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D E C I S I O N
of 22 June 2004

Case Number: T 0188/02 - 3.4.3

Application Number: 97116645.9

Publication Number: 0814438

IPC: G07D 7/00

Language of the proceedings: EN

Title of invention:
Method and apparatus for discriminating, authenticating and/or counting documents

Applicant:
CUMMINS-ALLISON CORPORATION

Opponent:
-

Headword:
-

Relevant legal provisions:
EPC Art. 76(1), 96(2), 113(1), 123(2)
EPC R. 51(2), 51(3), 68(2)

Keyword:
"Divisional application - added subject-matter (no)"
"Basis of decision - right to be heard"
"Decision - insufficient reasoning"

Decisions cited:
T 0951/92

Catchword:
-

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Beschwerdekammern | Boards of Appeal | Chambres de recours

Case Number: T 0188/02 - 3.4.3

D E C I S I O N
of the Technical Board of Appeal 3.4.3
of 22 June 2004

Appellant: CUMMINS-ALLISON CORPORATION
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Decision under appeal: **Decision of the Examining Division of the European Patent Office posted 26 July 2001 refusing European application No. 97116645.9 pursuant to Article 97(1) EPC.**

Composition of the Board:

Chairman: R. K. Shukla
Members: V. L. P. Frank
P. Mühlens

Summary of Facts and Submissions

I. The appeal lies against the decision of the Examining Division dated 26 July 2001 to refuse the European patent application No. 97 116 645.9, which is a divisional application from the earlier European patent application No. 95 931 767.8 (in the following this application will be referred to as the parent application) on the ground that the divisional application in suit did not comply with the requirements of Article 76(1) EPC.

II. In the sole communication dated 6 September 1999 pursuant to Article 96(2) and Rule 51(2) EPC the Examining Division observed in connection with the objection under Article 76(1) EPC (cf. point 3 of the communication) that:

"The applicant has not indicated from which parts of the parent application as originally filed the present divisional application was derived. It appears that the description and drawings of the present divisional application are identical to the description and drawings of the parent application as originally filed under the PCT, chapter II.

Independent claim 1 appears to be based on independent claim 19 of the parent application as originally filed, however, features were additionally introduced in the claim, whereby there appears to be no basis for the amendments in the claim set of the parent application as originally filed. Independent claims 2 and 4 correspond to neither of the independent claims of the parent application as originally filed. The examining

division is presently of the opinion that neither of the independent claims on file meet the requirements of Article 76(1) EPC.

For each step in the subsequent procedure the examining division asks the applicant to submit in handwritten form on a copy of the parent application as filed under the PCT, chapter II in order to facilitate the examination of the conformity of the amended application with the requirements of Article 76(1) EPC."

III. With his response dated 17 January 2000 the applicant submitted amended claims, comprising a single independent claim, and amended description and figures. A copy of the claims with handwritten indications concerning the origin of the respective features in the parent application as filed was attached.

IV. The Examining Division did not issue a further communication or contact the applicant before issuing the decision under appeal. In the decision it is stated in respect of the objection under Article 76(1) EPC (cf. point 1 of the Statement of Reasons):

"The examining division can find nowhere in the description of the parent application as filed any hint that the invention defined in the independent claims may be amended in the particular way leading to the combination of features listed in independent claim 1 filed 17.01.2000.

Neither the indications submitted by the applicant in his letter dated 17.01.2000 nor the other passages in

the specification of the parent application as originally filed give a clear and unambiguous hint that starting from one of the independent claims as filed features may be deleted, amended and introduced in that particular way.

In fact, independent claim 1 has not the slightest similarity to any of the independent claims of the parent application as originally filed."

The same argument is repeated in the statement:

"In the present case, it is the opinion of the examining division that nowhere in the parent application as filed there is a clear and unambiguous hint that the invention is defined by the combination of features listed in the independent claim of the divisional application. It is also not permissible to mix features of various embodiments to obtain new subject-matter, see e.g. T 284/94".

