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**Datasheet for the decision
of 20 March 2018**

Case Number: T 0198/16 - 3.5.04

Application Number: 07004013.4

Publication Number: 1887800

IPC: H04N7/173, H04N7/24

Language of the proceedings: EN

Title of invention:

Multimedia playback control apparatus and method

Applicant:

Samsung Electronics Co., Ltd.

Headword:

-

Relevant legal provisions:

EPC Art. 108, 122(1)
EPC R. 136
RFees Art. 5(2), 7(2)

Keyword:

Intention to authorise debit of deposit account amounting to a debit order (no)
Re-establishment of rights - all due care (no)

Decisions cited:

R 0018/13, R 0004/15, J 0005/80, J 0005/81, T 0017/83,
T 0315/90, T 0413/91, T 0806/99, T 1561/05, T 1465/08,
T 1764/08, T 1962/08, T 0836/09, T 1355/09, T 1265/10,
T 2336/10, T 1486/11

Catchword:

1. The intention to authorise debiting of the deposit account does NOT already allow the EPO to act on such authorisation and carry out such intent where the EPO, under the deposit account system, already holds such money in trust (deviation in particular from T 1265/10, at point 15), (see point 3.4.3 of the quotation from the summons under point 1 of the Reasons).

2. A representative must give express and clear instructions to an assistant to the effect that the appeal fee has to be paid. It is not enough to rely on the assistant's deducing the duty to file the payment form from the notice of appeal, which includes the sentence: "The appeal fee is paid via the enclosed EPO form 1010."



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Case Number: T 0198/16 - 3.5.04

D E C I S I O N
of Technical Board of Appeal 3.5.04
of 20 March 2018

Appellant: Samsung Electronics Co., Ltd.
(Applicant) 129, Samsung-ro
Yeongtong-gu
Suwon-si, Gyeonggi-do, 443-742 (KR)

Representative: Nederlandsch Octrooibureau
P.O. Box 29720
2502 LS The Hague (NL)

Decision under appeal: **Decision of the Examining Division of the
European Patent Office posted on 19 October 2015
refusing European patent application
No. 07004013.4 pursuant to Article 97(2) EPC.**

Composition of the Board:

Chairman C. Kunzelmann
Members: B. Müller
R. Gerdes

Summary of Facts and Submissions

- I. The appeal is against the decision of the examining division of 19 October 2015 refusing European patent application No. 07004013.4 (publication number EP 1 887 800 A2). The present decision is in relation to a communication of 19 April 2016 from the registrar of the board noting a loss of rights pursuant to Rule 112(1) EPC for failure to pay the appeal fee. The appellant requested that the board issue a communication under Rule 112(2) EPC stating that the appeal fee had been paid in time (main request), or that a certain question be referred to the Enlarged Board of Appeal (first auxiliary request), or that the appellant have its right to pay the appeal fee within the prescribed time limit re-established under Article 122(1) EPC (second auxiliary request).
- II. A notice of appeal dated 24 December 2015 was filed on that date via EPO Online Filing, using Form 1038E, together with a statement of the grounds of appeal dated 22 December 2015. The one-page notice of appeal included *inter alia* the following text portions (emphasis in the original):

We hereby lodge an appeal under Article 108 EPC against the decision of the Opposition Division / Examining Division, dated **19.10.2015**, refusing European patent application No. **1887800, Multimedia playback control apparatus ...**

The appeal is lodged against the decision in its entirety.
The appeal fee is paid via the enclosed EPO form 1010.

However, contrary to what the letter said, EPO Form 1010 was not transmitted together with the notice of appeal (and the statement of grounds).

- III. With a communication of 19 April 2016 sent to the applicant on Form 3019 the registrar of the board noted a loss of rights pursuant to Rule 112(1) EPC. In the communication it was said that the appeal fee had not been paid. Pursuant to Article 108, second sentence, EPC, the appeal was accordingly deemed not to have been filed.
- IV. On 2 May 2016 the appellant requested a decision pursuant to Rule 112(2) EPC. It argued that, under the pertinent case law of the boards of appeal and the Arrangements for deposit accounts, as amended with effect from 1 April 2014 (hereinafter referred to as ADA 2014), the appeal fee had been paid on 24 December 2015, since the EPO had clearly been authorised to debit it from an identifiable deposit account. With Form 1010 filled in and attached to the letter of 2 May 2016, the formality required by ADA 2014 had also been completed. As a consequence, the finding of non-payment of the appeal fee was incorrect. Therefore, it was requested that a decision be taken that the payment of the fee for appeal had been validly made within the time limit of filing an appeal pursuant to Article 108 EPC and that the appeal could go forward.
- V. In a letter of 21 June 2016, the applicant requested re-establishment of rights and paid the corresponding fee on the same day. It also filed supporting documents for the request. The request was made as a precaution should the board, for whatever reason, consider that the appeal fee was deemed not to have been paid. The applicant argued that re-establishment of rights should be granted since the time limit for payment of the appeal fee had been missed "as a result of an isolated human error by a reliable, experienced employee [i.e.

formalities officer] working within a normally satisfactory system" (see fifth bullet point on page 5).

More specifically, the formalities officer had filed both the notice of appeal (dated 24 December 2015) and the statement of grounds of appeal (dated 22 December 2015) on 24 December 2015. The representative had finalised those documents on 22 December 2015 before leaving on vacation. Since only one formalities officer was present in the Eindhoven office of the association of representatives on Christmas Eve, it had been agreed verbally between that officer and the representative that the latter would check the filed documents during the interval between Christmas and New Year. In case of an error, there would still be time to correct it, since the deadline was 4 January 2016. (See page 5, second bullet point.)

On 28 December 2015 the representative reviewed the "acknowledgement of receipt" document as received from the EPO. "From the information on this document the [representative] ... concludes that all documents, including the form 1010, were filed ..." (see page 5, fourth bullet point).

