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D E C I S I O N
of 21 January 1999

Case Number: G 0004/97
Application Number: 82304478.9
Publication Number: 0073646
IPC: C12N 15/00

Language of the proceedings: EN

Title of invention:

Construction of DNA sequences and their use for microbial
production of proteins, in particular human serum albumin

Patentee:

Genentech, Inc.

Opponents:

Delta Biotechnology Limited
Riatal GmbH
Naohito Oohashi

Headword:

Opposition on behalf of a third party/GENENTECH

Relevant legal provisions:

EPC Art. 99
EPC R. 55

Keyword:

"Admissibility of opposition - acting on behalf of a third
party"
"Circumvention of the law by abuse of process"

Decisions cited:

G 0001/84, G 0009/93, T 0010/82, T 0635/88, T 0290/90,
T 0649/92, T 0798/93, T 0301/95



Case Number: G 0004/97

D E C I S I O N
of the Enlarged Board of Appeal
of 21 January 1999

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Referral decision: Decision of the Technical Board of Appeal 3.3.4
dated 2 July 1996 in case T 0649/92 - 3.3.4.

Composition of the Board:

Chairman: P. Messerli
Members: R. Teschemacher
C. Andries
J. Brinkhof
G. Davies
J.-C. Saisset
P. van den Berg

Summary of Facts and Submissions

I. Technical Boards of Appeal 3.2.5 and 3.3.4 have referred similar points of law to the Enlarged Board of Appeal under Article 112(1)(a) EPC.

II. In an interim decision T 301/95 (OJ EPO 1997, 519 - Straw man/HARTDEGEN), Board 3.2.5 referred the following point of law (original language German, reference number G 3/97):

"1. Is an opposition filed by an indirect representative ('straw man') admissible?

2. If the answer to 1 is no, to what extent does the objection to a 'straw man' have to be investigated if circumstances are cited raising reasonable doubt that the opponents are not acting in their own interests?"

III. In the proceedings before Board 3.2.5, the patent proprietors had alleged that the opponent was acting as a straw man for a third party, which had filed observations under Article 115 EPC citing public prior use as an obstacle to patenting. This allegation was based on certain phrases in the statement of grounds of opposition which were identical with the objections raised by the third party, and also on the opponent's conduct and the fact that he was a patent searcher. The patent proprietors requested that the opposition be rejected as inadmissible.

IV. In its interim decision T 649/92 (OJ EPO 1998, 97 - DNA for HSA/GENENTECH), Board 3.3.4 referred the following questions to the Enlarged Board (reference number G 4/97):

"1. Is a respondent patentee entitled to challenge the admissibility of an opposition on grounds relating to the identity of an appellant opponent during the course of the appeal, where no such challenge to admissibility had been raised before the opposition division?

2. If the answer to Question 1 depends on the particular circumstances, what are the legal principles governing the circumstances that the Board of Appeal should take into account in assessing whether a challenge to the admissibility of the opposition is allowable at the appeal stage?

3. If the answer to Question 1 can be yes, how is the requirement of Article 99(1) EPC to the effect that any person may give notice of opposition to the European patent to be interpreted, and in particular should it be interpreted to the effect that anybody may give notice of opposition in his own name, but not in the name of a nominal opponent, that is an opponent who merely lends his name for the proceedings while allowing the proceedings to be controlled by another?

4. If the answer to Question 3 means that Article 99 EPC precludes a nominal opponent, in what circumstances, if any, can a suspected nominal opponent be required to provide evidence to establish that the opposition is genuinely his own, and what evidence can such a suspected nominal opponent be required to give to prove that he is a genuine opponent?

5. If the answers to the above questions involve a restriction on the right to challenge admissibility, is such restrictive view to be applied immediately in all pending proceedings?"

- V. In the proceedings before Board 3.3.4, the patent proprietors had submitted that the opponent's business was the sale of umbrellas and leather goods. He could have no interest in opposing a patent in the field of genetic engineering. He was unlikely to have the technical competence to conduct the opposition proceedings. He came from a jurisdiction where "straw man" oppositions were common. Finally, he had refused to confirm that he was not acting on behalf of a third party. In this case, too, the patent proprietors requested that the opposition be rejected as inadmissible.
- VI. Both referrals cite problems which have arisen in the previous handling of the straw man objection. The decision in T 301/95 emphasises the problem of the *inter partes* effect of a decision and the possible consequences for national revocation and opposition proceedings. For example, under section 11 of the Austrian Law Introducing Patent Treaties, a decision in European opposition proceedings may lead to an objection of *res judicata* in subsequent national revocation proceedings if the parties and issues involved are identical. The decision is principally concerned with the question of how the conflict between the parties with regard to the evidence that the opponent is acting as a straw man can be resolved by a suitable apportionment of the burden of proof (referred question 2). In contrast to this, T 649/92 attaches particular weight to the argument that the opponent was the person named as such in accordance with Rule 55(a) EPC; his interest in the proceedings was therefore of no consequence.
- VII. In view of the substantive connection between the referred questions, the Enlarged Board of Appeal has consolidated the proceedings under Article 8 of the Rules of Procedure of the Enlarged Board of Appeal.

