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D E C I S I O N
of 20 August 1997

Case Number: J 0024/95 - 3.1.1

Application Number: 94202321.9

Publication Number: 0637439

IPC: A61F 2/44

Language of the proceedings: EN

Title of invention:
Artificial spinal fusion implants

Applicant:
KARLIN TECHNOLOGY, Inc.

Headword:
Divisional application/KARLIN I

Relevant legal provisions:
EPC Art. 76
EPC R. 25(1), 51(4)

Keyword:
"Application to be treated as divisional application - (no)"
"Legitimate expectations - (no)"

Decisions cited:
G 0001/84, G 0005/88, G 0003/91, G 0009/91, G 0010/92,
G 0005/93, G 0007/93, G 0009/93, J 0006/79, J 0015/85,
J 0011/90, J 0011/91, J 0016/91, J 0003/92, J 0014/94,
J 0027/94, T 0905/90

Catchword:
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Case Number: J 0024/95 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal 3.1.1
of 20 August 1997

Appellant: KARLIN TECHNOLOGY, Inc.
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Decision under appeal: Decision of the Receiving Section of the European
Patent Office dated 8 March 1995 refusing to
treat European patent application
No. 94 202 321.9 as a divisional application

Composition of the Board:

Chairman: J.-C. Saisset
Members: R. E. Teschemacher
G. Davies

Summary of Facts and Submissions

- I. European patent application No. 94 202 321.9 was filed on 16 August 1994 as a divisional application of European patent application No. 89 908 104.6. At that time the applicants had already given their approval, received on 12 August 1994, to the text intended for grant of the earlier application pursuant to Rule 51(4) EPC.
- II. In a communication dated 15 November 1994, noting a loss of rights pursuant to Rule 69(1) EPC, the Receiving Section informed the applicants that the application would not be treated as a European divisional application because it was filed after approval had been given in respect of the text of the pending earlier European patent application.
- III. On 6 January 1995 the applicants requested a decision in accordance with Rule 69(2) EPC. It was submitted that the filing of the divisional application was not belated and that decision J 11/91 and J 16/91 (OJ EPO 1994, 28, hereinafter referred to as J 11/91, headnote in OJ EPO 1-2/1993, V) was applicable at the filing date. According to this decision, the filing of a divisional application was, contrary to Rule 25(1) EPC, possible after the approval under Rule 51(4) EPC, provided that the late filing did not affect the approved text of the earlier application and that the decision to grant the European patent for the earlier application had not yet been issued. Both conditions were fulfilled in the present case.

Furthermore, the declaration of approval and the filing of the divisional application were sent on the same day. The approval was sent by telefax in order to make sure that the time limit under Rule 51(4) EPC was met.

Whereas the telefax was received by the EPO on 12 August 1994, the divisional application was received by mail on the next working day, ie on 16 August 1994. A loss of rights under these circumstances would take formal requirements too far. The applicants declared their willingness to withdraw the approval by telefax and to leave in the file only the confirmation copy which was received on 18 August 1994.

IV. On 8 March 1995, the Receiving Section issued a decision refusing to treat the application as a divisional application of the earlier application on the following grounds:

- (1) According to Rule 25(1) EPC, as amended with effect from 1 October 1988, divisional applications may only be filed up to approval of the text of the parent application pursuant to Rule 51(4) EPC. This had been confirmed by the Enlarged Board of Appeal in opinion G 10/92 (OJ EPO 1994, 633, headnote in OJ EPO 7/ 1994, IX). The Receiving Section was not bound to apply decision J 11/91 since an individual decision of a Board of Appeal only binds the first instance in the individual case and does not have to be applied to every case.
- (2) The principle of the protection of the legitimate expectations of users of the EPO did not oblige the Receiving Section to allow the divisional application. According to this principle, measures taken by the EPO should not disregard the reasonable expectations of the parties to the proceedings (G 5/88, OJ EPO 1991, 137). When J 11/91 was published in OJ EPO 1994, 28, reference was made to the pending referral to the Enlarged Board of Appeal. Therefrom it was apparent that no harmonised practice existed.

Therefore, the application of J 11/91 could not reasonably be expected at the time the present application was filed. Furthermore, the headnote of decision G 10/92 had already been published at the date of filing this divisional application.

(3) The indication of the applicants' intention to file a divisional application in an earlier communication addressed to the EPO before the text of the earlier application was approved, merely reflected the applicants' intention at the time, particularly as the letter went on to say that the applicants had not yet determined definitely what action to take with respect to the filing of the divisional application.

