

Internal distribution code:

- (A) [-] Publication in OJ
(B) [-] To Chairmen and Members
(C) [-] To Chairmen
(D) [X] No distribution

**Datasheet for the decision
of 18 December 2013**

Case Number: T 2364/12 - 3.3.01

Application Number: 03723769.0

Publication Number: 1539501

IPC: C09D7/12, C08K3/36, C09D201/00,
B41M5/52

Language of the proceedings: EN

Title of invention:
COATING COMPOSITION COMPRISING COLLOIDAL SILICA

Patent Proprietor:
W.R. GRACE & CO.-CONN.

Opponent:
Evonik Degussa GmbH

Headword:
Payment of opposition fee/W.R. GRACE & Co.

Relevant legal provisions:
EPC Art. 99(1), 111(1)
EPC R. 103(1)(a)
RPBA Art. 11
REE Art. 5(2)
Arrangements for debit accounts (ADA), point 6.3

Keyword:

Payment of opposition fee
Conditional debit order
Deposit account
Right to be heard
Principle of protection of legitimate expectations
Substantial procedural violation - (yes)
Reimbursement of appeal fee - (yes)

Decisions cited:

T 0152/82, T 0017/83, T 0170/83, T 0908/99, T 0971/05,
T 0871/08, T 1265/10

Catchword:



**Beschwerdekammern
Boards of Appeal
Chambres de recours**

European Patent Office
D-80298 MUNICH
GERMANY
Tel. +49 (0) 89 2399-0
Fax +49 (0) 89 2399-4465

Case Number: T 2364/12 - 3.3.01

D E C I S I O N
of Technical Board of Appeal 3.3.01
of 18 December 2013

Respondent: W.R. GRACE & CO.-CONN.
(Patent Proprietor) 7500 Grace Drive
Columbia, MD 21044 (US)

Representative: UEXKÜLL & STOLBERG
Patentanwälte
Beselerstrasse 4
22607 Hamburg (DE)

Appellant: Evonik Degussa GmbH
(Opponent) Rodenbacher Chaussee 4
63457 Hanau (DE)

Representative: Godemeyer Blum Lenze - werkpatent
An den Gärten 7
51491 Overath (DE)

Decision under appeal: **Decision of the Opposition Division of the European Patent Office posted on 10 September 2012 rejecting the notice of opposition against European patent No. 1539501 as inadmissible pursuant to Rule 77 EPC.**

Composition of the Board:

Chairman: A. Lindner
Members: C.-P. Brandt
L. Seymour

Summary of Facts and Submissions

- I. The appeal lies from the decision of the opposition division posted on 10 September 2012 rejecting the opposition filed on 17 November 2008 by Evonik Degussa GmbH against European patent No. 1 539 501. The mention of grant had been published on 20 February 2008. The opposition was held inadmissible, on the grounds that the notice of opposition was deemed not to have been filed in due time (Article 99(1), second sentence, EPC).

- II. The notice of opposition was filed in German and included the following statement: "Die erforderliche Einspruchsgebühr werden wir online von unserem Konto 28000215 abbuchen. Sollte bis zum Tag des Ablaufs der Frist keine Abbuchung erfolgt sein, bevollmächtigen wir hiermit vorsorglich das Europäische Patentamt, den Betrag fristgerecht abzubuchen." The opposition division citing decision T 871/08 held that the opponent had not given a clear debit order, but only a conditional one, for which neither the EPC nor the "Arrangements for deposit accounts" made any provision. The responsibility for monitoring the time limit for the payment of the opposition fee lay solely with the opponent or its representative and could not be shifted to the Office. In order to comply with the opponent's order, the Office would need to monitor the time limit for payment of the opposition fee in order to be able to check just before expiry whether the opposition fee had been paid and, if not, could then debit the fee.

- III. A notice of appeal was filed with letter dated 8 November 2012. With letter dated 20 December 2012, the appellant filed a statement setting out the grounds of appeal.

