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**Datasheet for the decision
of 11 February 2020**

Case Number: T 1060/19 - 3.5.06

Application Number: 12855099.3

Publication Number: 2788916

IPC: G06G7/50, G06F17/50

Language of the proceedings: EN

Title of invention:

COMPUTER SIMULATION OF PHYSICAL PROCESSES

Applicant:

Dassault Systemes Simulia Corp.

Headword:

Incorrect appeal fee/DASSAULT

Relevant legal provisions:

EPC Art. 108, 122(1)

EPC R. 6, 101, 136

RFees Art. 2(1), 5(2), 7(2)

Notice from the EPO dated 18 December 2017 concerning the reduced fee for appeal (Article 108 EPC) for an appeal filed by a natural person or an entity referred to in Rule 6(4) EPC Decision of the Administrative Council of 13 December 2017 amending Article 2 and 14 of the Rules relating to Fees (CA/D 17/17)

Keyword:

Payment of the appropriate fee for appeal in time (no)
Re-establishment of rights (no)

Decisions cited:

G 0001/18, J 0005/80, J 0005/18, T 0413/91, T 1465/07,
T 1962/08, T 2336/10, T 0198/16

Catchword:

The declaration of entitlement mentioned in the Notice of 18 December 2017 concerning the reduced appeal fee can be filed until the end of the appeal period, despite the wording of point 4, last sentence, of the Notice, which must be reconciled with the meaning of point 11 of the Notice.



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Case Number: T 1060/19 - 3.5.06

D E C I S I O N
of Technical Board of Appeal 3.5.06
of 11 February 2020

Appellant: Dassault Systemes Simulia Corp.
(Applicant) 2001 Atwood Avenue, Suite 101
Johnston, RI 02919 (US)

Representative: Conroy, John
Fish & Richardson P.C.
Highlight Business Towers
Mies-van-der-Rohe-Straße 8
80807 München (DE)

Decision under appeal: **Decision of the Examining Division of the
European Patent Office posted on 28 November
2018 refusing European patent application No.
12855099.3 pursuant to Article 97(2) EPC.**

Composition of the Board:

Chairman M. Müller
Members: B. Müller
A. Teale

Summary of Facts and Submissions

I. The notice of appeal and the request for re-establishment of rights

[The following text has been taken verbatim from part A of the board's communication annexed to the summons to oral proceedings of 25 November 2019.]

1. The notice of appeal of 28 January 2019

With a letter of 28 January 2019 the applicant gave notice of appeal against the decision by the examining division of 28 November 2018 refusing European patent application 12 855 099.3. The penultimate paragraph reads as follows:

The appeal fee in the amount of EUR 1,880.00 shall be debited from our deposit account no. In case of underpayment and/or missing fees, the EPO is also authorized to debit the legally prescribed amount from our deposit account no.

The EPO form entitled "Letter accompanying subsequently filed items", in its "Fees" box 15-1, was filled out as follows:

"11e Appeal fee for an appeal filed by a natural person or an entity referred to in Rule 6(4) and (5) EPC", together with the total "Amount to be paid" of "EUR 1 880.00".

At the bottom of the letter, under the heading "Annotations", the appellant has added the following statement:

Authorization in case of underpayment and/or missing fees (John F. Conroy; 27.01.2019)

1. Remark (Annotate)

In case of underpayment and/or missing fees, the EPO is authorized to debit the legally prescribed amount from our deposit account no.

On page two, under the heading "Signatures", the following is set out:

Place: Munich
Date: 28 January 2019
Signed by: John Conroy 43696
Representative name: John F. CONROY
Capacity: (Representative)

[A statement setting out the grounds of appeal was filed on 28 March 2019.]

2. Facts and arguments submitted by the appellant

2.1 EPO improperly debited the reduced appeal fee

In a letter of 3 April 2019, the appellant explained (emphases added):

Upon review of the file and our debit account, we have noted that the **improper fee for appeal has been debited** from our account.

In more detail, contrary to the requirements of decision of 13 December 2017 (CA/D 17/17) of the Administrative Council - which are set forth in the "Notice from the EPO dated 18 December 2017 concerning the reduced fee for appeal (Article 108 EPC) for an appeal filed by a natural person or an entity referred to in Rule 6(4) EPC" - a **Declaration of Entitlement** to the reduced fee for appeal was **not filed with the Notice** of Appeal.

However, only the reduced fee for appeal was debited from our debit account. Since the **requirements** for a reduced fee payment were **not satisfied, debiting of the reduced fee** from our account was **improper**.

It is thus respectfully requested that the full fee for appeal under Art. 2(1) item 11 of the Rules relating to Fees be debited from account.

Please note that the Notice of Appeal expressly authorized debenture of the appeal fee and any underpayment thereof.

(The EPO's Notice of 18 December 2017 is published in OJ EPO 2018, A5, and will hereinafter be referred to as the "Notice".)