VIII. The parties to both proceedings were given an opportunity to comment on the referred questions. In a communication annexed to the summons to oral proceedings held on 25 September 1998, the Enlarged Board of Appeal raised two questions which it considered essential to the resolution of the points of law referred to it:

Are there any persons or groups of persons who would not fall within the expression "any person" in Article 99(1), first sentence, EPC?

May a person who is not allowed to file an opposition himself incite a third party to file the opposition?

IX. No comments were filed by the other parties to the proceedings under Article 107, second sentence, EPC (opponents 01 and 02 in T 649/92). The remaining parties submitted essentially the following comments in written and oral form:

(a1) In respect of the entitlement to oppose, Article 99(1) EPC must, in the view of the respondents (patent proprietors), be interpreted on the basis of the purpose of the provision that opposition be available only to the person actually objecting to the grant of the patent. An opposition could not be filed by a person who merely lent his name for the opposition and to whom the grant of the patent itself was a matter of indifference. The same purpose was served by the requirement under Rule 55(a) EPC that the opponent be identified. Therefore, the true opponent had to be named, not someone nominated by the true opponent to act on his behalf. Article 99(1) EPC was not to be interpreted in purely literal terms; this was already evident

from the fact that, according to the decision in G 9/93 (OJ EPO 1994, 891 - Opposition by patent proprietor/PEUGEOT), "any person" within the meaning of the provision also excluded the patent proprietor. Exactly the same considerations applied to the straw man acting on behalf of a third party and under that party's instructions. Only if a straw man were prevented from acting as an opponent could the decision in G 9/93 (*supra*) prohibiting opposition by the patent proprietor be enforced; otherwise, the patent proprietor could easily circumvent the prohibition by using a straw man.

Preventing a straw man from acting as an opponent was also necessary to ensure compliance with the provisions on representation. An opponent having neither a residence nor principal place of business in one of the contracting states could not be allowed to circumvent the requirement for representation under Article 133(2) EPC by employing a straw man to act on his behalf. The straw man, in turn, was nothing more than a representative of the opponent, without possessing the qualifications required under Article 134 EPC.

The principle of good faith applied to the institution and conduct of all proceedings before the EPO. This meant that it was not permissible to turn an opposition into sham proceedings by concealing the true opponent's identity, thereby giving rise to the possibility of abuse and deception. Instead, the patent proprietor, the EPO and the public should be told who the true opponent was. The opponent should not be given an opportunity to escape the consequences of the proceedings by concealing his identity. In particular, any concessions he made in the

opposition proceedings had to be binding on him in subsequent proceedings before national courts. The disclosure of the true opponent's identity was also necessary to ensure that a licensee would not be tempted to disregard a no-challenge obligation.

- (a2) The appellants (opponents) took the view that the relevant provisions were unambiguous. "Any person" meant any natural or legal person, without qualification. The EPC did not require that the opponent must have a personal interest in the outcome of the opposition proceedings. This was also confirmed in G 9/93 (*supra*). There, the patent proprietor was barred from filing an opposition, but the words "any person" were interpreted as referring to the public at large. This included anybody who cited a substantial ground for opposition. As in the referral decision T 649/92, the identity of the opponent should therefore be seen as a purely formal matter. The opponent was simply the person named in accordance with Rule 55(a) EPC.

To speak of a true opponent apart from the person named as the opponent under Rule 55(a) EPC would only be possible if the opponent were required to have an interest beyond that of the general public in the outcome of the opposition proceedings; but precisely this was not required under the EPC. Deviating, for example, from the previous arrangements under UK law, the legislator had deliberately refrained from imposing such a requirement, in order not to burden the EPO with issues outside the scope of its normal tasks. This also applied to the question of the existence and effect of a no-challenge agreement. Moreover, the law stated explicitly that it was not the EPO's task to investigate whether the patent proprietor,

for example, was a straw man acting for the true holder of the rights in respect of the invention. There was no justification for treating the opponent any differently. No other conclusion could be drawn from the mention in the referral decision T 301/95 of the legal effect of a decision in opposition proceedings on subsequent national revocation proceedings. In Austria, for example, the use of a straw man to institute proceedings for revocation was entirely permissible. Therefore, the naming of the true opponent did not necessarily mean that the parties to the subsequent revocation proceedings would be the same.

Finally, the EPC gave no indication as to what kind of interest would suffice to be accepted for opposition. There could be cases of a clear demarcation between a true and a nominal opponent. But in many situations it was not possible to draw a clear dividing line; for example, where the nature of the interest changed in the course of the opposition proceedings. Moreover, there could be a wide variety of reasons why a person with an interest in the revocation of a patent might not want to act openly as a party in opposition proceedings, without these reasons necessarily having anything to do with the patent proprietor.

Ultimately, all that mattered was that the opponent should be identifiable when the time limit for opposition expired, so that it would be possible to determine which person had become a party to the proceedings. This also had to apply if the opponent was a professional representative or a legal advisor in the field of industrial property. Even if it were necessary to investigate the straw man question in a case where an

opposition had been filed by the patent proprietor or the requirements with regard to representation had been circumvented, this would by no means justify investigating in every case whether the opponent was acting in the interest of another person. This would mean in effect that the opponent would have to prove his own interest. However, this was fundamentally alien to the opposition procedure; it was sufficient if the opponent represented the public interest.

