

## **DECISIONS OF THE BOARDS OF APPEAL**

### **Decision of Technical Board of Appeal 3.3.1 dated 3 May 1996**

**T 167/93 - 3.3.1\***

(Language of proceedings)

Composition of the board:

Chairman: A. J. Nuss

Members: J. M. Jonk

S. C. Perryman

**Patent proprietor/Appellant: THE PROCTER & GAMBLE COMPANY**

**Opponent/Respondent: Unilever PLC / Unilever N.V.**

**Headword: Bleaching agents/PROCTER & GAMBLE**

**Article: 54, 56, 111(2), 113(1), 125 EPC**

**Keyword: "Res judicata (no) - decision of a Board of Appeal in examining proceedings up to grant not binding for Opposition Division" - "Novelty (main request, no)" - "Closest prior art" - "Inventive step (auxiliary request, yes) - non-obvious alternative"**

*Headnote*

*A decision of a Board of Appeal on appeal from an Examining Division has no binding effect in subsequent opposition proceedings or on appeal therefrom, having regard both to the EPC and 'res judicata' principle(s).*

**Summary of Facts and Submissions**

I. The Appellant (proprietor of the patent) lodged an appeal against the decision of the Opposition Division by which European patent No. 0 098 021 was revoked in response to an opposition, based on Article 100(a) EPC, which had been filed against the patent as a whole.

II. The opposition was supported by several documents including:

- (1) GB-A-839 715,
- (2) GB-A-836 988,
- (3) GB-A-864 798, and
- (9) EP-A-0 043 173.

III. The decision was based on Claims 1 to 6 of the patent as granted (main request), Claim 1 concerning:

A laundry detergent composition for use in domestic automatic washing machines comprising:

- (a) from 1% to 30% by weight of the composition of a surfactant selected from anionic, nonionic and cationic classes and compatible mixtures thereof;

(b) from 1% to 60% by weight of a peroxygen bleaching compound capable of yielding hydrogen peroxide in an aqueous solution; and

(c) from 0.5% to 40% by weight of a specific bleach activator ...

wherein the molar ratio of hydrogen peroxide yielded by (b) to bleach activator (c) is greater than 1.5.

and on Claims 1 to 6 filed on 8 December 1992 according to the then standing auxiliary request, Claim 1 corresponding to Claim 1 of the patent as granted, except that feature (a) was defined as:

"from 1% to 30% by weight of the composition of a surfactant of a nonionic class and, optionally, a surfactant selected from cationic and anionic classes, and compatible mixtures thereof, and...".

IV. The Opposition Division held that the subject-matter of Claim 1 as granted lacked novelty and that of the claims of the auxiliary request did not involve an inventive step in the light of the document (3).

Although in the decision T 298/87 - setting aside the decision of the Examining Division refusing the present patent application on the ground of lack of inventive step in respect of the claims then on file - the combination of the specific molar ratio of hydrogen peroxide yielded by the bleaching compound to the bleach activator and the specific bleach activators was considered to constitute a selection from the broader scope of document (3), the Opposition Division concluded that the claimed subject-matter lacked novelty in line with the decision T 666/89, since it originated from the combination of preferred features indicated in the description of document (3), so that it could not be spoken of "hidden matter".

The Opposition Division also held that the subject-matter of Claim 1 of the auxiliary request relating to bleaching compositions containing a nonionic surfactant as a compulsory component lacked inventive step. ...

V. Oral proceedings were held on 3 May 1996.

VI. The Appellant argued in view of the decision T 298/87 of another Board of Appeal, setting aside the decision of the Examining Division refusing the present patent application, in which the then deciding Board concluded that neither of the documents considered (ie the present documents (3) and (9)), taken alone or in combination, had been shown to lead in an obvious manner to the subject-matter claimed especially as regards the "molar ratio" greater than 1.5 in association with the selected bleach activators, that the issues considered by the Opposition Division on which their decision was based were res judicata. In support of this view he referred to the decisions T 934/91 and T 843/91.

The Appellant also argued that the subject-matter of Claim 1 of the disputed patent was novel in view of document (3), since ...

VII. The Respondents disputed that the issues considered by the Opposition Division would be res judicata. In their view an Opposition Division was entitled to disagree with a Board's decision in examining proceedings. Moreover, res judicata could only apply in cases involving the same parties.

