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Patentamt**

**European
Patent Office**

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Große
Beschwerdekammer

Enlarged
Board of Appeal

Grande
Chambre de recours

Case Number: G 0001/09

DECISION
of the Enlarged Board of Appeal
of 27 September 2010

Appellant: Sony Deutschland GmbH
Kemperplatz 1
D-10785 Berlin (DE)

Representative: Müller - Hoffmann & Partner
Patentanwälte
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Referring decision: Decision of the Legal Board of Appeal 3.1.01
dated 27 May 2009 in case J 0002/08

Composition of the Board:

Chairman: P. Messerli
Members: B. Schachenmann
P. Alting van Geusau
S. Perryman
J. M. Suárez Robledano
J.-P. Seitz
R. Young

Summary of Facts and Submissions

I. The referred question

The Legal Board of Appeal, by its interlocutory decision J 2/08 of 27 May 2009, referred the following point of law to the Enlarged Board of Appeal:

Is an application which has been refused by a decision of the Examining Division thereafter still pending within the meaning of Rule 25 EPC 1973 (Rule 36(1) EPC) until the expiry of the time limit for filing a notice of appeal, when no appeal has been filed?

II. The appealed decision of the Receiving Section

European patent application No. 01 102 231.6 (parent application) was refused by the examining division by a decision given orally at the end of oral proceedings on 23 November 2005. Three weeks later, on 14 December 2005, the applicant filed European patent application No. 05 027 368.9 as a divisional application relating to the refused parent application. The written decision to refuse the parent application was notified to the applicant on 27 January 2006. The applicant did not file an appeal against it. On 9 August 2007 the Receiving Section decided, based on Rule 25 EPC 1973, that European patent application No. 05 027 368.9 could not be considered as having been validly filed as a divisional application. In its decision the Receiving Section considered that Rule 25 EPC 1973 linked the possibility of filing a divisional application to a pending earlier European patent application. The term 'pending' was understood, according to the Notice of

the EPO dated 9 January 2002 concerning amendment of Rules 25(1), 29(2) and 51 EPC (OJ EPO 2002, 112), as referring to applications whose mention of grant had not yet been published or which had not yet been refused, withdrawn or deemed to be withdrawn. If a decision was given orally, it became effective and entered into force by virtue of its being pronounced as was stated in point 2 of decision G 12/91 of the Enlarged Board of Appeal. It was therefore beyond any doubt that, where a decision to refuse an application had been pronounced in oral proceedings, the application was no longer pending and no divisional application could be filed under Rule 25 EPC 1973 based on such an application.

III. The applicant's appeal

The applicant's appeal against the decision of the Receiving Section constitutes case J 2/08 before the Legal Board of Appeal from which the present referral stems. With respect to what is relevant for the present referral, the appellant submitted that the parent application was still pending when the divisional application was filed since the time limit for filing notice of appeal against the decision to refuse the parent application had not yet expired at that time. In addition, the principle of good faith between the EPO and the parties to the proceedings before it was invoked. The divisional application was filed on 14 December 2005 - six weeks before notification of the written decision. Had the EPO sent its communication noting a loss of rights within a reasonable period of time after that date, the applicant would have had plenty of time to save his rights by filing an appeal

against the decision to refuse the parent application within the appeal period.

The appellant requested, as a main request, that the decision of the Receiving Section be set aside. As an auxiliary request the appellant requested that three questions concerning the interpretation of the term "pending" in Rule 25(1) EPC 1973 be referred to the Enlarged Board of Appeal.

IV. The referring decision

In its interlocutory decision J 2/08 of 27 May 2009 the Legal Board of Appeal found, after a comprehensive legal analysis of the case, that the answer to the specific question before it could not clearly be derived from the text of the EPC, nor through the application of Article 125 EPC 1973. Even though there was some jurisprudence of the Enlarged Board and of the Legal Board of Appeal on related issues, the notion of a "pending application" within the meaning of Rule 25 EPC 1973 did not appear to be defined precisely. The Legal Board of Appeal also noted that in the EPC 2000 the provision of Rule 25 EPC 1973 was not changed in substance, but simply renumbered to Rule 36(1) EPC 2000. Thus the ambiguity of the term "pending" remained. In any case, the determination of the date up to which applicants may file a divisional application was a point of law of fundamental importance in the sense of Article 112(1) EPC. It directly affected the fundamental right of applicants to file divisional applications.

