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**D E C I S I O N**  
**of 22 February 2005**

**Case Number:** J 0010/02 - 3.1.1

**Application Number:** 90300458.8

**Publication Number:** 0379341

**IPC:** C07H 17/08

**Language of the proceedings:** EN

**Title of invention:**  
Avermectin derivatives

**Applicant/Appellant:**  
Merck & Co., Inc.

**Third party/Respondent:**  
Pfizer Italiana S.p.A. et al

**Headword:**  
Suspension of proceedings/RESUMPTION

**Relevant legal provisions:**  
EPC R. 13(1)(3)

**Keyword:**  
"Suspension of proceedings (confirmed)"  
"Resumption - Remittal to the first instance"

**Decisions cited:**  
T 0146/82, J 0028/94, J 0036/97

**Catchword:**  
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Case Number: J 0010/02 - 3.1.1

**D E C I S I O N**  
of the Legal Board of Appeal 3.1.1  
of 22 February 2005

**Applicant/Appellant:** Merck & Co., Inc.  
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**Third Party/Respondent:** Pfizer Itliana S.p.A. et al  
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**Representative:** Rambelli, Paolo  
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**Decision under appeal:** Decision of the Legal Division of the EPO dated  
29 October 2001 maintaining the suspension of  
the proceedings for the grant of the European  
Patent application 90 300 458.8.

**Composition of the Board:**

**Chairman:** J.-C. Saisset  
**Members:** G. E. Weiss  
U. J. Tronser

## Summary of Facts and Submissions

- I. European patent application No. 90300458.8 was filed on behalf of Merck & Co., Inc., its principal place of business being in New Jersey, USA.
- II. By letter received at the EPO on 9 April 2001, Pfizer Italiana S.p.A. et al (hereinafter "the third party"), requested the suspension of proceedings for grant of the European patent application under Rule 13(1) EPC on the grounds that proceedings had been initiated before the Court of Rome. Enclosed was a copy of a "writ of summons" dated 30 March 2001 that had been filed at the Court of Rome for the purpose of determining the entitlement to a part of the invention described and claimed in European patent application No. 90300458.8 concerning the product STRONGHOLD, on the grounds that this product was conceived by Pfizer and, therefore, had to be attributed to Pfizer.
- III. By communication dated 24 April 2001, the Legal Division informed the representatives of the applicant and the third party that the proceedings before the EPO had been suspended as from 9 April 2001.
- IV. By letter received by the EPO on 22 May 2001, the applicant's representative objected to the communication from the Legal Division and requested an appealable decision.
- V. Following a notification from the Legal Division, the representative of the third party submitted by letter received on 10 August 2001 a certificate issued by the Court of Rome, which certified that proceedings

relating to the action brought by Pfizer Italiana S.p.A. et al. against Merck & Co., Inc., instituted on 12 April 2001 before the Court of Rome, were still pending.

VI. By fax received at the EPO on 17 September 2001, the applicant's representative requested the EPO to exercise its discretion under Rule 13(3) EPC and to set a date on which it intended to continue the grant proceedings, regardless of the stage of the entitlement proceedings. The applicant alleged that the entitlement action brought by Pfizer had the sole instrumental purpose of delaying for as long as possible the grant of the Merck patent which represented a dominant right over the Pfizer patent, thus prolonging the "royalty-free" period for Pfizer.

VII. On 29 October 2001 the Legal Division decided to maintain the decision to suspend grant proceedings in respect of European patent application No. 90300458.8 under Rule 13(1) EPC, contained in the communication dated 24 April 2001, and to reject the request to continue the proceedings pending before the EPO regardless of the stage reached in the proceedings before the Court of Rome pursuant to the provisions of the Rule 13(3) EPC.

In the reasons for the decision it was pointed out that

- (a) As evidence that proceedings had been commenced against the applicant, the third party had submitted a copy of the "writ of summons" filed at the Court of Rome. The writ contained an order to the effect that the third party was seeking a

judgment that it was partly entitled to the grant of the European patent. The third party had requested a declaration "that part of the invention described and claimed in the Merck-Application EP-A-379 341 (application No. 90300458.8), concerning the Pfizer product STRONGHOLD and Pfizer patent EP-B-0 667 054, was conceived by Pfizer and therefore has to be attributed to Pfizer".

