

Decision of Technical Board of Appeal 3.3.7 dated 21 October 2003

T 711/99 - 3.3.7*

(Translation)

Composition of the board:

Chairman: B. L. ter Laan
Members: G. Santavicca
M.-B. Tardo-Dino

Patent proprietor/Appellant: L'OREAL

Opponent/Appellant:

Henkel Kommanditgesellschaft

Wella AG

Bristol-Myers Squibb Company

Headword: Transfer of opposition/L'OREAL

Article: 54, 123, 114(2) EPC

Rule: 57a EPC

Keyword: "Transfer of opposition (no)" - "Amendments - admissible (yes)" - "Novelty vis-à-vis documents referred to in notice of opposition" (yes)" - "New evidence: public prior use - late (yes) - relevant (no); new document - late (yes) - relevant (yes)" - "Remittal (yes)"

Headnote

I. The opponent does not have the right to dispose freely of his status as a party, following the general principle of law whereby legal actions are not transferable by way of singular succession - whether for a consideration or not - but only by way of universal succession (point 2.1.5(b)). Once he has filed an opposition and met the requirements for an admissible opposition, he is an opponent and remains so until the end of the proceedings or of his involvement in them.

II. Opponent status may be transferred to a singular successor when a commercial department is sold, but this is an exception to the general principle in law whereby an opposition is not freely disposable.

III. This exception should be a narrowly interpreted (point 2.1.5(c)) and precludes an opponent parent company from being recognised, in the event of the sale of a subsidiary that has always been entitled itself to file oppositions, as having the right to transfer its opponent status, by analogy with an opponent who sells a commercial department that is an inseparable part of the opposition but is not itself entitled to file oppositions (point 2.1.5(f)). The notion of legitimate interest in the proceedings, which is irrelevant for the admissibility of an opposition at the time of its filing, likewise has no bearing on the opponent's status at any subsequent stage (point 2.1.5(d)).

* This is an abridged version of the decision. A copy of the full text in the language of proceedings may be obtained from the EPO Information Office in Munich on payment of a photocopying fee of EUR 0.60 per page.

Summary of facts and submissions

I. On the basis of European patent application No. 94 402 525.3, filed on 8 November 1994 and claiming the priority of national application FR 9400700 of 24 January 1994, European patent No. 0 665 005 was granted in respect of 11 claims. Claims 1 and 9 to 11 had the following wording:

...

II. Three oppositions were filed with a view to having the patent revoked under Article 100(a) EPC for lack of novelty and inventive step, having regard to the following documents, inter alia:

...]

III. The opposition division revoked the impugned patent. ...

IV. The patent proprietor (appellant) filed an appeal against this decision. The appeal was received on 6 July 1999 with the prescribed fee being paid the same day.

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VII. In a letter dated 2 April 2002, Bristol-Myers Squibb Company (respondent 3) declared that, on 15 November 2001, it had sold to the Procter & Gamble Company the portion of its assets made up by its subsidiary, Clairol Incorporated, on whose behalf the opposition had been filed. It therefore requested that the transfer of its opposition to the Procter & Gamble Company be declared valid. In letters dated 9 August 2002, in response to a communication from the board relating to several cases, and 9 May 2003, in response to the appellant's arguments, respondent 3 gave detailed facts and evidence in support of its transfer request. It considered that that these facts and evidence were not at variance with the case law and that a referral to the Enlarged Board of Appeal, as proposed by the appellant, was totally inappropriate.

The board, in said communication relating to several cases and in the annex to the summons to oral proceedings, considered that the request for transfer of the opposition did not seem well-founded in the light of Board of Appeal case law, and it did not see any reason for a referral to the Enlarged Board.

VIII. The oral proceedings took place on 21 October 2003, during which the appellant filed a new set of ten claims as the main request. The wording of claim 1 is as follows:

...

IX. The appellant put forward the following arguments:

(a) With regard to the transfer of opposition 3, this had never belonged to Clairol Incorporated. It had been filed under the name Bristol-Myers Squibb Company which, in line with decision G 3/97, did not have the right to dispose freely of its opponent status. Since the opponent did not have to justify having any interest in having the patent revoked in order to act, Bristol-Myers Squibb Company's motivation for filing the opposition was irrelevant. Consequently, the request for transfer should be refused, and the proceedings should continue with Bristol-Myers Squibb Company as an opponent.

