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D E C I S I O N
of 12 June 2002

Case Number: T 0048/00 - 3.3.2

Application Number: 91310627.4

Publication Number: 0489515

IPC: A23G 1/00

Language of the proceedings: EN

Title of invention:
Process for the production of chocolate

Patentee:
CERESTAR HOLDING BV

Opponent:
ROQUETTE FRERES, S.A.

Headword:
Substantial procedural violation/CERESTAR

Relevant legal provisions:
EPC Art. 102(1), 104(1), 113(1), 116(1)
EPC R. 51(4), 67, 68(2), 71(a)
RPBA Art. 10

Keyword:
"Substantial procedural violation - yes - inadmissibility of late filed request in oral proceedings at the opposition stage immediately followed by revocation of the patent - unsatisfactory wording before final decision - meaning of "withdrawal" of main request"
"Remittal to first instance - (yes)"
"Reimbursement of appeal fee - (no) - not equitable in the circumstances of the case"
"Apportionment of costs - more appropriate for decision in resumed first instance proceedings"

Decisions cited:
G 0006/95, J 0011/87, T 0123/85, T 0155/88, T 0217/90

Catchword:
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Beschwerdekammern | Boards of Appeal | Chambres de recours

Case Number: T 0048/00 - 3.3.2

D E C I S I O N
of the Technical Board of Appeal 3.3.2
of 12 June 2002

Appellant: (Proprietor of the patent)
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Decision under appeal: **Decision of the Opposition Division of the European Patent Office posted 18 November 1999 revoking European patent No. 0 489 515 pursuant to Article 102(1) EPC.**

Composition of the Board:

Chairman: P. A. M. Lançon
Members: U. Oswald
C. Rennie-Smith

Summary of Facts and Submissions

I. European Patent No. 489 515 ("the Patent") was granted on 20 September 1995 on the basis of a set of 7 claims pursuant to application No. 91 310 627.4. Opposition to the Patent was filed on 19 June 1996 by the Respondent (Opponent) on the grounds of lack of novelty and inventive step (Articles 52, 54, 56 and 100(a) EPC).

II. In response to the notice of opposition the Appellant (Patent Proprietor), after two granted requests for extensions of time, filed with its letter of 3 March 1997 an amended claim 1 and stated that maintenance of the Patent with this amendment was its main request.

III. In a communication dated 14 October 1997 the Opposition Division expressed the provisional opinion that the amended claim 1 had no basis in the application as filed (Article 123(2) EPC) and that the Patent lacked novelty and inventive step and directed that replies be filed within four months. In its letter in reply of 11 March 1998 the Appellant acknowledged it was replying to the communication out of time and maintained its request for oral proceedings but neither mentioned any other requests nor commented on the objections which had been raised.

IV. In a further communication of 2 September 1998 accompanying the summons to oral proceedings, the Opposition Division again referred to the amended claim 1 and directed under Rule 71a EPC that the final date for written submissions or amendments was 12 August 1999. The Appellant did not reply to that communication.

V. The minutes of the oral proceedings before the Opposition Division held on 12 October 1999 record that the Appellant filed two new sets of amended claims 1 to 6 as its main and auxiliary requests. It withdrew its previous request filed on 3 March 1997 (the effect of that withdrawal being an issue in this appeal). After an adjournment of 30 minutes to allow the Respondent to study the new requests, the hearing resumed for 5 minutes during which there was *inter alia* a discussion of the admissibility of the new requests. A further adjournment of 15 minutes followed after which the Opposition Division announced that the new requests were inadmissible and that, there being no other requests, the Patent was revoked. The written decision under appeal was posted to the parties on 18 November 1999.

VI. On 18 January 2000 the Appellant filed a notice of appeal by fax and paid the appeal fee. In that notice and the grounds of appeal which were subsequently filed by fax on 27 March 2000, the Appellant stated that it had not been its intention to abandon the request filed on 3 March 1997 but to make that its second auxiliary request and that its new requests had been rejected without a sufficient opportunity for argument thereon, this being a substantial procedural violation. This was disputed by the Respondent in its letter of 11 October 2000 replying to the grounds of appeal which asserted the earlier request had been explicitly withdrawn by the Appellant.