In a further letter of 28 May 2019 the appellant filed a request for re-establishment of rights under Article 122 EPC. Under point i. the appellant essentially reiterated the above submissions made in its letter of 3 April 2019, complemented by the following statement (emphasis added):

It is not disputed that these requests to properly debit the deposit account were accompanied by requests to improperly debit the deposit account, i.e., to debit a reduced fee payment in the amount of 1880 Euros from the deposit account of applicant's representative. Be this as it may, the **request to improperly debit the deposit account does not render the authorization to debit the proper payment ineffective or moot**. The plain language of Art. 108 EPC merely requires that the fee for appeal be paid. Art. 108 EPC does not foreclose additional payments—even if they are misleading. The authorization to debit the proper fee payment is effective to satisfy the requirements of Art. 108 EPC.

2.2 Request for re-establishment of rights

In its letter of 28 May 2019 the appellant submitted (in the second paragraph) that

On 28 March, 2019 during the preparation of the Statement of the Grounds for Appeal in the present application, Applicant's representative noticed for the first time that the improper fee for appeal had been debited from our account. This improper debiting prevented Applicant from observing the time limit for payment of the fee for appeal under Art. 108 EPC.

The appellant continued to state (in point ii., second full paragraph on page 3, to first full paragraph of page 4) that

... the undersigned representative simply did not notice the requests to improperly debit the reduced fee payment of 1880 Euros from his firm's deposit account submitted on 28 January 2019. A so-called "shell" for the Notice of Appeal was prepared by a paralegal on 25 January 2019. A copy of the shell and the e-mail exchange regarding the preparation of the shell are submitted herewith. Applicant's representative amended the shell to request grant of a patent on the basis of the requests filed during the Examination proceedings or subsequently-submitted new requests. Neither the paralegal who prepared the shell nor Applicant's representative noticed that the shell authorized debiting of the reduced fee for appeal— in addition to authorizing debit of underpaid and/or missing fees.

The amended shell was redated and filed on 28 January 2019. The authorization to debit the reduced fee was reproduced in the online filing system, along with the authorization to charge the proper fee.

This inadvertence occurred against the backdrop of an exceeding large workload placed on applicant's representative in Jan. 2019. Submitted herewith is a copy of the hours that applicant's representative billed in Jan. 2019. As shown, applicant's representative billed nearly 200 hours in January 2019.

In view of the foregoing, it is submitted that due care was in fact exercised and that re-establishment of rights in the present application is appropriate.

The appellant added (in point iii. on page 4):

For the sake of completeness, it is submitted that expectations—of either another party or of the public—would [sic] be harmed by re-establishment of the present application. The Notice of Appeal expresses a clear intent to pursue the appeal regardless of the fees due.

Neither the public nor any party could reasonably expect to ignore this intent.

[End of extract from the board's communication.]

II. The board's preliminary opinion

In its preliminary and non-binding opinion on the merits of the appellant's submissions regarding the question of timely payment, the board considered the consequences of three alternative assumptions.

The third assumption (made in point 1.4) was based on the appellant's position that the Notice provided the applicable legal provisions; the premise of the first and second assumptions (points 1.3.1 and 1.3.2) was that decision CA/D 17/17 of the Administrative Council did not require the declaration of entitlement prescribed in the Notice. On the basis of the third assumption the board considered that it might be true that, according to point 4 of the Notice, a declaration of entitlement under point 3 had to be filed at the latest by the time of payment of the reduced appeal fee. However, point 11 of the Notice implied that the declaration could still be filed up until the end of the appeal period. The EPO was unaware of whether the appellant would still file the declaration by that point in time. As a consequence the EPO was not in a position "to establish in time that the appellant, for failure to file the declaration in question, was not entitled to the reduced fee and to debit the difference amount to the full fee." As a consequence, debiting the reduced amount was not improper but in line with the provisions of the Notice.

The board also found that, under neither of the two other conceivable assumptions in relation to the payment of the appeal fee that the board discussed in its communication, was the EPO's debiting of only the reduced fee improper either.

The full appeal fee thus had not been paid before expiry of the appeal period. As a consequence, the board provisionally considered that the appeal was deemed to not have been filed (Article 108, second sentence, EPO; G 1/18, OJ 2020, A26, headnote, point 1(a)).

The board also opined that the appellant could not be re-established in its right to have the appeal considered filed within the appeal period because payment of the appeal fee was deemed to have been made in full within that period. In the board's view the appellant's representative had failed to exercise the due care required by Article 122 EPC in giving instructions to pay the appeal fee.