IV. Regarding the validity of the debit order, the appellant (opponent) argued that the opposition division had failed to appreciate that this order actually consisted of two separate sentences, each constituting a debit order in its own right.

a) The wording of the first debit order ("Die erforderliche Einspruchsgebühr werden wir online von unserem Konto 28000215 abbuchen") indicated that payment would be effected in the near future and hence expressed a clear intention to pay the fee. In some decisions, the Boards of Appeal had regarded a clear intention for payment of the opposition fee as sufficient to constitute a valid debit order despite certain deficiencies in the act of payment.

b) The second debit order ("Sollte bis zum Tag des Ablaufs der Frist keine Abbuchung erfolgt sein, bevollmächtigen wir hiermit vorsorglich das Europäische Patentamt, den Betrag fristgerecht abzubuchen.") was indeed conditional.

i) However, the applicable version of the "Arrangements for deposit accounts (ADA)" did not require the debit order to be "unconditional". Unlike the current version of ADA, the ADA of 28 August 2007, which had been in force until 31 March 2009 and therefore applied to the present case, did not require the debit order to be "unconditional", but only to be clear and unambiguous (point 6.3 ADA).

ii) The opposition division, and decision T 871/08 cited in the decision under appeal, were incorrect in asserting that the opponent had *de facto* shifted the responsibility to the Office for monitoring the time limit for paying the opposition fee. Rather, even several days after expiry of that time limit, as part of its regular formalities examination of the opposition, the Office could check whether the debit order according to the first sentence had been received. If it had not, then the precautionary debit order, which had been filed in due time, would automatically take effect.

V. In its statement of grounds of appeal, the appellant further argued that the proceedings before the opposition division contained two fundamental flaws, namely,

- a) a violation of the right to be heard, because the opposition division had issued the decision under appeal without convening oral proceedings even though the appellant had requested them and
- b) an infringement of the principle of protection of legitimate expectations.

VI. The reasons for the appellant's contention that the proceedings before the opposition division were fundamentally flawed can be summarized as follows:

The opponent was informed by communication of 18 December 2008 (noting of loss of rights, Rule 112(1) EPC) that the opposition was deemed not to have been

filed pursuant to Article 99(1) EPC because the opposition fee had been paid late, namely, on 28 November 2008. As advised in that communication, it had applied for a decision under Rule 112(2) EPC, by letter of 10 February 2009, arguing that the opposition fee had been validly paid by the debit order in the notice of opposition. By communication of the opposition division of 25 March 2009, it had been informed that, after consultation of the EPO's Treasury and Accounts department, the opposition fee was considered to have been validly paid on 17 November 2008, and hence, the notice of opposition dated 17 November 2008 was deemed filed under Article 99(1) EPC. By letter dated 25 March 2009, the opponent was informed that no further opposition had been filed. By separate letter on the same date, the patent proprietor was informed that a notice of opposition had been filed within the opposition period and was requested to file observations within a period of four months. It was not until its letter dated 28 January 2010 that the patent proprietor had cited decision T 871/08 as being relevant to the present case, and requested that it be decided that the opposition fee had not been duly paid. This letter had been sent to the opponent (appellant) by EPO communication of 26 March 2010. More than two and a half years later, the opposition division had then issued the decision under appeal, deeming the opposition not to have been filed because the opposition fee had not been validly paid, without issuing any further prior communication or holding oral proceedings.

VII. With communications of 30 July 2013 and 7 October 2013 (annex to summons to oral proceedings) the Board expressed its preliminary and non-binding opinion on the appeal. Whilst acknowledging that the proceedings

before the opposition division had failed to fulfil the principle of the protection of legitimate expectations, the Board also stated that the appellant's arguments had not convinced it that the opposition fee had been paid in due time.

VIII. By communication of 7 October 2013, the parties were summoned to oral proceedings on 18 December 2013. With letter of 4 December 2013, the patent proprietor (respondent) announced that neither it nor its representative would be attending the oral proceedings.

IX. Oral proceedings took place as scheduled on 18 December 2013. As announced with letter of 4 December 2013, no one was present on behalf of the respondent.

a) The appellant mainly reiterated its argument that the debit order consisted of two separate declarations and that the first sentence had to be seen as an independent debit order. The Office, as the recipient of the order, should be able to infer from this sentence the clear intention that the opposition fee was to be debited. This was true in particular in view of the wording of the sentence "wir werden ... abbuchen", which fulfilled the requirements specified in point 6.3 of the ADA then in force.

b) The appellant further argued that, in case the debit order was not regarded as consisting of two separate declarations but as comprising a single statement, the second sentence of its own constituted a valid debit order. It reiterated its written argumentation. The word "hiermit" made it clear that the order had been made at the time of

filing the notice of opposition and hence prior to the expiry of the time limit for paying the opposition fee.

