

Decision of Technical Board of Appeal 3.5.1 dated 23 January 1998

T 939/95 - 3.5.1

(Language of the proceedings)

Composition of the board:

Chairman: P. K. J. van den Berg

Members: C. Holtz

A. S. Clelland

Applicant: NCR International, Inc.

Headword: Time limit for rectification/NCR

Article: 109 EPC

Rule: 67 EPC

Keyword: "Late rectification - exceptional circumstances" - "Reimbursement of first appeal fee - no - no substantial procedural violation" - "Reimbursement of second appeal fee - no - appeal not allowed"

Headnote

Under Article 109(2) EPC a file must be remitted to the boards of appeal without delay and without comments as to its merits if the decision under appeal is not rectified within one month of receipt of the statement of grounds for the appeal. Therefore, if further separate issues - such as reimbursement of the appeal fee -

arise out of the appeal, the instance in charge of the case is obliged under Article 109(2) EPC to take a separate decision on rectification before the end of the one-month time period, as soon as it realises that a decision on any further issue cannot be taken within that period.

Summary of facts and submissions

I. On 28 April 1995 the examining division decided to refuse the patent application (hereinafter "the April decision"). The applicant filed an appeal including a statement of grounds on 7 June 1995 against this refusal. By the decision under appeal issued on 11 August 1995 the examining division decided to annul the April decision, but simultaneously refused a request for reimbursement of the fee for the appeal against that decision (hereinafter "the August decision"). The main reason for this refusal was that the appellant had not responded appropriately to objections raised in the communication issued prior to the decision to refuse the application.

According to the examining division, the April decision had been based on grounds or evidence on which the appellant had already had an opportunity to comment; hence the application could be refused without any further communication. The examining division referred to T 300/89 (OJ EPO 1991, 480), which it considered analogous to the present case.

II. The appellant requests that (1) the decision under appeal be set aside in part, i.e. with respect to the refusal to reimburse the appeal fee for the original appeal against the April decision and (2) that the appeal fees for that appeal and the second appeal against the August decision be reimbursed. This means that the appellant wants the decision under appeal to stand with regard to the decision to rectify.

With respect to the first appeal fee, the appellant invoked two alternate grounds, firstly that rectification under Article 109 EPC in itself warrants such reimbursement, and secondly that in any event the examining division had committed a substantial

procedural violation in that it had not offered the appellant any opportunity to respond to any remaining objections by the examining division. As to this second ground, the appellant contended that the amendments made in response to the communication constituted a bona fide attempt at overcoming the objections raised there. Although the appellant filed a further amended claim 1 only on appeal, it should not be held against him that he tried to cover as much of the application as possible with his first amendments. He was therefore entitled to a second communication.

With respect to the second appeal fee, the ground invoked by the appellant was that the present appeal was solely caused by the refusal of the examining division to reimburse the appeal fee for the appeal against its original decision to refuse the patent.

III. As a response to a communication from the board, in which the question of a nullification of the decision to rectify was raised as a result of this decision having been taken outside the term under Article 109 EPC of one month, the appellant specifically requested that the decision to rectify not be set aside, as he was anxious that a decision on reimbursement should be reached as soon as possible, so that the application could proceed to grant without further undue delay.

Reasons for the decision

1. The appeal is admissible.

2. *Reimbursement of the first appeal fee*

2.1 Prerequisites under Rule 67 EPC

According to the wording of Rule 67 EPC, reimbursement of the appeal fee "shall be ordered in the event of interlocutory revision or where the Board of Appeal deems an appeal to be allowable, if such reimbursement is equitable by reason of a substantial procedural violation".

The subsentence starting "if such reimbursement" read in its context refers both to interlocutory revisions and appeals. This means that for each of these stages it is a prerequisite that a substantial procedural violation has occurred and that reimbursement is found equitable in the discretion of the deciding body, be it the examining division or the board. This finding is consistent with T 79/91 of 21 February 1992 (not published) in which it was found that reimbursement of appeal fees is not an automatic consequence of interlocutory revision, and with opinions expressed during the negotiations in preparation of the EPC (cf. draft text in document IV/6514/62-D, Working group "Patents", Brussels, 13 November 1961, according to which the rectifying instance **may** refund the appeal fee).

The Guidelines, E-XI, 8, although not binding on the boards, are also consistent with the above finding.

The request for refund of the first appeal fee consequently cannot be allowed merely as a result of the decision to rectify. The board must therefore examine whether any substantial procedural violation occurred which would make such a refund equitable.

2.2 Procedural violation

On the facts on file, the board cannot conclude that any procedural error occurred before or through the decision of 28 April 1995 to refuse the application. The appellant was given an opportunity to respond to the objections raised in the sole communication, which he only did in part, whereas the remaining objections were only overcome through amendments submitted upon appeal. Even though the

applicant may have thought that his first amendments were bona fide attempts at dealing with some of the objections and even though mere arguments may at times sway an examining division, he could not be certain that the examining division would change its opinion on the remaining objections. Therefore, the requested amendments should be made, if the applicant wanted to avoid the risk of a refusal of his application and to ensure that a patent be granted without further delay. On the above facts, the examining division was correct in issuing a decision based on the file as it then stood.

Therefore the appeal fee for the appeal against the decision of 28 April 1995 to refuse the application cannot be reimbursed.

3. Rectification under Article 109 EPC

3.1 The board has noted that the examining division took its decision to rectify and refuse the requested refund only on 11 August 1995, i.e. about two months after the appeal including the grounds had been filed. Under Article 109(2) EPC, however, decisions to rectify shall follow within one month after receipt of the statement of grounds, otherwise the appeal shall be remitted to the boards of appeal without delay.

