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D E C I S I O N
of 17 February 1997

Case Number: T 0698/94 - 3.3.3

Application Number: 88312007.3

Publication Number: 0323096

IPC: B22C 1/16

Language of the proceedings: EN

Title of invention:

Production of articles of bonded particulate material and binder compositions for use therein

Patentee:

FOSECO INTERNATIONAL LIMITED

Opponent:

Ashland Oil, Inc.

Headword:

-

Relevant legal provisions:

EPC R. 67, 68(2)

Keyword:

"De facto absence of a reasoning in respect of some grounds vitiates entire decision"

"Substantial procedural violation"

"Remittal to first instance"

"Reimbursement of appeal fee upon request"

Decisions cited:

G 0002/88, G 0006/88, G 0009/91, T 0292/90, T 0522/90

Catchword:

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Case Number: T 0698/94 - 3.3.3

D E C I S I O N
of the Technical Board of Appeal 3.3.3
of 17 February 1997

Appellant:
(Proprietor of the patent)

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Respondent:
(Opponent)

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Decision under appeal:

Decision of the Opposition Division of the
European Patent Office posted 20 July 1994
revoking European patent No. 0 323 096 pursuant
to Article 102(1) EPC.

Composition of the Board:

Chairman: C. Gérardin
Members: P. Kitzmantel
J. A. Stephens-Ofner

Summary of Facts and Submissions

I. European patent application No. 88 312 007.3 in the name of FOSECO INTERNATIONAL LIMITED which had been filed on 19 December 1988, claiming priority from two GB applications filed on 24 December 1987 and 6 July 1988, resulted in the grant of European patent No. 323 096 on 12 August 1992, on the basis of two sets of claims, namely set A, comprising 25 claims, valid for the contracting states AT, BE, CH, DE, FR, GB, IT, LI, NL and SE, and set B, comprising 24 claims, valid for the contracting states ES and GR.

In the following (and in accordance with the appealed decision) the claim numbers of set A will be complemented by the letter "A", those of set "B" by the letter "B". Claims 23A and 1B are identical.

Claims 1A and 23A read as follows:

"1. A binder composition comprising an alkaline aqueous solution of a resol phenol-aldehyde resin and an oxyanion which can form a stable complex with the resin characterised in that the alkali is present in the solution in an amount sufficient to substantially prevent stable complex formation between the resin and the oxyanion."

"23. A process for the production of an article of bonded particulate material characterised in that the process comprises forming to a desired shape a mixture comprising particulate material and a binder comprising an alkaline aqueous solution of a resol phenol-aldehyde resin and an oxyanion which can form a stable complex

with the resin and passing carbon dioxide gas through the formed shape so as to cause the oxyanion to form a stable complex with the resin and thereby to cure the resin."

- II. Notice of Opposition requesting revocation of the patent in its entirety on the grounds of Article 100(a) and (b) EPC was filed by ASHLAND OIL, INC. on 11 May 1993.

The Opponent contended in particular that the subject-matter of the patent in suit did not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art and that the subject-matter of Claim 1A lacked novelty and/or inventive step over, especially, documents

D1: GB-A-2 037 787 and

D5: US-A-2 889 241.

- III. By its decision of 28 June 1994, issued in writing on 20 July 1994, the Opposition Division revoked the patent in suit on the ground that the subject-matter of Claims 1A, 2A to 6A, 11A and 13A to 16A lacked novelty over the disclosure of document D5.

With respect to the grounds of Article 100(a) EPC that decision furthermore held that, on the assumption that the subject-matter of Claim 1A would be novel over D5, it would nevertheless be obvious over this citation, while the subject-matter of Claims 23A and 1B was novel over document D1 and also implied an inventive step over a combination of documents D1 and D5.

Furthermore, that decision found that the patent in suit met the requirements of Article 83 EPC, since the patent specification contained several examples which enabled a skilled person to carry out the process as claimed.

IV. Concerning the denial of the novelty of the subject-matter of Claim 1A over D5 the reasons of the aforementioned decision of revocation comprise the following statements:

IV.1 Section 2:

"D5 (acknowledged as prior art in the patent-in-suit) discloses a phenolic resin composition. In particular, D5 discloses alkali-catalyzed phenol-formaldehyde resins, to which further sodium hydroxide and borax solutions were subjected. Initial viscosities and viscosities after standing of one hour are disclosed for several compositions."

