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**Datasheet for the decision
of 16 June 2008**

Case Number: T 1747/06 - 3.5.03

Application Number: 95909248.7

Publication Number: 0688480

IPC: H04H 1/00

Language of the proceedings: EN

Title of invention:

A method and system for audio information dissemination using various transmission modes

Respondent/Patentee:

Command Audio Corporation

Appellant/Opponent:

IGR GmbH & Co.KG

Headword:

Audio information dissemination/COMMAND AUDIO CORPORATION

Relevant legal provisions:

EPC Art. 111, 113
RPBA Art. 8, 11

Relevant legal provisions (EPC 1973):

EPC R. 68

Keyword:

"Decision reasoned (no)"
"Right to be heard respected (no)"
"Substantial procedural violation (yes)"
"Remittal (yes)"
"Reimbursement of appeal fee (yes)"

Decisions cited:

G 0009/91, G 0009/92, T 0856/91, T 0508/01, T 0263/05,
T 1366/05

Catchword:

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Case Number: T 1747/06 - 3.5.03

D E C I S I O N
of the Technical Board of Appeal 3.5.03
of 16 June 2008

Appellant: IGR GmbH & Co. KG
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Decision under appeal: Interlocutory decision of the opposition
division of the European Patent Office posted
31 July 2006 concerning maintenance of European
patent No. 0688480 in amended form.

Composition of the Board:

Chairman: A. S. Clelland
Members: F. van der Voort
R. Moufang

Summary of Facts and Submissions

- I. This appeal is against the decision of the opposition division finding European patent No. 0 688 480 in amended form to meet the requirements of the EPC.
- II. The opposition was filed against the patent as a whole and on the grounds that the claimed subject-matter was not new and did not involve an inventive step (Article 100(a) EPC).

In support of the arguments the opponent referred to the following documents:

- E1: WO 87/04309 A;
- E2: US 4 682 368 A;
- E3: FR 2 651 352 A;
- E4: US 5 206 641 A;
- E5: US 5 152 011 A;
- E6: US 4 852 086 A;
- E7: DE 42 01 031 A;
- E8: EP 0 188 364 B;
- E9: Technische Richtlinie ARD/ZDF, Nr. 8R2: Video-Programm-System (VPS), Institut für Rundfunktechnik, 4 December 1984, pages 1 to 8; and

E10: US 4 751 578 A.

III. The decision of the opposition division includes an annex with the heading "Grounds for the decision" which reads as follows:

"The present invention relates to a method and corresponding receiver of [*sic*] accessing data carried by a broadcast signal as set forth in claims 1 and 6, which allow to implement a radio-on-demand system in which data extracted from the broadcast signal is stored in a hierarchical database in a compressed form. In this manner, data required by a user can be stored and accessed in a way using a conventional broadcast signal (e.g. a narrow-band subcarrier) and therefore no modifications of the broadcast system infrastructure are necessary.

This solution is not disclosed or rendered obvious by the available prior art documents.

Consequently, the requirements of the EPC are fulfilled and the patent in amended form can be maintained.

The single request present on file corresponds to the first auxiliary request filed by fax on 06.06.2006. In the oral proceedings the proprietor changed this request [*sic*] to a single request and dropped the previous main request and three additional auxiliary requests."

IV. The opponent (appellant) lodged an appeal against the decision and requested that the impugned decision be set aside, and that the patent be revoked in its entirety. Oral proceedings were conditionally requested.

In the statement of grounds of appeal the appellant additionally referred to the following documents:

E11: EP 0 513 925 A; and

E12: A. Poignet, "New Data Services using Digital Audio Broadcasting Channels, NAB Radio Montreux, 10 to 13 June 1992, Engineering Symposium Record, pages 289 to 306.

V. The board, in a different composition to the present one, issued a communication in which it stated that it would appear that the decision did not satisfy the requirements of Rule 68(2) EPC 1973 and that the board was minded to remit the case to the department of first instance in accordance with Article 10 RPBA (as valid at the time, see EPO OJ 2004, 541, and EPO OJ 2003, 89) and to order the reimbursement of the appeal fee in accordance with Rule 67 EPC 1973. The parties were invited to file their observations.

