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**Registry of the Enlarged Board of Appeal**
**For the attention of Mr Wiek Crasborn**
**(wcrasborn@epo.org)**

| **Your reference** | **Date** |
| --- | --- |
| G 1/18 | 23 October 2018 |

**Amicus Curiae Brief**

As to the point of law referred by the President of the European Patent Office and in regard of the communication from the Enlarged Board of Appeal concerning case G1 /18 (OJ 2018, A71) I submit the following statements pursuant Art. 10 RPEBoA.

The following statements represent **my personal opinion only** and they are not filed in my capacity as patent examiner of the European Patent Office. Departing from the arguments ready put forward in T 1553/13 of 20.02.2014, T 2017/12 of 24.02.2014 and T1897/17 I would like to provide additional compelling reasons to deviate from the established approach of regarding an appeal filed out of time as *deemed not to have been filed*.

1. Is the legal fiction defined at Art. 108 EPC the sanction "deemed not filed"?

> The wording of the legal fiction defined at Art. 108 EPC, second sentence, "shall **not** be *deemed to have been filed*" is different than the wording of the legal fiction "*deemed **not** filed*" at, eg. Art. 14(4) EPC or R. 50 EPC.
>
> The negative particle "not" is before the defined legal fiction "deemed (...)". In the french version it is the same: Le recours **n'**est *réputé formé*. In the german version it is slightly different (formulated in positive terms) "*gilt* (erst) *als eingereicht*".

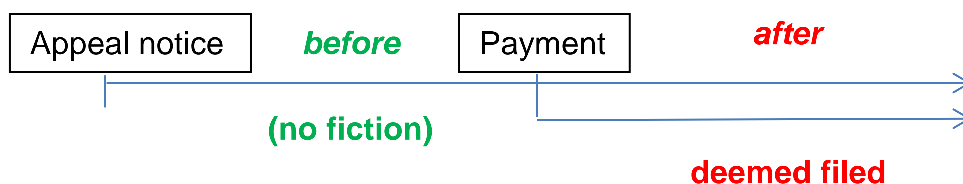
Therefore, it can be argued that the legal fiction defined at Art. 108, second sentence is not the sanction of *deemed not filed* but a different legal fiction.

By placing the particle "not" (n', erst) before the fiction no further fiction is automatically created for the period *before* the fee for appeal has been filed.

The particle "not" *before* the fiction "deemed to have been filed" arguably means that the fiction "deemed to have been filed" does not apply for the period *before* the fee for appeal is filed. That's all.

No automatic operation of law and no automatic *deemed not filed* are created for the period *before* the appeal fee is paid.

The fiction of *deemed filing* of the notice of appeal upon payment of the fee also presupposes that the notice of appeal has been filed (R. 99, paragraph (1b), (1c) and (2) EPC) before the payment of the appeal fee has been made. If the appeal notice is filed after the payment, the fiction does not apply.




The goal of the fiction created at Art. 108, second sentence, should be understood, when read together with the first sentence, to create the fiction that the effective date of filing of the appeal is postponed until the date at which the payment has taken place. Thus, if the payment takes place late the effective filing date of the appeal notice is also late.

In that case R 101(1) EPC clearly specifies that "if the appeal does not comply with Articles 106 to 108 (...) the Board of appeal (...) shall reject it as inadmissible", the reason being that the appeal is deemed filed late because the appeal fee was paid late. **Therefore, the reference to Art. 108 EPC in R 101 (1) EPC should not be ignored from the outset.**

The current practice that a late filed appeal - either because the payment was late **or** because the appeal notice was late (see T 1325/15 r. 37, second paragraph) - renders the appeal "deemed not filed" instead of inadmissible is thus questionable.

*1.1 The fiction "shall not be deemed to have been filed" is no sanction per se*

It is undisputed, I believe, that in case the notice of appeal is filed before the payment of the appeal fee is made, the date of filing of the appeal is deemed to be the date of the payment, provided both events take place before the two months period pursuant Art. 108, first sentence.

Therefore, the fiction of Art. 108, second sentence, is **no sanction** *per se*.

