



Demonstrating Due Care

Many patent offices worldwide operate a re-establishment procedure, under which a patentee or applicant *may* be able to recover lost rights after missing a final deadline in relation to a patent or application. However, this procedure is usually not available as of right. The patentee or applicant often has to give some explanation as to why the deadline in question was missed, and why the patent office should excuse the omission. The patent office will only then excuse the error, and re-establish the patentee or applicant's rights, if they consider that a particular set of excusable circumstances apply. Standards that are frequently applied include the "despite all due care" and "unintentional" standards. That is, patent offices will re-establish rights if they are satisfied that the error occurred "despite all due care having been taken", or where they are satisfied that the error was "unintentional". To meet the "all due care" standard requires substantial effort to be expended in preparing a case.

Thus, the central issue when seeking restoration or re-establishment of rights in many countries is establishing that due care was taken to ensure that the error which led to loss of rights could be avoided. This is certainly true of cases before the European Patent Office. This paper reviews what issues may need to be addressed in order to demonstrate due care to the European Patent Office when preparing grounds for re-establishment of rights. Other offices, such as the International Bureau, follow a similar approach to the European Patent Office.

1 - Issues of Time

A first issue relating to due care is the issue of when the requisite care was taken.

1.1 - The Timing of Due Care

Previously, in order to demonstrate that a request for re-establishment of rights is allowable, the question of whether or not due care was taken is assessed for the period of time up to the deadline that was missed (which may correctly be the Further Processing deadline rather than the originally missed deadline). The period will extend back as far back as is relevant.

To take the example of a missed renewal fee payment, due care will be considered for the period leading up to the original deadline for paying the renewal fee as well as during the grace period for late payment of the renewal fee with a fine.

Due care will also need to be considered around the period when the actual error occurred that resulted in the deadline being missed. For example, if the renewal fee was not paid due to incorrect entry of the case into a record system, due care at that time will be considered, regardless of how long before the lapse that error took place. In general, one would not expect the level of care taken when paying the preceding years' renewal fees to be relevant. However, it may be helpful for establishing a pattern of due care and, of course, if in the preceding years' payments had

successfully been made despite little care having been taken, one would generally be advised not to mention it.

Actions that take place after the relevant deadline was missed, namely once the only remedy was the request for re-establishment of rights, will not strictly speaking be taken into account for the consideration of whether or not due care was taken. In some cases, some such information may be mentioned in order to maintain the overall impression of due care being taken. On the other hand, the practice of explaining how a system has been improved in the light of the discovery of the error is potentially dangerous. In particular, it may serve to highlight to the Examiner how the system should have been set up in the first place.

1.2 - Potential Impact on Deadline

Although demonstration of care being taken after the relevant deadline may not affect the assessment of the due care criterion, it may become very important to the assessment of whether or not the request for re-establishment of rights was timely filed.

In J12/10, for example, the Board of Appeal held that "the date of the removal of the cause of non-compliance is the date on which the European representative, taking all due care, would have noticed that the time limit had inadvertently been missed". In that particular case, the Board of Appeal effectively considered that the European representative had not taken sufficient care to react to a Communication from the European Patent Office noting that a loss of rights had occurred, rejecting the contention that the cause of non-compliance was only removed once that loss of rights Communication was subsequently received by the applicant or their US attorney. Consequently, the request for re-establishment of rights was deemed to have been filed too late and was therefore inadmissible.

J12/10 also highlights one of the classic pitfalls discussed above for attorneys that are not familiar with restoration cases. The initially filed request for re-establishment of rights apparently made clear the European representative's mistaken belief that the 10 day arrangement of Rule 126(2) EPC applies when calculating the deadline for requesting re-establishment of rights. It does not. Making such an error of the law would not have assisted in presenting an argument for due care having been taken, even had the error not resulted in the case being filed too late to be admissible.

2 - Issues of Relevant Individuals

A second issue in any due care consideration is the issue of who took due care.