VI. In reply to the communication the respondent (proprietor) objected to the proposed remittal and submitted arguments against a remittal.

VII. The appellant also filed a reply and stated that it did not object to a remittal. Further, the request for oral proceedings was withdrawn in the event that the board was minded to remit the case to the department of first

instance and to order the reimbursement of the appeal fee.

VIII. In a second communication, the board, again in said different composition, informed the parties that the board would consider whether or not the case was to be remitted to the department of first instance.

In a subsequent third communication, the board, still in said different composition, informed the parties as follows:

"1. The board has decided in the interests of procedural economy not to remit the case to the department of first instance at this stage.

2. The original period set for submissions by the respondent is extended by two months."

IX. The respondent subsequently filed a substantive response to the statement of grounds of appeal. The respondent requested that the patent be maintained in the version as decided upon by the opposition division and presented arguments in support. The respondent further requested that oral proceedings be appointed.

X. The appellant thereupon filed a reply in response to the respondent's submissions. In support of its arguments, the appellant additionally referred to the following document:

E13: V. Brugliera, "Digital On-Screen Display - A New Technology for the Consumer Interface", Cable TV Sessions, Montreux, 10 to 15 June 1993,

Proceedings of the International Television Symposium and Technical Exhibition, pages 571 to 586.

XI. On 9 November 2007, the composition of the board was changed due to the fact that the former rapporteur had been appointed as chairman of another board.

XII. The parties were summoned by the board, in its present composition, to oral proceedings. In a communication accompanying the summons, the board gave its preliminary view that the impugned decision was not reasoned in the sense of Rule 68(2) EPC 1973, which amounted to a substantial procedural violation, and that in accordance with Article 11 RPBA (see OJ EPO 2007, 536) the case should be remitted to the department of first instance without consideration of the substantive issues, since no special reasons presented themselves for doing otherwise. The appeal therefore appeared to be allowable and the board considered that it would be equitable by reason of the substantial procedural violation to reimburse the appeal fee.

The board informed the parties that the only issue to be discussed at the oral proceedings would be the issue of whether or not the case is to be remitted. The respondent was requested to clarify whether its request for oral proceedings was intended to apply in the event that the board was minded to remit the case. Further, if at the oral proceedings the board were to decide that the impugned decision is reasoned, the proceedings would be continued in writing.

- XIII. In reply to the summons, the respondent informed the board that its request for oral proceedings was in respect of the substantive appeal and that it would not attend the scheduled oral proceedings. Further arguments against the remittal of the case were presented and the respondent requested that if the board was minded to remit the case that "the remittal be limited to a request to the Opposition Division to provide a more detailed version of their original decision".
- XIV. In reply to the summons the appellant informed the board that it would not attend the oral proceedings.
- XV. Oral proceedings were held on 16 June 2008 in the absence of the parties. At the end of the oral proceedings, after deliberation, the board's decision was announced.

Reasons for the Decision

1. The board interprets the respondent's requests (see points IX and XIII above) such that it is requested, by way of a main request, that the appeal be dismissed and, by way of an auxiliary request, that the case be remitted to the department of first instance with the order that a decision with the same tenor as the decision under appeal is issued, in which the decision is reasoned.
2. *Rule 68(2) EPC 1973*
 - 2.1 The decision under appeal is not reasoned for the following reasons:

2.2 In order to comply with the requirement of Rule 68(2) EPC 1973, a decision must contain, in a logical sequence, those arguments which justify its tenor. Hence, all the facts, evidence and arguments which are essential to the decision must be discussed in sufficient detail in order to enable the parties and, in case of an appeal, the board of appeal to examine whether the decision was justified or not.

2.3 In the present case, the opposition division decided that the patent in amended form met the requirements of the EPC. The "Grounds for the decision" (see point III above) consists of four paragraphs, none of which, however, includes reasons for the decision:

The first paragraph, which is the longest, merely gives a brief summary of the claimed subject-matter and the advantages apparently obtained.

