

**Decision of the Enlarged Board of Appeal dated 19 March 2014**

**G 1/11**

(Translation)

Composition of the Board:

Chairman: W. van der Eijk

Members: R. Menapace

A. Klein

U. Oswald

C. Rennie-Smith

M.-B. Tardo-Dino

M. Vogel

**Applicant/appellant: BAUER Maschinen GmbH**

**Headword: Non-refund of further search fees/BAUER**

**Relevant legal provisions:**

**Art. 17, 21(2), (3), (4), 82, 112(1)(a) EPC**

**R. 44, 64(2), 112(2) EPC**

**Relevant legal provisions (EPC 1973):**

**Art. 154(3)**

**R. 46(2), 9(3)**

**Vienna Convention on the Law of Treaties, Art. 31, 32**

**Keyword:**

"Appeal against decision of examining division refusing request for refund of search fees under Rule 64(2) EPC – Competence of technical board of appeal"

*Headnote:*

*A technical board of appeal is competent to hear an appeal against an EPO examining division's decision – taken separately from its decision granting a patent or refusing the application – not to refund search fees under Rule 64(2) EPC.*

**Summary of facts and submissions**

I. To date, the boards have ruled in the following cases on appeals against examining division decisions that were confined to refusing to refund search fees under Rule 64(2) EPC / Rule 46(2) EPC 1973:

(i) In T 94/91 of 9 December 1991 and T 390/91 of 14 May 1992, boards composed under Article 21(3)(a) EPC of two technically qualified members and one legally qualified member ("technical board") tacitly assumed that they were competent.

(ii) In J 24/96 of 27 April 2001, the Legal Board of Appeal held that it was competent because the contested decision dealt only with the refund of further search fees and "did not, therefore, concern the refusal of the application or the grant of the patent" (Reasons 2).

II. In the case leading to the present referral, the examining division granted European patent No. 1950353, based on European patent application No. 07001768.6, by decision of 25 June 2009.

Having been asked during the examination proceedings to pay four further search fees under Rule 64(1) EPC, the applicant did so but at the same time requested that they be

refunded. Following the examining division's announcement that two search fees would be refunded, the applicant requested an appealable decision on the other two. Then, on 25 May 2009, i.e. before granting the European patent, the examining division issued an appealable decision refusing the applicant's request for a refund of those two fees (Rule 64(2) EPC). The reason it gave was that, once original claim 1 had been dropped for lack of novelty, the five invention groups identified had ceased to form a single general inventive concept (Rule 44 EPC). It maintained its lack-of-unity objection in respect of the search fees for invention groups 2 and 4 and in respect of invention groups 3 and 5 but regarded fee refunds as appropriate for the latter two groups because not much search work had been involved.

III. The applicant appealed against the decision, requesting that it be set aside and the search fees for invention groups 2 and 4 refunded. Technical Board 3.2.03, which deals with the technical field of the application, passed the appeal to the Legal Board of Appeal in accordance with Article 21(3)(c) EPC. By decision J 21/09 of 1 August 2011 (OJ EPO 2012, 276), the Legal Board referred the following question to the Enlarged Board of Appeal under Article 112(1)(a) EPC:

"Is a technical board of appeal or the Legal Board of Appeal competent to hear an appeal against an EPO examining division's decision – taken separately from its decision granting a patent or refusing the application – not to refund search fees under Rule 64(2) EPC?"

IV. The Legal Board considered a referral necessary because it was not immediately obvious whether it or a technical board was competent to review the only issue decided by the examining division, namely the refund of further search fees. The case law on this issue was both sparse and inconsistent. In T 94/91 and T 390/91, technical boards had tacitly assumed their competence, whereas in later decisions J 24/96 and T 1382/08 the Legal Board had been considered competent under Article 21(3)(c) EPC, although in T 1382/08 the technical board had ultimately taken the view that it

was in fact competent because, in that specific case, the decision not to refund the search fee had been merely ancillary to the main one to refuse the application. The referring Legal Board, however, took the view that it would be arbitrary for competence to depend on whether the examining division had decided on the search-fee refund and the application (grant or refusal) together or separately, especially as the first-instance department would then also be able to determine the composition of the review body.

