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

Case Number: J 0015/06 - 3.1.01

Application Number: 04019048.0

Publication Number: 1488803

IPC: A61K 38/48

Language of the proceedings: EN

Title of invention:

Neurotoxic component of botulinum toxins for treating cervical dystonia

Applicant:

ALLERGAN, INC.

Third Party:

Merz Pharma GmbH & Co. KGaA

Headword:

Suspension of grant proceedings/ALLERGAN

Relevant legal provisions:

EPC Art. 112(1), 125

EPC R. 13, 14, 67

Keyword:

"Suspension of proceedings (cancellation)"

Decisions cited:

J 0042/92, J 0028/94, J 0033/95, J 0007/96, J 0036/97

Catchword:

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Case Number: J 0015/06 - 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:
(Applicant)

ALLERGAN, INC.
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Representative:

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Respondent:
(Third Party)

Merz Pharma GmbH & Co. KGaA
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Representative:

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Decision under appeal:

Decision of the Legal Division of the European
Patent Office of 30 January 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 30 January 2006 stating that the decision to suspend grant proceedings, in respect of European patent application no. 04 019 048.0, contained in the communication dated 10 November 2005, was maintained and proceedings before the European Patent Office (EPO) were suspended as from 28 October 2005.

- II. On 29 September 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 thereto filed on 6 September 2005 and that the mention of the grant was to be published in European Patent Bulletin 05/45 of 9 November 2005.

- III. In a letter of 21 October 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 from 21 October 2005, on the grounds that proceedings concerning the entitlement to the European patent application in suit had been initiated before a German court, the "Landgericht München I". Referring to decision J 36/97 of the Legal Board of Appeal, the respondent argued that the requirement in Rule 13(1) EPC "that he had opened proceedings" is satisfied if the necessary steps have been taken to open proceedings in a national court and that it is necessary for these proceedings to have been served on the appellant.

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

- IV. In a further letter, dated 28 October 2005 and received by the EPO on the same day, the respondent filed an amended request claiming that the patent application in suit be suspended with effect from 28 October 2005 and that the publication of the mention of the grant of a patent be cancelled.

In support of these requests the respondent submitted a copy of a writ showing opening of national proceedings had been opened before a different German court, the "Verwaltungsgericht München", for the purpose of seeking a judgement that it was entitled to the grant of the European patent. The copy bears a date stamp providing proof that the original document was filed with the "Verwaltungsgericht München" on 28 October 2005.

- V. In a communication dated 10 November 2005 the Legal Division informed the applicant and the third party that the proceedings before the European Patent Office had been suspended in respect of European patent application no. 04 019 048.0, as from 28 October 2005 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 that 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.

VI. On 22 November 2005 the Senior Formalities Officer of Directorate General 2 of the EPO sent the following statement to the Deutsches Patent- und Markenamt:

"The mention of the grant of a European patent for the above-mentioned application was/will be published on 09.11.05 (European Patent Bulletin No. 05/45).

The decision to grant a European Patent and/ or its publication is corrected as follows:

Proceedings before the EPO were stayed (R. 13 EPC) before the date of the grant of the patent.

This correction was/will be published in European Patent Bulletin no. 05/52 of 28.12.05"

The correction was published in European Patent Bulletin as announced in the statement.

VII. In a letter dated 12 December 2005 the applicant for the European patent application in suit (the appellant) requested that an appealable decision be issued.

VIII. The Legal Division issued a decision on 30 January 2006 stating that according to Rule 13(1) EPC, the decision to suspend grant proceedings, in respect of European patent application no. 04 019 048.0, contained in the communication dated 10 November 2005, was maintained and proceedings before the European Patent Office were, thus, suspended as from 28 October 2005.

IX. The appellant filed a notice of appeal with the EPO on 10 April 2006 requesting the reversal of the decision dated 30 January 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 26 May 2006. The appellant's grounds can be summarised as follows:

The decision of the Legal Division on the suspension of the grant of the European patent had no legal basis in the EPC. The communication of 10 November 2005 and the decision of 30 January 2006 of the Legal Division had been issued after the mention of the grant of the European patent was published in the European Patent Bulletin on 9 November 2005. This publication caused the effects set forth in Article 64(1) EPC and marked the end of the responsibility of the EPO as set forth in Article 2(1) EPC. The appellant cited decision J 7/96 of the Legal Board of Appeal where it is stated that *"The mention also marks the time when the responsibility of the EPO comes to an end and the national patent systems take over; the granted patent becoming a bundle of national patents"*(point 6.2 of the reasons).

The Legal Division's communication of 10 November 2005 and the subsequent decision of 30 January 2005 could only have reversed the publication of grant if the Convention provided for such communication and decision after the publication of the mention of grant. In the

appellant's opinion the Convention contained no such provision.