The second paragraph merely contains a statement that the claimed subject-matter is not disclosed or rendered obvious by the available prior art documents. It is unclear which documents represent "the available prior art documents". In fact, the decision does not mention any document at all.

The third paragraph merely contains the conclusion that the requirements of the EPC are met and that the patent can be maintained in amended form. A conclusion does not however constitute a reasoning within the meaning of Rule 68(2) EPC 1973.

The fourth paragraph relates to procedural issues only,

i.e. facts and submissions, and does not include any reasoning either.

- 2.4 Further, it is unclear whether or not the above-mentioned summary, statement and conclusion (see point 2.3 above) actually reflect the view of the opposition division or merely that of, e.g., the patent proprietor (see also T 1366/05, not published in OJ).

It is also unclear whether or not any of the documents E1 to E10 as cited by the opponent and, in particular, the specific passages referred to by the opponent in support of its arguments have been considered by the opposition division in arriving at their decision and, if they were considered, for which reasons these documents do not anticipate the claimed subject-matter or render the latter obvious for a person skilled in the art, taking into account the common general knowledge.

Further, the board notes that in the course of the opposition proceedings the claims have been amended. In accordance with G 9/91 (OJ EPO 1993, 408, point 19), in case of amendments made by the proprietor during the opposition proceedings, such amendments are to be fully examined as to their compatibility with the requirements of the EPC, e.g. Article 123 EPC. The decision under appeal, which is a decision pursuant to Article 102(3) EPC 1973, does not however indicate whether the amendments comply with the requirements of the EPC.

- 2.5 The respondent argued that in T 856/91 (not published in OJ EPO) the board took the view that an incomplete decision did not constitute a breach of Rule 68(2) EPC 1973 since it was sufficient for a decision to be

reasoned in some way, even if the reasoning was incomplete and deficient.

The facts of the cited case differ however essentially from those of the present case. T 856/91 dealt with the specific question of whether or not references in the reasoning of the decision to the knowledge of recognized experts and to a statement of a recognized expert in the context of what a person skilled in the art could derive from a specifically cited prior art document, without it being clear who these experts were or what exactly the statement was, resulted in the decision being not reasoned. The board concluded that the decision was reasoned even if the reasoning was incomplete and deficient. In the present case however, as pointed out above, no reasoning was given at all.

2.6 In the absence of any proper reasoning for the conclusion that the patent in amended form meets the requirements of the EPC, the board concludes that the decision violates Rule 68(2) EPC 1973 (cf. Rule 111(2) EPC).

3. *Article 113(1) EPC*

3.1 The board also notes that the relevant arguments submitted by the opponent in the notice of opposition and in the submission dated 17 June 2005 have not been addressed in the decision. Hence, it is unclear whether or not the opposition division has taken these arguments into account.

3.2 Article 113(1) EPC stipulates that 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 board's view, this right to be heard encompasses both the right to present comments and to have these comments be seen to be taken into account in the decision (following T 508/01, point 4, not published in OJ EPO).

3.3 The board therefore concludes that the decision under appeal does not comply with the requirements of Article 113(1) EPC.

4. *The respondent's main request*

4.1 Following the established case law, the above-mentioned violations of Rule 68(2) EPC 1973 and Article 113(1) EPC amount to substantial procedural violations in the sense of Rule 103(1)(a) EPC and to fundamental deficiencies in the sense of Article 11 RPBA (OJ EPO 2007, 536).

4.2 Article 11 RPBA stipulates that a board shall remit a case to the department of first instance if fundamental deficiencies are apparent in the first-instance proceedings, unless special reasons present themselves for doing otherwise.

4.3 The respondent's arguments against a remittal to the department of first instance may be summarised as follows:

- i) the decision was reasoned;
- ii) the appellant did not argue that the decision was inadequate, i.e. not reasoned;
- iii) the appellant did not request remittal;
- iv) remittal would be grossly unfair to the

proprietor, since delay would give rise to significant commercial cost to the proprietor; and v) remittal would not be in the interest of procedural economy and efficiency, since it would imply, at least in part, a repetition of the opposition proceedings which had already been brought to a conclusion.

