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**Datasheet for the decision
of 14 April 2008**

Case Number: T 1544/06 - 3.2.01

Application Number: 00300847.1

Publication Number: 1026068

IPC: B62D 15/02

Language of the proceedings: EN

Title of invention:

Improvements relating to electric power assisted steering systems

Patentee:

TRW LUCAS VARIETY ELECTRIC STEERING LIMITED

Opponent:

Toyoda Koki Kabushiki Kaisha

Headword:

-

Relevant legal provisions (EPC 1973):

EPC Art. 116(1)

EPC R. 67

Keyword:

"Substantial procedural violation - (yes)"

"Refund of the appeal fee - (no)"

Decisions cited:

T 0598/88, T 0042/90, T 0166/91, T 0315/92, T 0405/96,
T 0663/99, T 0400/02

Catchword:

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Case Number: T 1544/06 - 3.2.01

D E C I S I O N
of the Technical Board of Appeal 3.2.01
of 14 April 2008

Appellant: TRW LUCAS VARIETY ELECTRIC STEERING LIMITED
(Patent Proprietor) Stratford Road
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Birmingham B16 9PW (GB)

Respondent: Toyoda Koki Kabushiki Kaisha
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Aichi 448-8652 (JP)

Representative: TBK-Patent
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Decision under appeal: Decision of the Opposition Division of the
European Patent Office posted 17 August 2006
revoking European patent No. 1026068 pursuant
to Article 102(1) 1973 EPC.

Composition of the Board:

Chairman: S. Crane
Members: J. Osborne
G. Weiss

Summary of Facts and Submissions

- I. The appeal is directed against the decision posted 17 August 2006 to revoke European patent No. 1 026 068.
- II. Following the filing of an opposition the patent proprietor was invited with a communication dated 28 April 2005 to file observations within a period of four months. In response the patent proprietor requested a first extension of the time limit by two months, which was granted, and a further extension by one month, which was not.
- III. With a letter received 3 July 2006 the patent proprietor submitted observations in response to the notice of opposition and filed a conditional request for oral proceedings.
- IV. In the decision the opposition division stated under the heading 'Facts and Submissions' that "the proprietor was duly informed about the opposition and invited to present his comments. He waived his opportunity to present arguments or other submission (Article 113 EPC) even after an extension of time was granted to him. He filed no admissible requests, evidence or submissions." Under point 2.2 of the Reasons, headed "Readiness for the Decision" the opposition division stated "Pursuant to Rule 57 of the Implementing Regulations the Opposition Division has communicated the notice of opposition to the Patentee and has invited him to file observations and to file amendments, where appropriate, to the description, claims and drawings within a fixed period. No

observations have been filed by the patentee (Article 113(1) EPC)."

V. In a communication of 11 May 2007 pursuant to Article 110(2) EPC 1973 the board set out its provisional opinion regarding the alleged substantial procedural violation and the request for refund of the appeal fee and invited the parties to indicate if they wished these matters to be the subject of an oral proceedings.

VI. With a letter of 21 August 2007 the patent proprietor filed a main request that the decision under appeal be set aside, the case remitted to the first instance for further consideration and the appeal fee refunded because of a substantial procedural violation. One auxiliary request is for oral proceedings only in the event that the board does not remit the case for further prosecution. Further auxiliary requests relate to substantive matters. The opponent's sole request, filed with a letter of 20 November 2007, is that the appeal be dismissed.

VII. The submissions of the patent proprietor in as far as they are relevant for the present decision may be summarised as follows:

The EPO received the patent proprietor's observations and an auxiliary request for oral proceedings on 3 July 2006, before the contested decision was sent to the EPO postal service. By not complying with the request for oral proceedings the opposition division committed a substantial procedural violation. It is equitable that the appeal fee be refunded under Rule 67 EPC 1973.

VIII. The opponent responded to the above submissions essentially as follows:

The patent proprietor failed to file a timely substantive response in reply to the invitation to file observations to the opposition. The patent proprietor was informed that failure to reply within the set time limit would result in continuation of the opposition procedure and that the EPO may disregard facts which are not submitted in due time. A request for oral proceedings cannot be regarded as binding if it is filed outside of the set time limit, particularly if no reasons are given for a delay in replying. Although a request for oral proceedings usually must be observed there is no case law as to whether this principle applies also in the present situation involving a failure to file a timely substantive response with no explanation for the delay. The action of the opposition division is correct according to decision T 663/99.

The case should not be remitted to the first instance since the contested decision treated the only substantive request which was on file at the time.

Reasons for the Decision

1. The patent proprietor's main request relates to the matter of whether the opposition division should have summoned the parties to oral proceedings prior to taking its decision.

- 1.1 The statement in the contested decision that the patent proprietor had failed to file observations is incorrect. Those observations were filed on 3 July 2006 in a letter which contained also a clear request for oral proceedings to be held if the opposition division were minded to revoke the patent. That request was not subsequently withdrawn.
- 1.2 In accordance with consistent case law a clear request for a first oral proceedings in accordance with Article 116(1), first sentence, EPC 1973 must be acted upon before a decision to the disadvantage of the requesting party is taken and failure to do so amounts to a substantial procedural violation. This principle applies even in a case where the deciding instance was unaware of the request, see T 405/96, T 400/02 (both not published in OJ EPO).
2. The opponent's view is that the present case differs importantly from those which have resulted in the case law referred to above in that the request for oral proceedings was filed outside of the time limit set by the opposition division for filing observations.
 - 2.1 The opponent refers to decision T 663/99 (not published in OJ EPO) which concerned a case in which an opposition division had issued a decision before expiry of the time limit for filing observations. The board in that case found that a party's right to be heard required that the time limit had expired before the decision was sent to the EPO postal service. The actions of the opposition division in the present case are in accordance with the findings of T 633/99 but since that decision is silent as regards requests filed

outside of the time limit it fails to provide support for the present opponent's point of view.

