articles 106 to 108 and Rule 64 EPC and is therefore admissible.

Application under Article 122 EPC

2. The first question to be decided is whether or not the application under Article 122 EPC was filed in time. Article 122(2) EPC states that "The application must be filed in writing within two months from the removal of the cause of non-compliance with the time limit. The omitted act must be completed within this period".

The relevant time limit was set by the Communication under Rule 51(4) EPC dated 12 February 1985; the time limit expired on 22 May 1985, and at that date, as stated previously, the excess claims fees for Claims 14 to 17 had not been paid. The reasons why such fees were not paid within the time limit are set out in detail in the Statement of Grounds; this statement also makes it clear (in paragraph 13) that the Appellant's representative first discovered that the claims fees for Claims 14 to 17 had not been paid when he checked the file soon after he received the Communication dated 26 June 1985. He therefore paid these fees on 4 July 1985.

In its Decision dated 15 July 1986, the Formalities Section of the Examining Division took the view that the "cause of non-compliance with the time limit" was removed, at the latest, "on completion of the omitted act" i.e. on 4 July 1985, by which date he must have received the Communication dated 26 June 1985. It therefore held that the application under Article 122 EPC (which was filed on 31 October 1985) was not filed within the two month time limit provided by Article 122(2) EPC, and must therefore be refused in limine.

The Decision refers to an article by Singer, "Re-establishment of rights in the EPO", IIC Volume 13, 1982, page 269, in particular Section 4 at page 280, where it is stated:

"The application must be filed within two months from the removal of the cause of non-compliance with the time limit, i.e. as from the date when, if ... due care ... is taken, the party is unable to complete the act.

Generally, the two month period will begin, at the latest, on the day he receives the EPO's Communication concerning loss of rights under Rule 69(1)".

In the Board's view, the quoted passage will generally be applicable to the determination of the date of removal of the cause of non-compliance with a time limit. However, the present case is exceptional, for the reasons set out below.

3. In most cases, the "cause of non-compliance with the time limit" involves some error in the carrying out of the party's intention to comply with the time limit. The party does not then realize that the error has occurred, and that the time limit has not been complied with, until this fact has been brought to his attention: commonly for the first time by means of a communication from the EPO. In such cases, as stated in the quoted article by Singer, the "cause of non-compliance with the time limit" will be removed (at the latest) when the communication is received.

However, in the present case, having carefully considered all its particular facts and circumstances, the Board considers that "the cause of non-compliance with the time limit" exceptionally was not removed at the date when the omitted act (payment of the excess claims fees) was completed.

4. The Board has taken particular note of the following facts:

- (1) In spite of the warning in the Communication under Rule 51(4) EPC dated 12 February 1985 to the effect that if the excess claims fees for Claims 14 to 17 were not paid in due time, such claims would be deemed to be abandoned in accordance with Rule 31(3) EPC, the initial instructions given by the Technical Assistant to the secretary in respect of such Communication did not include any reference to the excess claims fees for Claims 14 to 17. This was due to an administrative error (see the Appellant's Statement under Article 122(2) EPC, paragraph 6).
- (2) The Communication in accordance with Rule 69(1) EPC dated 26 June 1985 was only partially correct (see paragraph I above). The representative expected a new, correct communication to be issued in response to his letter which pointed this out, and was not aware at this stage (i.e. on and after 2 July 1985) that any rights had necessarily been lost (see Article 122(2) EPC, Statement, page 13). However, the representative received no reply from the EPO of any kind to his letter dated 25 July 1985, until he received the Communication dated 10 October 1985.
- (3) At this stage also, the representative was not aware that the EPO considered (in accordance with the then current practice) that approval had been given to the text of the patent application. Thus on 11 June 1985 he wrote a letter to the EPO advising that the text contained clerical errors. On 2 and 12 July 1985 he wrote pointing out that the Applicants had not communicated their approval, either explicitly or implicitly, of the text - reference being made to

paragraph C.V.15.4.4 of the Guidelines in this respect (see Article 122(2) EPC Statement, paragraphs 13 and 14).

- (4) Although following the Communication under Rule 69(1) EPC dated 26 June 1985, the representative three times specifically requested a decision under Rule 69(2) EPC, no such decision was ever issued.
- (5) The Communication dated 10 October 1985 specifically invited the filing of an application under Article 122 EPC, and thus implicitly acknowledged that the EPO considered that such an application was not, as of that date, out of time.