IV.2 Section 4.1:

"For the subject-matter of Claim 1A, the Opposition Division considers document D5 (US-A-2 889 241) as closest state of the art. All the features of Claim 1A can be taken from this document. The representative of the Patentee denied its relevance since D5 is directed to an adhesive for the manufacture of plywood and the like. Thus the product disclosed in D5 has a total different context which is not comparable with a binder composition for the manufacture of foundry moulds.

However, a product claim is absolute, regardless of its application. It is generally accepted as a principle underlying the EPC that such a claim confers absolute protection upon the physical entity; that is, wherever it exists - and whatever its context, and therefore for

all uses of such physical entity, whether known or unknown. Thus, D5 destroys the novelty of Claim 1A on file."

IV.3 Section 4.1.1

(i) First paragraph:

"In addition to the broad meaning of Claim 1A the subject matter is also materially not novel regarding the preferred embodiments in the dependent claims."

(ii) Penultimate paragraph:

"This hydroxide-phenol ratio falls within the preferred hydroxide-phenol ratio of 0.5 : 1 to 3.0 : 1 as claimed in the dependent claim 11A of the patent-in-suit. Thus, D5 discloses the "sufficient amount" of alkali as claimed in claim 1A of the opposed patent."

IV.4 Section 4.1.2:

"Consequently, the disclosures in D5 anticipate all essential features of the product as claimed in Claim 1A and, furthermore, of the preferred embodiments as claimed in Claims 2A - 6A, 11A and 13A - 16A."

V. On 24 August 1994 the Patentee (Appellant) lodged an appeal against the decision of the Opposition Division and paid the appeal fee on the same day. The Statement of Grounds of Appeal was submitted on 29 November 1994.

In its arguments and evidence in favour of the novelty and non-obviousness of the subject-matter of Claim 1A over D5 were set out, which have been further supplemented by the Appellant's submission of

10 January 1996, which also comprised three (new) Auxiliary Requests replacing those filed together with the Statement of Grounds of Appeal.

With respect to the Opposition Division's conclusion of lack of novelty of the subject-matter of Claim 1A of the patent in suit over D5 the Statement of Grounds of Appeal contains i.a. the following statements:

V.1 Paragraph bridging pages 6 and 7:

"In Section II.4.1 the Opposition Division pronounces that D5 destroys the novelty of Claim 1, without any discussion either here or anywhere else in the decision, where the features of claim 1 are disclosed in D5. The Division states that "all the features of claim 1 can be taken from this document", (i.e. D5) but there is not one argument anywhere in the decision why this should be so. There is not even any notable attempt at dealing with the concept expressly defined in claim 1."

V.2 Last paragraph on page 8:

"Based on the superficial and partial "analysis" in Section 4.1.1 the Division could not logically reach its conclusion as in Section 4.1.2. The Division did not discuss all features of claim 1, nor of the sub-Claims 2 to 6, 11 and 13 to 16, and did not find the corresponding facts in D5. It could therefore not conclude that D5 anticipates all essential features of these claims. The Division would only be right if the oxyanion content was not an essential feature, but there is no basis anywhere in the attacked patent for saying this."

V.3 Section III on page 13:

"Summing up, it appears that the Division clearly ignored everything that was argued on our side, went, of its own volition, quite beyond anything argued by the opponent, carried out its own superficial and incomplete analysis of the prior art and then sat on the "result" without giving anybody a chance to discuss and correct it in the oral proceedings. The whole procedure gave the impression that the Division had prejudged the issues. This is certainly not acceptable and justifies a refund of the appeal fee."

VI. The Respondent in his letter of 14 June 1995 submitted counter-arguments, contested the Opposition Division's finding of novelty over D1 of the subject-matter of Claim 1A and presented arguments concerning the Auxiliary Requests filed by the Appellant with the Statement of Grounds of Appeal.

VII. The Appellant requested that the decision under appeal be set aside and that the patent be maintained in the form as granted (Main Request) or on the basis of any of the Auxiliary Requests 1 to 3 submitted with letter of 10 January 1996.