- (b) The Court of Rome was a competent authority under Article 1(2) of the Protocol on Recognition. From the certificate dated 1 August 2001, issued by the Court of Rome, the proceedings were continuing and the case was still pending before the national authority. Concerning the request to continue the proceedings before the EPO, it was pointed out that the third party had not given its consent to the continuation of the proceedings. Thus, the requirement under Rule 13(1) first sentence EPC was not fulfilled. Furthermore, the proceedings before the Court of Rome had been opened on 9 April 2001, that is seven months before. Thus there were no grounds for the Legal Division to order the continuation of the grant proceedings pending before the EPO regardless of the stage of the proceedings reached before the Court of Rome.

VIII. On 21 December 2001 the applicant's representative lodged an appeal against this decision and paid the corresponding fee. In its statement of grounds of appeal, received at the EPO on 8 March 2002, it essentially submitted that the Legal Division was mistaken in its conclusion that the Court of Rome had

jurisdiction in this matter. The request for suspension was filed by Pfizer Italiana S.p.A. and two others, namely Pfizer Inc. (a US company) and Pfizer Limited (a UK company). On the question of the relationship between the three Pfizer companies, they were connected but separate legal entities. The conclusion of the Legal Division that the Court of Rome had exclusive jurisdiction by virtue of the inclusion of Pfizer Italiana S.p.A. was therefore untenable, because Pfizer Italiana S.p.A. did not have any entitlement to the disputed subject-matter. The front page of EP-A-0 667 054 indicated clearly that only Pfizer Inc. and Pfizer Limited - and not Pfizer Italiana S.p.A. - were the owners of the part of the invention described in the Merck application and therefore authorised to request the suspension of the European patent procedure. Pfizer Italiana S.p.A. could not claim any right from EP-B-0 677 054 conferring on it the status of "party" to the proceedings in the case of Pfizer Inc./Pfizer Limited versus Merck & Co., Inc. It would appear that the correct jurisdiction for the entitlement proceedings was the United Kingdom.

The written statement was accompanied by two exhibits.

IX. By fax received on 2 October 2002 the representative of the third party (hereinafter "the respondent") pointed out that

- (a) The requirements for the suspension of the proceedings for grant under Rule 13 EPC had clearly been met in the present case.

- (b) The Board should not depart from the finding in J 36/97 (not published in OJ EPO). In point 4 of the reasons for the decision, the Board had held that: "*... pursuant to Article 7 of the Protocol on Recognition the courts in the Contracting States before which entitlement proceedings are brought shall of their own motion decide whether or not they have jurisdiction pursuant to Articles 2 to 6 of the Protocol. Moreover, according to Article 9(2) of the Protocol, neither the jurisdiction of the national court whose decision is to be recognised nor the validity of such decision may be reviewed. Thus, according to these provisions, the EPO can neither examine the national procedural law nor national substantive law to be applied in proceedings concerning the right to the grant of a European patent (see Stauder, Münchner Gemeinschaftskommentar, vol. 6, Protocol on Recognition, Article 9, No. 9). For this reason, the Board cannot consider the respondents' allegations referred to above.*"
- (c) It was a well-established principle of Italian law and also Regulation 44/2001 that even an incorrectly established jurisdiction became incontestable if it was not contested with the first brief. Since the appellant did not contest the jurisdiction with the first brief, the Italian judge became the judge with jurisdiction and judges of the other Contracting States were deprived, definitively and irrevocably, of that jurisdiction.

(d) The arguments raised by the appellant according to which Pfizer Italiana S.p.A., under the specific circumstances of the present case, had no entitlement to the European patent in dispute was an argument which appeared to relate to the substance or merits of the case and which in any case had nothing to do with the requirements set by the Protocol on Recognition; it was an issue which did not appear to fall within the competence of the EPO.

