

## **Decision of the Enlarged Board of Appeal dated 26 April 2004 G 2/02 and G 3/02**

(Language of the proceedings)

Composition of the board:

Chairman: P. Messerli  
G. Davies  
C. Andries  
W. Moser  
S. Nathanael  
A. Nuss  
R. Teschemacher

**Applicant: AstraZeneca AB**

**Headword: Priorities from India/ASTRAZENECA**

**Article: 23(3), 33, 66, 87(1) and (5), 88, 112(1)(a), 150(2), 172 EPC**

**Article 8 PCT**

**Rule: 4.10 PCT**

**Paris Convention, Art. 1-12, 4A(2), 19**

**Vienna Convention 1969, Art. 5, 26, 34, 38**

**Vienna Convention 1986, Art. 34, 35, 38**

**TRIPS Agreement, Art. 1, 2(1)**

**Statute, International Court of Justice, Art. 38**

**Universal Declaration of Human Rights, Art. 27**

**Keyword: "International applications - priorities from India" - "Applicability of Article 87(5) EPC" - "The position under the PCT" - "The EPO not party to TRIPS" - "Interpretation of Article 87 EPC - according to principles of public international law - in the light of obligations of contracting states under TRIPS"**

*Headnote:*

*The TRIPS Agreement does not entitle the applicant for a European patent application to claim priority from a first filing in a state which was not at the relevant dates a member of the Paris Convention but was a member of the WTO/TRIPS Agreement.*

### **Summary of facts and submissions**

I. In its decision in consolidated cases J 9/98 and J 10/98 (OJ EPO 2003, 184 - Priority from India/ASTRAZENECA), the Legal Board of Appeal referred the following point of law to the Enlarged Board of Appeal:

*Is the applicant of a European patent application, which was originally filed as a Euro-PCT application, entitled in view of the TRIPS Agreement to claim priority from a previous first filing in a state which was, neither at the filing date of the previous application nor at the filing date of the Euro-PCT application, a member of the Paris Convention for the Protection of Industrial Property, but was, at the filing date of the previous first filing, a member of the WTO/TRIPS Agreement?*

II. By a decision dated 3 February 2003, the Enlarged Board of Appeal agreed to consider the point of law referred to it by the Legal Board of Appeal in cases J 9/98 and J 10/98 in consolidated proceedings, in accordance with Article 8 of its Rules of Procedure, under case number G 2/02 and G 3/02.

III. In the proceedings which gave rise to the referral, the Legal Board of Appeal was concerned with two appeals from the same applicant and appellant against decisions of the Receiving Section refusing the appellant's requests to reinstate, on entry into the regional phase of the international applications before the EPO, priorities originally claimed from applications first filed in India. Both cases concern the question whether a European patent application filed in the first place as an international application under the Patent Cooperation Treaty (PCT) could validly claim the priority of an Indian application at a time when India was a party to the Agreement establishing the World Trade Organization (WTO) and Annex 1C thereto, the Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement), but not yet a party to the Paris Convention for the Protection of Industrial Property (the Paris Convention).

The cases in question relate to European patent applications filed as international applications under the PCT at the Swedish Patent Office on 12 March 1996, claiming priority from applications filed in India respectively on 13 and 23 March 1995.

India became party to the WTO, including the TRIPS Agreement, with effect from 1 January 1995. On 3 January 1995, the Government of India caused a Notification to be published in the Gazette of India declaring with immediate effect each of the members of the WTO to be a "convention country" for all the provisions of the Patents Act, 1970 (39 of 1970) (The Gazette of India: Extraordinary [Part II-Sec.3(ii)]), with the result that, in accordance with Section 135 of the Patents Act 1970, India was thereafter bound inter alia to recognise priorities from all TRIPS Agreement members. Attached to the Notification was a table containing a list of countries considered to be "convention countries" accordingly. The list included all those contracting states of the EPC at the time which had become party to the WTO and the TRIPS Agreement on 1 January 1995, with the exception of Ireland and the United Kingdom. The latter already benefited from national treatment in India on the basis of bilateral agreements. Liechtenstein, Monaco and Switzerland were not listed as these three countries had not yet become party to the WTO and the TRIPS Agreement. Liechtenstein and Switzerland became party thereto later in 1995 but not before the filing dates of the Indian applications. Monaco is still not party to the WTO and the TRIPS Agreement. However, the Notification in the Gazette of India made no mention of the European Patent Office (EPO).