V. Looking at the whole appeal system under the EPC, and especially the technically qualified members' role (laid down in Article 21 EPC) of deciding on technical matters, the Legal Board had misgivings about interpreting Article 21(3)(a) EPC to mean that the catch-all provision of Article 21(3)(c) EPC applied to appeals against (refusal) decisions under Rule 64(2) EPC because those decisions did not "concern the refusal of a European patent application or the grant ... of a European patent" and were therefore taken separately. It explained its misgivings as follows:

(i) Decisions under Rule 64(2) EPC involved an assessment of the unity of the claimed invention(s) in the light of the relevant criteria under Rule 44(1) EPC and so presupposed a detailed and technically expert consideration of the technical content of the features. The requisite expertise was ensured on the technical boards by the technically qualified members that they were required to have under Article 21 EPC, but the same could not be said of the Legal Board, which was composed under Article 21(3)(c) EPC of three legally qualified members. Since decisions on a lack-of-unity objection could involve extremely complex technical matters in any area of technology, the Legal Board, to be sure of taking the right decision, might be obliged to consult external experts, but this would generally be quite disproportionate to what was at stake in such appeals.

(ii) That the legislator had intended cases involving technical issues to be decided by boards with a majority of technically qualified members was a recurrent theme

throughout the *travaux préparatoires* for the EPC, as was the intention that the Legal Board should deal only with cases involving exclusively legal issues, as shown, for example, by document 4344/IV/63-D, proceedings of the 8th meeting of the Patents Working Party, 22 April to 3 May 1963 in Brussels, pages 67 to 75, and the document by Kurt Haertel it cited, i.e. working draft No. 2821/IV/63 of 9 April 1963: proposals for the implementation of Articles 31 to 65, pages 9 to 11.

(iii) Decisions under Rule 64(2) EPC were issued relatively seldom "during the examination of the European patent application" and the legislator had apparently never regarded them as distinct decisions to be taken in separate proceedings.

(iv) Such decisions were closely linked to the technical issues in examination proceedings. If an examining division refused to refund further search fees, that normally meant that it had established that the lack-of-unity objection (raised by the search division under Rule 64(1) EPC) was justified. This suggested that the decision on refunding the search fee was ancillary to the main issue in examination proceedings, namely the substantive decision on the application. That remained true even if, whether on practical grounds or for reasons of timing, two formally separate decisions – one on the main issue in examination proceedings, the other on an ancillary issue – were taken.

(v) The decision under Rule 64(2) EPC could thus be regarded as an "*ex lege* ancillary issue" to the grant or refusal, so that it could then be argued that the board competent to review the ancillary issue was that competent to review the main issue, namely the technical board under Article 21(3)(a) EPC dealing with the particular technical field of the application concerned. In contrast, in those cases for which the Legal Board under Article 21(3)(c) EPC was indisputably competent, the legal issues to be decided could normally be addressed independently of any technical assessment of the subject-matter of the application.

(vi) In view of the above, it seemed possible that there might be a gap in the law as regards competence for appeals against isolated decisions under Rule 64(2) EPC. Perhaps, when drafting the Article 21 EPC rules on the boards' composition, the legislator had failed to foresee such cases because the duties of the search division, which requested payment of further search fees, did not actually include issuing appealable decisions.

VI. The referring board also had reservations about following J 24/96 (cited above) in view of G 3/03, in which the Enlarged Board had decided that a technical board, not the Legal Board, was competent to deal with a request, forwarded to the boards in isolation, for reimbursement of the appeal fee, because such a request was ancillary to the original appeal, which fell within the competence of the technical board. The circumstances in that case did not seem much different from those the referring board now had to consider. Just as an appeal-fee refund could be requested only if an appeal had been filed, so a search-fee refund could be requested only if a non-unity objection had been raised in the examination proceedings. In both cases, the issues underlying the filing of an appeal (or refusal or grant of a patent) and those underlying a request for a refund of the appeal (or search fee) were not necessarily the same. And in both cases, the fee-refund decision presupposed main proceedings that were already over, which seemed to imply its "ancillary" nature.

G 2/90, in contrast, had been concerned with different circumstances, namely an appeal against a revocation decision issued by the opposition division's formalities officer. A crucial factor in the Enlarged Board's decision that the Legal Board was not competent to hear the appeal was that, since only duties involving no legal difficulties could be assigned under Rule 9(3) EPC 1973, there was no reason why the Legal Board should be competent to hear any ensuing appeal. Thus, the Enlarged Board had indeed considered whether the board hearing the case had the necessary expertise, and had concluded that it did, since the reason technical boards always included a

legally qualified member was precisely to ensure that the expertise needed to adjudicate on legal matters was available.