III. In response to the board's communication, the appellant (with a letter of 13 January 2020) sought to refute the board's preliminary opinion regarding the question of whether payment was deemed to have been made in due time. Insisting that the Notice provided the applicable law (referred to as the "third assumption" in point II above), the appellant stressed that it "did not request or even authorize the EPO to wait until after expiry of Art. 108 EPC two month window before deciding whether or not to debit the deposit account in the proper amount" (page 2 of the response, second paragraph). The hypothetical entitlement of an appellant to make a declaration after having filed a notice of appeal (as embodied in point 11 of the Notice) was thus inapplicable (*idem*, third paragraph). Point 4 expressly prohibited making a declaration after the notice of appeal had been filed (*idem*, bottom of the page).

In the oral proceedings the appellant contended that point 11 was "permissive" (referring to the term "may"

used therein several times) and did not constitute a "requirement". If the declaration was not made together with the payment, then the appellant was not entitled to the reduced fee. As a consequence, the EPO should have debited the full amount, as authorised in the notice of appeal.

In the response to the board's communication and during the oral proceedings, the appellant made no new submissions regarding the question of whether the request for re-establishment of rights could be allowed.

Reasons for the Decision

1. Whether payment of the appeal fee is deemed to have been made in time

[The following text has been taken verbatim from part B of the board's communication annexed to the summons to oral proceedings of 25 November 2019.]

1.1 The relevant legal provisions

Pursuant to Article 108, first and second sentences, EPC notice of appeal shall be filed, in accordance with the Implementing Regulations, at the European Patent Office within two months of notification of the decision. Notice of appeal shall not be deemed to have been filed until the fee for appeal has been paid.

According to Article 1(4) of the "Decision of the Administrative Council of 13 December 2017 amending Articles 2 and 14 of the Rules relating to Fees (CA/D

17/17)" (OJ EPO 2018, A4), Article 2(1), item 11, RFees was amended to the effect that the fee for appeal for an appeal filed by a natural person or an entity referred to in Rule 6(4) and (5) EPC shall be EUR 1,880. The fee for an appeal filed by any other entity shall be EUR 2,255. These amounts shall be applicable for appeals filed on or after 1 April 2018 (Article 3(4) of the aforementioned decision).

Paragraphs 4 and 5 of Rule 6 read as follows:

(4) The reduction referred to in paragraph 3 shall be available for:

- (a) small and medium-sized enterprises;
- (b) natural persons; or
- (c) non-profit organisations, universities or public research organisations.

(5) For the purposes of paragraph 4(a), Commission recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises as published in the Official Journal of the European Union L 124, p. 36 of 20 May 2003 shall apply.

1.2 *Application of the legal provisions [in general]*

Notice of appeal having been given on 28 January 2019, i.e. after 1 April 2018, the above-referenced amended provisions relating to the appeal fee apply. In the notice of appeal, the EPO was instructed to debit the appeal fee in the amount of EUR 1,880.00 from the representatives' deposit account. In the case of underpayment, the EPO was "also authorized to debit the legally prescribed amount" from that deposit account. From the contents of the "Fees" box 15-1 of EPO form entitled "Letter accompanying subsequently filed items", ... which have been reproduced above, it follows that payment of an "Appeal fee for an appeal filed by a natural person or an entity referred to in Rule 6(4) and (5) EPC" was to be made in the amount of EUR 1,880. That accompanying letter likewise authorised

the EPO, in case in particular of underpayment, to debit the legally prescribed amount from the representatives' deposit account. The accompanying letter was signed by the representative acting in the present case.

[End of extract from the board's communication.]

It follows from the above that payment was made, in any case, in the amount of EUR 1,880 on 28 January 2019, i.e. the date when the EPO received the debit order (see point 5.4.1 of the "Arrangements for deposit accounts (ADA)", OJ EPO 2017, Supplementary publication 5, pages 11-21). This was within the appeal period which expired on 8 February 2019 (Rules 126(2) and 131(1), (2) and (4) EPC). Given that the appellant, according to its own statements in its letters of 3 April and 28 May 2019, is not a natural person or an entity referred to in Rule 6(4) and (5) EPC, this amount, corresponding to the reduced amount applicable to those persons, falls substantially short of the full amount due, i.e. EUR 2,255, to be paid by all other appellants. An express instruction to debit the full amount ("the full fee for appeal under Art. 2(1) item 11 of the Rules relating to Fees") was only given in the appellant's letter of 3 April 2019, i.e. outside of the appeal period.

This means that, in the light of a substantially lower-than-due expressly authorised fee payment, the appeal will be deemed not to have been filed (Article 108, second sentence, EPC; see G 1/18, headnote, point 1(a)), unless the authorisation given in the letter accompanying the notice of appeal, "In case of underpayment ... to debit the legally prescribed amount

from our deposit account" had become effective before expiry of the appeal period.

This would have required the EPO to be in a position before the end of the appeal period to recognise the underpayment, i.e. the fact that the appellant was not eligible for the reduced appeal fee, because

- the appellant had not indicated that payment was intended for a person or entity covered by Rule 6(4) EPC (first option) or, in case of such an indication,
- the EPO should have had doubts that the appellant met the requirements of that provision (second option).

