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**Datasheet for the decision
of 16 June 2010**

Case Number: T 0996/09 - 3.3.08

Application Number: 95911826.6

Publication Number: 0752008

IPC: C12N 15/10

Language of the proceedings: EN

Title of invention:

DNA mutagenesis by random fragmentation and reassembly

Patentee:

Maxygen, Inc.

Opponents:

GENENCOR INTERNATIONAL INC.
Diversa Corporation
Koninklijke DSM N.V.
Alligator Bioscience AB

Headword:

-

Relevant legal provisions:

EPC Art. 113(1), 116(1)
EPC R. 111(2)

Relevant legal provisions (EPC 1973):

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Keyword:

"Right to be heard violated (yes)"
"Substantial procedural violation (yes)"
"Insufficiently reasoned decision (yes)"
"Remittal to the first instance (yes)"
"Reimbursement of the appeal fee (yes)"

Decisions cited:

J 0020/85, J 0003/90, T 0669/90, T 0892/92, T 0594/00,
T 0343/01, T 0582/06

Catchword:

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Case Number: T 0996/09 - 3.3.08

D E C I S I O N
of the Technical Board of Appeal 3.3.08
of 16 June 2010

Appellant: Alligator Bioscience AB
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Decision under appeal: Interlocutory decision of the Opposition
Division of the European Patent Office posted
13 March 2009 concerning maintenance of
European patent No. 0752008 in amended form.

Composition of the Board:

Chairman: L. Galligani
Members: J. Geschwind
P. Julià

Summary of Facts and Submissions

- I. Three oppositions and a notice of intervention (Article 105(1) EPC 1973) were filed against European patent no. 0 752 008. The opposition division maintained the patent in amended form on the basis of the third auxiliary request then on file. In a first appeal proceedings (T 582/06 of 12 December 2007), the then competent board of appeal decided to set aside the decision of the opposition division and to remit the case to the first instance with the order to maintain the patent in amended form on the basis of claims 1 to 27 of the first auxiliary request filed during the oral proceedings before the board and a description to be adapted thereto.
- II. In its decision of 13 March 2009, the opposition division considered the amendments to the description, filed by the patentee on 29 August 2008, to adapt the description satisfactorily to claims 1 to 27 of the first auxiliary request allowed by the board in the first appeal proceedings and thus, the patent and invention to which it related to meet the requirements of the EPC.
- III. On 30 April 2009, the opponent 04 (appellant) filed a notice of appeal and paid the appeal fee. In the statement of 6 July 2009 setting out its grounds of appeal, the appellant submitted that the decision of the opposition division was null and void in view of substantial procedural violations. The appellant argued that the decision of the opposition division was not reasoned (Rule 68(2) EPC 1973, Rule 111(2) EPC) and that its requests for oral proceedings were ignored by

the opposition division (Article 113(1) EPC). The appellant further considered the description filed by the patentee not to be in line with the claims of the first auxiliary request allowed by the board in the decision T 582/06 (*supra*) and requested thus that the decision under appeal be set aside as null and void and the appeal fee reimbursed. A precautionary request for oral proceedings was also made.

IV. On 25 November 2009, the patentee (respondent) replied to the appellant's grounds of appeal and, as a precautionary measure, also requested oral proceedings. No substantive submissions were made with regard to the appellant's alleged substantial procedural violations.

V. On 21 December 2009, the board issued a communication pursuant to Rule 17(2) of the Rules of Procedure of the Boards of Appeal (RPBA), wherein the parties were informed of the board's preliminary, non-binding opinion, namely that the appellant's submissions appeared to be correct. Since, in the light of the facts and evidence on file, serious procedural deficiencies and substantial procedural violation appeared to have occurred at the first instance, the board contemplated a remittal of the case to the first instance (Article 11 RBPA). Pursuant to Rule 100(2) EPC, the board also specified a period of two months for the parties to reply to the board's preliminary, non-binding opinion.

VI. With letter of 16 February 2010, the appellant stated that, in view of the preliminary opinion of the board, its request for oral proceedings was to be effective only if the board changed its provisional opinion.

- VII. With letter of 25 February 2010, the respondent confirmed that its request for oral proceedings was also conditional and that oral proceedings were not to be necessary if the board intended to take a decision in line with its preliminary opinion.
- VIII. No submissions and no requests were on file from opponents 01, 02 or 03 (parties as of right) (Article 107 EPC).
- IX. Since no new arguments or objections were submitted by the parties in reply to the board's preliminary, non-binding opinion, the board had no reason to change this opinion and thus, the parties were not summoned to oral proceedings.

