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**Datasheet for the decision
of 8 February 2007**

Case Number: T 1368/06 - 3.5.03

Application Number: 00986200.4

Publication Number: 1230773

IPC: H04L 27/00

Language of the proceedings: EN

Title of invention:

Analogue to digital and digital to analogue conversion for
broadband transmission

Applicant:

SCIENTIFIC-ATLANTA, INC.

Opponent:

-

Headword:

Conversion for broadband transmission/SCIENTIFIC-ATLANTA

Relevant legal provisions:

EPC Art. 113(1), 111(1)

EPC R. 67

Keyword:

"Basis of decision - opportunity to comment (no)"

"Refund of appeal fee (yes)"

Decisions cited:

G 0003/03, T 0951/92, T 0201/98

Catchword:

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Case Number: T 1368/06 - 3.5.03

D E C I S I O N
of the Technical Board of Appeal 3.5.03
of 8 February 2007

Appellant: SCIENTIFIC-ATLANTA, INC.
I.P.D. (ATL 4.3.517)
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Representative: Holmes, Miles Keeton
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Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 14 February 2006
refusing European application No. 00986200.4
pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: A. S. Clelland
Members: A. J. Madenach
R. Menapace

Summary of Facts and Submissions

- I. European patent application No. 00 986 200.4 is based on an international application for which an international preliminary examination report was drafted by the United States Patent and Trademark office. In a communication according to Article 96(2) EPC, the examining division inter alia raised an objection of lack of novelty against independent claim 11. In response, the appellant submitted a substitute set of claims 1 to 11. The sole independent claim 1 was said to be based on previous claim 11 and the description.
- II. Claim 11 as originally filed, discussed in the international preliminary examination report as well as the examining division's communication, reads as follows:
- "A broadband communication system, comprising:
a transmitting station for receiving a first analog signal and transmitting an optical signal, the transmitting station including:
an analog-to-digital (A/D) converter for converting the first analog signal to a first digital signal having a first number of bits;
an encoder for encoding the first digital signal to generate a second digital signal having a second number of bits less than the first number of bits; and
a transmitter for transmitting the second digital signal as the optical signal; and
a receiving station for processing the optical signal, the receiving station including:
a receiver for receiving the second digital signal;

a decoder for decoding the second digital signal to generate a third digital signal having a third number of bits greater than the second number of bits; and a digital-to-analog (D/A) converter for converting the third digital signal to a second analog signal that approximates the first analog signal."

Claim 1 as subsequently submitted is based on the above claim together with the further feature:

"wherein the encoder encodes according to an encoding map, and wherein the encoding map is determined by encoding calculations that reduces the re-quantization error for frequently transmitted amplitudes of the first analog signal by removing rarely transmitted bits of the first analog signal;"

- III. On 14 February 2006 the examining division issued a decision to refuse the application on the ground that the subject-matter of the amended claim 1 was not new (Article 54 EPC) in view of document WO 91/15927 A ("D1").
- IV. In a notice of appeal of 21 March 2006, the appellant requested that the decision be set aside. In a written statement setting out the grounds of appeal, dated 13 June 2006, the appellant furthermore filed a substitute set of claims 1 to 11.

Refund of the appeal fee was also requested, on the ground that the decision under appeal contravened Article 113(1) EPC in that the examining division had provided new reasons in the decision as to why the subject-matter of amended claim 1 lacked novelty having

regard to the disclosure of D1, in particular concerning the newly added feature of that claim.

- V. The examining division granted interlocutory revision and set aside the decision under appeal (Article 109(1) EPC), but did not allow the request for reimbursement of the appeal fee and referred it to the Board of Appeal.

Reasons for the Decision

1. *Procedural matters*

Where, as in the present case, the department of first instance rectifies its decision under Article 109(1) EPC, but does not allow the request for reimbursement of the appeal fee, 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 - here Board 3.5.03 - is competent to decide on the request for reimbursement (decision of the Enlarged Board of Appeal G 3/03, OJ EPO 2005, 334).

2. *Right to be heard, Article 113(1) EPC*

- 2.1 The present application was refused for lack of novelty after a single communication according to Article 96(2) EPC following an international preliminary examination report. There is no doubt that according to established case law the examining division may indeed refuse an application under such circumstances provided the decision complies with Article 113(1) EPC, i.e. is

based on grounds and evidence on which the appellant has had an opportunity to present comments (T 201/98, not published in the OJ, reasons 1.4 to 1.7). It is furthermore established case law that such a decision may even be taken on the basis of amended claims, provided the amendments do not affect the previous grounds and that the decision is based on arguments derivable from the previous communication (see loc. cit.). Following T 951/92 (OJ 1996, 53) the term "grounds or evidence" in Article 113(1) EPC should not be interpreted narrowly: "in the context of 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 which is considered not to be met. The word "grounds" should rather be interpreted as referring to the essential reasoning, both legal and factual, which leads to refusal of the application. In other words, before a decision is issued an applicant must be informed of the case which he has to meet, and must have an opportunity of meeting it."

- 2.2 In the present case, in response to the examining division's communication the applicant submitted an amended set of claims 1 to 11 on which further examination should be based. Amended claim 1 corresponded to previous claim 11, which according to the communication was said to lack novelty, and further included the feature "wherein the encoder encodes according to an encoding map, and wherein the encoding map is determined by encoding calculations that reduces the re-quantization error for frequently transmitted amplitudes of the first analog signal by removing rarely transmitted bits of the first analog signal".

This additional feature derives from the description, page 4, first and last paragraphs and was not in any of the original claims on which the first communication was based, nor was it discussed in any other context in this communication or in the international preliminary examination report.

The appellant argued that the claimed invention rather than truncating least significant bits as in the prior art dropped bits that were associated with rarely transmitted bits. This was achieved by the use of the newly added feature of an encoding map which allowed the determination of the amplitude probability of signals based upon which rarely transmitted bits of the first analog signal could be removed.

2.3 The examining division stated in their reasons for the decision with respect to this feature that "all the arguments of the present decision are reflecting all the objections and cited passages in the communication". With reference to D1, page 7, lines 20-24 they argued furthermore "this already discloses in an implicit form, which is however, unambiguous to the skilled person, that the companding map in the companding system, as disclosed by document D1, reduces the re-quantization error for frequently transmitted amplitudes of the first analog signal by removing rarely transmitted bits of the first analog signal."

2.4 The introduction of a new feature into a claim which was not identified in a previous communication creates a new situation. According the examining division's own reasoning in the decision under appeal this newly introduced feature required a new argument, beyond the

reasoning in the communication, namely that of a specific **implicit** disclosure in a document forming part of the state of the art. This approach was new and far from self-evident, so that the applicant had no reason to take it into account, either in formulating the claims or by presenting counterarguments.

- 2.5 Since the reasoning in the examining division's decision thus goes beyond the reasoning in the communication and the appellant has not had an opportunity to present his comments on all grounds on which the decision under appeal is based, it was taken in breach of Article 113(1) EPC.

3. *Substantial procedural violation, Rule 67 EPC*

According to established case law, violations of Article 113(1) EPC are substantial procedural violations within the meaning of Rule 67 EPC (T 951/92, OJ 1996, 53). Thus, reimbursement of the appeal fee is equitable in the circumstances of the case.

Order

For these reasons it is decided that:

Reimbursement of the appeal fee is ordered.

The Registrar

The Chairman

D. Magliano

A. S. Clelland