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D E C I S I O N
of 15 October 1997

Case Number: T 0389/95 - 3.5.2

Application Number: 86906589.6

Publication Number: 0248033

IPC: H03F 3/189

Language of the proceedings: EN

Title of invention:

Multi-level power amplifying circuitry for portable radio transceivers

Patentee:

Motorola, Inc.

Opponent:

Nokia Mobile Phones Ltd.

Headword:

Mobile phone/MOTOROLA INC.

Relevant legal provisions:

EPC Art. 114, 108

Keyword:

"Appeal admissible - yes"

"Evidence making an entirely fresh factual case on appeal to be disregarded pursuant to Article 114(2) EPC - yes"

Decisions cited:

G 0008/91, G 0010/91, G 0009/92, G 0008/93, G 0001/95,
T 0156/84, T 0611/90, T 0017/91, T 0212/91, T 0938/91,
T 1002/92, T 0847/93, T 0503/94

Headnote:

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Case Number: T 0389/95 - 3.5.2

D E C I S I O N
of the Technical Board of Appeal 3.5.2
of 15 October 1997

Appellant: Nokia Mobile Phones Ltd
(Opponent) Box 86
24101 Salo (FI)

Representative: Frain, Timothy John
Patent Department
Nokia Mobile Phones
Ashwood House
Pembroke Broadway
Camberley
Surrey GU15 3SP (GB)

Respondent: Motorola Inc.
(Proprietor of the patent) 1303 East Algonquin Road
Schaumburg IL 60196 (US)

Representative: Ibbotson, Harold
Motorola
European Intellectual Property
Midpoint
Alencon Link
Basingstoke
Hampshire RG21 1PL (GB)

Decision under appeal: Decision of the Opposition Division of the
European Patent Office posted 8 February 1995
rejecting the opposition filed against European
patent No. 0 248 033 pursuant to Article 102(2)
EPC.

Composition of the Board:

Chairman: W. J. L. Wheeler

Members: R. G. O'Connell
B. J. Schachenmann

Summary of Facts and Submissions

I. This appeal is against the decision of the opposition division to reject the appellant's opposition to European patent No. 0 248 033. The patent, which was granted in February 1992 pursuant to an international application having a filing date of October 1986, has not been amended in the opposition or appeal procedure.

II. In the notice of opposition the opponent requested revocation of the patent in its entirety on the grounds that the subject-matter of the claims of the patent was not new or did not involve an inventive step having regard to the following prior art documents:

D1: EP-A-0 159 670 and

D3: WO-A-85/00082

of which D1 had been discussed in the examination procedure and D3 had been cited in the supplementary European search report. In the decision under appeal the document

D2: US-A-4 523 155,

which had also been discussed in the examination procedure and was regarded by the opposition division as the closest prior art, was also mentioned.

III. The statement of grounds of appeal made no reference to the documents referred to above nor to the reasons on which the decision under appeal was based. Instead, in

the words of the grounds of appeal, the appeal was based on new prior art which had not previously been considered by either the examining division or the opposition division, namely, the Mobira NMT-50 mobile phone (Mobira Oy being the former name of the appellant), the technical features of which had (according to the appellant) been made available to the public before the priority date of the opposed patent by

(i) sale of the phone

(ii) the phone service manual having been given to qualified service centres outside an obligation of confidence and having been made available on request to other third parties. As evidence of the alleged prior publication relevant extracts from the service manual were filed with the grounds of appeal as document

D4: Extracts from the Mobira NMT-50 Service Manual.

Further evidence in relation to the alleged prior use of the phone was offered in the event that the board deemed it appropriate.

IV. The respondent (proprietor) did not at first object to the document D4 and the allegation of prior use being taken into consideration, but commented on the merits of the new evidence and arguments. Accordingly the board indicated in a communication that since the appellant had not challenged the decision under appeal on its merits but had only advanced an entirely new argument based on evidence which had not been considered by the department of first instance, the board would, in the event that it judged the late-filed evidence to be highly relevant, remit the case to the department of first instance following the established jurisprudence of the EPO Boards of Appeal. To this end the appellant was invited to comment on the respondent's arguments on the substance of the D4 disclosure, deferring the question of proof of publication for subsequent consideration. In reply to this the appellant submitted a further document

D5: NMT -DOC. 900-3 Nordic Mobile Telephone Group
January 1985

being a compilation of relevant pages of the technical specification of the Nordic Mobile Telephone system, which was said to clarify a term used in D4.