The appellant further argued that Rule 13 EPC, unlike Rule 14 EPC, does not provide a legal basis for the suspension of the European patent application in suit to take effect as an immediate legal consequence of the proof (submitted to the EPO) that (national) proceedings have been initiated but requires a decision of the EPO on the requested suspension with the legal effect that the proceedings can only be stayed as of the date of the decision. Rule 13 EPC does not provide means for suspending by way of fiction the proceedings as of the date of filing of the third party's request.

Neither the decision to suspend proceedings after grant nor the retroactive effect of that decision could be justified by the imminent publication of the grant at the point in time when the request had been filed. 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 (OJ EPO 1997, 400). 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 submitted that when taking a decision on the basis of Rule 13 EPC, the underlying facts had to be assessed as to whether or not all requirements pursuant to Rule 13 EPC were fulfilled. In the present case, the EPO had gone beyond this assessment and had felt it appropriate to telephone the third party and had provided it with legal advice despite the fact that the matter discussed had affected the appellant's procedural rights. Notwithstanding the fact that this had been a severe violation of the principle of fairness and impartiality on the part of the EPO, it showed that, contrary to the decision J 28/94, the procedure under Rule 13 EPC was not "automatic" and that it did require some consideration on the part of the EPO before a decision on suspension could be issued.

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 requested that the appeal fee be reimbursed.

XI. In a letter dated 28 February 2007 the respondent submitted its counter-arguments as follows:

The requirements for suspension according to Rule 13(1) EPC were fulfilled on 28 October 2005 and indisputably before the mention of the grant of the patent in the European Bulletin on 9 November 2005. 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 28 October 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 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 the correction of the publication of the mention of the grant had not been validly performed by the EPO and that therefore 9 November 2005 had 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. In a letter dated and received on 20 September 2006 the appellant applied for an interim decision as regards the suspensive effect of Article 106(1) EPC on the decision under appeal and requested that, in the light of Article 106(1), second sentence EPC, the European Patent Register be corrected so as to confirm the date of grant on 9 November 2005 or, as auxiliary request, that the grant procedure be resumed and that the decision to grant be published in the Bulletin without further delay.

XIII. In a faxed letter dated 27 September 2007 the respondent withdrew its requests for suspension dated 21 October 2005 and 28 October 2005.

- XIV. 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.
- XV. 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 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 which will be discussed in detail in points 10 and 11.

3. As a result of the new procedural situation, the Board needs only to answer the procedural questions raised by the appellant's submissions insofar as these questions are still relevant to a final decision.

As regards the additional requests in the appellant's letter dated 20 September 2006 (see above point XII), the Board states that these requests applied for an interim decision as a preliminary measure which has now been superseded by reaching the present final decision. Therefore, the admissibility or otherwise of these requests within the framework of the present appeal proceedings no longer needs to be decided.

The Board sets out below the reasons why, in the present case, it orders not only that the impugned decision is set aside but also that the proceedings are to be continued independent of whether or not the communication concerning suspension was justified at the time it was issued.

4. In the present case, the request for suspension was treated by the first instance in accordance with a long-established procedural practice of the European Patent Office.
5. According to this practice the procedure as regards a third party's request for suspension can be described as follows:

A request for suspending proceedings of a European patent application pending before the Examining Division is submitted to the Legal Division. When the requirements pursuant to Rule 13(1) EPC are fulfilled,

the Legal Division issues a communication "containing a statement" on the suspension of the proceedings for grant with effect as from the date when the request was submitted. This communication is issued by the Legal Division without hearing the applicant. In the communication it is furthermore indicated that the communication does not establish a (formal) decision and that the applicant may apply for an appealable decision. The communication is served upon both the applicant and the third party requesting suspension.

When the applicant requests an appealable decision, the Legal Division issues a formal decision concerning the suspension of the examining proceedings. To the extent the Legal Division continues to consider the requirements of Rule 13 EPC for suspension to be met the order made in such a decision usually states that the decision to suspend the proceedings as contained in the previously issued communication is maintained and that, therefore, the examining proceedings remain suspended as from the date indicated in the communication. The decision refers in its reasons to Rule 13 EPC as the legal basis for the suspension so upheld.

This practice is partly based on the wording of Rule 13(1) EPC and the interpretation of this Rule by the decisions of the Legal Board J 28/94 (OJ EPO 1997, 400) and J 7/96 (OJ EPO 1999, 443).

6. The law-makers of the European Patent Convention were well aware that the EPC does not provide a closed system of procedural provisions and, therefore, stipulated by Article 125 EPC that any procedural gap

may be bridged by taking into account the principles of procedural law generally recognised in the Contracting States. This reference to national law implies not just a strict application of these principles by the Boards of Appeal but also an interpretation of current provisions of the EPC in the light of these procedural principles because "[I]t is difficult to draw a distinct, detailed demarcation between the reference to general procedural principles of the Contracting States to cover an absence of legal provisions and the development of the law based on the interpretation of the EPC" (Singer/Stauder, *The European Patent Convention*, 3rd ed., Art. 125 note 7).

