

**Interlocutory decision of Technical Board of Appeal 3.3.7 dated
13 June 2003**

T 1026/98 - 3.3.7*

(Translation)

Composition of the board:

Chairman: R. E. Teschemacher

Members: B. L. ter Laan

B. J. M. Struif

Opponent/appellant: Kureha Kagaku Kogyo Kabushiki Kaisha

Patent proprietor/respondent: Kalle Nalo GmbH & Co. KG

Intervener 1: Carsten Nicolaisen GmbH & Co. Kg

Intervener 2: ALFANOVA Deutschland GmbH

Headword: Intervention/KALLE

Article: 105, 107, 112(1)(a) EPC

Rule: 57(4), 60(2) EPC

**Keyword: "Intervention in appeal proceedings" - "Continuation of proceedings
after withdrawal of the sole appeal" - "Referral to the Enlarged Board of Appeal"**

Headnote:

Under Article 112(1)(a) EPC the following points of law are referred to the Enlarged Board of Appeal for decision:

I. After withdrawal of the sole appeal, may the proceedings be continued for a third party who intervened during the appeal proceedings?

II. If the answer to question 1 is yes:

Is entitlement to continue the proceedings conditional on the intervener's compliance with formal requirements extending beyond the explicit criteria for an admissible intervention laid down in Article 105 EPC; in particular, does the appeal fee have to be paid?

Summary of facts and submissions

I. European patent No. 0 467 039 was granted in respect of application No. 91 108 077.8 with effect from 9 August 1995.

II. Two notices of opposition were filed against the patent, both requesting that it be revoked in full. Opponent 1 withdrew its opposition in proceedings before the opposition division.

III. In a decision dated 25 August 1998, the opposition division found that the patent could be maintained in limited form.

IV. On 23 October 1998, opponent 2 (appellant) filed notice of appeal against this decision, at the same time paying the prescribed fee. On 18 December 1998 it filed a statement of the grounds for its appeal.

V. In the course of the appeal proceedings, two notices of intervention were filed. Intervener 1 then withdrew its intervention. Intervener 2 gave notice of its intervention in a reasoned statement on 22 April 2002, at the same time paying the opposition fee and the appeal fee. It proved that the patent proprietor (respondent) had, in a writ served on 21 January 2002, instituted proceedings against it for infringement of the patent in suit. No objections were made to the admissibility of its intervention, and none are apparent.

VI. In a summons issued on 29 January 2003, the parties were called to oral proceedings scheduled for 16 May 2003.

VII. The appellant and intervener 2 requested that the patent be revoked; the respondent ultimately requested that the patent be maintained on the basis of the set of claims submitted in a letter dated 16 April 2003.

VIII. On 14 May 2003 the appellant withdrew its appeal. In a fax dated 15 May 2003 the board informed the remaining parties that the first issue to be discussed at oral proceedings was whether a decision on the merits of the case could still be taken. It cited relevant board of appeal case law, which featured varying views of the entitlement of a third party who intervened during appeal proceedings to continue the proceedings after withdrawal of the sole appeal.

IX. All that was discussed at oral proceedings was the implications of withdrawal of the appeal for the appeal proceedings. Intervener 2 took the view that the proceedings should continue, submitting an auxiliary request that the following points of law be referred to the Enlarged Board of Appeal:

"1. Is an intervener in pending opposition appeal proceedings who has complied with the procedural requirements of Article 105 EPC and paid the opposition fee and the appeal fee entitled to continue the proceedings independently as an appellant after the sole appeal has been withdrawn?

2. If the answer to question 1 is yes, is payment of the appeal fee a necessary condition for the intervener's independent appellant status?"

X. The respondent on the other hand thought that appeal proceedings were terminated when the appeal was withdrawn. It saw no need to refer the matter to the Enlarged Board, as the answers to the above questions were sufficiently clear from existing case law, in particular that of the Enlarged Board.

Reasons for the decision

1. Appeal proceedings are normally terminated when the sole appeal is withdrawn, and there is then no need to decide on the substantive issues (G 8/91, OJ EPO 1993, 346). The question in the present case is whether the situation is different because there was a valid intervention during the appeal proceedings.

2. Case law offers varying answers to this question.

2.1 Recent rulings have been based on the decision in G 4/91 (OJ EPO 1993, 707). In that case, none of the parties to proceedings at first instance had contested the opposition division's decision to maintain the patent. The Enlarged Board of Appeal decided that third parties were not entitled to intervene or to appeal against the

opposition division's decision during the appeal period provided for in Article 108 EPC, even if the other conditions for intervention were satisfied. The reason it gave was essentially that the existence of pending proceedings was by definition a prerequisite for intervention under Article 105 EPC. In the absence of an appeal from any of the parties, the proceedings were no longer pending when the notice of intervention was filed.