On 28 December 2015, the representative also checked the generated invoice. That invoice included an item relating to the fee for filing the appeal. The representative at that point did not realise that the fact that the fee had been correctly invoiced to the client did not conclusively prove that the fee had also been paid to the EPO.

Not until the receipt of the notice of loss of rights on 21 April 2016 did the representative become aware of

the non-payment of the appeal fee (see page 6, second bullet point).

VI. On 23 June 2016 the applicant requested oral proceedings as a precaution in case the board "contemplates a decision that not meets the applicant's request...".

VII. In a communication of 11 September 2017 annexed to the summons to oral proceedings scheduled for 19 December 2017 (hereinafter referred to as "the annex"), the board expressed its provisional opinion that payment had not been made upon receipt on 24 December 2015 of the notice of appeal which mentioned that the appeal fee had been paid via enclosed Form 1010. It did not follow the pertinent case law under which payment on that date would have been accepted. Nor had payment been received subsequently before lapse of the time limit on 4 January 2016. As a consequence, the board would likely confirm the finding of loss of rights noted in the registrar's communication of 19 April 2016 in a decision. The appeal would accordingly be deemed not to have been filed. This was subject to the merits of the request for re-establishment of rights.

As to that request, the board provisionally considered that the cause of non-compliance with the period for paying the appeal fee, taking into account that due care was a permanent obligation, had been removed upon expiry of the appeal period (on 4 January 2016) and not the much later date of receipt of the loss-of-rights communication (dated 19 April 2016). The representative had not exercised due care because, when reviewing the EPO's acknowledgement of receipt on 28 December 2015, he ought to have noticed that payment Form 1010 had not

been mentioned. Consequently, the request for re-establishment was deemed not to have been filed. In the alternative, the request was unfounded on its merits for lack of exercise of due care for not properly reviewing the receipt and also for failure to instruct the assistant to make payment in an admissible way within the framework of the filing of the notice of appeal.

VIII. In a submission in reply of 17 November 2017, the representative maintained that the appeal fee had been validly paid because the notice of appeal contained a clear order for such payment. Should the board continue not to follow the pertinent case law, then a specific question should be referred to the Enlarged Board of Appeal. As to re-establishment of rights, the date when the cause of non-compliance with the period for paying the appeal fee had been removed was the receipt of the loss-of-rights communication, and not the date when the appeal period expired.

IX. The board held oral proceedings on 19 December 2017.

The appellant requested that the board issue a communication under Rule 112(2) EPC stating that the appeal fee had been paid in time (main request), or that a question be referred to the Enlarged Board of Appeal, namely:

Is an intention to authorize a debit account sufficient to allow the Office to act on an authorization and carry out such intent, in a situation where the debit account, the fee that is due and the account holder are clearly identifiable, and where the debit account holds sufficient funds? (first auxiliary request),

or that the appellant have its right to pay the appeal fee within the prescribed time limit re-established under Article 122(1) EPC (second auxiliary request).

At the end of the oral proceedings, the chairman announced that a decision would be issued in writing.

Reasons for the Decision

1. Main request for a communication confirming timely payment of the appeal fee

As to this point, the appellant's submissions made in the reply to the annex and during the oral proceedings did not make the board deviate from its preliminary opinion as comprehensively expressed in the annex, section C. Legal assessment, point 3, up to the side note in point 3.4.3 starting with the clause "As an aside ...", with the exception of two paragraphs of the quoted section of point 3.4.1 that are struck through. The corresponding text is set forth verbatim below. (As for the two struck-through paragraphs, see the explanation following the quotation.)

[beginning of quotation]

"3. Whether the appeal is deemed not to have been filed for failure to pay the appeal fee within the time limit for filing an appeal

3.1 The issue

The notice of appeal against the decision of the examining division of 19 October 2015 was received on 24 December 2015 and, therefore, within the two-month

appeal period set out in Article 108, first sentence, EPC, which expired on 4 January 2016 (see Rules 126(2) and 134(1) EPC). Pursuant to Article 108, second sentence, EPC, however, 'Notice of appeal shall not be deemed to have been filed until the fee for appeal has been paid'.

The question is whether, in the circumstances of the present case, the sentence 'The appeal fee is paid via the enclosed EPO form 1010' (the form had not been enclosed) in the notice of appeal must be considered to constitute a valid order for payment of the appeal fee by debit from a deposit account with the EPO. If so, the appeal fee would have been paid on 24 December 2015, and the appeal would be deemed to have been filed on that day (subject to the account containing sufficient funds). Otherwise, in the absence of any payment received within the time limit that expired on 4 January 2016, the appeal would be deemed not to have been filed, as indicated in the Registry's communication of 19 April 2016.

3.2 The legal provisions governing deposit accounts for paying fees

Under Article 5(1) of the Rules relating to Fees ('RFees'), the fees due to the Office shall be paid by payment or transfer to a bank account held by the Office. The President of the EPO may allow other methods, as follows from Articles 5(2) and 7(2) RFees. Under these provisions, the EPO made available deposit accounts for paying fees, expenses and prices to be levied by the Office.

Pursuant to the Decision of the President of 12 February 2015 the currently valid Arrangements for deposit accounts (ADA 2015) (see supplementary publication - OJ EPO 3/2015) entered into force on 1 April 2015. They supersede the ADA 2014 dated 1 April 2014 - and relied on by the applicant (supplementary publication - OJ EPO 4/2014). The following provisions pertinent to the present case have been extracted from the ADA 2015 (emphases added if not indicated otherwise; footnotes omitted):

6.2 Debiting occurs only on the basis of a debit order signed by the account holder.

This may be

- a debit order for individual fees, or
- an automatic debit order filed under the automatic debiting procedure for a specific European or international patent application and authorising the debiting of fees automatically as the proceedings progress,

and may be filed

- via EPO Online Filing or the EPO's Case Management System (new online filing, CMS), using EPO Forms 1001E and 1200E
- on paper, by fax or via web-form filing, using EPO Forms 1001 and 1200
- via EPO Online Filing, PCT-SAFE, CMS or ePCT, using the PCT Fee Calculation Sheet annexed to Form PCT/RO/101 (PCT Request) or Form PCT/IPEA/401
- via Online Fee Payment in Online services, in which case authorisation by smart card takes the place of a signature
- via EPO Online Filing and CMS, using Form 1038E
- on paper, by fax or via web-form filing, using EPO Form 1010, Form PCT/RO/101 (PCT Request) or Form PCT/IPEA/401 for each individual application concerned.