2.1 - Applicant/Proprietor

In the first place, it is the responsibility of the patent applicant, or patent proprietor where applicable, to demonstrate having

taken due care.

As a matter of practicality, in many cases the burden of proof that the applicant or proprietor took due care can be largely discharged by the delegation of the applicant or proprietor of the responsibility for monitoring the requisite deadlines and taking the subsequent actions in a timely fashion to an appropriate party, such as a European representative or a firm of European representatives, either directly or by way of an intermediary, such as a local attorney in the case of an applicant or proprietor not based in an EPC contracting state. Proving due care of the applicant or proprietor in that case largely then becomes a case of demonstrating that their selection of the European representative and/or intermediary was appropriate (for example the use of a well-established and reputable firm) and proving that the applicant or proprietor was responsive, in particular to requests for instructions as and when required.

For instance, even where an appropriate European representative has been appointed, the applicant or proprietor must nonetheless be able to demonstrate that they took appropriate measures to ensure that they received, reviewed, and duly acted on any correspondence from their representative in a timely fashion. By way of example, if the applicant or proprietor takes a planned holiday and does not make appropriate arrange for their correspondence to be monitored, it may be difficult to demonstrate that due care has been taken. On the other hand, failure to monitor correspondence an unexpected absence (for instance due to illness or bereavement) may be excused.

A common reason for applicants or patentees to miss fee deadlines is the existence of financial hardship. However, it can be difficult to satisfy the European Patent Office that all due care was taken where the financial hardship has resulted in insufficient staffing to maintain a robust process for monitoring deadlines. That said, in exceptional circumstances, genuine financial inability to pay a renewal fee may be accepted as a reason for missing a fee payment. The case J4/22 discusses a special circumstance wherein an individual was able to establish genuine financial hardship and re-establishment was granted.

2.2 - European Representative

From the outset, the case law of the Boards of Appeal of the European Patent Office has made clear that it is also essential to demonstrate that due care was taken by the European representative. It is therefore not enough to say that the applicant or proprietor exercised their due care by appointing a highly respected European representative, who regrettably made an uncharacteristic error.

If the European representative cannot satisfy the European Patent Office that they themselves took due care, the applicant or proprietor will be punished for the error of the European representative. This may appear to be harsh. However, it is intended to ensure that European representatives do take appropriate steps to avoid missing deadlines. In turn, this should reduce the number of cases that lapse and are then restored, which is desirable due to the uncertainty that it creates for third parties.

Ignorance of the law, or misunderstanding of the law, by a representative is almost never excusable under the “due care” standard. For instance, should a representative fail to appropriately deal with changes in monitoring procedures due to the abolition of the “ten-day” rule and consequently miscalculate

deadlines, such errors are unlikely to be excused. It is therefore most important for applicants to ensure that they appoint a European representative in whom they have confidence.

2.3 - Responsibility of European Representative Despite the Use of Annuities Agency

The position of the European representative in relation to re-establishment of rights requests relating to unpaid renewal fees is often made less clear by the involvement of an annuities agency.

It is conventional practice for the monitoring of renewal fee deadlines and the payment of renewal fees to be handled by a dedicated annuities agency. This may be essentially an outsourcing of this function by the European representative and/or may be at the request of the applicant/proprietor. The latter may do so in order to have all of their various Intellectual Property rights for all the different jurisdictions around the world handled by a single annuities agency, rather than needing to deal with multiple different attorneys in different countries. This practice clearly may improve the care of the monitoring of these deadlines. Annuities agencies are dedicated solely to this function and are therefore extremely effective in most cases in accurately monitoring deadlines, suitably reminding applicant/proprietors of upcoming deadlines and timely paying fees when instructed.

However, European representatives involved in such situations must remember that they remain the European representative for a European patent application. Accordingly, they should not see themselves as having entirely delegated all responsibility for maintenance fee deadlines for the European patent application, even though an annuities agency may be responsible for monitoring the payment deadline and making the necessary payment (examples of cases in which the Boards of Appeal of the European Patent Office have made this explicit it are J27/90 and J12/10).

