

## Decision of the Legal Board of Appeal dated 10 October 2003

### J 9/99 - 3.1.1

(Translation)

Composition of the board:

Chairman: J.-C. Saisset

Members: B. Günzel

U. Tronser

**Headword: General authorisation/DC**

**Article: 10(2)(a), 20(1), 106(1), 108, first sentence, 113(1), 133(1) and (3), 134, 134(7) EPC**

**Rule: 9(2), 78(2), 92(1)(h), 101(1), (2), (3) and (9) EPC**

**Keyword: "Powers of the Legal Division - general authorisations - examination of the right to represent - yes - issuance of decision to reject registration - yes - only concerning parties within the authorisation process under Rule 101(2)<sup>1</sup> - authorised and authorising parties - not third parties"**

*Headnote*

*I. The Legal Division has authority to check the authorisation of a representative named in a general authorisation, and to issue a formal decision to reject the registration of a general authorisation.*

*II. A decision not to register a general authorisation can only be issued in respect of a request from a party to the proceedings within the meaning of Rule 101(2) EPC, ie either an authorising or authorised party.*

#### **Summary of facts and submissions**

I. This appeal concerns a decision of the Legal Division ruling that a general authorisation could not be registered.

II. By letter dated 11 March 1998, D AG filed a general authorisation dated 17 February 1998. The authorisation had been issued by M GmbH to patent attorney E, Mr P and patent attorney Z, all of whom were employees of D AG. Patent attorney E was also a European professional representative. None of the representatives authorised was an employee of M GmbH.

III. The Legal Division indicated that the general authorisation issued by M GmbH could not be registered in respect of Messrs P and Z as they were not professional representatives and could not act before the European Patent Office on behalf of other legal persons with whom their employer was commercially linked. D AG requested that the Legal Division provisionally register the authorisation of patent attorney Mr E, and issue an appealable decision concerning the non-registration of the general authorisation for Messrs P and Z.

IV. In a copy of the decision, possibly dated 28 September 1998, in the Legal Division file, the Legal Division ruled that the general authorisation dated 17 February 1998 could not be registered in respect of Messrs P and Z as neither was a professional representative or an employee of M GmbH. Both were employees of D AG and were therefore, under Article 133(3), first sentence, EPC, only in a position to act on behalf of that company. The facts that D AG and M GmbH belonged to the same group did not affect the question of authorisation to act before the European Patent Office when the two companies concerned were separate legal entities. An implementing provision under Article 133(3), second sentence, EPC had not to date been included in the Implementing Regulations.

There is a clear omission in the copy of the decision in the Legal Division file. The file also contains a copy of a letter dated 8 October 1998, in which D AG was informed of an error in point 1 of the Reasons for the decision of 28 September 1998, which was why it was being amended by the attached decision. The letter stated that the decision of 28 September 1998 was without effect. The amended decision, which according to the Legal Division's letter of 8 October 1998 was enclosed, is not in the Legal Division's file. Both Legal Division letters, ie

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<sup>1</sup> The *Beteiligte* referred to in the German wording

that possibly dated 28 September 1998 and that of 8 October 1998, are both marked at the top as being registered letters with advice of delivery. There is no indication in the Legal Division file of how the letters were delivered or the date of posting.

V. On 23 December 1998 D AG paid the fee for appeal and lodged a reasoned appeal against the Legal Division's decision. The main grounds of appeal were as follows:

It was inappropriate to apply Article 133(3), second sentence, EPC to this case, as the Legal Division had done. The "economic connections" in this provision were intended to cover situations where legal persons had commercial links but otherwise acted independently. The case in question was different as the representative was an employee of a parent company acting on behalf of a wholly owned subsidiary. Unlike companies that only had economic connections within the meaning of Article 133(3), second sentence, EPC, the wholly owned subsidiary to be represented had to accept the full implications of all the parent company's actions, whether these were in its favour or went against it. This was why Article 133(3), first sentence, EPC should be applied here as both companies were to be viewed as a single entity as far as the consequences of their actions were concerned. If this were not the case, there would be a regulatory lacuna in Article 133 EPC.

VI. In reply to an enquiry by the Registrar of the Board as to whether the decision sent by the Legal Division by letter of 8 October 1998 was complete and how the appellant had arrived at the Legal Division decision date referred to in the notice of appeal, ie 15 October 1998, the appellant explained that this was the date of decision referred to in the amended version of the Legal Division's decision it had been sent, and that the version it had received had been complete. The appellant submitted a copy of the Legal Division's letter of 15 October 1998 correcting the decision, together with a complete version of the decision of the same date.