In relation to the argument that the appellant did not argue that the decision was inadequate (see ii)), the respondent cited T 263/05 (to be published in OJ EPO) in which it was held that "The function of a Board of Appeal is not to examine the whole of the decision under appeal in order to see whether or not it was correct. Rather, the extent of the appeal proceedings is determined by the admissible requests of the parties (see, eg, decision G 9/92 (OJ EPO 1994, 875)), as substantiated in accordance with the Boards' Rules of Procedure." (point 7.10 of the reasons).

The respondent further argued that, since the appellant had filed a notice of appeal and a statement of grounds of appeal and the respondent had given a fully argued reply, the board had everything necessary "in order to decide the appeal", which the board understands as the respondent arguing that the board is in a position to decide the appeal without a remittal to the department of first instance for further prosecution being necessary.

4.4 These arguments are not convincing for the following reasons:

- 4.4.1 Re i): For the reasons given at point 2 above, in the judgement of the board, the decision is not reasoned.
- 4.4.2 Re ii): Whether or not the appellant argued that the decision was inadequate or not reasoned, is not relevant, since, in accordance with Article 114(1) EPC, the board shall examine the facts of its own motion and, hence, shall not be restricted in this examination to the facts, evidence and arguments provided by the appellant.

In relation to T 263/05 cited by the respondent, the board notes the following. As pointed out in G 9/91 (OJ EPO 1993, 408), in contrast to the merely administrative character of the opposition procedure, the appeal procedure is to be considered a judicial procedure, which by its very nature is less investigative than an administrative procedure. Article 114(1) EPC should therefore generally be applied in a more restrictive manner in an appeal procedure than in an opposition procedure (point 18 of the reasons). Further, the principle of party disposition applies to the proceedings (see G 9/92, OJ EPO 1994, 875). In T 263/05 it was accordingly held that the board's obligation is to decide the appeal on the basis of admissible requests of the parties and the case advanced by each party in accordance with the Rules of Procedure of the Boards of Appeal (see point 7.17 of the reasons) and that the function of a Board of Appeal is not to examine the whole of the decision under appeal in order to see whether or not it was correct. Rather, the extent of the appeal proceedings is determined by the admissible requests of the parties, as substantiated in accordance with the Boards' Rules of Procedure (see point 7.10 of the reasons).

The present decision is fully in line with the above considerations, since although G 9/91, G 9/92 and T 263/05 make it clear that the principle of *ex officio* examination is restricted in appeal proceedings, this cannot be equated with the boards of appeal being prohibited to examine the facts of its own motion in accordance with Article 114(1) EPC. In the present case, in examining the facts of its own motion, the board came to the conclusion that the decision did not comply with Rule 68(2) EPC 1973 (see point 2 above). Consequently, the board is completely left in the dark as to how the opposition division came to its conclusion. It is left up to the board to provide some speculative reasoning in support of the decision. In the board's view, precisely this is not in accordance with the judicial character of the appeal proceedings as pointed out in the above-mentioned decisions. The board is therefore not in a position to consider the substantive issues of the case, irrespective of whether or not a notice of appeal, a statement of grounds of appeal and a fully argued reply are on file.

- 4.4.3 Re iii): In the present case, a decision to remit the case is fully in compliance with the principle of party disposition, see G 9/92 (point 1 of the reasons) and T 263/05 (point 7.17 of the reasons), since a remittal requires that the decision of the opposition division be set aside and a separate request to this effect was explicitly included in the notice of appeal (see point IV above).

In any case, pursuant to Article 111(1) EPC, the board has a discretion to remit the case to the department of

first instance. Whether or not the appellant requested that the case be remitted is therefore not a prerequisite for ordering a remittal.

