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**Datasheet for the decision  
of 13 February 2018**

**Case Number:** T 1567/17 - 3.5.04

**Application Number:** 11159199.6

**Publication Number:** 2458862

**IPC:** H04N19/107, H04N19/117,  
H04N19/182, H04N19/46,  
H04N19/61, H04N19/82, H04N19/86

**Language of the proceedings:** EN

**Title of invention:**  
Apparatus and method of offset correction for video coding

**Applicant:**  
HFI Innovation Inc.

**Headword:**

**Relevant legal provisions:**  
EPC Art. 113(1)  
EPC R. 71(3), 71(6), 99(1)(c), 99(2), 103(1)(a), 111(2)  
RPBA Art. 11

**Keyword:**

Admissibility of appeal - notice of appeal - request defining subject of appeal (yes)  
Right to be heard - opportunity to comment (no) - appealed decision sufficiently reasoned (no)  
Remittal to the department of first instance and reimbursement of the appeal fee - fundamental deficiency in first instance proceedings (yes)

**Decisions cited:**

G 0001/88, T 0153/89, T 0727/91, T 0273/92, T 1066/96,  
T 0685/98, T 1205/12

**Catchword:**

The applicant's remark in a response under Rule 71(6) EPC that an amended feature "can also be omitted if regarded as violating Article 123(2) EPC" cannot be construed as waiving its right to be heard and its right to a reasoned decision in case the application were to be refused. Rather, this remark merely intimates that the applicant would accept the issue of a new communication under Rule 71(3) EPC on the basis of the amended set of claims without said feature (Reasons, points 2.1 to 2.3.1).



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Case Number: T 1567/17 - 3.5.04

**D E C I S I O N**  
**of Technical Board of Appeal 3.5.04**  
**of 13 February 2018**

**Appellant:**  
(Applicant)

HFI Innovation Inc.  
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**Representative:**

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**Decision under appeal:**

**Decision of the Examining Division of the  
European Patent Office posted on 4 April 2017  
refusing European patent application  
No 11159199.6 pursuant to Article 97(2) EPC.**

**Composition of the Board:**

**Chairman** C. Kunzelmann  
**Members:** G. Decker  
R. Gerdes

## Summary of Facts and Submissions

- I. The appeal is against the decision of the examining division refusing European patent application No. 11 159 199.6.
- II. At the oral proceedings before the examining division, the appellant submitted a set of claims 1 to 24 according to an original fourth auxiliary request which the examining division found not to be allowable under Articles 52(1) and 56 EPC. Independent method claim 1 of the original fourth auxiliary request reads as follows:

*"A method for adaptive offset processing of reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data, the method comprising:*

*receiving the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data;*  
*selecting a region for the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data, wherein the region is a partial picture;*  
*determining a class for each of pixels in the region of the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data based on characteristic measurement of said each of the pixels, wherein the characteristic measurement is related to intensity;*  
*determining intensity offset for the class according to the pixels in the region of the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data and respective pixels in a respective region of associated original video data; and*  
*compensating the region of the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data by adding the intensity offset for the class to*

*the pixels of the region of the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data,*

*wherein said determining a class for each of pixels in the region comprises classifying each pixel in the region into N bands, and wherein the N bands are divided into two groups where one group of bands is designated for offset correction and the other group of bands is designated for no offset correction."*

The further independent apparatus and method claims 11, 14 and 22 of the original fourth auxiliary request contain an identical or equivalently formulated last paragraph.

III. After the appellant had filed an amended set of claims 1 to 18 according to an amended fourth auxiliary request, the examining division concluded the oral proceedings by announcing its intention to grant a European patent based on said amended fourth auxiliary request. Its independent claim 1 reads as follows (deletions compared to claim 1 of the original fourth auxiliary request are indicated in strikethrough, additions in bold and underlined):

*"A method for adaptive offset processing of reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data, the method comprising:*

*receiving the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data;  
selecting a region **of a picture** for the reconstructed, deblocked reconstructed or deblocked-and-loop filtered reconstructed video data, ~~wherein the region is a partial picture;~~*

...

wherein said determining a class for each of pixels in the region comprises classifying each pixel in the region into 2N bands, ~~and wherein the 2N bands are divided~~ **assigned** into two groups, **wherein one group comprises the central N bands and the other group comprises the remaining N bands**, wherein one group ~~of bands~~ is designated for offset correction and the other group ~~of bands~~ is designated for no offset correction."

