

Kluwer Patent Blog

Re-establishment – How Much Must the European and National Patent Applicant Care?

Thorsten Bausch (Hoffmann Eitle) · Monday, July 15th, 2019

One of the worst nightmares or, in a few cases, real events in a patent professional's life is when he/she realizes that an important term has inadvertently been missed and the usual means of term extension are no longer available. What then? Will the hardship of the applicable European or national statute inevitably hit you? Is all that is left a call to your insurer?

Fortunately, no. Both the European Patent Convention and the applicable national law (in case of a national patent application) provide that the applicant may have his rights re-established under certain circumstances. Just take Art. 122(1) EPC as an example:

An applicant for or proprietor of 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causing the refusal of the European patent application or of a request, or the deeming of the application to have been withdrawn, or the revocation of the European patent, or the loss of any other right or means of redress.

Thus, if the applicant (or patentee) took “*all due care required by the circumstances*”, yet nonetheless was unable to observe a time limit, he may save his skin if he files a request for re-establishment of rights timely and in due form, while faithfully observing the remaining requirements of Art. 122 EPC and of Rule 136 EPC.

In view of the vagueness of the term “all due care required by the circumstances”, it will not surprise readers that a voluminous body of case law has accumulated over the years, which is summarized [here](#) on no less than 23 pages (Chapter III.E.5). I will not dare to even begin condensing it yet further. Instead I thought that the following extract from a recent decision by the Legal Board of Appeal (J 5/18) may provide a useful summary:

1.2.2 From this it is clear, that in the first place, it is the applicant who has to observe all due care. If a professional representative is appointed, the duty of all due care applies both to the applicants themselves and their professional representatives (J 5/80, OJ EPO 1981, 343, reasons 4; J 3/08, reasons 4; T 742/11, reasons 3; T

2274/11, reasons 3). All due care must also be applied by third persons who are not professional representatives if they are entrusted with a patent application by an applicant (J 3/08, reasons 8; J 9/16, reasons 5, 30; J 3/88, reasons 3). This is justified because these persons are then acting for the applicant and perform the necessary steps in the procedure in the applicant's place (J 3/08, reasons 4, 8). Thus, it has been decided in a number of decisions that a non-European representative can also be held responsible for meeting the obligations of any representative whose duty it is to care for their client's interests, irrespective of whether such representative is entitled to represent before the EPO or any other patent office (J 25/96, reasons 3.2; J 9/16, reasons 30; J 3/88, reasons 3). Moreover, it has to be noted that the monitoring of specific time limits that were set expressly does not depend on knowledge of EPC law (J 9/16, reasons 30), so that a non-European representative also has to take all due care to guarantee that the given time limits (in the present case the time limit for further processing) are observed.

1.2.4 (...)

Regarding the duties of a representative, the established case law of the Boards of Appeal recognises that not everything must be done personally by the representative; rather, routine tasks can be delegated to assistants. Nevertheless, representatives cannot relieve themselves of the responsibility for carrying out tasks which, by reason of qualification, fall upon them personally, such as, for example, assessing whether everything has been done to observe a time limit (R 18/13, reasons 21). If the representative delegates such tasks to an assistant or relies on the assistant's notes, and if the assistant makes an error in the course of that work which results in the failure to observe a time limit, the representative cannot establish that they took all due care required by the circumstances. Rather, once the representative gets the file on their desk for their own action, in order to comply with the relevant time limit, responsibility passes to that representative in all respects. The administrative system has worked satisfactorily in so far as the case has been forwarded to the representative. Once it is in the representative's area of responsibility, it is recognised in the case law of the Boards of Appeal that it is part of the general duties of the representative to perform an own assessment irrespective of the reliability of the assistant (R 18/13, reasons 21; T 439/06, OJ EPO 2007, 491, reasons 10; T 1561/05, reasons 2.3.2; J 1/07, reasons 4.8). This also applies if the representative's workload is high due to a transfer of cases from another attorney, because a high workload does not absolve a representative from responsibilities or lessen the degree of due care required.

1.2.5 Unachievably high duty for the representative

This requirement of due care – contrary to the appellant's line of argument – does not implement an unachievable high duty or an overly strict approach but is in line with the intention of the legislator as reflected in the clear wording of Article 122(1) EPC. This article clearly refers to “all due care required by the circumstances having been taken” and not “all due care having been taken most of the time”.

