



**DECISION
of the Third Board of Appeal
of 11 March 2014**

In Case R 1643/2013-3

Bright AB

Apotekaregatan 10 E
S-582 27 Linköping
Sweden

RCD Holder / Appellant

represented by Dennemeyer & Associates, 55, rue des Bruyères, L-1274 Howald,
Luxembourg

APPEAL relating to Community Design No 688197-0002 (Recordal No T 6 478 915)

THE THIRD BOARD OF APPEAL

composed of Th. M. Margellos (Chairperson), A. Szanyi Felkl (Rapporteur) and
E. Fink (Member)

Registrar: P. López Fernández de Corres

gives the following

Decision

Summary of the facts

- 1 On 6 March 2007, RCD No 688197-0002 was filed and registered in the name of Bright AB (holder and appellant).
- 2 By letter of 8 August 2011, the Office informed the holder that said Community Design would expire on 6 March 2012 and could be renewed as of 1 October 2011, and at the very latest, on 1 October 2012.
- 3 On 16 October 2012, the Office informed the holder that the RCD No 688197-0002 had expired on 6 March 2012.
- 4 On 10 December 2012, the holder applied for *restitutio in integrum*, at the same time applying for the renewal of RCD No 688197-0002. All relevant fees were duly paid.
- 5 The holder argued as follows:
 - The holder’s representative generally uses the services of Ms. Necula of the company Swedish Inventor’s Association in order to monitor and manage its registered designs.
 - Upon receiving from the Office the certificate of receipt of filing of the designs at issue on 19 March 2007 (which stated on Page 2 that the application holds two designs), the holder’s representative sent a fax to Ms. Necula on 28 March 2007. The fax included three pages, consisting of the two pages of the certificate, along with an information sheet.
 - According to the fax transmission sheet, the second page of the certificate of receipt was never received by Ms. Necula, who consequently thought that the registration contained only one design (No 688197-0001) which was the only one that was recorded for monitoring purposes.
 - On 16 April 2007, Ms Necula sent a confirmation to the representative, indicating that it had recorded RCD No 688197-0001 for monitoring.
 - The fax transmission sheet was not examined at the time of receipt of the fax. Consequently, the deficiency was neither noticed by the holder’s representative, nor by Ms Necula until very recently.
 - RCD No 688197-0001 was duly renewed on the required date. However, because of the above, a renewal fee was only paid for the first design.
 - This was an isolated and exceptional event in a normally satisfactory and well-functioning system.
- 6 By decision of 21 June 2013 (‘the contested decision’), the Operations Support Department rejected the request for *restitutio in integrum* and confirmed the expiry of the Community Design, essentially holding that not all due care required by the circumstances had been taken in order to renew the design.
- 7 More specifically, the Operations Support Department reasoned as follows:
 - It is considered that the non-renewal of the RCD No 688197-0002 is due to negligence or errors.

- The relevant person for assessing the exercise of all due care required is the representative, who is expected to inform the owner of the need to renew their registration and to take all necessary steps in order for the renewal to be effected.
 - The representative did not react when on 16 April 2007 he received from Ms Necula the registration sheet concerning only RCD No 688197-0001.
 - It should be noted that on 12 April 2007 the Office sent to the representative another notification, clearly indicating the RCD Nos. 688197-0001 and 688197-0002. It is not clear why the representative did not send this to Ms Necula.
 - There is no evidence that the representative has created a reliable and working system of managing renewals. A reliable system is a system that is stable, displays the correct information, performs the relevant checks and monitoring in order not to miss any deadline and allows smooth communication. In conclusion, the case can be classified as oversight and lack of due care rather than as an exceptional error.
- 8 On 19 August the holder filed an appeal together with a statement of grounds, requesting the contested decision to be cancelled, the renewal of the Community Design to be accepted and oral proceedings be held in case the Board intends to issue a negative decision. Interlocutory revision was not granted.

Grounds of appeal

- 9 The holder argues that the failure to transmit the entire fax to the Swedish Inventor's Association was not observed at the time of the fax transmission. The representative sent to Ms Necula the certificate of receipt dated 19 March 2007, rather than the Office communication dated 12 April 2007, because the former contained all the relevant information needed to make a proper registration of the application as regards the watching and payment of renewal fees: namely, on page 1, said document indicated the application number and on page 2 it stated that the application holds two designs. The representative saw no reason to wait until the registrations were issued to transfer the information to Ms Necula. On 16 April 2007, when she sent a confirmation to the representative, the final registration certificates had not yet been received and the representative was thus not able to detect that RCD No. 688197-0002 was missing from the records. In the confirmation to the representative, Ms. Necula used the same application number as the Office had done in the filing certificate, i.e. RCD No. 688197-0001. The procedure of the representative sending a fax transmission to Ms. Necula, who would then send a fax in return to the representative, has been used by the two companies as a successful double-checking system for over 10 years. The fax machine of the representative has always worked perfectly, thus rendering the circumstance of two pages sticking together an exceptional event. The fax sent from the representative to Ms. Necula was transmitted before receiving the registration certificate from the Office. It should be considered that all due care required by the circumstances was taken.