VII. On 30 September 2011, the Enlarged Board wrote to the appellant, inviting it to file written observations on the referred question within three months, but the appellant did not take up this opportunity.

In a letter of 18 November 2013, the President informed the Enlarged Board that he would not be commenting on the referred question, as the matter would not affect first-instance proceedings before the European Patent Office.

VIII. In comments dated 28 May 2013 and filed under Article 10 RPEBA, the Institute of Professional Representatives before the European Patent Office ("epi") submitted that the answer to the question should be that a technical board – composed in accordance with Article 23(3)(a) or (b) – was competent. The decision whether to refund search fees under Rule 64(2) EPC depended on fulfilment of the unity requirement under Article 82 EPC. As could be gathered from the wording of Rule 44(1) EPC, assessing this required a high level of technical expertise in the field of the invention. It was obvious from the competence rules in Article 21(2) to (4) EPC, taken as a whole, that the legislator had intended to distinguish clearly between the Legal Board's competence to deal with legal issues and the technical boards' competence to deal with technical matters. Thus, even if, at first glance, the additional condition in Article 21(3)(a) EPC appeared not to be met where a search-fee refund had been refused, the provision was to be interpreted broadly as also covering decisions on unity of invention, which were ultimately part of the grant proceedings. Consequently, Article 21(3)(c) EPC did not apply and a technical board was competent to hear the present case.

If the Legal Board were nevertheless held to be competent, its chairperson, when composing a board under Article 2 of the business distribution scheme, should take

account of the technical requirements arising in such cases by appointing legally qualified members who also had a technical qualification. To make that clear, "the technical requirements of the case" should be inserted into the (non-exhaustive) list of criteria in Article 2(2) of the Legal Board's business distribution scheme.

## **Reasons for the decision**

### *Admissibility of referral*

1. The referring board's final decision depends on the Enlarged Board's answer to the referred question on competence. In the case law on appeals against examining division decisions not to refund search fees under Rule 64(2) EPC (cited in point I above), the boards, for different or unstated reasons, have reached different conclusions as to whether such appeals should go to the Legal Board or the technical boards. This case law is indeed, to quote the referring board, "both sparse and to some extent divided" (points I and IV above). So a decision of the Enlarged Board is needed to ensure uniform application of the law within the meaning of Article 112(1) EPC. The referred question also raises an important point of law within the meaning of the same provision, as clear rules on competence are fundamental requirements for both due process and the efficient functioning of any judicial system (referral decision, Reasons 24, citing J 12/01, Reasons 4). The Enlarged Board agrees entirely. The referral is therefore admissible.

### *Composition of the competent board*

2. Under Article 21(3)(a) EPC, appeals from decisions taken by an examining division composed of fewer than four members, such as the decision underlying this referral, are heard by a board composed of two technically qualified members and one legally qualified member when the decision **concerns** ("*betrifft*" / "*est relative au/à la*") the refusal of a European patent application or the grant of a European patent. A board



composed of three legally qualified members is competent "in all other cases" (Article 21(3)(c) EPC). So competence of a board with two technically qualified members is subject to a specific condition relating to the contested decision itself, whereas all the other Article 21 EPC rules on the boards' composition refer only to the department which issued the contested decision.

3. Decisions under Rule 64(2) EPC involve an assessment of the unity of the invention(s) claimed in the application – most often as originally filed – in accordance with the criteria set out in Rule 44(1) EPC, which require a detailed and technically expert examination of the technical content of the features (point V(i) above). For both practical and legal reasons (see below), it would therefore seem appropriate for the technical boards to review such decisions.

However, that the appropriate answer to the referred question may seem obvious is not enough in itself to establish that the technical boards are competent. Rather, the matter must be decided on the basis of the relevant EPC provisions. In drawing the line between competence of the technical boards and the Legal Board, it is impermissible to ignore a clear decision by the legislator and interpret an unambiguous legal provision as having some other meaning merely because that offers certain practical advantages (see G 2/90, OJ EPO 1992, 10, Reasons 3.3 and 3.4). Such an approach is precluded not least by the rules of interpretation laid down in Articles 31 and 32 of the Vienna Convention on the Law of Treaties of 23 May 1969 (see G 1/83, Reasons 4, and G 1/08, Reasons 4.3), which include the possibility of drawing on the preparatory work of the treaty if the meaning established by applying the standard rules leads to a result which is manifestly absurd or unreasonable (see G 1/83, Reasons 4(5), and points 12 and 13 below).

