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D E C I S I O N
of 26 June 2002

Case Number: T 0362/02 - 3.3.2

Application Number: 88870068.9

Publication Number: 0290416

IPC: A01N 25/30

Language of the proceedings: EN

Title of invention:
Improved glyphosate formulations

Patentee:
MONSANTO EUROPE S.A.

Opponent:
Syngenta Limited

Headword:
Procedural violation/MONSANTO

Relevant legal provisions:
EPC Art. 96, 101, 102(1)(2)(3)(a), 110(3), 113, 121, 122
EPC R. 51(4), 58(1)(2)(3), 67, 68(2)
RPBA Art. 10

Keyword:
"Decision without replying to request for extension of time-
substantial procedural violation"
"Revocation of patent in opposition proceedings for mere
failure to reply to a communication - no basis in law-
substantial procedural violation"
"Remittal to first instance (yes)"
"Reimbursement of appeal fee (yes)"
"Re-establishment of rights - application unnecessary -
reimbursement of fee (yes)"

Decisions cited:
-

Catchword:
-



Case Number: T 0362/02 - 3.3.2

D E C I S I O N
of the Technical Board of Appeal 3.3.2
of 26 June 2002

Appellant:
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Decision under appeal: Decision of the Opposition Division of the
European Patent Office posted 5 February 2002
revoking European patent No. 0 290 416 pursuant
to Article 102(1) EPC.

Composition of the Board:

Chairman: P. A. M. Lançon
Members: G. F. E. Rampold
 C. Rennie-Smith

Summary of Facts and Submissions

- I. European patent No. 290 416 ("the Patent") was granted on 23 June 1993 pursuant to application No. 88 870 068.9 and was the subject of an opposition filed on 18 March 1994 seeking revocation of the Patent in its entirety for alleged lack of inventive step and insufficiency of disclosure pursuant to Articles 56, 83 and 100(a) and (b) EPC.

- II. By a decision of 31 January 1997 the Opposition Division revoked the Patent for lack of inventive step. That decision was the subject of an earlier appeal (see decision T 362/97 of 25 October 2000, unpublished in OJ EPO). While those appeal proceedings were pending, the opposition was withdrawn by a letter from the Opponent received by fax on 9 December 1999.

- III. The Board (in a different composition) found that, as amended by the Appellant, the claims of the Patent were novel over the cited documents and complied with Articles 123(2) and (3) EPC. As regards inventive step, the Board found that, as the Appellant admitted, there was no direct comparison between the properties and effects of the claimed formulations in the Patent and those of the closest prior art which had been raised for the first time during the appeal proceedings. The Board concluded that the amended claims and the new assessment of the closest prior art created an entirely new situation which should be the subject of consideration at two instances. Accordingly the Board set aside the decision under appeal and remitted the case to the Opposition Division for further prosecution on the basis of claims 1 to 6 submitted as the patentee's main request during the oral proceedings.

IV. In the resumed proceedings before the Opposition Division, a communication under Article 101(2) and Rule 58(1) to (3) EPC was issued on 26 July 2001. This communication referred to the claims upheld in the previous appeal as part of the basis of the further consideration of the opposition and invited the Appellant to file observations on the following:

- "1. From points 5.3 and 5.4 of the decision of the boards of appeal in this matter (T0362/97) it can be taken how a inventive step for the present subject matter could be established with respect to the teaching of [documents] (6) and (8).
2. If the inventive step could be substantiated along to these lines, a fair copy of the claims should be submitted; the description should be strictly adapted to the claims in order to enable, in case, the opposition division to maintain the patent in amended form."

The communication set a term of four months for a reply, which term would have expired on 5 December 2001. The Appellant requested an extension by two months of this term by a letter of 20 November 2001, a request which was acknowledged by the EPO on 26 November 2001. On 5 February 2002, the Opposition Division issued a decision revoking the Patent. The decision, after referring to the said communication and observing that the Appellant did not reply thereto, said the following as reasons for the decision:

- "I. The patent proprietor failed to submit the evidence for the presence of an inventive step as required by the board of appeal and did not adapt the description to the new claims.

