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Case Number: J 0009/98 and J 0010/98 - 3.1.1

D E C I S I O N
of 17 February 2003 correcting errors in the decision of the Legal Board of Appeal 3.1.1 of 2 December 2002

Appellant: AstraZeneca AB
S-15185 Södertälje (SE)

Representative: -

Decision under appeal: Decisions of the Receiving Section of 27 November 1997 refusing the appellant's request to re-instate priorities originally claimed.

Composition of the Board:

Chairman: J.-C. Saisset
Members: B. Günzel
V. Di Cerbo

Pursuant to Rule 89 EPC, the Decision given on 2 December 1999 is hereby corrected as follows:

Page 13, line 7: Replace "Article 2" by "Article 1"; line 12: Replace "page 77" by "page 81".

The Registrar:

S. Fabiani

The Chairman:

J.-C. Saisset

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D E C I S I O N
of 2 December 2002

Case Number: J 0009/98 and J 0010/98 - 3.1.1

Application Number: 96906991.3 and 96908415.1

Publication Number: 0832116 and 0832257

IPC: C07K 14/35 and C12N 15/81

Language of the proceedings: EN

Title of invention:
New DNA molecules and DNA molecules for expression of polypeptides

Patentee:
AstraZeneca AB

Opponent:
-

Headword:
Priority from India/ASTRAZENECA

Relevant legal provisions:
EPC Art. 52(2)(3); 87(1)(2)(5),(5 rev)
Revision Act Art. 6, 7
Decision AC 28 June 2001 Art 1
PCT Art. 1(1), 8(1)
R. 4.10(a),(b),(d), Administrative Instructions Section 302
Paris Convention, Art. 1 to 12, 4A(1), 19
Vienna Convention, Art. 4, 26, 30(3)(4), 31(1)(3)
TRIPS Agreement, Art. 1, 2(1), 3, 4, 62(5)

Keyword:
"Euro-PCT application- priority from India- entitlement under the PCT- applicability of Article 87(5)- interpretation of Article 87 - in the light of TRIPS - according to the Vienna Convention - in the light of obligations of Contracting States - directly binding effect and self-executing character of TRIPS provisions"

Decisions cited:
G 0005/83, G 0001/97, J 0032/97, T 0114/82, T 0115/82, T 0935/97, T 1173/97, C-J-E-C-C-300/98, C-392/98, UK High Court of 20 December 1996 (Lenzing)

Headnote:

The following question is referred 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?

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Case Number: J 0009/98 and J 0010/98 - 3.1.1

D E C I S I O N
of the Legal Board of Appeal 3.1.1
of 2 December 2002

Appellant: AstraZeneca AB
S-15185 Södertälje (SE)

Representative: -

Decision under appeal: Decisions of the Receiving Section of 27 November 1997 refusing the appellant's request to re-instate priorities originally claimed.

Composition of the Board:

Chairman: J. Saisset
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Summary of Facts and Submissions

I. Appeal case J 9/98 concerns European patent application No. 96 906 991.3, filed as an international patent application (PCT/SE96/00319) at the Swedish Patent Office on 12 March 1996. As earliest priority the PCT application claimed a priority of 13 March 1995 from Indian application No. 293/MAS/95. Appeal case J 10/98 concerns European patent application No. 96 908 415.1, also filed at the Swedish Patent Office on 12 March 1996 as an international patent application (PCT/SE96/00318), claiming as earliest priority the priority of 23 March 1995 from Indian application No. 351/MAS/95.

In communications dated 25 April 1996 (PCT/RO/121) the Swedish Patent Office notified the appellant in both cases under Rule 4.10(b), first sentence, PCT and Section 302 of the Administrative Instructions that the priority claims relating to the Indian applications had been deleted "ex officio" because the country in which the priority applications were filed was not a party to the Paris Convention for the Protection of Industrial Property.

II. Upon entry into the regional phase before the EPO the appellant requested the EPO to re-instate the priorities claimed from the Indian applications. He referred to Article 3 of the WTO/TRIPS Agreement and the fact that he could seek correction of the cancellation of the claimed priorities only in the national or regional phase, since there was no provision in the PCT allowing him to challenge the action of the Receiving Office during the international phase.

III. In two decisions each posted on 27 November 1997 the Receiving Section stated that the requests could not be allowed. The appellant was not entitled to claim the priorities of said Indian applications under Article 87(1), (2) or (5) EPC. Even at the point in time when the decision was taken, India was still not a Contracting State to the Paris Convention. Additionally, the EPO was not a WTO member and thus not bound by Articles 3 and 4 of the TRIPS Agreement. The requirements for recognition of a priority right under Article 87(5) EPC were not fulfilled either. In the context of the implementation of Article 87(5) EPC the EPO had written to India but no response having been received, no further action had been taken under said Article.

