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**Datasheet for the decision
of 30 November 2007**

Case Number: J 0018/06 - 3.1.01

Application Number: 03015590.7

Publication Number: 1366771

IPC: A61K 38/48

Language of the proceedings: EN

Title of invention:

Use of the neurotoxic component of botulinum toxin for
treating muscle spasm

Applicant:

ALLERGAN, INC.

Third Party:

Merz Pharma GmbH & Co. KGaA

Headword:

Suspension of grant proceedings/ALLERGAN

Relevant legal provisions:

EPC R. 13(1)

Keyword:

"Suspension of grant proceedings (cancellation)"

Decisions cited:

J 0028/94

Catchword:

-



Case Number: J 0018/06 - 3.1.01

D E C I S I O N
of the Legal Board of Appeal 3.1.01
of 30 November 2007

Appellant: ALLERGAN, INC.
(Applicant) 2525 Dupont Drive
Irvine, California 92612 (US)

Representative: HOFFMANN EITLÉ
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Respondent: Merz Pharma GmbH & Co. KGaA
(Third Party) Eckenheimer Landstraße 100
D-60318 Frankfurt/Main (DE)

Representative: Wallinger, Ricker, Schlotter, Foerstl
Patent- und Rechtsanwälte
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Decision under appeal: Decision of the Legal Division of the European
Patent Office of 11 May 2006.

Composition of the Board:

Chairman: B. Günzel
Members: S. Hoffmann
C. Rennie-Smith

Summary of Facts and Submissions

- I. The appeal lies from the decision of the Legal Division dated 11 May 2006 stating that the decision to suspend grant proceedings, in respect of European patent application no. 03015590.7, contained in the communication dated 4 January 2006, was maintained and proceedings before the European Patent Office (EPO) were suspended as from 23 December 2005.
- II. On 1 December 2005 the Examining Division issued a decision pursuant to Article 97(2) EPC that a European patent was granted pursuant to Rule 51(4) EPC on the basis of the documents and amendments indicated in the communication pursuant to Rule 51(4) dated 29 July 2005 and that the mention of the grant was to be published in European Patent Bulletin 06/02 of 11 January 2006.
- III. In a letter of 23 December 2005, received by the EPO on the same day, a third party (the respondent) filed a request for suspension of the proceedings for grant pursuant to Rule 13(1) EPC with effect as from 22 December 2005, on the grounds that proceedings concerning the entitlement to the European patent application in suit had been initiated before a German court, the "Bayerisches Verwaltungsgericht", on 22 December 2005.

In addition, it was requested that the publication of the mention of the grant of the patent be cancelled.

- IV. In a communication dated 4 January 2006 the Legal Division informed the applicant for the European Patent application (appellant) and the third party that the

proceedings before The European Patent Office had been suspended in respect of European patent application no. 03015590.7 as from 23 December 2006 and that the third party had not consented to the continuation of the grant proceedings. In paragraph 6 of this communication it was furthermore stated if a party had any objection it could apply for an appealable decision by the Legal Division within two months of notification of the communication.

- V. The mention of the grant of a European patent was published in the European Patent Bulletin No. 05/45 as arranged on 11 January 2006.
- VI. In a letter dated 13 January 2006 the applicant for the European patent application in suit requested that an appealable decision be issued.
- VII. Correction of the publication of the mention of the grant of the patent was published in the European Patent Bulletin No. 07/2006 on 15 February 2006.
- VIII. The Legal Division issued a decision on 11 May 2006 stating that according to Rule 13(1) EPC, the decision to suspend grant proceedings, in respect of European patent application no. 03015590.7, contained in the communication dated 10 November 2005, was maintained and proceedings before the European Patent Office were, thus, suspended as from 23 December 2006.
- IX. The appellant filed a notice of appeal with the EPO on 11 July 2006 requesting reversal of the decision dated 11 May 2006 and continuation of the grant proceedings.

The appeal fee was paid on the same day.

- X. The appellant filed a statement setting out the grounds of appeal on 19 September 2006.