- (b) Regarding the question of how and under what circumstances it is necessary to investigate whether an opponent is acting on someone else's behalf, the parties agreed that the burden of proof must be borne by the party raising the allegation.
- (b1) The respondents took the view that it would generally be asking too much of the patent proprietor to require that comprehensive proof of the involvement of a straw man be supplied. It should be sufficient if he cited circumstances which, on a reasonable view, would make it seem likely that the opposition was filed on behalf of an unnamed third party. The named opponent would then have to show that this assumption was wrong. The proof required would depend on the extent to which the circumstances cited by the patent proprietor were convincing. Where appropriate, the requirements could be met by a sworn statement that the opposition was not filed on behalf of a third party.
- (b2) Without prejudice to their view that the entitlement of a correctly-named opponent to file an opposition should not be called into question, the appellants were of the opinion that vague

allegations and mere doubts could on no account suffice to prove that the opponent was acting on behalf of a third party. Instead, the patent proprietor had to present conclusive evidence. The opponent was entitled to remain silent if asked about his own interest in the revocation of the patent, and no conclusions detrimental to him were to be drawn from his refusal to comment. As long as the existence of a concrete third party was not proven, there was no reason for any closer investigation. A mere statement by the opponent was not enough to clarify the question, since the patent proprietor could easily call such a statement into question. Regarding the case of opposition on behalf of the patent proprietor, the appellant in T 301/95 took the view that here, too, the named opponent was a party, with the result that there was no reason for any investigation.

- (c1) Regarding the possible time at which the objection that the opponent was acting on behalf of a third party should be raised, the respondents argued that the admissibility of an opposition was a fundamental precondition for a decision on the substance of a case, and that this precondition must be satisfied at every stage of the proceedings. The lack of admissibility therefore still had to be taken into account at the appeal stage.

- (c2) In contrast to this, the appellants maintained that the purpose of appeal proceedings was to review the validity of the decision of the department of first instance. If the patent proprietor failed to raise the issue of the admissibility of the opposition on grounds

relating to the opponent's identity during the proceedings before the opposition division, then this issue was definitely not a matter for review at the appeal stage. In this respect, the patent proprietor was not adversely affected.

- (d) Regarding the period of time to which the decision to be taken by the Board applied, the parties invoked the principle of the protection of legitimate expectations. If the decision led to a legal situation deviating from the previous case law, then it could be necessary to establish criteria for determining the cases to which the decision should be applied. In the appellants' view, an opposition filed on the basis of legitimate expectations arising from previous case law could not be treated subsequently as inadmissible.

Reasons for the Decision

1. Both referrals essentially pose the question whether an opposition is inadmissible if the opponent is acting on behalf of another person, ie as a straw man (**question 1 in T 301/95 and question 3 in T 649/92**). In accordance with established case law (see, for example, T 798/93, OJ EPO 1997, 363 - Identification of real opponent/ROAD TRAIN with further references and decisions quoted in Case Law of the Boards of Appeal of the EPO, 2nd ed., 1996, section VI.D.3.2.2), the respondents invoked the principle that a person acting on behalf of a third party was not the true opponent.
2. The Board is unable to accept this premise.
 - 2.1 The status of opponent is a procedural status and the basis on which it is obtained is a matter of procedural

law. The EPC addresses this in Article 99(1) in conjunction with Article 100, Rule 55 and 56(1) EPC. On this basis, the opponent is the person who fulfils the requirements of the EPC for filing an opposition; in particular, the person must be identifiable (see Rule 55(a) EPC). The EPC does not specify any further formal requirements to be met by the opponent. A person who fulfils the said requirements becomes a party to the opposition proceedings (Article 99(4) EPC). In these proceedings, only his acts are relevant. A third party (the "principal") who has incited the opponent to file the opposition cannot perform any procedural acts. The question whether the opponent's acts accord with the intentions or instructions of the principal is relevant only to the internal relationship between the latter and the opponent, and has no bearing on the opposition proceedings.

By contrast, it has been argued that a person acting on behalf of a third party is not acting in his own name (T 10/82, OJ EPO 1983, 407 - Opposition; admissibility/BAYER, Reasons point 3). However, such a view is expressly contradicted by the opponent's procedural statements. He has neither stated that he wishes to file an anonymous opposition, nor is this his intention; instead, he expressly wishes to file the opposition in his own name. In T 635/88 it was said that the action at law instituted by a person acting with the personal action at law of someone else must be prohibited (OJ EPO 1993, 608 - Opponent identifiability/DE ERVEN G. DE BOER B.V., Reasons point 8.3). However, the opponent does not wish to act on the basis of the principal's personal entitlement. Instead, he is exercising his own right as a member of the public to file an opposition.

2.2 The opponent does not have a right of disposition over his status as a party. If he has met the requirements for an admissible opposition, he is an opponent and remains such until the end of the proceedings or of his involvement in them. He cannot offload his status onto a third party (see, on this issue, referral T 649/92, Reasons point 2.2). Thus there cannot be another "true" opponent apart from the formally authorised opponent. From this it follows that it is not only on the basis of a presumption that the person meeting the requirements for admissibility in his own name is treated as the opponent.

3. Accordingly, an opposition on behalf of a third party complies with the provisions on filing oppositions and there would have to be special reasons for investigating, with a view to assessing the admissibility of the opposition, the question whether or not the person who has filed the opposition in accordance with those provisions is acting as a straw man.