Following issue of a summons to oral proceedings, which had been requested by both parties, the respondent made a new detailed submission to the effect that the evidence filed on appeal should not be admitted.

V. The appellant(opponent) argued essentially as follows:

Opinion G 10/91, OJ EPO 1993, 420, and decision G 1/95 OJ EPO 1996, 615, which related only to fresh grounds for opposition, did not deprive the board of discretion to admit new evidence relevant to a ground for opposition which had been invoked in the notice of opposition. Decision T 1002/92, OJ EPO 1995, 605, which was decided after opinion G 10/91 had been published and considered the impact of the reasoning in the latter in some detail, also recognised that a board of appeal may admit late new evidence if it is highly relevant in the sense of being highly prejudicial to the maintenance of the opposed patent.

The respondent was seeking to blur the distinction between a fresh ground for opposition, ie a change in legal basis, and new facts or evidence, but the distinction was crucial: in the former case the board had no discretion, in the latter case it had.

The respondent's imputation of bad faith to the opponent in filing D4 late - D5 was merely an explanatory amplification of D4 - was not justified. As a matter of fact D4 only came to light after the close of the opposition procedure. Prior use was inherently difficult to find; even an own product was not easy to find in the face of rapid technological change. The mobile telephony art was characterised by huge growth involving changes of personnel which made pre-1985 products, which by the standards of the industry were obsolete, very difficult to trace.

VI. The respondent's arguments can be summarized as follows:

The EPC provided that opposition may be filed during a period of nine months after grant of a patent. It represented delaying tactics tantamount to an abuse of process that the opponent now sought to file what was effectively a new opposition two and a half years after the expiry of the prescribed period, supplemented by further evidence (D5) two years after that. This meant that the half of the term of the patent had expired by the time the proprietor had complete notice of the opponent's case. The facts of the present case were comparable to those of decision T 17/91 of 26 August 1992 (not published in OJ EPO) where it was decided that late evidence of the opponent's own prior use should be disregarded under Article 114(2) irrespective of its potential relevance.

Investigation by the respondent had established that the newly cited documents D4 and D5 had not in fact been made available to the public from service centres as alleged by the opponents and affidavits to that effect could be filed if required.

The board's discretion under Article 114(1) EPC in the present case was limited by opinion G 10/91 given that it was an *inter partes* appeal. The guiding principles were that (i) the function of the board of appeal was different to that of the opposition division and (ii) the appeal procedure was concerned with reviewing the decision and procedure of the department of first instance. These principles restricted the discretion of a board of appeal in such a way that when the procedural considerations so dictated a board had to allow even a clearly invalid patent to stand. This principle was reflected also in decisions G 8/91, OJ EPO 1993, 346, G 8/93, OJ EPO 1994, 887 and G 9/92, OJ EPO 1994, 875.

The analogy between a fresh ground, in the sense of a new legal basis, and entirely new evidence bearing no relation to what went before (as in the case of D4) was very strong. The proprietor would be taken by surprise if an opposition originally based on added subject-matter became on appeal an opposition based on lack of novelty; - and opinion G 10/91 protects the proprietor against this abuse. But the element of surprise was the same in the circumstances of the present case and there was no justification for a different outcome. The proprietor was just as entitled to legal certainty in the second case as in the first.

The fact that the Enlarged Board of Appeal had not pronounced on the precise question arising in the present case reflected only the fact that no such question had been referred to it; there was no reason to assume that the principles applied would be

different to those referred to above, and it followed from those principles that the present board was obliged to refuse to admit the late new evidence.

A patent was above all a commercial instrument. The patent grant and opposition procedure should provide the proprietor with a reasonable measure of procedural legal certainty in making major investment decisions: the proprietor should be able to assess his commercial position at the end of the nine month opposition period.