- 2.2 In an earlier case which was the subject of decision T 598/88 (not published in OJ EPO) the facts are not dissimilar to those in the present case. Also in that case the patent proprietor requested a plurality of extensions to the time limit for filing observations to the opposition. The time limit had been extended to 17 months and the reply, which merely contained requests to reject the opposition and to hold oral proceedings, was filed after expiry of the extended time limit. These facts, however, were not specifically addressed in the decision. The board found that a request for oral proceedings is a purely procedural submission which can be made at any time before the date on which the decision brings the procedure to a close. The board stressed that a request for oral proceedings is not subject to the provision of Article 114(2) EPC 1973 in respect of late submissions (reasons point 5). It went on to state that a party's right to oral proceedings could not be denied even if delaying tactics may be considered as amounting to an abuse of the procedure. The present board sees no cause to deviate from these aspects of decision T 598/88 (*supra*).
3. Whilst the opponent in the present case has suggested that a party's right to oral proceedings should be dependent on the timeliness of the request being filed it has provided no reasoning in support thereof. It does, however, find support for its case in the patent proprietor's failure to provide an explanation for the delay in filing the reply. However, in accordance with consistent case law a party's right to oral proceedings

is an absolute one which may be made at any time in the course of the procedure. It follows that any explanation for the timing of the patent proprietor's request for oral proceedings would be immaterial to the case.

- 3.1 In the light of the foregoing the board finds that the filing of the request for oral proceedings after expiry of the time limit set for filing observations to the opposition in the present case does not influence its binding effect on the opposition division. The opposition division's failure to observe that request amounts to a substantial procedural violation.

4. According to Article 11 RPBA 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." There are no such special reasons in the present case. The opponent argues that the case should not be remitted because the only pending substantive request, for maintenance of the patent as granted, was treated in the decision. However, the failure to appoint the requested oral proceedings means that the decision was taken without consideration of any arguments which the patent proprietor might have presented orally. The board therefore considers that the case should be remitted to the first instance for further prosecution in accordance with the patent proprietor's request.

5. A further matter to be considered is the patent proprietor's request for refund of the appeal fee. The content of the relevant legal basis under the

Implementing Regulations to EPC 1973, Rule 67, in so far as it concerns the facts of relevance in this case, was incorporated in identical form into Rule 103(1)(a) EPC. The subject-matter of Rule 103 EPC, like that of Rule 67 EPC 1973, relates to Articles 109 and 111 EPC which have remained unchanged save for adjustments to the wording. It follows from Article 1(1), first sentence, of the Decision of the Administrative Council of 28 June 2001 on the transitional provisions under Article 7 of the Act revising the EPC of 29 November 2000 (OJ EPO 2007, Special edition No. 1, 197) that Articles 109 and 111 EPC are not applicable to European patent applications pending at the time of their entry into force. Therefore, under Article 7(1), second sentence, of the Act revising the EPC of 29 November 2000, Article 109 and 111 EPC 1973 remain applicable, with the result that Rule 67 EPC 1973 is applicable in the present case.

- 5.1 Rule 67 EPC 1973 provides that refund of the appeal fee shall be ordered subject to the conditions *inter alia* that a board of appeal deems an appeal to be allowable and that such reimbursement is equitable by reason of a substantial procedural violation. The only one of these conditions which remains to be examined in the present case is whether the refund would be equitable.

- 5.2 The letter containing the patent proprietor's request for oral proceedings was received at the EPO on 3 July 2006, some five weeks before the date on which the decision left the custody of the opposition division by being sent to the EPO postal service. Parties have the right to expect that letters received by the EPO will be transmitted to the competent department within this

time. On the other hand, although the patent proprietor requested, but was refused, an extension of time limit to seven months for filing observations on the opposition, it filed its letter containing the request for oral proceedings a further seven months after that refused extension would have expired. Even if the delay in replying were justified by the need to prepare the substantive content of the letter, the request for oral proceedings could have been filed at any time, at the very latest in response to the refusal of the request for an extension of the time limit to seven months. It is not evident from the file why the opposition division issued the decision without taking account of the request for oral proceedings. However, the setting of a time limit for filing observations on an opposition is *inter alia* an attempt to ensure that the file is complete within a reasonable period of time. In this way work on the case may progress without undue delay whilst nevertheless reducing the risk of letters being received which materially affect the content of a decision which already is being prepared. Parties have a right to expect that no final decision will be taken in a case before expiry of a set time limit, cf. T 804/94 (not published in OJ EPO). However, the longer a party delays filing a submission after expiry of a time limit the greater is the likelihood that the submission will not be seen before completion of the case. In the board's view, therefore, the patent proprietor's tardiness in filing its request for oral proceedings, although immaterial as regards the validity of the request, did have some bearing on the necessity for filing this appeal. The board therefore considers that it would not be equitable to refund the appeal fee, cf. J 18/96 (OJ EPO 1998, 403).

5.3 The board is aware that in the case of decision T 598/88 (*supra*) the appeal fee was refunded although the request for oral proceedings was filed after expiry of the time limit for filing observations. However, it is not derivable from the decision that the board took the expiry of the time limit into account when arriving at its conclusions in the matter.

Order

For these reasons it is decided that:

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

The Registrar:

The Chairman:

A. Vottner

S. Crane