In these circumstances, it appears that even though the representative and his assistant recognized the necessity to pay the excess claims fees in due time before 2 July 1985, after that date there was clearly confusion as to what the exact legal and procedural position was, particularly in respect of:

- (a) the effect of the failure to pay the excess claims fees in relation to possible entitlement to a further communication under Rule 51(4) EPC;
- (b) the effect of the incorrect Communication of 26 June 1985.

As to (a), it is of some relevance that the current practice of the EPO in relation to communications under Rule 51(4) EPC has since been disapproved by the Legal Board of Appeal in Decision J 22/86 "Disapproval/Medical Biological" dated 7 February 1987. It is possible that the incorrect practice of the EPO contributed to some extent to the confusion of the Appellant.

As to (b), if the correctness of a communication issued by the EPO under Rule 69(1) EPC noting a loss of rights is challenged by a party as being inaccurate, on general principles the EPO owes a duty to that party to reply to that challenge of inaccuracy, within a period of time which is reasonable having regard to the subject-matter of the communication. In the present case, in spite of a challenge by letter dated 2 July 1985 to the accuracy of the Communication dated 26 June 1985 coupled with a request for a decision in accordance with Rule 69(2) EPC, there was no response of any kind to the challenge until 10 October 1985. As the challenge by the representative was simply to the effect that the excess claims fees for Claims 11 to 13 had already been paid, he was entitled to expect a reply from the EPO within a reasonably short period of time, and certainly well within two months from the filing of the letter dated 25 July 1985. Such a reply should have acknowledged that the Communication dated 26 June 1985 was partially incorrect, should have set out the correct position as regards which claims fees had not been paid in due time and should have made it clear that Claims 14 to 17 had been deemed to be abandoned and that there was a possible remedy under Article 122 EPC. Such a reply, which could have been in the form of a decision under Rule 69(2) EPC, would have clarified the confusion which was created by the incorrect Communication of 26 June 1985, and would have left no doubt as to the necessity of filing an application under Article 122 EPC in due time. It seems clear that the failure by the EPO to issue a reply until 10 October 1985 was also at least a contributory factor to the failure by the representative to appreciate that a loss of rights in respect of Claims 14 to 17 had occurred.

5. The "cause of non-compliance with the time limit" in Article 122 EPC is a matter of fact, which has to be determined in the individual circumstances of each case. In the present case, the true "cause of non-compliance with the time limit" was not simply a failure by the Appellant's representative to realize that, contrary to his intention, the excess claims fees had not in fact been paid; it was a failure by the representative to realize both that there had been an omission to pay the excess claims fees and that a loss of rights had already occurred, as a matter of law. In other words, on the evidence in the present case, both during the period of time between receipt of the Communication under Rule 51(4) EPC dated 12 February 1985 and 4 July 1985 (when the excess claims fees were paid), and in the period from then until receipt of the Communication dated 10 October 1985, the representative was not fully aware that there had been an omission that would cause loss of rights.

The fact that, after the time limit expired on 22 May 1985, the representative completed the omitted act by paying the excess claims fees on 4 July 1985, does not mean that on that date he knew that there was necessarily a loss of rights, as a result of such omitted act.

In most cases which become the subject of an application under Article 122 EPC a professional representative would be expected to know the circumstances in which a loss of rights occurs as a result of a failure to meet the requirements of the EPC and would be expected to file any application under Article 122 EPC within two months of receipt of a notification of loss of rights in accordance with Rule 69(1) EPC.

6. For the above reasons, the Board considers that "the cause of non-compliance with the time limit" was removed for the

first time only at the date of notification of the Communication dated 10 October 1985, and consequently that the application under Article 122 EPC dated 28 October 1985 was filed within the two month period of Article 122(2) EPC. The other formal requirements of Article 122(2) and (3) EPC were also satisfied, so the application under Article 12 EPC is admissible.

7. As to the substantive requirement of "all due care" under Article 122(1) EPC, the detailed account contained in the Statement under Article 122(2) EPC of the practice which is normally carried out and which should have been carried out in the representative's office in relation to the required reply to the Communication under Rule 51(4) EPC, is sufficient to satisfy the Board that the system would normally involve the taking of all such due care. The Statement also makes plain that responsibility for the omission to pay the excess claims fees in due time must be shared between the representative himself, his technical assistant and their secretary.