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X. The respondents' arguments can be summarised as follows:

(a) With regard to its request for transfer of the opposition, respondent 3 asserted that Bristol-Myers Squibb Company was the sole shareholder of its subsidiary Clairol Incorporated at the time of filing of the opposition. Clairol Incorporated operated in the technical field of the contested patent. Respondent 3 had sold the portion of its assets made up by the shares of this subsidiary to the Procter & Gamble Company on 15 November 2001. It claimed to have filed the opposition on behalf of its subsidiary which meant that this opposition was transferred to the Procter & Gamble Company together with the sale of the subsidiary.

According to respondent 3, the board's interpretation of the Enlarged Board of Appeal's decision G 4/88 was erroneous, particularly as regards the condition applying to the transfer of an opposition, ie that of it being an "inseparable part of those (transferred) assets".

Again according to respondent 3, the fact that the transferred asset concerned a different legal entity to that which had filed the opposition should not lead to the result that the "inseparable part" condition was impossible to meet. On the contrary, the facts of the present case fully satisfied the G 4/88 criteria, because that decision stressed the fact that the opposition had been "instituted in the interest of the opponent's business" and that in this context the term "business" had to be interpreted in a wide sense as being a commercial activity carried out or capable of being carried out by the opponent.

In the case under consideration, the opposition had to be regarded as an inseparable part of the transferred subsidiary's assets, and as having been transferred along with the subsidiary to the new company.

The board's interpretation might lead to illogical situations in so far as a transfer would be admissible when made by the opponent company along with part of its assets but not when the part of the assets to which the opposition related was a separate legal entity, even though the very part of the assets in the interest of which the opposition was filed had to be an identifiable part of the opponent's assets, and nothing was as identifiable as a specific legal entity. In the light of decision G 4/88, the relevant question was not whether the entity transferred was an inseparable part of the opponent's assets, but whether the opposition was inseparable from the transferred entity.

The conclusions of decision G 3/97 did not alter the situation because the central issue in the board's decision was not to establish in whose name the opposition had been filed but rather "in whose interest the opposition was to be transferred".

At the oral proceedings, respondent 3 made an auxiliary request that, if the board were to disallow its request for transfer, two points of law be put to the Enlarged Board of Appeal.

The other two respondents deferred to the decision of the board on this matter.

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XI. The appellant (patent proprietor) requested that the contested decision be set aside and the patent maintained on the basis of claims 1 to 10 of the main request submitted at the oral proceedings and, failing this, on the basis of one of subsidiary requests 1 to 12.

XII. The respondents (opponents) requested that the appeal be dismissed.

Respondent 3 (Bristol-Myers Squibb Company) also requested that the transfer of opposition to the Procter & Gamble Company be declared valid. As an auxiliary request, it requested that the transfer of the opposition to Clairol Incorporated be declared valid. Failing that, it requested that the board put the following two questions to the Enlarged Board of Appeal:

"1. If an opposition is filed by a parent company solely in the interest of a wholly owned subsidiary of that company, and then that subsidiary is sold to a third party, can the opposition be assigned to the third party, and if not, can it be assigned to the subsidiary?

2. What evidence is necessary to show that the opposition was filed by the parent company "solely in the interest of" the wholly owned subsidiary?"

Reasons for the decision

1. The appeal is admissible because it meets the conditions set out in Articles 106 to 108 EPC in conjunction with Rules 1(1) and 64 EPC.

2. Procedural issues

2.1 Transfer of opposition

The main argument put forward by opponent 3 (respondent 3) is based on reasoning by analogy with T 349/86 (OJ EPO 1988, 345), which gave rise to Enlarged Board of Appeal decision G 4/88 (OJ EPO 1989, 480). Consideration should first be given to the implications of that decision and then to whether respondent 3 was right to reason by analogy with that case.

2.1.1 In T 349/86, the board considered a request filed by the universal successor in title of the original opponent for transfer of opponent status to the singular successor of part of its industrial and commercial activity.