For debit orders filed on paper, use of the PCT/EPO standard forms is **mandatory** [emphasis in the original].

...

6.3 The debit order must be clear, unambiguous and unconditional. It must contain the **particulars** necessary to identify the **purpose** of the payment, including the **amount of each fee or** expense concerned, and must indicate the **number of the account** which is to be debited. Provided there are **sufficient funds** in the deposit account on the date of receipt of the debit order by the EPO, that date will be considered as the date on which the payment is made.

What is important for the present case is that, under the ADA 2015, for (non-automatic) debiting of the deposit account a signed debit order is required. It may, among other options, be filed

- via **EPO Online Filing**, using **Form 1038E** (letter accompanying subsequently filed items) or
- on **paper**, by **fax** or via **web-form filing**, using EPO **Form 1010**

For debit orders filed on **paper**, use of the PCT/EPO standard forms is mandatory.

- The ADA 2014

It is the ADA 2014 on which the applicant relies.

The **Notice** from the EPO dated 11 February 2014 concerning revision of the ADA and their annexes summarises the main changes to the **ADA** in the version that entered into force on 1 April 2014 (and was superseded by the version valid since 1 April 2015, i.e. the ADA 2015).

Under point 6.2 of the **ADA** 2014 the debit order might be filed, inter alia,

- by means of Online Fee Payment via Online services, in which case authorisation by smart card takes the place of a signature,
- by means of EPO Online Filing using EPO Form 1038E (letter accompanying subsequently filed items),

- on paper, in which case the use of EPO Form 1010 or PCT Form PCT/RO/101 or IPEA/401 is mandatory,
- by fax, in which case the use of EPO Form 1010 or PCT Form PCT/RO/101 or IPEA/401 is mandatory, and the forms should be sent to the EPO's central fax number in Munich ...,

6.3 The debit order must be clear, unambiguous and unconditional. It must contain the particulars necessary to identify the purpose of the payment, including the **amount of each fee** or expense concerned, and must indicate the number of the account which is to be debited. **Paper** debit orders must be filed using the PCT/EPO standard forms (**see point 6.2** above). Provided there are **sufficient funds** in the deposit account on the date of receipt of the debit order by the EPO, that date will be considered as the date on which the payment is made.

[Emphases added, footnote omitted.]

The **Notice** of 11 February 2014 sets forth (under point I, sub-heading 'Debiting the account'), inter alia, that

the use of **EPO Form 1010** ... for filing **debit orders** will become **mandatory** on 1 April 2014. ...

Failure to use the above **forms** will delay processing considerably, although **payers will keep the original submission date** as payment date. In such cases, however, for processing purposes, from 1 April 2014 onwards debit orders are to be **resubmitted** using the standard forms. [Emphases added.]

3.3 The case law of the boards of appeal relating to payment by debit from a deposit account

The following overview is based on the publication 'Case Law of the EPO Boards of Appeal', 8th edition, 2016, point III.Q.2.2, pp. 793-794.

According to T 17/83 (OJ 1984, 306) a timely filed **statement** that a **debit order** for payment of a fee had been **issued** was **itself considered such a debit order** in the **absence of** any record of the **original**.

In T 1265/10 Section X of the notice of opposition (EPO Form 2300) was crossed to indicate enclosure of a fee payment voucher (EPO Form 1010), which enclosure, however, was not found at the EPO. The board held that this was a **declaration of the intention to pay** the opposition fee.

A debit order had to be **unambiguously recognisable and show a clear and unambiguous intention to make a particular payment** (T 170/83, OJ 1984, 605; T 152/82, OJ 1984, 301; T 152/85, OJ 1987, 191).

As stated in T 170/83, an **authorisation to be derived from the circumstances** required that the **authorising person** (account holder) was **known and clearly identifiable**, and that certain **fees** due to the EPO for a known procedure were **meant to be paid by the withdrawal from such account (and not in any other way)**. Following T 806/99, which was based on almost identical facts, the board found these conditions to be fulfilled here. This was sufficient for payment of the fee. The board deciding case T 806/99 (at point 4)

considered the fact that the representative **regularly paid via the debit account**, that other forms of payment such as payment per cheque could be excluded due to the fact that point IX of the opposition form did not list that a cheque had been enclosed, that by the **rather detailed opposition statement** it could be excluded that the **opposition** was not **meant seriously**, and that thereby it could be clearly established that the representative had intended to pay the opposition fee by the EPO debiting his account for the correct amount. [Emphasis added.]

3.4 Applying the legal provisions relating to payment by debit from a deposit account

3.4.1 Valid order for payment (points 6.2 and 6.3, first sentence, ADA 2015) in the light of the case law

It was said in the notice of appeal that 'The appeal fee is paid via the enclosed EPO form 1010'. EPO Form 1010 was not enclosed. Given that the notice of appeal was filed via EPO Online Filing, using Form 1038E (letter accompanying subsequently filed items), that form would have had to be used as well for filing the debit order for the appeal fee, and not Form 1010.