VII. In its communication to the parties of 2 August 2001 the Board sought to direct their attention to the exact procedural approach adopted by the Opposition Division and suggested that there was sufficient doubt as to

whether this had prejudiced the Appellant that the appropriate course could be to remit the case to the first instance but that, in view of the Appellant's general conduct of the case, it would not be equitable to reimburse the appeal fee.

In reply to that communication, the Appellant agreed to such a remittal and maintained its request for oral proceedings only if the case were not remitted.

The Respondent however replied disagreeing in part with the Board's views, reiterating its own opinion as to the withdrawn request, maintaining its request for oral proceedings and requesting, in the event of a remittal, payment by the Appellant of its costs of the appeal proceedings.

VIII. With a further letter received by fax on 14 May 2002 the Appellant filed three more sets of claims as additional auxiliary requests.

IX. At the oral proceedings held on 12 June 2002, the Board announced that it would deal first with the question of possible remittal and, if it should decide against remittal, with the substantive issues thereafter.

X. The Appellant's arguments on remittal as made in its written submissions and at the oral proceedings can be summarised as follows.

- Its intention was not to abandon the request of 3 March 1997 but to make this a "fall back" request if the two new requests introduced at the oral proceedings on 12 October 1999 were not allowed.

- The Respondent had not objected to the admissibility *per se* of those new requests.

- While admittedly late filed, those new requests were intended to simplify and shorten the proceedings, the Appellant having realised immediately before the oral proceedings it could make amendments which could avoid protracted discussion.

- The Opposition Division did not give the Appellant an opportunity to argue in support of the new requests and this amounted to a substantial procedural violation. The oral proceedings ended very quickly and without any discussion of the merits of the case. In the experience of the Appellant's representative, this approach differed from that of other Opposition Divisions.

- The appeal fee should be reimbursed as a consequence of the procedural violation notwithstanding that the Appellant accepted its conduct of the proceedings could be open to criticism. The Respondent's request for apportionment of costs should be refused.

XI. The Respondent's arguments on remittal as submitted in writing and at the oral proceedings can be summarised as follows.

- Although the Respondent confirmed it had not objected to the admissibility *per se* of the new requests, which was decided by the Opposition Division of its own motion, the Appellant could and should have filed those requests at an earlier

stage, particularly since the objections to its previous request had been made clear in the Opposition Division's communications. The new requests took both the Respondent and the Opposition Division by surprise.

- At the oral proceedings on 12 October 1999, the Opposition Division warned the Appellant, before adjourning to deliberate, that its decision could be final and the Appellant did not comment. Paragraphs 7 and 8 of the minutes of the oral proceedings and 2.4 of the decision under appeal supported this.

- The approach of the Opposition Division may have been rather blunt and it might have been appropriate, after rejecting the late requests and before closing the oral proceedings, to ask the parties if there were any further requests.

- If the case were to be remitted, the Respondent would be prejudiced by the resulting delay in that it would remain longer under the threat of a patent which it considers invalid.

- Since the case should not be remitted, the appeal fee should not be reimbursed.

- If remittal were ordered, the Respondent's costs of the appeal proceedings would have been unnecessarily incurred for reasons wholly unattributable to the Respondent. It would therefore be equitable to order the Appellant to pay those costs.

XII. The Appellant's main request is that the decision under appeal be set aside and that the case be remitted to the first instance for further prosecution on the basis of its request filed on 3 March 1997 or alternatively one of its two requests filed on 12 October 1999 or one of its three requests filed on 14 May 2002 and that in any of those events the appeal fee be reimbursed.

The Respondent requests that the appeal be dismissed and, as auxiliary request, that if the case is remitted, the Appellant pay the Respondent's costs of the appeal proceedings.

Reasons for the Decision

1. The appeal is admissible. As indicated above (see paragraph IX), the Board must first consider whether, as the Appellant alleges, a substantial procedural violation occurred and, if so, whether such a violation justifies remittal of the case to the first instance.