It can safely be excluded that the criterion of the **second option** has been met. Assuming that the indication under the first option was made, the authorisation to debit the legally prescribed amount in case of underpayment might have become effective if, before expiry of the appeal period, doubts had arisen for the EPO from the appellant's designation as to the payment of the proper fee and the EPO had then asked the appellant for additional information and/or evidence. In such a situation, the appellant might have clarified within the appeal time limit that it was not a person or entity falling under Rule 6(4,5) EPC, which would have caused the authorisation to debit the shortfall to take effect.

However, the short period of time available between payment of the reduced fee and expiry of the appeal period cannot be considered sufficient for the EPO to scrutinise the appellant's eligibility for the reduced fee on the basis of its then designation "EXA Corporation". The appeal period expired on 8 February 2019; the date of payment of the reduced fee was 28 January 2019. As a consequence, the EPO could

not have been expected, under the principles covered by the notion of "legitimate expectations" in the case law of the boards of appeal, to warn the appellant accordingly. The notion of "legitimate expectations" has been given the following meaning in the case law of the boards of appeal:

The protection of the legitimate expectations of users of the European patent system has **two main principles**. It requires that the user must not suffer a disadvantage as a result of having **relied on erroneous information or a misleading communication** received from the EPO ... It also requires the EPO to **warn** the applicant of any loss of right **if such a warning can be expected in good faith**. This presupposes that the deficiency can be readily identified by the EPO ...

(See Case Law of the Boards of Appeal of the EPO, 9th edition 2019, hereinafter referred to as "Case Law", section III.A., page 564, second paragraph).

Consequently, the failure to warn the appellant cannot weigh in its favour.

The appellant contended anyway that the question of whether the EPO was able to recognise that the appellant was not a person or entity under Rule 6(4) EPC (second option) did not arise.

The appellant rather asserted that the EPO should have recognised the underpayment because of a missing declaration of entitlement to the reduced fee filed at the latest by the time of payment, i.e. the appellant relied on the **first option** mentioned above.

The appellant maintained that it had asked the EPO to debit a deposit account in accordance with the Notice and express instructions in the notice of appeal and had a "reasonable and legitimate expectation" in this regard. (See response of 13 January 2020, "In re heading 1.2", page 4.)

In particular, the appellant asserted in its letter of 3 April 2019 that, by means of its submission of 28 January 2019, the EPO was authorised to debit the full amount of EUR 2,255. In this respect, the appellant referred to the Notice, which, in its view, sets forth the requirements of the above-mentioned decision CA/D 17/17 of the Administrative Council. Contrary to those requirements "a Declaration of Entitlement to the reduced fee for appeal was not filed with the Notice of Appeal. [...] Since the requirements for a reduced fee payment were not satisfied, debiting of the reduced fee from our account was improper." In its letter of 28 May 2019 the appellant added that the request to improperly debit the deposit account did not render the authorisation to debit the proper payment ineffective or moot.

In other words, the appellant maintained that, upon instruction to debit the reduced fee, the EPO was in a position to recognise that this fee was insufficient, because a declaration of entitlement to the reduced fee had not been filed by the time of payment. The appellant not being entitled to the reduced fee, the condition triggering the authorisation to debit the shortfall became effective. The board adds that, under the rules governing the payment by debit account cited above, following the appellant's reasoning would mean that the appeal fee was paid in full on the date when the instruction to pay the reduced fee and the authorisation to debit any shortfall ("in case of underpayment ... to debit the legally prescribed amount") were given.

The board is unable to subscribe to this line of argument, for the reasons set out in the following section.

1.3 Whether an appellant who, in paying the reduced appeal fee, fails to file a declaration of entitlement thereto by the time of payment, by that very failure forfeits any such entitlement

1.3.1 Declaration of entitlement: the contents of points 3 and 4 of the Notice

The requirement of a declaration of entitlement is embodied in point 3 of the Notice, the point in time by which it must be filed in point 4. More specifically,

pursuant to point 3,

Appellants wishing to benefit from the reduced fee for appeal must **expressly declare that they are a natural person or an entity covered by Rule 6(4) EPC**. The declaration shall **preferably** be worded as follows:

... the undersigned ... declares that he is **(select appropriate item)**
a natural person./
a small or medium-sized enterprise as indicated under Rule 6(4) EPC./
a non-profit organisation, a university or a or a public research organisation as indicated under Rule 6(4) EPC.

(Emphases added.)

In the light of the preferred wording of the declaration the board interprets point 3 such that it requires the appellant to expressly identify under which category of eligible persons mentioned in Rule 6(4) EPC it falls.

Under point 4, last sentence, of the Notice:

...the declaration [under point 3] must be filed at the latest by the time of payment of the reduced fee for appeal.