It also enclosed an extract from the German Commercial Register showing that DC AG had taken over D AG with effect from 21 December 1998.

The Board then issued a communication with its provisional opinion that D AG was not entitled to have the general authorisation registered for the simple reason that it was neither the authorising nor the authorised party, nor was it authorised to represent either of those parties.

The Board did, additionally, provisionally share the Legal Division's opinion that persons who were officially employed by a legal entity other than the authorising party and who were not professional representatives could not under Article 133(3), first sentence, EPC, represent the authorising party even if that other legal entity wholly controlled the authorising party. The right of representation had been the subject of intense debate and controversy while the EPC was being drafted. As it stood, Article 133(3), first sentence, EPC, in conjunction with its second sentence, was the legal expression of a compromise reached between the interests of representatives of industry and patent attorneys. The compromise was basically that legal entities could, in addition to representation provided for by law, ie their normal legal representatives (legal organs), also act through an authorised employee and not have to use a patent attorney as originally required (report on the fifth Inter-Governmental Conference for the setting up of a European System for the Grant of Patents, Part 2, Consultations with non-governmental organisations, BR/169/72, page 61 ff, No. 154 ff). The Administrative Council had not yet exercised the option under Article 133(3), second sentence, EPC of including further representation rights in the Implementing Regulations. This was its prerogative as drafter of the Implementing Regulations in accordance with the legal appraisals it was entitled to make and did not therefore constitute a regulatory lacuna.

VII. In reply, the appellant argued that D AG, now known as DC AG, was the parent company in control of the authorising party. It represented the authorising party in all IP-related matters and was therefore entitled to carry out the business delegated by the authorising party and have the general authorisation registered. It did not matter whether the request to have the authorisation entered had been made by the authorising party, its representative or, as in this case, the parent company in control of the authorising party, which was also the employer of the authorised parties.

VIII. The appellant requested that the decision under appeal be set aside and the appeal be allowed.

## **Reasons for the decision**

### *Status of the appellant*

According to the certified extract from the German Commercial Register - HRB ..., Division B of the Local Court [Amtsgericht] Stuttgart - as presented in the appeal proceedings, DC AG took over D AG with effect from

21 December 1998. DC AG is therefore the universal successor in title of the defunct D AG and is the appellant in these appeal proceedings.

#### *Admissibility of the appeal*

Based on what is taken to be the original date of the only decision in the Legal Division's file with the assumed date of posting of 28 September 1998, the appeal was not lodged in due time under Rule 78(2) EPC on 23 December 1998. However,

the Legal Division file does not contain proof of posting of either this decision or of an amended decision sent, according to the file, with a Legal Division letter of 8 October 1998 to supersede the original decision which it held to be without effect; nor is this amended decision in the file. The Board can therefore only judge whether the appeal was filed on time on the basis of information supplied by the appellant (Rule 78(2), second half-sentence, EPC). The appellant claimed to have received a complete decision dated 15 October 1998, and submitted a copy thereof. Taking 15 October 1998 as the applicable date, the appeal of 23 December 1998 was filed in due time under Article 108, first sentence, and Rule 78(2) EPC and is therefore admissible.

#### *Allowability of the appeal*

1.1 The appellant requested that the contested decision be set aside and that the appeal be allowed. It did not explain what it hoped to achieve with the latter request. In the proceedings before the Legal Division, the appellant requested that the general authorisation also be registered in respect of P and the patent attorney Z, and is contesting the Legal Division's decision not to register the general authorisation in respect of these persons in its appeal and reasons for appeal. The Board therefore interprets the appeal request as the appellant's wish that the Board order the Legal Division to register the general authorisation filed in respect of these persons.

1.2 Under Rule 101(2) EPC, parties can file general authorisations appointing persons to represent them in all patent-related matters. Filing a general authorisation simplifies the procedure for parties and representatives involved in numerous proceedings, and for the Office. These representatives then simply quote the registration number of the general authorisation and do not have to bother filing separate authorisations in respect of individual files. The departments processing the individual files then usually only check whether the general authorisation quoted relates to the representative, ie the authorised party, and the represented party, ie the authorising party, in question.

1.3 There is no mention either in Rule 101 EPC or in any other EPC provision of formal registration of general authorisations in the sense of entering them on a list, or an entitlement or obligation on the part of the Office to systematically check, determine or formally rule on the validity of any general authorisations filed, as a requirement for registration. Although the appellant only asserts that the Legal Division took the wrong decision on what it claims to be its right to have the general authorisation registered, the Board must first consider whether the Legal Division was in any position to decide to refuse registration and, in this connection, on the right of representation of those named in the general authorisation.