IV. On 27 January 1998 the appellant lodged appeals against the decisions of the Receiving Section. The appeal fees were paid on the same day. Following a request of the appellant dated 9 February 1998 the Receiving Section sent him copies of two letters, addressed by the EPO to the Controller-General of Patents, Designs and Trade Marks of the Government of India. The written statements setting out the grounds of appeal were filed by the appellant on 27 March 1998.

V. The appellant's arguments, identical in both cases, can be summarised as follows:

1. The inventions underlying the present applications for which the Indian priorities were claimed had been made by Indian scientists for the Indian research arm of the applicant, a major European manufacturer, who had heavily invested in India. It was the very aim of the WTO and TRIPS Agreement to promote this sort of international arrangement in the interests of globalisation of trade. In common with the majority of countries (including

several EPC members) India imposed a requirement that its nationals filed patent applications at home before any foreign filing was made. A refusal of the priorities by the EPO would be a signal that the EPO was more concerned with formalities than with the obligations taken on by its members to invest in and promote technology transfer to other countries.

2. Although the Vienna Convention did not expressly apply to the interpretation of EPC, PCT or the Paris Convention, since it came into force at a later date than all of those treaties, in accordance with what had been recognised by the Enlarged Board of Appeal in decision G 5/83, OJ EPO 1985, 64, its principles of interpretation were a valuable guide to the interpretation of all treaties executed both before and after it. Reference was made to Article 26 (*pacta sunt servanda*), Article 30 and, in particular, to Article 31, defining rules of interpretation of treaties. Neither the PCT nor TRIPS specified that they were subject to the Paris Convention, so that members might become subject to further obligations as a result of their accession to the WTO, without their formal accession to the Paris Convention. Article 2(1) of TRIPS required all members of WTO to comply with Articles 1 to 12 and 19 of the Paris Convention. The Paris Convention thereby applied in the relevant respects to all WTO members, which must therefore be treated as members of the Union. In particular, said TRIPS article required its members to have in place a system for recognising priority in accordance with Article 4 Paris Convention. This meant that when applying the rule of interpretation as contained in Article 31 of the Vienna Treaty, to Article 4A(1) Paris Convention,

the term countries of the "Union" had to be read as also encompassing a country which was a member of the WTO. This also applied to the PCT. A narrower interpretation would fly in the face of the purposes of TRIPS as set out in its preamble. A non Paris Convention state would be obliged to accept priority applications from inventors' first filings in the Paris Convention states, but its own nationals would not be entitled to reciprocal priority in the Paris Convention states. This would also conflict with the more general obligation enshrined in Article 1, and 3 TRIPS. For these reasons, the claim to priority from India had been properly made in the PCT applications.

3. For the same kind of reasons Article 87(1) EPC was to be interpreted as granting a right of priority to all WTO member states, since all such states were to be treated as if they were parties to the Paris Convention. As the right to the monopoly granted by a European patent remained a national right, each designated State would discriminate against applicants of Indian nationality, in breach of Article 3 TRIPS, if priority from the applications in India was refused. It was therefore irrelevant that the EPO was not as such a member of WTO.

4. The obligation laid down in Article 3 TRIPS to accord to the nationals of other members treatment no less favourable than that accorded to its own nationals required each member state of the EPC, as a member of the WTO, to recognise the priority of applications filed in India and vice versa. India had complied with its obligations. Reference was made to a list of states, from which priority was from now on recognised, published in the

Gazette of India dated 3 January 1995. The United Kingdom and Ireland did not feature in this list, because of pre-existing bilateral priority agreements with India. The "most favoured nation clause" as contained in Article 4 TRIPS required that states having acceded to the Paris Convention immediately grant the same right of priority to all other WTO members.

5. With respect to the recognition of priority rights under Article 87(5) EPC the formal aspect that a notification had not been published by the Administrative Council could not be regarded as decisive. Procedural formalities should not be allowed to override substantive law. Once the conditions for publishing a notification under said article were fulfilled as to substance, the Administrative Council had to issue the notification, and if it had not yet done so it should be treated as having done so. The fundamental fact that India had been granting the relevant right of priority since 3 January 1995 had been established. After grant the European "bundle" patent remained a national monopoly right. If priority from an application in India was refused each designated state would be granting a monopoly on terms discriminating against applicants of Indian nationality, in breach of Article 3 TRIPS. On the other hand, the national courts had jurisdiction after grant over the question of whether priority was validly claimed under the internal law of any member state. Therefore, the claims to priority should, at the stage of prosecution to grant, be upheld.