According to the current practice however, the fiction of Art. 108, second sentence would operate completely differently in case the payment is done outside the two months period so that instead of shifting the filing date of the notice of appeal, the appeal is "deemed not filed" because of late payment, a legal consequence that is not defined anywhere in appeal proceedings (with the exception of e.g. R. 50, Art. 14(4) EPC etc.).

*1.2 In pari materia: Request for examination pursuant Art. 94 (1) and (2) EPC*

Art. 94(1) also uses the fiction that "the request shall not be deemed to be filed until the examination fee has been paid". According to the above interpretation the meaning of the fiction is limited to the eventual postponement of the effective filing date of the request for examination. Luckily, Art. 94(2) EPC does provide for a legal sanction suitable for using the notice of loss of rights (see R 112(1) EPC), namely that if no request for examination has been made in due time (i.e. taking into account the postponent due to a late payment of the examination fee), the application shall be deemed to be withdrawn.

Such sanction by automatic operation of law (such as "appeal deemed rejected") is not present in appeal proceedings under the EPC.

*1.3 In pari materia: "shall not be deemed to have been filed" in Rule 123 (3) EPC*

The above interpretation appears to be supported by Rule 123 EPC were a party may request that the EPO takes measures to conserve evidence of facts liable to affect a decision. According to Rule 123(3) EPC the request shall not be deemed to be filed until the prescribed fee has been paid. In this case it is evident that the fiction defined at Rule 123 (3) is that the effective date of the request of conservation is that the effective filing date of the request is just postponed until the prescribed fee has been paid. It does not mean that the request of conservation of evidence is deemed not filed.

## 2 *Late payments under the procedure of R. 112 EPC (Loss of rights)*

### *2.1 Ne bis in idem*

Assuming *arguendo* (see point 2.5 below) that a loss of a right results from the convention by automatic operation of law when the appeal fee is paid late, the principle of *ne bis in idem* and the principle of legal certainty should prevent the board of arbitrarily using either the procedure pursuant R 101(1) EPC, the procedure under Art. 106 (2) EPC or the proceedings under R 112 EPC.

### *2.2 Problems of a decision according to R. 112(2) EPC – Decision on the loss of rights*

I note that if the proceedings under R. 112 EPC is to be followed, which appears to be *ex parte*[1], in case the board considers that it shares the opinion of the party requesting the decision on the matter, it shall *inform* the party but **it shall not take a decision** (see R.112(2) second sentence). Since a decision is only taken if the board does not share the opinion of the party requesting it, in case of several appellants (*inter partes*), the other parties would have a legitimate interest to challenge the implicit decision (and without reasoning) informing the party that the finding of a loss of rights was inaccurate.

In that case the board would have to reopen the question of the loss of rights and find a way, using Art. 106 (2) EPC or perhaps just look at R 101 (1) EPC and consider the problems allied to the alleged loss of rights under admissibility involving all appellants so that an appealable decision about the legal valid filing date of the appeal would be issued for the first time by the board. The question arises how would be the board then be bound to the previous findings presented in an implicit decision without reasoning when reopening the case. If the case were regarded as *res judicata*, it would represent a **programmed procedural violation in the convention**.

### *2.3 A decision instead of a loss of rights – in pari materia*

In G1/02 the EBoA the question whether “deemed filing” and admissibility are **two different issues** was considered (see r. 1.3) but it concentrated on the question of delegation of powers.

[1] see guideline E-VIII-1.9.3.

Notably, in case G1/90 the Enlarged Board of Appeal was confronted with the question whether a notice of loss of rights or a decision should be issued. The principles laid down in G1/90 are pertinent to the referred point of law *in pari materia* and make clear that "the two stage procedure of R. 112 EPC is more complex than an immediate decision" (see point 17).

In G1/90, the EBoA stated that due to the unambiguous wording of the EPC's provisions together with their general context, revocation of a European patent under Article 102(4) EPC ALWAYS require a decision (see r. 18).