1.3.2 Points 3 and 4 merely interpreting CA/D 17/17?

If an appellant who, in paying the reduced appeal fee, failed to simultaneously file a declaration of entitlement thereto, by that very failure forfeited any such entitlement, then, first, a declaration under point 3 of the Notice would have to be necessary and, second, pursuant to point 4 of the Notice, such declaration would have to be furnished at the latest by the time of payment.

In this regard the board notes that Council Decision CA/D 17/17 does not require such a declaration. It does, in particular, not refer to Rule 6(6) EPC which reads as follows:

An applicant wishing to benefit from the fee reduction referred to in paragraph 3 shall declare himself to be an entity or a natural person within the meaning of paragraph 4. In case of reasonable doubt as to the veracity of such declaration, the Office may require evidence.

The Notice, taken at face value, would impose the requirements of Rule 6(6) RFees for patent applicants, even though this provision, in referring to Rule 6(3) RFees, only applies to the filing of translations by applicants, being persons referred to in Article 14(4) EPC. The Notice mentions no legal basis for its point 3 requiring an express declaration of entitlement, or point 4, in particular it does not expressly state that Rule 6(6) EPC applied *mutatis mutandis*.

In the light of the foregoing, points 3 and 4 of the Notice do not merely interpret decision CA/D 17/17 of

the Administrative Council, but impose additional duties, i.e. in particular an express declaration (point 3) to be made by the date of payment at the latest (point 4). An assessment must be made therefore of whether legal concepts or legal provisions other than decision CA/D 17/17 provide a basis for these duties.

1.3.3 Legitimate expectations

In the board's view the appellant cannot successfully argue that the Notice, in particular its points 3 and 4, apply in the present case because its representative had legitimate expectations to this effect.

In line with the case law on the notion of "legitimate expectations", quoted above (in point 1.2), "a user must not suffer a disadvantage as a result of having **relied on erroneous information or a misleading communication** received from the EPO" (emphasis added).

According to the representative's own submissions (see above, point I.2.2), he only became aware of the shortfall in payment on 28 March 2019, i.e. exactly two months after having given the instruction to debit the reduced fee and the authorisation to debit any shortfall. This means that the representative cannot have relied on the Notice at that point in time. A causal connection is therefore missing. Such a connection is required under the case law:

For applicants to be able to claim that they have relied on incorrect information in accordance with the principle of good faith, it has to be established that the **erroneous information from the EPO was the direct cause** of the action taken by the applicants and objectively justified their conduct... (Case Law, III.A.1.3, first paragraph). (Emphasis added.)

In the absence of such reliance, a party's legitimate expectations - this notion is a common thread in the appellant's response of 13 January 2020 - will be confined to the EPO applying the law correctly, but not to giving force to provisions that have no legal basis.

In this respect the board has serious doubts as to the validity of the reasoning proffered by the appellant according to which Articles 5(2) and 7(2) RFees constitute the legal basis for the pertinent provisions of the Notice, in particular its points 3 and 4 (see response of 13 January 2020, "In re heading 1.4", point iii., page 3, and "In re heading 1.3.1, point i., pages 5-6). The board will nevertheless assume *arguendo* that the provisions of the Notice that are pertinent to the present case are binding. The consequences of these assumptions are dealt with in the following section 1.4.

[The following text has been taken verbatim from part B of the board's communication.]

1.4 *Assumption: notwithstanding CA/D 17/17, Notice validly requires declaration of entitlement*

...

The appellant asserts that, with no ... declaration [of entitlement] having been filed with the notice of appeal, the EPO would have had to find that the requirements of the Notice for benefitting from the reduced fee amount were not met. Consequently, the EPO would have had to debit the full fee, because it was expressly authorised to debit the appeal fee and any underpayment thereof. Debiting the reduced fee was improper.

This reasoning disregards point 11 of the Notice, which reads:

In case of an incorrect, false or **missing declaration with payment of the reduced fee** the notice of appeal may be deemed not to have been filed or the appeal may be considered inadmissible. The **deficiency may not be remediable after expiry of the two-month time limit for filing the notice of appeal**. Appellants claiming entitlement to the reduced fee for appeal are therefore strongly recommended to ensure that when filing the notice of appeal the eligibility criteria are fulfilled and the declaration is duly made.
(Footnote omitted.)

From the second sentence of point 11 it must be concluded that, if a declaration was not made together with the payment of the reduced appeal fee, the deficiency may still be remedied until expiry of the two-month time limit for filing the notice of appeal.

It follows that the appellant could still have made the declaration after having filed the notice of appeal on 28 January 2019 until expiry of the appeal period on 8 February 2019. The EPO was not in a position to elucidate whether the appellant would still do so. The EPO was consequently not in a position to establish in time that the appellant, for failure to file the declaration in question, was not entitled to the reduced fee and to debit the difference amount to the full fee. (Nor was the EPO in a position to verify whether the appellant was an entity under Rule 6(4) EPC; see above, point 1.2 ...)

