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D E C I S I O N
of 23 August 2004

Case Number: T 0611/01 - 3.3.2

Application Number: 94930606.2

Publication Number: 0723462

IPC: A61L 27/00

Language of the proceedings: EN

Title of invention:
Local polymeric gel cellular therapy

Applicant:
SLEPIAN, Marvin., et al

Opponent:
-

Headword:
Cellular therapy/SLEPIAN

Relevant legal provisions:
EPC Art. 113(1)
EPC R. 67
RPBA Art. 10

Keyword:
"Applicants given misleading impression as to treatment of application - substantial procedural violation (yes)"
"Remittal to first instance (yes)"
"To be considered by differently composed Examining Division (yes)"
"Reimbursement of appeal fee (yes)"

Decisions cited:
T 0433/93, T 0628/95, T 1065/99, T 0587/02

Catchword:
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Beschwerdekammern | Boards of Appeal | Chambres de recours

Case Number: T 0611/01 - 3.3.2

D E C I S I O N
of the Technical Board of Appeal 3.3.2
of 23 August 2004

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Decision under appeal: **Decision of the Examining Division of the European Patent Office posted 17 January 2001 refusing European application No. 94930606.2 pursuant to Article 97(1) EPC.**

Composition of the Board:

Chairman: U. Oswald
Members: C. Rennie-Smith
G. F. F. Rampold

Summary of Facts and Submissions

I. The present appeal is from the decision of the Examining Division of 17 January 2001 refusing European patent application No. 94 930 606.2 based on PCT application No. US94/11304 and entitled "Local polymeric gel cellular therapy". During the examination proceedings the appellants filed several alternative sets of claims to replace those in the application as filed, the decision under appeal being based on a main and six auxiliary requests.

II. The prosecution history of the case, so far as relevant to this decision, is as follows.

(i) An International Preliminary Examination Report ("IPER") dated 21 December 1995 was issued by the EPO as International Preliminary Examining Authority ("IPEA"). The appellants' European representative filed the form for entry into the regional phase before the EPO and amended claims with a letter of 2 May 1996. After the representative sent a reminder dated 24 February 1998, the Examining Division sent a first communication of 6 August 1998 which referred, in its paragraph 1, to the IPER, stated that the deficiencies mentioned in the IPER gave rise to corresponding objections under the EPC, detailed a separate and additional objection of lack of unity, and expressed the opinion that some at least of the objections in the IPER could not be overcome by amendment. Specific claims were only referred to in the context of the unity objection but the report did state that the claims under

consideration were those filed with the appellants' letter of 2 May 1996. After obtaining an extension of time to answer that communication, the appellants did so in a letter of 29 January 1999 containing arguments and enclosing amendments to the description and claims.

(ii) The Examining Division then indicated by a fax of 29 July 1999 that it intended to hold oral proceedings on 17 February 2000, to which the representative replied in a letter of 12 August 1999 saying he considered oral proceedings premature, that the appellants wished to avoid the expense of oral proceedings if possible, requesting a further examination report and citing paragraph E.III.4 of the Guidelines for Examination. However, on 23 September 1999 the Examining Division proceeded to issue a summons to oral proceedings on 17 February 2000. The appellants' representative then wrote a long letter dated 17 January 2000 repeating his view that the oral proceedings were premature and requesting a telephone discussion. The letter also contained substantive arguments and enclosed new requests with amended claims.

(iii) A telephone discussion as requested took place on 27 January 2000 between the representative and the first examiner. The representative's subsequent letter of 7 February 2000 says he raised an alleged procedural violation in that conversation, whereas the examiner's note of the conversation makes no mention of this. In his letter of 7 February 2000 the representative also said the

appellants would not attend the oral proceedings and again put forward further arguments and submitted new requests. In reply to that letter the Examining Division sent a short communication of 10 February 2000 referring to that letter and saying the oral proceedings on 17 February 2000 had been cancelled and the proceedings would be continued in writing.

(iv) The representative subsequently wrote on 22 September 2000 asking when he would receive "a further communication" and received a reply of 4 October 2000 saying "the Division will next communicate with you in respect of the above-mentioned application within 2 months time". Having not heard within that period, the representative then wrote again on 9 January 2001, referring to the last previous correspondence, saying he had not received a "further communication" and again asking when he should expect the "next communication". This letter was answered by a telephone call in which the representative was told a refusal draft had been with the director since 5 December 2000. The note of this telephone call shows it was made by the director himself and not by a member of the Examining Division or its formalities officer. The decision under appeal was issued on 17 January 2001.