The further independent apparatus and method claims 8, 11 and 16 of the amended fourth auxiliary request were modified accordingly.

- IV. With a subsequent communication under Rule 71(3) EPC dated 12 December 2016, the examining division confirmed its orally expressed intention to grant a European patent based on the amended fourth auxiliary request. At the same time, it made formal amendments under Rules 43(1) and 48(1)(c) EPC, thereby indicating the text, the drawings and the related bibliographic data of the application on the basis of which it intended to grant the European patent.
- V. In response to the examining division's communication, the appellant with letter dated 22 February 2017 declared that it did not approve the communicated text and requested that the examination proceedings be resumed. It filed a single request with a new set of claims 1 to 18 and provided arguments in support of the patentability of the newly submitted claims. It did not file a new request for oral proceedings. The last paragraph of independent claims 1, 8, 11 and 16 (i.e. the characterising portion) was amended and reads as follows (added features compared to independent claim 1

of the original fourth auxiliary request, see point II above, are underlined and bold, deletions are indicated in strikethrough):

"~~wherein~~ **characterized in that** said determining a class for each of pixels in the region comprises classifying each pixel in the region into N bands, ~~and wherein the N bands are divided~~ **assigned** into two groups, **wherein a first group comprises a plurality of continuous bands and a second group comprises a plurality of remaining bands,** ~~wherein one~~ **the first** group ~~of bands~~ is designated for offset correction and the other **second** group ~~of bands~~ is designated for no offset correction, **decision for the first and second groups is made on a region by region basis, and only the intensity offsets for the first group are provided to a decoder for offset correction.**"

As regards the added feature of "continuous bands", the appellant indicated the alleged basis for it in the application as filed but stated at the same time that it "can also be omitted if regarded as violating Art 123(2)EPC".

VI. Thereafter the examining division directly issued the decision under appeal. The reasons for the decision may be summarised as follows:

(a) The rewording "continuous bands" in the independent claims of the request on file gave rise *prima facie* to a further objection under Article 123(2) EPC (see decision under appeal, points 2 and 2.1 of the reasons).

(b) Furthermore, the scope of protection of the newly filed independent claims 1, 8, 11 and 16 was considered unchanged compared to that of

corresponding independent claims 1, 11, 14 and 22 of the original fourth auxiliary request, the reason being that the rewording of said claims was not understood as introducing any further limitation in terms of technical features, but was considered redundant. The subject-matter of the independent claims of the original fourth auxiliary request had been thoroughly and completely discussed during the oral proceedings, the essentials of the discussion being summarised in paragraphs 4.7 to 4.10 of the minutes. During the oral proceedings the appellant had also made submissions fully corresponding to those in its letter of 22 February 2017 (see decision under appeal, points 3 to 3.2 of the reasons).

However, the original fourth auxiliary request had already been deemed not allowable by the examining division, which had given its reasoning during the oral proceedings. In points 4 to 4.3 of its decision, the examining division provided this reasoning again in detail. It argued that the solution proposed in claim 1 filed with the letter dated 22 February 2017 could not be considered to involve an inventive step, Articles 52(1) and 56 EPC. The subject-matter of claim 1 differed from the method known from document D1 as closest prior art in the additional features according to the characterising portion of the claim except for the classification of each pixel in the region into N bands, which was also disclosed in D1. The additional features were, however, known from common general knowledge as providing the same advantages as in the present application.



(c) For these reasons, the only request then on file was not admitted into the proceedings under the discretion provided for in Rule 137(3) EPC. As a consequence, in the absence of an admissible and allowable request, the application was refused pursuant to Article 97(2) EPC.

VII. After having filed notice of appeal in which it stated that the impugned decision was "*contested as a whole*", the appellant with its subsequent statement setting out the grounds of appeal only filed a set of claims 1 to 18 according to an auxiliary request 1, explaining that the term "*continuous*" in claims 1, 8, 11 and 16 of this auxiliary request was deleted. The appellant did not, either in the notice of appeal or in the statement of grounds, explicitly identify or file a set of claims according to a main request. Nor did it file requests to remit the case to the department of first instance, to reimburse the appeal fee or to hold oral proceedings.