The Appellant also requested reimbursement of the appeal fee and oral proceedings in the event that the appeal should not be allowed on the basis of the written submissions.

The Respondent requested that the appeal be dismissed.

Reasons for the Decision

1. The appeal is admissible.

2. Rule 68(2) EPC

2.1 According to the first sentence of Rule 68(2) the decisions of the European Patent Office which are open to appeal shall be reasoned.

2.2 "Reasoned" means that the decision must expressly set out the logical chain of arguments upon which the conclusion and so the final verdict is based upon each and every ground that had been pleaded and substantiated.

2.3 In the present case the patent was revoked because of an alleged lack of novelty of the subject-matter of its Claim 1A over the disclosure of document D5 (cf. last sentence of Section 4.1 of the appealed decision, as quoted in paragraph IV.2 supra).

2.4 The only explicit reasoning in the appealed decision for this lack of novelty conclusion appears in the second sentence of its Section 4.1, which reads: "All features of Claim 1A can be taken from this document." (cf. paragraph IV.2 supra).

2.4.1 Possibly the Opposition Division was of the opinion that the reference to the contents of D5 in Section 2 of the appealed decision represented a sufficient basis for its conclusion (cf. paragraph IV.1 supra). However, a comparison of Claim 1A with this reference reveals that the latter does not cover all features of Claim 1A.

2.4.2 Claim 1A comprises the following features (a) to (e):

- (a) A binder composition comprising
- (b) an alkaline aqueous solution of
- (c) a resol phenol-aldehyde resin and
- (d) an oxyanion which can form a stable complex with the resin

characterised in that

- (e) the alkali is present in the solution in an amount sufficient to substantially prevent stable complex formation between the resin and the oxyanion.

The technical meaning of feature (e) is essential for the definition of the subject-matter of Claim 1A in that it safeguards a consistency of the binder composition which, before its cross-linking under the action of carbon dioxide, allows its mixing with particulate material (cf. Claim 23A).

2.4.3 The reference to D5 in Section 2 of the appealed decision relates to the afore-mentioned features (a), (b), (c) and (d), but is **totally** silent about feature (e) which is to be regarded as a functional definition.

2.4.3.1 Said reference does also not contain any implicit statement which **logically** could qualify as the missing argument for the anticipation of feature (e) by D5.

The only candidate for such a statement is the last sentence in this reference (cf. paragraph IV.1 supra) which relates to some (unspecified) viscosity data in D5 (initial viscosities and viscosities after on hour standing). The only information in D5 which is relevant to this issue (Examples I and II, respective tables in columns 3 and 4) shows that the addition of $\text{Na}_2\text{B}_4\text{O}_7 \cdot 10 \text{H}_2\text{O}$ causes an increase in the initial

viscosity of the resin composition and an enhanced increase of the viscosity on standing. This behaviour allows no immediate conclusion as to the prevention of the formation of a stable complex between the resin and $\text{Na}_2\text{B}_4\text{O}_7 \cdot 10 \text{H}_2\text{O}$ and cannot fairly be regarded as an argument for the anticipation of feature (e) of Claim 1A of the patent in suit. Rather the viscosity increase occurring in the presence of $\text{Na}_2\text{B}_4\text{O}_7 \cdot 10 \text{H}_2\text{O}$ points in the contrary direction of a complex formation.

2.4.3.2 The opinion concerning the scope of a product claim set out in the last paragraph of Section 4.1 of the appealed decision is completely unrelated to the question whether feature (e) is disclosed in D5 and cannot, therefore, add anything to the chain of arguments concerning the anticipation of the subject-matter of Claim 1A by D5.

2.4.3.3 The only reference to feature (e) in the appealed decision appears in its Section 5.1, where the following is stated:

"Even if the subject-matter of claim 1 of the patent-in-suit were distinguished over D5 in that D5 would not explicitly disclose a "sufficient" amount of alkali to "substantially prevent stable complex formation between the resin and the binder", such would not require an inventive step since this deliberation is inherently disclosed in D5."