(4) With regard to the proposed withdrawal of the telefax, it was true that the declaration of approval could be withdrawn. However, this did not alter the fact that the approval had been validly given (G 10/92, point 5 of the Reasons).

V. On 15 May 1995 the applicants filed a notice of appeal against this decision, paying the appeal fee on the same day. The statement of grounds of appeal was filed on 17 July 1995.

VI. The appellants contested the position of the Receiving Section that their statements in communications concerning the earlier application with respect to the filing of one or more divisional applications merely reflected their intention at the time. Based on the clients' instructions, the representative had several times reiterated its definite intention to file a divisional application and had actually sent it on the same date as the telefax approval of the text of the earlier application. They conceded that the telefax, seen in isolation, contained a clear and unequivocal

declaration of approval. However, they argued that, in view of the above facts, the approval should be considered to be subject to the condition that the application which was prepared and sent to the EPO on the same date would be treated as a divisional. The approval and the filing of the divisional application could not be separated from each other without neglecting their correlation and mutual dependence. Therefore, the situation was the same as in case J 27/94 (OJ EPO 1995, 831). By not objecting to the approval of the text in the earlier application, the Examining Division accepted the applicants' declarations as a whole, ie that the filing of a divisional was still possible.

They maintained their opinion that the Receiving Section was obliged to follow J 11/91. Since the facts of the present case were the same as in J 11/91, Article 111(2), first sentence, EPC applied. The same conclusion had to be drawn on the basis of the well-established principle of the protection of legitimate expectations of the users of the EPO. Since decision J 11/91 had been published in the Official Journal of the EPO and in the book "Case Law of the Boards of Appeal of the EPO", they were entitled to expect that the EPO would apply Article 76 and Rule 25 EPC as interpreted in this decision until G 10/92 was published in OJ EPO 1994, 633. Actually, representatives before the EPO at that time believed that a harmonised practice, in accordance with J 11/91, existed in the EPO. The appellants had acted in good faith since the EPO had not warned users that it would not proceed according to the case law. There was no reason for G 10/92 to have retroactive effect.

Furthermore, the applicants could have expected, on the basis of the principle of good faith, an immediate reaction from the EPO when this application was filed.

The Receiving Section should have informed them that J 11/91 would not be applied and that a divisional application could only be filed until the end of the time limit under Rule 51(4) EPC. This would have given them the opportunity to withdraw the approval by telefax. On the basis of the approval by the confirmation copy, received after the filing date of the present application, no problem would have arisen. Instead, the EPO continued the proceedings as if the application was being treated as an appropriate divisional application, thereby misleading them as well as third parties. This conduct, including even the publication of the application, offended against the prohibition of "venire contra factum proprium" as accepted in J 14/94 (OJ EPO 1995, 825).

- VII. In the oral proceedings which took place on 5 June 1997, the appellants stressed that they regarded the publication of the full text of J 11/91 without any warning, one year after the publication of its headnote, as a confirmation to users that they could rely on this decision. The question referred to the Enlarged Board did not contain any suggestion that J 11/91 was regarded as wrong. The users were not in a position to comply with G 10/92 until the full text of the opinion had been made available to them. Even after its publication, a period of transition was necessary.

The oral proceedings in this case were held in common with oral proceedings in cases J 14/95, J 15/95, J 16/95, J 17/95 and J 25/95. Since the appellants in these various cases referred to each others' submissions, also here reference is made to the decisions in these cases.

- VIII. The appellants requested that the present application be treated as a divisional application of application No. 89 908 104.6.

Reasons for the Decision

1. The admissible appeal lies from the decision of the Receiving Section refusing to treat the present application as a divisional application. The decision was based on opinion G 10/92 of the Enlarged Board of Appeal, stating that, according to Rule 25(1) EPC, an applicant may only file a divisional application on the pending earlier application up to the approval of the text notified under Rule 51(4) EPC. The appellants filed the application in suit as a divisional application after having approved the text intended for grant with respect to the earlier application on 12 August 1994. The appellants submit that the filing of a divisional application at this stage of the proceedings was nevertheless possible for various reasons.

2. At the outset it has to be determined whether a valid approval under Rule 51(4) EPC has been given in the earlier application.
 - 2.1 In J 27/94 the Board was faced with the situation that the applicant, referring to decision J 11/91, declared in the same letter as that in which he approved the text intended for grant that he intended to file a divisional application for subject-matter deleted from the application. The Board concluded that these two declarations were inconsistent and that the Examining Division should not have treated the letter as a valid approval. By contrast, the applicants in the present case declared their intention to file a divisional application at an earlier stage, when they restricted the earlier application.

