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D E C I S I O N
of 19 December 2000

Case Number: T 0054/00 - 3.5.2

Application Number: 91306503.3

Publication Number: 0467667

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Language of the proceedings: EN

Title of invention:
Power supply circuit for electronic equipment

Patentee:
SEIKO EPSON CORPORATION

Opponent:
Eta SA Fabriques d'Ebauches

Headword:
-

Relevant legal provisions:
EPC Art. 107

Keyword:
"Improper pressure by opposition division to promote auxiliary request to main request (no)"
"Appellant adversely affected by grant of main request (no)"

Decisions cited:
-

Catchword:

Europäisches Patentamt | European Patent Office | Office européen des brevets

Beschwerdekammern | Boards of Appeal | Chambres de recours

Case Number: T 0054/00 - 3.5.2

D E C I S I O N
of the Technical Board of Appeal 3.5.2
of 19 December 2000

Appellant: (Proprietor of the patent)
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Decision under appeal: **Interlocutory decision of the Opposition Division of the European Patent Office posted 18 November 1999 concerning maintenance of European patent No. 0 467 667 in amended form.**

Composition of the Board:

Chairman: W. J. L. Wheeler
Members: R. G. O'Connell
B. J. Schachenmann

Summary of facts and submissions

I. This is an appeal by the proprietor from the interlocutory decision of the opposition division proposing to maintain European patent No. 467 667 in amended form apparently in accordance with the proprietor's main request then on file.

II. In a response dated 3 August 2000 to the statement of grounds of appeal the respondent opponent contested the admissibility of the appeal on the grounds that the appellant was not adversely affected within the meaning of Article 107 EPC since the decision under appeal was not inconsistent with what the proprietor had specifically requested in his main request as recorded in the decision under appeal and the minutes of the oral proceedings before the opposition division.

III. By fax dated 29 August 2000 the board signalled its intention to hold oral proceedings to decide on the issue of admissibility of the appeal as a preliminary point and subsequently by letter dated 15 September 2000 summoned the parties to oral proceedings on 19 December 2000. The summons was accompanied by a communication pointing out that, having regard to points 7 and 23 of the minutes of the oral proceedings before the opposition division on 23 September 1999 and the text of the decision announced at the close of those oral proceedings as recorded in the minutes on EPO Form 2309.2, it appeared from the file that the decision under appeal granted the proprietor's main request. This would mean that the proprietor was not ***adversely affected*** by the decision within the meaning of Article 107 EPC, as interpreted by the EPO Boards of Appeal, eg in decision J 12/85 (OJ EPO 1986, 155), it

being considered - as in T 506/91 - that the reasoning under point 3 of the reasons for the decision in J 12/85 applied also to the case in which an interlocutory decision in opposition proceedings to the effect that, account being taken of the amendments made by the proprietor during the opposition proceedings, the patent and the invention to which it relates are found to meet the requirements of the EPC, is consistent with what the proprietor has requested in its main request.

IV. By letter dated 15 September 2000, the appellant submitted a request under Rule 89 EPC that point 23 of the minutes of the oral proceedings held on 23 September 1999 be amended (as part of the decision under appeal) to read as follows:

"In accordance with a request from the opposition division the proprietor agreed to drop the main request and the auxiliary requests 1 to 3 on the condition that the right to Appeal in respect of the subject matter thereof was not jeopardised and it was therefore agreed to proceed with a request for maintenance of the patent in amended form with claims 1 to 6 and description page 2 as just filed. He furthermore retained three auxiliary requests for maintenance of the patent as amended by the claims previously referred to as auxiliary requests 5, 6, and 7 (auxiliary requests III, V, and VII of 23.08.1999)."

This request was addressed to EPO Directorate General 2 but was routed internally to Board of Appeal 3.5.2 as the department then seized of the case.