It was furthermore observed in the decision that the Examining Division did not see how the application could be amended in order to comply with Article 76(1) EPC without contravening the requirements of Article 123(2) EPC (cf. penultimate paragraph of point 3 of the Statement of Reasons).

V. The appellant (applicant) lodged an appeal against the above decision on 28 September 2001, paying the appeal fee on the same day. The statement setting out the grounds of appeal was filed on 30 November 2001.

VI. The appellant requested that the decision under appeal be set aside.

The appellant provided in the letter stating the grounds of appeal a detailed analysis of the features of the claims and the basis for them in the parent application as filed originally. He argued *inter alia* that claim 1 was based on claim 20 of the parent application and on the embodiments of the currency authenticating system disclosed on pages 65 to 68 of the parent application as filed originally. He also argued that claim 1 was based on claim 4 of the divisional application as filed originally and that the requirements of Article 123(2) EPC were, therefore, fulfilled.

VII. The wording of the only independent claim is as follows:

"1. A currency bill authenticating device, comprising:

at least one characteristic detector (2202) retrieving a characteristic information from a bill to be authenticated and generating an output signal,

means (2212) for storing reference information, and

means (2212) for comparing said output signal to said reference information, said comparing means (2212) indicating said bill is counterfeit if said output signal does not satisfactorily compare with said information,

characterized in that

said currency authenticating device have a plurality of sensitivity settings and means (2218) for selecting one of said plurality of sensitivity settings, said reference information being associated with one of said plurality of sensitivity settings selected by said selecting means (2218), and

that said means (2212) for storing reference information stores reference information for a plurality of denominations of bills and said means (2212) for storing stores reference information associated with each of said sensitivity settings for each of said plurality of denominations."

Reasons for the Decision

1. The appeal is admissible.

2. *Article 76(1) EPC*

2.1 According to the decision under appeal, the application did not comply with the requirements of Article 76(1) EPC, since (i) the subject-matter of claim 1 of the application in suit did not have any similarity to any of the independent claims of the parent application as filed and (ii) there was no hint in the specification of the parent application that starting from one of the independent claims of the latter features may be deleted, amended or introduced into the claim to arrive at the combination of the features as defined in claim 1 of the application in suit, ie the divisional application.

2.2 The Board, however, cannot follow the above assertions, since as has been correctly pointed out by the appellant, claim 1 corresponds to independent claim 20 of the parent application and has several features in common therewith as shown below.

2.3 Claim 20 of the parent application specifies a document authenticating device comprising:

(a) A sensor receiving a characteristic information from a document and generating an authentication signal. This feature corresponds to the "at least one characteristic detector (2202)" specified in claim 1 of the application in suit, since the parent application discloses that more than one sensor (eg ultraviolet, fluorescent or magnetic) may be employed in a currency authenticating device (cf. page 65, lines 27 to 32).

(b) A processor for comparing the authentication signal with a reference value and determining the authenticity of the document. This feature corresponds to the means (2212) for comparing the signal to the reference information in claim 1.

(c) A plurality of settings of the reference signal associated with varying degrees of sensitivity. This corresponds to the plurality of sensitivity settings specified in claim 1.

2.4 Moreover, claim 22 of the parent application, which is dependent on claim 20 through dependent claim 21, sets out that (a) the document authenticating device of claim 20 is an authenticating device for a currency

bill of different denominations, (b) that each denomination has a reference signal associated therewith and (c) that settings of said reference signals may be varied, whereby the sensitivity of the authenticating device is varied according to the denomination of the currency bill.

Although claim 21, from which claim 22 depends, specifies that the document authenticating device comprises a unit for discriminating a plurality of document types, such a discriminating unit is not specified in claim 1 of the application in suit. The parent application, however, discloses in respect to a currency authenticating device that the selection of currency bills may be made either by the operator or automatically by the authenticating device itself, ie by a discriminating unit (cf. ibid, page 66 , lines 17 to 24). It follows therefore, that the provision of a discriminating unit in a currency authenticating device is disclosed as an optional feature in the parent application as filed.

