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D E C I S I O N
of 16 February 2006

Case Number: T 1356/05 - 3.4.03

Application Number: 99943062.2

Publication Number: 1108226

IPC: G01V 3/12

Language of the proceedings: EN

Title of invention:

Method and apparatus for determining the nature of
subterranean reservoirs

Applicant:

Electromagnetic Geoservices AS

Opponent:

-

Headword:

-

Relevant legal provisions:

EPC R. 67, 68(2)

Keyword:

"Decision on the state of the file: reasoned (no)"
"Substantial procedural violation (yes)"
"Reimbursement of appeal fee (yes)"

Decisions cited:

T 0034/90, G 0009/91, T 0897/03, T 0276/04, T 0861/02,
T 0701/01, T 1309/05, T 0278/00

Catchword:

A request for a decision on the state of the file is not to be
construed as a waiver of the right to a fully reasoned first
instance decision; reasons 15.



Case Number: T 1356/05 - 3.4.03

D E C I S I O N
of the Technical Board of Appeal 3.4.03
of 16 February 2006

Appellant: Electromagnetic Geoservices AS
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Decision under appeal: Decision of the Examining Division of the
European Patent Office posted 30 March 2005
refusing European application No. 99943062.2
pursuant to Article 97(1) EPC.

Composition of the Board:

Chairman: R. G. O'Connell
Members: V. L. P. Frank
T. Bokor

Summary of Facts and Submissions

- I. This is an appeal from the refusal of European patent application 99 943 062.2.
- II. The relevant first instance file history can be summarised as follows:
- (a) In a first communication issued pursuant to Article 96(2) EPC and posted August 2003 the examining division referred to the claims published under the Patent Cooperation Treaty and maintained the objections of lack of novelty and inventive step raised in the International Preliminary Examination Report. Additionally, it found that the subject-matters of claims 1 to 5, 8, 14 and 17 to 22 were not novel over the disclosure of document D1 (US 4 633 182 A).
 - (b) In reply the applicant (now appellant) filed amended claims 1 to 19 comprising independent method claims 1 and 14 and independent apparatus claim 15.
 - (c) In a second communication of March 2004 the examining division objected that the subject-matters of claims 1 and 15 were not novel over the disclosure of document D4 (FR 2 479 992 A).
 - (d) In reply the applicant filed amended claims 1 to 16 comprising independent method claims 1 and 12 and independent apparatus claim 13.

- (e) In a communication posted 5 November 2004 accompanying a summons pursuant to Rule 71(1) EPC appointing oral proceedings for 22 February 2005 ("the November communication"), the examining division raised objections under Article 83 and 84 EPC with respect to independent claims 1 and 15 (sic). An objection of lack of novelty over D1 was also raised.

- (f) On 21 January 2005 the applicant filed amended main and first to fourth auxiliary requests.

- (g) The note of the result of a telephone call to the applicant on 31 January 2005 ("the telephone call note") records that the applicant had been invited to prepare for the forthcoming oral proceedings a detailed explanation of the formulae cited in the independent claims and a comment on the disclosure of US 4 617 518 A.

- (h) The minutes of the oral proceedings held on 22 February 2005 ("the minutes") record:
 - (i) that the main request was refused for lack of clarity of independent apparatus claim 13, the latter defining the apparatus by its use and in terms of the earth which was not part of the claimed device;

 - (ii) that the first auxiliary request was refused for lack of clarity and novelty, on the grounds that an essential feature was missing from claim 1 and that the subject-matter of this claim was not new over the

disclosure of D7 (a document not otherwise identified);

- (iii) that the applicant withdrew his second and third auxiliary requests, the fourth request being consequently promoted to second auxiliary request;
- (iv) that the subject-matter of claim 1 of the second auxiliary request also lacked novelty over D7;
- (v) that following the division's deliberation the applicant requested a decision according to the state of the file.

III. The grounds for the decision of the examining division dated 30 March 2005 read in full:

"In the communication(s) dated 22.02.2005, 27.10.2004, 31.01.2005 the applicant was informed that the application does not meet the requirements of the European Patent Convention. The applicant was also informed of the reasons therein (sic).

The applicant filed no comments or amendments in reply to the latest communication but requested a decision according to the state of the file by a letter received in due time on 22.02.2005.

The application must therefore be refused."