Concerning the submissions of the appellant based on an alleged violation of the principle of good faith, the Legal Board of Appeal gave reasons why they must fail. Accordingly, the outcome of the appeal was dependent on the legal assessment of the term "pending".

V. The appellant's observations

1. The Receiving Section had mainly based its decision on the 'Notice of the EPO' (OJ EPO 2002, 112) stating in point 1: "If notice of appeal is filed against the decision to refuse, a divisional application may still be filed **while appeal proceedings are under way**" (emphasis added). However, the 'Notice of the EPO' was not part of the Convention and could not be binding for the construction of the term "pending" in Rule 25 EPC 1973.
2. Concerning the legislative history, document CA/127/01 of 14 September 2001, drawn up for the Administrative Council when deciding on the amendment of Rule 25 EPC 1973, was relevant. According to its point 6, "grant proceedings are pending until the date that the European Patent Bulletin mentions the grant (...), or until the date that an application is **finally refused** or (deemed) withdrawn" (emphasis added). An application must therefore be considered to be pending as long as the applicant has the possibility of filing an appeal. Accordingly, in cases where no appeal is filed, the application ceases to be pending when the time limit for filing an appeal expires.

3. Any attempt to answer the question referred to the Enlarged Board of Appeal on the basis of the EPC alone should take into account the fact that the EPC distinguishes between "refused" (Article 97 EPC 1973) and "finally refused" (Rule 48(2) EPC 1973). Rule 48(2) EPC 1973 concerned the technical preparations for publication of European patent applications and provided that an application shall not be published "if it has been finally refused (...) before the termination of the technical preparations for publication". As it was a basic principle of patent law that only subject matter should be published for which an applicant could still obtain protection, it had to be concluded from Rule 48(2) EPC 1973 that a patent application was pending as long as it had not been finally refused.
4. Moreover, for the understanding of Rule 25 EPC 1973, principles of procedural law generally recognized by the Contracting States should be taken into consideration pursuant to Article 125 EPC 1973. One of these principles was that unnecessary formal proceedings or legal remedies should be avoided for reasons of procedural economy. Accordingly, the German Federal Supreme Court (Bundesgerichtshof - BGH) decided that divisional applications could be validly filed during the appeal period without the need of filing an appeal for this purpose alone (see BGH decision "Graustufenbild" of 28 March 2000, published in GRUR 2000, 688).

5. The appellant again submitted arguments concerning the alleged violation of the principle of good faith by the EPO (see point III, supra), an issue which, however, was finally decided by the Legal Board of Appeal and has not been referred to the Enlarged Board of Appeal (see point IV, supra, and points 61 to 66 of the referring decision J 2/08).

VI. The Enlarged Board of Appeal invited the President of the European Patent Office, according to Article 9 RPEBA, to comment on the case, and also issued an invitation pursuant to Article 10(2) RPEBA for third parties to file comments.

VII. The comments by the President of the EPO

The President of the EPO essentially pointed to the following aspects to be considered in connection with the point of law referred to the Enlarged Board of Appeal:

1. Concerning the question until when grant proceedings were pending, a distinction was made in document CA/127/01 (see point V.2., supra) between grants and refusals: "Grant proceedings are pending until the date that the European Patent Bulletin mentions the grant (...), or until the date that an application is finally refused (...)".
2. However, for both grants and refusals, document CA/127/01 only dealt with the standard situation which, in the case of a grant, is where no appeal is filed against the decision to grant. For

refusals too, use of the term "finally refused" in document CA/127/01 did not introduce a new notion of pendency, but simply referred to the standard situation in which an appeal was filed against the decision to refuse the application and a divisional was filed while appeal proceedings were in progress. When Rule 25(1) EPC 1973 was amended in 2001, it was generally understood that the application was still pending if an appeal against refusal was in progress, in the light of the principle of suspensive effect as enshrined in Article 106(1), second sentence, EPC 1973. Conversely, this also meant that a decision at first instance terminated the proceedings in the absence of the filing of an appeal by any of the parties. The term "finally" was meant to emphasise that the European patent application did not necessarily cease to exist when the examining division refused it, but could be made pending again by filing of an appeal. This was crucial in relation to the filing of divisional applications while an appeal against a refusal was in progress. As a conclusion from the above, an application would cease to be pending on notification of the decision to refuse in written proceedings or on pronouncement of the decision in oral proceedings.