A consequence of the European representative remaining responsible for all aspects of a European application, regardless of whether responsibility for renewal fee payment has been delegated to an annuities agency, can be found by considering the reminder provided by the European Patent Office when a maintenance fee is initially not paid but while the fee may still be paid within the six month grace period. This reminder is sent to the European representative and in any request for re-establishment of rights relating to an unpaid renewal fee, it will be necessary to explain to the European Patent Office what actions were taken in response to this reminder.

European representatives therefore should have an appropriate system for handling these reminders if they are to demonstrate that they have taken due care, regardless of whether or not an annuities agency is used. The European Patent Office expect to see a system for ensuring that these reminders are forwarded to the applicant and for monitoring for an appropriate response. It should be emphasised that it is necessary for an effective system to have an appropriate component for reacting to the receipt of these reminders, namely to check if a renewal fee has erroneously been left unpaid.

It should also be noted that this reminder, issued by the European Patent Office, is a courtesy service only and is not guaranteed to be issued. Indeed, during disruption caused by the Covid-19 pandemic, the European Patent Office ceased to issue such communications for a temporary period. Moreover, postal service disruption can lead to delivery failure for notices. Accordingly, any system which relies on this communication to trigger the

action for payment of a renewal fee is not likely to be deemed to meet the requirement for “due care”.

2.4 - Assistants

Although the European representative is not permitted to delegate their responsibility for all of the deadlines of a European application or patent, the case law of the Boards of Appeal does recognise that it is appropriate for a European representative to delegate certain tasks in respect of the processing of their work. Accordingly, it is expected that a European representative may delegate tasks to an assistant. Under certain conditions, if the assistant makes an error that leads to the deadline being missed, it may not result in a finding that the European representative did not taken due care.

J5/80 succinctly defined the requirements that must be met in delegating responsibilities to an assistant, if their subsequent error is to be excused. In particular, the assistant should be appropriately selected for the tasks to be performed, should be properly instructed in the tasks to be performed and the European representative should exercise reasonable supervision over the work.

The European representative may therefore delegate certain routine tasks to an assistant, such as a secretary or a clerk, provided that they take appropriate care to select those who are capable of performing the tasks, namely are appropriately trained and/or experienced, and provided that they ensure that the task to be performed is appropriately defined and monitored. However, it is not considered appropriate if the assistant is required to work in such an autonomous fashion or has responsibilities that are more than routine tasks (such as requiring an interpretation of the correct law) that they are, in effect, performing the function of an attorney.

Provided the above conditions are met, the Boards of Appeal of the European Patent Office have proven themselves to be sympathetic to excusing the human error that may occur in the work of an assistant and, in practice, many successful applications for re-establishment of rights have been based on establishing that the deadline was missed as a result of an error by an otherwise reliable assistant. In contrast, the Boards of Appeal at the European Patent Office do not consider an error by the European representative to be justification for re-establishment of rights unless the European representative can demonstrate that the representative took due care.

Furthermore T439/06 should raise a note of caution. In that case, an assistant of the European representative erred in calculating the 10 day rule, resulting in the erroneous entry into a docketing system of the deadline for filing an appeal. Subsequently, the appeal was filed late. The Board of Appeal in that case accepted that the error by the assistant should be excused. However, they subsequently found that due care overall had not been taken by the European representative. This was because, although in the circumstances it was reasonable to rely upon an assistant to determine the deadline and enter it into the docketing system in order to provide appropriate reminders to the European representative, it was not appropriate for the European representative subsequently to rely on the due date calculated by the assistant without checking for themselves the calculation of the due date.

On the other hand, every case will be considered on its merits. In T2012/20, an appeal was filed by instructing an assistant;

however, the assistant erroneously paid the wrong fee. Consequently, the full appeal fee was not paid within the deadline. Nonetheless, in the circumstances, and in particular due to surrounding disruption following the Covid-19 pandemic, restoration of the appeal deadline was allowed.

Accordingly, the question of the interplay of due care between representative and assistant is not always clear-cut.