Neither the European Patent Organisation (the Organisation) nor its organ, the European Patent Office (EPO), is party to the WTO/TRIPS Agreement and there is no provision in either instrument to allow these bodies to adhere to them. The European Union by contrast is party to the WTO and the TRIPS Agreement.

India became party to the Paris Convention with effect from 7 December 1998; since then priorities claimed from first filings in India are recognised by the EPO pursuant to Article 87(1) EPC. Thereafter, the Government of India announced that henceforth priority could be claimed in India from first filings in all member states of the Paris Convention. However, once more no mention was made of the EPO. It was not until a Notification dated 20 May 2003 published in the Gazette of India that the EPO was included in the list of countries, including groups or unions of countries or intergovernmental organisations, recognised as convention countries under the Paris Convention (OJ EPO 2003, 529).

IV. Before the Legal Board of Appeal, the appellant put forward a number of arguments, identical in both cases, in support of an interpretation of Article 87 EPC according to which, in the light of the Vienna Convention on the Law of Treaties (VCLT 1969), the TRIPS Agreement had to be taken into account and its members treated as if they were parties to the Paris Convention. These arguments are summarised in point V of the Summary of facts and submissions of the decision of the Legal Board.

#### *The decision of referral*

V. In its referring decision, the Legal Board of Appeal put forward a number of arguments against the EPO recognising the priorities of the Indian applications (points 2-4 of the reasons for the decision) and also raised issues concerning important points of law within the meaning of Article 112(1)(a) EPC, which it found inappropriate to rule on itself (points 5, 6 and 7.1 of the reasons) but which it considered to be decisive for the outcome of the present case (cf. point 7.1 of the reasons for the decision).

These issues concern the questions whether the provisions of the TRIPS Agreement can be applied in the context of the EPC, either in view of existing obligations of contracting states of the EPC, or directly. According to the Legal Board of Appeal, only if one of these questions is answered in the affirmative can the appellant be entitled to claim the priority of the filings in India. The Legal Board of Appeal stated, however, that while it was making the present referral because it regarded the issues discussed in points 5 and 6 of its decision as the important points of law which have not yet been resolved, it had decided to define the question referred to the Enlarged Board of Appeal in a somewhat broader way. Its intention was to cover all the legal issues raised by the appellant in the proceedings and the Legal Board of Appeal in the reasons for its decision and to leave it to the

Enlarged Board of Appeal to decide on the aspects of the case it wished to address (cf. points 8 and 9 of the reasons for the decision).

The Legal Board of Appeal also drew attention to the fact that there may be further applications pending before the EPO for which the answer to the referred question may be relevant with respect to first filings in countries other than India. A number of states joined the WTO/TRIPS Agreement before the Paris Convention took effect for them and there are still some members of the TRIPS Agreement which are not yet party to the Paris Convention.

#### *Submissions in the proceedings before the Enlarged Board*

Position of the party to the proceedings

VI. The appellant was invited by a communication of the Enlarged Board of Appeal dated 7 February 2003 to comment on the question referred to it. By letter dated 3 June 2003, the appellant declared that it had no further observations to make.

Position of the President of the EPO

VII. Following a decision of the Enlarged Board of Appeal, the President of the EPO was likewise invited on 6 February 2003 to comment in writing on the points of law referred to the Enlarged Board of Appeal, pursuant to Article 11(a) of the Enlarged Board's Rules of Procedure. On 25 March 2004, the President made available to the Enlarged Board of Appeal copies of the correspondence with the Indian authorities referred to below, in points 3.2-3.5 of the reasons for the decision, but did not take a position on the substance of the referred points of law.

Statements by third parties

VIII. No statements have been filed by third parties.

### **Reasons for the decision**

#### *Admissibility of the referral*

1. The referral is admissible. The final decision of the referring Board in consolidated appeal cases J 9/98 and 10/98 depends on the decision of the Enlarged Board of Appeal concerning the point of law referred to it, which is an important point of law within the meaning of Article 112(1) EPC.