Furthermore, the exception from the high standard of due care is only available for assistants who are merely carrying out routine duties; it is not available for representatives who are entitled to act on behalf of the applicant (R 18/13, reasons

21). In the exercise of their duty of care, a representative who is responsible for the client and acts on behalf of it is not to be equated with a mere assistant (R 18/13, reasons 19). Being therefore different from an isolated mistake that an assistant might make under certain circumstances, such a mistake is not excusable if made by the representative (R 18/13, reasons 19; T 198/16, reasons 3.2.1 (a)).

A historical interpretation of the law as made by the Enlarged Board of Appeal in R 18/13 shows that the reports on Article 122 EPC, only state that “the Conference did not want to rule out that an employee could be excused”, while the possibility of apologising for any fault on the part of the applicant or the representative was not discussed. This means that an excuse for the representative’s fault was out of the question.

The case law on “an isolated mistake in an otherwise satisfactory system” cannot thus be relied on to ignore a failure to act by the professional representative themselves. As a consequence, and as also acknowledged by the Enlarged Board of Appeal in R 18/13, an obvious mistake – however isolated – by a representative in performing the assessment once they have received the file does not comply with the requirement of all due care (R 18/13, reasons 21).

What has interested me for this blog is how the European standard for re-establishment, i.e. “all due care required by the circumstances” compares with the respective requirements on a national level in some of EPC member states. So, let’s have a look at the respective provisions in DE, GB, FR, NL, IT and ES, before finally turning to Norway, where there has recently been an interesting new development.

Germany

We can deal with Germany relatively quickly. The applicable statute is Section 123 of the Patent Act, which reads in the [GPTO’s translation](#) as follows:

(1) Any person who, through no fault of his own (ohne Verschulden), has been prevented from observing a time limit vis-à-vis the Patent Office or the Patent Court, the failure of observing it being detrimental to his rights according to the provisions of the law, shall, on request, have his rights reinstated.

The legal term “ohne Verschulden” looks different from the EPC term “trotz Beachtung aller nach den gegebenen Umständen gebotenen Sorgfalt“ (despite all due care required by the circumstances), but actually the difference, if any, is not significant. This is because the responsible patent professional is deemed to act at least negligently, and thus with “Verschulden” (through fault assigned to him), if and when he/she has not taken all due care required by the circumstances to avert the error resulting in the missing of the deadline. Thus, to the extent I am able to say, there is no tangible difference between the requirements in the EPO and the GPTO when it comes to requests for re-establishment.

United Kingdom

Rather than trying to summarize the national provisions in the other EPC member states myself, I thought it is better to have experts from the various jurisdictions to present the law in their home turf. The first person to acknowledge here is my London partner [David Lethem](#), who reports the following from the United Kingdom:

“Restoration of an application (Section 20A), restoration of a claim to priority (Section 5(2)) and restoration of a lapsed patent due to non-payment of a renewal fee (Section 28) all share the same hurdle that the failure leading to loss was “unintentional”.

The relevant terms for requesting restoration, all of which are strictly inextensible, are:

Section 20A – two months beginning immediately after the date on which the removal of the cause of non-compliance occurred or, if it expired earlier, twelve months beginning immediately after the date on which the application was terminated;

Section 5(2) – sixteen months beginning immediately after the earliest priority date being (correctly) claimed; and

Section 28 – thirteen months after the month in which the renewal fee was due.

An application for restoration typically needs to be accompanied with evidence in the form of sworn statements which explain the facts behind the failure and which support the contention that the failure was unintentional; see *Matsushita Electric’s Patent* [2008] RPC page 35. In my experience, the threshold for demonstrating that loss was unintentional is set low by the UKIPO such that any reasoned case is allowed. Two situations where a loss was not accepted as being unintentional are: (i) where there has been a change of mind after the initial period has lapsed in accordance with *Heatex’s Application* [1995]RPC page 546, and (ii) the applicant has no money to pay a fee; see *Porter’s Application* BL O/144/09 and *Perry’s Application* BL O/454/13.”