(If the EPO considered the point in time when payment was made to be relevant for determining the legal status of the appellant (see point 9 of the Notice), then there is nothing that would prevent the appellant from making a declaration at a later stage, stating

what the situation was on the earlier day of payment, i.e. what the appellant's legal status had been.)

As a consequence, debiting the reduced amount of EUR 1,880 instead of the full amount of EUR 2,255 on the basis of the instruction and authorisation given in the notice of appeal and the accompanying letter was not improper for the EPO, but in line with the provisions of the Notice.

...

The full appeal fee thus not having been paid before expiry of the appeal period, the appeal is deemed to not have been filed (Article 108, second sentence, EPC; G 1/18, ... [headnote], point 1(a)).

[End of extract from the board's communication.]

In its submissions subsequent to the board's communication the appellant repeated that, in the absence of the declaration required under point 4 of the Notice by the time of payment of the reduced appeal fee, the appellant was not entitled to the reduction. The EPO should therefore have debited the full appeal fee. The hypothetical entitlement of an appellant to make a declaration after having filed a notice of appeal (as embodied in point 11 of the Notice) was thus inapplicable. The appellant also contended that point 4 expressly prohibited making a declaration after the notice of appeal had been filed. The relevant date for making the declaration was always the actual date of payment and point 11 was merely "permissive".

The board disagrees, for the reasons already set out in its communication annexed to the summons to oral proceedings reproduced in the present section above.
The board affirms this opinion, which is complete and

now becomes final. The appellant's attempt to convert the EPO's correct response to the appellant's mistake into improper conduct, on the basis of certain provisions of the Notice (points 3 and 4) taken out of their context (point 11), must fail, regardless of the doubts as to their legal basis.

1.5 Additional observations regarding the findings in point 1.4

For further illustration, the board makes the following additional observations.

The board notes that the principles underlying points 3, 4 and 11 of the Notice are not unrelated to those underlying Rule 101 EPC. To show this, the board first (again, for ease of reference) reproduces points 3 and 4 in part, and then point 11 in full. Thereafter it paraphrases point 11 to make its interpretation of that point plain.

3. Appellants wishing to benefit from the reduced fee for appeal **must expressly declare** that they are a natural person or an entity covered by Rule 6(4) EPC. ...

4. [fourth sentence] ... the declaration **must be filed at the latest by the time of payment of the reduced fee** for appeal.

11. In case of an incorrect, false or missing declaration with payment of the reduced fee the notice of appeal may be deemed not to have been filed or the appeal may be considered inadmissible. The deficiency may not be remediable after expiry of the two-month time limit for filing the notice of appeal. Appellants claiming entitlement to the reduced fee for appeal are therefore strongly recommended to ensure that when filing the notice of appeal the eligibility criteria are fulfilled and the declaration is duly made.

11. [footnote omitted]

point 11 as paraphrased:

11. ... [a] **missing declaration** with payment of the reduced fee [is a] **deficiency [which is] ... remediable [before] expiry of the two-month time limit for filing the notice of appeal**. Appellants ... are ... **STRONGLY RECOMMENDED to ensure** that when filing the notice of appeal ... **the declaration is duly made** [in order not to miss the two-month time limit].

From point 11 as paraphrased it follows that point 4 must be read as meaning that "it is strongly recommended that" the declaration be filed together with the payment. If not, there will be a deficiency which, however, will be amenable to being remedied by supplying the declaration by the end of the two-month appeal period. The board cannot imagine any other logical reading of the combined contents of points 3, 4 and 11.

This is in line with footnote 2, added to the title of points 9 to 11 "Incorrect, false or missing declaration" of the Notice. It reads:

The following information concerns in particular the practice of the departments of the instance in considering whether an **appeal is admissible** in the context of **interlocutory revision** (Article 109(1), first sentence, EPC). (Emphasis added.)

It follows from this footnote that point 11 is meant to be, in particular, of relevance in the assessment of the admissibility of an appeal.

The term "may" that is used several times in point 11, e.g. in the phrase "may not be remediable", in the board's view, appears to be a reference, in particular, to the possibility of requesting re-establishment of rights. The use of this term therefore does not support

the appellant's view that point 11, in the present case, has no impact on point 4.

An analogy can be seen in Rule 101 EPC under which certain details required to be furnished within the appeal period can still be provided by the end thereof if they have not been filed together with the notice of appeal. According to Rule 101(1) EPC:

If the appeal does not comply with Articles 106 to Article 108, Rule 97 or Rule 99, paragraph 1(b) or Rule 99, paragraph 1(c) or Rule 99, paragraph 2, the Board of Appeal shall reject it as inadmissible, unless any deficiency has been remedied before the relevant period under Article 108 has expired.