The requests filed with the notice of appeal were maintained. Additionally it was requested that the appeal be dealt with "on an expedient basis" and that the appeal fee be reimbursed and that the grant procedure be resumed and the decision to grant be published immediately.

The appellant's grounds of appeal can be summarised as follows:

The European Patent Convention (EPC) does not provide a legal basis for a decision under Rule 13 EPC with retroactive effect. Rule 13 EPC has to be considered in the overall context of the Convention and in particular with Article 61 and Rule 14 EPC. Whereas Rule 14 EPC provides an immediate legal consequence and ensures that the application is kept in existence from the point in time when a third party has submitted proof to the European Patent Office that it has initiated entitlement proceedings before a national court, Rule 13 EPC requires a decision by the European Patent Office whereby the suspension does not come into effect before the date of this decision. The conclusion in the reasons of decision J 28/94 (OJ EPO 1997, 400) that the automatic and immediate nature of suspension is justified by the fact that it constitutes a preventive measure in favour of the third party requesting it was incorrect because an active withdrawal of the application is prohibited by Rule 14 EPC, fees can be

paid by anybody including the third party, amendments to the patent application are non-binding until the approval of the text (Rule 51(4) EPC) and, after the approval of the text, the third party also faces no irreparable damage as it may file a divisional application as long as the application is pending. The appellant concluded from this that there is no compelling reason to disregard the difference in the wording of Rules 13 and 14 EPC and, by way of fiction, to suspend the proceedings as of the day of the filing of the third party's request.

The appellant further argued that the retroactive effect ordered by the Legal Division shortly before the publication of the grant cannot be justified by the imminent publication of the grant. While a submission under Rule 13 EPC was admissible as long as the application was pending, filing a request at such a late point in time would prove too late and thus be ineffective. When a third party wished to prevent the publication of the mention of the grant of the patent then it had to file the request early enough for the EPO to be able to comply with the request. The concept that a late filed request may have no effect would not be alien to the EPC. In this regard, the appellant referred to Rule 48(2) EPC and the corresponding Notice from the European Patent Office dated 14 December 1992 concerning the withdrawal of an application to prevent publication.

The appellant submitted further objections concerning the alleged violation of its procedural rights. It argued that whenever the rights of an applicant are affected under the EPC, the Convention either

stipulates an immediate legal consequence (e.g. Article 97(3) EPC) or calls for a decision in the sense of Article 106 EPC, as is also apparent from Rules 68 to 70 EPC. Any decision taken by the EPO requires that the party concerned must be heard according to Article 113(1) EPC before the decision is issued. The procedure adopted by the EPO in the present case did not comply with these requirements and had no legal basis in the Convention. The harsh consequences of a suspension could not be associated with some sort of internal act or decision-like procedure. The violation of Article 113(1) EPC had not been remedied by issuing a communication and only then issuing the decision because the effects of the later decision had already taken effect when the communication reached the appellant. In the appellant's view, the procedure in the present case could also not be justified by the sketchy, and in part incorrect, considerations set forth in decision J 28/94 (supra). Contrary to this decision, the appellant argued that the rights of a third party as an allegedly entitled person would be sufficiently safeguarded by the provisions of Rule 14 EPC even if there is some time between the filing of the request for suspension and the actual suspension of the proceedings by the EPO. In any event, the considerations set forth in this decision would not justify a breach of the most fundamental procedural principles and the handling of Rule 13 EPC requests outside the framework stipulated by the European Patent Convention.

The appellant also argued that the respondent's request for suspension was unrelated to Article 61 EPC and obviously abusive in nature.

Lastly, the appellant argued that its appeal has suspensive effect according to Article 106(1) EPC.