Reasons for the Decision

Article 113(1) EPC - Right to be heard

1. According to Article 113(1) EPC, a decision of the European Patent Office may only be based on grounds or evidence on which the parties concerned have had an opportunity to present their comment. The right to be heard is a fundamental guarantor for the parties that proceedings before the EPO will be conducted fairly and openly (cf. J 20/85, OJ EPO 1987, page 102, point 4(a) of the Reasons and J 3/90, OJ EPO 1991, page 550) and is intended to ensure that the parties to the proceedings are not taken by surprise by grounds mentioned in an adverse decision (cf. *inter alia* T 669/90, OJ EPO 1992, page 739; T 892/92, OJ EPO 1994,

page 664; T 594/00 of 6 May 2004 and T 343/01 of 12 May 2005, see "Case Law of the Boards of Appeal of the European Patent Office", 5th edition 2006, VI.B.1, page 322). According to the constant case law of the Boards of Appeal, the infringement of the right to be heard is a substantial procedural violation that justifies the reimbursement of the appeal fee (cf. "Case Law", *supra*, VII.D.15.4.3, page 655).

2. In *inter partes* proceedings the right to be heard is inextricably linked to the principle of equal rights which requires the opposition division to ensure that the parties can exchange their submissions in full and have equal opportunity to comment on them. Furthermore, the parties can legitimately expect to be informed about the conduct of the proceedings (cf. "Case Law", *supra*, VI.A.1, page 311 and VII.C.2, page 533).
3. In the present case, the board notes that, in the first appeal proceedings, the decision of the then competent board was sent to the parties on 6 February 2008. In a communication pursuant to Article 101(1) EPC and Rule 81(2) to (3) EPC sent to the parties on 16 April 2008, the opposition division requested the patentee/respondent to provide, within a period of four months of notification of the communication, a description adapted to claims 1 to 27 of the first auxiliary request filed during the oral proceedings before the board (cf. point I *supra*).
4. On 28 April 2008, opponent 04/appellant inquired by fax (confirmation copy received on 29 April 2008) whether the opposition division wanted the opponents to file observations within the same time period set for the

patentee/respondent in the above communication or, whether it intended to set the opponents a period for observations once the patentee/respondent had filed an adapted description. Precautionary, opponent 04/appellant also requested oral proceedings before any decision of the opposition division was taken. No reply was given to that enquiry of opponent 04/appellant by the opposition division.

5. In the absence of any reply from the opposition division, opponent 04/appellant filed by fax of 14 August 2008 (confirmation copy received on 18 August 2008) eight pages of observations on the criteria to be used for adapting the description and on the paragraphs of the description which, in its view, required such adaptation. On 20 August 2008, the opposition division forwarded these submissions to the other parties, i.e. the patentee/respondent and the opponents 01 to 03.

6. On 28 August 2008, the patentee/respondent provided by fax (confirmation copy received on 29 August 2008) the adapted description, which, as shown by enclosed copies of a patentee/respondent's letter and of an acknowledgment of receipt by the EPO, had already been sent to the opposition division on 31 July 2008. No mention was made in these submissions to those filed by opponent 04/appellant on 14 August 2008 nor could any have been made since they were earlier - 31 July 2008, according to the patentee/respondent - than those made by opponent 04/appellant. Oral proceedings were also precautionarily requested in case of a decision of the opposition division adverse to the patentee/respondent.

7. On 4 September 2009, the opposition division forwarded these submissions of the patentee/respondent to all opponents, including opponent 04/appellant. No comments were made to the submissions of the patentee/respondent or to those of the opponent 04/appellant. The opposition division set a time period of 2 months for the parties to file observations. This time limit expired with no submissions received from any of the opponents, not even from opponent 04/appellant.

8. The now appealed interlocutory decision was issued on 13 March 2009 by the opposition division without further submissions from the parties or a communication from the opposition division (cf. point II *supra*).

9. In view of the above indicated course of events in the opposition proceedings, the board considers that the opposition division failed to clearly inform the parties on both its opinion and its intentions and, as a result thereof, the parties were taken by surprise by the opposition division issuing an interlocutory decision without sending a further communication to the parties or summoning them to oral proceedings (cf. points 1 and 2 *supra*). The mere forwarding of the patentee's submissions with the adapted description cannot be seen, in the absence of any comment, as an acknowledgment by the opposition division of not having any objections thereto, let alone that this description overcame those objections raised by the opponent 04/appellant in its letter of 14 August 2008. All the less so, since no reply had ever been given to opponent 04/appellant submissions by the opposition division or by the patentee/respondent in any of its submissions (cf. points 4 to 7 *supra*).

10. Although, by forwarding the patentee's adapted description to the opponents, the opposition division gave them an explicit opportunity to comment on that description, the fact that opponent 04/appellant did not seize this opportunity - not even by way of back-reference to its submissions of 14 August 2008 - cannot be considered as an acknowledgment of its agreement with that description or as a withdrawal of all its objections raised earlier in the proceedings. In the absence of any reply to its submissions of 14 August 2008 by the opposition division or of any comment thereto by the patentee/respondent, the opponent 04/appellant could not have expected that these submissions would have been merely disregarded by the opposition division and that an interlocutory decision would immediately be issued by the opposition division without previously informing the parties of its intention. The more so, in view of the fact that its precautionary request for oral proceedings filed on 28 April 2008 had never been withdrawn (cf. point 4 *supra*).