3. The fact that the appeal period is running or, in other words, that the decision to refuse is not final, does not alter this conclusion but merely means in practice that the proceedings **can be made pending again** by filing a valid appeal (emphasis added). Moreover, since the suspensive effect of an appeal was retroactive, the application would

then be considered to be continuously pending, i.e. also during the period between notification of the refusal and the filing of a notice of appeal. Due to the retroactive effect of the appeal it was therefore immaterial whether the divisional application was filed before or after the filing of an appeal, as long as an appeal was filed.

4. The conclusion of the President in terms of the answer to the referral was therefore that the validity of a divisional filed after refusal of the parent application was conditional upon the filing of a valid appeal.

5. In the light of this conclusion the President also addressed the issue of whether the filing of divisional applications was allowed irrespective of the appeal being (obviously) inadmissible, since filing an (obviously) inadmissible appeal could be equated with not filing an appeal at all. Firstly, it was noted that, according to the case law, an appeal deemed not to have been filed was legally non-existent and therefore had no suspensive effect. However, if the appeal was deemed to have been filed, the suspensive effect should not depend on the fulfilment of all the requirements for admissibility. It should be denied only in cases in which the appeal was obviously inadmissible, since the suspensive effect ought not to lead to an unjustified delay in entry into force and implementation of a final decision. This approach served to avoid abusive appeals designed to construct artificially pending "parent applications", e.g. in the case of an

appeal against a decision to grant which matched the applicant's request for grant.

VIII. Statements by third parties

Only one amicus curiae brief by a third party was received. It was submitted that even if the question referred to the Enlarged Board was limited to Rule 25 EPC 1973, it should be answered for all cases in which a decision was given orally. However, on the basis of the present legal situation neither the answer YES nor the answer NO would be satisfactory. The Enlarged Board of Appeal should therefore encourage the legislator to clarify the issue of when a decision takes effect by amending the EPC, in particular Rule 111(1) EPC.

Reasons for the Decision

1. Admissibility of the present referral

The Enlarged Board of Appeal concurs with the Legal Board of Appeal that the question referred to it needs clarification not only for deciding the present case but also because it concerns a point of law of fundamental importance. This is so even if, in the meantime, Rule 25 EPC 1973 has not only been renumbered to become Rule 36 EPC in the EPC 2000 but later has been amended by a decision of the Administrative Council of 25 March 2009. However, the amended version of Rule 36 EPC which entered into force on 1 April 2010 is still based on the principle that a divisional application may be filed "relating to any pending earlier European patent application". Even if new

Rule 36 EPC contains additional conditions (time limits) for filing divisional applications, the issue referred to the Enlarged Board of Appeal in connection with Rule 25 EPC 1973 may still become relevant for cases in which the earlier application has been refused before the expiry of the new time limits. Hence, the answer to the referred question is not only required for deciding the present case under Rule 25 EPC 1973, but also in order to ensure a uniform application of Rule 36 EPC 2000 in its new version. Thus, the referral meets the requirements of Article 112(1)a) EPC and is admissible.

2. The law to be applied

The question referred to the Enlarged Board of Appeal concerns Rule 25 EPC 1973 in the version adopted by the Administrative Council on 18 October 2001 which, due to the transitional provisions to the EPC 2000, governs the legal situation in the present case (see point 4 of the referral decision). It is therefore necessary to consider the issue under the regime of the EPC 1973. However, as noted above, the terminology of 'pending earlier European patent application' is still used in both versions of Rule 36(1) EPC 2000.

3. Interpretation of the notion 'pending European patent application'

3.1 *Rules of interpretation*

It is common ground that the European Patent Convention does not contain a definition of the notion 'pending European patent application'. In particular, the EPC

does not define the points in time at which the pending status of an application begins and ends in all possible situations. An interpretation of the expression 'pending European patent application' is therefore necessary in view of the referred question.