Furthermore, the Respondents fully agreed with the reasoning of the Opposition Division regarding lack of novelty for the main request and lack of inventive step for the auxiliary request.

...

IX. At the conclusion of the oral proceedings the Board's decision to allow the Appellant's auxiliary request was pronounced.

### **Reasons for the Decision**

1. The appeal is admissible.

2. The first issue to be dealt with is the Appellant's submission on res judicata. The Appellant was arguing that the Opposition Division was bound by the ratio decidendi of the remitting decision T 298/87 of the Board of Appeal, setting aside the decision of the Examining Division refusing the present patent application on the ground of lack of inventive step in view of document (3). In the Appellant's view, this also meant that all findings of facts from document (3) on which the binding part of the decision rested were not open to reconsideration and thus equally binding.

2.1 This issue requires a preliminary investigation of whether there is any legal basis under the European Patent Convention for such a binding effect.

The only explicit reference to any binding effect of a decision of a Board of Appeal (other than the Enlarged Board) is in Article 111(2) EPC stating:

"If the Board of Appeal remits the case for further prosecution **to the department whose decision was appealed, that department shall be bound** by the ratio decidendi of the Board of Appeal, in so far as the facts are the same. If the decision which was appealed emanated from the Receiving Section, the Examining Division shall similarly be bound by the ratio decidendi of the Board of Appeal."

(Emphasis by the Board)

2.2 There is no reference here to an Opposition Division being bound by a decision of a Board of Appeal on appeal from an Examining Division. The basis, if any, for such binding effect could thus only be under Article 125 EPC stating

"In the absence of procedural provisions in this Convention, the European Patent Office shall take into account the principles of procedural law generally recognised in the Contracting States",

or some principle developed by interpretation of the European Patent Convention.

2.3 To discover principles of procedural law generally recognised in the Contracting States it is useful first to turn to maxims of Roman Law, as these have proved themselves in practice over many centuries, have fundamentally influenced the laws of all Contracting States, and survive, though possibly in slightly modified form, in these laws today.

In this case, where the Appellant has referred to a principle of **res judicata** to support his argument, relevant maxims are:

**(1) Res inter alios judicata alii non praejudicat .**

(Dig, 2, 7, §2 in Corpus iuris civilis, editio stereotypa, Bd. 1, Berlin 1908)

A matter adjudged between others does not prejudice third parties.

**(2) Res judicata pro veritate accipitur.**

(Digest 1, 5, 25 in Op. cit.)

The adjudged matter is to be accepted as truth.

**(3) Res judicatas restaurari exemplo grave est.**

(Codex Just. 7, 52, 4 in Corpus iuris civilis, editio stereotypa, Bd. 2, Berlin 1877)

To reopen adjudged matters is undesirable because of the [bad] example set.

**(4) Expedit rei publicae, ut finis sit litium.**

(Cod. Just. 7, 52, 2 (Caracalla); 2, 4, 10 (Philipp); 3, 1, 16 (Justinian) in Corpus iuris civilis, editio stereotypa, Bd. 1, Berlin 1908)

It is in the public interest that there be an end to litigation.

The principle of res judicata is thus a compromise between **the right of all parties to a fair hearing** (maxim (1)), and a **desire to bring litigation to a speedy end** (maxims (2) to (4)).

2.4 This is also accepted under the national laws of at least certain Contracting States as set out below:

2.4.1 For the purpose of English law it is useful to quote the following definitions taken from Halsbury's Laws of England, Fourth Edition Reissue 1992, Volume 16:

"There is said to be an **estoppel** where a party is not allowed to say that a certain statement of fact is untrue, whether in reality it is true or not. Estoppel may therefore be defined as a disability whereby a party is precluded from alleging or proving in legal proceedings that a fact is otherwise than it has been made to appear by the matter giving rise to that disability." (§ 951)

**"Estoppel per rem judicatam** arises:

(1) where an issue of fact has been judicially determined in a final manner between the parties by a tribunal having jurisdiction, concurrent or exclusive in the matter, and the same issue comes directly in question in subsequent proceedings between the same parties (this is sometimes known as cause of action estoppel);

(2) where the first determination was by a court having exclusive jurisdiction, and the same issue comes incidentally in question in subsequent proceedings between the same parties (this is sometimes known as issue estoppel)" (§ 953)

2.4.2 For French law, the Code Civil Art. 1351 states:

"L'autorité de la chose jugée n'a lieu qu'à l'égard de ce qui a fait l'objet du jugement. Il faut que la chose demandée soit fondée sur la même cause; que la demande soit entre les mêmes parties, et formée par elles et contre elles en la même qualité."

