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D E C I S I O N
of 12 April 2006

Case Number: T 1222/04 - 3.5.01

Application Number: 98931014.9

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IPC: G06F 12/00

Language of the proceedings: EN

Title of invention:
Data storage/retrieval system

Applicants:
Annex Systems Incorporated, et al

Opponent:
-

Headword:
Data storage system/ANNEX SYSTEMS

Relevant legal provisions:
EPC Art. 21(3), 109(1), 111(1), 113(1)
EPC R. 27(1)(b), 51(3), 67, 71a

Keyword:
"Unconditional reimbursement of appeal fee upon interlocutory revision (no)"
"Incomplete first communication - substantial procedural violation (no)"

Decisions cited:
G 0003/03, J 0032/95, T 0139/87, T 0919/95, T 0021/02

Catchword:
-



Case Number: T 1222/04 - 3.5.01

D E C I S I O N
of the Technical Board of Appeal 3.5.01
of 12 April 2006

Appellants:

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Decision under appeal:

Decision of the Examining Division of the
European Patent Office posted 2 February 2004
refusing European application No. 98931014.9
pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: S. Steinbrener
Members: K. Bumés
G. Weiss

Summary of Facts and Submissions

- I. This case is a residual from an appeal against the decision of the Examining Division posted 2 February 2004 refusing European patent application 98931014.9. The decision under appeal has been rectified by the Examining Division. The appellants' request for reimbursement of the appeal fee has been referred to the Board of Appeal.
- II. *Procedure before the Examining Division*
- (a) On behalf of the Examining Division, the primary examiner issued a first substantive communication (27 June 2002) based on the application documents as filed. An introductory paragraph of the communication stated the "preliminary opinion" that the "application appears to contain patentable matter". A lack-of-clarity objection (Article 84 EPC) was raised because the two original claims included features in parentheses so that it was unclear whether the bracketed features were limiting or not. The communication made a suggestion about how to overcome that objection. Further, the appellants were asked to insert reference numerals into the claims. Three prior art documents were briefly mentioned.
- (b) In response to that communication, the applicants (now appellants) filed a substantially amended set of claims 1 to 6.

- (c) With a communication dated 6 November 2003, the Examining Division summoned the applicants to oral proceedings and raised objections to the amended claims pursuant to Articles 123(2), 83, 84 and Rule 86(4) EPC.
- (d) After two telephone consultations with the primary examiner, the applicants withdrew their request for oral proceedings and requested a decision on the application documents as on file at that time (12 January 2004).
- (e) The Examining Division cancelled the oral proceedings and issued a formal refusal decision (posted 2 February 2004) referring to its objections raised with the summons.
- (f) The applicants filed an appeal (6 April 2004) and a statement of grounds of appeal (14 June 2004) against that decision, submitting two claims which were said to correspond to the original claims 1 and 2 except for amendments meant to overcome the initial lack-of-clarity objections.
- (g) The Examining Division entered into a substantive examination of the claims filed with the statement of grounds of appeal. With a communication dated 9 July 2004, the Examining Division resummoned the appellants to oral proceedings and raised objections pursuant to Articles 84 and 83 EPC. The Examining Division noted that refusal of the application under Article 97(1) EPC was therefore to be expected. At the same time, the Examining Division referred to Rule 86(3) EPC and stated that it would allow further amendments only for remedying the objections raised.

- (h) With a letter of 21 July 2004, the appellants requested reimbursement of the appeal fee in accordance with Rule 67 EPC after their representative had asked the Examining Division for a decision on the appeal in a phone call dated 20 July 2004.

- (i) In a telephone consultation on 1 September 2004, the primary examiner cited the Guidelines for Examination in the EPO, E-XI, part 7, concerning requests for the reimbursement of appeal fees. With respect to potential substantive amendments, the primary examiner reiterated the Examining Division's discretion under Rule 86(3) EPC.

- (j) Using Form 2710 posted on 8 September 2004, the Examining Division finally notified the appellants that rectification pursuant to Article 109(1) EPC was ordered, the decision under appeal was set aside, and the proceedings were continued. On the other hand, the Examining Division refrained from reimbursing the appeal fee and referred the request for reimbursement to the Board of Appeal.