 - 2.2. The Board cannot agree with the appellants that the declarations in the two cases have to be interpreted in

the same way. In J 27/94 it was clear to the Examining Division when receiving the applicant's letter that the applicant wanted his approval to take immediate effect but also that the applicant still wanted to file a divisional application on the basis of Rule 25 EPC as interpreted in J 11/91. Both intentions existed at the same time but could not be realised in parallel. If the approval was considered valid, the filing of a divisional was no longer possible. The situation in the present case is quite different. The intention to file a divisional application was declared at the time the application was restricted, whereas the approval did not contain any such indication. In this situation, the Examining Division had no reason to investigate whether the applicants had actually filed a divisional application or whether they still intended to file it. The decision whether or not to file a divisional application for deleted subject-matter is dependent on circumstances completely outside the grant procedure. The applicants had no reason whatsoever to inform the EPO if they dropped their intention to file a divisional application. The letter dated 23 August 1993 declared only what the intention was at that time, presumably in order to avoid the impression that the applicants intended to abandon the subject-matter definitively (see J 15/85, OJ EPO 1986, 395). The letter neither stated nor implied that this intention should persist until some future stage of the proceedings. This was confirmed by the letter dated 9 May 1994, in which the applicants expressly stated that it was their **present** intention to file divisional applications and that they had not yet determined **definitely** what action to take with respect to the filing of these divisional applications (emphasis added). Nor did the applicants refer to J 11/91 which could have made the Examining Division aware of the fact that the applicants intended to file a divisional

application on a legal basis which the EPO was not willing to accept. Hence, there was no reason to doubt the validity of the approval.

3. Contrary to the appellants' submissions, there was no possibility for the Receiving Section to give the appellants the opportunity to withdraw their approval declared by telefax, received on 12 August 1994, and to base the further prosecution of the earlier application on the approval declared by the letter received on 18 August 1994, ie after the filing of this application. Procedural declarations addressed to the EPO become valid when they are received. There is no legal basis to treat them as if they had not been received. The statement of the Enlarged Board of Appeal in G 7/93 (OJ EPO 1994, 775, Reasons 2.1) according to which the approval is not "binding" in the true meaning of that word cannot be understood otherwise. The Enlarged Board has explained very clearly what this statement means, namely that the approval does not exclude further requests for amendments and that the Examining Division has to exercise its discretion whether to allow them or not (above, Reasons 2.2). Once a valid approval has been filed, it remains valid for the application of Rule 25 EPC unless amendments are requested which cannot be dealt with pursuant to Rule 51(5) and (6) EPC (J 27/94, Reasons 3) and entail reopening of the examination proceedings requiring another communication under Rule 51(4) EPC (G 10/92, pt. 7 of the Reason).

A warning from the Receiving Section immediately after the filing of the divisional application, which the appellants also consider to have been appropriate, would not have changed the legal situation, since the filing of a divisional was only possible up to the date of approval.

4. Therefore, the decision in the present case hinges on the answer to the question whether the Receiving Section was bound to follow J 11/91.
- 4.1 The Board cannot follow the appellants' submission that Article 111(2), first sentence, EPC is applicable in this case. The provision refers to the situation that a case is remitted by the Board to the first instance for further prosecution. This makes it clear that the effect of *res judicata* can only arise in the individual case which is remitted back and not in other cases in which a decision by the Board has not been given (J 27/94, Reasons 3).
- 4.2 Neither did the publication of J 11/91 create a legitimate and reasonable expectation that a divisional application could be filed up until the decision to grant. The Legal Board of Appeal was already faced with this question in decision J 27/94 where it was stated that the department of first instance was not obliged by the principle of good faith to allow the filing of divisional applications after the approval of the text intended for grant on the basis of decision J 11/91 until such time as opinion G 10/92 was made available to the public. The appellants' argumentation against the decision of the first instance gives no reason to deviate from decision J 27/94.
- 4.3 The case law of the Enlarged Board of Appeal, applying the principle of protection of legitimate expectations when decisions changed an existing practice, concerns quite different situations.
- 4.3.1 In G 5/88 (OJ EPO 1991, 137) the question was decided whether documents intended for the EPO could be validly filed with the German Patent Office on the basis of an Administrative Agreement concluded between the EPO and the German Patent Office in 1981. The Enlarged Board

considered the relevant provision outside the proper scope of the Agreement for the period before the filing office of the EPO in Berlin was established in 1989. In respect of the legal effect of the publication of the Agreement in the Official Journal in 1981, the Enlarged Board stated that the users of the EPO were entitled to rely upon what the Agreement promised: namely that documents intended for the EPO and received by the German Patent Office in Berlin would be treated by the EPO as if it had received them directly.

