

Decision of Technical Board of Appeal 3.2.5 dated 27 June 1997

T 301/95 - 3.2.5

(Translation)

Composition of the board:

Chairman: G. Gall

Members: W. D. Weiss

A. Burkhart

Patent proprietor/Respondent: INDUPACK AG

Opponent/Appellant: Hartdegen Emmerich Ing.

Headword: Straw man/HARTDEGEN

Article: 99, 107 EPC

Rule: 55(c) EPC

Keyword: "Referral to the Enlarged Board of Appeal" - "Admissibility of opposition filed by a straw man" - "Evidence of acting as a straw man"

Headnote:

The following points of law of fundamental importance are referred to the Enlarged Board of Appeal under Article 112(1)(a) EPC:

1. Is an opposition filed by an indirect representative ("straw man") admissible?

II. If the answer to I is no, to what extent does the objection to a "straw man" have to be investigated if circumstances are cited raising reasonable suspicion that the opponents are not acting in their own interests?

Summary of facts and submissions

I. In case T 301/95 both the patent proprietors and the opponent filed an appeal against the opposition division's interlocutory decision dated 18 February 1995 maintaining patent No. 303 929 as amended.

II. In the proceedings before the opposition division, a third party (EREMA) filed observations under Article 115 EPC citing public prior use as an obstacle to patenting. The public prior use had allegedly taken place when access to EREMA installations was given to another company without any obligation to maintain secrecy.

III. The opposition division did not, however, take these observations into account on the grounds that "the alleged facts had not been proven with near certainty". (Point 6 of the opposition division's decision dated 18 February 1995.)

IV. In the statement of grounds for his appeal, the opponent refers to the alleged public prior use, claiming that "this public prior use is itself reason enough to revoke the contested patent in its entirety".

V. The patent proprietors raise the objection that the opposing party, Mr Emmerich Hartdegen, is not the true opponent but merely acting as a straw man for a third party, EREMA. They request that the opposition division's decision be set aside and the opposition be rejected as inadmissible.

The reason given for the objection is

"that certain phrases in the third party's document [apparently a reference to EREMA's observations under Article 115 EPC], being identical with the statement of grounds of opposition, have led to the belief that contacts exist between the opponent and EREMA as the company responsible for the alleged public prior use. It is believed that the opponent is acting on behalf of EREMA with which the patent proprietors have been conducting a dispute in writing on the same matter since 1988. Research has revealed that the opponent is a reporting examiner at the German Patent Office (Tel. 2195 ...). Having been asked by telephone whether he will attend the oral proceedings, the opponent ... has said that he will not. Asked specifically [by the patent proprietors' representative] whether [the opponent] had filed the opposition for EREMA, Mr Hartdegen [the opponent] replied that he was not allowed to speak about the matter (rather than: 'I am acting on my own behalf')".

(The passages in square brackets have been added to clarify the background to the patent proprietors' statement.)

The patent proprietors' objection is thus based on identical phrases in the statement of grounds of opposition and a document from a third party, the opponent's alleged conduct and his personal circumstances, ie his position as a reporting examiner at the German Patent Office.

VI. The patent proprietors filed an "auxiliary request that the opponent's appeal should not be considered until a decision is taken on the patent proprietors' appeal".

VII. The board of appeal regarded this as being tantamount to requesting that the proceedings be confined initially to the question of the opposition's admissibility and invited the opponent to state his position on the objection

relating to admissibility.

VIII. The appellant (opponent), represented by professional representatives, did not respond to the patent proprietors' arguments or the question of whether he was acting as a straw man, but instead took the position that "anyone" is entitled to file an opposition and the question of whether he was acting in his own interests or as a straw man on behalf of a third party should therefore not even be asked.