V. In a further communication the board informed the

parties that, despite the board not having direct jurisdiction in relation to the request for correction under Rule 89 EPC, the oral proceedings would proceed as arranged, since it would be possible to proceed making the assumption in favour of the appellant that paragraph 23 of the minutes had been amended as requested by the appellant in his letter dated 15 September 2000.

VI. The appellant proprietor's arguments can be summarised as follows:

(i) *Minutes*

The minutes of the oral proceedings before the opposition division on 23 September 1999 were incomplete. In fact the opposition division had stated towards the end of the oral proceedings that auxiliary request 4 would be allowable provided that higher ranking requests were withdrawn. In this situation the proprietor had accepted the opposition division's offer, while reserving the right of appeal, in order to avoid revocation of the patent.

The fact that the file showed a request signed and dated 23 September 1999 by the proprietor's representative (the previous designation of the request as "Auxiliary request 4" having been crossed out) merely reflected the latter's acceptance of the opposition division's offer. It was not intended to constitute an unconditional withdrawal of the higher ranking requests and should not be so interpreted.

(ii) *Substantial procedural violation*

Making the grant of a request conditional on the withdrawal of all higher ranking requests constituted a first substantial procedural violation on the part of the opposition division and assuring the proprietor that such withdrawal would not prejudice the right to appeal constituted a second. In view of these fundamental deficiencies the decision under appeal was voidable by the board.

(iii) *Conditional withdrawal*

There was no basis, neither in the EPC nor in the jurisprudence and practice of the EPO, for refusing to recognise the right of a party to make a conditional withdrawal of a request, ie a withdrawal without prejudice to the right of appeal. Many conditional actions were sanctioned by the EPC, eg payment of search fees without prejudice to the right to challenge a finding of lack of unity, or by EPO jurisprudence and practice, such as the making of a conditional request for oral proceedings.

(iv) *Adversely affected - Article 107 EPC*

In those decisions of the EPO Boards of Appeal where it had been decided that a party was not adversely affected within the meaning of Article 107 EPC when his last main request had been granted by the decision under appeal, there had invariably been an explicit and unconditional withdrawal of previous higher ranking requests by the party concerned; cf decisions T 155/88, T 528/93, T 840/93, T 562/94, T 373/96 and T 386/98. In the instant case there had been no explicit and unconditional withdrawal of the higher ranking requests by the proprietor. Accordingly he was adversely

affected and his appeal was admissible.

The decision J 12/85 could not properly be applied to a decision of the opposition division maintaining a patent in amended form so as to conclude that a patent proprietor was deemed not to be adversely affected by the decision and thereby barred from filing an appeal against the refusal of the opposition division to maintain the patent as granted. The simple fact that there was a reduction in scope between the claims as granted and the claims of the amended version accepted by the opposition division must **by definition** mean that the patent proprietor had been adversely affected by the decision. An attempt to deprive the proprietor of a right of appeal against such inherent loss (reduction) of rights was contrary to natural justice and the judicial review requirements of TRIPS. It was a matter appropriate for review by the European Court of Justice.

For the above reasons decision T 506/91 was incorrect insofar as it concluded that the reasoning under point 3 of J 12/85 also applied to the decision of an opposition division to maintain a patent in amended form.

Furthermore it was readily apparent from the substantive arguments in the statement of grounds of appeal that the proprietor was entitled to a scope of protection broader than that given by the claims as maintained by the opposition division.

(v) *Scope of the decision under appeal*

The right to have an appeal examined by the EPO Boards

of Appeal established by Article 106 EPC in conjunction with Article 21(1) EPC applied also to decisions made in the course of the proceedings. In particular, there was a right of appeal against the decision of the opposition division recorded at point 7 of the minutes that the then current main request and auxiliary requests 1 to 3 could not be allowed. These were appealable decisions under the EPC even if they were not part of the formal interlocutory decision. There was no provision in the EPC for the practice followed in relation to interlocutory decisions; cf Case Law of the Boards of Appeal of the EPO, 3rd Edition 1998, VII C 12.2 (pages 447 to 449 of the English language version).

