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D E C I S I O N
of 11 February 2003

Case Number: T 0278/00 - 3.3.1

Application Number: 96301542.5

Publication Number: 0731093

IPC: C07D 211/14

Language of the proceedings: EN

Title of invention:
Naphthyl pharmaceutical compounds

Applicant:
ELI LILLY AND COMPANY

Opponent:

-

Headword:
Naphthyl compounds/ELI LILLY

Relevant legal provisions:
EPC R. 67, 68(2)

Keyword:
"Decision reasoned in the sense of Rule 68(2) EPC (no) -
unintelligible findings - missing identification of prior art
in assessment of inventive step - reference to oral
proceedings in parallel case"
"Substantial procedural violation (yes) - reimbursement of
appeal fee"

Decisions cited:
T 0103/86, T 0292/90, T 0939/92, T 0355/97, T 0165/98

Headnote:

1. The reasoning of a decision under appeal must be taken as it stands. The requirements of Rule 68(2) EPC cannot be construed in such a way that in spite of the presence of unintelligible and therefore deficient reasoning, it is up to the Board or the Appellant to speculate as to what might be the intended meaning of it.
2. The Board must be in a position to assess on the basis of the reasoning given in the decision under appeal whether the conclusion drawn by the first instance was justified or not. This requirement is not satisfied when the Board is unable to decide which of the various inconsistent findings indicated in and justifying the decision under appeal is correct and which is false.
3. A decision of the European Patent Office open to appeal which is based on such a deficient reasoning is not 'reasoned' in the sense of Rule 68(2) EPC, which failure amounts to a substantial procedural violation.



Case Number: T 0278/00 - 3.3.1

D E C I S I O N
of the Technical Board of Appeal 3.3.1
of 11 February 2003

Appellant: ELI LILLY AND COMPANY
307, East McCarty Street
Indianapolis
Indiana 46285 (US)

Representative: Burnside, Ivan John
Eli Lilly and Company Limited
European Patent Operations
Lilly Research Centre
Erl Wood Manor
Sunnighill Road
Windlesham
Surrey GU20 6PH (GB)

Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 6 August 1999
refusing European patent application
No. 96 301 542.5 pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: A. J. Nuss
Members: R. Freimuth
S. C. Perryman

Summary of Facts and Submissions

- I. The appeal lodged on 9 October 1999 lies from the decision of the Examining Division posted on 6 August 1999 refusing European patent application No. 96 301 542.5 (European publication No. 731 093).
- II. The decision under appeal was based on claims 1 to 20 submitted on 30 July 1998 and 7 November 1997, respectively, according to the then pending request. Claim 1 was directed to compounds having a general formula given therein. The Examining Division found that the application lacked inventive step and unity, thus contravening Articles 56 and 82 EPC.

The decision under appeal comprised three different sections to justify the finding of the Examining Division having the following wording:

"3. It is noted that the present case was planned to be treated in oral proceedings on the 01.07.1999. The day before, the parallel case EP 96301534.2 from the same Applicant and concerning analogous objections on a very similar matter has been treated in oral proceedings with the same representative. The discussion on this case cannot be ignored especially because the objection based on the possible equivalence of a C=O group and a C=CH₂ group in place of R⁶ was the same. As a result of this discussion the Applicant convinced the examining division that the two mentioned moieties could not be taken as equivalents. Consequently the claimed compounds wherein the linking group R⁶ is a vinylidene or a derivative thereof would not be obvious if they retain activity.

At least subject-matter of claim 1 referring to R⁶ as

CH=CH₂ and C=CH-(C₁-C₅ Alkyl) could have been considered to be inventive if the Applicant convinced the Examining Division that the problem to provide further active compounds has actually been solved. Such specified arguments have not been provided. Since C=O and the corresponding C=CH group are not equivalent (see above), it cannot be said, without convincing arguments from the Applicant (at least data), that the problem defined above has actually been solved. The problem which has actually been solved was the mere provision of compounds of the formula I wherein R⁶ has a sp² trigonal configuration. The solution of such a problem is to be considered to be obvious for the person skilled in the art since such derivatives can easily be prepared by usual means (see description page 8).

4. As far as compounds with a R⁶ link having a sp³ tetragonal configuration are concerned, those possibilities would be *prima facie* considered to be equivalent to the C=O link since in the prior art these possibilities have already been taken into consideration. An inventive step could therefore be acknowledged only if they show a surprising effect when compared to the structurally closest compounds of D1.

5. It is finally to observe that, depending on the type of the claimed compounds (either the "trigonal link" type or the "tetragonal link" type), two different problems underlie the present application:

- in the first case, the problem is to provide compounds possessing the activity;
- in the second case, it is to provide compounds showing a surprising effect when compared with the closest prior art.