3.1 Such a special reason is briefly mentioned in G 1/84 (OJ EPO 1985, 299 - Opposition by proprietor/MOBIL OIL). Taking the, from their point of view, hypothetical case of a patent proprietor who was barred from filing the opposition himself (see, more recently, G 9/93, *supra*), the Enlarged Board assumed that the patent proprietor would, if necessary, be induced to employ a straw man as the putative opponent. Since the connection between patent proprietor and straw man was not apparent, there was a risk that the opposition procedure could be abused for ulterior purposes (G 1/84, *supra*, at page 301, point 2). This was clearly seen as an example showing that a straw man can be used to secure a successful result which is out of keeping with the legal system. Such an abuse of process does not have to be tolerated.

3.2 However, acting on behalf of a third party cannot be seen as a circumvention of the law unless further circumstances are involved. The purpose of opposition proceedings alone does not offer sufficient grounds for regarding an opposition on behalf of another person as an abuse of the procedural provisions.

3.2.1 The respondents have argued that the patent proprietor, the EPO and the public had an interest in knowing the identity of the person at whose instigation the opposition had been filed. Though the patent proprietor may have an economic interest in finding out who is trying to attack his patent, such an interest is not legally protected by the legislative arrangements for the opposition procedure.

Some of the EPC contracting states require, as a precondition for instituting revocation proceedings, that the plaintiff must have an interest in the invalidation of the patent. Taking a different approach, the EPC legislator explicitly designed the opposition procedure as a legal remedy in the public interest which, according to Article 99(1) EPC, is open to "any person". It would be incompatible with this to require that the opponent show an interest, of whatever kind, in invalidating the patent (G 1/84, *supra*, at page 303, point 3; Mathély, *Le droit européen des brevets d'invention*, Paris 1978, page 297; Paterson, *The European Patent System*, London 1992, paragraph 4-38, still referring to G 1/84 (*supra*); van Empel, *The Granting of European Patents*, Leyden 1975, paragraph 469; Singer, Article 99 EPC, paragraph 3).

3.2.2 If, therefore, it cannot be required that the opponent have an interest in the revocation of the patent, then logically this can only mean that the opponent's motives are of no consequence for the EPO, at least as

long as no conduct involving an abuse of process arises from additional circumstances. As a matter of principle, therefore, the patent proprietor cannot expect the EPO to compel the opponent to disclose his motives in order to exclude the possibility that he may be acting in the interest of a third party.

This also applies where the opponent is in fact acting in the interest of a third party. By filing the opposition, he himself has assumed the procedural status of an opponent. Therefore, in relation to the patent proprietor and the EPO, he is the only person who matters. If, for the purpose of opposition, the opponent does not need to show an interest in the invalidation of the patent, then no harm is done if a third party has an interest in the invalidation of the patent. The question of the internal legal relationship between the opponent and any third parties has, as a matter of principle, no legal significance for external purposes, ie vis-à-vis the EPO and the patent proprietor. At all events, as long as the legal system has no objection to the filing of an opposition by the principal himself, no objection can be made to his inciting a straw man to file an opposition (this principle has even been applied to revocation proceedings; see BGH GRUR 1963, 253 - Bürovorsteher). Furthermore, it is correctly pointed out in the referral T 649/92 (Reasons point 2.6) that the opponent and his principal may have differing degrees of interest in opposing a patent. This interest may also change or be eliminated in the course of the proceedings, so that cases of doubt may arise which are difficult to assess. Finally, the question would remain of when an interest of the opponent would be regarded as relevant for the opposition. The appellants have pointed out that an interest of the opponent in the outcome of the opposition proceedings could arise from

the division of responsibilities between different, legally independent companies within the framework of a large group, from some form of *quid pro quo* offered by the principal, or even from the wish to avoid an order for the reimbursement of costs under Article 104 EPC.

- 3.2.3 All this shows that the opponent's motives are of no consequence for the purposes of the opposition procedure.

This procedure is designed to give the public the opportunity to challenge the validity of the patent in question (G 9/93, *supra*, Reasons point 3). This takes account, *inter alia*, of the fact that a patent office cannot be aware of all the actual circumstances which argue against patentability. For the purpose of the opposition procedure - to prevent the maintenance of clearly invalid patents, by making it possible to institute proceedings before the EPO itself - it does not matter who provides the EPO with the relevant information (see also T 798/93, *supra*, Reasons point 4, final paragraph). Opposition should be a simple, speedily conducted procedure in which, on the one hand, relevant objections to patentability are given appropriate consideration, and on the other hand, a decision on the validity of the patent is reached as quickly as possible, in the interests of both parties. In this respect, investigating a straw man challenge would mean that more matters in dispute would have to be considered, which could delay the proceedings. Setting limits, not provided for by the EPC, on the admissibility of oppositions would conflict with the public interest in each opposition being examined on its merits and in having the proceedings brought to a swift conclusion (see G 1/84, *supra*, at page 303).