It is the established jurisprudence of the Enlarged Board of Appeal to apply, for the interpretation of the EPC, the rules for interpretation laid down in the Vienna Convention on the Law of Treaties (VCLT) (see e.g. G 5/83, points 2 to 5 of the reasons; G 1/07, point 3.1 of the reasons; G 2/08 of 19 February 2010, point 4 of the reasons). According to the general rule of interpretation of Article 31(1) VCLT "a treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose". According to Article 32 VCLT "recourse may be had to supplementary means of interpretation, including the preparatory work of the treaty (...), in order to confirm the meaning resulting from the application of Article 31 VCLT, or to determine the meaning when the interpretation according to Article 31: (a) leaves the meaning ambiguous or obscure; or (b) leads to a result which is manifestly absurd or unreasonable".

Thus, before considering the legislative history of Rule 25 EPC 1973, in particular document CA/127/01, the meaning of the expression 'pending European patent application' is to be determined based on the general rule of interpretation enshrined in Article 31 VCLT.

3.2 'Pending European patent application'

3.2.1 In the legal system of the EPC a European patent application involves two aspects. On the one hand, it is an object of property (Article 71 EPC 1973 ff.) deriving from the right of the inventor to a European patent (Article 60(1) EPC 1973) and conferring on its proprietor, *inter alia*, provisional protection under Article 67 EPC 1973. On the other hand, in proceedings before the EPO a European patent application also involves procedural rights which the applicant is entitled to exercise (Article 60(3) EPC 1973). The term 'European patent application' may therefore stand for substantive rights as well as for procedural rights of the applicant.

3.2.2 Concerning the term 'pending' ('anhängig', 'en instance'), it is to be noted that the EPC does not use this term in a uniform manner. It is not only used in connection with pending patent applications (Rule 25(1) and Article 175(2) EPC 1973), but also in connection with proceedings pending before the EPO (see e.g. Rule 13(3) EPC 1973 and Article 175(3) EPC 1973). The meaning of 'pending' is not the same in these contexts. If e.g. *proceedings* are no longer pending before the EPO because they have been stayed according to Rule 13(1) EPC 1973, the *patent application* remains nevertheless, by definition, pending as it cannot be withdrawn during suspension. On the other hand, *opposition proceedings* before the EPO can only be made pending after grant of the patent, i.e. when the *patent application* is no longer pending.

It is to be emphasised in this connection that Rule 25 EPC 1973 refers to "any pending patent application" rather than to proceedings pending before the EPO. It is thus not relevant for Rule 25 EPC 1973 whether or not *proceedings* are pending before the EPO.

- 3.2.3 Rule 25 EPC 1973 implementing Article 76 EPC 1973 has been amended several times. In the version according to the decision of the Administrative Council of 10 June 1988 it contained, for the first time, the explicit requirement of a pending earlier application. It read: "Up to the approval of the text, in accordance with Rule 51, paragraph 4, in which the European patent is to be granted, the applicant may file a divisional application on the pending earlier European patent application." Whereas the deadline set by the approval of the text is clearly a procedural provision (G 10/92, OJ EPO 1994, 633, point 4 of the reasons), the requirement of a pending earlier patent application is of a different nature. It rather reflects the applicant's substantive right under Article 76 EPC to file a divisional application on an earlier application if the subject matter of the earlier application is "still present" at the time the divisional application is filed (see G 1/05, OJ EPO 2008, 271, point 11.2 of the reasons).

By the decision of the Administrative Council of 18 October 2001, the procedural deadline of the approval of the text was removed from Rule 25 EPC 1973 and only the substantive requirement of a pending application remained in the version to be applied to the present case.