VIII. The appellant's arguments, as far as they are relevant to the present decision, may be summarised as follows:

The idea behind Rule 71(3) EPC was that an applicant could re-enter the examination proceedings if it did not agree with the proposed claims. In the present case, the claims filed by the appellant after the examining division's communication under Rule 71(3) EPC had not been part of the previous proceedings. However, the examining division rejected the new claims without giving the appellant a further possibility to respond to its arguments. As a consequence, the appellant's right to be heard according to Articles 125 and 113(1) EPC had been violated.

## Reasons for the Decision

### 1. *Admissibility of the appeal*

1.1 In a situation such as the present case in which the request filed in the appeal proceedings does not expressly identify the subject of the appeal and the extent to which the decision is to be amended, as required by Rule 99(1)(c), (2) EPC, the latter can be ascertained from the appellant's overall submissions (see T 727/91, Reasons 1; T 273/92, Reasons 1).

1.2 On the one hand, the appellant stated in its notice of appeal that it contested the impugned decision as a whole. On the other hand, in its statement of grounds of appeal it defined its auxiliary request by appending the corresponding set of claims to the statement of grounds of appeal and by explaining that the term "*continuous*" in claims 1, 8, 11 and 16 was deleted, without expressly citing the original basis from which it had deleted said term. However, it is evident from the file that the feature "*continuous bands*" was first introduced by the appellant in the set of claims filed with letter of 22 February 2017 and that in the claims of the auxiliary request the word "*continuous*" has been deleted from the claims filed with the letter dated 22 February 2017.

1.3 Therefore, although the appellant did not explicitly state the content of its main request, it is clear that it requested the board to set the decision under appeal aside and to grant a patent on the basis of the documents of the European patent application to which the decision under appeal referred, in particular the

set of claims 1 to 18 filed with letter of 22 February 2017.

1.4 Since the appeal also complies with the further requirements of Articles 106 to 108 and Rule 99 EPC, it is admissible.

2. *Substantial procedural violation - violation of the right to be heard*

2.1 After the examining division's communication under Rule 71(3) EPC, the appellant under Rule 71(6) EPC did not approve the communicated text and requested reasoned amendments to it. In this situation, if the examining division does not give its consent to the amendments requested, Rule 71(6), second half-sentence, EPC stipulates that "*it shall resume the examination proceedings*". This consequence is an embodiment of the fundamental principle of the right to be heard laid down in Article 113(1) EPC, according to which decisions of the EPO may only be based on grounds on which the parties concerned have had an opportunity to present their comments (see also T 1066/96, Reasons 2.2 and 3.2, regarding the previous provision in Rule 51(6) EPC 1973: "*If the Examining Division does not consent to an amendment or correction requested under paragraph 5, it shall, before taking a decision, give the applicant an opportunity to submit, within a period to be specified, his observations ...*").

2.2 As pointed out in the preparatory documents for amendments to the Implementing Regulations to the EPC - Rule 71 EPC (see e.g. document CA/PL 7/10 dated 6 May 2010, point 40) and as set out in the Guidelines for Examination in the European Patent Office, November 2016, Chapter C-V 4.7.1, the actual next step

of "resuming" the examination proceedings under Rule 71(6), second half-sentence, EPC will depend on the circumstances of the individual case. It may be a communication under Article 94(3) EPC and Rule 71(1), (2) EPC or, if the applicant's response was combined with a request for oral proceedings or where considered expedient by the examining division, it may be a summons to oral proceedings. Where the applicant states that it wishes to have an appealable decision or where it wishes to maintain a higher-ranking request, as an exception, the application may also be directly refused. In the latter case the right to be heard (Article 113(1) EPC) is respected because the grounds and evidence behind the non-allowance of the request filed in response to the communication under Rule 71(3) EPC had already been dealt with in the examination proceedings (see also Guidelines for Examination in the European Patent Office, November 2016, Chapter C-V 4.7.1, last paragraph, letter (a)).

2.3 In the present case, the examining division after the appellant's response of 22 February 2017 directly refused the application. It therefore has to be determined whether the above-mentioned requirements for this exceptional course of action were fulfilled, thereby respecting the appellant's right to be heard.

2.3.1 As the first reason for the application's refusal, the examining division argued that the amendment of the new feature "*continuous bands*" did not *prima facie* meet the requirements of Article 123(2) EPC because, "*as already understood by the applicant*" and in agreement "*with the concerns of the applicant*", it could not be unambiguously derived from the description as originally filed, in particular not at the place cited

by the appellant. The examining division provided no further observations.