VI. In a communication the Board informed the appellant of its intention to deal with appeal cases J 9 and 10/98 in consolidated proceedings and of its intention to

refer a point of law to the Enlarged Board of Appeal concerning the implications of the TRIPS-Agreement, if any, on an applicant's right to claim for an application, which was originally filed as a EURO-PCT application, the priority from a 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. The legal reasons why the Board intended to refer said point of law to the Enlarged Board of Appeal and the wording of the question to be referred were communicated to the appellant.

VII. In reply the appellant suggested a different wording of questions to be referred. As reasons therefor the appellant indicated that the question as drafted by the Board could be read as prejudging that the grant or otherwise of the claimed priority depended on whether the TRIPs Agreement was itself binding on the EPO, as was suggested by (par.2 of) the Board's communication. However, the primary argument of the appellant as to the interpretation of Article 87 EPC did not depend on TRIPS having any effect other than as a tool of interpretation. Moreover, the argument put forward by the appellant - that the EPO was bound, or at least empowered, to recognize a claim to priority that might otherwise fail to comply with Article 87 EPC if the failure to recognise such claim might cause Member States to be in breach of their treaty obligations - while falling within the scope of the general question proposed by the Board, merited independent analysis and should therefore be made the subject of a separate question. The same applied to the issues relating to the PCT.

Reasons for the Decision

1. Appeal cases J 9/98 and 10/98 both concern appeals of the same applicant and appellant against the decisions of the Examining Division refusing the appellant's requests to "reinstate" in the regional phase of the Euro-PCT applications before the EPO priorities originally claimed from applications filed in India. Both appeal cases are thus closely related with regard to their subject matter. They have to do with the same legal question of whether a European patent application filed as an international application could validly claim the priority of an Indian application at a point in time when India was a party to the World Trade Organization (hereinafter: WTO)/Agreement on Trade-Related Aspects of Intellectual Property Rights, Annex 1C to the Agreement establishing the World Trade Organization (hereinafter: TRIPS Agreement) but not yet a party to the Paris Convention for the Protection of Industrial Property (hereinafter: Paris Convention). The Board has therefore decided to consolidate appeal cases J 9 and 10/98, in accordance with Article 9(2) of the Rules of Procedure of the Boards of Appeal (see also decision T 114/82 and T 115/82, OJ EPO 1983, 323, Headnote I).

2. The applications underlying the present appeals were filed as international applications under the PCT.

2.1 One of the arguments put forward by the appellant was that when applying Article 8 PCT, and the rule of interpretation contained in Article 31 of the Vienna Convention on the Law of Treaties (hereinafter: Vienna Convention), to Article 4(A) (1) Paris Convention, the term countries of the "Union" had to be read as also encompassing a country which was a member of the WTO. After entry into force of the WTO and the TRIPS

Agreement, priority from a filing in a country which at the filing date of the priority application was a WTO member, as was the case for India (as of 1 January 1995), could automatically be claimed for an international application under the PCT, even though the wording of Article 8 PCT had remained unamended. This was because, according to Article 2,1. of the TRIPS Agreement, members of the WTO had to be treated as members of the Paris Convention, and priority from an application in a WTO member state could therefore be claimed even if that state was not, at that time, a party to the Paris Convention.

2.2 According to Article 8(1) PCT the 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.

2.3 Even at the filing date of the PCT applications, ie on 12 March 1996, India was not yet a party to the said Convention. For India the Paris Convention only took effect as of 7 December 1998 (Bl PMZ 2001, 120). This prompted the Swedish Patent Office, acting as receiving Office for the international applications, to issue, in accordance with established practice, the notifications under PCT Rule 4.10(b), first sentence (as applicable at that time, see the WIPO PCT text edition 1994) and Administrative Instructions, Section 302, that the priority claims of the Indian applications had been deleted ex officio because the country in which the earlier applications were filed was not a party to the Paris Convention (see in this respect the preprinted PCT Form PCT/RO/121, used for said notifications).

2.4 As is clear from the wording "for the purposes of the procedure under the Treaty" in Rule 4.10(b) PCT, as applicable at that time, any finding by a receiving Office that a priority claim is considered not to have

been made or is "deleted" only affects the international phase of the application. It is in no way a final decision on the matter binding the designated offices (see also PCT Applicant's Guide, Volume I, Edition 1 March 2001, International Phase, No. 97).