2.5 - Foreign Attorneys and Annuities Agencies

It is not just the applicant or proprietor and the European representative that must prove that they took due care. This burden also passes to other parties that represent the applicant, even if they are not the formal European representative. Thus, it may be necessary to prove the due care of the annuities agency and the due care of any intermediary acting between the applicant/proprietor and the European representative such as a local attorney, for example a US patent attorney representing a US applicant (see, for example J3/88).

An important adjunct to the requirement of due care being applicable to all responsible parties is that the Boards of Appeal at the European Patent Office do not consider any mistake in knowledge of the law to be a justification for re-establishment of rights. Essentially, for due care to be considered to have been taken, it is essential that one either knows and understands the law correctly or seeks help from one that does. This applies to all parties. Therefore, an error resulting from erroneous understanding of the law at the European Patent Office by a US attorney or their assistant (who, as with the assistant of the European representative, should be appropriately selected, instructed and supervised), will be considered to be negligent, and therefore be seen as an indication of a lack of due care.

2.6 - Excuse of a Negligent Party

Demonstrable negligence by any party in any way responsible for the application or patent will usually be fatal to a request for re-establishment of rights as it clearly shows a lack of due care. A rare exception is that the European Patent Office may excuse the otherwise negligent actions of a party if it can be proven that the negligence of the party resulted from a medical condition, for example mental illness.

The burden of proof required is relatively high for the European Patent Office to be prepared to excuse a negligent act on this ground. However, as can be seen from J2/98, the requirement is lower than that required to obtain an interruption of proceedings (an alternative but rare remedy for missing a deadline) on the grounds that the European representative was legally incapacitated. In that case, the evidence was not sufficient to prove that the European representative was “totally or nearly totally unable to take rational decisions related to his professional duties” precluding an interruption of proceedings. However, the same evidence was considered to be sufficient to show that the European representative was not “capable to run properly some of the cases under his responsibility” and on that basis re-establishment of rights was permitted. Additionally an interruption of proceedings on the ground of legal incapacity only applies to the European representative and not to a representative of the patent applicant/proprietor such as a local attorney whereas a mental illness may be sufficient to excuse an apparently negligent act by a local attorney, justifying re-establishment of rights.

However, obtaining re-establishment of rights excusing an

apparently negligent act by one of the parties on medical grounds can be very difficult in practice. This is because evidence is required to satisfy the European Patent Office. However, in the case where a mental illness has, or apparently has, resulted in negligent behaviour, the individual involved may not cooperate to provide the necessary evidence. This may occur for example either if the negligence (or alleged negligence) is the subject of litigation or because the individual may be in denial. The latter may occur due to their fears for the effect on their career or simply as a manifestation of their mental illness.

2.7 - Balancing the Due Care of Multiple Parties

One issue that requires great care when dealing with cases with multiple parties, all of which have to be proven to have taken due care, is that proving due care by one party may make it difficult to prove due care by one of the others.

For example, to prove that a European representative has taken due care in respect of a European patent application or European patent, may involve showing that the European attorney was correctly monitoring the deadline and provided multiple reminders to the instructing US attorneys. However, in order then to demonstrate that the US attorney took due care themselves, it may be appropriate to demonstrate what action the US attorney took in response to each of these reminders. A similar consideration may then pass on to the relationship between the US attorney and the applicant. In some cases a little tact is required in order to prepare a case that balances the requirement to show due care by each of the parties.

3 - Issues of Quantum of Care

A third central issue to any assessment of due care is the quantum of care taken.

Whichever party is being considered, the applicant, the European representative or some other agent, the case law of the Boards of Appeal at the European Patent Office is well-established that it is necessary to demonstrate a clear, well organised system, usually with an effective cross-check. An alternative way of expressing the requirement is to demonstrate that the cause of the deadline having been missed was an isolated mistake in a normally satisfactory system. However, within this generally accepted requirement, there is some variation.

3.1 - Entity Size

In particular, the level of care required is accepted to be dependent on the size of the entity.