- (a) Since this newly introduced feature had clearly not yet been the subject-matter of the previous proceedings, the appellant did not have an opportunity to present its comments on the examining division's opinion.

However, in this regard it must additionally be taken into account that the appellant in its letter of 22 February 2017 stated that the feature at issue "*can also be omitted if regarded as violating Art 123(2)EPC*". If this statement were to be construed as waiving the appellant's right to be heard under Article 113(1) EPC, the examining division's course of action would exceptionally not have involved a corresponding violation. However, as was emphasised by the Enlarged Board of Appeal in decision G 1/88, OJ EPO 1989, 189, Reasons 2.4, surrender of a right cannot be simply presumed (*a jure nemo recedere praesumitur*; see also T 685/98, OJ EPO 1999, 346, Reasons 3.3). Hence, in unclear cases where there is no unambiguous statement as to waiving a party's right to be heard, a corresponding interpretation with such major consequences to the detriment of the party must be discarded.

In the present case, the appellant did not explicitly declare that it would accept an immediate (negative) decision on its request without a preceding opportunity to be heard on this issue. Rather, from its statement it can only be concluded that it would not pursue a claim version including the disputed feature if the examining

division, apart from that feature, were willing to grant a patent with the current set of claims. In other words, the appellant merely intimated that it would accept the issue of a new communication under Rule 71(3) EPC on the basis of the amended set of claims without said feature.

As a result, the examining division could not directly take its decision after the appellant's response under Rule 71(6) EPC without contravening Article 113(1) EPC.

- (b) Moreover, it is noted that the examining division in the impugned decision contented itself with reproducing the appellant's submission and subsequently with stating that the relevant feature could not be unambiguously derived from the description as originally filed. Thus, as its reasoning it merely repeated in abbreviated form the "gold standard" developed by the case law for assessing compliance with Article 123(2) EPC. However, in order to meet the legal requirement for reasoned decisions under Rule 111(2) EPC, the decision should discuss the facts, evidence and arguments which are essential to the decision in detail and has to contain the logical chain of reasoning which led to the relevant conclusion (see Case Law of the Boards of Appeal, 8th edition 2016, section III.K.4.2.1, with further references).

The examining division, however, did not give any arguments as to why, contrary to the appellant's assertion, the expression "continuous bands" could not be derived from the text passage "*the central 16-band partition covering [64, 191]*" in paragraph [0029] of the description and from the

examples which allegedly define continuous band groups. Consequently, in the absence of any arguments and of a logical chain of reasoning in the decision under appeal, the latter does not permit the board to judge whether the issue had been sufficiently investigated, or indeed investigated at all (see e.g. T 153/89, Reasons 5, as to lack of reasoning for denying inventive step). Such a decision which does not take into account the arguments submitted by the appellant also contravenes Article 113(1) EPC and constitutes a substantial procedural violation (see T 1205/12, Reasons 7 and 8).

The aforementioned fact that the appellant at the same time gave its possible consent to the omission of the feature at hand does not, for the same reasons as outlined above (see point 2.3.1 (a)), alter this conclusion. The appellant's statement cannot be construed as abandoning its right to a reasoned decision in case the application were to be refused.

- 2.3.2 Furthermore, as the second reason for the application's refusal, the examining division came to the conclusion that the appellant, by rewording the characterising portion of the newly filed independent claims 1, 8, 11 and 16, did not introduce any further limitation in terms of technical features compared to the corresponding claims of the original fourth auxiliary request which had already been filed and dealt with during the oral proceedings. As a consequence, the newly filed claims could likewise not be regarded as being allowable. Hence, without explicitly addressing this issue, the examining division obviously assumed that it could take a direct decision without violating

the appellant's right to be heard because ultimately the situation was equivalent to that in which an applicant wished to maintain a higher-ranking request. In such a situation the grounds and evidence behind the non-admittance of the request filed in response to the communication under Rule 71(3) EPC had already been dealt with in the examination proceedings (see point 2.2 above).

(a) The board notes that a comparison between the two relevant claim wordings (see above point V of the Summary of Facts and Submissions) shows that they cannot be considered to be essentially the same. This applies at least to the newly introduced feature that "*only the intensity offsets for the first group are provided to a decoder for offset correction*". In fact, this amendment introduced in the set of claims filed with letter of 22 February 2017 represented neither a mere textual or grammatical correction nor a mere reformulation or rearrangement of an already existing feature. It was therefore not merely marginal in nature without affecting the technical content of said claims. Rather, compared to the independent claims of the original fourth auxiliary request, it constituted a substantial amendment with an alleged technical impact set out in detail in the letter dated 22 February 2017.