Reasons for the decision

1. Inadmissibility of an opposition filed by a straw man

The question of the admissibility of an opposition filed by someone acting as a straw man concerns the right to act or be represented as a party before the European Patent Office in opposition proceedings and appeal proceedings following opposition. This raises a point of law of fundamental importance which cannot be resolved on the basis of the wording of the EPC provisions. The question of the opponent's identity and the straw man issue have been considered in numerous board of appeal decisions - in various constellations of cases and sometimes with detailed reasons given (eg T 10/82, OJ EPO 1983, 407; T 25/85, OJ EPO 1996, 81, Reasons No. 14; T 635/88, OJ EPO 1993, 608; T 289/91, OJ EPO 1994, 649; T 590/93, OJ EPO 1995, 337; T 798/93, Reasons Nos. 3 and 4 (OJ EPO 1997, 363); as well as the unpublished decisions T 582/90, Reasons No. 1.1; T 548/91, Reasons No. 1.2.3 ff; and T 339/93, Reasons No. 4). The boards' case law has therefore covered the various aspects of the straw man issue to such an extent that the time now seems ripe for it to be referred to the Enlarged Board for clarification.

2. Referral to the Enlarged Board of Appeal

The board has therefore considered referring to the Enlarged Board of Appeal the question of whether an opposition filed by an indirect representative ("straw man") is admissible and, if the answer is no, the further question as to what extent the objection to a straw man should be investigated if circumstances are cited raising reasonable suspicion that the opponents are not acting in their own interests.

3. Consequences of acting as a straw man

3.1 The question of a party's true identity can be important for various reasons, notably

1. for the inter partes effect of a decision on an opposition and the consequences for national revocation and infringement proceedings,
2. for checking compliance with the rules relating to the representation of opponents having their residence or principal place of business outside the EPC contracting states and
3. for evaluating evidence.

3.2 The following remarks apply to the first aspect:

When an assessment is made of the soundness of an assumption that the opponent named in the notice of opposition is the actual opponent, as well as when the burden of proof is being apportioned, it may be very important to ascertain, within the framework of the EPC and the national revocation and infringement proceedings associated with the opposition, which situations have

arisen involving principles of procedural law and hence to what extent a right to investigate the opponent's position as a party to the proceedings appears to exist and is enforceable in practice. The question of suspending national revocation and infringement proceedings, for example, may depend on whether the party acting as the opponent in European opposition proceedings is the same as any of the parties to the national revocation and infringement proceedings. Similarly, the legal effect of a decision in opposition proceedings or appeal proceedings following opposition involving the parties may result in national revocation proceedings in a designated EPC contracting state being objected to on the grounds that they relate to *res judicata*. This applies at least under section 11 of the Austrian Introductory Law on Patent Treaties to a European patent (AT), ie to the territorial part of a European patent relating to that contracting state. This provision recognises the binding and hence prejudicial effect of a decision taken in European opposition proceedings on any subsequent national revocation proceedings before the revocation division, if they relate to the same matter. What is meant by this term, according to the explanatory remarks to the above federal law, is that the parties and issues involved are identical; for further information on the term "the same matter", attention is drawn in the remarks to the teaching and case law relating to pending litigation.

When an assessment is made of the legal position of parties to European opposition proceedings and appeal proceedings following opposition, the differences between the various national revocation and infringement procedures in the EPC contracting states may therefore be very important, one factor to be borne in mind being whether and to what extent the rights of the opposing party may be adversely affected by the use of a straw man.

3.3 In the present context, no further consideration need be given to the question whether the patent proprietors are entitled to object on the grounds of exceptio

pacti, particularly since the admissibility of such objections in opposition proceedings is disputed (decision of the opposition division dated 13 May 1992, OJ EPO 1992, 747 - "No-challenge agreement") and has not yet been decided by the boards of appeal. In any case, previous case law has been consistent in ruling that the use of a straw man as such is inadmissible but that the issues involved are not confined to this aspect - unlike possible solutions in a comparable national opposition and revocation procedure such as that under German patent law.