II. The patent therefore has to be revoked in its entirety."

V. The Appellant filed a notice of appeal dated and received by fax on 28 March 2002 and paid the appeal fee. It filed grounds of appeal dated and received by fax on 21 May 2002. It also filed an application for re-establishment of rights dated and received by fax on 28 March 2002 and paid the fee for such request. That application sought re-establishment of the Appellant into its right to prosecute the opposition procedure further.

VI. The Appellant argues in the present appeal that:

- the purpose of the remittal of the case to the Opposition Division in the previous appeal was to allow it to defend the Patent before two instances;
- it was denied this by not being given an opportunity to respond to the communication of 26 July 2001 despite having requested an extension of time for replying thereto, the reason for that request being that the necessary experiments were time-consuming and could not be filed by the time limit of 5 December 2001;
- the Appellant was therefore denied the right to be heard before the Patent was revoked; this was a procedural violation and the decision should therefore be set aside and the appeal fee reimbursed;

- the principle of good faith means that the Appellant could have reasonably assumed that its request for an extension of time would have been granted and that a warning should have been issued before the decision to revoke was taken.

In its re-establishment application the Appellant advances substantially the same arguments and further argues that it took all due care to ensure that an extension of time was sought in due time.

With both its grounds of appeal and its re-establishment application the Appellant also filed experimental evidence in reply to the communication of 26 July 2001.

- VII The Appellant's main request is that the decision under appeal be set aside and the case be remitted to the Opposition Division for further prosecution. Alternatively, it is requested that the decision under appeal be set aside and that the Patent be maintained in amended form on the basis of the set of claims filed with the grounds of appeal. The appellant also requests that the appeal fee be reimbursed and that, in the event of any different conclusion on its written submissions, oral proceedings be held.

In its re-establishment application the Appellant requests that it be reinstated in its right to prosecute the opposition proceedings further and that the appeal fee be reimbursed.

Reasons for the Decision

1. The appeal is admissible.

Denial of the right to be heard

2. It was the purpose of the remittal of the case to the Opposition Division at the end of the previous appeal that the Appellant should have the benefit of two instances (see III above). In view of the finding in the earlier appeal proceedings that no direct comparison existed between the properties and effects of the claimed formulations in the Patent and those of the closest prior art, as established during the appeal proceedings, the Appellant could have expected that the Opposition Division would require the Appellant to file comparative evidence - indeed, the communication to that effect simply referred the Appellant to relevant paragraphs of the Board's decision. Equally, the Opposition Division could have expected that the Appellant, after pursuing the case through the previous first instance and appeal proceedings and having a request on file at the date of the decision under appeal, would want to comply with that requirement and file such evidence.
3. In the present appeal proceedings, the Appellant has filed with its grounds of appeal a copy of its letter dated 20 November 2001 addressed to the EPO and asking for an extension of two months in which to file the experimental evidence requested in the communication of 26 July 2001. That communication was identified in the letter which also gave a reason for the request, namely that the Appellant's evidence could not be filed in the time set by the communication. The letter does not

appear on the opposition file but it was clearly received by the EPO since the Appellant has also filed a copy of the standard EPO acknowledgment of receipt form (Form 1037.1) which has been date-stamped "EPO Munich 26 Nov 2001".

4. The Board is therefore satisfied that a request for an extension of time was made and acknowledged. However, the Patent was then revoked by the decision under appeal without the Appellant receiving any reply to its letter, let alone being granted the extension of time it had requested. It is immaterial whether the letter actually reached the Opposition Division and was ignored or, as appears more likely, it was lost within the EPO before it reached the Opposition Division. In either event, the Appellant was through no fault of its own denied the opportunity of being heard before the Patent was revoked, contrary to Article 113(1) EPC. That such a denial amounts to a substantial procedural violation is well established in the jurisprudence of the Boards of Appeal (see for example "Case Law of the Boards of Appeal of the European Patent Office", 4th edition, 2001, pages 556 to 558).