(b) More specifically, as far as lack of inventive step of the subject-matter of claim 1 of the original fourth auxiliary request over the disclosure of D1 and the common general knowledge of the person skilled in the art was concerned, the examining division during the oral proceedings argued as follows: The difference between D1 and claim 1 was



that, in claim 1, offset correction was applied to one group of bands and not to another, and not applying offset correction was equivalent to applying an offset that was equal to zero. Since the claim and also paragraph [0029] of the description were silent about how the groups were created, there was no technical effect due to the distinguishing feature (see points 4.7 and 4.9 of the minutes). In its decision, point 4.3 of the reasons, the examining division provided a corresponding line of argument (*"The claim and the related description do not provide any general disclosure about how the groups are created and how the group and offset information are transmitted. Therefore, it cannot be understood how less information may be transmitted when applying the claimed method, as the applicant argues ('the number of intensity offsets' would be reduced)"*).

Consequently, the amendments to the independent claims according to which the *"first group comprises a plurality of continuous bands and [the] second group comprises a plurality of remaining bands"* and *"only the intensity offsets for the first group are provided to a decoder for offset correction"*, together with the accompanying arguments submitted in the letter dated 22 February 2017, are to be understood as the appellant's (possibly unsuccessful) attempt to overcome the examining division's two objections just cited above. At least the latter feature had in effect not been part of the original fourth auxiliary request. It implies that offsets for the second group are not provided to the decoder, which is different from applying offsets that are equal to zero.

(c) Hence, the examining division's statement that "*the scope extent of independent claims 1,8,11,16 is unchanged with respect to the one of corresponding independent claims 1,11,14,22 of said 'original' 4th auxiliary request, because the rewording of said claims is not understood as introducing any further limitation in terms of technical features*" (see decision under appeal, point 3.1 of the reasons; emphasis in original) is incorrect. It follows from this that the grounds behind the non-admittance of the appellant's newly filed request could not already have been addressed in the examination proceedings. Rather, because the added feature defined new subject-matter of the claims which had not yet been discussed, a further communication became necessary in which the examining division should have laid out new reasons which could have been commented on by the appellant.

(d) To sum up, it is not relevant to the board's decision whether the correct view on inventive step is the appellant's or the examining division's. Rather, the crucial issue is that the examining division has wrongly judged the features added to claim 1 as containing no further restriction and thus as redundant.

2.4 As a result, neither of the examining division's lines of argument could justify a direct decision after the appellant's response under Rule 71(6) EPC. Thus, this conduct of the proceedings violated the appellant's right to be heard pursuant to Article 113(1) EPC, constituting a substantial procedural violation (see T 1066/96, Reasons 3.2).

3. *Remittal to the department of first instance*

Since there has been a substantial procedural violation, and in order to allow the appellant to argue its case before two instances, the board *ex officio* exercises its discretion under Article 11 RPBA and remits the case pursuant to Article 111(1), second sentence, EPC to the department of first instance for further prosecution without an analysis of the appealed decision in its substantive aspects or a decision on the appellant's claim requests on file. It cannot be ruled out that the examining division, after considering the arguments which the appellant - due to the above-mentioned substantial procedural violation - could put forward only with the statement setting out the grounds of appeal, will come to a different decision. Accordingly, the board sees no special reasons pursuant to Article 11 RPBA which would justify refraining from remitting the case to the department of first instance.

If no consent is to be given under Rule 137(3) EPC to the late amendments requested, it will be necessary to communicate to the appellant the examining division's intention and the reasons on which that intention is based and to reconsider the appellant's observations on this intention before issuing any decision (see T 1066/96, Reasons 4.2).

4. *Reimbursement of the appeal fee*

In view of the foregoing, the appeal is successful to the extent that the decision under appeal is set aside. Moreover, as a consequence of the substantial procedural violation the appellant was only able to have its right to be heard restored by filing the

appeal. In view of this the board considers reimbursement of the appeal fee to be equitable (Rule 103(1)(a) EPC) and orders it *ex officio*.

## 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 to be reimbursed.

The Registrar:

The Chairman:



K. Boelicke

C. Kunzelmann

Decision electronically authenticated