In this connection the board's attention was drawn to the observation of the Enlarged Board of Appeal in opinion G 10/91 at point 6 of the reasons:

"Rule 55(c) EPC only makes sense interpreted as having the double function of governing (together with other provisions) the admissibility of the opposition and of establishing at the same time the **legal and factual framework**, within which the substantive examination of the opposition in principle shall be conducted. The latter function is of particular importance in that it gives the patentee a fair chance to consider his position at an early stage of the proceedings."

D4 was not a part of the factual framework established by the notice of opposition; it was not in any sense an extension of the prior art documents D1 - D3 cited therein. It represented a more extreme case than that considered in decision T 1002/92 - where the later evidence not admitted was 'further substantiating evidence'. It was oddly fortuitous that D4 should come

to light during the short interval between the end of the opposition procedure (8 February 1995) and the expiry of the time limit for filing on appeal (18 April 1995).

VII. The appellant requested (main request) that the decision under appeal be set aside and that the patent be revoked.

By way of auxiliary request, the appellant requested that the following questions be referred to the Enlarged Board of Appeal:

1. Can an admissible appeal be filed on existing grounds for opposition based solely on new evidence introduced in the grounds of appeal?
2. And if so, in what circumstances?

VIII. The respondent requested that the appeal be dismissed.

Reasons for the Decision

1. *Admissibility*

It has to be considered whether exclusion of the evidence filed on appeal, thus depriving the appeal of its only grounds, would render the appeal inadmissible for failure to comply with Article 108 EPC, last sentence: "Within four months after the date of notification of the decision, a written statement setting out the grounds of appeal must be filed.". The

board is not persuaded that this is so, since the exclusion would not be automatic but would result from an exercise by the board of its discretion under Article 114(2) EPC. In particular, if the respondent did not object to the late evidence being considered, as was indeed the case in the letter of 20 October 1995 in reply to the grounds of appeal, the board would, absent special reasons, abide by the common wish of the parties (*volenti non fit injuria*) and not exercise its discretion to disregard the late evidence. Since, in the view of the matter taken by the board, admissibility of an appeal should be determined by objective criteria and not by the wishes of the parties, the fact that in the present case the respondent now **does** object to the late evidence being taken into account does not have the retrospective effect of making the appeal inadmissible. This view of the matter also takes cognisance of the fact that, whereas in the present case the appellant agrees that the evidence filed on appeal is not in any way a development of the case considered and decided on by the department of first instance, in general the issue of 'new factual framework' would usually be one of fact to be determined objectively as part of the substantive examination of the appeal. Precisely because the particular facts of this case together with the objections and admissions of the parties tend to blur that distinction between the questions of admissibility and allowability which turns on the pragmatic distinction between arguability and cogency, the board considers it imperative to focus sharply on that distinction and not allow an extreme case to shift the boundary.

Having regard to the above considerations, the board judges that the statement of grounds of appeal sets out an arguable case at least to the extent of meeting the requirement of Article 108 EPC, last sentence. Since the other requirements for admissibility are satisfied the board concludes that the appeal is admissible.

The conclusion the board arrives at is the same as that reached in relation to a fresh case in decision T 611/90, OJ EPO 1993, 50, at points 1 and 2 of the reasons and in decision T 938/91 of 21 September 1993, (not published in OJ EPO), at point 1 of the reasons. However, the board's reasons differ from those given in T 611/90 in view of the need to take account of opinion G 10/91, OJ EPO 1993, 420 and differ from the reasons given in decision T 938/91 because the latter rely on an argument *a contrario* in relation to opinion G 10/91, point 18, which, for reasons explained below, this board does not fully subscribe to.

It follows from the fact that opinion G 10/91 allows even a fresh legal ground for opposition to be considered in appeal proceedings if the patentee approves, that an appeal based solely on such a ground is not *ipso facto* inadmissible; by the same token an appeal such as the present one, based on the same legal ground, albeit on a completely fresh factual framework may be admissible.