The binding effect of the adjudged matter only exists for what was the object of the judgment. It is necessary that the relief sought is based on the same cause of action; that the suit is between the same parties, and for and against them in the same legal capacity.

2.4.3 In respect of German law § 325 Zivilprozeßordnung (Rechtskraft und Rechtsnachfolge) states that:

"Das rechtskräftige Urteil wirkt für und gegen die Parteien und die Personen, die nach dem Eintritt der Rechtshängigkeit Rechtsnachfolger der Parteien geworden



sind oder den Besitz der in Streit befangenen Sache in solcher Weise erlangt haben, daß eine der Parteien oder ihr Rechtsnachfolger mittelbarer Besitzer geworden ist."

A legally binding judgment has force for and against the parties and persons, who after the start of litigation became successors of the parties or obtained possession of the thing in dispute in such a manner, that one of the parties or its successors has become the mediate owner.

2.5 Without needing to consider the laws of the Contracting States in more detail, in the Board's judgment, it can be seen from the above that any generally recognized principle of estoppel by *rem judicatam* for the Contracting States is of extremely narrow scope as it will involve something that has been:

- (a) judicially determined
- (b) in a final manner
- (c) by a tribunal of competent jurisdiction,
- (d) where the issues of fact are the same,
- (e) the parties (or their successors in title) are the same, and
- (f) the legal capacities of the parties are the same.

2.6 In cases T 843/91 (OJ EPO 1994, 832) and T 934/91 (OJ EPO 1994, 184) relied on by the Appellant, all criteria (a) to (f) were met, as the proceedings in both cases involved a second appeal in the same opposition proceedings. Here, however at least criterion (e) is not met, as the Respondent was not a party to the application proceedings in which decision T 298/87 issued.

2.7 As stated above, the principle of *res judicata* is based on public policy that there should be an end to litigation. But the European Patent Convention specifically

provides that the grant of a patent should be considered both at a first examination stage (Articles 96 and 97) and at an opposition stage (Articles 99 to 102), and Article 113(1) EPC provides that "The decisions 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 comments". In the Board's view these explicit provisions of the Convention preclude any implicit public policy preventing a matter being considered a second time in judicial proceedings, that is estoppel per rem judicatam, from being applicable. Further, to consider in opposition proceedings whether certain lines of argument are precluded on some principle of res judicata, would itself be an undue complication. As a party in opposition proceedings is free to adopt as its own argument the reasons given in a decision of a Board of Appeal in ex parte proceedings, it is this Board's view that the aim of speedy proceedings is best served, if all the issues in opposition proceedings are decided by the relevant tribunal on its own view of the facts, free from res judicata considerations relating to decisions made during the examination proceedings.

2.8 It should be stated that until the beginning of 1996, it was the generally accepted view that Boards of Appeal are not in inter partes proceedings bound by decisions in ex parte proceedings (see, for example, the categorical statement to this effect in the commentary on the basis of German and European jurisprudence, *Schulte*, "Patentgesetz mit EPÜ, 5. Auflage" (Carl Heymanns Verlag KG 1994), last sentence on page 710). This could have been justified as consistent with the above criteria for res judicata not only on the basis of criterion (e), but also on criterion (c) since an examining division has no jurisdiction to decide an inter partes case, its decision could not bind the opposition division.

2.9 However in decision T 386/94 of 11 January 1996 (OJ EPO 1996, 658), it has been said by Board 3.3.4 that a document may not be taken into account when

assessing novelty under Article 54(3)(4) EPC (in circumstances where this document was an application in the name of an opponent, who was arguing that it was entitled to its priority and therefore destroyed the novelty of the opposed patent) because in two earlier appeal proceedings on the opponent's application firstly Board 3.3.2 had decided (T 269/87 of 24 January 1989 (not published in the OJ EPO)) that the application was not entitled to such priority and secondly Board 3.3.4 in decision T 690/91 of 10 January 1996 (not published in the OJ EPO) had reached the conclusion that the findings of T 269/87 with regard to priority were **res judicata** and not amenable to being re-investigated.