1.4 Rule 101(2) EPC differs from Article 134 EPC, for example, which states in the first paragraph that representation may only be undertaken by professional representatives on an EPO list, and that any natural person meeting the stated conditions may be entered on this list. Article 134 EPC stipulates that before entering names on the list, the Office must ensure that the requirements have been satisfied. Under Article 20(1) EPC, the Legal Division is responsible for decisions in respect of registration on, and deletion from, the list of professional representatives, and in respect of entries in the European Patent Register. This also applies to decisions on entering associations under the provisions of Rule 92(1)(h) EPC, eg where an applicant or patent proprietor is represented by a representative of an association of representatives. Before a decision is taken in such cases, the Legal Division must carry out a check, and, if the result is negative, establish that no association exists within the meaning of this rule and Rule 101(9) EPC.

1.5 In contrast, the EPC gives the Office no express authority to issue formal decisions on the filing of general authorisations under Rule 101(1) EPC.

However, in point 1 of his notice of 20 December 1984 concerning general authorisations (OJ EPO 1985, 42), the President of the EPO gave the Legal Division responsibility, on the basis of Rules 101(3) and 9(2) EPC, for decisions to register general authorisations. Rule 101(3) EPC entitles the President of the EPO to determine the form and content of a general authorisation, and to publish this information in the Official Journal of the European Patent Office. Rule 9(2) EPC authorises the President to allocate duties inter alia to the Legal Division, further to those responsibilities vested in it under the Convention.

This raises the question of whether the President's authority under Rule 9(2) EPC in conjunction with Rule 101(3) EPC extends to authorising the Legal Division to issue formal decisions in an area where applying the EPC necessarily involves implementing certain administrative measures relating to the processing of general authorisations filed by parties, but where the taking of final decisions is not provided for.

The Board cannot infer a general principle from the EPC that the EPO's authority to take formal decisions on parties' requests is only ever acceptable where this is expressly provided for in the EPC. The Enlarged Board of Appeal's decision G 5/91 (OJ EPO 1992, 617) did not view as unlawful the Office's practice at the time, based on internal instructions, whereby the director of the directorate responsible for an examination or opposition division reviews and takes a decision on an objection to a member of the division on the grounds of suspected partiality. The Enlarged Board's reasoning was that first-instance bodies are of an administrative nature and therefore subject to the President's internal instructions under Article 10(2)(a) EPC (Reasons for the decision, point 4).

This does not, however, give any guidance as to when the EPO is authorised to issue formal final decisions on requests submitted. In view of the binding nature and legal effect of formal decisions, rule-of-law objections could be raised about vesting an administrative body by administrative order with the general authority to issue such decisions when the definitive nature of the decisions leaves the party concerned no way of having the decision re-examined. This does not apply to the Legal Division, however, since its decisions can be appealed under Article 106(1) EPC.

The Board is therefore of the opinion that the President's decision to delegate to the Legal Division the power to decide whether to register general authorisations as per his notice is legally tenable.

This would imply that the Legal Division also has the authority to examine whether the authorised parties are entitled under the EPC to represent the authorising party/parties, as this is the only way that filing general authorisations can, as intended, simplify the process for all concerned. Indeed legal certainty would be prejudiced if representatives in most individual proceedings could quote registered general authorisations but checks had not even been carried out to ensure that they were actually authorised to represent the authorising parties. This does not alter the fact that, in individual cases, the body responsible for the proceedings still has the power to decide whether the representative in those proceedings is entitled to act on behalf of the party he represents.

In a comparable case, the Legal Board of Appeal arrived at a similar conclusion, without, however, commenting on the Legal Division's authority to carry out such an examination. In the unpublished decision J 27/95 of 9 April 1997, the Legal Board of Appeal did not object in this regard to the refusal to register a Spanish lawyer on the Legal Division's list of lawyers authorised to represent clients before the EPO under Article 134(7) EPC. The examination and decision practice of the Legal Division on this point is based on 1.1(c) of the EPO President's decision of 10 March 1989 concerning the responsibilities of the Legal Division (OJ EPO 1989, 177).

2. Nevertheless, the decision under appeal must be set aside because the original applicant, D AG, was not entitled to have the general authorisation registered, for the following reasons. The Legal Division was not authorised to determine with regard to **this** applicant that the general authorisation issued by M GmbH could not be registered in respect of Messrs P and Z as authorised parties.