In its decision dated 21 October 1986 J/02 and J/03 "Isolated mistake/Motorola", the Legal Board of Appeal stated 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".

In the present case the failure to pay the excess claims fees in due time was contrary to the intention of the Applicant on whose behalf the representative and his employees act. It is clear that such failure resulted from failure of communication in the interaction between the representative, his technical assistant and their secretary, and it is unnecessary for the Board to go into any further detail. There was an isolated error in an

otherwise normally satisfactory system. In the Board's judgement, in the particular circumstances of the present case, in spite of all due care required by the circumstances having been taken, the Appellant was unable to observe the time limit for paying the excess claims fees, which was set in the Communication under Rule 51(4) EPC dated 12 February 1985. Accordingly, the Appellant's rights in Claims 14 to 17 of his application shall be re-established.

Other requests

8. Having regard to the above conclusion, it is unnecessary for the Board to discuss the other requests made by the Appellant in any detail. The Board's observations on such other requests set out in paragraph II above, are limited to the following:
- (a) Request for a further communication under Rule 51(4) EPC: Having regard to the Decision of the Legal Board of Appeal dated 7 February 1987 J 22/86 "Disapproval/Medical Biological", such a further communication would be contrary to Rule 51 EPC (see paragraph 6 of such Decision). In the Board's view the Decision of the Formalities Section of the Examining Division correctly held that, by paying the fees for grant and printing, and filing the translations of the claims, the Applicant gave his approval of the text. Rule 31(3) EPC specifically states "If the claims fee for any claim is not paid in due time, the claim concerned shall be deemed to be abandoned."
- (b) Request under Rule 88 EPC: The failure to pay the excess fees in due time could not be corrected under Rule 88 EPC - see in particular the Decision dated 28 May 1986 T 152/85 "Unpaid opposition fee/Sandvik".

(c) Request that the Communication be regarded as a notification of a deficiency:
In the Board's view the Decision at first instance correctly rejected this request.

(d) Request for a decision under Rule 69(2) EPC:
In the Board's view the procedure followed by the Formalities Section of the Examining Division in relation to the request under Rule 69(2) EPC for a decision (first made by letter dated 2 July 1985) was incorrect.

In the present case, the Appellant in his letter dated 2 July 1985 made it plain that he considered the statement in the Communication under Rule 69(1) EPC to be inaccurate in respect of Claims 11 to 13. Under Rule 69(2) EPC the Appellant was entitled to a decision (within a relatively short period of time) on the question of which excess claims fees had been paid, and which had not been paid. The statement on the first page of the Decision dated 15 July 1986, that the request for such a decision is refused, is in the Board's judgement contrary to Rule 69(2) EPC and therefore wrong.

Request for reimbursement of appeal fee

9. Having regard to paragraphs 2 to 7 above, the Board will allow this appeal. Consequently the Board must consider the Appellant's request for reimbursement of the appeal fee.

Paragraph 31 of the Statement of Grounds of Appeal bases such request upon grounds which are not acceptable to the Board, having regard to their views as expressed in paragraph 8(a) and (c) above.

However, having regard to the Board's comments in paragraph 8(d) above, in the Board's view the failure to issue a decision under Rule 69(2) EPC constituted a procedural violation.

Furthermore, if such a decision had been issued in response to the request dated 2 July 1985, to the effect that the excess claims fees for Claims 14 to 17 had not been paid in due time, and that loss of rights in such claims followed automatically from Rule 31(3) EPC, the Appellant would have been properly notified of his loss of rights, and would have been in a position to file an application under Article 122 EPC. In the Board's view the failure to issue a decision was a substantial procedural violation.

As the only reason given by the Decision below for refusing the application under Article 122 EPC was that it was out of time, and as it is reasonable to assume that, if a decision under Rule 69(2) EPC had been duly issued, the Appellant would have filed his application under Article 122 EPC in response to such a decision, in the Board's view it would be equitable to order reimbursement of the appeal fee in this case.

Order

For these reasons, it is decided that:

1. The appeal is allowed.
2. The Decision of the Formalities Section of the Examining Division dated 15 July 1986 is set aside.
3. The application for re-establishment of rights under

Article 122 EPC is allowed, and the rights of the Appellant in Claims 14 to 17 of European Patent Application No. 81 301 196.2 are re-established.

4. The appeal fee shall be reimbursed.

The Registrar:

The Chairman:

J. Rückerl

P. Ford