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SUBJECT: Revision of the EPC: Articles 121 and 122 EPC  
DRAWN UP BY: President of the European Patent Office  
ADDRESSEES: Committee on Patent Law (for opinion)

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#### SUMMARY

This document contains initial proposals for a thorough reform of the legal remedies provided for in the EPC in the event of failure to observe time limits.

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## **I. INTRODUCTION**

1. In Articles 121 (further processing) and 122 EPC (restitutio in integrum), European patent law provides specific legal remedies which enable the rights of applicants and patent proprietors to be protected in the event of an impending or actual loss of rights due to failure to observe time limits. The legal instruments of further processing and re-establishment of rights have stood the test of time. One of the reasons for this is probably that the Implementing Regulations and the Rules relating to Fees contain regulations which provide a remedy in cases where the scope of application of further processing and re-establishment of rights has proved too narrow. In this context, attention is drawn in particular to Rules 85a and 85b EPC, and to Rule 84a EPC which came into force at the beginning of 1999, as well as to Article 8(3) RFees.
2. It has nevertheless become apparent in practice over the last 20 years that, compared with the classical instrument of re-establishment of rights, the more modern legal instrument of further processing should be applied more widely in the interests of procedural economy and legal certainty. The inclusion of further processing in the list of legal remedies for patent proceedings provided for under the future Patent Law Treaty (PLT) and the extension of the scope of further processing under Swiss patent law are a reflection of this development.
3. The procedure for re-establishment of rights under Article 122 EPC has been the subject of increasing criticism not only due to its costliness but also due to the time limits excluded from re-establishment of rights under Article 122 (5) EPC. This applies in particular to the priority period under Article 87(1) EPC. Although Rules 85 and 84a EPC compensate to a certain extent, they do so only in exceptional cases. In view of the proposed introduction, under the PLT, of the possibility of re-establishment of rights in respect of the priority period, there is a need for action to be taken in the field of European patent law and at the level of general legal policy. This is particularly true given that re-establishment of rights in respect of the priority period is already current practice in certain contracting states.
4. It is therefore proposed that Articles 121 and 122 EPC be amended in accordance with the practical requirements of applicants and current legal trends. In doing so, equal consideration should be given, on the one hand, to making European law more flexible and, on the other, to fulfilling the desire for maximum deregulation. The following proposed amendments to the EPC, which are designed to serve as a basis for discussion, seek to take both these points into consideration.

## II. PROPOSALS AND EXPLANATORY NOTES

### A. REVISION OF ARTICLE 121 EPC

#### Current version

##### Article 121

Further processing of the European patent application

(1) If the European patent application is to be refused or is refused or deemed to be withdrawn following failure to reply within a time limit set by the European Patent Office, the legal consequence provided for shall not ensue or, if it has already ensued, shall be retracted if the applicant requests further processing of the application.

(2) The request shall be filed in writing within two months of the date on which either the decision to refuse the application or the communication that the application is deemed to be withdrawn was notified. The omitted act must be completed within this time limit. The request shall not be deemed to have been filed until the fee for further processing has been paid.

(3) The department competent to decide on the omitted act shall decide on the request.

#### Proposed version

##### Article 121

Further processing of the European patent application

(1) If, following failure to **observe a time limit vis-à-vis the European Patent Office**, the European patent application is to be refused or is refused or deemed to be withdrawn **or any other loss of rights has occurred in respect of the application**, the legal consequence provided for shall not ensue or, if it has already ensued, shall be retracted if the applicant **requests further processing and completes the omitted act**.

(2) **The procedure to be followed in carrying out the provisions of paragraph 1 is laid down in the Implementing Regulations. Provision may be made in the Implementing Regulations for paragraph 1 not to apply if certain time limits are not observed.**