Subsequently, in G 1/94 (OJ EPO 1994, 787), the Enlarged Board found intervention during appeal proceedings to be admissible. Neither in the wording nor in the purpose of Article 105 EPC could it find an unambiguous answer to the question whether the term "opposition proceedings" as used in that provision also comprised any subsequent appeal proceedings. After consulting the *travaux préparatoires*, it ultimately admitted intervention during appeal proceedings, as being in keeping with the intention of the legislator (*loc. cit.*, Reasons 8 to 10). It also decided that the intervener could raise fresh grounds for opposition. If the intervener were unable to use all available grounds to defend himself against the patentee's attack, the purpose of intervention would be defeated (*loc. cit.*, Reasons 13). The Enlarged Board did not answer other questions concerning formal aspects of intervention which arose during the referral proceedings, because they ought to be decided in individual cases on the basis of the parties' arguments. That included the matter of whether the intervener was required to pay an appeal fee (*loc. cit.*, Reasons 11).

2.2 On this basis, two divergent decisions were taken shortly afterwards.

First, after the referred question in G 1/94 had been answered, the appeal fee in the case which had led to referral G 6/93 (settled without a decision) was refunded because it was not needed to make the intervention valid (T 27/92 of 25 July 1994,

cited in Case Law of the Boards of Appeal of the EPO, 4th ed. 2001, VII.D.5.4.2). For the sake of legal certainty, intervention could not be made subject to any requirements other than those laid down in Article 105 EPC. There was no need to decide whether the intervener, by paying the appeal fee, could influence his legal position to the extent of acquiring independent appellant status (Reasons 6).

This view was explicitly contradicted in T 1011/92 of 16 September 1994 (cited in Case Law of the Boards of Appeal of the EPO, *loc. cit.*), where it was decided that an intervener in pending appeal proceedings had to pay both the opposition fee and the appeal fee. In the case in point, the opposition was to be treated as an appeal, the last sentence of Article 105(2) EPC applying *mutatis mutandis*. The intervener had the rights of an appellant and also had to assume his obligations. He could continue the appeal proceedings independently after withdrawal of the sole appeal (Reasons 3.4 ff).

2.3 Thereafter, unlike T 1011/92 (*loc. cit.*), most decisions concluded that the appeal fee did not have to be paid to make intervention during appeal proceedings admissible (T 195/93 of 4 May 1995, cited in Case Law of the Boards of Appeal of the EPO, *loc. cit.*, see Summary of facts II ff; T 467/93 of 13 June 1995, not in OJ EPO, Reasons 2; T 684/92 of 25 July 1995, not in OJ EPO, Reasons 2; T 471/93 of 5 December 1995, cited in Case Law of the Boards of Appeal of the EPO, *loc. cit.*, Reasons 2.5 ff; T 590/94 of 3 May 1996, cited in Case Law of the Boards of Appeal of the EPO, *loc. cit.*, Reasons 2.5; T 144/95 of 26 February 1999, cited in Case Law of the Boards of Appeal of the EPO, *loc. cit.*, Reasons 2.8; T 1001/97 of 25 January 2000, not in OJ EPO, Reasons 6; T 989/96 of 5 July 2001 and T 886/96 of 6 July 2001, both cited in EPO Board of Appeal Case Law in 2001, Special edition of the Official Journal 2002, p. 76).

Conversely, T 517/97 (OJ EPO 2000, 515, Summary of facts IV, Reasons 2 and 9) followed T 1011/92 in finding that the appeal fee had to be paid.

2.4 The trend is less clear in case law concerning the possibility for the intervener to acquire independent appellant status by “voluntarily” paying the appeal fee. Some decisions that have touched on this question have left it open because it was not material to the decision (T 27/92, loc. cit.; T 471/93, loc. cit.; T 590/94, loc. cit.; T 1001/97, loc. cit.).

On the other hand, T 144/95 (loc. cit.) explicitly rejected this possibility, on the grounds that the intervener did not meet the requirements of Article 107, first sentence, EPC and that the time limit for paying the appeal fee set out in Article 108 EPC had expired. The same conclusion was reached in T 989/96 and T 886/96 (loc. cit., citing T 144/95).