Pursuant to Article 108, first sentence, EPC, notice of appeal shall be filed within two months of notification of the decision.

According to Rule 99(1)(b) EPC, for instance, the notice of appeal "shall" contain an indication of the decision impugned.

This wording is similarly unconditional to that in point 4 of the Notice requiring that the declaration "must" be filed at the latest at the time of payment of the reduced fee.

Applying the appellant's reasoning by analogy to the example given for Article 108, first sentence, and Rule 99(1)(b) EPC above would have the consequence that a notice of appeal filed, for instance, at the beginning of the two-month period for filing an appeal, without an indication of the decision impugned, would require the EPO to make a decision rejecting the appeal as inadmissible. Such a decision might be made immediately using a standard form. If the indication of the decision impugned were then furnished subsequently to

the adoption of that decision and within the appeal period, for example, on the last day thereof, the EPO would have to revoke its decision and reinstate the appeal. This way of proceeding, however, is foreign to the EPC. Rather, in the example, the EPO would be empowered to reject the appeal as inadmissible only after expiry of the appeal period in the event that the required indication of the decision impugned were not supplied by that point in time.

Similarly, any finding that payment of the reduced fee was improper can only be made after expiry of the appeal period in the event that no declaration of entitlement was filed before the appeal period had expired, i.e. by 24:00 hours (midnight) on the last day of that period, authorising the EPO to deduct the shortfall in the appeal fee. The absence of a declaration can only be determined on the day after expiry of the appeal period after midnight and not in the last second of the last day of the appeal period, i.e. on 23:59:59 hours (11:59:59 p.m.), as suggested by the appellant during the oral proceedings. Rather, for reasons of legal certainty, it must be absolutely clear by the end of the appeal period, i.e. by 24:00 hours (midnight) on its last day, whether or not the declaration has been received and, as a consequence, the appeal fee has been paid in the right, i.e. reduced, amount so that the notice of appeal is deemed to have been timely filed.

The analogy between points 3, 4 and 11 of the Notice, on the one hand, and Rule 101 EPC, on the other, exists despite the fact that, in the case of the notice of appeal, no blanket declaration is available that any missing details can be supplemented by the EPO (which would be impossible in the above example of the missing

indication of the impugned decision, because the EPO would not be aware of it), corresponding to the authorisation for the EPO to debit any outstanding payment. This is because the board understands the appellant's reasoning such that the missing declaration, in violation of point 4 of the Notice, would lead to an instant denial of the appellant's entitlement to a fee reduction. The appellant did not suggest that there was a legal connection between such a denial and its blanket authorisation to deduct, in case of underpayment, the legally prescribed amount from its debit account.

2. **Whether the request for re-establishment of rights can be allowed**

Neither in its response in writing of 13 January 2020 to the preliminary opinion given in the board's communication, nor in the oral proceedings, did the appellant's representative make additional submissions in substance to the contents of its reasoned request of 28 May 2019 for re-establishment of rights.

The board sees no reason to depart from, or complement, its preliminary opinion, which is set out verbatim below. **This opinion therefore now becomes final.**

[Beginning of excerpt from part B of the board's communication annexed to the summons to oral proceedings of 25 November 2019.]

2.1 *Background*

The above finding that the appeal is deemed not to have been filed cannot be sustained if the appellant can be

re-established in its right to have the appeal considered filed within the appeal period because payment of the appeal fee is deemed to have been made in full within that period. The pertinent provisions of the EPC are Article 122 and Rule 136.

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 are met and the request for re-establishment is to be granted (cf. Article 122(2) EPC) is discussed below.

2.2 *Whether re-establishment of rights is applicable*

2.2.1 Loss of rights or means of redress

As already mentioned in point [1.]2 above, the two-month time limit for filing an appeal (Article 108, first sentence, EPC) against the decision of the examining division expired on 8 February 2019. The appeal fee not having been paid in full on or before that date, but only in a reduced amount on 28 January 2019, 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 were granted. The above criterion is therefore met.

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

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 a delivery service).

In the present case, the representative stated:

On 28 March, 2019 during the preparation of the Statement of the Grounds for Appeal in the present application, Applicant's representative noticed for the first time that the improper fee for appeal had been debited from our account. This improper debiting prevented Applicant from observing the time limit for payment of the fee for appeal under Art. 108 EPC.

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.

2.2.3 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.

2.3 *Whether the request for re-establishment of rights was filed within the time limit*

Rule 136(1) EPC, in pertinent part, reads as follows:

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**.

The request was filed, and the fee paid, on 28 May 2019. According to the representatives' submissions, the date when the representative learnt of the failure to pay the full appeal fee was during the preparation of the statement of grounds of appeal on 28 March 2019. The board considering that date as having removed the cause of non-compliance with the period for filing an appeal under Article 108, first and second sentences, EPC, the request for re-establishment of rights was filed within the prescribed two-month period, and also within one year of expiry of the appeal time limit of 8 February 2019. The requirements of Rule 136(1) EPC have consequently been met.