- 3.2.4 As follows from the above observations, a 'pending (earlier) European patent application' in the specific context of Rule 25 EPC 1973 is a patent application in a status in which *substantive rights* deriving therefrom under the EPC are (still) *in existence*. This interpretation conforms with the view of the Legal Board of Appeal in decision J 18/04 according to which the term "pending ... patent application" in Rule 25 EPC 1973 does not establish a time limit, but rather a substantive requirement (J 18/04, OJ EPO 2006, 560, points 7 ff. of the reasons).
- 3.2.5 Clearly, the pending status of an earlier European patent application does not mean that a divisional application relating to it can always be filed. This may be excluded by procedural provisions, such as e.g. Rule 13 EPC 1973, which prevents, as *lex specialis*, the filing of a divisional application, if the proceedings for the pending earlier application are stayed (J 20/05 of 6 September 2007, point 3 of the reasons). Similarly, Article 23(1) PCT, which provides that no designated Office shall process or examine the international application prior to the expiration of the time limit under Article 22 PCT takes precedence, in accordance with Article 150(2) EPC 1973, over Rule 25 EPC 1973 and thus prevents the filing of divisional applications relating to pending Euro-PCT applications before they are processed by the EPO acting as a designated or elected Office. Finally, Rule 36 EPC as presently in force sets certain procedural time limits for filing divisional applications during the examination procedure.

4. Existence of substantive rights deriving from European patent applications
 - 4.1 The above interpretation of the legal term 'pending European patent application' (point 3.2.4, supra) leads to the further question of until when are substantive rights deriving from European patent applications in existence. For answering this question a distinction has to be made between the refusal of the application and the grant of a patent.
 - 4.2 *Refusal of the application*
 - 4.2.1 The substantive rights of an applicant include provisional protection, pursuant to Article 67 EPC 1973, conferred by the European patent application after publication (point 3.2.1, supra). Article 67(4) EPC 1973 clearly indicates until when such substantive rights deriving from a European patent application are in existence if a patent is not granted. In particular, it provides that the European patent application shall be deemed never to have had the effects of provisional protection when it has been withdrawn, deemed to be withdrawn or "finally refused" (German version: "rechtskräftig zurückgewiesen" - French version: "rejetée en vertu d'une décision passée en force de chose jugée").

Substantive rights of the applicant under Article 67 EPC 1973 may therefore continue to exist after refusal of the application until the decision to refuse becomes final (rechtskräftig, passée en force de chose jugée). Third parties using the invention before the decision

to refuse has become final incur the risk of becoming liable under national law based on Article 67 EPC 1973.

- 4.2.2 As the Legal Board of Appeal observed in point 17 of the referral decision J 2/08, it is "accepted that the final (*res iudicata*) character of a first-instance decision (*Rechtskraft*) will only ensue upon expiry of the time limit for filing an appeal". This concept is indeed well-established in the Contracting States. Reference is made, for example, to the Code of Civil Procedure of Germany (§ 705, *Zivilprozessordnung*), of France (Art. 500, *Nouveau Code de Procédure Civile*) and of Austria (§ 411, *Zivilprozessordnung*); for Switzerland reference is made to *Vogel/Spühler*, *Grundriss des Zivilprozessrechts*, 8. Auflage 2006, § 40, No. 62. These national provisions in essence provide that decisions do not become final until the expiry of the respective period for seeking ordinary means of legal redress. There is no reason to deviate from this generally accepted principle in the context of Article 67(4) EPC 1973 (see also *Schennen* in *Singer/Stauder*, "Europäisches Patentübereinkommen", 5th edition 2010, Article 67, marginal number 25).
- 4.2.3 The legal consequences of Article 67(4) EPC 1973 referred to above are independent of the suspensive effect of a possible appeal, nor do they depend on the point in time when the decision to refuse of the first instance becomes effective within the meaning of decision G 12/91 (OJ EPO 1994, 285, point 2 of the reasons). Article 67(4) EPC rather is a self-contained provision indicating the point in time at which substantive rights conferred by a European patent application and therefore its pending status must end.

The retroactive effect of a final decision to refuse on the rights conferred upon the applicant under Article 67 EPC 1973 does not influence the pending status of the application before such a decision is final.

- 4.2.4 From the above the Enlarged Board of Appeal concludes that under the EPC a patent application which has been refused by the Examining Division is thereafter still pending within the meaning of Rule 25 EPC 1973 until the expiry of the period for filing an appeal and, on the day after, is no longer pending if no appeal is filed. The same conclusion applies to Rule 36(1) EPC 2000 both in its former and its current version.
- 4.2.5 The interpretation given above does not contradict preparatory document CA/127/01 drawn up in view of the amendment of Rule 25 EPC 1973 by the decision of the Administrative Council of 18 October 2001 and referred to by both the appellant and the President of the EPO. Point 6 of this document deals with the question of how long "grant proceedings" are pending. However, as mentioned above, pending proceedings cannot simply be equated with a pending application. Moreover, as the President correctly pointed out, document CA/127/01 mainly deals with the pending status of an application in the case of grant. Nevertheless, concerning refusal, it is stated in point 6 that "grant proceedings are pending (...) until the date that an application is finally refused (...)." There is no reason to assume that the authors of this document intended to give the term 'finally refused' (rechtskräftig zurückgewiesen - définitivement rejetée) any meaning other than its

ordinary and generally accepted meaning (cf. point 4.2.2).