France

There are basically two different remedies in France to re-establish a patent:

1. Informal, ex gratia appeal of the affecting decision

This remedy is provided by the general administrative law, which is directly applicable to the decisions of the Institute National de la Propriété Industrielle (INPI) by virtue of their administrative nature. This remedy basically corresponds to Rule 112(2) EPC and is accordingly relevant only if the findings in the decision affecting the applicant are inaccurate or wrong. Unlike Rule 112(2) EPC, the French provisions only allow for one month as of the issuance of the decision affecting the applicant to request the INPI to withdraw its decision.

2. Re-establishment procedure

Restoration of an application and a lapsed patent due to non-payment of a renewal fee (both Article L.612-16 of the Intellectual Property Code “IPC”) as well as restoration of a claim to priority (Article L.612-16-1 IPC) all share the same hurdle that the failure leading to loss was justified by a “legitimate excuse”.

The relevant terms for requesting restoration, all of which are strictly inextensible, are:

Article L.612-16 IPC – two months of the date on which the removal of the cause of non-compliance occurred or, if it expired earlier, twelve months of the date on which the unobserved

deadline expired.

Article L.612-16-1 IPC – fourteen months of the earliest priority date being (correctly) claimed or, if it expired earlier, the date of completion of preparation for publication of the application.

An application for restoration typically needs to be accompanied with evidence in the form of sworn statements which explain the facts behind the failure and which support the contention that there is a legitimate excuse to the failure. The “legitimate excuse” threshold is lower than the “all due care” of the EPO, but apparently higher than the UKIPO one. As a matter of fact, the INPI usually requires that the facts behind the failure result from “an impediment, an accidental occurrence or, more generally, a cause foreign to the patentee, which is neither attributable to his will nor his fault or neglect” (see, e.g., Paris Appeal Court, 31 October 1984 and 19 December 1984). Therefore, the failure should not only be unintentional, but also foreign to the applicant/proprietor and not caused by any neglect. For instance, an unintentional failure from an employee of the applicant/proprietor is considered to be a neglect, which is furthermore directly attributable to him (see, e.g., Cassation Court, 25 February 1974). The INPI is typically inclined to accept the re-establishment if the failure results from a qualified representative, whose possible failure is rendered unpredictable for the applicant/proprietor because of that qualification (see, e.g., Paris Appeal Court, 12 March 1997 and Cassation Court, 19 February 1985).

Kudos for this contribution to my colleague and French Patent Attorney [Olivier Catania](#).

Italy

As regards Italy, Dott. [Marco Benedetto](#), Managing Director of Hoffmann Eitle S.R.L. Milano, reports the following:

“Art. 193 of the Italian Industrial Property Code (CPI) provides the requirements for the application of the Re-establishment of IP rights in Italy.

In particular, Art. 193 co.1 CPI states that

“The applicant or holder of an industrial property title which, despite having used the due diligence required by the circumstances, it was unable to observe a deadline before the Italian Patent and Trademark Office or the Appeals Commission, it is reinstated in its rights if the impediment has as a direct consequence the rejection of the application or of a request relating to it, or the lapse of the industrial property title or the loss of any other right or faculty of appeal.”

From a procedural point of view, Art. 193 co. 2 CPI states that

“Within two months from the date of termination of the impediment the omitted act must be completed and the request for reinstatement must be presented with the indication of the facts and justifications, and with appropriate documentation. The request is not receivable if a year has passed from the expiry date of the unobserved term. In the event of failure to pay a maintenance fee or renewal fee, said one-year period begins on the day the term for a valid payment of the fee expires. In this case it must also be attached the proof of the fee payment, including the late payment

fee.”

The restoration of a claim to priority is possible under Art. 193 co. 5 CPI if the requirement “due diligence required by the circumstances” is proved by facts and evidences. The term for filing the request is two months from the end of the 12-month priority period.

In Italy, the restoration of an application (Art. 193 co. 1 CPI), restoration of a lapsed patent due to non-payment of a renewal fee (Appeals Commission decision of June 23, 2016, n.° 36) and restoration of a claim to priority (Appeals Commission decision of September 26, 2011; n.° 14/11) all share the same hurdle that the failure leading to loss happened despite having used the due diligence required by the circumstances.

In my experience, the burden of proof requested by the applicant or holder of an industrial property title for demonstrating the application of the due diligence required by the circumstances is very high.”