In 1985, M.A.N. Maschinenfabrik Augsburg-Nürnberg Aktiengesellschaft assigned to MAN Nutzfahrzeuge GmbH its operations in the commercial vehicle field, and subsequently merged the remainder of its assets with those of Gutehoffnungshütte Aktienverein Aktiengesellschaft to form their universal successor in title MAN Aktiengesellschaft. Following the decision by the relevant opposition division to reject the opposition originally filed by M.A.N. Maschinenfabrik Augsburg-Nürnberg Aktiengesellschaft on behalf of its commercial vehicles department, MAN Aktiengesellschaft, the universal successor in title to the opponent, filed an appeal in that capacity, at the same time requesting that the opposition be transferred to MAN Nutzfahrzeuge GmbH as singular successor of the commercial vehicles department to which the opposition related.

The legal question that gave rise to decision G 4/88 was worded as follows:

"Is an opposition pending before the European Patent Office transferable only to the opponent's heirs or can it be transferred freely either with the opponent's enterprise or with a part of that enterprise operating in a technical field in which the invention to which the patent in suit relates can be exploited?"

2.1.2 In the reasons for its decision, the Enlarged Board began by establishing the principle implicitly acknowledged in Rule 60(2) EPC, according to which opponent status is legally transferred to the heirs and, by analogy, to the opponent's universal successor in law (G 4/88, Reasons, point 4).

The Enlarged Board also considered that where the specific part of the assets transferred is part of the business of the original opponent - the commercial vehicles department in that case - the opposition may be transferred in accordance with the principle that "accessio cedit principali" if the opposition was filed in the interest of the part of that business, that corresponds to the commercial activity transferred (G 4/88, Reasons, point 6).

2.1.3 The facts of the case pending before this Board differ from those that gave rise to decision G 4/88 primarily in that Bristol-Myers Squibb Company, which had a subsidiary, Clairol Incorporated, operating in the field of hair dyes, ie the field of the contested patent, nevertheless chose to file the opposition itself. It subsequently sold this subsidiary for consideration and by way of singular succession to the Procter & Gamble Company, to which it is now requesting the transfer of opponent status.

The facts therefore differ in that in the case that gave rise to decision G 4/88, the commercial vehicles department of M.A.N. Maschinenfabrik Augsburg-Nürnberg Aktiengesellschaft was not a subsidiary company but formed a specific commercial department: it had no legal personality of its own giving it the status of a "person" within the meaning of Article 99(1) EPC and allowing it to file an opposition.

In the present case, Bristol-Myers Squibb Company deliberately acted in its own name when filing an opposition against the contested patent, without ever stating that it was acting on behalf of its subsidiary (assuming that making this known would have made any difference), even though that subsidiary had full legal capacity and as such, constituting a "person" within the meaning of Article 99(1) EPC, was perfectly entitled to file the opposition in its own name, even if acting on the instructions of the parent company.

2.1.4 It is therefore established:

(a) that, in the case of M.A.N. Maschinenfabrik Augsburg-Nürnberg Aktiengesellschaft, only that company was legally entitled to file an opposition, since its commercial vehicles department, which was subsequently sold, was without legal personality and therefore not entitled to act,

(b) that in the present case, Bristol-Myers Squibb Company, having the same right to file an opposition as any person within the meaning of Article 99(1) EPC, chose to exercise that right on its own behalf, even though Clairol Incorporated, a separate legal entity with the power to file an opposition and active in the field of the contested patent, had full legal capacity and thus the status to act and personally exercise the right to file an opposition, a right not conferred on a mere commercial department.

2.1.5 The implications of this difference in circumstances regarding the transfer of opponent status are to be assessed in the light of decision G 3/97 (OJ EPO 1999, 245) taken by the Enlarged Board of Appeal:

(a) Both referrals, T 301/95 (OJ EPO 1997, 519) and T 649/92 (OJ EPO 1998, 97), essentially looked at whether an opposition was inadmissible simply because the opponent was acting on behalf of a third party.

(b) Decision G 3/97 states: "The opponent does not have a right of disposition over his status as a party. If he has met the requirements for an admissible opposition, he is an opponent and remains such until the end of the proceedings or of his involvement in them. He cannot offload his status onto a third party" (Reasons, point 2.2).

This statement, which corresponds to the general principle of law whereby legal actions are not transferable by way of singular succession - whether for consideration or not - but only by way of universal succession, irrespective of the nature of the case, for example succession in title, reaffirms and endorses the established case law of the boards of appeal (T 659/92, OJ EPO 1995, 519, Reasons, points 3, 3.1 to 3.3; T 670/95 of 9 June 1998, not published in OJ EPO; T 298/97, OJ EPO 2002, 83).