III. The appellants filed a notice of appeal faxed on 16 March 2001 and paid the appeal fee on the same date. They filed a statement of grounds of appeal by fax on

25 May 2001 in which they alleged a number of substantial procedural violations namely:

(i) that a further attempt at clarification of the Examining Division's objections should have been made before oral proceedings were called;

(ii) that calling oral proceedings after only one European examination report, on the grounds that (as the appellants allege they were told by the first examiner) the international examination by the EPO as IPEA is part of the European examination, is procedurally incorrect since it prejudices United States applicants who choose to use the EPO as IPEA rather than the USPTO;

(iii) that the first examination report was a recitation of the IPER which did not properly take account of the substantive claim amendments made on entering the European regional phase.

IV. The Board sent a communication dated 7 April 2004 in which it expressed the opinion that the allegation of a substantial procedural violation was likely to be upheld, although not for exactly (or just) the same reasons put forward in the grounds of appeal. The Board's main concern was that, while the Examining Division's communication of 10 February 2000 had given the appellants the clear impression their representative's request of 7 February 2000 for further consideration of the case had been acceded to and that a further communication would be sent before any decision, the application was then refused without allowing further comment.

V. The Board's communication then observed that, if it was found that one or more substantial procedural violations occurred then, apart from the question of reimbursement of the appeal fee, the following considerations would arise.

(i) The Board would have to consider whether to remit the case to the first instance - under Article 10 of the Rules of Procedure of the Boards of Appeal ("RPBA"), it would have to do so unless there were special reasons for doing otherwise.

(ii) If it were decided to remit the case, the further question would arise whether or not the further first instance proceedings should be conducted by the same or a differently composed Examining Division.

(iii) The exact formulation of the appellants' request for oral proceedings would make it impossible for the Board to remit the case without first holding oral proceedings.

The appellants were accordingly directed to inform the Board no later than two months following the deemed date of receipt of the communication:

(a) whether or not they requested oral proceedings before any decision to remit the case under Article 10 RPBA;

(b) whether or not they requested such remittal;

(c) if not, what special reasons they considered would allow the Board to depart from the requirement of Article 10 RPBA;

(d) if such remittal were ordered, of their views on the composition of the Examining Division which would conduct the further first instance proceedings;

(e) of any other comments they wished to make in the light of the communication.

VI. In a letter of 26 April 2004 the appellants replied to the Board's direction (see V (a) to (e) above) as follows:

(a) the appellants did not request oral proceedings if the board should decide to remit the case because of a substantial procedural violation;

(b) the appellants requested remittal of the case to the first instance;

(c) the appellants did not suggest any reason for non-remittal;

(d) the appellants requested that the further first instance proceedings be conducted by a differently composed Examination Division;

(e) in any other event than a finding of a substantial procedural violation, the appellants requested oral proceedings.

VII. As regards the substantive proceedings, the appellants' main request is that the decision under appeal be set aside and the subject patent application be allowed with the claims of the main request forming Annex 1 to that decision. In the event that the Board does not allow the main request, the appellants request oral proceedings and that the auxiliary requests also annexed to the decision under appeal are considered.

As regards their allegation that one or more substantial procedural violations occurred in the first instance proceedings, the appellants request that the case be remitted to a differently composed first instance and reimbursement of the appeal fee.

Reasons for the Decision

1. The appeal is admissible.

2. The Board is not satisfied that any of the events alleged by the appellants to be substantial procedural violations (see III above) can be seen as such. Although the Board does consider that a substantial procedural violation did occur, which it has observed itself from the file and which is dealt with in paragraphs 5 et seq below, it does not agree with the appellants for the reasons in paragraphs 3 and 4 below.

3.1 The appellants object that the Examining Division issued a summons to oral proceedings without attempting further clarification and after only one European examination report had been issued (see III (i) and (ii) above). They claim to have been told by the first

examiner that only one such report was issued since international examination by the EPO as IPEA is considered part of the European examination. Presumably this statement attributed to the first examiner was allegedly made by telephone, as the Board has seen nothing in writing to this effect in the file. However, neither of the only contemporaneous references to the only recorded telephone conversation, that of 27 January 2000, between the representative and the first examiner - the examiner's note of the conversation and the representative's letter of 7 February 2000 - make any mention of this alleged observation.