2.4 *Whether the request for re-establishment is admissible*

For the time being, the board sees no need to assess whether the additional admissibility requirements laid down in Rule 136 EPC for the request for re-establishment of rights are met. This is because the

request is clearly unallowable as will be shown in the following section.

2.5 *Whether the request for re-establishment is allowable*

Pursuant to Article 122(1) EPC, [it is a condition for] the request ... [to] be allowed ... [that] the applicant and [according to the case law] its representative, in spite of all due care required by the circumstances having been taken, were unable to observe the appeal time limit.

2.5.1 The principles enunciated in the case law

(In general, see Case Law ... section 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, referring to J 5/80, OJ EPO 1981, 343, paragraph 7).

An isolated mistake by an assistant that occurs 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, section III.E.5.4).

In contrast to an isolated mistake made by an assistant, a mistake made by a representative, whether isolated or not, is not excusable. See Case Law, section III.E.5.4.1:

The case law on "an isolated mistake in an otherwise satisfactory system" cannot be relied on to ignore a failure to act by the professional representative himself, unless there are special circumstances (T 1095/06).

In T 592/11 the board held that an isolated mistake by a professional representative in performing his check on the time limit once he has received the file to deal with was - as a rule at least - inexcusable (see also R 18/13 with reference to the travaux préparatoires). In T 198/16 the representative did not notice that payment of the appeal fee had not been made. In contrast to an isolated mistake that an assistant may make, the board found that such a mistake was not excusable in the case of a representative. See also chapter III.E.5.5.4 e) "Ultimate responsibility of the representative".

See also the recent decision in case J 5/18, point 1.2.5.

From the representative's statement in point ii., second full paragraph on page 3, to first full paragraph of page 4 in the letter of 28 May 2019, reproduced above, at point [I].2.2, and again immediately below, the board concludes that the representative admitted having made a mistake. The portions of the statement from which the board draws this conclusion are highlighted below:

... the undersigned representative **simply did not notice the requests to improperly debit the reduced fee** payment of 1880 Euros from his firm's deposit account submitted on 28 January 2019. A so-called "shell" for the Notice of Appeal was prepared by a paralegal on 25 January 2019. A copy of the shell and the e-mail exchange regarding the preparation of the shell are submitted herewith. Applicant's representative amended the shell to request grant of a patent on the basis of the requests filed during the Examination proceedings or subsequently-submitted new requests. Neither the paralegal who prepared the shell **nor Applicant's representative noticed that the shell authorized debiting of the reduced fee for appeal**— in addition to authorizing debit of underpaid and/or missing fees.

In the present case the board is unable to recognise "special circumstances" within the meaning of the above-quoted extract of the Case Law. The board in particular cannot accept the "exceeding large workload placed on applicant's representative in Jan. 2019" as such circumstances. Diligent representatives must make sure that the workload they accept is not excessive, i.e. does not go beyond their capacity to carry out the corresponding tasks properly. Otherwise they must bear the consequences of mistakes caused by an excessive workload. (See also J 5/18, point 1.2.4 *in fine*.)

In the light of the above, the representative did not exercise the due care required by the circumstances. As both the applicant and its representative need to exercise due care, the question as to the due care of the applicant itself is moot.

2.5.2 Additional considerations suggested by the appellant's representative

The appellant added (in point iii. on page 4 of the letter of 28 May 2019), in the board's understanding, that expectations of either another party or of the

public would not be harmed by granting re-establishment. The notice of appeal expressed a clear intent to pursue the appeal regardless of the fees due, which neither another party nor the public could reasonably be expected to ignore.

In this regard, the board considers it sufficient to note that a mere intent to appeal is insufficient as long as it has not matured into a declaration to file an appeal, directed to and received by the EPO in the form and time limit prescribed by the EPC and accompanied by payment of the full appeal fee (cf. T 1465/07, point 16 *in fine*). Another party or the public will be aware that underpayment will have the consequence of the appeal being considered not to have been filed. This will allow them to ignore the intent to appeal and consider the application as having been finally refused.

2.6 *Conclusion*

In the absence of due care exercised by the appellant's representative in giving instructions to pay the appeal fee, the conditions of Article 122(1) EPC have not been met. It is therefore to be expected that the request for re-establishment will be refused.

[End of extract from the board's communication.]

2.7 The above preliminary opinion having become final, the request for re-establishment of rights must be refused.

Order

For these reasons it is decided that:

1. The appeal is deemed not to have been filed.
2. The request for re-establishment of rights is refused.

The Registrar:

The Chairman:



L. Stridde

Martin Müller

Decision electronically authenticated