X. By fax received on 15 January 2003, the appellant's representative requested that the grant proceedings be resumed. The suspensive effect brought about by Article 106(1) EPC was not a matter of discretion for the Legal Division or any other competent department. The legal basis for the suspension of the examination proceedings was to be found in Rule 13 EPC; Article 61 EPC only related to the consequence of a national final decision. In the case where an appeal was lodged against a decision to suspend grant proceedings, the provisions of Rule 13 EPC appeared to be in conflict with the provisions of Article 106(1) EPC. However, the provisions laid down by an article, having higher rank, had to prevail over those of a rule. For this reason, if the suspension of the grant proceedings were maintained, in spite of the pending appeal, this would amount to a serious procedural violation. This opinion was shared by *Singer/Stauder* "Europäisches Patentübereinkommen - Kommentar", 2<sup>nd</sup> edition, 2000, page 536, "Europäisches Patentübereinkommen - Münchner Gemeinschaftskommentar", July 1997, Article 106, pages 15 and 16, and by *Paterson* in "The European Patent



System - The Law and Practice of the European Patent Convention", 2<sup>nd</sup> edition, London 2001, page 79, item 2.8.

- XI. The appellant requested that the decision under appeal be set aside and that the grant proceedings be resumed or, in the alternative, that the Legal Division, or any other competent EPO department, issue a further appealable decision substantiating the reasons why the requirements of Article 106(1) EPC were being disregarded. The gist of what the respondent requested is that the appeal be dismissed.
- XII. On 9 September 2004 the Board issued a communication pursuant to Article 11(1) of the Rules of Procedure of the Boards of Appeal.
- XIII. Though both parties had been duly summoned, oral proceedings were held on 24 November 2004 in the absence of the representatives of the appellant and the respondent (Rule 71(2) EPC). The Board decided to continue the proceedings in writing and to send a further communication to the parties. In this communication, sent on 6 December 2004 together with the minutes of the oral proceedings, the importance of weighing up the interests of the parties for the continuation of the (suspended) proceedings according to Rule 13(3) EPC was stressed. One element to be considered was that the entitlement proceedings before the Court of Rome only concerned part of the invention. Another element to be considered was the duration of the suspension. In the one-month time limit the representative of the respondent informed the Board that it did not intend to file observations. The applicant's representative did not file any observations.

## **Reasons for the Decision**

1. The appeal complies with the provisions of Articles 106 to 108 EPC and of Rules 1(1) and 64 EPC and is, therefore, admissible.

2. *Procedural matters*

The parties' representatives did not attend the oral proceedings held on 24 November 2004 and did not inform the Legal Board of Appeal in advance of their intention not to attend, despite the fact that both of them had applied for oral proceedings as an auxiliary request. The Board interprets this behaviour as being a renunciation of the requests for oral proceedings.

3. *Suspension of the proceedings*

3.1 According to the jurisprudence of the Boards of Appeal, suspension of the proceedings for grant must be ordered under Rule 13 EPC if, while the proceedings for grant are still pending, a third party provides satisfactory proof of the opening of relevant national proceedings for the purpose of seeking a judgment that it is entitled to the grant of the European patent (T 146/82, OJ EPO 1985, 267; J 28/94, OJ EPO 1997, 400, point 2.1 of the reasons).

3.2 The Legal Division decided in the present case to maintain the suspension of the grant proceedings for the European patent application under Rule 13(1) EPC. In its statement of grounds, the appellant raised the

issue of the jurisdiction of the Court of Rome and argued essentially that the Legal Division was mistaken in its conclusion that the Court of Rome had jurisdiction in this matter, because Pfizer Italiana S.p.A. did not have any entitlement to the disputed subject-matter. The front page of EP-A-0 667 054 indicated that only Pfizer Inc. and Pfizer Limited - and not Pfizer Italiana S.p.A. - were the owners of the part of the invention described in the Merck application and therefore authorised to request the suspension of the European patent grant procedure. Pfizer Italiana S.p.A. could not claim any right from EP-B-0 677 054 conferring on it the status of "party" to the proceedings in the case of Pfizer Inc./Pfizer Limited versus Merck & Co., Inc.