2.5 India was not a country of the Union within the meaning of Article 4A(1) Paris Convention, either at the date of the filings in India or at the filing date of the European applications. It is therefore immaterial in the present case whether under that Article, in order to give rise to a priority right, the State in which the first filing is made must be a member of the Paris Union at the filing date of the first filing or whether it could also be regarded as sufficient if the State concerned was a member of the Paris Union at the filing date of the subsequent application, the vast majority of available opinions being in favour of the first alternative (see e.g. Ladas, Patents, Trademarks, and Related Right, Cambridge 1975, Volume I, § 265; and in particular the discussion of the problem in: Ruhl, Unionspriorität, Köln 2000, No. 167 et seq.; Wieczorek, Die Unionspriorität im Patentrecht, Köln 1973, page 77 et seq.).

2.6 According to Article 2,1. of the TRIPS Agreement, members shall comply with the provisions of Articles 1 through 12, and 19 of the Paris Convention (1967) in respect of - *inter alia* - Part II of the TRIPS Agreement. Part II of the TRIPS Agreement contains in section 5 provisions on patents. Members of the TRIPS Agreement are accordingly required by that Article in particular to grant priority rights in respect of filings made in countries that are members of the TRIPS Agreement under the conditions laid down in Article 4 of the Paris Convention, even if the WTO and TRIPS

member state in which the first filing has been made is not a member of the Paris Convention (Applicant's Guide, loc. cit.; Schulte, Patentgesetz mit EPÜ, 6th edition, Köln 2001, § 41, No. 17).

2.7 The PCT Union (International Patent Cooperation Union according to Article 1(1) PCT) has not as such become a party to the TRIPS Agreement. The obligations deriving from the TRIPS Agreement do not therefore directly bind the PCT-Union as such but only such members of the PCT Union as are members of the WTO (Applicant's Guide, loc. cit.).

With effect from 1 January 2000, and thus not applicable to the present case, Rule 4.10(a) PCT has been amended to provide, in conjunction with Article 8 PCT which remained unamended, that any declaration referred to in Article 8(1) PCT may claim the priority of one or more earlier applications filed in or for any Member of the WTO that is not party to the Paris Convention. However, even after its entry into force, according to Rule 4.10, paragraph (d), paragraph (a) does not apply if, on 29 September 1999, it was not compatible with the national law applied by a designated Office, provided that the said Office had informed the International Bureau accordingly (which the EPO has done, Singer/Stauder-Busse, Europäisches Patentübereinkommen, 2nd edition, Köln 2000, Vor Artikel 150, No. 6).

This implies that it was the general opinion of the member states of the PCT Union that in the absence of a specific provision on the matter, Article 8 PCT could not simply be extended by way of interpretation in the light of Article 2,1 of the TRIPS Agreement to allow generally the claiming of a priority from a filing in a state which was a member of the WTO but not of the Paris Convention, because otherwise the introduction of

amended Rule 4.10 PCT would have been unnecessary and it would have been all the more unnecessary to provide for the exception foreseen in its paragraph (d). Indeed, although the WTO/TRIPS Agreement had entered into force for a number of Contracting States to the PCT as of 1 January 1995, the Applicant's Guide only refers to the possibility of claiming priority from a filing in a WTO/TRIPS but not a Paris Convention State in an international application under the PCT, for the first time in its version of January 2000, No. 97, referring there to amended Rule 4.10(b) and (d) PCT.

The view described above appears thus to be the general opinion of the community of Member States of the PCT Union.

3. According to Article 87(5) EPC priority may also be claimed from a first filing made in a State which is not a party to the Paris Convention 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.

3.1 It is undisputed that no such notification has ever been published by the Administrative Council with respect to India. The appellant, however, argued that this formal aspect could not be regarded as decisive. What mattered was that it had been established that India had granted a right of priority from filings in EPC States since 3 January 1995. As the European "bundle" patent remained a national monopoly right after grant, each designated State would discriminate

against applicants of Indian nationality, in breach of Article 3 TRIPS, if priority from an application in India was refused for a European patent application.

3.2 The Board does not share the view that the notification to be published under Article 87(5) EPC is a pure formality without any substantive importance. On the contrary, the publication of the notification establishes with binding effect for all competent instances - both European and later national ones - that the requirements for recognising the priority of a first filing in the country concerned for a European patent application were met although that was not the case according to Article 87(1) EPC. Thus, the notification has a truly substantive effect.

3.3 Moreover, other substantive requirements of Article 87(5) EPC for recognition of a priority right from the filing in India were not fulfilled in the present case. These would apply, even if, for the sake of argument, the appellant's submissions were acceptable thus far and it were also accepted that, in view of the effect of a European patent application according to Article 66 EPC, India, after becoming a member of the WTO/TRIPS Agreement, was obliged to recognise the priority of first European filings designating members of the TRIPS Agreement, and it were further accepted that the TRIPS Agreement could in principle constitute a multilateral agreement within the meaning of Article 87(5) EPC.