By doing so the practice to use the procedure under R. 112 EPC (R 69 EPC 1973) was discontinued. In G 1/90 the EBoA further stated that (see r. 13):

> "Appealable decisions are not reserved for questions of substantive patent law and are by no means pointless even in connection with non-observance of time limits for complying with formal requirements. (...) For example the time at which a fee was paid may be disputed on a merely factual level, but the effective date of payment may also be debated as a point of law".

Applying G1/90 r. 4 at the present case (**rewording the provisions** in terms of the relevant appeal provisions):

> "The wording of *R. 101* EPC indicates clearly that in the event of failure to comply with specific formal requirements it is the *board*'s duty to reject the *appeal* by decision. If a loss of rights by operation of law had been the intention, the legislator could have expressed this with the standard terminology of the Convention using the words *"appeal deemed rejected"*.

*2.4 "Timely" payment as precondition?*

**It has been argued that the *timely* payment of the appeal fee is no pre-requisite for the admissibility of the appeal but just a pre-requisite of its legal existence (*wirksamkeit*)** (see "Europäisches Patentübereinkommen, Münchener Gemeinschaftskommentar, Moser, 20. Lieferung Juli 1997" Art.108 Rn. 27-28 and Art. 111 Rn. 36 and Mofang in Schulte – Patentgesetz mit EPÜ Kommentar, 10 Auflage 2017, Art. 108, points 26-3, p. 985-986).

Although Van Empel point 393[2] mentions that payment is a precondition for any action by the EPO, **Van Empel** also considers the time limit pursuant Art. 108 as part of the admissibility requirements (see points 502 and 511):

> 2. Admissibility
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> **502.** To be considered in this regard are:
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> - decisions subject to appeal
> - grounds on which appeal may be based;
> - parties who may appeal;
> - time limit

At point 511 it is specified:

> d. Time Limit
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> **511.** According to Article 108, a written notice of appeal must be filed within two months after notification of the decision appealed from, together with the fee for appeal.

Therefore, Van Empel also subsumed the requirement of payment in time under the umbrella of the examination of the admissibility requirements.

In addition Art. 108 EPC provides that the mere *payment* of the appeal fee renders the previously filed notice of appeal **deemed to have been filed**. The provision of Art. 108 EPC, second sentence does not read: "The notice of appeal shall not be **deemed to have been filed** until the fee for appeal has been *timely* paid". It also does not read "The notice of appeal shall be deemed not filed if the fee for appeal is paid late".

Art. 108 EPC, second sentence reads "until the fee for appeal has been paid". There is nothing about "*timely* paid".

### *2.5 A loss of a right?*

According to many opinions, the notice of appeal is just a piece of paper without any value until the appeal fee is paid. Only with the payment the

[2] Van Empel "The granting of European Patents" (1975), does not state that *late* payment means deemed not filed. At point 393 it states: "Thus, failing such payment (...) the appeal shall not be deemed to have been filed". Nothing about *late* payment.

piece of paper gains legal value and becomes an appeal validly engaged with the EPO (see "Europäisches Patentübereinkommen, Münchener Gemeinschaftskommentar, Moser, 20. Lieferung Juli 1997" Art.108 Rn. 27-28 and Art. 111 Rn. 36 and Mofang in Schulte – Patentgesetz mit EPÜ Kommentar, 10 Auflage 2017, Art. 108, points 26-3, p. 985-986).

In J 18/96 (r.3.2) was clarified that **a loss of rights presupposes a legally valid filing**[3].

Arguing in the same terms, if no legally valid appeal exists, no loss of rights may occur because no rights ever started to exist.

Therefore the procedure under R. 112 EPC is arguably not appropriate if no rights are validly engaged with the EPO so as to start to exist. Eventually, a decision pursuant Art. 106 (2) EPC terminating proceedings as in cases pursuant Rule 60 EPC 1973 (R. 84 EPC) when the European patent is surrendered or has lapsed for all designated states is more appropriate instead of a loss of rights (see G 1/90, r.7).

*2.6 Examination of appeals*

According to Art. 110 EPC:

> "**If the appeal is admissible**, the Board shall examine whether the appeal is allowable. The examination of the Appeal shall be conducted according to the implementing regulations".

The examination shall then be conducted according to the implementing regulations, in particular R. 100 and, again, R. 101 EPC.