In respect of a large entity, such as a substantial firm of European representatives, handling tens of thousands of deadlines annually, one may expect to see a comprehensive docketing system with, for example, cross-checks to ensure data entry is performed accurately. One would also expect to see a level of redundancy in the systems of such an entity that would not be required for a very small entity. In particular, for such a large entity, the systems in place should be such that a single error made by one individual would not result in a deadline being missed.

Accordingly, there may for example be a formal procedure for the European representative to confirm at least an important deadline entered into a docketing system and/or a European representative at such a firm may be expected to have an independent mechanism for monitoring the progress of their work to ensure that they meet their deadlines that supplements a central docketing system rather than solely relies upon it.

For example, J8/21 concerned the restoration of a priority right in connection with a PCT application. The PCT application had been late-filed by a large US law firm, due to the erroneous deletion of a due date. The law firm operated a sophisticated docketing system, under which dual reminders of all deadlines were sent. However, the European Patent Office noted that certain actions (including the deletion of a due date) could be performed without a cross-check and concluded therefore that the standard of due care appropriate to a large firm was not met.

At the other end of the scale, a small entity, where it is easier for an individual attorney to maintain personal supervision of all matters, may not need to demonstrate any significant redundancy in their system at all. That said, patent offices do not excuse small firms for any obligation. For instance, T1917/20 noted that although a routine cross-check for all data entry was not necessarily required of a small firm, there is nonetheless a requirement for routine control measures where sorting and organising a filing system is done by only one person.

3.2 - Importance of Deadline

The level of care expected by the Boards of Appeal at the European Patent Office also clearly varies according to the importance of the deadline. Repeated cases at the European Patent Office (for example T449/06, T1764/08 and T41/09) have made it clear that significantly more care must be taken by a European representative in respect of the deadline for filing the notice or grounds of appeal than in respect of other, more routine, deadlines.

Accordingly, if considering the appropriate systems to put in place, it may not be appropriate to monitor all deadlines in the same way. It may be, for example, that it is appropriate for deadlines that may be remedied by Further Processing to be monitored by a system that does not include a significant level of redundancy, given that the dispatch of a Communication noting loss of rights by the European Patent Office (setting a period for remedying the missed deadline using Further Processing) in itself provides a level of redundancy. In contrast, deadlines with no easy remedy, such as deadlines for filing convention applications, oppositions and appeals should be monitored by a system that involves a degree of redundancy and, preferably, active involvement by a qualified patent attorney rather than merely relying upon the accuracy of one or more assistants.

3.3 - Issues of Known Potential Problems

A final issue to be considered when considering whether a system in place meets the standard of due care concerns the knowledge of deficiencies within a system. In particular, if an entity is aware of a risk to the system, or a particular deficiency within the system, it is necessary to show that appropriate steps have been taken to mitigate that risk.

A classic example of this issue relates to the specific circumstances of migrating from one system to another. For example, a patentee may transfer their portfolio of Intellectual Property rights from one annuities service provider to another. In doing so, the applicant/proprietor should be aware that there are risks inherent in transferring the cases, namely that a right correctly recorded in the system of the old annuities agency may not correctly be recorded within the records of the new annuities agency after the transfer, resulting in its renewal fee deadlines not correctly being monitored.

It is therefore not enough to demonstrate that the new system for

handling annuities using the new annuities agency is an effective system with an appropriate cross-check. Instead, it is additionally necessary to be able to demonstrate that appropriate special measures were taken to ensure that potential problems in transferring from one annuities agency to another were avoided or minimised. Of course, the appropriate measures will depend upon the size of the portfolio being transferred. For a small portfolio, it might be appropriate to have a manual check to confirm that all of the rights have been correctly entered onto the new annuities agency's records. For a very large portfolio it may be more appropriate to demonstrate the care taken in designing and testing the electronic system used to migrate the data from the first annuities agency to the second annuities agency.