3.4 First of all, not all Contracting States of the EPC were members of the TRIPS Agreement at the time the Indian applications were filed. For Liechtenstein, Switzerland and Monaco the WTO/TRIPS Agreement had not entered into force (see the listing of members to the WTO in Bl PMZ 2001, 135). Therefore, at that time the TRIPS Agreement did not oblige India to grant a

priority right on the basis of first filings made in any Contracting State within the meaning of Article 87(5) EPC. By the revision of Article 87(5) EPC by the Act revising the Convention on the grant of European patents (European Patent Convention) of 5 October 1973, last revised on 17 December 1991, Article 2, No. 34 (OJ EPO 2001, Special edition No. 4, 3, 22) this latter requirement was removed, as its retention was regarded as causing Article 87(5) EPC to remain completely unworkable (see also the basic proposal for the revision of the European Patent Convention, MR/2/00e, page 77, No. 7). However, in contrast to a few amended provisions which, according to Article 6 of the Act, shall be applied provisionally, Article 7 provides that the revised version of Article 87 EPC will only apply to European patent applications filed after entry into force of the revised version of the Convention (see also Article 1 of the Decision of the Administrative Council of 28 June 2001 on the transitional provisions under Article 7 of the Act revising the European Patent Convention of 29 November 2000, Special edition, 139, and the explanatory remarks on the Transitional provisions, Special edition, 137, No. 16). Therefore, this amendment cannot yet be applied to currently pending applications.

3.5 Moreover, according to the wording of Article 87(5) EPC it is not decisive whether the State concerned is obliged to recognise priorities from first European filings, but it is a condition for recognising a priority right for a European filing from a filing in that State that it grants, ie actually recognises, such right of priority. The purpose of that wording is quite clearly to ensure that mutual recognition of priorities is actually guaranteed with respect to European applications and to make the recognition of a right of priority from a first filing in a non Paris Convention

State dependent thereon (See the wording chosen, at that time, for Article 67(6) in the very first draft of the "Erster Arbeitsentwurf eines Abkommens über ein europäisches Patentrecht" of 2 August 1961: "wenn die erste Anmeldung in einem Staat eingereicht worden ist, der ... Gegenseitigkeit gewährt" and in "Vorentwurf eines Abkommens über ein europäisches Patentrecht" of 26 May 1962).

The present case illustrates the difference, be it only in time, between entering into a legal obligation in an International Treaty and actually putting such obligation into practice. As the letters made available to the appellant, written by the EPO to the Controller General of the Indian Patent Office in 1995 and 1996, show (pages 12 to 14 of the appeal file J 9/98), at the time of filing the present application and even later India had not made any declaration to the effect that it would recognise priorities from first European filings. The only information available was the information in the Gazette of India, on which the appellant relies, which states that India recognised the priority from first filings in a number of Contracting States of the EPC which did not, however, include the States for which the WTO/TRIPS Agreement had not entered into force at that time.

4. The appellant further argued that when interpreting Article 87(1) EPC in accordance with Articles 26, 30 and 31 of the Vienna Convention on the Law of Treaties, the provisions of the TRIPS Agreement had to be taken into account and lead to the conclusion that the term "State party to the Paris Convention" in Article 87 EPC had to be read as encompassing a member to the WTO, even if it was not party to the Paris Convention.

4.1 As the appellant has rightly submitted, in the jurisprudence of the boards of appeal the rules for interpretation of treaties incorporated in the Vienna Convention are indeed taken into account for the interpretation of the EPC, although, according to Article 4 of the Vienna Convention, they are not formally applicable because the EPC was concluded before the entry into force of the Vienna Convention (G 5/83 (English version), OJ EPO 1985, 64, point 3 of the reasons, T 1173/97, OJ EPO 1999, 609, point 2.2 of the reasons).

4.2 However, in the present case, Article 26 (*pacta sunt servanda*) of the Vienna Convention is not applicable with regard to the EPO and TRIPS because the EPO is not a party to the TRIPS Agreement. Article 30(3) of the Vienna Convention cannot be applied to the present case with regard to TRIPS because, as has been said above, the Contracting States to the EPC and the members of TRIPS did not fully coincide, ie not all the Contracting States of the EPC were simultaneously members of WTO/TRIPS (T 1173/97, loc cit. point 2.2 of the reasons). For the same reason, Article 31(3) of the Vienna Convention, according to which subsequent agreements, practice or rules between the parties shall under certain conditions be taken into account for the interpretation of an earlier Treaty does not apply in the present case either. Article 30(4) of the Vienna Convention is not applicable either, because the priority right for a European application can only either exist or not exist for the European application as such and different rules cannot be applied for different designated States of the European application.

