Examination Matters 2019 – webinar series

Re-establishment of rights

Laurence Brüning-Petit
Rainer Viktor

Head of department, Patent Law
European patent attorney, epi

19.12.2019
Re-establishment of rights

Warming up ...

<table>
<thead>
<tr>
<th>Issue</th>
<th>failure to pay the 3rd renewal fee for Euro-PCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors</td>
<td>US applicant – new US agent – European representative</td>
</tr>
<tr>
<td>Course of events</td>
<td>Question of perspectives?</td>
</tr>
</tbody>
</table>

- Responsibility for paying annuities with applicant: docketing and monitoring entrusted to a newly appointed assistant; reminders from representatives generally used as cross check mechanism
- US agent does not offer fee services and usually instructs client at engagement or in reports; EP representative instructed accordingly
- Cause of non compliance:
  - Filing report including the disclaimer on fees overlooked by assistant
  - Applicant unaware of the US agent's fee policy
Re-establishment of rights

Admissibility – Formal requirements

<table>
<thead>
<tr>
<th>Request</th>
<th>Fee</th>
<th>Within the 2-month period</th>
<th>Within the 1-year period</th>
<th>Completion of omitted act</th>
</tr>
</thead>
<tbody>
<tr>
<td>✌️ By applicant</td>
<td>✌️ Payment within 2 months from removal of cause</td>
<td>✌️ From removal of the cause of non-compliance</td>
<td>✌️ From expiry of the unobserved time limit</td>
<td>✌️ Within the time limit for filing the request</td>
</tr>
<tr>
<td>✌️ Reasoned = core facts, i.a.</td>
<td>✌️ No timely payment: request deemed not to have been filed</td>
<td></td>
<td></td>
<td>✌️ Omitted act, e.g.:</td>
</tr>
<tr>
<td>• Fact/obstacle for non-observance</td>
<td></td>
<td></td>
<td></td>
<td>• Request for further processing</td>
</tr>
<tr>
<td>• Sequence of events</td>
<td></td>
<td></td>
<td></td>
<td>• Fee + surcharge (for renewal fee)</td>
</tr>
<tr>
<td>• Persons involved</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Request is admissible
Re-establishment of rights

**Admissibility – Unable to observe a time limit**

â—‌ Art. 122 is an *extraordinary* means of judicial remedy

â—‌ Missing of the time limit must not be intended or deliberate
  = consequence of tactical/strategical considerations
  • No change of mind due to business priorities
  • No change of mind because of commercial importance of invention has developed
Re-establishment of rights

Admissibility – Removal and person responsible

- **General rule**: matter of fact to be determined in the individual circumstances of each case

- Removal usually when a **person responsible**
  - discovers (or **ought to have discovered**) the error
  - receives the Rule 112 communication (at latest)

- Legal fiction of Rule 126(2) has no effect on the date of removal of the cause of non-compliance

} **TIP** Don’t rely on Noting of loss of rights communication – check for specific circumstances!
Re-establishment of rights

Admissibility – Removal and due care

Can the effective date of the removal be the date at which the responsible person *should* have discovered it if he *had taken all due care*?

Example:
- Assistant enters an erroneous deadline for filing the grounds for appeal in the system
- Entries exceptionally not cross-checked by colleague
- File forwarded to representative for signature of Notice of appeal; error not noticed and grounds filed too late.
Re-establishment of rights

Admissibility – Removal and due care criterion

- **Permanent obligation** on representative to observe all due care, also when assessing the date of the removal of the cause of non-compliance (T 1561/05; T 1486/11)

- **Recent development**: T 198/16 questions the practice of applying the due care requirement in the context of the assessment of the removal of the cause of non-compliance as "it enlarges the scope of the essentially substantive criterion by adding to it the function of an extraordinary preliminary admissibility/applicability hurdle".

> **TIP** Remember the "did/should" distinction
Re-establishment of rights

Allowability – Due care

Due care taken if non-compliance with the time limit results either from:

- exceptional circumstances
- an isolated mistake within a normally satisfactory monitoring system

Duty to exercise all due care is considered in the light of the situation as it stood at the time the period expired

TIP Avoid justification that measures have been taken to avoid such a mistake in the future
Re-establishment of rights

Allowability – Due care

Duty to exercise all due care applies

- first and foremost to the applicant
- to the European representative by virtue of the delegation implicit in his appointment
- local agent
- mistakes by third party imputed to applicant
Re-establishment of rights

Allowability – Due care

} TIP

§ What is the educational role of European representatives?