- (k) In response to the second summons, the appellants filed amendments and arguments. Oral proceedings took place on 10 November 2004 at which the Examining Division decided to refuse the application again, for lack of clarity and lack of enabling disclosure (Articles 84 and 83 EPC). No appeal was filed against the second refusal.

III. The Board issued a communication summarising the procedure leading to the first refusal decision. *Prima facie*, the Board did not identify a substantial procedural violation. The appellants were invited to submit arguments in support of their request for reimbursement of the appeal fee.

In response to the appellants' reply and arguments (included in the summary below), the Board summoned the appellants to oral proceedings as requested on an auxiliary basis. In an annex to the summons, the Board referred to decision G 3/03 of the Enlarged Board of Appeal and to facts of the case for discussion at the oral proceedings.

IV. The appellants presented two lines of argument, the first one interpreting the general relationship between Rule 67 EPC and Article 109(1) EPC, and the second one relying on specific facts of the case.

(a) In the appellants' view, an examining division should (i) rectify its decision and reimburse the appeal fee unconditionally or (ii) rectify its decision and grant a patent or (iii) refer the appeal to the Board of Appeal, in particular where the examining division considers the application to have no prospect of success (like in the present case, see point II.g *supra*). Otherwise, i.e. if an examining division rectifies its decision without reimbursing the appeal fee or granting a patent, a second appeal fee may have to be paid before an appellant at last obtains a substantive opinion from the Board or a patent. G 3/03 (point 2 of the reasons, last sentence) states that an appellant is not supposed to be adversely affected by

an interlocutory revision granted by the department of first instance.

According to the appellants, the wording of Rule 67 EPC implies that the appeal fee is always to be reimbursed in the event of interlocutory revision irrespective of any consideration of equity. A substantial procedural violation is a criterion only with respect to appeals allowed by the Board of Appeal. Rule 67 EPC mentions interlocutory revision and a Board's allowance of an appeal although no third possibility of setting a decision aside exists. Hence, the legislative authors of Rule 67 EPC must have intended a differentiation between the two possibilities mentioned.

The appellants asserted that decision G 3/03 of the Enlarged Board of Appeal deals with the correct composition of the Board; other statements on Rule 67 EPC are only *obiter dicta* and might be revised by the Enlarged Board of Appeal. However, when the Board indicated that it was not convinced of the necessity to refer the appellants' interpretation of Rule 67 EPC to the Enlarged Board of Appeal, the appellants refrained from formulating a request in this direction.

- (b) In a second line of argument, the appellants assert a substantial violation of the examining procedure in that they regard the first substantive communication from the Examining Division as incomplete and misleading. If it had been complete, i.e. if the reasons for the second refusal decision had been put forward at the beginning of the examination procedure, the appellants would not have considered the subject-matter of their initial claims to have prospects of

success in an appeal procedure. Thus the deficient first substantive communication of the Examining Division trapped the applicants into filing the appeal and paying the appeal fee.

Moreover, a complete reasoning in the first communication would have prevented the Examining Division from rectifying its decision when faced with the claims submitted upon appeal, i.e. with subject-matter corresponding to the original claims 1 and 2. In other words, the appeal and appeal fee would have helped the appellants immediately to proceed to the Board of Appeal instead of running through a pointless additional loop before the Examining Division. Hence, the appeal would have achieved procedural progress for the appellants if the first communication had been as complete as required by Rule 51(3) EPC and the Guidelines for Examination in the EPO, C-VI, 3.3.

- V. At the end of the oral proceedings, the chairman pronounced the Board's decision.

Reasons for the Decision

1. In its decision G 3/03 (OJ EPO 2005, 344), the Enlarged Board of Appeal confirmed the finding of J 32/95 that in the event of interlocutory revision under Article 109(1) EPC, the department of first instance whose decision has been appealed is not competent to refuse a request of the appellant for reimbursement of the appeal fee. The Enlarged Board further held that the board of appeal which would have been competent under Article 21 EPC to deal with the substantive

issues of the appeal if no interlocutory revision had been granted is competent to decide on the request.