#### *The relevant law*

2. In order to answer the referred question, the following issues require consideration: the provisions of the EPC concerning the recognition of priority; the position under the Patent Cooperation Treaty; the legal consequences of the EPO not being party to the TRIPS Agreement; and the possible justifications according to principles of public international law for the EPO to be bound by the TRIPS Agreement even though it is not itself party thereto.

#### *Provisions of the EPC concerning recognition of priority*

3.1 As the Enlarged Board of Appeal has had occasion to note previously, Articles 87-89 EPC provide a complete self-contained code of rules of law on the subject of claiming priority for the purpose of filing a European patent application (G 3/93, OJ EPO 1995, 18). The present case concerns Article 87 EPC, which deals with the recognition of priority rights for first filings in member states of the Paris Convention and provides inter alia as follows:

*(1) A person who has duly filed in or for any State party to the Paris Convention for the Protection of Industrial Property, an application for a patent [...], or his successors in title, shall enjoy, for the purpose of filing a European patent application in respect of the same invention, a right of priority during a period of twelve months from the date of filing of the first application.*

...

*(5) If the first filing has been made in a state which is not a party to the Paris Convention for the Protection of Industrial Property, paragraphs 1 to 4 shall apply only in so far as that state, according to a notification published by the Administrative Council, and by virtue of bilateral or multilateral agreements, grants on the basis of a first filing made at the European Patent Office as well as on the basis of a first filing made in or for any contracting state and subject to conditions equivalent to those laid down in the Paris Convention, a right of priority having equivalent effect.*

3.2 The Administrative Council has not at any time published a notification under Article 87(5) EPC with respect to India. On 26 July 1995, Directorate-General 5 of the EPO (DG 5) wrote to the Government of India explaining that, in the light of India's membership of the TRIPS Agreement with effect from January 1995, the EPO was considering extending the benefits of Article 87(5) EPC to India on a reciprocal basis. DG 5 enquired whether, on the basis of Article 2(1) of the TRIPS Agreement, according to which TRIPS member states are obliged to comply with the substantive provisions of the Paris Convention (Articles 1-12 and 19), India granted or had the intention to grant a priority right based on a first filing made at the EPO as well as a first filing made in any of the EPC contracting states. In the view of DG 5, Article 2(1) TRIPS, which refers to the Paris Convention for the Protection of Industrial Property, imposes a general obligation on WTO members to comply with the substantive provisions of the Paris Convention, regardless of whether or not a WTO member is also a party to that Convention. Thus, a first filing made in India would be the basis for a priority right in any of the EPC contracting states also party to the WTO and the TRIPS Agreement, and vice versa. According to Article 4, Section A(2) of the Paris Convention and Article 66 EPC, this would also apply to first European filings.

3.3 No reply was received to this letter. A further enquiry dated 3 May 1996 also went unanswered. In these circumstances, no declaration having been received from India to the effect that it would recognise priorities from European first filings, the EPO took no further action under Article 87(5) EPC with respect to India, since the condition of reciprocity laid down therein was not satisfied.

3.4 In December 1998, as a consequence of India's accession to the Paris Convention on 7 December 1998, DG 5 re-initiated its contacts with the Indian authorities, informing them that upon India's accession to the Paris Convention the EPO would recognise priority rights from first filings in India under Articles 87 and 88 EPC. DG 5 once again drew attention to the problem of priority claims based on applications filed before the date of India's accession to the Paris Convention and stated that the EPO would accept such priority claims if India treated European first filings in the same way.