- 3.3 The question of the jurisdiction of the courts is settled i.a. in Article 7 of the Protocol on Recognition which stipulates that the courts in the Contracting States before which entitlement proceedings are brought shall of their own motion decide whether or not they have jurisdiction pursuant to Articles 2 to 6 of the Protocol. Moreover, according to Article 9(2) of the Protocol, neither the jurisdiction of the national court whose decision is to be recognised nor the validity of such decision may be reviewed. Thus, according to these provisions, the EPO can examine neither the national procedural law nor the national substantive law to be applied in proceedings concerning the right to the grant of a European patent. For this reason, the Board cannot consider the appellant's allegations referred to above. In J 36/97 (not published in OJ EPO, see point 4 of the reasons for the decision), the Legal Board of Appeal came to the same

conclusion. The above conclusions are supported by commentators: see *Stauder*, Münchner Gemeinschaftskommentar, vol. 6, Protocol on Recognition, Article 9, No. 9; *Mathély*, Le droit européen des brevets d'invention, page 166 and ff; *Van Empel*, The Granting of European Patents, 1975, No. 255.

- 3.4 In accordance with Rule 13 EPC, it is sufficient for the Board to ascertain that the party requesting suspension of the proceedings has opened proceedings against the applicants in a Contracting State for the purpose of seeking a judgment that it is entitled to the grant of the European patent. In the present circumstances, the respondent submitted a copy of the "writ of summons" dated 30 March 2001, filed with the Court of Rome for the purpose of determining the entitlement to a part of the invention described and claimed in European patent application No. 90300458.8, and a certificate issued by the Court of Rome certifying that proceedings relating to the action brought by Pfizer Italiana S.p.A. et al. against Merck & Co., Inc., instituted on 12 April 2001 before the Court of Rome, were still pending. This justifies the conclusion that entitlement proceedings before a court in a Contracting State had apparently been opened when suspension of the proceedings under Rule 13 EPC was requested. Thus, the decision under appeal complies with the requirements of Rule 13(1) EPC and suspension of the present proceedings is justified irrespective of the final outcome of the national court proceedings.

- 3.5 With regard to the further requests submitted by the appellant by fax and received on 15 January 2003, the Board points out that the suspensive effect of an

appeal serves to provide an appellant with provisional legal protection in the sense that no action should be taken to implement the decision of the first instance in order not to deprive the appeal of its purpose (see J 28/94 point 2.4).

Given that a decision to suspend grant proceedings needs to be suspended itself in order to provide an appellant (applicant) with legal protection during the appeal proceedings (all the citations submitted by fax dated 15 January 2003 pertain to cases where a request for a stay was rejected and thus to the provisional legal protection of the third party), there is no scope for allowing any of the appellants' further requests.

The appellant submitted that, according to the Examining Division's communication dated 20 September 2000 and the amendments submitted by its letter dated 7 March 2001, the application was ready for grant. If the grant proceedings were to be resumed, in view of the stage reached in these proceedings, the only possibility would be to grant a patent. Hence, the appellant would arrive at a definitive end to the grant proceedings in its favour. This would be more than the appellant could achieve if it succeeded with the appeal under consideration.

4. *Continuation of the proceedings*

4.1 In the Board's communication sent on 6 December 2004 together with the minutes of the oral proceedings, the importance of weighing up the interests of the parties for the continuation of the (suspended) proceedings according to Rule 13(3) EPC was stressed. One element

to be considered in the present case was that the entitlement proceedings before the Court of Rome only concerned part of the invention. Another element to be considered was the duration of the suspension. In the one month time limit the representative of the third party informed the Board that it did not intend to file any observations. The applicant's representative did not file observations. The Board interprets the non filing of observations by the applicant's representative as an indication that the applicant has no interest in the Board itself deciding on the resumption of the proceedings. Hence, the applicant accepts the Board's intention, as set out in the first communication, to remit the case to the department of first instance (in this case: the Legal Division) with the order to enquire which stage the proceedings before the Court of Rome have reached and to resume the suspended EPC proceedings as soon as possible by setting the date on which it intends to resume them, regardless of the stage reached in the proceedings before the Court of Rome taking into account the elements indicated in the Board's communication dated 6 December 2004.

## **Order**

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

1. The appeal is dismissed.
2. The case is remitted to the department of first instance with the order to enquire which stage the proceedings before the Court of Rome have reached and,

if appropriate, to resume the suspended EPC proceedings by setting the date on which it intends to resume them, taking into account the elements indicated in point XIII of the summary of facts and submissions of the present decision.

The Registrar:

The Chairman:

P. Martorana

J.-C. Saisset