4.4.4 Re iv) and v): The fact that a remittal introduces a further delay or additional costs does not qualify as a "special reason" in the sense of Article 11 RPBA, since any remittal necessarily gives rise to a further delay and additional costs. If this fact were to qualify as a "special reason", remittal would never be possible, which is contrary to Article 111(1) EPC. The same applies to the argument that a remittal would imply, at least in part, a repetition of opposition proceedings. The board further notes that during the appeal proceedings the respondent did not file a request for accelerated processing (see OJ EPO 2008, 220, and OJ EPO 1998, 362).

4.5 In the absence of special reasons presenting themselves for doing otherwise, the board concludes that the decision is to be set aside and that the case is to be remitted to the department of first instance without consideration of the substantive issues in accordance with Article 11 RPBA.

4.6 The respondent's main request that the appeal be dismissed is therefore refused.

5. *The respondent's auxiliary request*

5.1 By way of an auxiliary request, the respondent requested that the case be remitted to the department of first instance with the order that a decision with the same tenor as the decision under appeal be issued, in which

the decision is reasoned.

5.2 This request cannot be allowed for the following reasons:

5.2.1 For the reasons given at point 4 above, the case is to be remitted to the department of first instance in accordance with Article 11 RPBA without consideration of the substantive issues.

5.2.2 It cannot be excluded that the opposition division, on taking properly into account the evidence and arguments submitted by the opponent/appellant, will come to a different conclusion. A different conclusion may also be arrived at in view of the documents E11 to E13 filed in the appeal proceedings, if these documents are admitted to the proceedings. The question of whether or not these documents are to be admitted to the opposition proceedings pursuant to Article 114(2) EPC is a matter to be decided upon by the opposition division.

5.2.3 Further, since the decision of the opposition division is to be set aside, the opposition division will not be bound by its previous decision. On remittal the opposition division will only be bound by the *ratio decidendi* of the board's decision, Article 111(2) EPC. Since the case is to be remitted to the department of first instance without consideration of the substantive issues, the *ratio decidendi* of the present decision does not concern the substantive issues of patentability. Nothing the board says could therefore have any binding effect so far as these substantive issues are concerned.

5.3 The respondent's auxiliary request is therefore refused.

6. *Reimbursement of the appeal fee*

6.1 The respondent argued that the allowability of the appeal is a precondition for a reimbursement of the appeal fee and that, since the board suggested that the appeal is not allowable, a reimbursement of the appeal fee cannot be made.

6.2 The board notes however that, in the present case, at least the appellant's request that the decision be set aside is allowable. A partially allowable appeal does not exclude a refund of the appeal fee pursuant to Rule 103(1)(a) EPC (cf. Rule 67 EPC 1973), since this rule does not require that the appeal be fully allowable.

6.3 The board holds that it is equitable by reason of the substantial procedural violations (see points 2 and 3 above) to reimburse the appeal fee (Rule 103(1)(a) EPC).

7. *Procedural matters*

7.1 The respondent submitted that the board had committed a procedural violation for the following reasons:

"On 8th March 2007 the Board of Appeal decided, in the interest of procedural economy, not to remit the case and invited the respondents to submit a response to the Grounds of Appeal. It is expensive to prepare and file a response to the Grounds of Appeal. It is, we submit, a procedural violation to require the proprietors to prepare and submit a response to the Grounds of Appeal and then to overturn the decision of 8th March 2007. The circumstances have not changed since the decision of 8th March 2007 to proceed with the appeal was made."

- 7.2 The board notes however that in the communication the respondent refers to (see point VIII above), the parties were merely informed that the board had decided in the interests of procedural economy not to remit the case to the department of first instance at that stage. In any case, even if the communication were interpreted as an interim decision in the sense of Article 8(2) RPBA, the board would be free to decide at a later stage that the case is to be remitted. Further, in the communication, the respondent was not called upon to submit a reply. Rather, it was merely stated that the period for submitting a reply was extended by two months. Whether or not a reply is filed is the respondent's own choice.
- 7.3 Hence, the board cannot see any procedural violation in now taking the decision that the case is to be remitted to the department of first instance.

Order

For these reasons it is decided that:

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

The Registrar:

The Chairman:

D. Magliano

A. S. Clelland