In consequence of the restricted purpose of the opposition procedure, the EPO has only inadequate procedural means for ascertaining whether a straw man is involved. For example, it cannot compel a party to attend the proceedings or to make a statement under oath (see Article 117(4), (5) and Rule 99 EPC). This situation may have contributed to the development of the previous case law, which has established a presumption that the opponent is not acting as a straw man. This presumption could only be refuted in practice by the patent proprietor unmasking himself as the principal (T 635/88, *supra*, Facts point III), or through his being unmasked by the opponent (T 10/82, *supra*, Facts point VIII). In all other cases, the boards have refused to investigate concrete and plausible grounds cited by the patent proprietor for suspecting that the opponent was acting on behalf on a third party. Although the two referrals appear to anticipate different answers to the legal question under consideration, both boards agree that the situation on the basis of previous case law is unsatisfactory. On the one hand, the straw man objection has been allowed, which in many cases has created additional matters of dispute to be considered. On the other hand, the patent proprietor has been denied the possibility of successfully basing this objection on the actual circumstances, which are normally known to him.

Another reason for the high standards of proof in previous case law concerning action by a straw man must be seen in the fact that the opponent is rarely able to refute circumstantial evidence submitted by the patent proprietor, except by revealing his motives for the opposition. However, the purpose of the provision in Article 99(1) EPC is precisely that the opponent should not be required to have any kind of interest and therefore should not have to prove such an interest

(see point 3.2.1 above). The opponent may not therefore be allowed to suffer a disadvantage purely because he has no such interest. It is also necessary to protect the opponent's interest in not being obliged to reveal to the patent proprietor why a patent disturbs him. His opposition is already fully justified by the fact that he, like anyone else, has to respect the patent if it remains valid, which means at all events that an abstract restriction is imposed on his freedom of economic action. The assumption of an obligation to show an adverse effect on specific commercial planning would be entirely at odds with the purpose of the legal provision.

3.2.4 The admission of an opponent acting on behalf of a third party is not incompatible with the *inter partes* character of the opposition procedure (see also, however, point 4.1 below). The formally authorised opponent is treated as a party. For him, the existence of a principal is neither an advantage nor a disadvantage during the proceedings. The fear that undisclosed contacts between straw man and principal could lead to doubts and uncertainties (see for example T 798/93, *supra*, with further references, Reasons point 3.3.4) would only apply to opposition proceedings on the assumption that there can be a "true opponent" in addition to the formally authorised opponent. There is no basis for this in the relevant procedural law (see point 2.2 above).

3.2.5 In the referral decision T 301/95 (Reasons point 3.5), attention is drawn to the risk that any lack of clarity in the position of the parties and witnesses in relation to each other, or that of any other persons giving evidence, may impede the process of finding the

truth. However, since only the formally authorised person is to be seen as the opponent, the principal will under no circumstances be treated as a party. In any event, therefore, doubts about the position of the parties cannot arise.

However, in the case of persons giving evidence who have some form of relationship with the principal, their position with regard to the pending proceedings will not be apparent. But this cannot be seen as significantly impeding the process of finding the truth. The EPC does not in any way guarantee that the person with the strongest interest in the revocation of the patent will act as the opponent. Even supposing that the opposition were inadmissible if the opponent had no interest of his own, the patent proprietor's strongest competitor could hide behind an insignificant competitor as the opponent and provide him with material. The key criterion for the credibility of a person giving evidence in the present connection is that person's interest in the outcome of the opposition proceedings, which is not necessarily documented in a relationship to the opponent. For this reason the EPO is obliged to assess the credibility of any person giving evidence and to establish in what way he (or, for example, his employer) is affected by the outcome of the opposition proceedings (see also referral T 649/92, Reasons point 2.9).

- 3.2.6 It is also unnecessary to know that the opponent has a principal in order to ensure that costs awarded against the opponent under Article 104(1) EPC are reimbursed to the patent proprietor. As has already been explained, only the opponent is a party to the proceedings. He alone must bear the obligations arising from these

proceedings; thus he becomes the debtor in respect of any claim for the reimbursement of costs. The EPC does not offer the patent proprietor any kind of guarantee that an opponent will be able in fact to reimburse costs awarded against him.

3.2.7 In the referral decision T 649/92 (Reasons point 2.1), a parallel is drawn between the procedural status of the opponent and that of the applicant. In the case of the applicant, a discrepancy may arise between the substantive legal position based on the invention (Right to a patent, Article 60(1) and (2) EPC) and the procedural position based on the filing of the application. Addressing this potential conflict, the legislator has decided that, in proceedings before the EPO, the applicant shall be considered to be entitled to exercise the right to the patent (Article 60(3) EPC), and that jurisdiction for any dispute over the claim to the grant of the patent shall lie with the national courts (Article 61 EPC in conjunction with the Protocol on Recognition). The appellants correctly point out that an applicant remains entered in the Register even if the EPO finds out that the right to a patent has been assigned to a third party. The EPO only records a transfer if it receives a request complying with the relevant formal requirements (Rule 20 EPC). The EPO should not be burdened with the question whether the applicant is also the person entitled to exercise the right to the patent (Van Empel, *supra*, paragraph 162). It would be somewhat paradoxical to relieve the EPO - in the interests of procedural economy and the proper consideration of the substantive issues - of any obligation to look for the "truly entitled" person in the grant procedure, but then to

include the consideration of comparable issues in the opposition proceedings, even though there cannot be another "true opponent" in addition to the formally authorised opponent, but only a principal of the opponent.