A further example of a case in which the Board of Appeal at the European Patent Office found that due care had not been taken as a result of the failure to appropriately deal with a known issue is provided by T1289/10. In this case, a deadline was missed due to the failure to receive an e-mail instruction to proceed with the matter in question as a result of the e-mail instruction being wrongly automatically classified as a spam e-mail, in turn causing the e-mail to be diverted to a quarantine area.

In this case, the Board of Appeal considered that the potential problem of e-mails being misclassified as spam, and therefore directed into quarantine areas, was sufficiently well-known that the system in question should have been sufficiently robust as to deal with the potential problem. In particular, the Board of Appeal considered that it should have been standard practice to check the quarantine area on a daily basis in order to check that no important instructions (such as these) had erroneously been placed in the quarantine area. This absence of a daily check, or at least the absence of a formal procedure for ensuring that it occurred on a daily basis, meant that the Board of Appeal considered that the error could not be considered to be an isolated mistake in an otherwise reliable system.

The Board of Appeal also highlighted in this case the fact that e-mail should not be considered as a robust nor instantaneous delivery system. Accordingly, the Board of Appeal indicated that for due care to have been taken, one would usually expect a system to be in place at the sender to check that any instructions sent by e-mail, particularly where they were important and sent close to the deadline, were correctly and timely received rather than being satisfied that a matter has been dealt with merely by virtue of having dispatched the instructions by e-mail.

4 - Considerations When Preparing a Case to Prove the Due Care

Case law of the Boards of Appeal at the European Patent Office makes clear that due care has to be assessed taking into account all of the circumstances. It is therefore useful in practice for the grounds for re-establishment of rights to describe not only the part of the system that failed but also parts of the system that were successful. This may demonstrate that overall due care was taken, even though one part of the system failed.

A key skill in presenting the restoration case is to ensure that the detailed description of the parts of the system that did not fail

appears relevant as part of the description of the failure of the system rather than a mere attempt to distract the Examiner from the failings of the system that was in place.

In any case, it is important that the case presented to the Examiner provides a clear and consistent narrative. It should also be appreciated that attempting to ignore deficiencies in the case will often be unsuccessful. If the explanation of the circumstances is silent on a significant issue, for example the failure of a party to respond to a reminder, it is likely that the Examiner will request further details. Therefore, it is usually preferable to address the issue in the initial explanation when it is possible to present it in the best possible light.

5 - Supporting a request for re-establishment with evidence

Satisfying a patent office that these conditions are met will typically involve providing evidence of the care taken by all parties. The appropriate evidence will depend closely on the circumstances in question.

A simple statement from a relevant individual, after the fact, indicating that the error was unintentional will not be sufficient to support the request. Moreover, even a detailed witness statement describing the circumstances may not on its own be enough to support the request. Patent offices will generally find *contemporaneous evidence* of the relevant procedures to be more persuasive in demonstrating the action taken by relevant parties at the time.

For instance, it will often be more convincing to provide copies of emails which were sent at the time the error was made, rather than simply referencing them in a witness statement. Similarly, although it can feel rather intrusive, patent offices will often want to see copies of medical certificates, or correspondence from a qualified medical professional, in support of an alleged illness. Although parties will generally be unwilling to place private information on a public file, this must be balanced against the importance of properly supporting the request.

It should be noted that, in some countries, it is possible to ask for certain pieces of evidence to be kept off the public file and/or for especially sensitive sections of a document to be redacted. However, this is not always possible and is usually at the patent office's discretion, and so often cannot be relied upon.

6 - Summary

In summary, it should be clear that re-establishment of rights will generally only be permitted by patent offices operating the "all due care" standard where it can be shown that proper care was taken (i) prior to the error occurring, over an appropriate period; (ii) by all parties involved, and (iii) to a standard appropriate to the circumstances. It must be emphasised that it is difficult to meet this standard. Preparation of a request for re-establishment under the "due care" standard will therefore usually be time-consuming, and will require the assembly of significant supporting evidence. Consequently, if an error is discovered and re-establishment under the "due care" standard becomes necessary, it is important to speak to an appropriate advisor as soon as possible.

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