Hence, according to Article 21(3) EPC and the business distribution scheme of the Boards of Appeal, the Technical Board of Appeal 3.5.01 is competent to decide on the present request for reimbursement of the appeal fee.

2. The request for reimbursement was filed before the Examining Division notified the appellants that it rectified the impugned decision; thus, the appeal was pending when the request for reimbursement was received (in line with decision T 21/02). Hence, the procedural situation of the present case is comparable to that underlying decisions G 3/03 and J 32/95, and the conclusions drawn by those decisions can be transferred to the present case.
3. The reimbursement of appeal fees is governed by Rule 67 EPC: "The reimbursement of appeal fees shall be ordered in the event of interlocutory revision or where the Board of Appeal deems an appeal to be allowable, if such reimbursement is equitable by reason of a substantial procedural violation. In the event of interlocutory revision, reimbursement shall be ordered by the department whose decision has been impugned and, in other cases, by the Board of Appeal."
- 3.1 Decision G 3/03 of the Enlarged Board of Appeal states: "From Rule 67 EPC it can be inferred that, in the event of interlocutory revision, a request of the appellant for reimbursement of the appeal fee is to be allowed only where such reimbursement is considered to be

equitable by reason of a substantial procedural violation. Therefore, the grant of interlocutory revision constitutes a necessary, but not sufficient, prerequisite for the department of the first instance to allow such a request under Rule 67 EPC" (point 3.3 of the Reasons).

That statement is contrary to the appellants' suggestion to reimburse the appeal fee unconditionally once interlocutory revision has been granted. Nor is the appellants' interpretation of Rule 67 EPC supported by the preparatory documents to the EPC, see G 3/03, point 3.2 of the Reasons.

3.2 The fact that Rule 67 EPC mentions both interlocutory revision and a Board's allowance of an appeal does not imply that the legislators intended to split the reimbursement criteria. In the Board's judgement, mentioning these possibilities of setting a decision aside only means that the appeal has to be successful, at least in part, before a reimbursement pursuant to Rule 67 EPC can be contemplated under the additional criterion of equity in view of a substantial procedural violation. It may be added that contrary to the appellant's submission a third possibility of setting a decision aside exists under Article 111(1) EPC, viz. remittal to the department of first instance for further prosecution, said possibility not necessarily meeting the requirement of an at least partly successful appeal.

3.3 Hence, the interpretation of Rule 67 EPC is neither unclear nor controversial, nor does the Board see any other necessity to deviate from established case law.

4. In a second line of argument, the appellants see a "substantial procedural violation in the incompleteness of the first communication" issued by the Examining Division. That communication is said to have misled the applicants into filing an appeal based on near-original claims because the first communication qualified the application as containing patentable matter and raised only minor clarity objections to the original claims. After the interlocutory revision, the near-original claims were refused for additional reasons. If the first communication had dealt with the original claims comprehensively, the Examining Division could have referred the appeal immediately to the Board of Appeal, within the same appeal fee, to achieve procedural progress without facing an imminent remittal.

4.1 The Board understands the appellants' disappointment at the level of information provided by the first substantive communication: there was no substantive discussion of the original claims; three prior art documents, categorised "A" in the European search report, were briefly enumerated, apparently for acknowledgement in the description (Rule 27(1)(b) EPC). In particular, the first communication did not cover the grounds which the Examining Division finally used in its second refusal with respect to the near-original claims. Hence, the contents of this communication could in fact be seen as the result of a rather cursory first attempt of substantive examination.

On the other hand, the brevity of the first communication could be explained by the possibility that the primary examiner who drew it up was of the

opinion that protection was possible for the claimed matter ("The application appears to contain patentable matter"). Under these circumstances, it was not necessary for the primary examiner to provide extensive comments. The fact that his preliminary opinion may have been overoptimistic and/or outvoted within the Examining Division - although in general not desirable either - does not amount to a procedural violation.

4.2 The applicants might have obtained more comments on the original claims at an earlier stage if they had pursued those claims in response to the first communication. Instead, they chose to file a set of claims directed at substantially different matter although the first communication had been positive with respect to the original claims. Under these circumstances, the concise first communication even turned out to serve procedural economy.