3.5 In its response of 4 January 1999, the Indian Government expressed the view that the EPO could not be notified as a "convention country" under the terms of the Indian Patents Act 1970 "since it is not itself a country". The President of the EPO then pointed out in a reply dated 11 February 1999 that there was no need to notify the EPO as a "convention country" in order to recognise priority rights for first filings at the EPO under Indian patent legislation. Under Article 4, Section A(2) of the Paris Convention, any filing that was equivalent to a regular national filing under the domestic legislation of any country of the Union or under bilateral or multilateral treaties concluded between countries of the Union was to be recognised as giving rise to the right of priority. The domestic legislation of all the EPC contracting states expressly recognised European patent applications as equivalent to regular national filings and this was confirmed by Article 66 EPC, which stated that a European patent application was equivalent to a regular national filing in the designated contracting states. Since all the contracting states of the EPC were members of the Paris Convention, India should recognise priority rights for patent applications in all the EPC contracting states, whether they were filed at the national patent offices or at the EPO. The EPO did not receive any reply to this letter. However, in July 2003, the Indian Government informed DG 5 that India had notified the EPO as a "convention country" for the purpose of claiming priority in India from applications for patents filed at the EPO on or after 20 May 2003. A note to that effect was accordingly published in OJ EPO 2003, 529.

3.6 Meanwhile, Article 87, paragraphs (1) and (5) EPC, were amended in 2000 to provide for the recognition by the EPO of first filings in a WTO member state as giving rise to a right of priority (EPC 2000, Revised European Patent Convention and Implementing Regulations, OJ EPO 2003, Special Edition No. 1). This revised text has not yet entered into force. It will do so only two years after ratification by 15 contracting states or on the first day of the third month following ratification by the last of all contracting states, whichever is the earlier. This revised text is therefore not applicable to the present case.

3.7 From the above, it is clear that, in spite of the best efforts of the EPO to clarify and regulate the situation, it was not possible, prior to India's accession to the Paris Convention in December 1998, for the Administrative Council to publish a notification under Article 87(5) EPC with respect to India. The substantive requirements of that provision had not been met because the Indian authorities did not confirm that they would recognise the

priority of first filings made at the EPO on a reciprocal basis. In the absence of any such notification, the question arises, therefore, whether there are any other reasons why the EPO could or should have applied Article 2(1) of the TRIPS Agreement to India following the adherence of India and a majority of EPC contracting states to the TRIPS Agreement on 1 January 1995.

#### *The position under the Patent Cooperation Treaty*

4. The question referred relates to international applications under the PCT. In accordance with Article 150(2) EPC, third sentence, in case of conflict between the EPC and the PCT, the provisions of the PCT shall prevail. It is relevant, therefore, to consider the provisions of the PCT relating to the claiming of priority, that is, Article 8, in conjunction with Rule 4.10 PCT. According to Article 8(1) PCT, an international application may contain a declaration claiming the priority of one or more earlier applications filed in or for any country party to the Paris Convention. With effect from 1 January 2000, Rule 4.10(a) PCT has been amended to provide, in conjunction with Article 8(1) PCT, which was not amended, that priority may be claimed also from any member of the WTO which is not party to the Paris Convention. This new provision is not applicable to the present case. However, it is relevant also to note that Rule 4.10(d) PCT provides that if, on 29 September 1999, amended paragraphs (a) and (b) of Rule 4.10 PCT are not compatible with the national law applied by any designated Office, those paragraphs will not apply, and the paragraphs in force until 31 December 1999 will continue to apply in respect of that Office for as long as the incompatibility continues to exist, provided that such Office informs the International Bureau of the PCT (WIPO) of the incompatibility. The EPO, as designated Office, has informed the International Bureau of such incompatibility, as prescribed in Rule 4.10(d) PCT (PCT Applicant's Guide, Vol. I/A-International Phase, para. 97).

#### *The EPO is not a member of the TRIPS Agreement*

5.1 As stated in paragraph III, above, neither the European Patent Organisation nor the EPO is a member of the WTO/TRIPS Agreement; moreover, there is no provision in either instrument to allow their adherence thereto. As a formal matter, general multilateral treaties containing rules of general (conventional) law, such as the TRIPS Agreement, are a source of international law for the contracting parties and for no one else.

5.2 This principle is recognised by the Vienna Convention on the Law of Treaties, concluded on 23 May 1969 (VCLT 1969, reprinted, in part, in OJ EPO 1984, 192). Article 34 thereof provides that "A Treaty does not create either obligations or rights for a third State without its consent". It is the established case law of the Enlarged Board of Appeal that the rules on interpretation of treaties incorporated in the VCLT 1969 may be relied on to provide guidance in matters pertaining to the interpretation of the EPC. As explained by the Enlarged Board of Appeal in decision G 5/83 (OJ EPO 1985, 64), the Vienna Convention is not directly applicable to the EPC but its principles can be referred to as they embody recognised international practice, applying to any treaty, which is the constituent instrument of an international organisation (Article 5 VCLT 1969).