Revocation for not replying to a communication

5. Although the Appellant relies on its unanswered request for an extension of time in arguing that a substantial procedural violation occurred, a further serious violation is apparent on the face of the decision under appeal. The reasons for that decision (see IV above) make clear that the Patent was revoked for the sole reason that the Appellant did not reply to the communication of 26 July 2001. There is no basis in law for such a decision for the reasons in paragraphs 6 to 13 below.

6. Communications from the Opposition Division are sent pursuant to Article 101(2) EPC which provides that it "shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Opposition Division, on communications from another party or issued by itself." The important word is "invite" which is also used in Rule 58(2) EPC. In the present case the communication of 26 July 2001, headed "Communication pursuant to Article 101(2) and Rule 58(1) to (3) EPC", contained, at two places, the words "The proprietor of the patent is invited to file observations within a period of 4 months of notification of this communication". It also stated, again at two places, that "The (further) examination of the opposition(s) is based on the following documents....Claims No.: 1-6 as received on 25.10.00 with letter of 25.10.00", a clear reference to the request allowed by the Board in the previous appeal, a request which was specifically referred to in the Board's order as the basis of further prosecution of the opposition following remittal and the request on file both at the date of the communication and at the date of the decision under appeal.

7. The EPC provides no sanction for the failure by a party to reply to a communication under Article 101(2) EPC. If a sanction had been intended for failure to reply to an "invitation", the legislator would have so enacted, as it did in the case of communications in examination proceedings (see Articles 96 and 110(3) EPC). It is also significant that, in the case of the examination of patent applications, the sanction of deemed withdrawal is tempered by the availability of an application for further processing (Article 121 EPC). If within the prescribed time such an application is filed and the omitted act is completed and the appropriate fee is paid, the legal consequence of the deemed withdrawal ceases to exist. By contrast, if the

approach of the Opposition Division in the decision under appeal were to be correct, a patent proprietor in opposition proceedings would have no choice but to appeal. Thus the remedy for such summary revocation of a patent right which has already been granted after examination would be more time-consuming and less certain than the remedy available to a patent applicant whose entitlement to that right remains to be decided.

8. Further, revocation of a patent for mere failure to reply to a communication is contrary to the clear intention of the law which requires a proprietor to agree to the form in which a patent is granted or amended (Rule 51(4) and Article 102(3)(a) EPC) and requires a proprietor to use clear and unambiguous words if he wishes to abandon a patent inter alia during opposition proceedings (see "Case Law", op. cit., pages 345 and 540 to 541). The principle is reflected in Article 113(2) EPC which provides that the EPO shall only consider and decide upon a European patent (or application) in the text submitted to it or agreed by the proprietor, from which it follows that a text agreed by the proprietor may only be rejected by a decision as to that text itself and not one based on non-compliance with a communication. In the present case, as the communication itself records (see paragraph 6 above), a text agreed by the proprietor was on file before and pending a decision by the Opposition Division.

9. The decision under appeal is also inconsistent with the requirements that decisions may only be based on grounds or evidence on which the party concerned has had an opportunity to present comments (Article 113(1) EPC), that a decision of the Opposition Division to revoke a patent may only be based on the opinion that the grounds for opposition prejudice maintenance of the patent and in the absence of such grounds an opposition

must be rejected (Article 102(1) and (2) EPC), and that any decision open to appeal must be reasoned (Rule 68(2) EPC). In the present case the Appellant was not given an opportunity to be heard as to why the Patent should or should not be revoked, the revocation was based not on any grounds of opposition but on perceived (although not actual) non-compliance with a communication and, save for reference to that improper basis for revocation, no reasons were given.

10. The Board has considered whether, in the particular circumstances of this case, the communication of 26 July 2001 could have been interpreted as a warning to the Appellant that, if it did not reply either at all or by submitting satisfactory evidence, the Patent would be revoked for lack of inventive step. In that event, an acceptable reason for revocation could be said to be "implied" in the decision under appeal or to be "incorporated by reference" to the communication. In favour of this approach is the fact that the communication stated that the required evidence could establish inventive step over the prior art - from which it could be said that the reverse was also true, namely failure to produce such evidence would mean inventive step would not be established and the Patent would therefore have to be revoked. However, the Board sees a number of reasons for not adopting this interpretation.