~~It is noted in this respect that, different from the two previous Forms 1038E used for filing the notice of appeal (together with the statement of grounds) and for requesting a decision under Rule 112(2) EPC, Form 1038E used for the request for re-establishment of rights did include the filled-out boxes 'Fees' and 'Payment' authorising the EPO to debit from the deposit account any fees and costs indicated on the fees 'page', (see point 4 above), in other words apparently did comply with the pertinent provisions.~~

~~The fact that Form 1010 which was mentioned in the notice of appeal was not the right form to be used for filing the debit order might be considered having an impact on whether or not the applicant could benefit from the application of the long-standing case law of the boards of appeal, as summarised in previous section 3.3 above. The case at least differs from T 1265/10 and T 806/99 in that in those cases the section of the notice of opposition crossed indicated enclosure of the appropriate fee payment voucher, i.e. Form 1010. Different therefrom, in the present case, Form 1010 indicated was not the right document.~~

Favourably for the applicant, however, the board will consider an erroneous use of Form 1010 as a formality

that would have had the mere consequence that the respective fee would have been debited manually and the payer would have kept the original submission date as payment date. This seems to be the practice of the EPO.

Under this assumption and under the conditions of the case law mentioned above, set out thoroughly in T 1265/10, it would then be possible to find that an order for payment of the appeal fee was validly given in the notice of appeal (subject to that notice having been validly signed; see above, at point C2):

- The authorising person (account holder) is known and clearly identifiable: it is the applicant filing an appeal.
- The appeal fee was meant to be paid by the withdrawal from the applicant's debit account, and not by bank transfer, the only other mode of payment provided for in Form 1010. This follows from the wording of the sentence that the appeal fee 'is paid via the enclosed EPO form 1010'. Payment by bank transfer would require an additional act, i.e. that very transfer.
- The representative asserts it regularly paid via the debit account: in any case it follows from the file in the present case that the fees due for the application in issue were paid that way.
- By the rather detailed statement of grounds of appeal filed together with the notice of appeal it can be excluded that the appeal was not meant seriously.

3.4.2 Date when payment would have taken effect

Pursuant to point 6.3, second sentence, ADA 2015 quoted above, 'Provided there are **sufficient funds** in the deposit account on the date of receipt of the debit

order by the EPO, that date will be considered as the date on which the payment is made' (emphasis added). According to information received from the EPO's Treasury & Accounting Department, on 24 December 2015, i.e. the date of receipt of the notice of appeal, the deposit account had a balance sufficient to cover the appeal fee of € 1,860 (the increase of the fee to € 1,880, valid as from 1 January 2016, would not have been relevant). That date therefore would be the date of payment under the case law referenced above.

3.4.3 Whether the case-law is convincing

Equalling the intention to pay to a payment is detached from the reality of business transactions and is therefore unacceptable. The long standing case law of the boards of appeal on this matter can therefore not be followed. This position is explained in greater detail below.

In T 1265/10 the board held (at point 15):

The Board would also like to highlight that the issue is not whether the opponent intended to pay. An **intention to pay is certainly not enough in order to actually effect payment**. For example, it would not have been enough to indicate in the notice of opposition that payment would be made by cheque, and no corresponding cheque had been enclosed. But the statement "we want to pay" is different in its legal significance from the statement "we want to authorise the EPO to withdraw the fees for a determined purpose from our account" in that the **intention to authorise already allows the Office to act on such authorisation and carry out such intent** where the EPO under the deposit account system already holds such money in trust.

The board agrees that

- 'An intention to pay is certainly not enough in order to actually effect payment'

but fully disagrees with the statement according to which

- 'the intention to authorise already allows the Office to act on such authorisation and carry out such intent where the EPO under the deposit account system already holds such money in trust'.

An intention to make a payment remains a (mere) intention and not a payment, no matter whether or not the EPO has access to sufficient funds of the person or entity intending to pay which would, as a matter of fact, make it possible for the EPO to avail itself of those funds. The reason is that the EPO is simply not entitled to do so under its own rules.

Pursuant to point 6.2 of the ADA 2015, quoted above, Debiting occurs only on the basis of a debit order signed by the account holder.

Point 6.3 of the ADA 2015 reads:

The **debit order must be clear, unambiguous and unconditional**. It must contain the particulars necessary to identify the purpose of the payment, including the amount of each fee or expense concerned, and must indicate the number of the account which is to be debited. Provided there are sufficient funds in the deposit account on the date of receipt of the debit order by the EPO, that date will be considered as the date on which the payment is made. [Emphasis added.]

The requirements for a valid debit order laid down in points 6.2 and 6.3 are clearly not met by any 'circumstantial authorisation ... based on an appraisal of the circumstances', as accepted in T 170/83 (at point 6, quoted in the applicant's letter of 2 May 2016, at page 2), which was cited and followed in T 1265/10.

The sentence in the notice of appeal of
24 December 2014 reading:

'The appeal fee is paid via the enclosed EPO form 1010' obviously is **not** a 'clear, unambiguous and unconditional' debit order under point 6.3 of the ADA 2015, but a mere statement that such a debit order is supposed to be given, and thus payment made, by means of a different document, i.e. Form 1010. This document not having been attached to the notice of appeal, no debit order and thus no payment has been made by means of the notice of appeal alone."

[end of quotation]

Regarding the two struck-through paragraphs, the board is no longer of the view that the reference to Form 1010 in the notice of appeal might be considered as having an impact on the application of the boards' case law on this matter; the corresponding paragraphs under point 3.4.1 have therefore been struck through. In the annex, the board had in any case, favourably for the appellant, already based its assessment on the absence of such impact.

The only point that the board wishes to add relates to the discussion at the oral proceedings regarding an amendment of ADA 2014 that continued to subsist in ADA 2015, i.e. point 6.3, especially the first sentence, which is identical in both versions. It reads: "The debit order must be clear, unambiguous and unconditional". The appellant was of the opinion that the ADA 2015 criteria were similar to those established in T 1265/10, which had thus entered ADA 2015 and which had not been present in ADA 2002 (at point 6.3).

The board confirms that the above sentence was not present in point 6.3 of ADA 2002 (Arrangements for deposit accounts and their annexes (valid as at 1 March 2002), Supplement to OJ EPO No. 2/2002) corresponding to point 6.3 of ADA 2015 (and ADA 2014).