5.3 Relevant also to the present case is the Vienna Convention on the Law of Treaties between States and International Organisations of 21 March 1986 (VC 1986). The latter Convention applies *inter alia* also to any treaty between one or more States and one or more international organisations, which is the constituent instrument of an international organisation. Although this Convention has not yet entered into force, it may also be relied on to provide guidance in matters pertaining to the interpretation of the EPC for the same reasons as those relating to the VCLT 1969.

5.4 Neither Convention specifically addresses the case where states have transferred powers to an international organisation, as is the case of the contracting states of the EPC and the EPO pursuant to the EPC. However, as seen above, Article 34 VCLT 1969 provides that "A Treaty does not create either obligations or rights for a third State without its consent" and this general rule is applicable *mutatis mutandis* to the case of an international organisation which is a third party to a treaty between States, since the rule exists as part of customary international law and as such is applicable to international organisations (see *D. Sarooshi*, "Some Preliminary Remarks on the Conferral by States of Powers on International Organisations", *The Jean Monnet Working Papers*, No. 4/03, p.10). This is supported by Article 34 VC 1986, which extends to a third organisation the general rule that a treaty does not create either obligations or rights for a third State without its consent. Article 35 VC 1986 provides that an obligation arises for a third State or a third organisation, if there is an intention to that effect and the third State or third organisation expressly accepts that obligation in writing. Furthermore, acceptance by the third organisation of such an obligation shall be governed by the rules of that organisation.

5.5 Reference may also be made to Article 26 VCLT 1969, which provides that a Treaty in force is binding on the parties to it and must be performed by them in good faith (*Pacta sunt servanda*). This principle, however, by definition does not apply to third parties so that it cannot be deduced from it that the EPO is under an obligation to

apply the TRIPS Agreement, even if this might be desirable in the interest of international harmonisation of substantive patent law.

5.6 In conclusion, according to general principles of international law, a treaty does not create either obligations or rights for a third State or international organisation without its consent. Such an obligation can only arise if there is an intention to that effect and the third State or third organisation expressly accepts that obligation in writing (Articles 34 VCLT 1969 and VC 1986). Thus, the TRIPS Agreement can only create obligations for the EPO with its consent in writing, in accordance with the provisions of the EPC.

*Other possible justifications for the EPO to apply TRIPS*

*(a) Customary law*

6.1 Any justification for an extra-contractual effect of a treaty requires recourse to some other validating ground, in particular, custom (*G.M. Danilenko*, Law-Making in the International Community, Martinus Nijhoff Publishers, 1993, at 53). This is recognised by Articles 38 of both the VCLT 1969 and the VC 1986, which lay down that rules in a treaty may become binding on third States or organisations as a customary rule of international law, recognised as such. The question arises, therefore, whether the recognition of priorities from first filings in Paris Convention and TRIPS member states could be regarded as a customary rule of international law.