Spain

The situation in Spain is summarized by my colleague [Miguel Ángel Martínez](#) as follows:

“The requirements for re-establishment of rights in Spain are regulated by Article 53 of the Spanish Patent Law (SPL) “Ley 24/2015” and Article 70 of the Implementing Regulations “Real Decreto 316/2017”.

Article 53 SPL clearly refers to “diligencia requerida por las circunstancias”. This means that re-establishment of rights will only be allowed if the party can prove that all due care required by the circumstances has been taken.

All due care requires proof that the non-observance was caused by i) one-time error in ii) a properly working system.

In order to demonstrate that the situation was caused by an isolated error it may be helpful and convenient, if possible at all, to provide the Spanish Patent Office with a long list of successful cases.

Moreover, it is crucial to prove that the internal system is in fact a reliable system. In order to so, we usually recommend providing the Spanish Patent Office with:

- i) An exhaustive description of the time limit monitoring system employed (for example internal protocols describing the steps which are normally taken in order to manage time limits). It is important that the system comprises at least one effective cross-check and a reasonable supervision of the representative.
- ii) CV of the person who made the error in order to show that he/she is a person actually qualified for monitoring deadlines.
- iii) Sworn declarations of the employees, explaining that they know and carefully follow the internal protocols, are also recommended.

The time limit for filing the re-establishment of rights (request, fee and omitted act) is two months of the removal of the cause of non-compliance with the period, but at most one year of expiry of the unobserved period (Article 53.2 SPL).”

The Netherlands

As summarized by my colleague [Frodo Ferro](#) from Hoffmann Eitle B.V. in Amsterdam, the situation in the Netherlands is as follows:

“Art. 23(1) of the Dutch patent act contains a provision similar to the European Patent Convention for reinstatement of rights. Materially, the requirements are the same as under art. 122 EPC, which means that re-instatement is only possible in case a time limit was missed due to a mistake, despite all due care required in the given circumstances. Like under art. 122 EPC, there are strict time-limits within which the corresponding request has to be filed at the Dutch patent office: not later than 1 year after the time limit, and within 2 months after removing the cause of non-compliance.

The provision provides that, with two exceptions, any right can be re-established if this was lost as a direct consequence of the missing of any time limit. The first exception is the time-limit for requesting re-establishment itself. Secondly, the right of priority is excluded because this is per art. 23(6) subject to implementation of secondary regulations which have not yet been enacted. To what extent Patent Law Treaty art. 13 could be invoked directly to re-instate a priority right is an open question.

Case law repeatedly states that “due care” requires an adequate system with double checks to prevent foreseeable mistakes, performed by well trained and instructed personnel. In practice, in about 15% to 20% of the cases the requirement of due care is considered to not have been met, mainly because the system was deemed not adequate (using outlook flags to monitor deadlines without double checks, allowing deleting of dates without double checks) or because the personnel, without an appropriate reason, did not operate according to the instructions (e.g. deleting the deadline in the system prior to completing the acts, ignoring reminders).”

Norway

Finally, let us turn to Norway, which is a country of particular interest in connection with re-establishments, since some changes to the Patent, Designs and Trademark Acts were passed through the Norwegian parliament in a first reading on 16 May and a second reading on 21 May 2019. As [Anne Taucher](#) from oslopatent reported, “the new legislation now only needs the signature of the King, who will also set a date for when the changes will become effective. Her guess is that the effective date will be some time in July or August 2019.

The changes are what one might call a potpourri of legislative work that needed to be done to keep the Norwegian legislation up to date and in line with the Patent Law Treaty, EU law, the PCT and the EPC. They concern mostly formal changes, and seem to encompass many suggestions to legislative changes made in the course of several years. Some changes were only a matter of wording, not intent. However, some are more crucial, such as “can one request administrative limitation during court proceedings” or so. Perhaps in order to simplify matters for the Parliament, the changes were grouped together under the heading “simplifications”. The heading certainly seems to have simplified matters! The changes were passed without comments.

The following concentrates on changes to the re-establishment of rights according to the Norwegian Patents Act Section 72 (corresponding to Rule 122 EPC), the Trademarks Act Section 80 and the Designs Act Section 50, which set out the requirements for re-establishment or restitution of rights following a non-compliance with a due date.

One change that was passed concerns patents only. The last possible date for requesting re-establishment of rights following the non-payment of an annuity was extended to 12 months after the due date for paying the fee with a fine, instead of 6. This was done in order to harmonize legislation with the EPC and legislation in other Nordic countries.