5. As in the current version of Article 121 EPC, the amended version restricts the possibility of further processing to the grant and related appeal procedures. The request for further processing under Article 121(1) relates purely to the further processing of the application and to the removal of any other losses of rights which have occurred in respect of the application (see point 7 below). Hence, in the event of failure to observe time limits in opposition proceedings or in appeal proceedings following opposition, the patent proprietor would still only have access to the legal remedy of re-establishment of rights and to the special extended time limit under Article 58(6) EPC. The opponent's legal position is protected within the framework of admissible opposition proceedings by Article 114 EPC which provides for relevant facts and evidence to be considered even if they are not submitted in time.
6. Unlike the procedure hitherto, further processing will in future be possible not only where a time limit set by the EPO is not observed but also if time limits laid down in the EPC or in the Implementing Regulations are not met. Thus the legal remedy of further processing would as a rule be available if, during the European patent grant procedure, a time limit vis-à-vis the EPO was not met. Under the proposed version of Article 121(2) EPC, exceptions to this principle may be provided for in the Implementing Regulations (see point 9 below).
7. The proposed version of Article 121(1) EPC, however, extends the scope of application of the provision in substantive terms too. Hitherto, further processing has only been possible where the entire application was likely to be lost or already was lost; in future, however, Article 121 EPC will also provide a legal remedy for partial loss of rights, such as loss of the priority right where the formal requirements for claiming priority have not been met in time.
8. Under draft Article 121(2) EPC, the procedural details of further processing will be laid down in the Implementing Regulations. This applies in particular to the conditions for filing a request (written form, fee), the relevant time limits, and the EPO bodies responsible for taking decisions on further processing. It is planned to incorporate the current arrangements into the Implementing Regulations. It would not appear necessary to establish a general time frame within which the request for further processing would have to be filed - as in the case of re-establishment of rights (see Article 122(2) 3rd sentence) - because the time limit for filing such a request begins when the applicant is informed by the Office that he has failed to meet a time limit or that he has suffered a loss of rights.
9. Under the proposed amendment to Article 121(2) EPC, it will also be possible for further processing to be ruled out in the Implementing Regulations where certain time limits are not met (see point 6 above). This would ensure that consideration could be given in a flexible way to the procedural requirements of the grant procedure and to the interest of third parties in transparency and legal certainty.

The proposal to exclude the possibility of further processing with respect to certain time limits would make it possible not only to adapt to new time limit structures but also to introduce a variable demarcation vis-à-vis the legal remedy of re-establishment of rights. It is envisaged that, under Article 121(2) EPC, further processing will be ruled out for the following time limits:

- time limits in connection with further processing and re-establishment of rights;
- priority period (Article 87(1) EPC);
- time limits for the payment of European renewal fees (Article 86, Rule 37 EPC).

10. Further processing will not be ruled out, however, where the applicant fails to observe time limits for the payment of filing, search and designation fees, national basic fees, examination fees and the time limit for filing the request for examination. Hence, Rules 85a and 85b EPC in particular could be dispensed with as they already de facto make further processing of the European patent application possible in such cases.

## B. REVISION OF ARTICLE 122 EPC

### Current version

#### Article 122 Restitutio in integrum

(1) The 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, upon application, have his rights re-established if the non-observance in question has the direct consequence, by virtue of this Convention, of causing the refusal of the European patent application, or of a request, or the deeming of the European patent application to have been withdrawn, or the revocation of the European patent, or the loss of any other right or means of redress.

(2) The application must be filed in writing within two months from the removal of the cause of non-compliance with the time limit. The omitted act must be completed within this period. The application shall only be admissible within the year immediately following the expiry of the unobserved time limit. In the case of non-payment of a renewal fee, the period specified in Article 86, paragraph 2, shall be deducted from the period of one year.

(3) The application must state the grounds on which it is based, and must set out the facts on which it relies. It shall not be deemed to be filed until after the fee for re-establishment of rights has been paid.

### Proposed version

#### Article 122 Restitutio in integrum

(1) The 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, upon application, have his rights re-established if the non-observance in question has the direct consequence, by virtue of this Convention, of causing the refusal of the European patent application, or of a request, or the deeming of the European patent application to have been withdrawn, or the revocation of the European patent, or the loss of any other right or means of redress.

**(2) The application must state the grounds on which it is based, and must set out the facts on which it relies. The omitted act must be completed.**

**(3) The procedure to be followed in carrying out the provisions of paragraphs 1 and 2 is laid down in the Implementing Regulations. Provision may be made in the Implementing Regulations for the provisions of paragraph 1 not to apply if certain time limits are not observed.**

(4) The department competent to decide on the omitted act shall decide upon the application.

(5) The provisions of this Article shall not be applicable to the time limits referred to in paragraph 2 of this Article, Article 61, paragraph 3, Article 76, paragraph 3, Article 78, paragraph 2, Article 79, paragraph 2, Article 87, paragraph 1, and Article 94, paragraph 2.