(c) It follows that the exception to this principle, as defined in decision G 4/88 in conjunction with G 3/97, should be interpreted in a narrow sense.

Decisions G 4/88 and G 3/97 are actually complementary, and should be taken as dealing respectively with different aspects of opposition: G 4/88 stipulates conditions under which the transfer of opponent status is possible, whilst G 3/97 defines the conditions necessary and adequate to obtain and retain opponent status.

(d) By stressing the parent company's interest in filing an opposition as owner of a subsidiary operating in the field of the contested patent - an interest it lost when it sold that subsidiary - to strengthen the case that it was acting on behalf of its subsidiary, the opponent is in effect making the right of opposition, and consequently opponent status, dependent on the existence of such an interest.

The notion of legitimate interest, which refers to subjective factors to do with the person who initiates a procedure, in this case the opponent, as required under certain national legislations, is as such foreign to the opposition procedure under the EPC; the EPC legislator specifically provided for opposition as a means of recourse for the general public and open to anyone under Article 99(1) EPC, irrespective of whether they have a personal interest in the matter (G 3/97, Reasons, point 3.2.1).

Since, according to decision G 3/97, "there cannot be a "true" opponent apart from the formally authorised opponent" (Reasons, point 2.2), it is irrelevant whether the parent company was acting on behalf of its subsidiary. Moreover, unless there are particular grounds for suspecting some form of abuse, there is no reason to establish on whose behalf someone who has initiated proceedings in due form was acting (G 3/97, Reasons, point 3). Someone who meets the opposition's admissibility conditions in his own name is regarded as an opponent, not someone presumed to be an opponent.

Even if it were to be accepted that the opponent in this case had an interest in filing an opposition whilst sole owner of the subsidiary, this factor, which was irrelevant at the beginning for purposes of the admissibility of the opposition, is still irrelevant for the outcome of the opposition or opponent status once it ceases to apply.

(e) Thus all the submissions made to show that the opponent was acting in the sole interest of its subsidiary are without effect. The legal connection between the opponent and third parties (in this case its subsidiary) is of no legal concern to the EPO (G 3/97, Reasons, point 3.2.2).

(f) The rationale for the principle of non-disposability of an opposition, over and above the general principle referred to above (point 2.1.5(b))¹ and the desire to prevent trade in oppositions (T 298/97, supra, Reasons, point 7.1), relates to the nature of the opposition procedure and its aim to allow the general public to challenge the validity of a patent. This procedure is intended to be straightforward and swift, and not involve considering what private interest a party might have vis-à-vis third parties, such as in connection with the transfer of opponent status, since, in view of its function and resources, the EPO is not the most appropriate body to deal with these issues.

Thus, opponent status can only be transferred together with the assignment of part of the commercial activity of an opponent with sole legal authority where the transferred company division or department does not have that status and therefore lacks legal personality.

This does not apply in the present case where, even though Clairol Incorporated was a wholly-owned subsidiary of Bristol-Myers Squibb Company, it was still entitled to act on its own behalf in opposition, having full legal authority - a feature of legal personality.

2.2 Referral to the Enlarged Board of Appeal

2.2.1 It is clear from the above that the issue of the validity of the transfer of opposition under consideration does not fall under either of the two cases allowing a referral to the Enlarged Board of Appeal (Article 112(1) EPC) for the following reasons:

- the board's decision on this question is not at variance with established case law because there is no divergent case law, but rather applies the principle established by G 4/88 as complemented by G 3/97: there is therefore no need for legal harmonisation;

¹ Reference amended by translator

- this decision does not address an important point of law but merely assesses the implications of the two principles previously established by the two above-mentioned decisions.

2.2.2 The issue of the nature of the evidence to be supplied does not actually arise in this case because the evidence involved, ie proof that the opponent acted in the sole interest of its wholly-owned subsidiary, has no bearing whatsoever on the decision taken.

2.3 The transfer cannot therefore be valid and the request by respondent 3 is refused.

2.4 For the reasons set out above, the auxiliary request for transfer to Clairol Incorporated must also be refused.

2.5 Since the board does not recognise the validity of the transfer of the opposition, the Procter & Gamble Company and Clairol Incorporated cannot be regarded as parties to the appeal procedure.

...

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. The transfer of the opposition is refused.
3. The case is remitted to the department of first instance for further prosecution.