3. The intervener based its position primarily on G 1/94 and T 1011/92 (loc. cit.). It held that there was no point in being able to intervene in appeal proceedings if the intervener could not acquire a legal status independently of the appellant/opponent. The whole purpose of intervention was for the assumed infringer to be able to raise existing grounds for revocation in the centralised European opposition procedure and not to be referred to the national revocation procedure. Hence opposition appeal proceedings had to be considered part of opposition proceedings within the meaning of Article 105(1) EPC.

Article 105(2) EPC left intervention in appeal proceedings unregulated. This lacuna had to be filled by treating intervention in opposition appeal proceedings as an appeal, the third sentence of Article 105(2) EPC applying *mutatis mutandis*. At the time of

intervention, the intervener was not in a position to meet the formal requirements for an appeal and could not be expected to do so. In that respect, Article 105(2) EPC should *mutatis mutandis* be seen as a special instance of Article 107, first sentence, EPC, for the scope of which in any case different conclusions could be drawn from the versions in the three official languages. The principle that only the appellant could decide whether his appeal should stand was not applicable here either, because it conflicted with the independent procedural status of the intervener. By paying the appeal fee and stating the grounds for its intervention, the intervener had also clearly indicated that it wished to acquire independent appellant status.

The recent divergent decision in T 886/96 (*loc. cit.*) was unconvincing in comparison. Furthermore, it was not relevant, as it concerned an appeal by the patent proprietor after revocation of his patent, and accordingly the proceedings had ended in the intervener's favour with the withdrawal of the appeal.

4. The respondent argued that opposition appeal proceedings were judicial proceedings. In accordance with general principles these were instituted by the appellant, who could also terminate them by withdrawing his appeal. The decision in G 1/94 did entail an exception to the adversary principle, as it allowed the intervener to raise new grounds that the appellant/opponent was no longer entitled to introduce into the proceedings without the approval of the patent proprietor. Yet that did not also mean a restriction of the principle of free party disposition, under which proceedings could be terminated by the party who instituted them. In that context, granting the intervener independent procedural status would be a restraint on the rights of the appellant, for whom the entitlement to terminate the proceedings was a mechanism he could use in negotiations with the patent proprietor in order to end a dispute by mutual agreement. Giving the intervener the right to continue the proceedings would restrict

the scope for settlements between appellant and respondent and hence between patent proprietor and potential patent infringer.

In the respondent's view, the idea behind G 1/94 (loc. cit.) was simply to give the intervener a chance to use appeal proceedings that were already pending to defend himself against the patent, in the interests of procedural economy. Yet that was no justification for entitling the intervener to continue proceedings against the wishes of the parties when they were no longer pending owing to withdrawal of the appeal. G 1/94 in fact made it clear that without the appellant's appeal there could be no intervention.

Hence there could also be no question of a lacuna in Article 105(2) EPC, the third sentence of which in fact amounted to an exemption, as it made it possible to be a party without filing an independent opposition or appeal. Being an exemption, however, it had to be interpreted narrowly. The present situation had to be seen as analogous to withdrawal of opposition. If that happened at first instance, the EPO could continue opposition proceedings of its own motion in accordance with Rule 60(2) EPC. If it happened at the appeal stage, withdrawal of opposition by the sole appellant immediately terminated the appeal proceedings (G 8/93, OJ EPO 1994, 887). The intervener's view raised the further question whether giving the intervener independent procedural status might even mean that parts of a patent not originally opposed could be attacked by the intervention.

Nor was payment of the appeal fee sufficient to confer independent party status. The appeal fee was only **one** element of an admissible appeal and could not be taken out of that context. To be valid it had to be paid within the statutory time limit (T 144/95, loc. cit.).

5. The board cannot find a clear answer to the questions at issue here in the existing case law of the Enlarged Board of Appeal.

5.1 None of the parties can base its view on G 1/94 (*loc. cit.*), not least because that decision explicitly ruled only on the admissibility of intervention in pending appeal proceedings and on the admissible grounds for intervention, deliberately leaving any other aspects to be decided on later by the boards of appeal (see 2.1 above). The Enlarged Board also saw the conflict of interests that exists here. On the one hand there is the interest of a third party threatened with infringement proceedings in being able to mount an effective defence during the central European opposition procedure, allied with the avoidance of unnecessary duplication of work before national courts and the need for a unified decision on the validity of the patent. On the other hand there is the interest of the patent proprietor in avoiding the procedural complications and delay that intervention may entail (*loc. cit.*, Reasons 7 and 13). The legislator intended to make at least some allowance for the latter interest. While providing that an intervention is to be treated as an opposition, he also permitted exceptions to that principle (Article 105(2), last sentence, in conjunction with Rule 57(4) EPC; see Inter-Governmental Conference for the setting up of a European System for the Grant of Patents, Minutes of the second meeting of the Co-ordinating Committee, BR/209/72 of 6 June 1972, point 73). Given these varying interests, the Enlarged Board drew no legal conclusions beyond answering the questions referred to it; and because the legal situation is so unclear, even the conclusions in the intervener's favour in its answers are largely based on the intention of the legislator.