2. *Legal and factual framework*

2.1 A crucial question to be decided at the outset in the

examination of this appeal is whether the board should exercise its discretion under Article 114(2) EPC to disregard D4 as not submitted in due time. An affirmative answer to this question would apply to D5 and the other evidence offered in relation to prior use and would entail dismissal of the appeal.

- 2.2 "Due time" for submitting evidence in an opposition is, absent special reasons, within the nine-month period laid down by Article 99 EPC in conjunction with Rule 55(c) EPC; cf decision T 156/84 OJ EPO 1988, 372, headnote IV. Special reasons which have been accepted in the jurisprudence of the EPO Boards of Appeal include responding to amended claims, to unforeseen challenges relating to alleged common general knowledge in the art or to gaps in a chain of evidence or argument which emerge in the course of a convergent debate. If the evidence is not responsive, or the response is unduly delayed, the competent department may disregard it pursuant to Article 114(2) EPC. In exercising its discretion in this respect the department makes a judgement which, broadly speaking, balances the conflicting interests of procedural certainty for the patent proprietor and the public interest that invalid patents should be revoked, these conflicting values being reflected in the tension between Articles 114(1) and 114(2) of the convention. There is also a public interest in the patent granting procedure not degenerating into an endless obstacle race (*expedit rei publicae ut finis sit litium*) so as not to deter prospective inventors and investors, as well as the private interest of the opponent as a commercial competitor.

2.3 Following decision T 156/84 a number of boards of appeal have regarded Article 114(1) as having primacy over 114(2) and have restricted the application of the latter provision to disregarding evidence which was not sufficiently relevant.

2.4 However, in its opinion G 10/91, which answered a question relating to fresh grounds for opposition, the Enlarged Board of Appeal, on the basis of very general considerations as to the purpose and nature of the appeal procedure, observed at point 18 of the reasons:

"The purpose of the appeal procedure inter partes is mainly to give the losing party the possibility of challenging the decision of the opposition division on its merits."

"Although Article 114(1) EPC formally covers also the appeal procedure, it is therefore justified to apply this provision generally in a more restrictive manner in such procedure than in opposition procedure."

2.5 Decision T 1002/92 OJ EPO 1995, 605, considered in some detail the impact of opinion G 10/91 on the jurisprudence relating to evidence not submitted in due time and concluded that in the **appeal** procedure the application of Article 114(1) EPC should be more restrictive than that set out in decision T 156/84 (cf point 3.5 of the reasons for decision T 1002/92).

2.6 It is, of course, important to bear in mind that although opinion G 10/91 referred (cf paragraph 6 of

the reasons) to the need for the notice of opposition to establish the legal and factual framework for the opposition, point 3 of the formal binding opinion did not go beyond stating that:

"3. Fresh grounds for opposition may be considered in appeal proceedings only with the approval of the patentee."

2.7 It was further explained in decision G 1/95, OJ EPO 1996, 615 at point 5.4 that "the term 'a fresh ground for opposition' which is used in paragraph 18 of opinion G 10/91 must be interpreted as having been intended to refer to a new legal basis for objecting to the maintenance of the patent, which was not both raised and substantiated in the notice of opposition, and which was not introduced into the proceedings by the opposition division in accordance with the principles set out in paragraph 16 of G 10/91".

2.8 It follows that those remarks in G 10/91 which are formulated in such general terms as to apply also to a change in the factual framework while remaining within the same legal framework, ie, new evidence relating to an existing ground, such as D4 in the present appeal, are strictly *obiter*. Apart from the simple and sufficient reason that, as pointed out by the respondent, the question of law referred to the Enlarged Board of Appeal in G 10/91 did not warrant any wider-ranging considerations, there is a fundamental reason for a separate treatment of the legal and the factual dimensions of the framework. Grounds for opposition constitute a finite discrete set -

Article 100 EPC being explicitly exhaustive in its listing - whereas the factual dimension is an infinite continuum.