4. It is perhaps not clear from the wording of Article 21(3)(a) EPC whether the technical boards' competence is restricted to appeals against refusals and grants under Article 97 EPC (limitations and revocations of European patents, although likewise

mentioned in Article 21(3)(a) EPC, are irrelevant for this referral and therefore need not be considered here), but what is clear is that they are not competent if the contested decision concerns a valid withdrawal of an application or a finding under Rule 112(2) EPC that the application is deemed to be withdrawn. In such cases, residual competence lies with the Legal Board, which is appropriate and consistent with the legislator's intention that issues unrelated to substantive patentability and instead of a largely legal nature should be reviewed by a board composed exclusively of legally qualified members (Gori/Löden in *Münchener Gemeinschaftskommentar*, Article 21, item 80), because – as is also the case for decisions taken by the Receiving Section or Legal Division, for which the Legal Board is exclusively competent under Article 21(2) EPC – their review does not require technical expertise. However, in view of the (positive) wording of the condition for competence in Article 21(3)(a) EPC, that is not the reason why the technical boards lack competence. Rather, it is that such decisions are not decisions to refuse the application (or to grant a patent) or in any way related thereto; they are declaratory decisions that the applicant has issued some particular statement of intent or, by omitting to perform some act, triggered a legal fiction of that intent. This rules out competence of a technical board under Article 21(3)(a) EPC in cases concerning a finding of a loss of rights, even where that finding may entail loss of the application in its entirety.

5. The same goes for decisions under Rule 64(2) EPC, even though they do not concern a finding of any loss of rights and their review requires technical expertise. The unity of the patent application, as a condition for refunding further search fees under Rule 64(2) EPC, must be assessed on the basis of the version that led the search division, which remains responsible for search under Article 17 EPC 2000, to issue the invitation to pay further search fees, regardless of what version of the application is subsequently granted, whether the application, for whatever reason, is refused or whether no decision is taken on it at all because it is withdrawn expressly or by legal fiction. The decision on whether to refund further search fees therefore does not depend on the fate of the application, nor is it a question to be settled prior to the grant

or refusal decision (see referral, Reasons 10) or one otherwise linked in law or fact with the substantive decision on the application. The wording of Article 21(3)(a) EPC, however, presupposes such a link, whereas it does not refer to technical facts or the need for technical expertise (any more than Article 21(3)(c) EPC, on the Legal Board's residual competence, does to the absence of technical facts or of a need for technical expertise - see Reasons 13 below).

6. In view of this, it does not seem possible either to found competence of the technical boards on the premise that the subject-matter of a decision on refunding further search fees is ancillary to the main issue in examination **proceedings**, namely the substantive decision on the application (see referral, Reasons 10 et seq.). Such a categorisation – essentially based on the issues' subjective importance for the applicant and the amount of work involved – does not give rise to any link in fact and/or law between the two types of decisions, and so to any main-ancillary relationship in a legal sense.

7. The division of competence between the technical boards and the Legal Board was also addressed in G 3/03, where a board had been asked to refund the appeal fee after the department of first instance had rectified its decision by interlocutory revision (Article 109 EPC) (point VI above). The Enlarged Board held that the request was ancillary to the original appeal, redundant now that the decision had been rectified, so that the competent board was the one which would have been competent to deal with the appeal under Article 21 EPC if interlocutory revision had not been granted. However, this ultimately amounts to no more than a finding that the Article 21(2) to (4) EPC provisions on competence apply to such isolated requests, and does not help to draw a clearer line between the technical boards' and the Legal Board's respective areas of competence.

8. If, therefore, competence of the technical boards to deal with appeals against decisions under Rule 64 EPC cannot be based on Article 21(3)(a) EPC, the question is whether the catch-all provision in Article 21(3)(c) EPC ("in allen anderen Fällen"/"in all

other cases"/"dans tous les autres cas") applies, or in other words, whether the Legal Board is competent, without exception, to deal with all appeals against such examining division decisions (provided no board composed of five members under Article 21(3)(b) EPC is competent).

9. The legislator's intention that technical matters should preferably be decided by boards with a majority of technically qualified members, whereas the Legal Board should deal only with cases involving purely legal matters, is clearly apparent from the *travaux préparatoires* (sources cited by referring board in point V(ii) above; Gori/Löden, *loc. cit.*, point 4 above), as is the principle that, given the boards' judicial character, competence must be allocated to the technical boards or the Legal Board according to objective criteria and not on an "*ad hoc*" basis (document 4344/IV/63-D, p. 72).

