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**Datasheet for the decision
of 6 October 2009**

Case Number: T 1726/08 - 3.3.04

Application Number: 02720698.6

Publication Number: 1373322

IPC: C07K 16/42

Language of the proceedings: EN

Title of invention:

Novel compound for treatment of allergy and asthma

Applicant:

PHADIA AB

Headword:

Re-establishment of rights/PHADIA

Relevant legal provisions:

EPC Art. 108, 122

EPC R. 126(2), 134(1), 136(1)(2)(3)

Decision of the Administrative Council on the transitional provisions under Article 7 of the EPC Revision Act Art. 1(5)

Keyword:

"Re-establishment of rights - normally satisfactory time-limit monitoring system (no)"

Decisions cited:

G 0002/97, J 00../87, J 0013/90, J 0003/93, T 0828/94,
T 0923/95, T 0428/98, T 0808/03, T 0902/05, T 1465/05,
T 1465/07,

Catchword:

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Case Number: T 1726/08 - 3.3.04

D E C I S I O N
of the Technical Board of Appeal 3.3.04
of 6 October 2009

Appellant: PHADIA AB
Box 6460
751 37 Uppsala (SE)

Representative: Lindgren, Anders
BRANN AB
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104 62 Stockholm (SE)

Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 18 April 2008
refusing European patent application
No. 02720698.6 pursuant to Article 97(2) EPC.

Composition of the Board:

Chair: U. Kinkeldey
Members: F. Blumer
B. Claes

Summary of Facts and Submissions

- I. The present appeal is against the decision of the examining division refusing European patent application 02720698.6, dispatched on 18 April 2008.
- II. On 11 June 2008, the appellant filed a notice of appeal against the decision of the examining division.
- III. A formalities officer of the EPO informed the appellant's representative by telephone on 9 July 2008 that the appeal fee had not been received by that date.
- IV. The appeal fee was paid on 10 July 2008. The statement of grounds of appeal was filed on 21 August 2008.
- V. In a letter dated 10 July 2008, the appellant's representative requested that the appeal as filed on 11 June 2008 should be deemed admissible. Relying on case law of the Boards of Appeal on the principles of good faith and legitimate expectations (e.g., decisions T 923/95 and J 13/90), he argued that the lack of payment of the appeal fee was a readily identifiable deficiency which could easily have been corrected within the time limit set in Article 108 EPC and that a timely warning from the EPO to this effect could have been expected in good faith. The representative mentioned in this context an incomplete EPO internal memo "Processing of an appeal" (EPO Form 2701) allegedly drawn up on 12 June 2008, which had been available via Epoline file inspection.
- VI. On 9 September 2008, the appellant's representative, as a precaution, requested re-establishment into the time

limit set by Article 108 EPC pursuant to Article 122 EPC. The fee for re-establishment was paid on the same day. The representative argued that the lack of payment of the appeal fee within the time limit was due to an isolated mistake within an otherwise satisfactory monitoring system within his office. The functioning of this monitoring system was explained. He further referred to his letter of 10 July 2008 and argued again that a timely warning from the EPO to the effect that the appeal fee had not been paid could have been expected in all good faith, when a notice of appeal was filed close to the time limit for paying the appeal fee.

VII. When summoning the party to oral proceedings on 23 July 2009, the board issued a communication summarising its preliminary position on the admissibility of the appeal. The oral proceedings would be limited to this point. With respect to the principle of legitimate expectations, the board referred to decision G 2/97 (OJ EPO 1999, 123) and questioned whether there was an indication in the file from which it could be inferred that the appellant would inadvertently miss the time limit to pay the appeal fee. With respect to the requested re-establishment of rights, the board noted that the representative's description of the cross-check mechanism for time limits within the monitoring system lacked details and lacked evidence.

VIII. On 3 September 2009, the appellant provided further arguments and evidence, in particular with respect to the use of the specialised software named "Patricia" by persons of the representative's firm in the course of the prosecution of the application. The filed evidence included a printout of a term log generated by the

"Patricia" software for the prosecution of the application in suit (original in Swedish and translation in English) and a copy of the incomplete memo "Processing of an appeal (EPO Form 2701)" to which the representative had referred in his letter dated 10 July 2008.