11. In line with the above mentioned principles of good faith governing procedural matters between the EPO and the concerned parties, as established by the constant case law of the Boards of Appeal (cf. points 1 and 2 *supra*), the board considers that, in the present case, the opposition division contravened the requirements of Article 113(1) EPC.

Rule 111(2) EPC - Form of the decisions

12. According to Rule 111(2) EPC, decisions of the European Patent Office which are open to appeal shall be reasoned. The failure to provide adequate reasoning in a decision at first instance in accordance with Rule 111(2) EPC is considered by the established case law of the Boards of Appeal to be a substantial procedural violation in itself justifying the reimbursement of the appeal fee (cf. "Case Law", *supra*, VII.D.15.4.4, page 657).

13. In the present case, the board notes that, in the decision under appeal, no reference is ever made to the submissions of the opponent 04/appellant filed on 14 August 2008 - not even in the "Summary of Facts and Submissions". In that part of the decision under appeal, it is only stated that no comments or observations were received in reply to the communication of the opposition division dated 4 September 2008, wherein the amended description and documents filed by the patentee on 28 August 2008 were forwarded to the opponents (cf. point 7 *supra*). Nevertheless, as stated in points 4 and 5 *supra*, the opponent 04/appellant submitted, at an earlier stage of the procedure, observations and objections in its letter dated 14 August 2008.

14. Even if the opposition division would have considered the arguments and submissions made by the opponent 04/appellant in its letter of 14 August 2008 as not admissible or irrelevant, for which there is not a shred of evidence on file, the opposition division could not simply have ignored them, but should have

reasoned its decision according to Rule 111(2) EPC, in order to give the party a fair idea of why these submissions were not considered convincing or inadmissible, if at all.

15. So far the appealed decision was taken without any consideration of the opponent 04/appellant's submissions of 14 August 2008, which were not even mentioned by the opposition division, the decision under appeal should be considered as based on inadequate reasons or at least as not sufficiently reasoned and thus, not fulfilling the requirements of Rule 111(2) EPC.

Article 116(1) EPC - Oral proceedings

16. Whereas Article 113(1) EPC establishes the parties' right to be heard in general, Article 116(1) EPC establishes in particular the right to oral proceedings at the request of any party. According to the case law of the Boards of Appeal, the right to oral proceedings is an extremely important procedural right which the EPO should take all reasonable steps to safeguard. If a request for oral proceedings has been made, such proceedings have to be appointed. This provision is mandatory and leaves no room for discretion. If such a request is ignored, even due to an oversight, the decision must be set aside as null and void (cf. "Case Law", *supra*, VI.C.1, page 333). In line thereof, the established case law of the Boards of Appeal considers also the infringement of Article 116(1) EPC to be a substantial procedural violation justifying in itself the reimbursement of the appeal fee (cf. "Case Law", *supra*, VII.D.15.4.2, page 654).

17. In the present case, the board notes that, in its letters of 28 April 2008 and 14 August 2008, the opponent 04/appellant **unambiguously** requested oral proceedings before any decision being taken by the opposition division.

18. As stated in point 13 *supra*, none of these letters is mentioned in the decision of the opposition division dated 13 March 2009 and now under appeal. It becomes apparent that they were merely ignored by the opposition division since, at no moment in the opposition proceedings, the opposition division gave the parties any information about its opinion on these requests for oral proceedings from the opponent 04/appellant nor was any reason given in its final decision for not granting them.

19. In line with the above mentioned case law of the Boards of Appeal, all parties to the opposition proceedings and, in particular the opponent 04/appellant, could legitimately have expected to be informed by the opposition division in case that it did not intend to grant these requests for oral proceedings and, in that case, to be given the opportunity to comment on such an important procedural issue.

20. Therefore, in view of the facts of the present case, the board considers that, for this reason alone, a substantial procedural violation has occurred in the first instance proceedings and that the requirements of Article 116(1) EPC had not been fulfilled.

Article 11 RPBA - Remission to the first instance

21. According to Article 11 of the Rules of Procedure of the Board of Appeal (RPBA), a board shall 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.

22. According to the established case law of the Boards of Appeal the violation of fundamental principles as are the right to be heard, the right to have a reasoned decision or the right to oral proceedings, is considered as a fundamental deficiency of the first instance proceedings which justifies the reimbursement of the appeal fee and normally a remittal to the first instance (cf. points 1, 12 and 16 *supra*, and "Case Law", *supra*, VII.D.9, page 627).

23. In view of the above facts and reasons (cf. points 1 to 20 *supra*), the board considers that serious procedural deficiencies have occurred at the first instance. In particular, the right to be heard and the right to oral proceedings have been violated. The request for remittal of the case to the first instance is exclusively occasioned by the above mentioned substantial violations and this request is not disputed by the patentee/respondent, just as the fact that the decision is not sufficiently reasoned.

24. The board considers also that there are no reasons for not remitting the case to the first instance under Article 11 RPBA and therefore, the decision under appeal should be set aside, the appeal fee reimbursed,

and the case be remitted to the opposition division for further prosecution.

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 appeal fee of the appellant is reimbursed.

The Registrar:

The Chairman:

A. Wolinski

L. Galligani