Another change that only concerns patent cases is that the exception from re-establishment of rights when the 12-month priority period was not observed, has been removed. This brings Norwegian legislation into harmony with the EPC, and makes it possible to remove Norway from WIPO's dwindling list of countries having reservations according to Rule 49ter.1(g) PCT. It also removes the problem where European patents that had their priority rights re-established by the EPO according to the EPC, but contrary to Norwegian legislation, were nonetheless validated in Norway. So this was a necessary adjustment in order to harmonize with the PCT and the EPC.

A re-establishment of priority rights after non-observance of the priority period for trademarks and designs was suggested during the hearing, but rejected by the Ministry of Justice since there seemed to be no precedents for such a change in other jurisdictions.

Simultaneously with these obviously needed changes to the re-establishment of rights to patents, Norway decided to migrate from the "all due care" criterion to "unintentional" for all cases.

Until today, rights could only be re-established in Norway if the applicant or rights owner could prove that he and his representative had taken all due care which may reasonably be expected. The wording was not quite identical for patents, trademarks and designs, but what it all adds up to was that the NIPO applied the "all due care" criterion when assessing the possibility of a re-establishment of rights. As might well be imagined, the word "reasonably" was often a cause of debate and many hours of lost sleep. Cases were debated before the NIPO, the KFIR (Norwegian board of appeal) and the courts.

With the new legislation, rights can be re-established if the applicant or rights owner documents that the non-compliance with the due date was unintentional. As might easily be understood, some of the responses during the hearing were concerned about the word "document". There were worries that this might lead to "*unintentional*" being just as hard to prove as "*all due care*". The wording of the new legislation does not take this into account, but in the explanations to the new legislation, the Department of Justice states that rights owners should explain how it came to pass that the due date was unintentionally not observed. The NIPO should then accept this declaration at face value, without probing further into the matter. Future case law will show how this will be handled in practice.

The due date for requesting re-establishment of rights will remain unchanged: 2 months from the removal of the obstacle and a maximum of 12 months from the due date. Re-establishment of priority rights will have its own due dates, in accordance with the PCT and the EPC.

In its explanations for the proposed changes to this particular bit of legislation, the Ministry of Justice states that this will simplify matters and relieve businesses' bureaucratic hindrances. The "*all due care*" criterion is subject to the discretion of the person(s) that assess the situation, reduces predictability and induces a heavy workload on the NIPO. Especially in patent cases, the assessment of this criterion has led to a large number of court cases and each case has had to be assessed extensively. This has made the situation unclear, since it has often taken many years before a final decision was taken, and uncertain both for rights owners and third parties. It was

argued and hoped that replacing the “*all due care*” criterion with “*unintentional*” will simplify matters for the rights owner and also for the NIPO. Finally, it is expected that with this criterion in place, there will be few appeals in these matters in the future.”

Summary

Having arrived at the end of our summer journey through Europe, it can be stated that the national provisions on re-establishment of rights are similar to each other and to Art. 122 EPC, but there are also notable differences in the standard of care that the respective national jurisdictions require applicants and their representatives to comply with. While the EPO’s „all due care“ standard seems to be applicable, more or less, in DE, FR, IT, ES and NL, the UK and – as of now – NO apply a more applicant-friendly standard, i.e. that the loss of rights must have occurred unintentionally. It will be interesting to see whether other countries will follow Norway’s example and move towards this more applicant-friendly standard.

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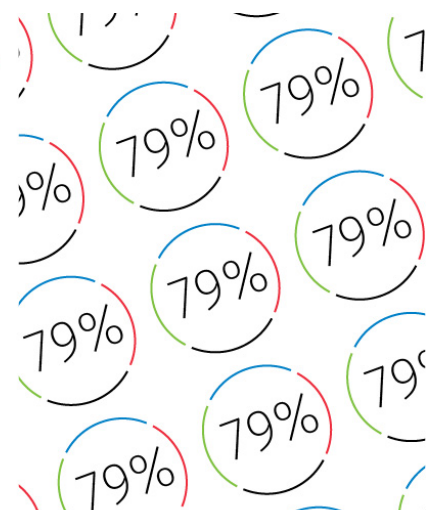
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