Withdrawal of the Appellant's request of 3 March 1997

2. The procedural difficulties in the present case originated, as appears to be common ground between the parties, with the extremely late introduction by the Appellant into the opposition proceedings of two requests which it filed at the start of the oral proceedings on 12 October 1999. It is unclear whether the Appellant, when filing its new requests, withdrew its previous request of 3 March 1997 in the sense of abandoning it or in the sense of demoting it to the "fall back" position of a second auxiliary request if the new requests were found to be inadmissible or

unallowable. The decision under appeal (paragraph X) and the minutes (paragraph 2) both say quite simply that the Appellant "withdrew" the earlier request. The Respondent submitted it had a contemporaneous note to the same effect which both the Board and the Appellant accepted as being correct without the note being produced. The Board can conclude without difficulty that the Appellant did, on presenting its new requests, announce that the previous request was withdrawn. However, the exact meaning of that statement was apparently quite different for each party. The Appellant argues it meant only that the earlier request was demoted to the status of an auxiliary request to which it could return, or to which it should have been allowed to return, if necessary. The Respondent argues that withdrawal, explicitly stated, must mean that the request is no longer in the proceedings.

3. In fact, in the light of what took place at the oral proceedings on 12 October 1999, this issue of the exact meaning of "withdrew" has at the most only a secondary importance, as an indication that the Board should make its own assessment of what actually happened at those oral proceedings relying on the only impartial information available, namely the Opposition Division's own written decision and minutes of its oral proceedings, supplemented by information and arguments from the parties only when this is agreed or supplied *contra proferentem*.

4. The Board does however observe that, if it were necessary to pursue further the meaning of "withdrew", any doubt would have to be resolved in favour of the Appellant in the light of jurisprudence of the Boards of Appeal which suggests a "withdrawal" of a set of

claims is only final if the evidence leads to such a conclusion (see J 11/87 OJ 1988, 367) and that amendments put forward in opposition proceedings are not to be seen as abandonment of claims as granted (see T 123/85, OJ 1989, 336; and T 155/88 and T 217/90, both unpublished in OJ EPO).

The oral proceedings of 12 October 1999

5. It is beyond dispute that the new requests were not just filed late but long after the deadline of 12 August 1999 set by the Opposition Division under Rule 71a EPC in its communication of 2 September 1998. It is also agreed by the parties that the Respondent did not object to these very late requests on the grounds of lateness *per se* (see paragraphs X and XI above) but did, after an adjournment of 30 minutes to consider the requests, object to them on substantive grounds under Articles 52, 54, 56 and 123(2) EPC (see the minutes, paragraphs 4 and 5). However, the Opposition Division apparently considered that the lateness of filing created a question of admissibility since, in the 5 minutes between that 30 minute adjournment and the next adjournment, not only did the Respondent make those objections but a discussion took place, at the instigation of the Opposition Division itself, as to the lateness of filing of the requests, the Opposition Division referring to the date set under Rule 71a EPC and the Appellant explaining its reasons for the lateness (see minutes, paragraphs 6 and 7 and the decision, paragraphs 2.1 and 2.2). The chairman then announced the oral proceedings would be "interrupted for a deliberation concerning admissibility of the late filed claims" (see minutes, paragraph 7).

6 A phase was then reached which the Board considers significant. In the minutes it is said the chairman "pointed out the Opposition Division might come to a final decision and asked the parties whether they had further comments. There were no comments". There was then a further adjournment from 9.45 am to 10.00 am (see minutes, paragraphs 7 and 8). However, in the decision, that warning of a possible final decision and invitation to comment is recorded **after** the statement that the Opposition Division arrived at its conclusion on the new requests (see decision, paragraph 2.4). The hearing resumed again at 10.00 am when "the chairman declared that the late filed requests (main and auxiliary request) are not admissible and that the patent is revoked (Art. 102(1) EPC)" and the proceedings then closed at 10.03 am (see minutes, paragraphs 9 and 10).