From Art. 110 EPC, first sentence, it again appears that the examination of deemed filed (i.e. timely payment) is also subsumed under the examination of admissibility. Otherwise, arguably, *ad absurdum* there would exist no basis for examining the "deemed filing" (i.e. timely payment) requirement in appeal proceedings.

Therefore, the condition of timely payment (deemed filed) should be undertaken under the umbrella of the admissibility examination pursuant Art. 110 EPC, first sentence.

[3] Although this decision states that non-payment of fees is different (deemed withdrawn), this is because of the structure of Art. 90(3) EPC 1973, which explicitly provides for a express sanction via a legal fiction, as it happens in Art. 94(2) EPC, namely deemed withdrawal.

3. Current practice and German Patent law – an explanation?

It is the current practice of all departments of the EPO to issue a notice of loss of rights when the payment is late (notably also the EBoA in the pending case R1/18).

It has been argued that an additional general rule exists that late payment and non-payment should be treated the same way.

It would not be realistic not to admit that German law and in particular German patent law influences decisions and practice in the EPO. Many professionals have studied in Germany and bring with them their baggage – their legal background.

Not surprisingly, the German patent law (PatkostG § 6) provides for explicit provision stating that there is no distinction between late payment and non-payment and in both cases it renders the action (*Handlung*) not made (*nicht vorgenommen*):

**§ 6 Zahlungsfristen, Folgen der Nichtzahlung**

(1) Ist für die Stellung eines Antrags oder die Vornahme einer sonstigen Handlung durch Gesetz eine Frist bestimmt, so ist innerhalb dieser Frist auch die Gebühr zu zahlen. Alle übrigen Gebühren sind innerhalb von drei Monaten ab Fälligkeit (§ 3 Abs. 1) zu zahlen, soweit gesetzlich nichts anderes bestimmt ist.

(2) Wird eine Gebühr nach Absatz 1 nicht, nicht vollständig oder **nicht rechtzeitig gezahlt**, so gilt die Anmeldung oder der Antrag als zurückgenommen, oder **die Handlung als nicht vorgenommen**, soweit gesetzlich nichts anderes bestimmt ist.

Such explicit provision does not exist in the Convention.

The above could be an explanation why a late-payment has been treated in the current practice as a non-payment, without a clear legal basis under the EPC.

4. Suspensive effect of inadmissible appeal and Conclusions

Since a doctrine of binding precedent does not exist under the EPC, a late payment of the appeal fee can be reasonably regarded to validly engage appeal proceedings via R 101 (1) EPC, which shall be therefore rejected as inadmissible.

I note that since the appeal fee was paid with legal basis, it must unfold rights such as the duty on the board to examine the appeal (see Art. 110 EPC and R. 100 EPC). The appeal fee cannot be refunded (see R. 103 EPC).

With regard **suspensive effect**[4] of an inadmissible appeal (Art. 106(1) EPC) however, problems arise. If a substantive right such as suspensive effect is unfolded by any late paid/filed appeal or e.g. by a non-adversely affected party, the suspensive effect could be called into existence without legitimate interest at any stage and at any time, which arguably would go against legal certainty and legitimate expectations.

Similar reservations have been raised by the submissions of the President in the case G1/09 with respect to “obviously inadmissible appeals”, which was not decided upon by the Enlarged Board of Appeal (see r. 4.3.3).

Therefore, as a corollary, an inadmissible appeal should not be regarded to have suspensive effect[5] if the form and time conditions pursuant Art. 108 EPC are not complied with.

Looking forward to your considerations

Sincerely

Manuel Pavón Mayo

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[4] see J23/13 (r. 8.1-8.3), J28/03 (r. 18) and T591/05. The suspensive effect of appeal is held as immaterial to the admissibility of the appeal.

[5] It does not appear reasonable that suspensive effect is treated differently in case of an “obviously inadmissible appeal” and in case of an appeal that is deemed not filed when, for example, a document is not filed in the prescribed language pursuant Art. 14(4) EPC. That way the concerns of the President raised in G 1/09 would also be addressed.