2.9 Nevertheless, even *obiter* remarks of the Enlarged Board of Appeal can safely be assumed to reflect a considered opinion and, in the judgement of the board, they lend weight to a conclusion that when a change in the factual framework on appeal is so complete that the new has nothing in common with or related to the old - an entirely fresh factual case - the analogy with a fresh ground for opposition is so close that a different legal outcome would offend a principle akin to the principle of proportionality: situations which are closely similar in factual and procedural terms should not result in drastically different outcomes. This conclusion is reinforced by the consideration that all the arguments adduced in opinion G 10/91 to justify prohibition of the introduction of a fresh ground of opposition on appeal (unless the patentee approves) could be applied with at least equal force to the introduction on appeal of an entirely new factual case. An appeal procedure which permitted serial oppositions based on entirely new facts would be even more open to tactical abuse than one allowing fresh legal grounds to be introduced. Given that the factual dimension is an infinite continuum there is even no guarantee that the debate would ever converge.

2.10 In connection with the last point it should be emphasised that the board has no reason to doubt the appellant's statement that it became aware of D4 only after the end of the opposition procedure and, in

general, considers it better to decide the admissibility of late evidence on the basis of objective criteria rather than attempting to evaluate the parties' behaviour with respect to some inevitably subjective extra-legal standards. By the same token the board does not attach any weight to the fact that D4 relates to prior art originating within the opponent's own organisation. A legal fiction of corporate knowledge would be a poor basis for imputing culpable delay.

- 2.11 The appellant's argument is based essentially on the primacy of Article 114(1) EPC, ie, the EPO's duty to investigate the facts of its own motion to ensure that invalid patents are revoked. However this view of Article 114(1) EPC was explicitly rejected by the Enlarged Board of Appeal in opinion G 10/91.
- 2.12 The board is aware that some boards of appeal have continued after G 10/91 to apply the criterion of relevance to answer the question posed by a fresh factual case on appeal. Some, eg T 847/93 dated 31 January 1995 (not published in OJ EPO) have sought to compensate the proprietor for the perceived misuse of the appeal procedure by a punitive order as to costs. Others, including T 212/91 dated 16 May 1995 (not published in OJ EPO) and T 503/94 dated 11 October 1995 (not published in OJ EPO), following considerations similar to those set out in T 1002/92, referred to above, have sought to resolve the dilemma by raising the threshold of relevance to "prima facie highly relevant" in the sense of "highly likely to prejudice the maintenance of the patent". On balance

this board favours the latter approach.

2.13 Furthermore, the board is particularly mindful of the fact that the opposed patent is already halfway through its life and that admission of D4 would entail a remittal to the department of first instance leading to a further appealable decision. The accumulation of delays involved in such iterative looping is not to be taken lightly, particularly when it is not convergent. A centralised revocation procedure is advantageous to a competitor, but the EPC does not provide for him to have that advantage throughout the life of the patent. The construction of the EPC envisages rather that issues of validity arising long after grant should be dealt with by the national courts.

2.14 In the view taken by this board therefore, facts, evidence and arguments constituting an entirely fresh factual case on appeal should normally be disregarded pursuant to Article 114(2) EPC unless convergence of the debate is guaranteed, eg by a manifestly unanswerable challenge to the validity of the opposed patent necessarily resulting in restriction or revocation of the patent. Furthermore the conclusiveness of this challenge should normally be manifest from the statement of grounds of appeal.

2.15 In the judgement of the board the facts, evidence and arguments sought to be introduced in the present case do not meet this standard of guaranteed convergence. Reasonable queries have been raised by the proprietor as to the precise disclosure of D4 and the statement of grounds of appeal did not include any evidence to

support the assertion that D4 had been made available to the public. Neither was any evidence of the alleged sale of Mobira NMT-50 mobile phone filed with the grounds of appeal.

3. Having regard to all the above considerations, the board exercises its discretion under Article 114(2) to disregard D4 and D5 with the consequence that the appeal grounds are deprived of their entire evidential basis and are accordingly unpersuasive. It follows that the appellant's main request must be refused. In view of the board's finding that the appeal is admissible a referral to the Enlarged Board of Appeal of the question posed in the appellant's auxiliary request is not appropriate.

Order

For these reasons it is decided that:

The appeal is dismissed.

The Registrar: The Chairman:

N. Maslin

W. J. L. Wheeler