2.5 It follows that the only feature of claim 1 of the application in suit which is not specified in claim 22 of the parent application is that reference information for a plurality of denominations of currency bills together with several sensitivity settings for each denomination are stored in the authenticating device.

2.6 The parent application as filed, however, discloses that a currency counter or currency denomination discriminator may be provided with means for adjusting the sensitivity of the UV, fluorescence or magnetic tests. The authentication tests may be set to high or

low sensitivity, eg in a range from 1 to 7, or completely turned off (cf. ibid, page 65, lines 27 to 32; page 66, lines 5 to 7). The sensitivity of the tests may, alternatively, be related to the denomination of the currency bills being authenticated (eg $1, $2, $5, $10, etc), so that higher notes can be examined with a higher sensitivity than lower valued notes. The operator, moreover, may manually select the appropriate denomination mode based on the values of the notes to be processed or this may be done automatically by the system (cf. ibid, page 66, line 15 to page 67, line 11).

In the Board's view, it follows from the above that the threshold values for each test and for the sensitivity settings for each denomination have to be stored in the device so that a comparison with the test results of the currency bills may take place.

2.7 Claims 20 to 22 of the parent application relate to the embodiments of the currency authenticating device disclosed on pages 65 to 68 of the parent application. Although several modifications of the currency authenticating device are presented in the parent application as individual embodiments, they concern in fact alternative features of the same authenticating device which have to be selected in accordance with the requirements arising from the use of the device.

2.8 For the foregoing reasons, in the Board's judgement the invention as defined in claim 1 does not contain subject-matter which extends beyond the content of the parent application and, therefore, complies with Article 76(1) EPC.

3. *Article 123(2) EPC*

3.1 The Board concurs with the appellant that claim 1 of the application in suit is based on claim 4 as filed originally.

Apart from having been cast in a two-part form, claim 1 differs from claim 4 as filed in that instead of specifying "a first characteristic detector" reference is made to "at least one characteristic detector". However, as previously mentioned the application discloses the use of several different sensors (UV, fluorescent, magnetic) in an authenticating device. For this reason, the expression "at least one characteristic detector" does not contravene the requirement of Article 123(2) EPC.

3.2 For these reasons, in the Board's judgement the subject-matter of claim 1 does not extend beyond the content of the application as filed (Article 123(2) EPC).

4. *Procedural matters (Article 113(1) EPC)*

4.1 The appellant has not alleged any procedural violation during the proceedings before the Examining Division. The Board, however, has examined the facts of the case of its own motion pursuant to Article 114(1) EPC and has come to the conclusion that the following procedural violations were committed by the Examining Division.

4.2 It follows form the facts of the case set out in item III above that in its only communication preceding the refusal, the Examining Division had informed the applicant that independent claim 1 did not appear to comply with the requirement of Article 76(1) EPC, since it contained additional features in relation to independent claim 19 of the parent application (on which it was apparently based), which were not derivable from the claims of the parent application (emphasis added by the Board). Thus, although the ground, ie non-compliance with the requirements of Article 76(1) EPC, was identified, neither the features which were considered as offending Article 76(1) EPC were specified nor was there any reasoning given as to why the introduction of the "additional" features extended the subject-matter beyond the content of the parent application. In particular, it was not explained why the "additional" features had to be derivable from the claims of the parent application and why the description of the parent application was not taken into consideration for the requirements of Article 76(1) EPC.

The communication of the Examining Division contained, moreover, an invitation to provide handwritten indications on a copy of the parent application in order that the fulfilment of the requirements of Article 76(1) EPC could be verified (cf. point 7 of the communication of the Examining Division).

4.3 Under Article 113(1) EPC the decisions of the European Patent Office may only be based on grounds or evidence on which the parties concerned have had an opportunity to present their comments.