- 4.3.2 In G 5/93 (OJ EPO, 1994, 447) the Enlarged Board, confirming decision G 3/91 (OJ EPO 1993, 8), decided that re-establishment of rights was excluded under Article 122(5) EPC for the time limits for paying the filing, designation and claims fees when entering the regional phase of a Euro-PCT application. Previous practice following i.a. decision J 6/79 (OJ EPO 1980, 225) had considered re-establishment in Euro-PCT cases available, although the corresponding time limits in European applications were excluded from re-establishment. In respect of pending cases, the Enlarged Board referred to the "Information for PCT Applicants", published in the Official Journal, stating that the applicant in case of a loss of rights could have them re-established. The Board concluded that the EPO was bound by its own published interpretation and applicants were entitled to expect that the EPO should apply this interpretation up to the date on which decision G 3/91 was made available to the public.
- 4.3.3 In case G 9/93 (OJ EPO 1994, 891) the Enlarged Board, considering the concept of opposition proceedings developed in G 9/91 and G 10/91 (OJ EPO 1993, 408, 420), decided that G 1/84 (OJ EPO 1985, 299), ruling that a proprietor may oppose his own patent, could no longer be followed. The Board stated that, in principle, any interpretation by the Enlarged Board

meant that the law had always been in conformity with that interpretation. In pending cases, relying on G 1/84 which had been followed for many years, proprietors had every reason to expect that self opposition would be considered admissible. It would be inequitable to prevent them from continuing proceedings they had embarked on in good faith (Reasons 6.1).

4.3.4 The first two cases have in common that there was a long-lasting practice laid down in publications from the EPO for the purpose of advising applicants about details of EPO procedure. Whereas in the first case no case law of the Boards of Appeal at all was relevant for the EPO practice, the practice in the second case resulted from a series of decisions of the Legal Board of Appeal. In applying the principle of legitimate expectations, the Enlarged Board referred, however, not to the decisions of this Board but to the published information addressed to PCT applicants. It may be concluded therefrom that such publications from the EPO are of particular importance for the application of the principle of legitimate expectations. The third case concerns a modification by the Enlarged Board of Appeal of its own earlier interpretation of the law. The users' confidence in the continuity of a practice based on a decision of the Enlarged Board may be considered particularly legitimate since all Boards of Appeal are expected to follow the Enlarged Board's interpretation of the EPC. This is why Rule 16 of the Rules of Procedure of the Boards of Appeal provides for a further referral, should a Board consider it necessary to deviate from a previous interpretation of the EPC by the Enlarged Board.

4.3.5 In none of these cases did the Enlarged Board extend the application of the principle of protection of legitimate expectations beyond the date on which the decision modifying the interpretation of the EPC was

made available to the public or published. This Board sees no legitimate basis for allowing a further transitional period in which users of the EPO may rely on a previous practice. In this case, the approval was received on 12 August 1994, whereas the headnote of G 10/92 was published before in OJ EPO 7/94, making users aware of the fact that divisional applications could only be filed up to the approval in accordance with Rule 51(4) EPC. Copies of the decision were available from this date. According to the appellants, their good faith in the continuation of the previous practice was not destroyed by the publication of the headnote which was only published in the German language. In any case, leaving aside the German text, the publication made it clear by the indication of Rule 25 EPC and the case number, what the case was about putting the appellants on notice that it could be important to them. Furthermore, it may be argued that an authorised representative may either be expected to understand a simple sentence in all three official languages, or make use of appropriate assistance when, relying on the principle of good faith, there is some indication that the legal position he is relying on cannot be justified any longer. There is, however, no need for the Board to deal with this question in further detail, since the principle of good faith is not applicable for other reasons.

- 4.4 In the opinion of this Board, the analysis of the relevant case law of the Enlarged Board of Appeal (above, pts. 4.3.1-4.3.4) should not give rise to the conclusion that legitimate expectations can only be derived from situations covered by the above decisions of the Enlarged Board. Already in J 27/94 (Reasons 5) this Board said that there may be cases in which the public has a legitimate expectation that the first instance will not deviate from the established case law of the Boards of Appeal.

4.5 This raises the question whether one may speak of **established** case law in circumstances where a single decision of a Board of Appeal is overturned by the Enlarged Board of Appeal before it had either been confirmed by other decisions or become part of the practice of the first instance. Reference has been made to two other decisions of this Board confirming J 11/91, ie J 11/90 and J 3/92 (both dated 6 August 1992 and not published). These decisions date from the day after J 11/91 and the reasons given therein are largely based on those of J 11/91. Hence there is no confirming decision in which a second look was taken at the problem.