- IV. In the statement of grounds of appeal the appellant applicant requests that the decision under appeal be set aside and that a patent be granted on the basis of the main, first or fourth auxiliary requests filed with the letter of 21 January 2005, which are the same requests discussed during the oral proceedings before the examining division. Auxiliarily oral proceedings are requested.

Reasons for the Decision

1. The appeal is admissible.
2. The function of appeal proceedings is to give a judicial decision upon the correctness of a separate earlier decision taken by a first instance department (cf *inter alia* T 34/90 (OJ 1992, 454) and G 9/91, point 18 of the reasons (OJ 1993, 408)). A reasoned decision issued by the first instance department meeting the requirements of Rule 68(2) EPC is accordingly a prerequisite for the examination of the appeal pursuant to Article 110 EPC.
3. In the present case the examining division refused the application in response to a request for a decision "according to the state of the file". The Guidelines for Examination in the EPO (June 2005) E-X 4.4, state:

"Applicants may request a decision 'on the file as it stands' or 'according to the state of the file', eg when all arguments have been sufficiently put forward (sic) in the proceedings and the applicant is interested in a speedy appealable decision. In

such a case, the decision will be of a standard form, simply referring to the previous communication(s) for its grounds and to the request of the applicant for such a decision."

4. If the board is correctly informed, the practice of accepting a request for a so-called decision 'according to the state of the file' was adopted informally in the early days of the EPO from the German Patent Office practice of facilitating applicants who had an interest in obtaining a formal refusal decision for the purposes of the German statute relating to employed inventors - a decision which, albeit appealable, it was not normally intended to appeal. Since then the practice in the EPO has emerged from the shadows and since 1999 has a mention in the guidelines, with the crucial difference that now the aim in view is to draft and dispatch the adverse decision as speedily as possible to facilitate an early appeal.

5. It would perhaps have reduced misunderstanding if this new 'product' had been relabelled as a 'decision by reference'. In the view of this board such a first instance decision by reference is entirely appropriate when the communication incorporated by reference contains a fully reasoned exposition of the examining division's objections to the current application text and refutation of any rebuttal by the applicant. Such a procedure is not only efficient but also effective in making it transparent that the decision is being taken on the agreed text and that nothing is being said in the decision which has not already been communicated to the applicant with an opportunity to present comments,

- thus guaranteeing compliance with Article 113(1) and (2) EPC.
6. A number of decisions of the EPO Boards of Appeal have pointed out however that a decision form which refers to several communications, leaving it to the board of appeal to construct the applicable reasons by mosaicing various arguments from the file, or which leaves it in doubt which arguments apply to which claim version, does not meet the 'reasoned' requirement of Rule 68(2) EPC; cf T 278/00 (OJ 2003, 546), T 861/02, T 897/03, T 276/04 and T 1309/05. The decision under appeal in T 701/01 also used the standard form for a decision 'according to the state of the file' and the deciding board found that Article 113(2) EPC had not been complied with since the preprinted form text used did not reflect the facts.
 7. Notwithstanding the fact that the guidelines and the standard form text of the decision under appeal sanction reference to previous communication(s) - which in this context has to be understood as reference to communications pursuant to Article 96(2) EPC - the dates inserted by the examining division in the form text of the decision under appeal here are those of the minutes, the November communication (cf point 8 below) and the telephone call note respectively.
 8. No document on file has a date of 27 October 2004; the board assumes that the November communication was meant.
 9. The November communication was however issued before the applicant submitted amended main and first to fourth auxiliary requests, which are the sets of claims

on which the application was refused. Although the versions of independent apparatus claim 13 (erroneously referred as claim 15 in the November communication) before and after the November communication differ from each other, there is no record in the file that either the amendments made to the claim or their relevance or lack of it were afterwards discussed (cf points II (e) and II (f) above). It is, therefore, not clear whether the objections raised in the November communication apply to the latest version of the claims.

10. The telephone call note is the summary record of the conversation between the first examiner and the applicant. No objections against the patentability of the application are mentioned therein. The applicant was merely invited to be prepared to discuss in the forthcoming oral proceedings the technical background of the invention and to present comments on a US patent (cf point II (g) above).

