

The Administrative Tribunal,

Considering the complaint filed by Mr A.S. F. against the European Patent Organisation (EPO) on 19 January 2004, the Organisation's reply of 30 April, the complainant's rejoinder of 11 June and the EPO's surrejoinder of 30 August 2004;

Considering Articles II, paragraph 5, and VII of the Statute of the Tribunal;

Having examined the written submissions and decided not to order hearings, for which neither party has applied;

Considering that the facts of the case and the pleadings may be summed up as follows:

A. The complainant is a British national, born in 1954, who joined the European Patent Office – the EPO's secretariat – in 1980 as an assistant examiner at grade A1. He is based in The Hague and is currently Director of Directorate 1.2.19 at grade A5.

Amongst other activities, the EPO processes international applications under the Patent Cooperation Treaty (PCT). One of the purposes of filing an international application is to ascertain whether a claimed invention is likely to be patentable before incurring the expense of applying, perhaps unsuccessfully, for patents at national or regional level. The present case concerns only the first part of the PCT procedure, which is also referred to as the "international phase", for which the basic steps are the following. Each application, provided that it complies with certain formal requirements, is first submitted to a search examiner, who carries out a search in order to identify relevant prior art, that is to say similar technology which is already known as a result of a written public disclosure. The results of the search are recorded in an International Search Report (ISR), which is published together with the international application. The ISR is essentially a list of publications, such as existing patents, categorised according to how closely related they are to the subject matter of the application. The inventor may then choose to obtain a more detailed opinion by requesting an International Preliminary Examination by a substantive examiner, whose findings are presented in an International Preliminary Examination Report (IPER).

In the context of the reform of the PCT, the formerly separate roles of search examiner and substantive examiner have been combined through an initiative known as "BEST" (Bringing Search and Examination Together). Examiners are now being trained to perform both search and examination duties so that applications can be dealt with by the same examiner (a "BEST examiner") throughout the procedure.

With effect from 2 January 2002, as a provisional measure to help cope with an increased volume of PCT applications, the EPO streamlined the international preliminary examination procedure by offering applicants the choice between a procedure with or without detailed examination. The procedure without detailed examination culminates in the issuing of a computer-generated IPER, known as a "rationalised IPER", which is based solely on the content of the ISR and involves no input from a substantive examiner.

Rule 70.14 of the Regulations Under the PCT stipulates that each IPER must indicate the name of the person responsible for the report (designated on the IPER form as the "Authorized Officer"). The Authorized Officer is defined in Section 612 of the Administrative Instructions Under the PCT as "the person who actually performed the examination work and prepared the [IPER] or another person who was responsible for supervising the examination". In the case of rationalised IPERs, which are produced by a computer and not by a substantive examiner, the EPO decided to designate as Authorized Officer the director of the search examiner who produced the ISR for the application in question.

The complainant is a director who supervises search examiners. In June 2001, when the Office announced internally that it intended to resort to rationalised IPERs, he wrote to the Principal Director of Principal Directorate 1.2.2 seeking assurances that the Office would abstain from designating him as Authorized Officer in rationalised IPERs, since he would in fact never see those IPERs. He expressed the view that the proposed measures were incompatible with the requirements of the PCT. At the request of the Principal Director, the Principal Administrator

of Directorate-General 5 (Legal/International Affairs) issued an opinion on the matter, dated 12 December 2001, in which he concluded that the person identified as Authorized Officer should be the examiner who performed the international search.

Having received no reply to his request for assurances, the complainant reiterated it in a letter of 3 January 2002. The Principal Director replied on 8 January that it was not considered appropriate to review the rationalised procedure. He emphasised that the contested measure was provisional and that the problem of designating an Authorized Officer in rationalised IPERs would no longer arise once the BEST initiative was fully operational.

By a letter of 16 January 2002 the complainant asked the President of the Office to reconsider the rationalised procedure. In the event that the latter decided to maintain the procedure as it stood, the complainant expressly refused to allow the Office to issue rationalised IPERs in his name, adding that if the Office proceeded to do so notwithstanding his refusal, he would have no other option than to step down from his position as a director. On 5 February the Vice-President of Directorate-General 1 (DG1) replied, on behalf of the President, that the complainant's concerns were unfounded. On 12 February the complainant wrote again to the President, requesting that rectified IPERs be issued to replace each rationalised IPER issued in his name and seeking assurances that his name would no longer be used on rationalised IPERs. By a letter of 22 February the Vice-President of DG1 informed him that the Office would continue its practice of naming the competent director as Authorized Officer on rationalised IPERs and that no exception would be made in his case. On 15 March the complainant lodged an appeal against that decision.