2.1 Under Rule 101(2) EPC, parties<sup>2</sup> can file general authorisations. It is clear from the provision [as worded in German] that not everybody can have a general authorisation registered. This right belongs to the parties. The parties to the legal proceedings for which a general authorisation is issued are the authorising and authorised parties but not third parties, irrespective of the personal or commercial connections they have to the authorised or authorising party. The same applies to the procedure for filing a general authorisation before the EPO. A general authorisation is filed to allow the authorised party to take part in the proceedings on behalf of the authorising party. The wording of Rule 101(2) EPC therefore clearly relates to persons who can go on to be a party in these proceedings. These too are the authorising and authorised parties only, but not third parties, irrespective of any interest they may have in how a party handles the proceedings. Consequently, only the authorising and authorised parties can be regarded as parties to the filing of a general authorisation for the purposes of representation before the EPO within the meaning of Rule 101(2) EPC. A third party is therefore not a party to the filing of a general authorisation within the meaning of Rule 101(2) EPC simply by virtue of having physically filed the authorisation with the EPO.

There is also good reason for this interpretation. The legal acts performed to allow one person to represent another involve not just the authorisation, which relates to the internal relationship between the authorising and

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<sup>2</sup> The *Beteiligte* referred to in the German wording

authorised parties and is made legally effective by the act of authorising a party; the agreement to accept the written power of attorney issued in respect of the representative must also exist. Only the authorising party and the party authorised in the power of attorney can express such legal consent. Filing a general authorisation with the Office has considerable legal impact for the authorising party as it allows the representative to act on behalf of the authorising party in all proceedings. This is why it is so important in general authorisations that the consent to receive and exercise power of attorney to appear before the EPO exists among the relevant persons, and that the EPO therefore regards the filing of a general authorisation as a clear expression of that wish. This is usually the case when the general authorisation is filed by one of the parties, ie either the authorising or the authorised party. For this reason only parties to the proceedings may file general authorisations. The wording of Rule 101(2) EPC should not therefore be viewed as either accidental or unimportant. On the contrary, it must be understood as meaning that the right to file general authorisations relates specifically to parties named in the power of attorney, and thus involved in later proceedings before the EPO, and that therefore only those parties are entitled to have authorisations registered, assuming the necessary conditions have been met.

2.2 In its reply to the Board's communication, the appellant argued that, as the parent company of the wholly owned authorising party, it also dealt with the authorising party's IP matters. This meant that it had the right to attend to all matters delegated to it by the authorising party and was therefore to be regarded as a party to the process of registering the general authorisation, and as such was entitled to have the general authorisation registered. The Board does not accept this line of reasoning. While the appellant as the parent company of the authorising party may have been entitled to carry out all the tasks delegated by the authorising party in the area of IP, the internal relationship between the appellant and its subsidiary, the authorising party, does not entitle the appellant to appear before the European Patent Office. The fact that a parent company may acquire special substantive-law entitlements and obligations, eg in the areas of civil and cartel law, by virtue of holding a 100% stake in a subsidiary, has no bearing on the appellant's procedural rights before the EPO. In the procedure before the European Patent Office, the procedural rules of the EPC alone govern the parties' rights; consequently, the appellant's rights depend on whether the appellant was entitled to represent the authorising party before the European Patent Office. However, apart from the fact that the appellant in this case is acting in its own name and asserting its own claim to have the general authorisation registered, there is no question but that the appellant is not as such authorised to represent either its subsidiary, the authorising party, or the authorised parties, its two employees, neither of whom was a professional representative. A legal entity cannot as such represent another person before the European Patent Office. The provisions on representation in Article 133(1) und (3) EPC stipulate that a natural or legal person that does not act in its own name (ie acts as a legal person other than through itself) can only act through a professional representative or through one of its employees. The appellant's dispute with the Legal Division concerning the registration of the general authorisation, which forms the basis of the present appeal, hinges on whether its employees may act on behalf of another legal person, ie the authorising party.

2.3 The Legal Division should not therefore have ruled with respect to the appellant as applicant that the conditions for registering the general authorisation had not been met because the representative lacked the right to represent the authorising party. It should instead have sought to get the request made in the name of, or - with due authorisation - on behalf of, one of the parties to the proceedings named in the general authorisation or should otherwise have turned down the application of the appellant for lack of legal capacity.

2.4 It is also quite clear from Article 113(1) EPC that it is not legally acceptable procedural practice, in a decision that is prejudicial to the authorised party and party granting a general authorisation, to find that for a third party - the appellant in this case - a general authorisation cannot be entered without them having any formal involvement in the proceedings.

## **Order**

### **For these reasons it is decided that:**

1. The decision under appeal be set aside.
2. The appellant's request that the general authorisation of 17 February 1998 be entered in respect of P and the patent attorney Z be dismissed.