The board however sees no reason to make a further inquiry into this point, simply because the sentence that "the debit **order** must be clear, unambiguous and unconditional" (emphasis added), in the board's view, cannot be considered as an endorsement by the EPO of the critical sentence in T 1265/10, point 15 (quoted above, at point 3.4.3) that "the **intention** to authorise already allows the Office to act on such authorisation and carry out such intent where the EPO under the deposit account system already holds such money in trust" (emphasis added). The decisive issue is whether such an **intention** can be considered to be tantamount to an **order**, a view that the board rejected above (point 3.4.3).

2. First auxiliary request: referral of a question to the Enlarged Board

In the oral proceedings the appellant requested, as a first auxiliary request, that the following question be referred to the Enlarged Board of Appeal:

Is an intention to authorize a debit account sufficient to allow the Office to act on an authorization and carry out such intent, in a situation where the debit account, the fee that is due and the account holder are clearly identifiable, and where the debit account holds sufficient funds?

According to Article 112(1)(a) EPC, a board of appeal shall refer a question to the Enlarged Board of Appeal if it considers that a decision is required to ensure

uniform application of the law or if a point of law of fundamental importance arises.

In the present case the board does not consider that, for the purposes of deciding on the present case, a decision is required on the above question either to ensure uniform application of the law or because a point of law of fundamental importance has arisen.

Moreover a question involving an important point of law need not be referred to the Enlarged Board of Appeal if the board of appeal hearing the case considers itself able to answer it beyond doubt; see J 5/81 (OJ EPO 1982, 155, headnote 2). As the board considers this to be the case, an answer by the Enlarged Board of Appeal to the appellant's question is not required. The board explained extensively in the part of the annex that is reproduced under point 1 above why an intention to authorise in the meaning of the question is not sufficient.

At the same time, the board thus gave reasons within the meaning of Article 20(1), first sentence, RPBA for the deviation from the approach followed in the mentioned earlier decisions of other boards. The board is convinced that its interpretation of the relevant provisions of ADA 2015 is compulsory. (Those provisions are based on Article 5(2) and 7(2) of the Rules relating to Fees, which in turn were adopted with regard, in particular, to Article 33(2)(d) EPC.) As a consequence, the board sees no reason to refer the question to the Enlarged Board of Appeal to ensure uniform application of the law.

3. Second auxiliary request: re-establishment of rights

Pursuant to Article 122(1) EPC,
an applicant for ... a European patent who, in spite of
all due care required by the circumstances having been
taken, was unable to observe a time limit vis-à-vis the
European Patent Office shall have his rights re-
established upon request if the non-observance of this
time limit has the direct consequence of causing ...
the loss of any other right or means of redress.

The request for re-establishment of rights of an
applicant with a professional representative acting on
its behalf is only allowable if both the applicant
itself and its representative have met the necessary
standard of care (see T 1962/08, Reasons 5.1).

Whether or not these conditions, together with the
concomitant requirements of the Implementing
Regulations, are met and the request for re-
establishment is to be granted (cf. Article 122(2) EPC)
is discussed below.

3.1 Whether re-establishment of rights is applicable

3.1.1 Loss of rights or means of redress

The two-month time limit for filing an appeal
(Article 108, first sentence, EPC) against the decision
of the examining division of 19 October 2015 expired on
4 January 2016 (Rules 126(2), 131(1), (2) and (4)
and 134(1) EPC). The appeal fee not having been paid on
or before that date, the appeal would be deemed not
filed within the appeal time limit (Article 108, second
sentence, EPC), unless the request for re-establishment
of rights was granted. The above criterion is therefore
met.

3.1.2 Inability to observe a time limit vis-à-vis the EPO

The board affirms its preliminary findings made in the annex (see point 3.3.1, page 19):

According to T 413/91 (at point 4), the word "unable" implies an objective fact or obstacle preventing the required action. Such an obstacle could, for example, consist in a wrong date inadvertently being entered in a monitoring system or an outside agency influencing the observance of the time limit (for example a delay in delivery service).

In the present case, the representative, on 28 December 2015, upon reading the "document acknowledgment of receipt" as received from the EPO and his firm's invoice, did not notice that receipt of Form 1010 was not acknowledged by the EPO. The representative was not alerted either to this fact before expiry of the time limit for paying the appeal fee on 4 January 2016. The representative in particular has not submitted that, before expiry of that time limit, he read Form 1038E filed by his assistant on 24 December 2015 which did not mention Form 1010 in the table of documents filed. As a consequence of his unawareness of the error which occurred upon filing the notice of appeal, he was unable to observe that time limit.

3.1.3 Re-establishment not ruled out by Rule 136(3) EPC

Rule 136(3) EPC reads as follows:

Re-establishment of rights shall be ruled out in respect of any period for which further processing under Article 121 is available and in respect of the period for requesting re-establishment of rights.

Re-establishment of rights is not ruled out by Rule 136(3) EPC, because further processing under Article 121 EPC is not available in respect of the time limits mentioned in Article 108 EPC; see Article 121(4) EPC. Those time limits include the two-month period for filing an appeal laid down in its first sentence, which, according to its second sentence, is complied with only upon payment of the corresponding fee.

3.2 Whether the request for re-establishment is admissible

Rule 136 EPC, in pertinent part, reads as follows:

(1) Any request for re-establishment of rights under Article 122, paragraph 1, shall be filed in writing within two months of the removal of the cause of non-compliance with the period, but at the latest within one year of expiry of the unobserved time limit. ... The request for re-establishment of rights shall not be deemed to have been filed until the prescribed fee has been paid.

(2) The request shall state the grounds on which it is based and shall set out the facts on which it relies. The omitted act shall be completed within the relevant period for filing the request according to paragraph 1.

3.2.1 Rule 136(1) EPC: two months from removal of the cause of non-compliance

The request was filed, and the fee paid, on 21 June 2016. According to the representatives' submissions, the date when the representative learnt of the failure to pay the appeal fee was the date of receipt of the notice of loss of rights, i.e. 21 April 2016. If that day of receipt was to be considered as having removed the cause of non-compliance with the period for filing an appeal under Article 106(1) EPC, then the request for re-establishment of rights would have been filed within the prescribed two-month period, and also within one year of expiry of the appeal time limit of 4 January 2016. The requirements of Rule 136(1) EPC would then have been met.