In an opinion dated 26 May 2003 the Appeals Committee concluded that the complainant had no grounds for objecting to being named as Authorized Officer in rationalised IPERs. It therefore considered that his request that amended IPERs be issued to replace those already issued in his name, and likewise his requests for compensation and for a written apology, were unjustified. However, the Committee felt that it was inappropriate that the complainant was not informed of which reports were issued in his name, and that he had no influence over those reports. Consequently, it recommended that the Office provide the directors concerned with a means of supervision, such as a list of rationalised IPERs issued in their name.

On 29 October 2003 the Principal Director of Personnel wrote to inform the complainant, on behalf of the President, that his appeal had been rejected on the grounds that directors already had full control and influence over the rationalised IPERs issued in their names. He explained that rationalised IPERs have the same content as the ISRs on which they are based, and that since directors check the outgoing ISRs, they exercise the necessary control at that stage. That is the impugned decision.

B. The complainant contends that the impugned decision is tainted with errors of law. It is clear from the wording of Rule 70.14 and Section 612 that the international preliminary examination must be performed by a person. Consequently, it is contrary to the PCT Regulations to issue IPERs that are generated solely by a computer. Section 612 provides that the Authorized Officer may be a person who supervised the examination. The complainant states that he cannot be considered to have supervised an examination which has not taken place. Even though under the BEST initiative the search examiner and substantive examiner are one and the same person, the rationalised procedure remains unlawful because there is no basis in the PCT for combining international search and international preliminary examination. Moreover, only a minority of applications are being dealt with by BEST examiners. The rationalised IPER cannot be construed as the work of the search examiner, since no examiner or director even sees it prior to dispatch.

The complainant draws attention to the fact that, for some applications, the international search is carried out on behalf of the EPO by the Spanish Patent Office or the Swedish Patent Office, whilst the EPO continues to perform the international preliminary examination. Thus, a rationalised IPER may be issued in his name on the basis of a search carried out in Spain or Sweden by an examiner whom he does not even know, let alone supervise.

He also considers that the rationalised procedure is contrary to Article 24(2) of the Service Regulations for Permanent Employees of the Office, which provides that he cannot be required by the Office to carry out an order the execution of which would be contrary to the criminal law of his country of origin or of his duty station. Citing two United Kingdom criminal law statutes, he argues that by designating him as Authorized Officer without clarifying the fact that the rationalised IPER is computer-generated, the Office misleads "customers" into believing that the report they receive has been produced by a substantive examiner, thereby rendering him liable to prosecution for forgery and fraud under UK law.

Lastly, he submits that the Office breached the duty of care it owes him, by its “cavalier” dismissal of his concerns and its refusal to allow him to step down from his functions as a director.

He asks the Tribunal to set aside the impugned decision and to order the Office to implement the Appeals Committee’s recommendation. He also requests that the Office be ordered to issue rectified IPERs to replace each rationalised IPER that has been issued in his name. He seeks damages for injury to his reputation, a letter of apology from the President of the Office and an award of costs.

C. In its reply the Organisation objects to the receivability of the complainant’s claims for moral damages, a letter of apology and costs, on the grounds that they were not raised in his initial appeal, but only in his reply – dated 11 September 2002 – to the Office’s position paper before the Appeals Committee, more than three months after the notification of the decision of 22 February 2002 against which his appeal was directed.

It emphasises that the rationalised procedure was merely a provisional measure to deal with an increased workload pending the implementation of the PCT reform. The purpose of designating an Authorized Officer is simply to provide a contact point in the event that the applicant has queries.

The Organisation explains that the content of a rationalised IPER corresponds to that of the ISR but is converted to a different format by a computer, which generates standard text paragraphs according to the categories assigned to the publications cited in the ISR. The person who actually carried out the work on which the rationalised IPER is based is the person who carried out the search, but Section 612 gives the Office a discretion as to whether it names the search examiner or the latter’s supervisor as Authorized Officer. Since the director can ascertain exactly what any IPER will contain when checking outgoing ISRs, he is able to exercise sufficient control at that stage over rationalised IPERs issued in his name.