XI. In a letter dated 12 March 2007 the respondent submitted its counterarguments as follows:

The requirements for suspension according to Rule 13(1) EPC were fulfilled on 23 December 2005 and indisputably before the mention of the grant of the patent in the European Bulletin on 11 January 2006. Suspension of proceedings under Rule 13 EPC does not require a formal decision. The significant date for suspension is the date when these requirements are fulfilled and not the date when the communication on suspension is issued because, according to the jurisprudence of the Legal Board of Appeal, the European Patent Office must immediately stay the proceedings when the requirements are met. On 23 December 2005, the European Patent Office was still responsible for the pending application. According to decision J 7/96 of the Legal Board of Appeal(OJ EPO 1999,443), a decision of the Examining Division to grant a European patent (Article 97(2) EPC) does not take effect on the date when the decision-making process before that division is completed but on the date on which the European Patent Bulletin mentions the grant (Article 97(4) EPC). In the interim period, proceedings for grant are still pending before the EPO and a request for suspension of proceedings under Rule 13 EPC is admissible.

The respondent pointed out that the appellant's right to be heard had not been violated because suspension took effect without a decision and the communication

concerning the suspension merely contained information.

The present appeal did not affect the suspension of the proceedings because the claimed suspensive effect pursuant to Article 106(1) EPC would be in contradiction to the legal purpose of Rules 13 and 14 and Article 61 EPC. Additionally, the suspension of the proceedings was the result of the respondent's action and not ordered by the communication of the European Patent Office. The suspensive effect provided for in Article 106(1) EPC cannot be raised against the action of a third party.

The appellant's line of reasoning that 11 January 2006 has to be regarded as the day when the mention of the grant had been published would lead to indefensible legal results. If it were so, the respondent had missed the time limit for filing a notice of opposition because it trusted in the publication of the correction of the mention of the grant as probably did the interested public. On the other hand, the respondent should not be forced, as a precaution, to file a notice of opposition against a patent which it claims before a national court to be rightfully its own.

Therefore, the respondent requested that the appeal be dismissed.

- XII. With faxed letter, dated 27 September 2007 and received by the European Patent Office on 28 September 2007, the respondent withdrew its requests for suspension dated 22 December 2005.

- XIII. In response to the Board's communication dated 11 October 2007, the appellant and the respondent withdrew their requests for oral proceedings on 2 November 2007 and 9 November 2005 respectively.
- XIV. The oral proceedings already scheduled to be held on 10 December 2007 were cancelled.

Reasons for the Decision

1. The appeal complies with Articles 106 to 108 and Rules 1(1) and 64 EPC.

2. The present Board agrees with the reasons given in decision J 28/94 (OJ EPO 1997, 400, see points 2.1 to 2.2.1 of the reasons) where it is stated that suspension pursuant to Rule 13(1) EPC is ordered by a communication without hearing the applicant for a European Patent and that the right to be heard is granted afterwards on its request. The communication is considered to be a preliminary procedural measure "*sui generis*" which is justified as a preventive measure to preserve the third party's possible rights to the patent in dispute. It takes immediate effect similar to an interim injunction as known in national procedural laws, in particular in the field of industrial propriety rights.

Therefore in the present case, suspension was ordered by the communication dated 23 December 2005 and came into effect at least on that day. The question whether this communication could order suspension with

retroactive effect is no longer decisive in the present case (see below).

3. The respondent's withdrawal of its request for suspension significantly changed the procedural situation in the appeal proceedings. There is no provision in the EPC that the withdrawal of a request for suspension has the effect that the suspension is automatically terminated. However, the existence of a legitimate interest of a third party is an unwritten prerequisite for a further stay of the proceedings under Rule 13 EPC. In the present case, the withdrawal is therefore equivalent to and to be interpreted as consent to the continuation of the proceedings pursuant to Rule 13(1) EPC, first sentence. A stay of proceedings as envisaged by Rule 13 EPC is only ordered to protect a private right of a party and reflects no public interest. Therefore, the consent of that party results in an obligation of the European Patent Office to order the continuation of the grant proceedings.

4. Thus, the Board comes to the conclusion that the appealed decision is to be set aside because, after the withdrawal of the respondent's request for suspension, the requirements for a further stay of these proceedings pursuant to Rule 13 EPC are no longer fulfilled and that the grant proceedings are to be continued.

Order

For these reasons it is decided that:

1. The decision under appeal is set aside.
2. Grant proceedings in respect of European patent application no. 03015590.7 are continued.

The Registrar:

The Chairman:

P. Martorana

B. Günzel