(a) The annex

In the annex (see point 3.3.2, pages 20 to 21) the board however arrived at a different provisional

conclusion. It is set out below in so far as it is still pertinent:

In its decision in T 315/90 (at point 6, affirmed by T 1465/08, point 2.1), the board held that the date of the removal was the date at which the appellants should have discovered the committed error if they had taken all due care, due care being a permanent obligation. In that case, the date of removal was not necessarily the date of receipt of the communication notifying a loss of rights. More generally, holding that due care was an obligation extending over the whole of the proceedings, the case law of the boards of appeal recognises that the cause of non-compliance may be removed already at the point in time when a representative taking all due care would have become aware that the time limit had been missed, even though in reality he or she had become aware thereof at a later stage only (cf. T 1561/05, point 2.1.3, and the cases cited there; see also T 1486/11).

In the present case, the representative was unable to observe the deadline for paying the appeal fee, which expired on 4 January 2016. As set out above [see text portion quoted under point 3.1.2], non-compliance with that period was the consequence of the fact that he did not realise from his reading of the "document acknowledgment of receipt" as received from the EPO and his firm's invoice, that receipt of Form 1010 was not acknowledged by the EPO. The representative has not submitted that, before expiry of the time limit, he had read Form 1038E filed by his assistant on 24 December 2015 which did not mention Form 1010 in the table of documents filed.

Applying the due-care requirement in the present context, a diligent representative, in the board's view, ought to have

- checked Form 1038E filed by the formalities officer on 24 December 2015 ...,
- noticed that the EPO had not confirmed receipt of Form 1010 and, consequently, that, despite the indication of the payment in the firm's invoice, such payment had not been made, taking into account that use of Form 1010 was the intended way of payment (independent of whether or not it was the proper way).

This oversight of the representative cannot be excused, even if it should have been isolated. Different from an isolated mistake that an assistant may make, such a mistake is not excusable in a representative. See R 18/13, at point 19.

As a consequence, the date when the cause of non-compliance with the time limit for paying the appeal fee was removed was not the date of receipt of the notice of loss of rights, i.e. 21 April 2016, but 4 January 2016, when the time limit expired. The date 28 December 2015 on which the representative should have discovered omission of the payment cannot yet be considered to be the relevant date as it was still within the time limit for payment. It follows that the request for restoration filed on 21 June 2016 does not meet the two-month time limit. Since the corresponding fee was also paid on 21 June 2016, the request is deemed not to have been filed.

(b) The appellant's reaction

In its reply to the annex of 17 November 2017 (page 5, first two paragraphs), the appellant, on the basis of a reproduction and annotation of parts of the EPO publication "Case Law of the Boards of Appeal of the EPO" (Case Law) (III.E.4.1.1a, first three paragraphs), objected to the board's provisional view. While acknowledging that the date of removal was not necessarily the date of receipt of the communication notifying a loss of rights, the appellant insisted that under several decisions by the boards cited there "the time period for reestablishment only started to run from a date where *somebody* noticed that *something* was amiss" (see second paragraph *in fine*). In the oral proceedings of 19 December 2017 the appellant clarified its view by citing the two further cases, T 1486/11 and T 315/90.

In T 1486/11 the appeal fee had been paid out of time, i.e. together with the filing of the grounds of appeal. The board considered that the date of late payment had triggered the two-month time limit for the request for re-establishment, not the day on which the representative had personally taken note of the loss-

of-rights communication or the date when the communication had arrived at his office, i.e. more than two months later. The board reasoned: "Had all due care been exercised, this payment could not have been made without its belatedness being noticed" (see point 1.6 *in fine*). Similarly, according to the appellant, in T 315/90, there had been positive proof that something was wrong. The attorney signed "the statement of grounds prepared by his external collaborator without consulting the file, which would have enabled him to notice that the time limit for filing this statement had not been observed" (see point 9).

In the present case, however, the problem related to the assistant carrying out the representative's instructions and the representative detecting mistakes made by the assistant in carrying out these instructions. Clear evidence was needed to show that somebody had been aware that something was amiss with Form 1010. However, nobody was aware that anything was wrong until April 2016 (i.e. when the loss-of-rights communication was received); the representative had failed to see that Form 1010 was not mentioned in the EPO's acknowledgement of receipt.

In addition, arguing that on 28 December 2015 the representative could have and should have seen it would create a perverse incentive: had the representative not looked at the acknowledgement of receipt, then there would have been no problem. This could not be the intention of the Convention; rather, it would be contrary to its spirit.

(c) The board's position

The board considers the essential criterion relied on by the appellant in this context to be irrelevant, i.e.

whether in all the cases cited "the time period for re-establishment only started to run from a date when *somebody* noticed that *something* was amiss". The reason is that, in the board's understanding, the case law is based on the general principle that due care is a permanent obligation (see the extract from the annex at point 3.2.1(a) above). That is why, according to the established case law, the date of the removal is supposed to be the date at which the appellant's representative **should** have discovered the committed error if he had taken all due care, and not a later date when he **did** in fact detect the error.

For different reasons, however, the board does accept the appellant's view that the date when the representative did in fact learn of the omitted time limit for paying the appeal fee, i.e. the date of receipt on 21 April 2016 of the loss-of-rights communication, is decisive. This is because the board has doubts as to the soundness of the above way of applying the "permanent-obligation" principle in the case law to the removal of the cause of non-compliance with a period.

Due care may be a permanent obligation for a party and its representative.

But, first, the letter of the law, i.e. Article 122(1) and Rule 136(1) EPC (formerly combined in Article 122(1) EPC 1973), does not suggest that "due care" mentioned in the former provision only should be an unwritten further criterion of the latter.