IX. Oral proceedings took place on 6 October 2009.

X. The representative of the appellant has argued the case in essence as follows:

Principle of legitimate expectations and good faith

- The incomplete internal EPO memo "Processing of an appeal" (EPO Form 2701; referred to in the letter of 10 July 2008; a copy of which had been filed on 3 September 2009) carried the application number and had been retrieved by one of the employees of the representative's firm through Epoline file inspection after the representative of the appellant had been notified by the EPO on 9 July 2008 that the appeal fee had not been timely paid. The appellant's representative had noted a date in handwriting on the printed memo (12 June 2008) which corresponded to the date allocated to the document in the electronic file when it was inspected. The form was neither dated nor signed by the EPO. The ticking of the boxes indicated that both the notice of appeal and the statement setting out the grounds of appeal had been filed within the time limit. For the payment of the appeal fee, none of the boxes ("yes" and "no") was ticked.

- The incomplete internal EPO memo proved that immediately after the filing of the notice of appeal an employee of the EPO had noticed that the appeal fee had been not paid. There was thus an indication in the file that the appellant would inadvertently miss the time limit for paying the appeal fee.

- The representative of the appellant had no explanation as to how the document could show in June 2008 already that the statement of grounds of appeal was filed within the time limit while the statement of grounds of appeal was filed on 21 August 2008 only (see section IV above).

- In contrast to the case underlying decision G 2/97 (where the notice of appeal was filed five weeks before the expiry of the time limit), the time period during which the fee could be paid after the filing of the notice of appeal was much shorter in the present case (one week if the ten day period under Rule 126(2) EPC was not considered). This could not be construed as so early that the appellant could react and pay the appeal fee in time, as was the case in decision G 2/97.

Re-establishment of rights

- "Patricia" was developed by a Swedish software company (Patrix) for the specific needs of patent firms and was used by a number of Swedish patent

firms. The representative's firm used it since 1994.

- "Patricia" allowed to track events, such as a refusal of a patent application, by adding one or more terms, with associated due dates, according to predefined workflows. When a term was closed, the software might either add another term or terminate the workflow. Terms were divided into a "status" and an "action" text. The status text described the current status of the case, whereas the action text appeared on the attorney's or assistant's term list and described the next requested action. While "Patricia" allowed the user to define his or her own terms, only predefined terms were used in the prosecution of the present application.

- The most relevant entries in the term log retrieved by the "Patricia" software for the present case could be summarised and commented as follows:

On 21 April 2008 term no. 670 (with predefined translated status/action texts: "*Refusal by patent office, external due date*" / "*shall the refusal be appealed?*") was entered by "HR", one of the three Patricia administrators in the central office in Stockholm of the representative's firm. Based on a manual calculation the relevant term date was entered as 18 June 2008 and "HAM" (the professional representative handling the present appeal) was entered as the responsible person for the due action. The calculation of due dates did

not take into account the periods pursuant to Rules 126 and 134 EPC in order to avoid any possibilities of miscalculated dates.

On 11 June 2008 (11:31:26), after the notice of appeal had been signed by the representative, "MW", the representative's assistant, closed term no. 670 and thereby added term no. 680 (predefined translated status/action texts: "*Formal appeal and appeal fee sent to patent office*" / "*request new due date*") and a new term date, i.e. 18 August 2009. The action of term no. 680, i.e. "request new date" was relevant only in proceedings before the Swedish Patent Office where an extension of the time limit had to be requested if the grounds of appeal were not filed together with the notice of appeal.

Immediately after triggering the appearance of term no. 680, "MW" confirmed term no. 680 by clicking "OK" which triggered the automatic appearance of term no. 681 with the predefined translated status/action texts: "*Formal appeal and appeal fee submitted*" / "*file complete appeal*". The term date, i.e. 18 August 2009, did not change during this step.

- Although the time monitoring system allowed the person in charge of updating the information in "Patricia" to see both the status text and the action text of the terms, on the attorney's or assistant's term list only the next requested actions, i.e. the action texts, were listed. These term lists could be printed as a list for the

coming week or month, and they were usually discussed by representatives and assistants several times per week to ensure that no time limit was missed.