Even admitting that the latter statement was part of the Opposition Division's lack of novelty conclusion, it would still not close the gap in the chain of arguments that led to this conclusion, because it does not explain **why** the mere presence of the three components resin, alkali and borax (oxyanion) implied

that the amount of alkali must be such that feature (e) was met. However, the indication of such a reason would be necessary in order to serve as an argumentative basis (right or wrong) for the conclusion that the subject-matter of Claim 1A was anticipated by D5.

- 2.4.4 The conclusion in Section 4.1 of the appealed decision that "D5 destroys the novelty of Claim 1A" (cf. paragraphs IV.2 and 2.3 supra) is followed in the first sentence of Section 4.1.1 by the statement: "In addition to the broad meaning of Claim 1A the subject-matter is also materially not novel regarding the preferred embodiments in the dependent claims."

The ensuing text of this Section 4.1.1 ends in the statement that the hydroxide to phenol ratio used according to Example II of D5 fell within the scope of dependent Claim 11A, followed by the statement "Thus, D5 discloses the "sufficient amount" of alkali as claimed in Claim 1A of the opposed patent."

This conclusion, while literally concerning Claim 1A, relates in fact to the combination of the features of Claim 1A and Claim 11A appended thereto, because the anticipation of a feature of a dependent claim (here Claim 11A) by the disclosure of a citation (here D5) presupposes that the respective embodiment comprises **all** features of the respective independent claim (here Claim 1A). However, there is again no reasoning in this Section 4.1.1 which could serve as a logical basis for the conclusion that feature (e) of Claim 1A was met by Example II of D5. As mentioned in paragraph 2.4.3.1 supra the viscosity increase reported in the table in column 4 - which, moreover,

is not referred to in Section 4.1.1 of the appealed decision - does not form a viable *prima facie* basis for such a conclusion.

2.5 It follows that the conclusion in the last sentence of Section 4.1 of the appealed decision, namely that "all features of Claim 1A can be taken from this document [D5]" lacks a reasoning that would cover all features of this claim.

2.6 With respect to the Appellant's contention (cf. paragraph V.3 supra) that the Opposition Division "clearly ignored everything that was argued on our side" it is noted that neither the minutes of the oral proceedings before the Opposition Division on 28 June 1994 nor the "Summary of Facts and Submissions" of the appealed decision itself contain the slightest hint at the arguments brought forward by the parties.

In addition, one would have expected to find in the "Reasons of the Decision" a counterpart to the reference in point 5 of the "Summary of Facts and Submissions" to the Enlarged Board Decisions G 2/88 and G 6/88, e.g. at least some considerations about the impact of a functional definition on the novelty of the claimed subject-matter.

The Board regards this as a very undesirable state of affairs.

2.7 Thus, the conclusion that the subject-matter of Claim 1 lacks novelty is nothing else but an unsubstantiated allegation that contravenes the provisions of Rule 68(2) EPC, which requires the decisions of the EPO to be reasoned.

It is not possible therefore for the parties to the

proceedings to know how the Opposition Division arrived at its conclusion of lack of novelty. By that the losing party is deprived of its legitimate right to challenge the reasoning on which the decision was based, which is the very purpose of the proceedings before the Boards of Appeal (cf. decision of the Enlarged Board G 9/91, OJ 93, 408, paragraph 18).

3. Thus, the Board holds that, as far as the revocation of the patent in suit because of lack of novelty over document D5 is concerned, the **de facto** absence of a reasoning in the decision under appeal represents a substantial procedural violation.
4. In line with other decisions of the Boards of Appeal (e.g. T 292/90 of 16 November 1992; T 522/90 of 8 September 1993) the Board decides that, in view of the substantial procedural violation occurred, the decision under appeal must be set aside and the case remitted to the first instance in application of Article 111(1) EPC, without decision on the merits of the case.
5. In view of the above and the presence of a specific request for the reimbursement of the appeal fee, the Board considers such reimbursement to be equitable and so orders it under Rule 67 EPC.
6. In the circumstances the Appellant's request for oral proceedings need not be taken into account.

Order

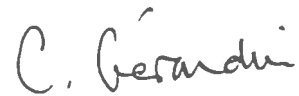
For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The case is remitted to the first instance with the order for further prosecution.
3. The appeal fee is to be reimbursed.

The Registrar:


E. Gorgmayer

The Chairman:


C. Gérardin