The unity of the present application should therefore also be objected."

III. With the Statement of Grounds of Appeal the Appellant submitted on 3 December 1999 three fresh alternative sets of claims as main, first and second auxiliary request. The first one thereof was identical to that pending before the Examining Division apart from redrafting the use claims in the "Swiss type" format.

As to the substantive issues the Appellant submitted that the present application neither contained any test data for any compound claimed, nor had any such data been provided during examination proceedings. He conceded that "indeed none of the compounds disclosed in the present specification has yet been made" and requested the Board to examine the appeal based upon the assumption that no data would be available before a decision had to be taken. He denied that any obligation rested on him to provide evidence for the statement in the present application that the compounds claimed showed a particular pharmaceutical activity.

IV. In a communication pursuant to Article 11(2) of the Rules of procedures of the Boards of Appeal annexed to the summons for oral proceedings, the Board queried whether the contested decision could be considered as adequately reasoned in the sense of Rule 68(2) EPC, first sentence, since the Board had serious difficulties in attributing any meaning to the reasoning of the first instance on which the latter based the decision to refuse the application.

V. At the oral proceedings before the Board held on 11 February 2003 the Appellant argued that the decision

under appeal was in fact inadequately reasoned since the decision was obscure when read in isolation. Therefore the refund of the appeal fee was equitable. Notwithstanding that position, he offered to give the Board some background and circumstantial information about the present case. He offered furthermore to give his own interpretation of what he believed the decision under appeal intended to say but did not. This might shed enough light on the reasons intended by the Examining Division for the Board to be in a position to decide the issues at stake, while leaving the lack of adequate reasoning.

Moreover, the Appellant requested the Board to rule on what he called a "point of principle", namely whether the statement in the present application about a particular pharmaceutical activity of the claimed compounds was sufficient to make that activity credible or whether he was obliged to provide evidence for that statement demonstrating the purported particular pharmaceutical activity. Even if the Board felt unable to decide on that "point of principle" he asked the Board to give the first instance some guidance about that issue.

- VI. The Appellant requested that the decision under appeal be set aside and the case be remitted to the Examining Division and that the appeal fee be reimbursed.
- VII. At the end of the oral proceedings the decision of the Board was announced.

Reasons for the Decision

1. The appeal is admissible.

2. The Appellant has objected to the decision under appeal as being insufficiently reasoned in violation of Rule 68(2) EPC. While the tenor of the decision under appeal is unambiguous, namely that the present application lacked inventive step pursuant to Article 56 EPC and unity pursuant to Article 82 EPC, it is established jurisprudence of the Boards of Appeal that the provision of Rule 68(2) EPC requires the decision to contain, in logical sequence, those arguments which justify the tenor. Moreover the conclusions drawn from the facts and evidence must be made clear. Therefore all the facts, evidence and arguments which are essential to the decision must be discussed in detail in the decision including all the decisive considerations in respect of the factual and legal aspects of the case.

The purpose of the requirement to provide a reasoned decision is of course to enable the Appellant and, in case of an appeal, also the Board of Appeal to examine whether the decision could be considered to be justified or not. Consequently, when deciding upon inventive step, as in the present case, the logical chain of reasoning starting with the identification and assessment of the prior art used to justify the final conclusion that the claimed subject-matter does not involve an inventive step must be indicated (see decisions T 103/86, point 4 of the reasons; T 292/90, point 2 of the reasons, neither published in OJ EPO).

3. The Appellant offered some background information about the present case which he was in possession of from parallel cases. Knowing that information he offered to

give his own interpretation of what he believed the decision under appeal intended to say but did not.

However, the requirements of Rule 68(2) EPC cannot be construed in such a way that in spite of the presence of unintelligible and therefore deficient reasoning, it is up to the Board or the Appellant to speculate as to what might be the intended meaning of it. Deficient reasoning cannot be compensated for by the speculative interpretation of the Appellant or guess work by the Board of Appeal. Therefore, in the Board's judgement, the reasoning presented by the first instance must be taken as it stands.

4. In the present case the decision under appeal comprises three different sections (cf. point II *supra*) to justify the findings of lack of inventive step and unity.
 - 4.1 The first section, point 3 of the decision under appeal, finds in the last paragraph thereof that those compounds of formula I wherein the substituent R⁶ has a "sp² trigonal configuration" are considered to be obvious. That section neither indicates the closest prior art taken as the starting point in that assessment of inventive step nor any other state of the art from which the Examining Division inferred obviousness. However, the provisions of Article 56 EPC require a decision on obviousness and, hence, inventive step "having regard to the state of the art". The decision under appeal, however, is silent and thus unintelligible concerning the factual and legal considerations on which the Examining Division based its conclusion.