- When filing submissions by mail or telefax, the standard way of paying EPO fees at the representative's firm was to include EPO Form 1010. It was the assistant's task to prepare said form.

- When the representative and his assistants prepared a submission, their standard practice was that the representative prepared the substantive parts of the submission in a MS Word document and that the assistant completed the document by adding the address, etc. Thereafter, the document was presented to the representative for signature. The representative's responsibility then ended after he had signed the documents to be submitted. In the present case, the notice of appeal was prepared and presented for signing in accordance with the standard workflow. To the knowledge of the representative and his assistant, no form for a corresponding payment of the appeal fee had been prepared or presented for signature. Both the representative and the assistant failed to notice that a fee payment was not sent with the notice of appeal.

- The monitoring system at the representative's firm included two cross-checks. When a submission for the EPO was prepared, the assistant would cross-check that all formal requirements were fulfilled

for the action triggering the submission. As in the present case, the assistant would read through the formal parts of the refusal decision to note if any fee was due for the action. This standard routine, although not documented in writing, constituted a first cross-check. A second cross-check occurred when, after the notice of appeal was completed, the status in "Patricia" was updated by confirming term no. 670 ("*Formal appeal and appeal fee sent to patent office*" / "*request new due date*") and thereby triggering term no. 680 ("*Formal appeal and appeal fee sent to patent office*" / "*file complete appeal*").

- The representative's patent firm filed four other appeals in the last five years. In all these appeals proceedings, the appeal was paid within the time limit, which shows that the system in place for monitoring the time limits for paying the appeal fees normally is satisfactory.

XI. The appellant requested that the appeal be declared admissible based on the principle of legitimate expectations or, subsidiarily, based on the re-establishment of rights in accordance with Article 122 EPC.

Reasons for the Decision

Principle of legitimate expectations and good faith

1. In its decision G 2/97, the Enlarged Board of Appeal held that the principle of good faith does not impose

- any obligation on the board of appeal to notify an appellant that an appeal fee is missing when the notice of appeal is filed so early that the appellant could react and pay the fee in time, if there was no indication - either in the notice of appeal or in any other document filed in relation to the appeal - from which it could be inferred that the appellant would, without such notification, inadvertently miss the time limit for payment of the appeal fee (G 2/97, OJ EPO 1999, 123, order and points 4.1, 4.2 of the reasons).
2. In decision J .. /87 (OJ EPO 1988, 177), the Legal Board of Appeal held that in the absence of any circumstances which may create a legitimate expectation to receive a warning or notice, the EPO has no obligation to inform an applicant or his representative that a fee has not been paid in due time.
 3. By referring to a printout of an incomplete internal EPO memo "Processing of an appeal" (Form 2701; see section X, al. 1), the appellant argued that somebody at the EPO had noticed that, although the notice of appeal had been filed, the corresponding appeal fee had not been paid at a moment in time when there was still time enough to pay the appeal fee within the time limit.
 4. The board notes however that it is unclear from the referred to document whether the EPO had noticed the lack of payment of the appeal fee before or after the time limit for the payment had expired since the same document indicates that the statement of the grounds of appeal had already been filed (which was actually filed

- on 21 August 2008). The appellant had no explanation for this fact.
5. Although the board cannot exclude that indeed an earlier (incomplete) version of Form 2701 had been present in the electronic file and therefore had been accessible via online file inspection before the completed form was added to the same file on 2 September 2008, the board considers it actually irrelevant whether or not the incomplete Form 2701 was produced and made accessible on 12 June 2008. Even if an officer at the EPO had noticed on 12 June 2008 that the notice of appeal had been filed but the corresponding appeal fee had not been paid, he or she had no information as to whether any non-payment might not be on purpose and therefore conclude that the appellant, in the absence of any notification, would inadvertently fail to pay the appeal fee within the time limit.
 6. There was still enough time to pay the appeal fee between 12 June 2008, when the EPO arguably had noted that the fee payment was lacking, and the end of the two month period of Article 108 EPC, which ended on 30 June 2008 while it was recorded by the appellant's representative as ending on 18 June 2008 to avoid any risks related to the application of Rule 126(2) EPC. The appellant argued however that, in contrast to the case underlying decision G 2/97 (where the notice of appeal was filed five weeks before the expiry of the time limit), the time period during which the fee could be paid after the filing of the notice of appeal in the present case was much shorter, i.e. one week if the ten day period under Rule 126(2) EPC was not considered.