- 3.3 There are also no grounds outside the opposition procedure for generally ruling out an opposition on behalf of a third party.
- 3.3.1 In referral T 301/95, in particular, emphasis is laid on the point that a decision in the European opposition proceedings could give rise to an objection of *res judicata* in subsequent national revocation proceedings. Here, the involvement of a straw man in the opposition proceedings is evidently seen as prejudicial to the patent proprietor, who can plead *res judicata* against the opposing party in revocation proceedings. This plea assumes, *inter alia*, that the parties are identical. If the involvement of the straw man's principal is not apparent, the patent proprietor will not be in possession of the relevant facts for the purpose of raising the objection.

This line of argument is refuted, firstly, by the fact that the question of *res judicata* does not arise in opposition proceedings; here, it is purely hypothetical, since as a general rule revocation proceedings are only instituted later. It is only in revocation proceedings that the basis for the *res judicata* objection can be considered. It is not clear why the court in revocation proceedings should not be in a position to establish whether the person filing for revocation has incited a straw man to lodge an opposition before the EPO. Moreover, a straw man may also be involved in revocation proceedings, so that, even if it is established beyond all doubt in opposition proceedings that the opponent is not a straw

man, there is no guarantee of being able to establish without difficulty in revocation proceedings that the requirements in respect of the parties involved in order for *res judicata* to apply have been met.

Establishing this may also involve looking at all the circumstances of both sets of proceedings - opposition as well as revocation. In any event, therefore, only the court in the revocation proceedings will have an overview of all the relevant circumstances.

Furthermore, a decision of the EPO on the possible involvement of a straw man would not have a binding effect in subsequent revocation proceedings. From the above it follows, firstly, that the patent proprietor's scope for raising the *res judicata* objection is not restricted if opposition by a straw man is considered to be admissible. It also follows that the consideration of the straw man issue in opposition proceedings would lead to the risk of a conflicting decision on the same question in subsequent revocation proceedings. As has already been explained, the EPO lacks the procedural scope for investigating a straw man challenge (see point 3.2.3 above). By contrast, the national courts can use all the customary and proper instruments of civil procedure to clarify the facts.

- 3.3.2 In the view of the respondents, the possibility of opposition on behalf of a third party could induce a licensee to infringe an existing no-challenge agreement. However, a person bound by a no-challenge obligation would have good reason not to infringe it by means involving the use of a straw man. If the patent proprietor has concrete grounds for suspecting such infringement, he can bring a civil action against the other party to the agreement, who is therefore put to considerable financial risk. By contrast, the EPO - in

this case, as in others - has almost no procedural means of compulsorily eliciting the truth of the actual circumstances from an opponent who deliberately sets out to conceal the existence and identity of a principal.

However, previous decisions offer no reason to fear that no-challenge obligations might be circumvented to any significant extent by means involving the use of a straw man. At all events, although the straw man objection has been raised many times, the boards of appeal have yet to hear a single case involving an allegation that an opponent's principal was bound by a no-challenge agreement.

It must also be remembered that the effect and scope of no-challenge agreements depend on national and European Community law, and that the admissibility of such agreements is a controversial issue, in particular under European Community law. Consequently, in respect of the law to be applied, as in other aspects, these matters tend to fall within the remit of the national courts. In a decision dated 13 May 1992 (OJ EPO 1992, 747 - No-challenge obligation), an opposition division therefore rightly concluded that a no-challenge agreement did not as a rule render an opposition inadmissible. The patent proprietor's attempt to enforce adherence by the licensee, or to pursue claims arising for breach of contract, had to be made before the national courts.

- 3.3.3 In G 1/84 the fear is incidentally expressed that the employment of a straw man could serve to abuse the opposition procedure for ulterior purposes, eg to delay proceedings before another court (*supra*, at page 301, in connection with the straw man employed by a patent proprietor who is not allowed to file the opposition himself). It is by no means clear that such a risk

exists. If the straw man can delay the proceedings, then surely his principal could do the same. The parties can influence the progress and length of the opposition proceedings mainly through two factors: the contents of their submissions and their procedural requests. Here, the straw man's possibilities would not appear to differ significantly from those which would be open to the principal if the latter himself were a party. Moreover, it is the duty of the EPO departments dealing with the opposition proceedings to oppose any obvious delaying tactics and to comply with the legitimate interest of a party in accelerating the proceedings (see, for example, T 290/90, OJ EPO 1992, 368 - Fee reduction/SAVIO PLASTICA; conclusion as in referral T 649/92, Reasons point 2.4).

4. Since there is no general objection to the opponent's acting on behalf of a third party, it remains to be established in what circumstances the action of a straw man is to be regarded as a circumvention of the law by abuse of process, with the consequence that the straw man's opposition is inadmissible.

4.1 Attention has already been drawn to the decision in G 9/93 (above, point 3.1). Here, it was decided that the patent proprietor is not entitled to oppose his own patent, since opposition proceedings are contentious and the opponent must therefore be a person other than the patent proprietor. This in itself requires no further comment. However, if the patent proprietor employs a straw man, then the latter, too, is representing the patent proprietor's interests. The identification of the straw man as opponent according to Rule 55(a) EPC does nothing to alter the fact that the person who is formally a party to the proceedings is on the patent proprietor's side. From this it follows that in this situation, too, the proceedings are not contentious. The employment of the straw man

merely serves to conceal this circumstance and to circumvent the legal consequences arising from it. The action of the opponent on behalf of the patent proprietor therefore renders the opposition inadmissible.