3.2 Apart from that difficulty of relying on the appellants' later account of an examiner's alleged statement, the Board considers there is no substance in this alleged procedural violation. The Examining Division did indeed issue a summons to oral proceedings on 17 February 2000 after only one official letter had been sent since the case entered the European regional phase. However, the appellants' representative wrote a long letter dated 17 January 2000 saying (as had already been said in a previous letter of 12 August 1999) that he considered oral proceedings premature, that the appellants wished to avoid the expense of oral proceedings if possible and requesting a telephone discussion. The letter also contained substantive arguments and enclosed new requests with amended claims.

3.3 The appellants thus had, and took, full opportunity to answer the examination report. Since, as the appellants had been told in that report, the Examining Division considered there were some objections which could not

be overcome by amendment, it was not unreasonable for the Examining Division to consider oral proceedings (which the appellants had requested) as the next step. The passage at E.III.4 in the Guidelines relied on by the appellants begins:

> "Oral proceedings will normally only be expedient if after an attempt at clarification there are still questions or doubts which have a crucial bearing on the decision to be reached...".

That is entirely consistent with a decision to appoint oral proceedings when, in the Examining Division's opinion, the application cannot succeed and oral proceedings have been requested. Even if alternative courses of action might have been taken, the decision to call oral proceedings was not unreasonable.

3.4 If, which cannot be demonstrated in this case, anyone is of the view that IPERs are effectively a step in proceedings under the EPC, that is of course incorrect - IPERs are limited to novelty, inventive step and industrial application and rely on a narrower definition of prior art than that of the EPC. While it may be the case that, after an IPER, there may be less need for two or more rounds of correspondence between the Examining Division and an applicant, there can be no hard and fast rule to that effect. The very fact that the Examining Division must exercise its discretion under the EPC regardless of what the IPER contained means that every case must be dealt with on its own facts.

3.5 The appellants' allegation of a substantial procedural violation relates only to the calling of oral proceedings. In fact, as the file shows, the appellants succeeded in persuading the Examining Division not to hold the oral proceedings. After the telephone discussion on 27 January 2000 between the representative and the first examiner and the representative's subsequent letter of 7 February 2000, the Examining Division sent a short communication of 10 February 2000 referring to that letter and stating that the summons to attend oral proceedings had been cancelled and the procedure would be continued in writing. If oral proceedings had actually taken place before the appellants or their representative had been given an adequate opportunity to argue against or attempt to overcome objections raised by the Examining Division, in particular after only one communication containing such objections, then it might at least be arguable that a procedural violation had occurred. However, all that happened in the present case is that the Examining Division summoned the appellants to oral proceedings which their representative then succeeded in avoiding. Since matters thus fell out as the appellants wished, there can have been no procedural violation. It is indeed the case that the communication of 10 February 2000 began the sequence of events which culminated in a substantial procedural violation but that is a separate issue (see paragraph 5 below).

4.1 The appellants' remaining allegation of a substantial procedural violation is that the examination report which was issued was only a recitation of the IPER which did not properly take account of the substantive claim amendments made on entering the European regional

phase (see III(iii) above). The Board again considers that, as a matter of fact, this allegation cannot be sustained. The Examining Division's first communication of 6 August 1998 did indeed refer, in its paragraph 1, to the IPER drawn up in accordance with the PCT and say that the deficiencies mentioned in the IPER gave rise to corresponding objections under the EPC. However, the communication also detailed a separate and additional objection of lack of unity and expressed the opinion that some at least of the objections in the IPER could not be overcome by amendment. Specific claims were only referred to in the context of the unity objection but the report does state that the claims under consideration were those filed with the appellants' letter of 2 May 1996 which are the amended claims filed when the case entered the European regional phase.

4.2 This Board and others have warned of the procedural difficulties which may arise if an Examining Division, which conducts an examination under the EPC requiring consideration of more matters than preliminary examination under the PCT, simply recycles an IPER in such a manner as to show, or even give the impression, that it has not made a separate exercise of its discretionary powers under the EPC (see for example T 1065/99 of 19 September 2001, Reasons, paragraph 4; T 587/02 of 12 September 2002, Reasons, paragraphs 4 to 7 - both unpublished in OJ EPO). The present case however is some considerable distance from falling into that category.