This period could therefore not be construed as so long that the appellant could react and pay the appeal fee in time, as it was in the case underlying decision G 2/97.

7. The board notes that it is not uncommon in the field of patenting that the payment of an appeal fee is handled separately from the filing of the notice of appeal (i.e., by third parties processing payments), which means that a payment may well arrive at the EPO later than the notice of appeal but still within the time limit. It may well be that the payment of appeal fees is withheld deliberately, both in *inter-partes* and in *ex-parte* proceedings. For example, a representative may file a notice of appeal and withhold the payment of the appeal fee until final instructions on the effective lodging of the appeal are received (see, for example, decision T 1465/05 of 18 March 2009, section VII). In fact, nothing in the EPO file indicated that the appellant may inadvertently fail to pay the appeal fee within the time limit. Therefore, the board cannot see any factual difference to the case underlying decision G 2/97 which would justify a different legal position.

8. Further in this respect, the present case also differs from earlier cases referred to by the appellant (see section V above). In the case underlying decision T 923/95 of 12 November 1996, the appellant paid an insufficient appeal fee. In the case underlying decision J 13/90 (OJ EPO 1994, 456) the applicant, in a request for re-establishment after its failure to pay a renewal fee, announced to pay this renewal fee only after re-establishment was granted (disregarding the provision that the omitted payment should be completed

within the time-limit for filing the request for re-establishment). In both cases the filed documents indicated that some error(s) had occurred on the appellant's side and that the appellant was likely to inadvertently fail to make a timely payment.

9. In the present case however, no evidence is on file that the EPO could have inferred from the filed documents that without a notification, the appellant would inadvertently miss the time limit for paying the appeal fee. Therefore and following the general findings in decisions G 2/97 and J .. /87 the board decides that the principle of legitimate expectations does not apply.

Re-establishment of rights

10. Pursuant to Article 1(5) of the Administrative Council's Decision of 28 June 2001 on the transitional provisions under Article 7 of the Act revising the European Patent Convention of 29 November 2000, "Articles 121 and 122 [EPC 2000] shall apply to European patent applications pending at the time of their entry into force and to European patents already granted at that time, in so far as the time limits for requesting further processing or re-establishment of rights have not yet expired at that time". As the time limit for the requested re-establishment was triggered by events occurring in July 2008 (i.e. after the date of entry into force of the EPC 2000 in December 2007), Article 122 EPC 2000 is applicable to the re-establishment issues in the present case.

11. The request for re-establishment of rights was filed on 9 September 2008, i.e. not more than 2 months after the

appellant's representative was notified on 9 July 2008 that the appeal fee had not been received. The appeal fee was paid on 10 July 2008. The request for re-establishment of rights is admissible as it complies with Article 122(1),(4) EPC and Rule 136(1),(2),(3) EPC.

12. In accordance with Article 122(1) EPC, an applicant shall have his rights re-established upon request if he was unable to observe a time limit vis-à-vis the EPO "*in spite of all due care required by the circumstances having been taken*". Where the applicant has authorised a professional representative to represent itself before the EPO, the due care requirement applies to the professional representative (see, e.g., decision J 3/93 of 22 February 1994, point 2). It is the established case law of the Boards of Appeal that this due care requirement is fulfilled if the non-compliance with the time limit results from an isolated mistake within a normally satisfactory system for monitoring time limits (see, e.g., decision T 428/98, OJ EPO 2001, 494, point 3.3). The systems used for the monitoring of time limits may include the use of specialised computer systems or software. However, whether any system fulfils the requirement of the taking of "all due care" depends on the individual circumstances of each case (see, e.g., decision T 902/05 of 27 March 2006, point 6).