11. The minutes cannot be considered a communication pursuant to Article 96(2) EPC. By definition minutes of proceedings are drafted after the proceedings and contain the essentials of the proceedings (Rule 76 EPC). In contradistinction, a communication should contain the factual and legal reasoning as to why an application does not fulfil the requirements of the EPC and invite the applicant to file his observations (Article 96(2) EPC). Whereas minutes are a record of proceedings, a communication constitutes a legal notice to a party. The two documents serve quite different purposes.

12. In the decision under appeal the minutes are referred to on the one hand as a communication of the examining division (cf the first paragraph of the decision) and on the other hand the contents of the minutes are treated as "the letter of the applicant" requesting a decision according to the state of the file (cf the second paragraph of the decision). This wishful double vision should have alerted the examining division to the fact that the standard form used for issuing the decision 'according to the state of the file' was not appropriate, but it could also be the sign of a deeper malaise in the form itself and the associated section of the guidelines.

13. During the oral proceedings arguments were exchanged between the applicant and the examining division and these arguments, insofar as they were of substance, were recorded in the minutes, but should have been additionally dealt with in a separate reasoned decision.

14. Moreover the minutes cannot be regarded by themselves as a reasoned decision, since a novelty objection is recorded against the first and second auxiliary requests with respect to an unidentified document D7. In the file however only documents D1 to D4 are identified and the identity of documents D5 to D7 remains obscure. This is unacceptable from the point of the public interest, as explained below in point 17. This holds good even if the appellant does actually know which documents are meant, and therefore does not appear to be adversely affected himself by this flaw in the decision, as evidenced by the appeal in the present case.

15. The applicant requested a decision on the state of the file. Such a request is not to be construed as a waiver of the right to a fully reasoned first instance decision, even in the light of the suggested procedure in the guidelines; cf T 1309/05, point 3.7 of the reasons. Quite apart from the fact that no provision of the guidelines can override an article or rule of the EPC, such as Rule 68(2) (T 861/02, point 5 of the reasons), it is noted that the quoted passage in the guidelines (cf point 3 above) does not discuss in detail the procedure to be followed if such a request is presented during oral proceedings, and it is not at all apparent that the suggested procedure is to be applied under such circumstances. On the contrary, it appears rather to concern the situation where an applicant relies only on the written procedure. The term "state of the file" implies that all relevant facts and arguments are already on file - ie they exist in a written form - , which can hardly be the case immediately following oral proceedings if, as in the present case, oral arguments have been made.
16. However, it is beyond doubt that arguments of the applicant presented at oral proceedings must also be considered in the reasons of the decision. Since the minutes of the oral proceedings are prepared only after the oral proceedings itself (cf point 11 above), the minutes are most probably not meant to be included in the term "previous communications" in the cited passage of the guidelines (E-X 4.4). As noted above, these passages of the guidelines are not intended to free the examining division from its obligation to comply with Rule 68(2) EPC, ie the obligation to issue a decision presenting the legal and factual reasons for refusing

the application. Therefore, the board concludes that in this case a decision must properly address the requests and arguments treated during oral proceedings, and the use of a summary decision ("standard form") briefly hinted at in the guidelines is indeed not appropriate, quite apart from the substantial legal difference between the "minutes" and "communications" as explained at point 11 above.

17. By the same token, even if an applicant were to waive his right to a reasoned first instance decision *expressis verbis*, it hardly authorises the examining division to dispense with it. The duty to provide reasons in administrative decisions is a fundamental principle in all contracting States, Rule 68(2) EPC being simply an expression of this principle. Further, from the point of view of the practical functioning of the system envisaged in the EPC, absent a reasoned decision within the meaning of Rule 68(2) EPC the board cannot examine the appeal (Article 110 EPC); cf. T 278/00 *supra* point 3 of the reasons.

18. In accordance with the established jurisprudence of the boards of appeal, the case is remitted to the department of first instance for further prosecution. The appeal is allowed insofar as the decision is set aside and the appeal fee is reimbursed pursuant to Rule 67 EPC by reason of the substantial procedural violation constituted by non-compliance with Rule 68(2) EPC. The reimbursement is equitable since the appellant was obliged to file this appeal to obtain a reasoned decision to which he was entitled pursuant to Rule 68(2) EPC and which will allow the board to examine the factual and legal reasoning underlying the

refusal. It follows also that no purpose would be served by appointing oral proceedings as requested.

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.

Registrar

Chair

D. Meyfarth

R. G. O'Connell