The EPO denies that there is no provision in the PCT for combining international search and international preliminary examination. Under Rule 69.1(b) of the PCT Regulations, the examination can under certain circumstances begin at the same time as the search. Moreover, the objectives of search and examination are very similar, insofar as both seek to establish whether the subject matter of the application appears to be novel and to involve an inventive step. Under the new international search system in force since 1 January 2004, all applications in effect undergo a form of international preliminary examination together with the international search. Although not all of its examiners are yet fully trained as BEST examiners, a majority have now completed that training, and BEST examiners take due account of the main requirements of international preliminary examination even at the search stage.

The defendant also rejects the view that its “customers” are misled by the designation of an Authorized Officer on rationalised IPERs. Applicants are properly informed that unless they opt for detailed examination, no detailed substantive examination is carried out before the rationalised IPER is issued. Rationalised IPERs are EPO communications which comply with the provisions of the PCT and which are issued by the Office in its capacity as an International Preliminary Examining Authority under the PCT. Consequently, the use of the complainant’s name on such communications does not involve the commission of any criminal offence.

As regards the issue of international searches performed by the Spanish and Swedish patent offices, the EPO acknowledges that the complainant has no opportunity to supervise the search directly. However, it points out that such work is carried out under a partnership agreement which provides for specific measures, including a common system of quality monitoring, to ensure that work performed within the partnership is of a standard equivalent to that of work performed within the EPO.

D. In his rejoinder the complainant submits that nothing in the Service Regulations prevents him from submitting claims in the course of the internal appeal, provided that they “touch and concern” the subject matter of the appeal. He asks the Tribunal to clarify the issue of whether all claims must be stated at the very outset of the internal appeal.

He points out that under the new procedure in force since 1 January 2004, non-BEST examiners and examiners from the Spanish and Swedish patent offices are excluded from processing applications for which the international preliminary examination is to begin at the same time as the international search. In his view, this shows that the EPO does not consider them to be competent to start the examination, in which case they should not have been considered competent to do so under the rationalised procedure.

E. In its surrejoinder the Organisation maintains its objection to receivability, arguing that the complainant widened his original appeal by adding claims for moral damages, a letter of apology and costs. It observes that the exclusion to which the complainant refers, concerning non-BEST examiners and examiners from the Spanish and Swedish patent offices, is based only on grounds of efficiency and has nothing to do with competence.

CONSIDERATIONS

1. The complainant is a director in Principal Directorate 1.2.2 (Search 2) at the EPO. He is objecting to the introduction of a new streamlined procedure for processing international applications under the Patent Cooperation Treaty (PCT), which in his view amounts to a violation of that Treaty by the EPO Administration. Because the new procedure involves naming the complainant as the “Authorized Officer” on work he says he does not supervise, he also denounces a breach of the Organisation’s duty of care to him, for which he seeks moral damages, costs and a letter of apology, as well as the retroactive removal of his name from all IPERs issued under the new procedure.
2. The complainant filed an appeal on 15 March 2002, in reaction to a negative reply from the Vice-President of Directorate-General 1 to his request that the Office cease using his name on rationalised IPERs.
3. On 22 August 2002 the complainant was informed that the new procedure would be applied not only to rationalised IPERs based on searches conducted by EPO search examiners, but also to those based on searches done by examiners of the Swedish Patent Office, with which the EPO has a work-sharing arrangement. It appears that a similar arrangement also exists with the Spanish Patent Office. In the complainant’s view, this further widened the scope of the work not under his control to which his name would be appended.
4. The complainant submitted a reply to the EPO’s position on the internal appeal on 11 September 2002, in which he broadened his original request for relief to include compensation, costs and a letter of apology.
5. The Appeals Committee issued its opinion on 26 May 2003, recommending that the complainant’s appeal be allowed in part and stating that the complainant’s broadened request for relief was admissible. The Committee found that the complainant had a legitimate interest in being able to influence how duties under his responsibility are carried out, and that in this respect Section 612 of the Administrative Instructions Under the PCT is relevant, since it defines the “Authorized Officer”, whose name must appear on each IPER, as including the person “responsible for supervising the examination”.
6. The Committee recommended that some means by which the directors can keep track of the rationalised IPERs that have been issued, such as a list of the reports dispatched under each director’s name, be used to remedy the situation.
7. The President, upon receipt of the Committee’s opinion, referred it to the responsible department to examine the feasibility of implementing the recommendation. After the complainant followed up two months later to find out the result of this process, he was in due course informed that the President had rejected the Committee’s recommendation and with it his appeal. That is the impugned decision.
8. The EPO submits that the additions to the complainant’s requested relief, made in his reply dated 11 September 2002 to the EPO’s position on his internal appeal, are irreceivable because they were put forward more than three months after the contested decision and hence after the expiry of the statutory time limit for appeals under Article 108 of the Service Regulations for Permanent Employees of the Office.
9. The Appeals Committee accepted that the whole of the complainant’s appeal was receivable. The essence of his grievance was contained in his original appeal and his reply was simply an expansion on the relief requested but did not raise a new ground of appeal. That finding was correct and the Tribunal endorses it. In Judgment 2416 (also delivered this day), under 11, the Tribunal stated the following:

“The objection to receivability is misconceived. The Appeals Committee accepted that the complainant could make a claim for damages and heard both parties on the question. The reason that the Tribunal insists that any claim made before it must first have been asserted in the internal appeal process is that Article VII(1) of its Statute demands that the complainant first exhaust any available internal means of redress. The EPO has not shown that there is any equivalent provision relating to internal appeals, and it is desirable that such appeals should be as

unencumbered as possible by procedural obstacles provided that elementary fairness is observed. There is no indication that such was not the case before the Committee which heard both parties in full.”

10. On the merits, the complainant puts forward three pleas. First, he submits that the new procedure providing for rationalised IPERs violates Rule 70.14 of the PCT Regulations, which reads as follows:

“Authorized Officer

The report shall indicate the name of the officer of the International Preliminary Examining Authority responsible for that report.”

11. The complainant reads this in conjunction with Section 612 of the Administrative Instructions, which defines the term “Authorized Officer” as follows:

“The officer of the International Preliminary Examining Authority responsible for the international preliminary examination report, as referred to in Rule 70.14, means the person who actually performed the examination work and prepared the international preliminary examination report or another person who was responsible for supervising the examination.”

12. The complainant submits that since there is no examination being carried out, but only a search and a computer-generated examination report based upon it, he has neither performed the examination work nor supervised it, and so he cannot be the Authorized Officer and his name should not appear on the rationalised IPER.

13. The complainant further submits that since the provisions governing the search stage of the procedure are dealt with in Chapter I of the PCT and those governing the examination stage are dealt with in Chapter II, the new procedure lacks a structural basis in the Treaty. He argues that since his search staff generates work under Chapter I, and he cannot exercise control over the IPER as a Chapter II function, the work is going out under his name when he has no means of supervising it.

14. The complainant adds that in the case of searches conducted by the EPO partner offices, such as the Spanish and Swedish Patent Offices, he has no opportunity to even supervise the search from which the computer-generated IPER is later produced.

15. In the Tribunal’s view, Section 612 of the Administrative Instructions and Rule 70.14 of the PCT Regulations are meant to be read together. The text of both states that either the officer who performed the examination or that officer’s supervisor must be named on the IPER, so if the search staff of the EPO can be named, then the complainant can be named also, as their supervisor. The question is whether the search staff in general can be considered to have performed an examination under the streamlined procedure.

16. Rule 70.14 states that the Authorized Officer in question must come from an International Preliminary Examining Authority (IPEA). This is a Chapter II body under the PCT, and it is different from an International Searching Authority (ISA) under Chapter I. It would appear that the Spanish Patent Office and the Swedish Patent Office are, like the EPO itself, both International Searching Authorities and International Preliminary Examining Authorities. No text has been cited which would deny them the right to combine both functions, and this appears to be permitted under the PCT. The Administrative Instructions strongly suggest that this is the case. In Section 605, concerning the file to be used for International Preliminary Examination, they provide that:

“[w]here the International Preliminary Examining Authority is part of the same national Office or intergovernmental organization as the International Searching Authority, the same file shall serve the purposes of international search and international preliminary examination.”

17. The PCT Regulations also strongly suggest a high degree of integration between international search and examining authorities.

18. Rule 36.1(iv) of the PCT Regulations states that one of the minimum requirements for an International Searching Authority is that “[the] Office or organization must hold an appointment as an International Preliminary Examining Authority”. Rule 63.1(iv) of the PCT Regulations states that one of the minimum requirements for an International Preliminary Examining Authority is that “[the] Office or organization must hold an appointment as an International Searching Authority”.

19. The list of offices appointed as ISAs or IPEAs on the World Intellectual Property Organization's website shows that all ISAs have IPEA designations as well and vice versa. So it would appear that not only are the search and examining authorities expected to work together, they are required to be operating out of the same place, which would suggest that their work is of necessity intertwined.