5.2 Otherwise, Enlarged Board case law seems relevant in the following respects:

5.2.1 G 2/91 (OJ EPO 1992, 206) cites the general principle of procedural law, discussed at oral proceedings before the present board, that the appellant alone can decide whether the appeal he filed is to stand and can terminate the proceedings by withdrawing his appeal (upheld in G 8/91 and G 8/93, loc. cit.). He thereby takes away the board's power to decide and its authority to "examine the facts" (G 9/92, OJ EPO 1994, 875, Reasons 3). In G 2/91 this applied to the disadvantage of the respondent, who was unable to continue the proceedings after withdrawal of the sole appeal. The question now is whether the same applies to the disadvantage of the intervener. In this context it must be borne in mind that the Enlarged Board in G 4/91 (loc. cit.) did not allow the alleged infringer to institute appeal proceedings himself because it considered intervention possible only if appeal proceedings were pending. The question whether in the present context, too, only the party who instituted appeal proceedings has the authority to decide on their termination can be restated in terms of another question. Is the alleged infringer to be confined to intervening in proceedings concerning the patent's validity which are already pending, or should the fact that such proceedings have become pending be seen as sufficient to make them the alleged infringer's own proceedings in his own right?

5.2.2 In considering this we must not forget that the Enlarged Board in G 1/94 (loc. cit.) regarded the very raising of new grounds for opposition by the intervener as conflicting with the basic concept of the opposition appeal procedure developed in its case law. In G 10/91 (OJ EPO 1993, 420, Reasons 18) the purpose of the inter partes appeal procedure was seen as being mainly to give the losing party the possibility of challenging the opposition division's decision. The Enlarged Board does not think that considering new grounds for opposition is in conformity with this purpose; but it accepted this contradiction in the case of intervention in appeal proceedings so as not to run contrary to the purpose of intervention (G 1/94, loc. cit., Reasons 13). The

question is whether such an extension of the purposes of the appeal procedure seems possible only in connection with the facts under consideration and hence with the adversary principle, or also in the context of an appeal board's power to decide and hence of the principle of free party disposition.

5.2.3 Finally, as regards the possibility, in dispute between the parties, of linking independent party status to the payment of the appeal fee, the conflict between adjudication and legislation discussed in G 1/97 (OJ EPO 2000, 322) must be borne in mind. In a codified legal system, the judge cannot substitute himself for the legislator as the need arises. He may certainly find occasion to fill lacunae where situations arise for which the legislator has omitted to provide (*loc. cit.*, Reasons 3(b)). In that respect the intervener, following T 1011/92 (*loc. cit.*), suggested an analogy with Article 105(2), third sentence, EPC. The respondent countered with the argument that the appeal fee could not be taken out of the context of the other criteria for an admissible appeal, including compliance with the time limit. G 1/97 referred to the formal nature of procedural law, which had to allow parties seeking redress to be fully informed about the conditions for taking action, a purpose for which the legislative route was clearly more appropriate than the purely judicial.

6. As already indicated, on the issues concerning the status of a third party who intervenes during pending appeal proceedings, left open by G 1/94 and answered differently in T 27/92 and T 1011/92, no consistent case law has yet appeared. In the interests of legal certainty, the conditions for instituting, conducting and terminating proceedings need to be clearly regulated, so that it is plain to parties seeking redress what consequences their actions may have. The board therefore considers that a decision by the Enlarged Board of Appeal is needed to clarify the legal situation.

Order

For these reasons it is decided that:

Under Article 112(1)(a) EPC the following points of law are referred to the Enlarged Board of Appeal for decision:

1. After withdrawal of the sole appeal, may the proceedings be continued for a third party who intervened during the appeal proceedings?

2. If the answer to question 1 is yes:

Is entitlement to continue the proceedings conditional on the intervener's compliance with formal requirements extending beyond the explicit criteria for an admissible intervention laid down in Article 105 EPC; in particular, does the appeal fee have to be paid?

* The case is pending as G 4/03.