6.2 International conventions exert an influence on the development of customary law. New rules embodied in a treaty may come to be regarded as general standards of behaviour even by States not parties to the convention (*Danilenko*, op. cit., p.156, et seq.) and traditionally the operation of custom in this context has been viewed as one of the means of extending the application of rules contained in a convention to third States (cf. *R.F. Roxburgh*, International Conventions and Third States: a Monograph, (1917), London and New York, Longmann, Green, p. 72 et seq.). Article 38 VCLT 1969 reflects this approach. The International Court of Justice (ICJ) has confirmed that a norm of treaty law may pass into the "general corpus of international law" and thus become binding on non-parties (North Sea Continental Shelf Cases [1969] I.C.J. Reports 39). In the same case the ICJ stated, however, that for a treaty rule to be transformed into a rule of general customary international law, the Court required the existence of an "extensive and virtually uniform" State practice, the passage of a certain period of time and, what is most important, "a general recognition" of a norm contained in a treaty by the *opinio juris* of States ([1969] I.C.J. Reports 41-44). Article 38 of the Statute of the ICJ refers to international custom "as evidence of a general practice accepted as law" (see also *I. Brownlie*, Principles of Public International Law, 6<sup>th</sup> ed., Oxford University Press, 2003, p. 6 et seq.). Finally, it is the traditional international law position that a rule of customary international law cannot override a specific obligation under treaty law (*A.B. Hormones*, WTO Dispute Settlement Appellate Body decision, doc. WT/DS26/AB/R and WT/DS48/AB/R of 13 February 1998, p. 45, et seq.). It is clear, therefore, from the case law and literature that Article 38 VCLT 1969 and Article 38 VC 1986 cannot be relied on in the present case. The provisions of the Paris Convention and the TRIPS Agreement on priority do not meet the conditions under which a treaty rule is transformed into a rule of general customary international law: they do not represent an extensive and virtually uniform State practice or a norm generally recognised by the *opinio juris* of States, in the sense of Article 38 of the Statute of the ICJ. Thus, the test laid down by the ICJ in the North Sea Continental Shelf Cases is not met. Moreover, customary law generally concerns matters such as the law of the sea, asylum, extradition, etc. Finally, even if this were not the case, it is the traditional international law position that a rule of customary international law cannot override a specific obligation under treaty law, such as, in the present case, Article 87(5) EPC.

*(b) Jus cogens*

7.1 Customary law is not to be confused with certain fundamental principles set apart as peremptory norms of general international law, which States are not allowed to contract out of, known as *jus cogens*. These norms concern matters such as human rights, genocide, the principle of racial non-discrimination, crimes against humanity, and the rule prohibiting trade in slaves and piracy (*Brownlie*, op. cit. p. 488 et seq.; *P. Malanczuk*, Akehurst's Modern Introduction to International Law, 7<sup>th</sup> ed., Routledge, London and New York, 1997, p. 57 et seq.).

7.2 The Enlarged Board of Appeal has noted that Article 27 of the Universal Declaration of Human Rights recognises that everyone has the right "to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is an author". It takes the view, however, that this provides a guarantee that States should provide their citizens with patent and copyright laws to protect their interests and endorses the opinion of the Legal Board of Appeal that the obligation to recognise priority rights laid down in the TRIPS Agreement cannot be considered to impinge on the fundamental rights of the persons involved (point 5.2 of the reasons for the referring decision).

*Is the EPO bound by the TRIPS Agreement because the EPC contracting states are?*

8.1 As already noted, a majority of the then EPC contracting states became members of the WTO and TRIPS Agreement on 1 January 1995, before the priority dates of the Indian applications. Liechtenstein and Switzerland became members of the TRIPS Agreement later that year. Monaco has to date still not become a member of the TRIPS Agreement.

8.2 So far as the EPC contracting states which became members of the TRIPS Agreement on 1 January 1995 are concerned, they were bound by the obligations of the TRIPS Agreement with effect from that date. As regards the present case, the following provisions of the TRIPS Agreement are of particular relevance. Article 1 establishes the nature and scope of the obligations imposed by the Agreement. Members are to give effect to the provisions of the Agreement. They are, however, free to determine the appropriate methods of implementing the provisions of the Agreement within their own legal system and practice (Article 1(1)). Article 2(1), as already discussed above, provides that members shall comply with Articles 1-12 and 19 of the Paris Convention, including the provisions of Article 4 concerning the right to priority; thus, obligations arising from these Articles of the Paris Convention became obligations of the WTO members (cf. United States-Section 211 Omnibus Appropriations Act of 1998, WTO Dispute Settlement Appellate Body decision, doc. WT/DS176/ABR). For the purposes of the present decision, it is not necessary to consider other obligations of members of the TRIPS Agreement. The EPO takes the view (see point 3.2, above), which is shared by the Enlarged Board of Appeal, that Article 2(1) TRIPS imposes a general obligation on WTO members, including those which are also contracting states of the EPO, to comply with the substantive provisions of the Paris Convention, regardless of whether or not a WTO member is also a party to that Convention. On this basis, the EPO informed the Government of India in 1995 that a first filing made in India would be the basis for a priority right in any of the EPC contracting states also party to the WTO, and vice versa. Thus, a large majority of EPC contracting states were under an obligation under the TRIPS Agreement to recognise priorities from first filings in India under their domestic legislation, and vice versa. However, it is clear also that the obligations deriving from the TRIPS Agreement do not directly bind the European Patent Organisation or the EPO, as such, but only such contracting states of the EPC as are members of the WTO and the TRIPS Agreement. The question arises, therefore, whether the EPO was indirectly bound to apply the TRIPS Agreement at the time in question because so many of its contracting states were members thereof.