3.4 The second aspect relates to the right to be represented in proceedings before the EPO. The use of a straw man can be a deliberate means of evading the provisions of Article 134(1) and (7) EPC. The fact that there is no indication of this being so in the present case does not mean that these considerations should not be taken into account in any assessment in principle of the interests of the parties concerned when someone is acting as a straw man.

3.5 The third aspect relates to the search for the truth during the procedure for taking evidence. Any lack of clarity in the position of the parties and witnesses in relation to each other or that of anyone making statements about factual circumstances may jeopardise the process of ascertaining the truth.

4. The boards' answer to the first question has been from the outset that a straw man is not "any person" within the meaning of Article 99(1) EPC and an opposition filed by a straw man is inadmissible. This ruling is in line with the case law of the Enlarged Board, according to which "post-grant opposition proceedings are in principle to be considered as contentious proceedings between parties normally representing opposite interests, who should be given equally fair treatment" (G 9/91, OJ EPO 1993, 408, 412, end of Reasons No. 2). This principle was developed further in a subsequent decision which departed from earlier case law (G 1/84, OJ EPO 1985, 299 - "Mobil Oil") by declaring a

patent proprietor's opposition against his own patent inadmissible and ruling that the term "any person" in Article 99(1) EPC does not include the patent proprietor himself (G 9/93, OJ EPO 1994, 891 - "Opposition by patent proprietor").

5. It can therefore be regarded as undisputed that a general, unsubstantiated objection to someone acting as a straw man need not be investigated further. This question was already considered in decision T 798/93, OJ EPO 1997, 363 (see Reasons No. 3.5). It does not arise in the present proceedings.

6. Evidence of acting as a straw man

6.1 It is however a matter of dispute as to what extent the objection to someone acting as a straw man should be investigated where circumstances are cited raising suspicion that the opponent is acting on behalf of a third party and not in his own interests. The referral of this question (Question 2) is based on the following considerations:

It is the patent proprietor's obligation to present and substantiate any objection to someone acting as a straw man. In the present context, the question is whether and to what extent the opponent's personal circumstances (eg his profession) or other indications (eg the use of phrases from correspondence or a legal dispute between the patent proprietor and a third party) may give reason to look into an objection on the grounds of inadmissibility. As a rule, it will be difficult, if not impossible, for the patent proprietor to provide comprehensive proof of facts relating to the opposing party's personal circumstances showing him to be a straw man. It will be rare for a third party to admit openly that he is the real opponent, since the purpose of a straw man is usually precisely to hinder or prevent identification of the actual opponent. It might therefore be appropriate to oblige the opponent to co-operate when the evidence for someone acting as a straw man is being secured, if there are indications to show that the opponent

may not be acting in his own interests. One consideration will be the extent to which the opponent's personal circumstances should be taken into account if they suggest that he has acted on behalf of third parties in the past. Specific indications may be sufficient to take evidence under Article 117 EPC. The means of taking evidence could include hearing the opponent as a party to the proceedings (Art. 117(1)(a) EPC) or requiring the opponent to make a written statement under oath. Examples of the latter form of taking evidence are given in the two decisions referred to under point 2 above. If, however, the requirements are set so high that this evidence cannot be adduced, there is a danger that the patent proprietor's right to have the actual opponent, rather than a straw man, as the opposing party would not be generally enforceable.

6.2 Consideration could therefore be given to the question whether and to what extent the patent proprietor's burden of proof should be alleviated where he wishes to refute the assumption that the person acting as the opponent is actually the opponent.

Under national procedural law, certain solutions have been devised to problems relating to the obtaining of proof, characterised in that facts relating to the opposing party's personal circumstances have to be proven or a sequence of events cannot be demonstrated in detail for factual reasons. Solutions to the problem of evaluating evidence can be found by deviating from the rule on apportioning the burden of proof or providing reasons for the obligation on the part of the opposing party to co-operate in giving evidence.