- X. The appellant (opponent) requested,
- that the decision under appeal be set aside,
- that it be established that the opposition fee had been paid in due time, and
- that the case be remitted to the opposition division for further prosecution.
- Furthermore, it was requested that the appeal fee be reimbursed.

Reasons for the Decision

1. The appeal is admissible.
2. The respondent did not attend the oral proceedings. Under Article 15(3) RPBA the Board is not obliged to delay any step in the proceedings, including its decision, by reason only of the absence at the oral proceedings of any party duly summoned who may then be treated as relying only on its written case. Although the respondent did not file any submissions or requests during the present appeal proceedings, the Board was nevertheless in a position to take a decision at the end of the oral proceedings.

Procedural violation by opposition division

3. In the board's opinion, the opposition division's management of the proceedings as described above (point VI) was in breach of the appellant's right to be heard and does not comply with the principle of the protection of legitimate expectations as generally recognised in proceedings before the EPO. On the basis of the opposition division's communications dated 25 March 2009, the opponent could reasonably assume that the opposition had been validly filed, and both parties could prepare to discuss its substance. It is true that the patent proprietor cannot be deprived of its right to challenge at a relatively late stage in the proceedings the validity of the filing of the opposition, as it did by the letter of 28 January 2010. However, in the contested decision of 10 September 2012, the opposition division held - in contrast to its earlier opinion as clearly stated in the letters dated 25 March 2009 - that the opposition was deemed not to have been validly filed, thereby reverting to its original opinion as expressed in the communication of 18 December 2008.

By taking such a decision without giving the opponent the opportunity to comment on the new assessment of its legal position or holding oral proceedings, the opposition division clearly deprived the opponent of its right to be heard. Furthermore, issuing the decision under appeal more than two and a half years after the objection raised by the patent proprietor in its letter of 28 January 2010, and without hearing the opponent on the opposition division's revised opinion, was in breach of the principle of protection of legitimate expectations. The opponent could not have

expected such a detrimental decision after the opposition division had assured it that the opposition was considered to be validly filed, after the patent proprietor had been informed that a notice of opposition had been filed within the opposition period and had been requested to file observations, and after the opposition proceedings had then lain dormant for more than two and a half years.

4. Under Article 11 RPBA a Board shall remit a case to the department of first instance if fundamental deficiencies are apparent in the first instance proceedings, unless special reasons present themselves for doing otherwise. A fundamental procedural violation, like the one which occurred during the present opposition proceedings as a rule entails setting the decision under appeal aside and remitting the case to the first instance for further prosecution. In the present case, however, the Board holds that there are indeed special reasons for not taking that course.

4.1 In the case at issue the flawed first instance proceedings led to the decision to reject the opposition on the grounds that the opposition fee had not been validly paid. After remittal and in the absence of a decision by the Board on this issue, the opposition division would first have to decide again, whether the notice of opposition can be deemed to have been filed, i.e. whether the opposition fee had been paid in due time.

4.2 As the notice of opposition was filed more than five years ago, and the opposition proceedings lasted nearly four years before a final decision on the admissibility of the opposition was taken, the Board considers it

appropriate to decide itself whether the opposition fee had been paid in due time. This approach appears to be expedient and reasonable in view of the opponent's interest in having the case finally decided in the foreseeable future. This applies all the more in view of the Board's decision, as outlined below, to remit the case to the first instance for substantive examination of the grounds of opposition (Article 111 EPC).

Payment of the opposition fee

5. Under Article 99(1), second sentence, EPC a notice of opposition is not be deemed to have been filed until the opposition fee has been paid within the nine-month opposition period.
- 5.1 Pursuant to Article 5(2) RFees (Rules relating to Fees) the President of the Office may allow other methods for paying fees than those set out in Article 5(1) RFees. The ADA and their annexes (for the current version valid as from 1 April 2009 see Supplement to EPO Official Journal 3/2009) provide such a method, namely paying fees from a deposit account opened with the Office.
- 5.2 It is apparent from the indications in the notice of opposition that the intention was to pay the opposition fee by debiting a deposit account. Therefore, Articles 5(2), 7(2) RFees and the ADA apply.
- 5.3 The appellant submitted that the debit order contained in its notice of opposition of 17 November 2008 (see point II above) was valid and that the opposition division was wrong to decide otherwise. More specifically it argued that the opposition had failed

to appreciate that the order had actually consisted of two separate sentences each of them constituting a debit order in its own right.