20. Thus, for searches conducted by EPO staff, the practice complained of would appear to be legitimate and not in conflict with the PCT and the quoted texts. Since the rationalised IPER is simply a reproduction of the International Search Report which in the EPO is prepared under the complainant's direction, it is difficult to see that he has any legitimate ground of complaint. It is different, however, with regard to the Spanish and Swedish Patent Offices. The fact that the complainant may be able to file suggestions concerning the practices of a partner office with a Joint Permanent Committee on Harmonisation of Search Activities does not in the least equate to direct supervision of that office. Therefore, the complainant is correct in arguing that, under the PCT Regulations and Administrative Instructions, he should not be named as Authorized Officer on rationalised IPERs based on the searches conducted by examiners of the Spanish and Swedish Patent Offices, since he is not the direct supervisor of their work. The evidence contained in the file does not indicate what proportion of the IPERs bearing the complainant's name originates from these sources.

21. Submissions by both parties raise the issue of whether staff trained only to perform searches can be involved in examinations before the BEST training is fully completed, but this is not a question which the Tribunal needs to resolve in the context of the complaint.

22. Second, the complainant argues that the format of the rationalised IPER is designed to mislead the EPO's "customers" into believing they are receiving a proper IPER when in fact they are just receiving a computer-generated re-hash of the search stage. As a British national, he invokes Article 24 of the Service Regulations and refers to UK criminal law concerning forgery and fraud, specifically the UK Forgery and Counterfeiting Act 1981 and the Trade Descriptions Act 1968. The complainant appears here to be making an argument that the EPO's new procedure is analogous to a business engaging in false advertising. But the EPO is not a business. It is rather an international organisation, which is not covered by the type of provisions found in the Trade Descriptions Act 1968 or any similar statutes at the international level, such as the Paris Convention. While the business language of "customers" and "efficiency" may have been liberally imported into current management of these organisations, their "product", which is that of making decisions on regulatory matters, does not appear to be subject to trade rules regarding misrepresentation.

23. It is also not clear that any misrepresentation has taken place, since the complainant has not provided sufficient evidence to indicate an intention on the part of the EPO to pass off the rationalised IPERs as equivalent to written opinions of a substantive examiner. The argument fails.

24. Third, the complainant argues that the EPO has failed in its duty of care to him. His submissions are filled with concerns about the damage to his reputation that he feels results from his name being associated with the new procedure, but to the extent that the said procedure is justified by the relevant texts, as previously indicated, he can have no ground for complaint.

25. It remains, however, that an international organisation owes to its staff a duty of fair treatment, protection of the employees' due reputation and the provision of adequate training for the tasks which they are required to carry out.

26. While there is no immediately relevant precedent, the Tribunal's decision in Judgment 1344 is instructive. In that case, moral damages were awarded to a complainant for an employer's breach of fair treatment where he was not informed that reports bearing his name had been altered. Although the complainant in this case is fully aware of the implications of the procedural changes complained of, that does not alter the fact that his name is being used against his will and without his consent on some IPERs based on searches carried out at the Spanish and Swedish Patent Offices.

27. The complainant argues that the association of something as personal as his name with what he terms "objectionable practices" is enough to diminish his reputation. Since he repeatedly made clear to his supervisors that he was uncomfortable with the practice complained of, there is here a violation of his rights that warrants an award of moral damages, which the Tribunal evaluates at 5,000 euros, in view of the Organisation's failure to take any remedial action.

28. The complainant asks for a letter of apology and an order removing his name from all IPERs which he has not himself supervised. While the Tribunal cannot grant such relief, it can make a declaration that the EPO's practice of using his name on rationalised IPERs based on searches emanating from the Spanish and Swedish Patent Offices must cease and that should give him satisfaction.

29. Since he succeeds, the complainant is entitled to costs in the amount of 1,000 euros.

DECISION

For the above reasons,

1. The EPO's practice of using the complainant's name on IPERs based on searches emanating from the Spanish and Swedish Patent Offices must cease.
2. The EPO shall pay the complainant moral damages in the sum of 5,000 euros.
3. It shall also pay him costs in the amount of 1,000 euros.

In witness of this judgment, adopted on 5 November 2004, Mr Michel Gentot, President of the Tribunal, Mr James K. Hugessen, Vice-President, and Ms Mary G. Gaudron, Judge, sign below, as do I, Catherine Comtet, Registrar.

Delivered in public in Geneva on 2 February 2005.

Michel Gentot

James K. Hugessen

Mary G. Gaudron

Catherine Comtet