VII. The respondent opponent argued essentially as follows:

The minutes were an accurate record of the oral proceedings. The appellant's account of what transpired in the oral proceedings before the opposition division was not in accord with the respondent's clear recollection of the events. The oral proceedings had been conducted by the opposition division in a completely normal and proper fashion and the course of the proceedings was reflected in a clear and conscientious manner in the minutes and in the decision under appeal, including the annexed requests. As recorded at point 7 of the minutes, the opposition division had indicated after deliberation that the then current main request and auxiliary requests 1 to 3 would, if maintained, fall to be refused. Following further submissions and arguments, the opposition division had, in standard fashion, immediately prior to the final deliberation asked the parties for their final formal requests. At no time was there any

suggestion or offer on the part of the opposition division that auxiliary request 4 would be granted on condition that the higher ranking requests be withdrawn. Further the appellant's contention that the making of such offers was a widespread (mal)practice in proceedings before the opposition division was not borne out by the respondent's experience.

The appellant's submissions on the correct interpretation of "adversely affected" in Article 107 EPC were wrong in law. This matter was governed by three simple but fundamental principles of procedural law:

(i) The parties were responsible for their own requests.

(ii) The requests determined the legally possible limits of the decision.

(iii) The requests and decision together determined the legally possible limits of the admissibility of the appeal.

The appellant's contention that a party could make a conditional withdrawal of a request was a legal absurdity, because it would break this essential deterministic link between the request underlying the decision and the admissibility of the appeal.

It was unconscionable that the opponent should be put to the trouble and expense of attending oral proceedings in response to an appeal which was so clearly inadmissible.

VIII. The appellant proprietor requested that the appeal be declared admissible and that no apportionment of costs be ordered in favour of the respondent.

IX. The respondent opponent requested that the appeal be rejected as inadmissible and that the costs incurred by the attendance at the oral proceedings be awarded.

Reasons for the decision

1. *Alleged substantial procedural violations*

1.1 Unamended minutes

It is undisputed that if the minutes are accurate and complete as they stand there is no basis for concluding that a substantial procedural violation occurred.

1.2 If the minutes were amended

Since the board has no power to amend the minutes it will make the assumption in the appellant's favour, purely *arguendo* and without prejudice to any decision by the opposition division, that the minutes have been amended as requested (point IV above). In the judgement of the board, the minutes thus amended would not show that a substantial procedural violation occurred. It is completely in order for an opposition division to indicate, at the end of the oral debate, what it is minded to do in relation to a set of requests and to ask the party concerned to consider whether, in the light of such indication, they wish to maintain all requests. Furthermore the opposition division is entitled to assume that a professional representative

appreciates the legal consequences of withdrawing a request. If it appears to the opposition division that a party has a mistaken view of these consequences the division should, of course, try to enlighten that party, but it cannot be considered a substantial procedural violation if the division either fails to detect such a mistaken view or, having detected it, fails in the attempt at enlightenment. In the present case the final request filed by the proprietor was not accompanied by any indication, eg a "without prejudice" marking which would have alerted the opposition division to a possible misunderstanding. The requested amendment to the minutes, together with the view of the law argued for by the appellant in his submissions to the board, is consistent with the latter having made a mental reservation, possibly accompanied by a unilateral declaration of his view that his withdrawal of the requests was conditional and without prejudice to his right to appeal. Given that the appellant continues on appeal to maintain this view about conditional withdrawal, the board judges it unlikely that the opposition division would have been able to do more than agree to differ on the law and, for its part, to treat the requests concerned as simply withdrawn both for the purposes of the minutes and of the decision.

1.3 Further allegation

1.3.1 In a letter dated 17 November 2000 and, more fully, in the oral proceedings before the board on 19 December 2000 the appellant presented a different version of the action of the opposition division at the oral proceedings on 23 September 1999 according to which the opposition division indicated that auxiliary request 4

would be granted if and only if it were promoted to main request. This would have constituted a substantial procedural violation, since it would have deprived the proprietor of his right under Article 113(2) EPC to submit or agree the text of the patent to be considered and decided upon, this provision having been interpreted by the EPO Boards of Appeal as including the right to present a plurality of texts by way of main and auxiliary requests.