Another organisational principle systematically implemented in Article 21(2) to (4) EPC is that of specialised judicial divisions: as they are composed of experts, the boards should be able to settle all technical matters relevant for their decisions without consulting external specialists. This is guaranteed by the number of technical boards and the allocation of appeals to them on the basis of the main IPC classification (see Article 1(1) of the business distribution scheme of the technical boards of appeal, last adopted for 2014). This, together with the Legal Board's (exclusive) competence for appeals against decisions of the Receiving Section or the Legal Division (Article 21(2) EPC), which by definition do not involve technical matters, results in an "efficient" composition of the boards geared towards the issues on which each case turns, and conducive to procedural economy. However, since the legal expertise needed to assess questions of law is also available on the technical boards, which are of "mixed" composition, such optimised board composition is not essential either as a matter of legal principle or for practical reasons, and indeed has not been implemented for appeals against opposition division decisions (Article 21(4) EPC; see also G 2/90, OJ EPO 1992, 10).

10. It would, however, be legally questionable, and at odds with its sense and purpose, to interpret the catch-all provision to mean that the Legal Board, which has no technically qualified members, is also competent to deal with appeals which might involve technical matters. That applies all the more to decisions not to refund further search fees under Rule 64 EPC, which – like decisions to grant a patent – inevitably involve an expert appraisal of the purely technical requirement of unity of invention within the meaning of Article 82 EPC in accordance with the criteria set out in Rule 44(1) EPC (point V(i) above), as such decisions could not then be reviewed by a suitably qualified appeal body. That, however, is fundamental to due legal protection meeting the standards of the rule of law, which the remedy of appeal under the EPC is designed to guarantee for all parties to grant and opposition proceedings. Given the amount and number of additional search fees which might have to be paid, the applicant interests at stake are considerable, which explains why the epi advocates that the board(s) hearing appeals against such decisions should be composed of technical experts (point VIII above). This is also why Article 154(3) EPC 1973 reflected those interests by conferring on "the boards of appeal" competence to decide on protests against an additional fee for the international search (charged owing to lack of unity of the international application). That the technical boards have competence to hear such cases is clear from their annual business distribution scheme, which states in footnote 1 that: "Protests under the PCT are also to be allocated according to this scheme". Also, as the referring board has rightly pointed out (point V(i) above), to be sure of taking the right decision on appeals under Rule 64 EPC, the Legal Board would have to consult external experts. Not only would this normally be disproportionate to what is at stake, it would also run counter to the principle, systematically implemented in the EPC, that the boards of appeal (and the examining and opposition divisions) must be so composed as to enable them to examine all the technical matters relevant for their decision, using their own expertise and without having to consult external experts.

11. Unlike the Article 21(3)(a) EPC provision on competence of the technical boards, the catch-all provision is not so worded as to attach any specific conditions relating to the contested decision, and so contains nothing explicitly requiring, or even merely implying, that it should be interpreted to mean that the Legal Board always has residual competence even if technical expertise is (also) needed for a decision on the appeal because of the technical facts and issues involved. Nor is there any other indication that the legislator envisaged such a scenario, particularly with regard to appeals against decisions under Rule 64(2) EPC – whatever the actual reason for this may have been (see the referring board's plausible but ultimately inconclusive comments, point V(vi) above).

12. The catch-all provision in Article 21(3)(c) EPC, as worded and as read in the light of the other Article 21 EPC provisions on competence and their practical and legal objectives, therefore does not apply to decisions on refunding search fees under Rule 64 EPC.

13. Consequently, decisions not to refund further search fees under Rule 64 EPC taken by a three-member examining division are not covered by Article 21(3)(a) EPC, because they do not concern grant or refusal (point 5 above), or Article 21(3)(c) EPC, because their review is not limited to legal criteria (points 10 and 11 above). Nor is there any relevant rule on competence elsewhere in the EPC or in the boards' business distribution schemes. Therefore, as regards which of the two kinds of board is competent, there is an unintended gap in the rules and thus a legal vacuum. In view of the aims and principles of substantive law and procedural efficiency, described above, which underlie the provisions on the boards' competence, in particular those on the allocation of competence between the technical boards and the Legal Board, this gap can be readily and unequivocally filled as ordered below.

## **Order**

For these reasons it is decided that:

The question referred to the Enlarged Board of Appeal is answered as follows:

A technical board of appeal is competent to hear an appeal against an examining division's decision – taken separately from its decision granting a patent or refusing the application – not to refund search fees under Rule 64(2) EPC.