6.2.1 The rules relating to prima facie evidence developed under German law provide for an alleviation of the burden of proof in the evaluation of evidence. Under this system, a sequence of events is considered to have been sufficiently proven prima facie if the basic elements thereof are demonstrated as being typical in view of the past life of the person concerned. Prima facie evidence can

be refuted by arguing that a sequence of events may have been untypical.

Another rule developed under German law, the reversal of the burden of proof, goes still further. Instead of the party normally bearing the burden of proof, here it is the other party who incurs the risk that facts cannot be clarified. A reversal of the burden of proof takes place, for example, in cases where the evidence of the party bearing the burden of proof is disproved by the opposing party, where a serious dereliction of professional duties may have caused harm (eg typical professional errors committed by doctors), where a person is harmed or a thing damaged because an industrial product, even though used in accordance with the instructions, has been marketed in a defective state (product liability), or where contractual obligations to provide information or advice (eg information by a doctor on the risks involved in undergoing an operation) have been violated. In practice, the boundaries between the evaluation of evidence and the reversal of the burden of proof are fluid.

On the practical grounds of equity and a fair balance of interests, German case law has often apportioned the burden of proof according to "danger areas". According to this principle, the relevant facts have to be proven by the person in whose exclusive sphere of influence they have taken place.

6.2.2 In these models developed under German law, the burden of presentation and proof is shifted to differing extents and the reasons given for the obligation to co-operate vary in scope. If the models are transposed to the question of an opposition filed by a straw man, the following points emerge:

- If the principles of prima facie evidence are applied, an opposition is admissible so long as the opponent can refute doubts as to the identity of the true opponent, based on typical indications of his acting in the interests of a third party, by providing equivalent indications of his acting on his own behalf.

- If the burden of proof is assumed to be reversed and it is suspected that an opposition has been filed by a straw man, the opposition is only admissible if the person acting as the opponent can demonstrate to the court's satisfaction that he is not a straw man.

- Likewise, if the burden of proof is apportioned according to "danger areas", the opponent would have to demonstrate that he is acting on his own behalf.

6.2.3 Under English law, a distinction is drawn between "legal" or "persuasive burden of proof" and "evidential burden of proof". The former rule usually places the burden of proof on the party making an allegation. This apportionment of the burden of proof usually remains the same throughout the proceedings. In the case of "evidential burden of proof", the apportionment may change continually in the course of the proceedings and be transferred from one party to another.

In a civil law case, the "evidential burden" can be discharged by providing any form of evidence sufficient to substantiate a "prima facie case". "Prima facie evidence" in this context means evidence which is sufficient, failing equivalent evidence to the contrary, to prove a particular allegation. The degree of proof required is usually referred to as "proof on the balance of probabilities".

However, a stricter criterion may be imposed, depending on the seriousness of the allegation.

The "best of evidence" rule states that the best possible evidence must be provided given the nature of the case ("primary evidence"). If a party adduces "secondary evidence", he must demonstrate that he does not have access to primary evidence.

Under the English law of evidence, it is often stated that the burden of proof can be placed on a party for "facts which are peculiarly within his knowledge"; this

has been so in common law at least, including criminal proceedings, until the application of this principle in criminal proceedings was called into question in the Court of Appeal judgment *R. v. Edwards* [1974] 2 All ER, 1085.

6.2.4 Under French law, the judge can order a party to the proceedings or a third party to supply a particular relevant piece of evidence (a document, tape recording, etc.), if he does not yet have a sufficient basis on which to deliver his judgment. According to Article 11 of the Nouveau code de procédure civile, this "production forcée d'une preuve" does not lead to a reversal of the burden of proof. Since in this case no direct measures are available to enforce the order, but merely fines, the possibility cannot be ruled out that the owner of the piece of evidence refuses to supply it. The judge may however take account of such conduct when evaluating the evidence and, where appropriate, assume as being true any assertions made by the person requesting the order to supply the piece of evidence.