1.3.2 Here the board faces the evidential problem referred to in decision T 155/88 of 14 July 1989. In that case, which also involved an allegation of improper pressure by the opposition division to promote an auxiliary request to main request, the board observed at point 2.1 of the reasons that it was unable to make a finding as to what actually happened at the oral proceedings before the opposition division. The board then apparently gave weight to the appellant proprietor's delay in reacting to the alleged omission from the minutes - he referred to it for the first time in the statement of grounds of appeal some four and a half months after receipt of the minutes - in deciding not to accept the appellant's version of events.

1.3.3 In the present case, not only does the significantly greater delay count against the appellant, but, even more, the change in the nature of the allegation over time. The allegation that the opposition division had insisted that an allowable auxiliary request could only be accepted if it were made the main request was made for the first time in the appellant's letter dated 17 November 2000, fourteen months after the oral proceedings concerned. The appellant's explanation for

the delay was that he did not anticipate that the board would - wrongly, as he still maintains - view the appeal as likely to be rejected as inadmissible by virtue of the appellant not being adversely affected. Apart from the doubt as to whether a mistake in law can be regarded as a mitigating circumstance, the board notes that although the opponent's response dated 3 August 2000 raised the issue of admissibility under Article 107 EPC, and the board signalled by fax dated 29 August that this would be the sole subject of oral proceedings, nevertheless the appellant's follow-up letter of 15 September 2000, addressed to EPO DG2, requesting amendment of the minutes did not go beyond stating that the opposition division requested the proprietor to drop the main request and auxiliary requests 1 to 3. There was no allegation at that stage that the opposition division had exerted improper pressure by suggesting that non-compliance with its request would result in revocation of the patent, and there was no reference to a substantial procedural violation.

1.3.4 From answers to questions put by the board in the oral proceedings on 19 December 2000 it transpired that, because of the (in the board's judgement, mistaken) view taken by the appellant of the legal effect of a main request being granted, he believed that, on account of the protection against *reformatio in peius,* he would be in a better position as a sole appellant with a patent in amended form than with a revoked patent. Since he saw no advantage in retaining higher order requests which would be refused, the 'half loaf' of auxiliary request 4 with potential *reformatio in peius* protection was preferable to the 'no bread' of revocation without such protection. So long as his view

of the law was upheld he had no complaint about the procedure adopted by the opposition division. It was only when it became clear that the board was unlikely to uphold this view of the law, that, in retrospect, he felt aggrieved by the process whereby he had been induced to promote auxiliary request 4 to main request and came to see it as a substantial procedural violation.

1.3.5 As noted at point 1.2 above, it is entirely appropriate for an opposition division to invite the parties to revise their requests in the light of the debate and in particular in view of any provisional opinions expressed by the division about the allowability of any requests. The opposition division is obliged to explain in good faith what its invitation means but it cannot, in the limit, be responsible for an experienced representative's misinterpretation, especially not for his view of the law.

1.3.6 On the evidence before it, essentially the sequence of events, the internal consistency and plausibility of the accounts given by the parties and the file itself, including the decision under appeal and the minutes, the board judges that the appellant has not convincingly substantiated his allegation that the opposition division insisted on withdrawal of the main request and auxiliary requests 1 to 3 as a condition for the grant of auxiliary request 4.

1.3.7 The appellant's allegation that the opposition division committed a second substantial procedural violation in allegedly assuring the proprietor that his right of appeal would not be affected is difficult to reconcile with the appellant's consistently maintained view that

he himself made his withdrawal conditional and that he was indeed entitled to appeal. It is also difficult to reconcile with the appellant's statement, in answer to a question from the board at the oral proceedings, that he was not misled by the opposition division, that he clearly understood the legal position. The board is accordingly not persuaded that there is any substance to this second allegation of a substantial procedural violation. In particular the board cannot subscribe to the notion that objectively a substantial procedural violation occurred because the opposition division failed to dissuade the proprietor from adhering to a mistaken view about the legal possibility of a conditional withdrawal without prejudice to a right of appeal.