4.3 The direct cause of the present appeal was the Examining Division's decision to refuse the amended set of claims which differed substantially from the initial claims.

4.3.1 When the applicants filed six amended claims to replace the original claims 1 and 2, the Examining Division's annex to the (first) summons dated 6 November 2003 provided comprehensible reasons for its objections to the amended claims. The fact that those reasons were communicated with summons to oral proceedings was appropriate to the stage which the procedure had reached.

4.3.2 When the applicants withdrew their request for oral proceedings and requested a decision on the application documents as on file (i.e. without filing any additional amendment or argument), the Examining Division had objective reasons to cancel the oral proceedings and issue a formal decision according to the state of the file. In view of the state of the file, the tenor of the decision was no surprise. It is true that the decision is short and the reasoning is provided only in the form of a reference to the argumentation set out in the previous annex to the summons. However, the factual and legal basis of the decision is clear, and the applicants had been given two opportunities to comment on the grounds and arguments underlying the decision (Article 113(1) EPC): They had an opportunity to respond (in writing) to the annex dated 6 November 2003 within a time limit set pursuant to Rule 71a EPC, and they had an opportunity to attend oral proceedings before the Examining Division. The fact that the applicants did not use the first opportunity and abandoned the second opportunity does not arise from any unfair behaviour of the Examining Division.

4.3.3 The Examining Division rectified its refusal decision upon receiving amended (near-original) claims 1 and 2 with the grounds of appeal. However, the rectification was not occasioned by a counter-argumentation against the reasons for the refusal; there was no such argumentation. The appellants did not assert any legal or factual deficiency of the decision but reverted essentially to the original claims 1 and 2 to which the reasons of the decision did not immediately apply. Therefore, the fact that the Examining Division set its

decision aside does not imply an acknowledgement or presumption of any preceding procedural violation.

- 4.3.4 The fact that the Examining Division issued a second refusal decision which might have been the subject of a second appeal in relation to the same application does not imply that the first refusal decision was due to a substantial procedural violation. The case law anticipates the possibility that a second refusal decision may result from the procedure following an interlocutory revision, see T 919/95 (point 2.1, paragraph 1).
5. Regarding the appellants' argument that they should not be adversely affected by the grant of an interlocutory revision (G 3/03, point 2, last sentence), the Board subscribes to that goal but emphasises that Article 109(1) EPC obliges the Examining Division to rectify its decision if it considers the appeal to be admissible and well-founded (see also G 3/03, point 3.4.1). If amendments filed with the appeal render the reasons for refusal inapplicable, the Examining Division has to rectify its decision (see also T 139/87, OJ EPO 1990, 68, as well as other decisions summarised in "Case Law of the Boards of Appeal of the EPO", 4th edition 2001, European Patent Office 2002, chapter VII.D.12). That case law results from the purposes of Article 109(1) EPC, viz. to accelerate proceedings in the interests of the EPO and the appellant and to relieve the Boards of Appeal of unnecessary workload (T 919/95, point 2.1, last sentence; G 3/03, point 3.4.1, first sentence).

It may be questionable whether interlocutory revision should have been granted (by notifying Form 2710) at a point in time when the Examining Division had already communicated reasons for refusing the amended claims (see points II.(g) and II.(j) *supra*). In fact, the Examining Division was acting *ultra vires* when it communicated such reasons before notifying the rectification of its decision.

However, the present appeal lies from a decision which was taken before interlocutory revision was granted. Hence, the interlocutory revision cannot have caused the appeal and the Board cannot consider the interlocutory revision when deciding on whether the procedure leading to the decision under appeal was deficient.

6. Even though the contents of the first communication may have contributed to a course of events considered unfortunate by the appellants, the Board judges that no substantial violation of the examining procedure leading to the decision under appeal has occurred. In conclusion, the pertinent condition of Rule 67 EPC for reimbursing the appeal fee is not met.

Order

For these reasons it is decided that:

The request for reimbursement of the appeal fee is refused.

The Registrar:

The Chairman:

P. Guidi

S. Steinbrener