11. First, while the decision under appeal refers back to the communication, that communication did not in so many words ask the Appellant to file further evidence: it simply referred to certain paragraphs of the Board's earlier decision. While the intention of that reference was apparently clear to the Appellant, it was a reference only to the finding of the Board that, in the new circumstances of the case which arose in the previous proceedings before it, there was an absence of

comparative data establishing inventive step. There was no finding in that earlier decision of the Board of a lack of inventive step. Thus, even if such a "chain" of cross-references were acceptable as such, one does not find, at the beginning of the chain of such references, a finding capable of being incorporated by reference in the decision at the end of the chain.

12. Second, even if there had been a finding of lack of inventive step capable of being so "carried forward", it would be extremely harsh to expect the Appellant, from reading the communication, both to appreciate by mere reference what was required of him and to understand by implication that the consequence of non-compliance would be revocation without further proceedings. In fact, the communication if anything implied the opposite. Its second paragraph began "If the inventive step could be substantiated along these lines" and directed the Appellant to submit an adapted description "in order to enable, in case, the Opposition Division to maintain the patent in amended form". These words, particularly language such as "If..." and "in case", made it clear that the Opposition Division's decision might vary according to the answer to the communication and had not, at the time the communication was sent, been made. The Appellant could therefore not be expected to interpret the communication as a "last chance" or a "conditional decision".

13. For all the reasons in paragraphs 5 to 12 above the Board has no hesitation in holding that the decision under appeal is one which the Opposition Division had no power to make. The decision is accordingly invalid in law as *ultra vires* the first instance and to make and issue such a decision was a substantial procedural violation. The Board would add that, in the event a

party does not reply to a communication from the Opposition Division, the correct procedure is for the Opposition Division to proceed with the case. In the present case, that would mean that the grounds for opposition and the pending request should have been considered in the light of the available evidence and a reasoned decision as to those grounds and that request should have been given.

Remittal and reimbursement of the appeal fee

14. Pursuant to Article 10 of the Rules of Procedure of the Boards of Appeal, a Board is required to remit a case to the first instance if fundamental deficiencies are apparent in the first instance proceedings unless special reasons present themselves for doing otherwise. There can be no doubt that the procedural violations in the present case are fundamental deficiencies. The Board sees no special reasons for not remitting this case; indeed, since remittal of the case was specifically ordered at the conclusion of the previous appeal in order to afford the appellant two instances for the further consideration of the case and this has effectively been denied by the procedural violations which have occurred, there is every reason for ordering remittal in this case. For the same reasons, the Board considers it equitable to order reimbursement of the fee paid for the present appeal (Rule 67 EPC).

The re-establishment application

15. The application for re-establishment of rights is formally admissible, in that it was filed within two months of the removal of the cause for the possible non-compliance with a time-limit, namely the receipt by the Appellant of the decision under appeal which was the first indication to the Appellant that the Opposition Division considered it had not complied with

its communication of 26 July 2001. However, this re-establishment application was in fact unnecessary. It seems clear the Appellant only made that application *ex abundante cautela*, in case the Board should consider the Appellant had failed to comply with the time limit in the communication. It follows from the reasons given above that the Board does not consider that to be the case. That the first the Appellant knew of the outcome of its request for an extension of time was the decision revoking the Patent was not the result of non-compliance by the Appellant with a time limit but was rather the result of the failure by the EPO to answer the Appellant's request for additional time. The Appellant reacted to the decision by appealing within the required time limits.

16. Accordingly, there being no reason in law for the re-establishment application to be filed, it is of no effect and the fee paid in respect of that application must also be refunded.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The case is remitted to the department of first instance for further prosecution.
3. The request for reimbursement of the appeal fee is allowed.
4. The reimbursement of the fee for re-establishment of rights is ordered.

The Registrar:



A. Townsend

The Chairman:



P. A. M. Lançon