2. *Conditional withdrawal*

It is true that some conditional acts are recognised in the practice of the EPO, the commonest example being an auxiliary request which has effect only if the condition that the main request is refused is met. The auxiliary request for oral proceedings cited by the appellant falls under this heading. It is equally true, however, that many acts are not susceptible of being made subject to conditions. In particular, the appellant's notion of conditional withdrawal of a higher ranking request is not only not part of the practice of the EPO but would conflict with some fundamental principles of legal decision-making. It amounts to reserving a right of appeal even if the valid main request is granted, which means, in effect, regardless of the first instance decision. Such a notion is conceivable within a re-examination procedure but not within an appeal procedure as in the EPC which

only admits appeals against adverse decisions.

3. *Adversely affected - Article 107 EPC*

3.1 Consistently with his view that a conditional withdrawal of a higher ranking request is legally possible, the appellant contests the board's interpretation of the meaning of "adversely affected" in Article 107 EPC, in particular, its application of decisions J 12/85 and T 506/91. The key contention of the appellant, namely that adverse effect should not be judged relative to the main request but should be given a wide interpretation extending to the diminution of scope relative to the granted patent, is, however, not supported by any of the decisions cited by the appellant. In this connection it is important to distinguish between the issue of claim broadening on appeal, which a board of appeal has discretion to permit, subject to the requirements of Article 123(3) EPC, and an appeal by a party whose main request has been granted, which a board of appeal, according to the established jurisprudence of the EPO Boards of Appeal, absent a substantial procedural violation, has no discretion to admit.

3.2 The board does not agree with the appellant's contention that the *ratio* of the "not adversely affected" cases allows the possibility of a different decision if the withdrawal of higher ranking requests is recognised as being conditional. The significance of requests is reviewed and explained fully in decision T 506/91 at point 2.3 of the reasons and, in the judgement of the present board, the implication of that exposition is that, precisely because of its significance for appealability, a party must make at least one request - the main request - which is clear, certain and unconditional.

4. *Scope of the decision*

The board is not persuaded by the appellant's argument that the opinions expressed by the opposition division in the course of the proceedings relating to higher ranking requests which were subsequently withdrawn, constitute appealable decisions. Indeed had the opposition division taken a decision on those requests, the appellant would have been barred from withdrawing them later. A decision within the meaning of Articles 21, 106 and 107 EPC is, in the context of the present case, the formal decision defined by the decision formula in EPO Form 2327 together with EPO Form 2339 specifying the documents on which the decision is based. The purpose of this formula is precisely, in the interests of legal certainty, to distinguish the decision proper from provisional opinions, *obiter* observations, informal comments, etc, expressed and made in the course of the proceedings, which do not form part of the *ratio decidendi,* and to base it directly on the definitive final requests of the parties. As pointed out in decision T 473/98 of

5 September 2000 of this board (to be published), at point 2.4 of the reasons, even if, in the course of the proceedings, an opposition division erroneously refers to an *obiter* finding as a "decision", it is the decision formula, as supported by the *ratio decidendi*, that is determinative.

5. *Costs*

The appellant exercised his right under Article 116(1) EPC to request oral proceedings and the board deemed it expedient and expeditious to hold such proceedings to determine admissibility as a preliminary matter. Given that the oral proceedings enabled the appeal to be decided the board sees no reason of equity for ordering an apportionment of costs. In particular, the appellant's action was neither frivolous nor vexatious and he was fully entitled to develop his arguments in oral proceedings.

Order

For these reasons it is decided that:

1. The appeal is rejected as inadmissible.

2. The request for award of costs is refused.

The Registrar: The Chairman:

M. Hörnell W. J. L. Wheeler