8.3 The European Patent Organisation as a public international organisation has an internal legal system of its own (judgment of the High Court of England and Wales (the Patents Court) in *re Lenzing AG's European Patent (UK)* [1997] R.P.C. 245, at 264). The EPC provides an autonomous legal system for the granting of European patents. In legal terms, neither the legislation of the contracting states nor the international conventions signed by them are part of this autonomous legal system. Within the framework of the system established by the EPC, legislative power rests with the contracting states alone and is exercised by either an inter-governmental conference (Article 172 EPC) or the Administrative Council (Article 33 EPC). The EPO is not itself party to the WTO and the TRIPS Agreement. Thus, the obligations deriving from the TRIPS Agreement do not bind the EPO directly but only such contracting states of the EPC as are members of the WTO and the TRIPS Agreement. In this connection, it is irrelevant whether some or all of the contracting states of the EPO are party to the TRIPS Agreement. Even if all of them had become members of the TRIPS Agreement on 1 January 1995, so that no problems of reciprocity under the Indian patent law would have arisen, a notification under Article 87(5) EPC would still have been required.

Reference should also be made to Article 66 EPC, under which a European patent application which has been accorded a date of filing shall, in the designated EPC contracting states, be equivalent to a regular national filing, where appropriate with the respective priority. From this provision, read together with Article 4, Section A(2), Paris Convention, it may be concluded that member states of the Paris Convention and WTO members are obliged to recognise European patent applications as equivalent to regular national filings in EPC member states. It does not, however, provide a mechanism to oblige the EPO to recognise priorities from States which are not contracting states of the EPC or the Paris Convention unless the formal undertakings required under Article 87(5) EPC have been made and a corresponding notification has been published by the Administrative Council of the Organisation.

8.4 Nevertheless, the President of the European Patent Office has recognised that, although the EPO is not a party to TRIPS and not bound by it, the national legal systems of the EPC contracting states might be affected by TRIPS and that they may be under an obligation to see to it that the EPC is in conformity with TRIPS (cf. Letter from the President of the EPO to the Comptroller-General of the UK Patent Office dated 27 November 1996, point IV, 2, concerning the case *Lenzing AG's European Patent (UK)* (1997), referred to above). It is in this spirit that the EPO approached the Government of India early in 1995 with a view to implementing the procedure under Article 87(5) EPC. It is also for this reason that the contracting states of the EPO have revised Article 87 EPC to put members of the World Trade Organisation on the same footing as parties to the Paris Convention with respect to the recognition of priorities for the future. It is to be hoped that the revised EPC 2000 will enter into force before

long. In the meantime, Article 87(5) EPC provides a mechanism for the recognition by the EPO of priorities first filed in WTO members which are not yet parties to the Paris Convention. Any such country whose nationals are affected by this problem may request the EPO to put in train the Article 87(5) EPC procedure.

8.5 As mentioned in point 8.3, above, the European Patent Organisation as an international organisation has an internal legal system of its own, the EPC. The boards of appeal of the EPO have the task of ensuring compliance with the autonomous legal system established by the EPC and are bound by the provisions of the EPC alone (Article 23(3) EPC). In this task, however, the boards also refer to legal sources outside the EPC, including, for example, the VCLT 1969, as seen above, and the TRIPS Agreement. Thus, while the boards of appeal may be guided in their decisions by the provisions of other international instruments, they have no obligation to apply them directly.