Second, as to the view of a perverse incentive (see point 3.2.1(b) *in fine*) in the sense that had the representative not looked at the EPO's receipt, then

there would have been no problem, shows that mingling "due care" with "removal" would entail the need for applying the case law on "due care" to the "removal" criterion. In the present case it would need to be examined whether there was a need for a second person to check compliance and if so, whether in the case of an assistant as second person an error could be excused, but not if the second person was a representative.

Third, if "due care" is applied in determining the date of the removal, because it is a "permanent obligation", the question would arise as to why "due care" should not also be assessed in determining whether or not there was an inability to observe a time limit. This would run counter to the passage from T 413/91 (point 4) reading: "Only when such a fact made the party unable to observe the time limit would the circumstances of the case be examined as to the second condition 'in spite of all due care'." Applying the due-care criterion in this context would however even be in line with an unbiased reading of Article 122(1) EPC according to which "an applicant ... who, in spite of all due care ... having been taken, was unable to observe a time limit ...". In the present case, for example, one might well argue that, despite his unawareness of the error of not having submitted Form 1010 (see above, point 3.1.2), the representative was not unable to observe the time limit for paying the appeal fee. It might be reasoned that due care would have required that, on 28 December 2015, he had recognised that Form 1010 had not been sent and, given that the time limit for payment only expired on 4 January 2016, he was not unable to pay. As a consequence, re-establishment of rights would not be an applicable remedy in the present case.

The above shows that the current practice of applying the due-care requirement in the context of removal of the cause of non-compliance with a period within the meaning of Rule 136(1) EPC, may well be seen as extending the meaning of the due-care requirement in a way that enlarges the scope of the essentially substantive criterion by adding to it the function of an extraordinary preliminary admissibility/ applicability hurdle. This approach to the "removal" criterion, which cannot be based on the letter of the law, is therefore doubtful.

In the present case the board leaves the question as to the approach to be followed open due to the following considerations.

In general, the reason why an omission should have been discovered before receipt of the loss-of-rights communication, removing the cause of non-compliance with the period, is different from the reason why the omission to comply with the period could or could not have been avoided. Examples are provided by the cases discussed above: in T 1486/11 the belatedness of the fee payment should have been noticed upon payment of the fee together with the filing of the grounds of appeal, and not more than two months later upon receipt of the Rule 112(1) communication. Similarly, in T 315/90 the attorney should have noticed the error upon signing the statement of grounds had he consulted the file. In both cases the lack of due care led the board to find the removal to run from the respective dates, and in both cases the lack of due care in noticing the omission was different from the due-care issue surrounding the missing of the respective

underlying time limit, i.e. belated fee payment and belated filing of the notice of appeal respectively.

In the present case, however, the due care to be exercised according to the case law in connection with the "removal" criterion is identical with one due-care aspect underlying the missed time limit, i.e. the payment of the appeal fee. For the question is whether the representative should have detected the non-filing of Form 1010 before expiry of the time limit for payment of the appeal fee: if he should have discovered it, then the re-establishment time limit would start (deferred to the end of the period for filing the notice of appeal, i.e. from 28 December 2015 to 4 January 2016) and, for the same reason, in the subsequent substantive analysis, due care in complying with the time limit would also have to be denied.

The board leaves the question open because the outcome may differ in only one respect: if the removal took place on 4 January, then the request for re-establishment may be deemed not to have been filed triggering the reimbursement of the re-establishment fee. In the analogous situation of the fee for petition for review paid outside the period under Article 112a(4), third sentence, EPC, the Enlarged Board decided that the petition for review was deemed not to have been filed and, in the absence of a legal basis for paying the fee involved, ordered its reimbursement (see R 4/15). Conversely, if the request for re-establishment is considered to have been filed in good time, then it will have to be rejected on its merits (subject to compliance with the other admissibility requirements), and the re-establishment fee will not be reimbursed. The appellant having expressly preferred the latter approach (see point VIII

above) cannot be disadvantaged if the board follows it and, in that case, the fee is not reimbursed.

3.2.2 Rule 136(2) EPC

The request of 21 June 2016 stated the grounds and facts for re-establishment and was accompanied by evidence. The omitted act, i.e. the payment of the appeal fee had already been completed on 2 May 2016 and made again, together with the filing of the request for re-establishment.

3.2.3 Conclusion

In the light of the foregoing, the request for re-establishment of rights is admissible.

3.3 Whether the request for re-establishment is allowable

Pursuant to Article 122(1) EPC, the request will be allowed if the applicant and its representative, in spite of all due care required by the circumstances having been taken, were unable to observe the appeal time limit.

3.3.1 The principles enunciated in the case law

(In general, see Case Law, III.E.5.)

For cases where the cause of non-compliance with a time limit involves some error in the carrying out of the party's intention to comply with the time limit, the case law has established the criterion that due care is considered to have been taken if non-compliance with the time limit results either from exceptional

circumstances or from an isolated mistake within a normally satisfactory monitoring system (Case Law, III.E.5.2).

It is well established that a professional representative may entrust routine tasks such as noting time limits to an assistant, provided that (i) a suitable person is chosen for that purpose, (ii) he or she is given proper instructions and (iii) the representative exercises reasonable supervision over the work of the assistant (see T 2336/10, Reasons 15, quoting from J 5/80, OJ EPO 1981, 343, paragraph 7).

An isolated mistake by an assistant that happens in a normally satisfactory system is excusable. The appellant or his representative must plausibly show that a normally effective system for monitoring time limits prescribed by the EPC was established at the relevant time in the office in question (Case Law, III.E.5.4, first paragraph).

In a large firm where a large number of dates have to be monitored at any given time, it is normally to be expected that at least one effective cross-check is built into the system. The cross-check must be independent of the person responsible for monitoring time limits (Case Law, III.E.5.4.4, first paragraph).