Article 31(1) of the Vienna Convention stipulates that a Treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the

terms of the Treaty in their context and in the light of its object and purpose. When following this rule of interpretation, it is not possible to interpret Article 87(1) EPC in a way that would make it applicable to States other than those party to the Paris Convention. The ordinary meaning and the context of the term "State party to the Paris Convention for the Protection of Industrial Property" are quite unambiguous in that they define the filings giving rise to a priority right for a European application by reference to the members of the said Convention. The object and purpose of this wording of Article 87(1) EPC were clearly and unambiguously to limit the applicability of this first paragraph of Article 87 EPC to filings in States party to the Paris Convention. As regards the legislative history of Article 87(1) EPC, the reference to the States party to the Paris Convention was already contained initially in the first paragraph of the envisaged provision on priorities ("Erster Arbeitsentwurf eines Abkommens über ein europäisches Patentrecht" of 2 August 1961, page 2). It was subsequently removed ("Vorentwurf eines Abkommens über ein europäisches Patentrecht ausgearbeitet von der Arbeitsgruppe "Patente", 1962, page 46a) but was then reintroduced in 1970, in order to limit the priority right under the first paragraph of (at that time) Article 73 to filings in States party to the Paris Convention and to make all further priority rights dependent on recognition of reciprocity according to present Article 87(5) EPC (at that time Article 73(5), see "Minutes (dated 26 October 1970) of Working Party I of the Inter-Governmental Conference for the Setting Up of a European System for the Grant of Patents", BR/49/70, page 42, No. 124).

5. If the appellant's submission that the principle of "*pacta sunt servanda*" should be applied is interpreted to mean that the EPO was bound to grant the priority of

first filings in WTO States because the majority of its Contracting States were obliged by the TRIPS Agreement to do so, the following should be observed:

5.1 In some cases, the boards of appeal have indeed considered the question of the compliance of the EPC provisions to be applied with provisions of the TRIPS Agreement. However, either they came to the conclusion that the EPC provisions in question were not in breach of the relevant provisions of the TRIPS Agreement (G 1/97, OJ 2000, 322, point 5 of the reasons: compliance with Articles 31, 32, 62(5) TRIPS, and J 32/97 of 20 July 1998, unpublished, point 16 of the reasons: compliance with Article 4 TRIPS) or the provisions of the TRIPS Agreement were taken into account in the context of the interpretation of an EPC term that was open to and needed interpretation (T 1173/97, OJ EPO 1999, 609, point 2.3 of the reasons, T 935/97 of 4 February 1999, unpublished, for the definition of the exclusion of programs for computers as such from patentability in Article 52(2) and (3) EPC).

This is in line with the jurisprudence of the Court of Justice of the European Communities, which in the context of EU-law, although denying the direct applicability of the TRIPS provisions (see below under 6), holds the national judicial authorities obliged to apply national rules as far as possible in the light of the wording and purpose of the TRIPS provisions (see the decision "Christian Dior", Joined Cases Nos. C-300/98 and C-392/98, IIC 2001, 664, 670, No. 47, making reference to a further decision).

5.2 Applying Article 87(1) EPC to first filings in WTO/TRIPS Member States would, however, go much further than that. It would require the EPO to grant a right to priority beyond, i.e. against, the clear wording and

meaning of Article 87(1) EPC, which both limit the priority right to first filings made in States party to the Paris Convention.

In EU-law the Court of Justice of the European Communities has recognised that an EU-citizen can under certain circumstances avail itself before a national court of rights, which are not laid down in any written EU law, but are derivable from international Conventions to which - only - the Contracting States are parties, even when this goes beyond or is contrary to existing national provisions. It is, however, to be noted that such international Conventions are not applied because they would be regarded as being formally applicable and binding in the context of the EU. On the contrary, they are used by the Court of Justice to the extent that they can be regarded a source of generally accepted legal principles for determining the fundamental rights of a person in the EU, which the Court of Justice has developed consistently as a body of non-written cogent EU law, in accordance with the constitutional principles of the Member States (See Iglesias, Gedanken zum Entstehen einer Europäischen Rechtsordnung, NJW 1999, 1, 5). Thus, in EU law, there does not appear to exist a rule that the EU was bound by an international convention because its member states were bound by it. On the other hand the Board also doubts that the definition of the scope of a priority right to be granted as has been laid down in the TRIPS Agreement for the WTO Member States goes beyond what must be regarded as the normal determination of legal conditions for commerce and competition on which any legislator is free to decide in either way but that it impinges upon fundamental rights of the persons involved. Thus, the legal situations do not appear to be comparable.