8.6 For these reasons, the issue of the application of TRIPS in the context of the EPC has been considered on a number of occasions by the boards of appeal of the EPO. In G 1/97 (OJ EPO 2000, 322), the Enlarged Board of Appeal left open the issue of the application of the TRIPS Agreement in the context of the EPC, since the EPO is not a party to TRIPS, and also left open the question of the direct effect of TRIPS, finding that it was not necessary to decide these questions in that particular case. The Enlarged Board of Appeal did, however, consider the compatibility of certain provisions of the EPC with the TRIPS Agreement, finding that there was no conflict between the provisions in question.

In another case (T 1173/97, OJ EPO 1999, 609), the board of appeal stated:

*although TRIPS may not be applied directly to the EPC, the Board thinks it appropriate to take it into consideration, since it is aimed at setting common standards and principles concerning the availability, scope and use of trade-related intellectual property rights, and therefore of patent rights. Thus TRIPS gives a clear indication of current trends.*

In summary, therefore, TRIPS provisions, like decisions of the European and International Courts of Justice and national decisions, are elements to be taken into consideration by the boards of appeal but are not binding on them. Whereas it is legitimate for the boards of appeal to use the TRIPS Agreement as a means to interpret provisions of the EPC which admit of different interpretations, specific provisions of TRIPS cannot justify ignoring express and unambiguous provisions of the EPC. To do so would usurp the role of the legislator. This is confirmed by the fact that the legislator of EPC 2000 found it necessary to revise Article 87 EPC in order to implement the TRIPS Agreement.

8.7 In this connection, it should be noted that in 1998 and 1999, the Administrative Council and the Patent Law Committee of the Organisation considered a proposal put forward by the delegation of the Netherlands that a provision be incorporated into Article 23(3) EPC to the effect that the members of the boards of appeal are bound by the TRIPS Agreement and the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR). The proposal, however, was not pursued (cf. documents of the Administrative Council and of the Committee on Patent Law, CA/16/98 (Points for a revision of the EPC); CA/PL 5/99 (Revision of the EPC - Article 23(3) EPC); CA/PL 13/99 (Minutes of the 9<sup>th</sup> meeting of the Committee on Patent Law).

8.8 The Enlarged Board of Appeal recognises that, in accordance with the aim of the EPC, as expressed in its preamble, to strengthen co-operation between the States of Europe in respect of the protection of inventions, there has always been the intention to harmonise the substantive patent law to be applied in the contracting states and in the EPO. Thus, a situation in which the EPO does not recognise priorities which are recognised in the contracting states appears highly unfortunate. This is especially the case as the fact that the implementation of the TRIPS Agreement has not yet entered into force with respect to the European patent system may be seen as contrary to the objectives of the TRIPS Agreement, namely, according to its preamble, "to reduce distortions and impediments to international trade taking into account the need to promote effective and adequate protection of intellectual property rights". However, if in the circumstances of the present case the Enlarged Board of Appeal were to apply the TRIPS Agreement directly and to recognise the priorities claimed, it would be substituting itself for the legislator and it is not the function of the EPO or the Enlarged Board of Appeal to remedy any legislative omissions of the contracting states of the EPC. As the Enlarged Board of Appeal stated in G 1/97, OJ EPO 2000, 322 (point 3(b) of the reasons):

*In a codified legal system such as the EPC, the judge cannot simply decide, as the need arises, to substitute himself for the legislator, who remains the primary source of law. He may certainly find occasion to fill lacunae in the law, in particular where situations arise for which the legislator has omitted to provide. He may even contribute to the development of the law, beyond the filling of lacunae. In principle, however, statute law should provide him with reference points, even if these are incomplete.*

8.9 For these reasons, the Enlarged Board of Appeal concludes that there is no legal basis for the EPO to apply the TRIPS Agreement. It is not necessary, therefore, to consider the question of the direct effect of TRIPS. In the present case, the law to be applied by the boards of appeal is governed by the provisions of the EPC only, with the result that the referred question must be answered in the negative.

#### **Order**

#### **For these reasons it is decided that:**

The TRIPS Agreement does not entitle the applicant for a European patent application to claim priority from a first filing in a state which was not at the relevant dates a member of the Paris Convention but was a member of the WTO/TRIPS Agreement.