Where it is difficult to supply direct evidence of a fact requiring proof, the evidence can be supplied by deducing the existence of the fact requiring to be proven, on the strength of factual assumptions, from facts which have already been proven and are closely linked with or connected to the fact still to be proven. In such a case, the evidence is based indirectly on prima facie evidence ("présomption du fait de l'homme"): the judge forms his conviction on the basis of circumstantial evidence. However, Article 1353 of the Code civil obliges the judge to admit only important, clear and consistent evidential assumptions.

Finally, the judge can decide ex officio to hear a party under oath (serment supplétoire). This is regarded as a supplementary means of obtaining information which can be applied and evaluated at the judge's discretion. If the party refuses to make a statement, the judge can, in his unfettered consideration of the evidence, interpret such conduct as a factual assumption.

A party too can request that the opposing party be heard under oath without providing any initial evidence ("serment décisoire", Article 1359 ff of the Code civil). The party must however make a factual assertion in support of his claim which, although he cannot prove it himself, concerns a fact relating personally to the opposing party. The aim is to have a final decision taken on a point of dispute. The judge has no discretionary powers: the refusal to take an oath constitutes evidence against the person failing to take that oath (Article 1361 Code civil).

6.3 Actual apportionment of the burden of proof for the patent proprietor

6.3.1 Since the issues of evidential law raised by someone acting as a straw man cannot be clearly resolved by reference to the general principles of procedural law in the contracting states, an autonomous interpretation of the EPC provisions would seem necessary which takes account of the public interest and balances the interests of the parties to the European opposition proceedings in the best possible way.

6.3.2 Transferring the rules devised for prima facie evidence to oppositions filed by a straw man would probably not strengthen the patent proprietor's position significantly, since prima facie evidence is easily refuted.

6.3.3 The reversal of the burden of proof or its apportionment according to "danger areas" might be more appropriate where there are specific signs that the opponent may be acting on behalf of a third party, ie the opponent would then have to prove that he is not a straw man for a third party.

One consideration here will be the extent to which the opponent's personal circumstances or other circumstantial evidence can serve as specific signs that he is acting in the interests of a third party on the basis of his past life. Such

personal circumstances could be his profession; however, other signs too such as the use of phrases from correspondence or a legal dispute between the patent proprietor and the third party could give reason to investigate an objection that the opponent is acting as a straw man for a third party and that his opposition is therefore inadmissible.

6.3.4 Under Article 117 EPC evidence would then have to be found showing that the opponent is acting on his own behalf. Possible forms of evidence would include in particular hearing the opponent as a party to the proceedings (Article 117(1)(a) EPC) or the submission of a written statement by the opponent under oath. If, once the evidence is taken, a non liquet situation arises, this would be to the opponent's detriment owing to the reversal of the burden of proof and not - as is usually the case with admissibility objections - to the patent proprietor's detriment: the opposition would therefore be inadmissible.

7. Formulation of the questions

7.1 All the above considerations have given rise to the general nature of Question 2, the referral of which ex officio to the Enlarged Board of Appeal under Article 112(1)(a) EPC has been prompted by the present appeal proceedings following opposition.

7.2 The admissibility or inadmissibility in principle of an opposition filed by a straw man - Question 1 - constitutes a question which has to be decided in case T 301/95 and logically precedes Question 2. It has not yet been ruled on by the Enlarged Board of Appeal and it would therefore seem appropriate not to refer Question 2 in isolation but to give the Enlarged Board of Appeal the opportunity to confirm or overturn the line taken in earlier case law.

Order

For these reasons it is decided that:

The following points of law of fundamental importance are referred to the Enlarged Board of Appeal under Article 112(1)(a) EPC:

1. Is an opposition filed by an indirect representative ("straw man") admissible?
2. If the answer to 1 is no, to what extent does the objection to a "straw man" have to be investigated if circumstances are cited raising reasonable doubt that the opponents are not acting in their own interests?