4.6 In decision T 905/90 (OJ EPO 1994, 306), Technical Board of Appeal 3.3.1 summarized the extensive relevant case law (see also Case Law of the Boards of Appeal of the EPO, 2nd ed. 1996, VI.A.1) in stating that, so far, the decided cases showed the source of legitimate expectations to be confined to two categories of information: the first made by departments of the EPO within the framework of an individual case, eg in the form of a communication to the party, and the second, information contained in an official statement of general applicability (eg Guidelines) and published in the Official Journal. Board 3.3.1 added that legitimate expectations could also properly arise from the actual general conduct or established practice of departments of the EPO. For completeness, the decisions of the Enlarged Board of Appeal should be added, the special rôle of which has already been mentioned (see pt. 4.3, above).

4.7 This Board is however not aware of any case in which legitimate expectations, justifying a deviation from the law in its correct interpretation, have been accepted only on the basis of the publication of a

single decision of a Board of Appeal. There is no need for the Board to decide this question in the present case since the appellants, on the basis of the information published in OJ EPO, should have been aware of the fact that decision J 11/91 was contested. The appellants' submissions give, however, rise to the observation that decisions of the Boards of Appeal are not published because the EPO wants to announce that its users can rely on them in future cases. Rather, the Boards themselves decide to publish certain decisions because they consider them to be of general interest in respect of the development of the case law.

- 4.7.1 Reading the text of J 11/91, it should have been clear to the appellants that there were two positions with regard to the validity of Rule 25(1) EPC, as amended with effect from 1 October 1988: the conclusion of the Legal Board of Appeal that the provision was incompatible with Article 76 EPC (Reasons pt. 2.3.6) and the position of the President of the EPO that the provision was binding (Facts and Submissions, pt. VII). Needless to say, the Administrative Council of the EPO may also be assumed to have considered the amendment to the Implementing Regulations as compatible with the Convention. On the basis of this knowledge, the appellants should have taken note of the footnote to the heading of the text of the decision "See referral to the Enlarged Board of Appeal pending under Ref. No. G 10/92 (OJ EPO 1993, 6)" guiding them to the publication of the question referred to the Enlarged Board of Appeal under Article 112(1)(b) EPC "Until when may an applicant file a divisional application on the pending earlier application?". Any careful reader would have seen from this information that there had been a referral because of conflicting decisions in relation to J 11/91 and should have envisaged that the Enlarged Board might determine the last date for filing a divisional differently from J 11/91.

4.7.2 In summary it has to be concluded that the application of the principle of the protection of legitimate expectations would require that the appellants could expect that a consistent practice to allow divisional applications also after the approval under Rule 51(4) EPC in the earlier application would continue to be applied also in their case. This cannot be accepted on the facts of the case. The appellants did not even have a reasonable ground to assume that such a practice had ever existed. This is not to be regarded as a retroactive application of opinion G 10/92. Rather, this opinion determined how Rule 25(1) EPC should always have been interpreted (see G 9/93, Reasons 6.1) and, having knowledge of the referral, the appellants could not take it for granted that the Enlarged Board would decide in the way which they expected. If there was any doubt whether an established practice in this respect existed, it was up to the appellants to seek clarification by means of an enquiry to the EPO (T 905/90, Reasons 6) which would have revealed quickly that the first instance did not apply J 11/91.

4.8 The appellants invoke the principle of good faith for the further reason that the Receiving Section prosecuted the application as if it was being treated as an appropriate divisional application, leading them and the public to the legitimate belief that no loss of rights had taken place. The parallel drawn by the appellants in this respect to decision J 14/94 is not justified. In J 14/94 a loss of rights by non-payment of a renewal fee became apparent several years after it had occurred. In the meantime, the EPO accepted two further renewal fees and issued several communications in substantive examination until the application was ready for grant. Considering that no communication under Rule 69(1) EPC was sent, the processing of the case for more than two years was regarded as amounting to a misleading communication on which the applicant

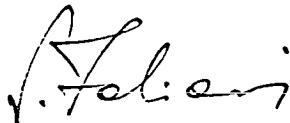
was entitled to rely (above, Reasons 8). In the present case, the applicants were notified of the loss of rights some three months after the filing date, before any other action addressed to them was taken. From this, the legal status of the application was apparent for the appellants as well as for the public. The further prosecution of the application was due to the fact that the appellants took the available means of redress and kept the case pending. Therefore, it cannot be considered misleading.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar:



S. Fabiani

The Chairman:



J.-C. Saissét

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