7. It is wholly plausible that, in the very limited time for discussion of the new requests, namely the 5 minutes from 9.40 am to 9.45 am, the Appellant had no opportunity or an insufficient opportunity to argue why the new requests should be pursued. On the evidence of the minutes, those 5 minutes were occupied with the Respondent's objections to the requests on their merits, with the Opposition Division's own objection of late filing contrary to Rule 71a EPC, and with the warning of a possible final decision and invitation for further comments. Anyone familiar with oral proceedings might be surprised that all those subjects could be covered in just 5 minutes. In the absence of any such reference in the minutes, it would be stretching belief to imagine that the Appellant could also make even a short submission on the merits in that time, although it should have been allowed to respond to the

Respondent's objections. It has to be said that the Appellant may have to some extent been the architect of its own misfortune since, by filing its new requests when it did, it must have taken both the Respondent and the Opposition Division by surprise. However, it is clear that it was the Opposition Division which chose to pursue the issue of lateness and to adjourn to deliberate that issue. That it did so and then announced a final decision without, on one of its own records of the proceedings, warning the parties the decision might be final until after the decision was taken, is manifestly unsatisfactory.

8. Further, it is more than merely unsatisfactory that, again on the Opposition Division's own records, it said nothing to the parties between announcing its decision as to the admissibility of the new requests and announcing a decision as to the outcome of the case as a whole. Even if the warning of a possibly final decision was issued before the deliberation, the parties might well have thought that, after a discussion of only 5 minutes which covered several subjects, a "final decision" meant a final decision as to the new requests. Whatever the uncertainty as to the status of the Appellant's previous request of 3 March 1997, it was incumbent on the Opposition Division, after instigating a discussion on admissibility of the new requests, adjourning to deliberate that issue and then announcing its decision on that issue, at least to ask both parties if they had any outstanding requests or anything further to say before a final decision was made. While that is a basic principle of procedure which should be followed in every case, it is all the more surprising it was not followed in the present case when one considers that, apart from the Respondent's

objections to the new requests, no mention of the merits had been made during the oral proceedings despite the fact that the Appellant had made no reply to the communication accompanying the summons.

9. To overlook that formal but procedurally important step was to overlook the distinction, inherent in most proceedings before the EPO, between admissibility and allowability. The Appellant may have failed to persuade the Opposition Division that its late filed requests were admissible but it remained at that point the proprietor of a granted patent in a form it had approved (under Rule 51(4) EPC), it still had a right to be heard in oral proceedings which it (and the Respondent) had requested as to the grounds of opposition raised by the Respondent and the subject of objections from the Opposition Division (Articles 113(1) and 116(1) EPC), and the Opposition Division was still obliged to give a reasoned decision for revocation related to those grounds (Article 102(1) and Rule 68(2) EPC). To omit to offer even an opportunity for discussion of the merits - which is the essential purpose of oral proceedings - and make a decision stating as its only reason "no valid set of claims [were] available" (see decision, final paragraph) was plainly wrong. It was tantamount to saying that the Appellant, by withdrawing one request and failing to introduce others, had lost its patent by its own actions whereas, as is well established in the jurisprudence of the Boards of Appeal, express words are required for a proprietor to abandon or surrender a patent in opposition proceedings (see "Case Law of the Boards of Appeal of the European Patent Office", 4th edition, 2001, pages 345 and 540 to 541). As the Appellant argued at the oral proceedings before the

Board, it expected an opportunity to defend its position before a final decision; and, as the Respondent somewhat more precisely observed (*contra proferentem*), the Opposition Division's approach was blunt and one would have expected at least a question as to any further requests before a final decision.

10. Accordingly the Board finds, largely on the basis of the Opposition Division's own record of the oral proceedings at first instance, not that the substantial procedural violation alleged by the Appellant actually occurred but that a distinct and separate such violation did occur, namely that the Opposition Division, after making and announcing its decision on the admissibility of the late filed requests, proceeded immediately to revoke the Patent without giving the parties the opportunity to be heard as to whether there were any further requests to be considered before a final decison was taken.

Remittal of the case to the first instance

11. Article 10 of the Rules of Procedure of the Boards of Appeal requires the Board to remit a case to the first instance if it finds fundamental deficiencies in the first instance proceedings unless special reasons exist for doing otherwise. In the present case, the substantial procedural violation clearly amounts to a fundamental deficiency - the Patent was revoked without any discussion at the oral proceedings of the grounds of opposition (apart from the Respondent's objections to the new requests which occupied less than 5 minutes). The only reason advanced as to why remittal would not be appropriate was the Respondent's argument that this would delay the final decision in the case

and it would therefore be prejudiced by the continued existence of a patent it considers invalid. Remittal will undoubtedly delay the case, although the degree of prejudice to the Respondent is difficult to assess. It is also beyond doubt that the Respondent bears no blame for the present situation. The Respondent does however have the opportunity to challenge the validity of the Patent in national courts whereas, for the Appellant, revocation as a result of opposition proceedings would represent a final loss of its rights in all the designated states. Taking into account as well the interest, to the public as well as to the parties, in ensuring justice is done - and seen to be done - the Board considers that delay is an insufficient reason not to order remittal.