As to the processing of outbound mail, due care will be considered to have been taken if non-compliance with the time limit results from an isolated mistake (by an assistant) within a normally satisfactory system of processing outbound mail. Irrespective of whether or not a large firm is concerned, the duty of at least one effective cross-check built into that system is dispensed with in this situation. The reason is that,

different from the monitoring of time limits, the risk of an error in the processing of outbound mail is low because such processing generally involves the execution of straightforward steps (see T 836/09, point 5.2, third paragraph).

Different from an isolated mistake made by an assistant, a mistake made by a representative, whether isolated or not, is not excusable. See R 18/13, point 19.

3.3.2 Applying the case-law principles to the case at hand

(a) Clear instructions required

The board considers, in line with previous case law, that "filing an admissible appeal is **not a routine task**, but rather a complicated task which needs clear instructions from the professional representative to his assistant." See T 1764/08, point 18 (emphasis added).

In the present case this means that the representative would have had to instruct the assistant to not only file the letter constituting the notice of appeal, which the representative created and forwarded to her. The representative would also have had to instruct her, expressly and clearly, and in addition to the forwarding of the notice of appeal, to pay the appeal fee.

In the oral proceedings, a representative of the appellant commented on the impact of the line in the letter, "The appeal fee is paid via the enclosed EPO form 1010". He stated that this was a sufficient

instruction to the assistant who was supposed to read the letter and take the steps required by its contents.

The board disagrees holding that it is not enough to rely on the assistant's deducing the duty to file the payment form from the contents of the letter.

While the steps for paying the appeal fee in the appropriate manner may be considered to be a routine task (comparable in complexity to, for instance, generating a standard notice of appeal to be completed by the representative), it would have been the responsibility of the representative to give express and clear instructions to the effect that the appeal fee had to be paid.

Failure to give such instructions constitutes in itself a lack of due care on the part of the representative; such lack of due care is attributed to the applicant.

(b) Not checking the receipt an "isolated mistake"?

It is therefore only for the sake of completeness that the board also addresses the due-care issue already referred to in the context of removal of the cause of non-compliance with the time limit for paying the appeal fee. The situation to be assessed is the following: the assistant failed to pay the appeal fee by filing Form 1010 together with the notice of appeal on 24 December 2015, and the representative failed to recognise this omission upon checking the EPO's acknowledgement of receipt of filed documents on 28 December 2015.

- Comparison with the confusion of the outbox

In the oral proceedings the appellant's representatives advanced the argument that this situation was comparable to the one underlying case T 836/09 where the assistant who had put a document in the wrong outbox of the patent law firm (German Patent and Trademark Office (DPMA) instead of EPO) was excused.

This argument cannot be accepted. First, putting a document in an outbox is a straightforward routine task on the lowest level requiring very little thought. Conversely, while paying the appeal fee may also be a routine task, it is placed on a higher level as it requires training on the formal rules of payment and complying with those rules. Second, it was agreed between the representative and his assistant that the former would check the latter's work in the period between Christmas and New Year, given the latter's heavy workload on 24 December 2015. From this very fact it must be deduced that the representative in charge himself did not liken the task of filing an appeal, including paying the appeal fee, to putting a letter into an outbox either.

- Excusable mistake in the framework of a co-operation agreement?

At the outset it should be noted that the need for a double-check of the assistant's work by the representative in the special circumstances described above arose from their agreement. It is therefore immaterial that, in the absence of such special circumstances, a double-check, unlike in the case of monitoring time limits, might not have been required by the EPO's case law (cf. T 1355/09, point 1).

And, due alone to this need-inspired agreement, the alleged perverse incentive for a representative not to be involved in checking acknowledgements of receipt in order to avoid making *per se* inexcusable mistakes (see under "removal" above, 3.2.1(b) *in fine*, third paragraph) is obviously beside the point.

In the framework of giving effect to the above agreement, the representative did make a mistake, and this mistake cannot be excused. Different from an isolated mistake made by an assistant, a mistake made by a representative, whether isolated or not, is not excusable. See R 18/13, point 19. The Enlarged Board of Appeal, in that decision, based its finding on the legislative history of the EPC (see the discussion at point 21).

In this context it must be stressed that the point raised in the oral proceedings that the attorney doing the check thought more of the substantive part (than of formalities such as payment) is of no assistance to the representative who did not spot that Form 1010 was missing. On the contrary, the representative having agreed to check the assistant's work had to check it thoroughly. It is contradictory to claim on the one hand there was a perverse incentive not to check the acknowledgement of receipt if the representative "replacing" an assistant was held to a strict standard of responsibility, and at the same time ask for understanding of the fact that he was more occupied with substance than with formalities, the latter being the "replaced" assistant's task. Furthermore, the representative, being supposed to instruct assistants in their tasks, is not only supposed to know these tasks, but also to attribute them the proper importance when "replacing" an assistant.

For the sake of completeness, it should be added that it is immaterial for the above analysis that the representative checked the invoice to the client and spotted an item relating to the appeal fee (see point V, second to last paragraph). This invoice can obviously not prove payment having been made to the EPO.

4. Overall result

The appellant, through its representatives, did not pay the appeal fee within the appeal time limit, and the request for re-establishment of its right to pay the appeal fee within the prescribed time limit is admissible but not well founded. As payment of the appeal fee was received on 2 May 2016 and again, together with the request for re-establishment, on 21 June 2016, i.e. outside of the appeal time limit of 4 January 2016, the notice of appeal, which is deemed to have been filed on the payment date as well (Article 108, second sentence, EPC), was also filed out of time. As a consequence, the board considers that the appeal is deemed not to have been filed.

Order

For these reasons it is decided that:

1. The request to issue a communication under Rule 112(2) EPC stating that the appeal fee has been paid in time is refused.
2. The request for referral to the Enlarged Board of Appeal is refused.
3. The request for re-establishment of rights is refused.
4. The appeal is deemed not to have been filed.
5. The appeal fee is reimbursed.

The Registrar:

The Chairman:



K. Boelicke

C. Kunzelmann

Decision electronically authenticated