13. To qualify as a "normally satisfactory" time monitoring system, the case law has established that such system needs to include an independent cross-check which could, for example, be implemented through a check by a third person (i.e., neither the representative nor his or her assistant) near the due date whether or not an

action listed in the time monitoring system has been performed (e.g. decisions T 828/94 of 18 October 1996, point 2, decision T 1465/07 of 9 May 2008, point 19). Only in cases where the representative is working in a small unit or firm, a system without such cross-check mechanism may be satisfactory for Article 122(1) EPC (e.g., decision T 428/98, OJ EPO 2001, 494, point 3.5). Since the representative's firm employed some 40 attorneys at four locations, such exception for small firms/units cannot apply in the present case.

14. The time monitoring system used by the representative and his assistants was exclusively based on the software "Patricia". After the decision under appeal was notified to the representative, the term no. 670 associated with the status text "*Refusal by patent office, external due date*" and the required action "*shall the refusal be appealed?*" was entered into the system on 21 April 2008, together with the next due date of 18 June 2008. These text entries, which could be viewed by the person operating "Patricia", appeared partially on the personal term lists of the attorney and his assistants, i.e., only the action texts appeared. The text did not change until the term was actively acknowledged by the person operating "Patricia" and therefore not until the required action had been performed before or on the due date.
15. The board considers it relevant that term no. 670 and its text entries reminded of the due date for filing an appeal but did not contain any separate reference to the payment of an appeal fee. On the other hand, the board finds it irrelevant that the standard text entries (terms) could, if necessary, manually be

- changed or replaced by the person operating "Patricia" as such modification of the term was not part of the standard procedure at the firm and was not effectuated in the present case.
16. The action text "*shall the refusal be appealed?*" in term no. 670 may be understood as implicitly referring to two actions; filing of the notice of appeal and payment of the appeal fee. Indeed, the appellant argued that the representative knew about the requirement to pay the appeal fee within the time limit for filing the notice of appeal and that the assistant regularly cross-checked that all formal requirements were fulfilled as provided by the action to which the submission was in reply. The appellant argued that said cross-check performed by the assistant constitutes a cross-check as required by the case law.
17. The representative's knowledge and the assistant's checking the appealed decision before the appeal is filed is not what in the case law is considered as a reliable reminder that the fee payment requirement is fulfilled. On the one hand, the legal knowledge of the representative cannot be considered to be part of a reminder system if it has not materialised as concrete action-specific information recorded in a paper-based or software-based information system. On the other hand, it is not adequate to rely on the assistant's check for formal requirements if an entire procedural step, the payment of the appeal fee, cannot be monitored separately (see point 15 above).
18. The board notes furthermore in this context that the decision under appeal (like any decision refusing a

European patent application) did not include any explicit reference to the appeal fee. The standard text accompanying the appealed decision mentioned that the decision was open to appeal, and referred to Articles 106 to 108 EPC. Only by looking up Article 108 EPC, second sentence, the representative's assistant could have read and be reminded that the filing of the notice of appeal had to be accompanied by the payment of the appeal fee.

19. The board concludes that the information that the appeal fee had to be paid before or on the due date for the listed action was not compelling from the "Patricia" term no. 670 for the persons involved in the prosecution of the file at the firm, taking into account that said term did not contain any explicit reference to the appeal fee and that said term was not accompanied by any other reminder (such as a separate term) related to the appeal fee. Consequently, the personal term lists available before the filing of the notice of appeal could not reliably remind the representative and his assistant of the necessity to pay the appeal fee.

20. The appellant argued that the standard procedure at the representative's firm also involved a second cross-check as required by the case law for a "normally satisfactory" reminder system. After the representative and his assistant had reacted to the entry in the term list and the notice of appeal had been signed by the representative, the assistant performed the next step in the standard procedure by closing term no. 670 and thereby adding term no. 680 in "Patricia". Only after this change, an explicit reference to the appeal fee

appeared for the first time in the system ("*Formal appeal and appeal fee sent to patent office*" / "*request new due date*"). As, according to the appellant, term no. 680 is only relevant for proceedings before the Swedish Patent Office, the representative's assistant immediately acknowledged term no. 680 by clicking "OK", thereby triggering term no. 681 with the action text "*file complete appeal*" and a reference to the next action due date 18 August 2008.