2.9.1 It is worth observing that the patent under consideration in T 386/94 was in fact revoked for lack of inventive step over other prior art, so the part of this decision (points 19, 21 and 22) stating that this opponent was precluded by earlier decisions from relying on his own application to destroy novelty of the opposed patent was not necessary to support the order made.

2.9.2 There is no discussion in decision T 386/94 of why the matter is *res judicata* in the opposition proceedings, or whether the change in capacity from applicant to opponent might not require that the merits of the argument be looked at afresh. Other opponents could have raised the same argument, so it is not clear why in the public interest the allegation should not be considered on its merits. Further, while on the facts of T 386/94 the opponent had at least been heard in some proceedings, this Board would not agree that this is sufficient to invoke the principle of *res judicata* to preclude an opponent raising a particular issue which he has lost in the capacity of applicant in different proceedings.

2.10 Thus, this Board can see no basis for *res judicata* in the present case, either under the wording of Article 111 or 125 EPC, or on the basis of any interpretation of the European Patent Convention.

2.11 This is a situation where in accordance with the Enlarged Board Decision G 5/83 (OJ EPO 1985, 64, point 5), it is legitimate to take into account the preparatory documents and the circumstances of the conclusion of the treaty in order to confirm the meaning that the Board believes correct.

2.11.1 The penultimate version of what is now Article 111(2) EPC read:

"All further decisions on the same application or patent involving the same facts shall be based on the *ratio decidendi* of the Board of Appeal" (see document BR/184 e/72 of the Historical documentation relating to the European Patent Convention).

2.11.2 The reason for the change from that version to the present one appears from document BR/209 e/72 zat/QU/K of the Historical documentation relating to the European Patent Convention. This shows that it resulted from a joint proposal of the German, British, French and Dutch delegations, in which the committee agreed basically with their suggestion to avoid having a decision of a Board of Appeal from being binding on the Opposition Division or the courts of the individual states or the revocation divisions of the second convention. The committee however approved a change to make clear that the department to which the matter is remitted is bound by the *ratio decidendi* in so far as the facts are the same.

2.11.3 The Board thus concludes that a decision of a Board of Appeal on appeal from an Examining Division has no binding effect in subsequent Opposition

proceedings or on appeal therefrom, having regard both to the European Patent Convention and 'res judicata' principle(s).

2.12 The question of the circumstances, if any, in which the principle of res judicata can be relied on to achieve a binding effect of an Appeal Board Decision going beyond that specifically provided for by Article 111(2) EPC is one which may at some time have to be considered by the Enlarged Board. However in decision T 298/87, on which the res judicata argument of the appellant is based and which was a decision on appeal from the Examining Division, while the Board concerned had admittedly considered that inventive step was established for the Claim 1 before it, it also considered that feature (a) of this Claim 1, introduced during the examination procedure to remove an objection of lack of novelty, and which had been accepted without comment by the Examining Division, did not seem, on closer review, to meet the formal requirements of Article 123(2) EPC. As that Board was unable to trace any explicit disclosure of feature (a) in the originally filed documents, it found it necessary to remit the matter to the Examining Division for a full examination of the matter of the amended claims, especially as regards Article 123 EPC, on which the decision of the Examining Division then under appeal was completely silent. The Examining Division on the referral then found these claims unallowable under Article 123(2) EPC, but granted the patent on the basis of a different set of claims. The claims considered by the Board of Appeal in T 298/87 thus differed significantly from the claims before the Opposition Division, and now before this Board, so that on any view of the law no estoppel arises, and an independent consideration of novelty and inventive step is necessary. In these circumstances, this Board does not consider that a referral to the Enlarged Board relating to an issue of estoppel by rem judicatam is necessary in the present case.

2.13 The Board accordingly holds that the Respondent's arguments on all issues must be decided anew on the facts as determined.

3. *Main request*

3.1 The first substantive issue to be dealt with is whether the subject-matter of the claims of the patent in suit as granted is novel in view of the novelty objections indicated above under points IV and VII.

...

4. *Auxiliary request*

...

**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 with the order to maintain the patent on the basis of the set of claims submitted as auxiliary request at the oral proceedings on 3 May 1996, and a description to be adapted.

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\* This is an abridged version of the decision. A copy of the full text in the language of proceedings may be obtained from the EPO Information Office in Munich on payment of a photocopying fee of DEM 1.30 per page.