Reimbursement of the appeal fee

12. Reimbursement of the appeal fee is a question for the exercise of the Board's discretion (see Rule 67 EPC). While the Board has found that the Appellant has been disadvantaged by a substantial procedural violation, it may take account of all the circumstances of the case in deciding the Appellant's request for reimbursement. In the present case, as the Appellant has conceded, its conduct of the case has been less than exemplary - it made two unsubstantiated requests for extensions of time to answer the notice of opposition, replied out of time and only in minimal terms to the first communication, did not reply at all to the second communication which carried a Rule 71a EPC time limit and, in blatant disregard of that time limit, filed two new requests at the commencement of the oral proceedings with no notice to the Respondent or the Opposition Division and could have made the new status

of the "withdrawn" request clearer. That late filing can be no excuse for the procedural lapse which then ensued, but it clearly created an unexpected situation for the other participants which could and should have been avoided. In all the circumstances of the case, the Board considers equity does not require an order for reimbursement of the appeal fee.

Apportionment of costs

13. This is a further equitable, and therefore discretionary, question for the Board (see Article 104(1) EPC). The Respondent, in requesting an order that the Appellant pays its costs of this appeal, argues that it has incurred the costs of an appeal which, as a result of remittal, were unnecessarily incurred through no fault of its own. That is largely correct, although only as regards the issue of the substantial procedural violation: costs the Respondent has incurred in preparing to deal in this appeal with substantive issues may not have been wasted since those issues will be dealt with in the further first instance proceedings. As regards the procedural violation, it would not be equitable to make the Appellant pay more than its own costs of the appeal of which the only result has been to quash a decision tainted by that violation: the violation was committed by the Opposition Division and not by the Appellant.

14. However, the Board has noted that, apart from the issue of the substantial procedural violation, criticisms can be made of the Appellant's conduct at certain stages of the proceedings. Although the Board expresses no opinion now on the possible costs consequences of that conduct, it may be that, at the end of the case, an

apportionment of costs might be appropriate. However, that is a decision which should be taken by the Opposition Division (with the possibility of subsequent appeal) after it has heard and decided the substantive case. This approach also means that, depending on the circumstances, the Respondent could request, instead or as well, an apportionment of other costs than just those of the appeal. The Board therefore refuses the request for apportionment of costs so that all issues of costs can be dealt with at the most appropriate time.

The Appellant's late filed requests

15. The Board having decided to remit the case to the first instance after a finding that a substantial procedural violation has occurred, it should express no opinion on the substantive merits of the case. Since the effect of the Board's decision is that the decision under appeal is quashed and the proceedings restored to the position they were in at the commencement of the oral proceedings before the Opposition Division on 12 October 1999, any such opinion would be inappropriate. The Board should however make the following comments on procedural matters.

16. As mentioned above (see paragraph VIII), the Appellant filed three new requests in the appeal proceedings on 14 May 2002, just under a month before the oral proceedings. Although Rule 71a EPC does not apply to proceedings before the Boards of Appeal (see G6/95 OJ 1996, 649), it is perhaps remarkable that, in view of the history of this case, the Appellant should have waited until a late stage of the appeal to file new requests. However, it follows from the previous

paragraph of this decision that none of the Appellant's substantive requests (that is, its various alternative sets of claims) have been the subject of any decision by the Board. As regards the three late filed requests, the Board stresses it has not even made a decision as to their admissibility. It will accordingly be for the Appellant to persuade the Opposition Division, in the resumed first instance proceedings, which of its requests should be considered admissible and, of those found admissible, which should be found allowable.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.

2. The case is remitted to the first instance for further prosecution.

3. The request for reimbursement of the appeal fee is refused.

4. The request for apportionment of costs is refused.

The Registrar: The Chairman:

A. Townend P. A. M. Lançon