- 4.2.6 In any case, the interpretation of Rule 25(1) EPC 1973 given here complies with the purpose, indicated in document CA/127/01, of making the final date for filing a divisional application more transparent for the applicant and for third parties. According to the existing practice of the EPO under Rule 25(1) EPC 1973, an application ceases to be pending on notification of the decision to refuse in written proceedings or on the pronouncement of the decision in oral proceedings, as the case may be. In contrast, on the interpretation adopted by the Enlarged Board, the application in both cases is pending until the expiry of the period for filing an appeal and is no longer pending on the day after, if no appeal is filed. This can always be determined from the notification of the first-instance (written) decision (Article 108 EPC 1973), a fact which may help to prevent unexpected legal consequences of decisions to refuse and to avoid the need for appeals filed for the sole purpose of making a refused application "pending again".

4.3 *Grant of a patent (obiter dictum)*

- 4.3.1 The President of the EPO also commented on the question of until when is a European patent application pending within the meaning of Rule 25(1) EPC 1973 in the case of grant. The President referred to the established practice of the EPO according to which, based on Article 97(4) EPC 1973, the application is deemed to be still pending during the period between the decision to

grant the patent and the publication of the mention of grant.

- 4.3.2 It may be noted that the view of the President referred to above is not in contradiction with the Enlarged Board's interpretation of Rule 25(1) EPC 1973 according to which a European patent application is pending as long as *substantive rights* deriving therefrom under the EPC are *in existence* (cf. point 3.2.4, supra). For the case of grant, Article 64(1) EPC 1973 provides that, from the date of publication of the mention of the grant, it is no longer the patent *application* but the granted patent which confers on its proprietor the same rights as would be conferred by a national patent granted in that State. Article 64(1) EPC 1973 is in conformity with Article 97(4) EPC 1973 according to which the decision to grant shall not take effect until the date of publication of the mention of the grant. Thus, in the case of a decision to grant, the pending status of the European patent application normally ceases on the day before the mention of its grant is published since from that point in time substantive rights under the EPC are no longer derived from the patent application, but now derive from the granted patent.
- 4.3.3 The President of the EPO further addressed the issue of whether the filing of a divisional application would be allowed irrespective of an (obviously) inadmissible appeal being filed with regard to the parent application.

As a consequence of the interpretation of Rule 25 EPC 1973 set out above, if no appeal has been filed, the

deadline for filing a divisional application is either the date of expiry of the time limit for filing a notice of appeal or the day before the date of publication of the mention of the grant, depending respectively on whether a decision to refuse or a decision to grant has been issued. In neither of these situations is the filing of an appeal necessary to ensure pendency of the application.

The further issue addressed by the President however concerns divisional applications filed after the respective deadline for the case where an (obviously) inadmissible appeal has been filed in order to maintain pendency of the application past the deadline.

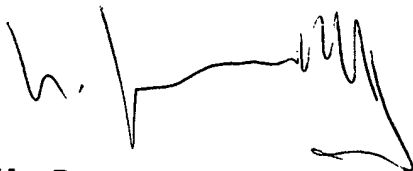
The point of law referred to the Enlarged Board of Appeal however only concerns the case in which **no appeal** is filed. The further issue addressed by the President is therefore not covered by the referral decision and requires no answer in this decision.

Order

For these reasons, the question of law which was referred to the Enlarged Board of Appeal is answered as follows:

In the case where no appeal is filed, a European patent application which has been refused by a decision of the Examining Division is thereafter pending within the meaning of Rule 25 EPC 1973 (Rule 36(1) EPC) until the expiry of the time limit for filing a notice of appeal.

The Registrar:



W. Roepstorff

The Chairman:



P. Messerli