- 5.4 The Board does not agree with this interpretation of the debit order. The debit order's second sentence ("Sollte bis zum Tag des Ablaufs der Frist keine Abbuchung erfolgt sein, bevollmächtigen wir hiermit vorsorglich das Europäische Patentamt, den Betrag fristgerecht abzubuchen") and hence the order as a whole, acquire a legally effective character only when read in combination with the first sentence ("Die erforderliche Einspruchsgebühr werden wir online von unserem Konto 28000215 abbuchen") (see point 7 below).
6. Moreover, the Board cannot agree with the appellant's assertion that the first sentence has to be interpreted and understood by the Office as a debit order addressed to it.
- 6.1 The sentence's very wording is actually no more than an announcement about a potential future debit; it is not certain that this debit will actually be performed or how the online debit will be carried out ("werden wir ... online abbuchen"). If the first sentence were to be understood as a debit order, then the second sentence of the debit order would be superfluous and have no effect.
- 6.2 Furthermore, the decisions of the Boards of Appeal (T 152/82, T 17/83, T 170/83 T 806/99, T 1265/10) cited by the appellant relate to facts and circumstances different from those underlying the present appeal case and therefore can not be relied upon in support of the appellant's case. In all these cases, the payment instructions were defective in some way. But they all

have in common that the boards found the instructions, when filed, to indicate sufficiently clearly that the (immediate) payment of a fee was intended. Therefore, unlike the debit order at issue (first sentence), they did not merely announce a possible future payment transaction.

- 6.3 The Board's opinion that the first sentence cannot itself be regarded as a debit order is also fully in line with decision T 971/05. In that case, the following debit order was given: "Die Beschwerdegebühr ... wird von unserem laufenden Konto ... online überwiesen." (in English: "The appeal fee ... will be transferred electronically from our deposit account ..."). The competent Board held that this wording was not an instruction to the Office, but an announcement that the fee would be paid online.
- 6.4 Despite the reservations of the Board outlined above, the question as to whether the order's first sentence constitutes a debit order can ultimately be left unanswered, in view of the fact that it is not decisive for the outcome of the present decision. As will be detailed below in point 7, the Board has come to the conclusion that the second sentence in combination with the first sentence constitutes a valid debit order. This means that the appellant's request is met in full. No further legal advantage would be attainable for the appellant, even were the first sentence to be regarded as an effective debit order, and the appellant did not make any requests in this respect.
7. Since the debit order was submitted with the notice of opposition of 17 November 2008, the version of the ADA then in force applies. That version of the ADA entered into force on 13 December 2007 according to point 2 of

the Decision of the President of the European Patent Office dated 28 August 2007 (Supplement to EPO Official Journal EPO No. 10/2007, hereinafter: ADA 2007). It was not superseded by the current version of the ADA until 1 April 2009 (Supplement to EPO Official Journal No. 3/2009, hereinafter: ADA 2009).

- 7.1 The appellant does not dispute that the second sentence is conditional, being applicable only if the fee had not been debited online prior to the expiry of the time limit (first sentence).

However, point 6.3 of the ADA 2007, unlike point 6.3 of the ADA 2009, did not require the debit order to be "unconditional", but only to be clear and unambiguous. Therefore, the reasoning in the decision under appeal, namely that the debit order could not be accepted, because neither the EPC nor the ADA made provision for conditional orders, is beside the point. What matters is that conditional orders were not prohibited or excluded by either the EPC or the ADA 2007 at the time this particular debit order was filed. Therefore, it cannot be regarded as invalid for that particular reason. This legal position changed only with the entry into force of the ADA 2009, point 6.3, which now explicitly requires debit orders to be "unconditional".