(6) Any person who, in a designated Contracting State, in good faith has used or made effective and serious preparations for using an invention which is the subject of a published European patent application or a European patent in the course of the period between the loss of rights referred to in paragraph 1 and publication of the mention of re-establishment of those rights, may without payment continue such use in the course of his business or for the needs thereof.

(7) Nothing in this Article shall limit the right of a Contracting State to grant restitutio in integrum in respect of time limits provided for in this Convention and to be observed vis-à-vis the authorities of such State.

**(4)** Any person who, in a designated Contracting State, in good faith has used or made effective and serious preparations for using an invention which is the subject of a published European patent application or a European patent in the course of the period between the loss of rights referred to in paragraph 1 and publication of the mention of re-establishment of those rights, may without payment continue such use in the course of his business or for the needs thereof.

**(5)** Nothing in this Article shall limit the right of a Contracting State to grant restitutio in integrum in respect of time limits provided for in this Convention and to be observed vis-à-vis the authorities of such State.

11. The amended version of Article 122 EPC follows the same structure as the amended version of Article 121 EPC: in particular, the Implementing Regulations would lay down details of the procedure for re-establishment of rights and establish those time limits in respect of which re-establishment of rights would not apply. It is not proposed that further substantive amendments be made to the EPC concerning the right to re-establishment of rights. In particular, there are no plans to make re-establishment of rights possible for the opponent (see also G 1/86, OJ EPO 1987, 447) or to amend the procedure for re-establishment of rights as such. The substantive amendments linked to the new structure are to be made within the framework of the Implementing Regulations. The most important aspect in this regard is the definition of those time limits in respect of which re-establishment of rights would be ruled out.
12. As in the case of further processing, the framework for re-establishment of rights will exclude the time limits for requesting re-establishment of rights and further processing and for completing the omitted act from the scope of application of Article 122 EPC. Unlike the present legal provisions, this would mean that in future the applicant would be unable to obtain re-establishment of rights in respect of the time limit for requesting further processing. It is necessary to exclude this time limit because, under the proposals made in this document, further processing would become the "standard procedure" to be pursued where time limits are not observed; greater consideration would thereby be given to legal certainty and procedural transparency as against the justice to be done in each individual case.
13. It is nevertheless uncertain to what extent there is a practical need, within the framework of the new structure of Articles 121 and 122 EPC, for provision to be made for the possibility of re-establishment of rights alongside and in addition to the legal remedy of further processing. As both are instruments which serve to re-establish the applicant's rights where these have been jeopardised due to non-compliance with a time limit, there is no practical need to provide for re-establishment of rights in cases where further processing is possible. It is therefore planned, under the amended version of Article 122(3) EPC, to rule out the possibility of re-establishment of rights in respect of those time limits for which further processing can be requested.
14. As a result, the patent proprietor will continue to be able to apply to have his rights re-established where he fails to meet time limits during opposition proceedings and appeal proceedings following opposition, or in respect of legal remedies (appeal period) and the priority period.



15. As regards re-establishment of rights with respect to the priority period, it would be necessary to introduce, as part of the implementing provisions for re-establishment of rights and in derogation of the general application period (two months after the removal of the cause of non-compliance with the time limit), a regulation which takes into consideration the special circumstances relating to the late claiming of priority. In keeping with the proposals under the PLT, provision could, for instance, be made for an application period of two months after expiry of the priority period in the event of failure to meet the 12 month time limit for filing a subsequent patent application.

### **III. ISSUES RELATING TO FEES**

16. Fiscal considerations play a less important role when it comes to calculating the future fees for further processing and re-establishment of rights. Of prime importance in this regard is the role played by fees as a driving force behind the procedure. According to the proposals made in this document, further processing would become the standard legal remedy where applicants fail to meet time limits during the grant procedure for European patents. As far as fees are concerned, this should be reflected in a significantly lower fee for further processing compared with the fee for re-establishment of rights. Where an applicant requests further processing after failing to comply with a payment period, a surcharge should be added as currently provided for under Rules 85a and 85b EPC.

### **IV. FINAL REMARKS**

17. It is intended that the proposals contained in this document form a basis for discussion. The central feature of the new system is further processing. The classical procedure of re-establishment of rights has proved too complex and laborious in practice, entails prolonged legal uncertainty and does not fulfil the requirements of a standardised "mass procedure". It is therefore worth considering whether to rule out the possibility of re-establishment of rights altogether and extend further processing to all areas of the European procedure.
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