3.2 The question arising here is whether the first instance is no longer competent to take a decision in the matter as soon as the one month period has lapsed, so that any decision after that has to be nullified as void ab initio. This being a matter of procedural principle of fundamental importance for legal security, in particular with respect to the public's right to know when a decision has become final, the board has to examine this issue of its own motion, although the appellant has expressly asked that the decision of rectification stand.

3.2.1 Under the Guidelines, E-XI, 7 and 9, in order that such a decision can be taken within the short time period prescribed, the appeal must either have cleared any outstanding issue to such an extent that the first instance immediately can establish that the amendments made by the applicant meet the objections raised in the decision under appeal i.e. that the appeal is well-founded, or at least does not necessitate any further contacts with the applicant in the form of communications or otherwise before a decision to grant can be taken. Given that the word "rectification" (German "Abhilfe", French "y faire droit") when understood as meaning "correction" or "amendment" seems to require not only that the decision under appeal must be set aside but also that a decision immediately replacing it be taken, the above conclusions in the Guidelines seem appropriate (annulment by replacement).

However, from the short time allotted under Article 109(2) also the opposite conclusion may be drawn, since there would in many cases not be time enough to review the case with regard to new claims or other recently introduced facts or evidence. This may indicate an intention to allow for a decision which only sets aside the former decision, but without immediately replacing it with a decision to grant the patent (simple annulment).

3.2.2 From the fact that the decision to annul the April decision was made on a preprinted form (EPO Form 2702.2), it may be concluded that an established practice has evolved within the first instance, according to which the annulment must not necessarily be immediately followed by a decision to grant, with the result that the latter might be taken only after lapse of the one month period under Article 109 EPC. In this context it should be noted that a decision to grant a patent is no decision at all, but a **declaration of an intent** to grant the patent under the condition that all outstanding formalities have been dealt with as are required under Rule 51 EPC. For these requirements various time limits apply, e.g. the minimum two months' time period for filing an approval of the text for grant of the patent, a period which can be set at four months, and be extended once to a maximum of six

months. Further, under the Enlarged Board of Appeal decision G 7/93 (OJ EPO 1994, 775) the applicant is allowed to change his mind and ask for further amendments to be considered also after a Rule 51(6) EPC communication has been issued. This means that a decision to rectify is only the first of several processing steps before the final patent can emerge. If all such formalities had to be complied with within the one month allotted under Article 109 EPC, rectification would not be possible at all, and this provision would be moot. This can hardly have been the intention, as rectification was introduced as a means for a speedy and economic way of bringing the application to grant.

3.3 From the point of view of the public interest, however, rectification in order to reopen examination of the application is a questionable practice at best. It does not serve legal security, if the public is kept unaware of the fate of a decision to rectify, only to learn perhaps years later that the application was finally refused. Current practices seem not to follow the Guidelines in this respect, cf. point 3.2 above.

On the other hand, the boards of appeal frequently have referred to Article 109 EPC, pointing out that rectification is a procedurally economic means of redress, see e.g. decisions T 139/87, OJ EPO 1990, 68 and T 47/90, OJ EPO 1991, 486. Rectification is considered not only to be a possibility but an obligation in cases where - on appeal - the applicant's appeal has met all the objections of the examining division. This would mean that a fair balance has to be kept between the interest of the public to have timely information about the fate of an application and the interest of an economic procedure, shared by the applicant and the EPO. In spite of the wording of Article 109 EPC, under exceptional circumstances, there might be reasons not to declare a decision to rectify null and void ab initio only because it was taken out of term.

3.4 In the present case, an additional issue had arisen from the first appeal against the April decision, namely the request for reimbursement of the fee for that appeal.

Under Article 109(2) EPC, a file must be remitted to the boards of appeal without delay and without comments as to its merit, if the decision under appeal is not rectified within the prescribed time limit of one month.

A request for reimbursement under Rule 67 EPC, or any other separate issue arising out of the appeal, does not have to be resolved within the same period as the question of whether or not to rectify. The first instance was therefore in actual fact obliged under Article 109(2) EPC to take a separate decision on rectification within the prescribed time period of one month, as soon as it realised that the reimbursement issue could not be resolved within that same time period.

However, it is noted that the reimbursement issue was resolved by the first instance within a very short period, albeit outside the time limit under Article 109 EPC. To put the decision under appeal aside, only to remit the case under Article 111(1) EPC would be time-consuming and inefficient, which would be neither in the interest of the applicant, who has not requested this to be done, nor in the interest of the EPO. The interest of the public would hardly be affected by the extra delay of one month. Upon remittal, the first instance would in all likelihood redo what it already did in the decision under appeal, i.e. rectify its original decision to refuse the application. In this particular case, this would be an absurd result of a formal reading of Article 109 EPC. In view of the appellant's request on this point, the board therefore finds, exceptionally, that the decision to rectify should stand.

3.5 In order to avoid any misunderstanding, the board underlines that the above finding does not mean that the period for rectification is in any way "extended" or that any margin is allowed. In future, as is indicated above, any separate issue that makes it impossible to take a single decision within the one-month period must result in two separate decisions, of which the decision on rectification has to be taken within the one month period prescribed by Article 109(1), first sentence, EPC.

4. *Reimbursement of the fee for the present appeal*

As the request for reimbursement of the first appeal fee is refused (point 2 above), there is also no legal ground under Rule 67 EPC, which requires that the appeal is allowed, for reimbursement of the fee for the present appeal.

Order

For these reasons it is decided that:

The appeal is dismissed.