4.2 Referral T 301/95 (*supra*, point 3.4) identifies a risk that the provisions on representation could be circumvented by the use of a straw man.

4.2.1 This fear is justified if persons are acting in a professional capacity before the EPO without possessing the necessary qualifications for doing so. Under Article 134(1) and (7) EPC, professional representation in proceedings before the EPO may only be undertaken by persons whose names appear on the list of professional representatives, or by legal practitioners who have their place of business in one of the contracting states and are qualified to act as professional representatives in patent matters. Therefore, for example, a patent attorney qualified only under the national law of a contracting state is not entitled to act as a professional representative before the EPO. The purpose of this arrangement is to create a corpus of professional representatives who possess the necessary qualifications for their work. This is designed to protect the parties that have to rely on the services of a professional representative, and to ensure the efficient conduct of proceedings before the EPO. This legislative purpose would be contradicted by applying the procedural provisions in such a way as to allow a person who was not entitled to act as a professional representative to carry out the functions reserved for professional representatives. However, this would be the case if the person not entitled to act as a professional representative were acting on a client's behalf and carrying out all the activities typically carried out by professional representatives,

while himself assuming the role of a party in order to circumvent the prohibition on his acting as a professional representative. Taking on the additional party role of an opponent does nothing to alter the fact that the activities as a whole fall within the sphere of professional representation. The idea of a corpus of professional opponents is foreign to the EPC. Allowing such professional opposition would undermine, for an important part of the proceedings before the EPO, the monopoly status of the professional representatives. If a person not entitled to act as a professional representative before the EPO files an opposition in his own name on behalf of a client, in the context of activities which, taken as a whole, are typically associated with professional representatives, that opposition is therefore inadmissible.

4.2.2 However, such misgivings do not arise if a professional representative files an opposition in his own name on behalf of a client. Here, too, as in the previous case, the existence of a client is not disclosed. However, no attempt is being made to achieve a result which is fundamentally at odds with the EPC. The problem of action by a person not entitled to act does not arise. In other respects, too, the Convention contains no principles that would be contravened by the case of a professional representative acting on behalf of a third party in his own name. The respondents have argued that such action would become the rule if it were permitted, and that such a development would be undesirable. However, this does not necessarily mean that such action would conflict with the Convention. There may be reason to question, as in T 10/82 (*supra*), the desirability of combining the roles of party and representative. However, in the absence of contrary principles, which have to be based on the Convention,

this is more an issue of professional conduct. In this connection, it has not been alleged that the conduct criticised by the respondents infringes the Regulations on Discipline adopted on the basis of Article 134(8)(c) EPC.

4.2.3 There are equally few misgivings in the case of an opponent, with either a residence or principal place of business in one of the contracting states, acting on behalf of a principal who does not meet these requirements. In this case, admittedly, the representation requirement which the principal would have to fulfil under Article 133(2) EPC cannot be applied. But this is merely the consequence of the fact that the opponent has admissibly become a party. In so far as procedural issues depend on the opponent's identity, the sole determining aspect consists in the personal circumstances of the person formally identified in accordance with Rule 55(a) EPC. Here, there is no reason to apply a standard different from that which has to be met by the applicant. In the case of the latter, no investigation is carried out to ascertain whether he is merely acting as an applicant in order to circumvent the representation requirement for a possible principal.

5. Since opposition in a person's own name and on behalf of a third party is inadmissible in case of a circumvention of the law by abuse of process (see point 4 above), the question arises of how and under what circumstances the possibility must be investigated that such an opposition has been filed (**question 2 in T 310/95, question 4 in T 649/92**).

Regarding the issues of evidence raised in the referrals, it must be emphasised that proceedings before the EPO follow the principle of the free evaluation of evidence. This also applies to the

problems under consideration here. The principle of free evaluation would be contradicted by laying down firm rules of evidence defining the extent to which certain types of evidence were, or were not, convincing. Instead, the question whether a fact can be regarded as proven has to be assessed on the basis of all the relevant evidence.

In apportioning the burden of proof, general principles also apply. The burden of proof for a straw man objection is to be borne by the person raising the issue, ie the patent proprietor or, in the case of an objection by the Office of its own motion, the relevant EPO department.

Regarding the standard to be applied in assessing evidence, it must be remembered that any person is entitled to file an opposition. Withholding this legal entitlement from anyone requires a particular justification, which cannot be based on a mere balance of probabilities. Instead, before considering an opposition to be inadmissible, the deciding body has to be satisfied, on the basis of clear and convincing evidence, that the law has indeed been circumvented in an abusive manner by the employment of a straw man.

- 5.1 In other respects, there are certain fundamental differences between the cases cited in points 4.1 and 4.2.1.
- 5.1.1 If a patent proprietor employs a straw man to file an opposition, then the admissibility of the opposition will not normally be queried by any of the parties, since the patent proprietor wishes to pursue the proceedings through his straw man. In practice, therefore, the objection that the opponent is not entitled to file an opposition can only be investigated by the EPO of its own motion.