Furthermore, the same section of the decision under appeal comprises a general reference to the discussion of the Examining Division at non-public oral proceedings in another "parallel" case as a result of which the Examining Division concedes that it changed its view in the present case. However, the decision sets out neither the facts nor the reasons which finally convinced the first instance of this fresh view.

4.2 The second section, which is point 4 of the decision under appeal, finds that the compounds wherein the substituent R⁶ has a "sp³ tetragonal configuration" are also obvious as "those possibilities would be *prima facie* considered to be equivalent to the C=O link since in the prior art these possibilities have already been taken into consideration". The Board might at best infer from the following sentence of that section that, though not dealing with the present case as it stands, this part of the decision under appeal starts from document (1) as closest prior art. However, it remains that the Examining Division failed to identify the piece of prior art wherein in its view "these possibilities have already been taken into consideration". The Board is thus not in a position to assess on the basis of the reasoning given in the decision under appeal whether the conclusion of obviousness drawn by the first instance was justified or not.

4.3 The third section, point 5 of the decision under appeal, deals with the alleged lack of unity. That section specifies two different problems purportedly underlying the present application depending on the type of the claimed compounds. The decision under appeal concluded

therefrom that "the unity of the present application should therefore also be objected to". This objection in the decision falls short of revealing any legal reasoning which led the first instance to draw the conclusion of lack of unity from the finding of two different problems underlying the present application.

Moreover, the problem indicated in those sections dealing with the matter of inventive step differs from both problems specified in that section of the decision under appeal dealing with the matter of unity. While the former sections specify the mere provision of compounds of general formula I as being the problem underlying the present application, the latter section indicates that the problems were to provide compounds "possessing the activity" or "showing a surprising effect when compared with the closest prior art". Therefore, the reasoning in that part of the decision concerned with lack of unity is unintelligible since the Board is unable to decide which of the various inconsistent problems indicated in the different sections of the decision under appeal is correct and which is false. The Board is thus precluded from reviewing whether or not the conclusions of the first instance were justified.

- 4.4 Due to the above deficiencies of the decision under appeal the reasons for the refusal of the application are opaque as the Board is left in the dark as to how the first instance came to its negative conclusions in respect of the subject-matter claimed. Hence, it would be left to the Board to provide for itself some reasoning supporting that decision. This is just what Rule 68(2) EPC requiring a decision to be reasoned is designed to prevent.

5. For these reasons, in the Board's judgement, the decision under appeal which is based on such a deficient reasoning is not 'reasoned' in the sense of Rule 68(2) EPC. This failure amounts to a substantial procedural violation requiring the decision under appeal to be set aside and the case to be remitted to the first instance. The appeal is thus deemed to be allowable and the Board considers it to be equitable by reason of that substantial procedural violation to reimburse the appeal fee in the present case (Rule 67 EPC).

6. The Board notes that the Appellant submitted in his Statement of the Grounds of Appeal on page 1, paragraph 1 that "**indeed none of the compounds disclosed in the present specification has yet been made**" (emphasis added). The Board observes that the Appellant's statement amounts to conceding that the subject-matter for which protection is sought represents pure intellectual speculation thereby giving rise to the question as to whether the present application is in fact directed to a (technical) invention in the sense of the EPC, particularly one within the meaning of Article 52 EPC, or rather to a mental act which would be excluded from patent protection under the EPC. The Board would point to established jurisprudence of the Boards of Appeal, that inventions within the meaning of the EPC, on which patents are to be granted, are required to make a contribution to the art, i.e. to provide a technical solution to problems arising in the art. When reconsidering the present case, the first instance will possibly have to consider and decide on the matter whether patents under the EPC are designed for the purpose of reserving an unexplored field of research for a particular applicant or designed to

protect the factual results of successful research as reward for making available concrete technical results to the public.

Moreover, the Board notes that the Appellant insisted in his Statement of Grounds of Appeal that under the EPC he did not need to provide evidence for the purported particular pharmaceutical activity of the claimed compounds. In view of the conceded fact that the Appellant never had any of the claimed compounds in his hands, it could be argued that their alleged pharmaceutical activity is pure speculation and mere hope. When reexamining and giving a reasoned decision in the present case the first instance will possibly have to take into account whether or not an unverifiable statement in the application about a pharmaceutical activity of the virtual compounds claimed is sufficient in the absence of any corroborating evidence (see decision T 355/97, point 2.5.1 of the reasons, not published in OJ EPO) and whether or not the purported pharmaceutical activity is credible for substantially all claimed compounds (see decisions T 939/92, OJ EPO 1996, 309; T 165/98, point 4.4 of the reasons, not published in OJ EPO).

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 for further prosecution.

3. The appeal fee is to be reimbursed.

The Registrar:

The Chairman:

N. Maslin

A. Nuss