6. The appellant has also argued that the provisions of the TRIPS Agreement cited by him directly bind the EPO to recognise the priority from a first filing made in a country which was not a member to the Paris Convention but was a member of the WTO/TRIPS Agreement. Whether or not this is so appears to depend on two conditions. The first is that the TRIPS Agreement can be regarded as being directly binding on the EPO. The second is that the provisions relied on by the appellant can be regarded as self-executing, i.e. as having direct effect, because no transformation into EPC law has taken effect, as yet (for the definition of the term of being self-executing or directly applicable, see e.g. the Court of Justice in "Christian Dior", loc.cit., No. 42, making reference to further jurisprudence of the Court; see also Staehelin, Das TRIPs-Abkommen, Bern 1997, page 138, and the English High Court in its decision in the Lenzing case dated 20 December 1996, R.P.C. 1997, 245, 270).

6.1 In the Act revising the Convention on the grant of European patents (European Patent Convention) (loc. cit), Article 87(1) EPC has been amended to include in its paragraph b) the right to claim for a European patent application the priority of an application filed in a member state of the WTO. However, as has been said above, the revised version of Article 87 EPC will only apply to European patent applications filed after entry into force of the revised version of the Convention.

Thus it appears that the EPC legislator, like the PCT legislator was of the opinion that the provisions of the TRIPS Agreement regarding priority had no directly binding and self-executing effect in the context of the EPC, because otherwise it could have appeared conceivable to provide for their provisional application, as has been done with respect to other amended provisions of the EPC, or at least to provide

for their application to pending applications after their entry into force (see Article 1 of the Decision of the Administrative Council of 28 June 2001 on the transitional provisions under Article 7 of the Act revising the European Patent Convention, loc. cit.).

6.2 At the international level it has been widely doubted that the provisions of the TRIPS-Agreement are susceptible of having direct effect at all (see the very extensive discussion of the problem in Staehelin, Das TRIPs-Abkommen, Bern 1997, page 138 et seq. and the additional literature references cited therein, as well as the personal position of the author on the matter on page 144 et seq.; see also Cook, Judicial Review of the EPO and the Direct Effect of TRIPS in the European Community, EIPR 1997, 367,372).

Insofar as the Court of Justice of the European Communities has accepted its competence to pronounce on the matter in "Christian Dior" (loc.cit., No. 32 et seq.), because the question referred to it concerned a field in which the Community had already legislated (for the meaning of this proviso, see Groh/Wündisch, Die Europäische Gemeinschaft und TRIPS: Hermès, Dior und die Folgen, GRUR Int. 2001, 497), it has decided that the provisions of the TRIPS-Agreement are not capable of having direct effect, irrespective of how the individual provisions concerned are drafted. They are not such as to create rights upon which individuals may rely directly before the courts (see also the criticism against generally denying direct applicability in, Groh/Wündisch, loc. cit., page 503).

The same position has been adopted in English law by the English High Court in its decision in the Lenzing case dated 20 December 1996 (loc.cit.). The High Court stated quite clearly and set out in detail why it regarded the TRIPS Agreement as not being a Treaty

intended to have direct effect (269), i.e. that individuals should have private rights arising from the WTO itself (270), but that it was merely an agreement between nations and not self-executing (271).

6.3 As regards the jurisprudence of the boards of appeal prior to decision G 1/97, the opinion was expressed (T 1173/97, loc.cit., point 2.1 of the reasons and T 935/97 of 4 February 1999, point 2.1 of the reasons) that the TRIPS Agreement could not be directly applied to the EPC, because TRIPS was binding only on its member States and the European Patent Organisation was itself not a member of the WTO and did not sign the TRIPS Agreement.

In its decision G 1/97, OJ EPO 2000, 322, point 5(a) of the reasons, the Enlarged Board of Appeal, although expressing doubts about the direct effect of TRIPS and its applicability in the context of the EPC, since the EPO was not a party to TRIPS, has expressly left this question open. As regards the position of the Enlarged Board of Appeal on the matter the issue must therefore be regarded as not yet finally resolved.

7.1 In the Board's view the issues set out above under points 5 and 6 are of such a nature that the Board would have found it inappropriate to rule itself on the matter. As can also be derived from points 2 to 4 above the Board regards the issues raised under points 5 and 6 above as being the important points of law within the meaning of Article 112(1)(a) EPC. They are decisive for the outcome of the present cases. Only if 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, can the applicant be entitled to claim the priority of the filings in India.