However, the EPO will as a rule have no indication that a straw man has filed an opposition on the patent proprietor's behalf, unless the parties themselves make it clear that this is the case. This means that the employment of a straw man will normally have no consequences and that the inadmissibility of the opposition will not be detected. However, this is no basis for arguing in favour of generally allowing opposition by a straw man acting for the patent proprietor. It makes an important difference whether an abuse of process has no consequences because it remains undiscovered, or whether such abuse is openly accepted. If the patent proprietor's straw man is prohibited in principle from filing an opposition, then this at least forces the parties to conduct the proceedings on an *inter partes* basis. Otherwise, they must accept the possibility that the straw man's involvement may come to light. Relevant indications that the opponent is a straw man acting for the patent proprietor can emerge, in particular, from the relationship between the two; for example, where the opponent is bound by the proprietor's instructions as a subsidiary company within the framework of a large group or as an employee of the patent proprietor.

- 5.1.2 If the question arises whether someone is acting as an opponent before the EPO on behalf of a client without being qualified as a professional representative, then here too, it has to be remembered in the first place that any person is allowed to file an opposition. That an opponent is acting as a straw man cannot therefore be inferred purely from the fact of belonging to a particular group of professional persons. However, if a person offers his services to advise and represent clients in patent matters on a professional basis, and if that person regularly acts as an opponent before the EPO in his own name, then he himself creates the impression that these activities in opposition

proceedings are to be seen as part of his normal professional activities. This would justify investigating the question of his entitlement to act as an opponent. In the case, for example, of a patent attorney who is not authorised to act as a professional representative under Article 134 EPC and who is subject to some form of disciplinary supervision, the issue of entitlement could be clarified by requiring a statement to the effect that the opposition in question was not filed on behalf of a client.

6. The question then arises whether a relevant challenge to the admissibility of the opposition, as described in point 4, may be raised for the first time at the appeal stage. This question arises not only, as formulated in **question 1** of the referral **T 649/92**, in cases where the challenge is raised by the patent proprietor; it is equally pertinent if the admissibility of the opposition is challenged by the EPO of its own motion.

The answer must be the same in both cases. A circumvention of the law in an abusive manner by the use of a straw man, which can be challenged as indicated in point 4, is not to be accepted at the appeal stage, even if no objection has been raised by the department of first instance. This is already established by the fact that a decision of the EPO on the validity of a patent requires the existence of an admissible opposition. This applies equally to proceedings before the board of appeal and the opposition division. Moreover, the public interest in preventing the above-mentioned inadmissible practices must take priority here over the need for efficiency in conducting the appeal proceedings. Since acting on behalf of a third party does not give cause to investigate the possibility of a circumvention of the law by abuse of process unless further particular circumstances are involved, the extra work entailed in

appeal proceedings will in any case be strictly limited. Since the answer to question 1 in T 649/92 leads to the conclusion that an admissible challenge can still be raised without restriction in appeal proceedings, **question 2** in T 649/92 does not arise.

7. According to point 5.3 of the Reasons in the referral decision T 649/92, **question 5** is put to cover the possibility that the answers to the other questions might restrict the period during which a challenge to the admissibility of the opposition may be raised. The possibility of such restriction is rejected by the answer to question 1 of the referral T 649/92. In this sense, question 5 is therefore redundant.

However, question 5 itself is couched in broader terms which also comprise substantive restrictions on the right to challenge the admissibility of the opposition. The Board sees a need to address the question in this wider sense. The above answers to question 1 in T 301/95 and question 3 in T 649/92 do indeed involve a restriction, compared with previous case law, on the possible challenges to the admissibility of the opposition, since the fact that the opponent is acting on behalf of a third party does not as a rule lead to inadmissibility of the opposition. In the Board's view, however, the immediate application of the principles contained in its answers does not infringe any interests that deserve to be protected. A transitional rule is therefore unnecessary. Instead, it is sufficient to refer to the general rule that a decision of the Enlarged Board of Appeal is to be applied to all pending proceedings (G 9/93, *supra*, Reasons point 6.1).

Order

For these reasons it is decided that:

The questions of law referred to the Enlarged Board of Appeal are to be answered as follows:

- 1 and 2: The admissibility of an opposition on grounds relating to the identity of an opponent may be challenged during the course of the appeal, even if no such challenge had been raised before the opposition division.
- 3(a): An opposition is not inadmissible purely because the person named as opponent according to Rule 55(a) EPC is acting on behalf of a third party.
- 3(b): Such an opposition is, however, inadmissible if the involvement of the opponent is to be regarded as circumventing the law by abuse of process.
- 3(c): Such a circumvention of the law arises, in particular, if:
- the opponent is acting on behalf of the patent proprietor;
 - the opponent is acting on behalf of a client in the context of activities which, taken as a whole, are typically associated with professional representatives, without possessing the relevant qualifications required by Article 134 EPC.

3(d): However, a circumvention of the law by abuse of process does not arise purely because:

- a professional representative is acting in his own name on behalf of a client;

- an opponent with either a residence or principal place of business in one of the EPC contracting states is acting on behalf of a third party who does not meet this requirement.

4: In determining whether the law has been circumvented by abuse of process, the principle of the free evaluation of evidence is to be applied. The burden of proof is to be borne by the person alleging that the opposition is inadmissible. The deciding body has to be satisfied on the basis of clear and convincing evidence that the law has been circumvented by abuse of process.

5: This decision is to be applied to all pending proceedings.

The Registrar:


J. Rückerl

The Chairman:


P. Messerli