Reasons

- 10 The appeal is admissible but unfounded, with the consequence that the filing of the renewal of RCD No. 688197-0002 and the relevant payment are to be considered belated and the aforementioned RCD is thus deemed to have expired.
- 11 Article 67 (1) CDR allows *restitutio in integrum* if the party, in spite of all due care required by the circumstances having been taken, was unable to observe a time limit *vis-à-vis* the Office and has therefore suffered a direct loss of rights. According to Article 67(2) and (3) CDR, the application must be filed within two months of the removal of the cause of non-compliance and the omitted act must be completed.
- 12 As correctly outlined in the contested decision, the request for *restitutio in integrum* is admissible and the first requirement, namely that the holder has suffered the loss of a right as a consequence of his inability to observe a time limit, has been met.
- 13 As for the second substantial requirement of the provision, to exercise all due care required by the circumstances, it is clear that it lies in the first instance with the holder of the design. Thus, if the holder delegates administrative tasks relating to the renewal of a design, it must ensure that the person chosen offers the assurance necessary to enable it to be assumed that those tasks will be carried out properly. Moreover, since those tasks have been delegated, the person chosen is subject to the requirement to exercise due care just as much as the holder. Since that person acts on behalf of and in the name of the holder, its actions must be regarded as being the holder's actions (see, with respect to identical provision of Article 81 CTMR, judgment of 19 September 2012, T-267/11, VR, par. 19).
- 14 Moreover, the words 'all due care required by the circumstances' require a system of internal control and monitoring of time-limits to be put in place that generally excludes the involuntary non-observance of time-limits. It follows that *restitutio in integrum* may be granted only in the case of exceptional events, which cannot therefore be predicted from experience (see, with respect to identical provision of Article 81 CTMR, judgment of 19 September 2012, T-267/11, VR, par. 19).
- 15 However, the appellant failed to persuasively demonstrate to the Board that its representative acted with all due care required by the circumstances, regardless of whether or not the alleged faulty transmission of the fax dated 28 March 2007 from the representative to Ms Necula is to be considered an exceptional event attributable to unforeseeable circumstances beyond the representative's control.
- 16 If a professional representative is instructed, the measure of due care is determined by his behaviour (see judgment of 13 May 2009, T-136/08 'Aurelia', par. 15). The agent must use a sufficiently secure time limits control system, which generally excludes the possibility of unintentional missing of time limits (see judgment of 13 May 2009, T-136/08 'Aurelia', par. 26).
- 17 If the error in the behaviour of an office employee is causal to the failure to observe a time limit, due care requirements do not relate to the behaviour of the office employee but to the organisation and control obligations of the agent.
- 18 First of all, it is not clear why the fax containing the certificate of receipt was sent to Ms Necula *prior* to having received the complete certificate of registration

from the Office. If the representative had waited and sent the complete certificate of registration instead, the margin for error would have been diminished. The Board does not consider this to have constituted a reliable system of cooperation between the representative and Ms. Necula.

- 19 Secondly, the representative should have double-checked the content of the confirmation fax sent back by Ms Necula on 16 April 2007 and requested why it did not mention RCD No 688197-0002, only RCD No 688197-0001.
- 20 Thirdly, by letter dated 8 August 2011, the Office notified the representative that renewal of RCD No 688197-0002 was due. The representative should have taken notice of this reminder and checked that all was in place at his end in order to carry out said renewal within the due dates. The Board points out that the representative had plenty of time, namely nearly 14 months from the date of receipt of the reminder, to carry out the renewal, since the last possible date on which to submit the renewal fee would have been 1 October 2012.
- 21 Based on the above, the Board is therefore under the impression that the representative's omitted renewal of CDR No 688197-0002 is not necessarily due to the alleged faulty transmission of the fax dated 28 March 2007. Rather, it would appear that, overall, the representative failed to take all due care required by the circumstances in his management of the design in question. If the transmission of the above-mentioned fax was indeed faulty, the representative had plenty of subsequent opportunities to double-check, with Ms Necula or in any other manner, that RCD No 688197-0002 had been properly recorded in a reliable designs monitoring and management system. The error committed was not unforeseeable or unavoidable and falls entirely within the realm of control of the representative.
- 22 The missed time limit for renewal of RCD No 688197-0002 thus derives from a breach of the duty of due care on the part of the representative, for which the holder must assume responsibility. The Operations Support Department was therefore correct in not granting a *restitutio in integrum*.
- 23 As for the appellant's request for an oral hearing, it follows both from the wording of Article 64(1) CDR and from case law that the Board enjoys discretion as to whether, where a party requests that they be held, oral proceedings before it are really necessary (see judgment of 19 May 2010, T-108/09 'Memory', par. 46 and the case law cited therein). In the present case, the Board considers that it had before it all the information needed to decide upon the case. Therefore, the appellant's request for an oral hearing is rejected.
- 24 Consequently, the contested decision is confirmed and the appeal is dismissed in its entirety.

Order

On those grounds,

THE BOARD

hereby:

Dismisses the appeal.

Th. M. Margellos

A. Szanyi Felkl

E. Fink

Registrar:

P. López Fernández de Corres