If the provisions of the TRIPS Agreement were applicable as a matter of principle, it could be argued that, at least as far as the simple replacement of the States party to the Paris Convention by the Member States of the WTO/TRIPS Agreement is concerned, the reference in Article 2(1) of the TRIPS Agreement to the provisions of the Paris Convention was sufficiently precise to be directly applied in the context of the EPC. In the legal literature, Article 2(1) of the TRIPS Agreement is interpreted as creating an obligation on the members of the TRIPS Agreement to bring national legislation into line with the relevant provisions of the Paris Convention (Gervais, The TRIPS Agreement, Drafting History and Analysis, London 1998, Article 2, point 2.18, page 45; Staehelin, loc.cit., page 144). However, it is also said that the fact that a TRIPS provision is one obliging members to provide for certain rights does not *per se* exclude the possibility of regarding such provisions as self-executing as long as they are sufficiently precise to be directly applied by the courts (Staehelin, loc.cit. page 145). Moreover, the most favoured nation clause in Article 4 of the TRIPS Agreement in conjunction with Article 2(1) of the TRIPS Agreement is interpreted to mean that it obliges the WTO-members which grant priority rights on the basis of the Paris Convention to grant the same priority rights to WTO members (Staehelin, loc.cit, page 27). By contrast, as regards Article 3 (National Treatment) of the TRIPS Agreement, the Board doubts that the limitation in Article 87 EPC of the priority right to previous filings in States party to the Paris Convention would violate that TRIPS Article because the limitation in Article 87(1) EPC to first filings in Paris Convention States as a basis for priority rights applies to all applicants of a European application, irrespective of their nationality, and thus also to applicants who are nationals of the EPC Contracting States. That Indian applicants may be required to file

first in their home country according to Indian law, may, as a matter of fact, have resulted in a disadvantage for Indian applicants, before India joined the Paris Convention. This disadvantage was, however, not the result of EPC legislation. Moreover, the requirement of a first filing in India would presumably not have prevented an Indian applicant from making filings for priority purposes elsewhere.

7.2 Neither the PCT nor the EPC prescribe a time limit within which the applicant must request the recognition by the EPO of an originally claimed priority which the authority acting as receiving Office in the international phase under the PCT has considered not to have been made (see point 2.4 above). There may therefore exist further applications pending before the EPO for which the decision of the Enlarged Board of Appeal regarding the referred question could be relevant, this not only with respect to first filings in India. Indeed, a considerable number of states joined the WTO/TRIPS Agreement before the Paris Convention took effect for them (compare the publication of the States party to the WTO and to the Paris Convention, status as on 15 January 2002, in BlPMZ 2002, pages 181 to 188 and 196). Moreover, a number of members to the WTO/TRIPS Agreement are today still not members of the Paris Convention, such as e.g. Pakistan, Taiwan and Thailand.

8. Although the present referral is made because the Board regards the issues addressed above in points 5 and 6 as the important points of law, which are not yet resolved, the Board has decided to define the question referred to the Enlarged Board of Appeal in a somewhat broader way in order to leave it to the Enlarged Board of Appeal which aspects it wishes to address.

9. After having considered the appellant's reply to the Board's communication the Board has also decided to retain the wording of the question communicated to the appellant. As the appellant has conceded, this wording is general enough to cover all the legal issues raised by the appellant and by the Board in the reasons for this decision. By use of the broad term "in view of the TRIPS Agreement", the wording of the question covers all legal aspects pursuant to which the TRIPS-Agreement could have an impact on the answer to be given, whether by using the TRIPS Agreement as a tool for interpretation of Article 87 EPC, or, as the appellant has submitted, by taking into account any obligations of such Contracting States of the EPO as are members to the TRIPS Agreement. Both issues have been extensively addressed in points 4 and 5 of the present decision and previously in points 4 and 5 of the Board's communication to the appellant (the appellant's reference to point 2 of the Board's communication appears to be in error, point 2 of the Board's communication dealt with the PCT). Similarly, by defining the kind of application for which the question is referred as a European patent application which was originally filed as a Euro-PCT application, it is clear that the question as to whether the PCT and its relation to the TRIPS-Agreement have any impact on the answer is also included in the scope of the question, should the Enlarged Board of Appeal wish to address this issue.

Order

For these reasons it is decided:

1. Appeal cases J 9/98 and 10/98 are hereby consolidated.

2. The following question is referred 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?

The Registrar: The Chairman:

S. Fabiani J. Saisset