21. However, these steps cannot be considered as a cross-check, i.e. a back-up of a first reminder. Firstly, there was no first reminder of the due date for the fee payment. In fact, the described interactions with "Patricia" were performed by the representative's assistant only. The representative himself, when consulting his updated term list, could not see any reference to the fee payment even after the terms had been changed because the term lists only showed the relevant action text ("*file complete appeal*").

22. The assistant was presented, only after having processed the notice of appeal and performed the first term change, the changed status text "*Formal appeal and appeal fee sent to patent office*". However, the system did not require the assistant to confirm separately the filing of the notice of appeal and the payment of the appeal fee. The assistant was only required to confirm the next action "*request new due date*", which was not applicable in the EPO proceedings, in order to trigger the next term with a maintained status text and a new action text "*file complete appeal*". Under these circumstances, the assistant's attention was not drawn

properly to the necessity to pay the appeal fee, said necessity being a legal requirement per se.

23. The representative's involvement ended after signing the notice of appeal (see above section X, al. 10). He was not involved and was not supposed to be involved in the described "Patricia" updating process. Unlike a person actively operating Patricia, he could therefore not see the status message containing the reference to the fee payment. The fact that only the representative's assistant, operating Patricia, could have been reminded of the required fee payment means that the cross-check, if the term changes in Patricia were to be considered a cross-check at all, was not independent.

24. In the board's judgment, a software-based time monitoring system that does not explicitly remind of the required payment of the appeal fee (an action distinct from the filing of the notice of appeal) on any to-do-list or term list before and after the due date for such payment and only refers to the payment in a status text after the notice of appeal is signed (when the time-monitoring system is updated by the representative's assistant) is inadequate to monitor the timely payment of the appeal fees.

25. The appellant further referred to four other appeals that had been filed by the professional representatives at the representative's firm during the last five years without any fee payment issues (see above section X, al 12 above). The board notes that evidence for the efficient operating of a monitoring system during many years may weigh in favour of a finding of a normally

satisfactory character but will be counterbalanced by evidence that main features of such a character, such as an independent cross-check, go missing (see decision T 1465/07 of 9 May 2008, point 19).

26. The appellant has further argued that according to decision T 1465/07 of 9 May 2008, the principle of proportionality requires that the due care requirement pursuant to Article 122 EPC must not be interpreted in an excessive manner. In this respect, the board concurs with the finding in the referred to decision T 1465/07 (point 19) where it was held that the requirement of an independent cross-check was not disproportionate.
27. For the sake of completeness, the board notes that even if the knowledge of the representative of the requirement to pay the appeal fee and the regular checking of the formal requirements by the assistant, together with the acknowledgement by the assistant of the status text referring to the completed payment, was considered a normally satisfactory system for the monitoring of the time limits for paying the appeal fee, the time monitoring system as operated in the representative's firm failed in two respects. Firstly, the representative's assistant who was finalising the notice of appeal failed to submit a payment instruction (EPO Form 1010) to the representative. Secondly, the representative signed the notice of appeal without realising that the notice of appeal should be accompanied by a payment instruction. Two mistakes cannot be considered an isolated error in a normally satisfactory system (see decision T 808/03 of 12 February 2004, point 2.2).

28. For the reasons set forth above, the time limit monitoring system used in the present case did not qualify as a normally satisfactory system. The due care requirement of Article 122(1) EPC was not met. Consequently, the appellant's request for re-establishment of rights needs to be refused.

Reimbursement of the appeal fee

29. Since the appeal fee has not been paid within the two month time limit, the appeal is deemed not to have been filed (Article 108 EPC). The appellant requested that the appeal be declared to be admissible. The board has to decide that the appeal is deemed not to have been filed, and therefore the appeal fee is to be reimbursed. In the present case, the reimbursement is ordered *ex officio* after it has neither been requested by the appellant nor otherwise been discussed during the proceedings.

Order

For these reasons it is decided that:

1. The appeal is deemed not to have been filed.
2. The appeal fee is reimbursed.

The Registrar:

The Chair:

P. Cremona

U. Kinkeldey