In the context of the examining procedure Article 113(1) EPC is intended to ensure that before a decision refusing the application is issued, the applicant has been clearly informed of the essential legal and factual reasons on which the finding of non-compliance with the requirements of the EPC is based, so that he knows in advance the reasons as to why the application may be refused and has the opportunity to comment on this reasoning.

4.4 According to the established case law of the Boards of Appeal, the term "grounds or evidence" should not be narrowly interpreted. In particular, in the context of the examination procedure the word "grounds" does not refer merely to a ground of objection to the application in the narrow sense of a requirement of the EPC, but refers to the essential reasoning, both legal and factual, which leads to the refusal of the application (cf. Case Law of the Boards of Appeal of the European Patent Office. 4th edition 2001, VII.B.3.6).

4.5 According to Rule 51(3) EPC every communication pursuant to Article 96(2) EPC shall contain a "reasoned statement" supporting each objection to the application. Although it is clearly impossible to state in general terms when a statement has been sufficiently reasoned to comply with Rule 51(3) EPC, it can be said that the less evident the objection is the more elaborate the reasoning has to be in order to allow the applicant to respond to it.

4.6 Although an invitation to the applicant to identify the basis for the claims may help to expedite the examining procedure, it does not create any obligation upon the applicant nor does it affect the obligations upon the Examining Division to comply with the requirements under Article 96 and 113(1) EPC.

4.7 It was, therefore, necessary for the Examining Division under Article 96(2) EPC to have issued a further communication, after having received the comments of the applicant, identifying specifically the combination of features which were objected to and the reasons why such a combination was not disclosed in the parent application (cf. T 951/92, OJ 1996, 53).

4.8 For the foregoing reasons, in the Board's judgement, the communication of 6 September 1999 did not contain the essential legal and factual reasoning leading to the finding in the subsequent decision that the application did not comply with Article 76(1) EPC. The decision to refuse the application was therefore issued in violation of Article 113(1) EPC.

This amounts, however, to a substantial procedural violation within the meaning of Rule 67 EPC, and in the Board's judgement, it is equitable that the appeal fee be refunded.

4.9 The Board further considers that the decision of the Examining Division to refuse the application in suit does also not contain the necessary legal and factual reasoning as to why the application did not comply with Article 76(1) EPC. Apart from the general statement specifying that the Examining Division could not find

any hint in the parent application that the invention could be amended in the particular way leading to the combination of features of the independent claim 1, there is no factual reasoning identifying the objected features nor the reasons why they could not be combined as in claim 1. The applicant had, furthermore, pointed out in his response to the official communication where the basis for the various amendments to claim 1 were to be found in the description. There is no discussion in the decision, however, as to why the indicated passages of the description do not provide a basis for the amendments to claim 1. It is left to the applicant and to the Board to guess the factual reasons for the objection.

Rule 68(2) EPC, however, requires *inter alia* that the decisions of the EPO which are open to appeal shall be reasoned. This means that the legal and factual reasoning leading to the refusal has to be set out in the decision so that the parties to the proceedings know the case which is to be answered and the Board of Appeal may examine the contested decision (Article 110(1) EPC).

Thus, there was a further substantial procedural violation, since the decision to refuse the application was not reasoned in the sense of Rule 68(2) EPC.

5. Neither in the communication of 6 September 1999 nor in the decision to refuse the application did the Examining Division raise objections based on Article 76(1) or 123(2) EPC against the subject-matter of the dependent claims. The appellant has submitted in the letter setting out the grounds of appeal detailed

arguments as to why the dependent claims 2 to 9 fulfil the requirements of these articles. The application has, moreover, not been examined for substantive requirements of novelty and inventive step.

The Board, therefore, considers it appropriate to remit the case to the first instance department to consider the appellant's arguments on the dependent claims and for the further prosecution of the case (Article 111(1) EPC), ie further examination of the application on the basis of claims 1 to 10 as filed with letter of 11 June 2000.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.

2. The case is remitted to the Examining Division for further prosecution.

3. The appeal fee shall be reimbursed.

The Registrar: The Chairman:

D. Meyfarth R. K. Shukla