- 7.2 The debit order in the present case fulfills the requirements pursuant of point 6.3 ADA 2007, namely that orders must be clear and unambiguous, must identify the purpose of the payment, including the amount of the fee, and must indicate the number of the account which is to be debited. Taken as a whole it is clearly directed to paying the required opposition fee the amount of which was clearly defined and recognisable at the time, and indicates the number of

the deposit account. The wording "bevollmächtigen wir hiermit ... fristgerecht abzubuchen" (underlining by the Board) makes perfectly clear the appellant's intention that this order should be effective at the time of filing the notice of opposition of 17 November 2008, rather than merely announcing a possible future action. This debit order was therefore also submitted prior to the expiry of the time limit for paying the opposition fee.

7.3 The opposition division was mistaken in taking the view that making the debit order subject to a condition meant that the order was not clear and unambiguous, or that the opponent had *de facto* shifted the responsibility for monitoring the time limit for paying the opposition fee to the Office. The opposition division argued that, in order to comply with the opponent's order, the Office would need to monitor the time limit for paying the opposition fee, so that it would know just before the time limit expired, whether the opposition fee had been paid and, if not, could then debit the fee.

7.4 In the Board's view that does not reflect how payment of the opposition fee and the pertinent legal conditions actually operated in practice. Under point 6.3 ADA 2007, provided there were sufficient funds in the account, the date considered to be that on which payment was made was the date of the receipt of the debit order, not the date when the payment was actually transferred. The existence of sufficient funds has not been challenged in these proceedings. When payments are made by debit order from a deposit account, the funds to be drawn on are already with the EPO, which must merely be authorised in due time to avail itself of a certain amount for a clearly specified purpose (T

170/83 point 5 of the reasons, OJ EPO 1984, 605). So the issue for payments from deposit accounts is not whether the EPO receives funds in due time, but whether it is authorised in due time to avail itself, for a clearly specified purpose, of funds deposited with it (T 170/83, point 6 of the reasons, T 1265/10 of 15 April 2011, point 10 of the reasons).

7.5 Upon receipt of the notice of opposition of 17 November 2008, it was clear from the debit order as a whole that the Office was to execute it only if the fee had not been paid by online debiting prior to the last date of the nine-month time period. When the period expired there could be no doubt as to whether the fee had been paid, as announced in the order's first sentence, and that, if this was not the case, then the debit order in accordance with the second sentence took effect. These facts can be easily ascertained as part of the standard examination of the admissibility and formal requirements of notices of opposition which takes place once the nine-month time limit expires. As explicitly stated in the Notice from the EPO dated 31 January 2009 concerning the publication of a revised version of the ADA 2009 (Supplement to EPO Official Journal No. 3/2009, 3), the payment date according to point 6.3 ADA is not affected by the internal processing date. This legal situation not only applied since the implementation of the ADA 2009, but also held true for the ADA 2007. No change in this respect can be inferred from the various information published by the EPO.

7.6 Accordingly, the Office was not required to take any additional action, such as monitoring or debiting the opposition fee prior to the expiry of the time limit. There was therefore no shifting of responsibility from

the opponent to the Office for the fee's timely payment.

- 7.7 For these reasons, it can be established that the opposition fee was paid in due time.

Remittal to the department of first instance

8. Since in the decision under appeal the opposition division did not assess the substantive grounds of opposition indicated in the notice of opposition of 17 November 2008 (Article 100a) and b) EPC) the case is remitted to the department of first instance for further prosecution, Art. 111(1) EPC.

Reimbursement of the appeal fee

9. Under Rule 103(1)a EPC, the appeal fee is reimbursed where the Board deems the appeal to be allowable, if such a reimbursement is equitable by reasons of a substantial procedural violation.

The present appeal is allowable and the reimbursement is equitable in view of the substantial procedural violation, committed by the opposition division (point 3 above). The appellant/opponent could not have expected that the notice of opposition would be deemed not to have been filed for failure to pay the opposition fee in time after it had been assured by the opposition division that the opposition was considered validly filed and the patent proprietor had been informed that a notice of opposition had been filed within the opposition period. This applies all the more considering that the opposition proceedings had then lain dormant for more than two and a half years. It cannot be ruled out that the appellant would have

convinced the opposition division that the opposition fee had been validly paid, had the opposition division informed the appellant that it had again changed its position on this issue and given the appellant the opportunity to set out its own point of view, as it has now done in the appeal proceedings.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The matter is remitted to the first instance for further prosecution.
3. The appeal fee is to be reimbursed.

The Registrar:

The Chairman:



M. Schalow

A. Lindner

Decision electronically authenticated