§ Advise your overseas correspondents generally about due care

§ In an ongoing case, at least consider advising both direct and overseas clients of
  • the significance of deadlines
  • the consequences of missing deadlines
  • the due care requirement
# Re-establishment of rights

## Allowability – Normally satisfactory monitoring system

<table>
<thead>
<tr>
<th>General principles</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>‡ Error in law not acceptable (correct 10-day Rule)</td>
<td></td>
</tr>
<tr>
<td>‡ Succession of errors • isolated mistake</td>
<td></td>
</tr>
<tr>
<td>‡ Efficient and timely reminders mechanism</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Large firms / law offices</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>‡ At least a cross-check</td>
<td></td>
</tr>
<tr>
<td>‡ If not a computer-assisted reminder system</td>
<td></td>
</tr>
<tr>
<td>‡ Effective system of staff substitution</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Small applicant / law offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>‡ Lower standards applicable</td>
</tr>
<tr>
<td>‡ Cross-checking mechanism superfluous</td>
</tr>
</tbody>
</table>
## Re-establishment of rights

### Allowability – Due care – Delegation of routine tasks

<table>
<thead>
<tr>
<th>Routine tasks</th>
<th>Selection/instruction</th>
<th>Supervision over work</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ Post: no counter check necessary</td>
<td>€ No specific qualification required</td>
<td>€ Periodical (systematic) checks necessary: depends on time limits</td>
</tr>
<tr>
<td>€ Noting time limits</td>
<td>€ Proper training/instructions necessary</td>
<td>€ Cross check system</td>
</tr>
<tr>
<td>€ Checking due dates</td>
<td>€ Support from experienced employee</td>
<td>€ Active supervision for urgent, sensitive matters</td>
</tr>
<tr>
<td>€ Preparing files</td>
<td></td>
<td>Permanent obligation to observe due care?</td>
</tr>
</tbody>
</table>

---

**Due care of (local/European) representative / applicant acknowledged**
Re-establishment of rights

Allowability – Due care – Delegation of routine tasks

Example:

- Responsibility for paying annuities with applicant
- Docketing and monitoring entrusted to a newly, temporarily appointed assistant in addition to current tasks (treatment of incoming correspondence); former employee in charge entrusted with new tasks
- Internal processing:
  - Independent docketing of due dates
  - Reminders from representatives used as fail safe to ensure that no due date is missed (cross-check mechanism)
- Assistant overlooked the filing report sent per email by the US agent.
Re-establishment of rights

Allowability – Due care – Secondary responsibility

Example (follow-up):

- US agent does not offer fee services and usually instructs client at engagement or in filing reports; he recommends using payment agencies; thus no docketing, no monitoring, no reminders

- EP representative instructed by US agent accordingly, i.e. responsibility with applicant and that monitoring/reminders not needed

Do you think that all due care is observed by both representatives?
Re-establishment of rights

**Allowability – Due care – Secondary responsibility**

Basic principles governing representatives’ responsibility

- from **full responsibility** even if fees paid by third party: obligation to monitor and send reminders persists (J 12/10)

- to **secondary responsibility** depending on the representation agreement: advisory duty in case awareness of a problem; monitoring and reminders still required (J 5/13)

**New dimension with T 942/12?**

- no obligation to monitor and issue reminders if **expressly instructed** not do so by client (see T 629/15)
Re-establishment of rights

Allowability – Due care – Secondary responsibility

} TIP

a. In case the client does not want further reminders, his behaviour does not meet the requirement of due care: Confirmation of an instruction to let a patent lapse must include an indication that no further reminders will be sent and that complete loss of rights is impending

b. The client's instruction "not to take any further action" is not in accordance with the duty of due care to take care of deadlines; it means that future deadlines are intentionally ignored (see a.)

} To avoid confusion and show all due care at your end: inform the client.
### Re-establishment of rights

#### Allowability – Exceptional circumstances

<table>
<thead>
<tr>
<th>Event:</th>
<th>Exceptional circumstances:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Internal reorganisation, removals and transfers of portfolios</td>
<td>- If implementation of formal procedure, under responsibility of a qualified person</td>
</tr>
<tr>
<td>- Serious and sudden illness</td>
<td>- Sufficient evidence; staff substitution may be required</td>
</tr>
<tr>
<td>- Deficiencies in computerised systems</td>
<td>- Installation of a new computer system or testing phase of a new digital document management system</td>
</tr>
<tr>
<td>- Financial difficulty</td>
<td>- Not genuine and beyond the applicant’s control</td>
</tr>
</tbody>
</table>
Re-establishment of rights

Allowability – Due care – File management software

TIP

- Computer program needs to comprise a check of plausibility for manual input
- If two separate databases are used, they must be synchronized
- Separate deadlines must be noted for different procedures (formal appeal and fee, formal appeal and grounds) and, further, separate reminders or follow-up dates must be generated
- Regular back-ups or other data saving measures are essential

Submit full details of your system and working procedures

Prepare this description in advance (no time pressure)
Questions

now via chat

later via mail academy@epo.org