5.1 As indicated above, the Board's main concern in the present case centres on what happened after the Examining Division sent a communication of 10 February

2000 saying the oral proceedings had been cancelled and the proceedings would be continued in writing. Since, in his letter of 7 February 2000 which clearly prompted that communication, the representative had presented new arguments and filed new requests, the communication of 10 February 2000, informing him the oral proceedings were cancelled and that the proceedings would continue in writing, must clearly have suggested that those requests and arguments were under consideration and that the representative would receive a reply in the form of a further communication.

5.2 The representative subsequently wrote on 22 September 2000 asking when he would receive "a further communication" and received a reply of 4 October 2000 saying "the Division will next communicate with you...within 2 months time". This can only have reinforced the impression that a communication (not a decision) would be the next step. The representative then wrote again on 9 January 2001 reminding the primary examiner of the last previous correspondence. The Board notes this letter used the terms "next communication" and "further communication", thereby clearly showing the impression referred to above had been given to the appellants by the Examining Division. This letter was answered by a telephone call in which the representative was told "a refusal draft had been with the director since 5 December 2000". The decision under appeal was issued on 17 January 2001.

5.3 It is unclear why that telephone call was made by the director himself and not, as might be expected, by a member of the Examining Division or its formalities officer. While it would be a cause for concern if (as

appears may have been the case here) someone other than the particular members of an Examining Division entrusted with a case should have caused that Examining Division to treat a case in a different manner than an applicant expected, there is no categorical proof that this happened and, in any event, the Board considers it would have made no difference to the outcome of this appeal, namely that there was a substantial procedural violation irrespective of its cause.

5.4 Accordingly the only, but serious, substantial procedural violation in this case was occasioned by the Examining Division giving the very clear impression, in the communication of 10 February 2000, that the appellants' representative's request for further consideration of the case had been acceded to and that he would receive a further communication before any decision was taken. This impression was subsequently reinforced by the communication of 4 October 2000 saying "the Division will next communicate with you...within 2 months time". Of course, those words could literally encompass a written decision refusing the application but, in all the circumstances, such an interpretation would mean the Examining Division quite deliberately trapped the appellants. The Board does not consider there was any deliberate entrapment but rather a failure by the Examining Division to consider how statements in routine correspondence might be read by the recipients. Having given that impression the Examining Division thereby held out to the appellants the prospect of a further opportunity to file arguments - or, to put it in legal terms, to exercise their right to be heard (Article 113(1) EPC) - before any decision

would be issued. In the event, they were denied that right.

6. The Board accordingly finds that a substantial procedural violation occurred, albeit not one as alleged by the appellants. This violation must also be a fundamental deficiency in the first instance proceedings under Article 10 RPBA in which case the Board must remit the case to the first instance unless there are special reasons for not doing so. The Board sees no such special reasons in this case and the appellants have not, having been invited by the Board's communication to do so, identified any such reasons. Indeed, the Board considers there is every reason to remit the case: the appellants having been denied due process in the previous first instance proceedings, those proceedings must be considered null and void. Accordingly only a remittal can ensure their case is given the procedurally correct treatment it was previously denied.

7. The Board also considers that the new examination proceedings should be conducted by a differently composed examining division, that is by a division of three new members. Such a direction is typically made when there is a question of possible bias against a party and the board emphasises that is not the case here. However, a differently composed first instance can also be appropriate when a party would have reasonable grounds for feeling it might not otherwise have a fair re-hearing, as occurred in T 433/93, OJ 1997, 509 (see reasons, paragraph 2) or where, as in T 628/95 of 13 May 1996 (unpublished in OJ EPO), remittal to a differently composed first instance was

ordered *ipso facto* on the board concluding the first instance decision was null and void. Both those precedents have their parallels in the present case, the substantial procedural violation being such the appellants might feel the previous Examining Division could not give them a fair re-hearing, and the Board having concluded that the decision under appeal is to be treated as null and void.

8. In the present case, the appellant has requested a different composition but, even in the absence of such a request, the Board would have so directed because, after grave procedural irregularities, it is important to ensure so far as possible there should not be any ground for dissatisfaction with the conduct of the further proceedings, such as might well be the case if the same Examining Division was again to refuse the application even after impeccably conducted proceedings. In the circumstances, and bearing in mind that someone not a member of the particular Examining Division may have been responsible for or at least involved in the procedural violation, such a direction is also fairer for the members of the Examining Division who took the decision under appeal.

9. The Board also considers it equitable to order reimbursement of the appeal fee pursuant to Rule 67 EPC. Indeed, it would be inequitable not to order reimbursement since the appellants would then have been made to pay to correct an injustice which should never have occurred.

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 U. Oswald