7. Concerning the gist of Rule 13 in conjunction with Rule 14 EPC, the jurisprudence of the Legal Board of Appeal took into account the necessity to provide effective legal protection of a third party's legitimate interests and developed the particular procedure under Rule 13 EPC outlined above whereby suspension of the grant proceedings is immediately ordered by a communication of the EPO without having heard the applicant and then only on the applicant's request is an appealable decision taken. If the applicant was informed before suspension was ordered, the withdrawal of the European Patent application or the designation of additional Contracting States would be possible before the protection according to Rule 14 EPC takes effect.

8. A procedure by which the instance concerned first decides without having heard the respondent but then, at the respondent's request, reviews its initial non-appealable decision is well known from national

procedural law in particular in the field of industrial propriety rights (for example interim injunctions). In order to enforce industrial property rights public authorities or courts are empowered to take a preliminary decision on request without having heard the respondent (*inaudita altera parte*) in cases where an immediate measure is indispensable and a delayed decision could irretrievably endanger the rights of the party seeking relief. The failure to hear the respondent must then be remedied and the same instance has to make a final decision by which the facts and arguments of both parties are considered.

Therefore, the present Board agrees with the reasons given in decision J 28/94 (*supra*, see points 2.1 to 2.2.1 of the reasons) where the above mentioned procedure was justified and determined.

9. The appellant disputed that the Legal Division was competent to issue the communication concerning suspension of the proceedings with retroactive effect as from 28 October 2005, on 10 November 2005, i.e. one day after the publication of the mention of grant on 9 November 2005, because that date "*marks the time when the responsibility of the EPO comes to an end*" (J 07/96, *supra*, point 6.2 of the reasons) "*unless some specific provision of the convention confers jurisdiction on the European Patent Office anew, such as if an opposition is filed*" (J 42/92, point 5 of the reasons).

In the Board's opinion, these objections can be regarded as raising a number of questions as follows: whether suspension of proceedings ordered after the date of the publication of the mention of the grant of

the patent is null and void for lack of competence; whether some additional competence of the EPO can be deduced from suspension ordered with retroactive effect; and whether such retroactivity violates legal certainty or the procedural principles laid down in the European Patent Convention or generally recognised in the Contracting States.

The present Board acknowledges that these questions are of great importance but, due to the change in the procedural situation, the answers to them are no longer decisive in the present case.

10. Even if the communication concerning the suspension of the proceedings with retroactive effect as from 28 October 2005 were to be regarded as null and void for lack of competence, the Board has to order the continuation of the grant proceedings because the immediate execution of the suspension can neither be set aside for the past nor reversed by a decision in these appeal proceedings. In particular, the present decision cannot ignore the fact that the European Patent Office had already published the correction of the mention of the grant of the patent and that the public may therefore be misled as regards the correct date of the mention of grant. A mere reversal of the appealed decision would be neither appropriate nor sufficient to restore legal certainty for the public.
11. The European Patent Office is responsible for the grant proceedings up to the date of the publication of the mention of the grant of the patent. This competence includes the publication of any necessary correction concerning the publication of the mention of the grant.

As long as the date of the publication of the mention of the grant is not finally defined by the European Patent Office, the grant proceedings are not terminated.

When, as in the present case, the European Patent Office published a correction of the publication of the mention of the grant, i.e. that such date was invalid, the grant proceedings have to be continued until the public is finally informed as to the date determined as correct by the European Patent Office. Therefore, the present appeal proceedings must result in the continuation of the grant proceedings regardless of whether or not the communication concerning the suspension was correct or incorrect. As the answer to this question of correctness is no longer decisive for the outcome of the present decision, the requirements for a referral (which the Board might otherwise have made) of the above defined legal questions to the Enlarged Board of Appeal according to Article 112(1) EPC are no longer fulfilled.

12. A further procedural issue, raised by the appellant, is the allegedly missing legal basis for the publication of the correction of the mention of the grant in the Bulletin of 28 December 2005. However, this issue was not subject matter of the appealed decision and is therefore not subject matter of the present appeal proceedings. Therefore, the Board has only to decide that the grant proceedings be continued but not on the aforementioned issue nor on what happens thereafter - whether the grant proceedings once continued should be terminated by a new publication of the mention of the grant or, alternatively, by a publication of a correction of the publication of the correction of the

mention of the grant in the Bulletin of 28 December 2005.

13. Summing up, the present 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 (see point 2 above), and that the grant proceedings are to be continued (see point 11 above).
14. The Board holds that the requested reimbursement of the appeal fee pursuant to Rule 67 EPC is not justified.

The Legal Division applied the procedure for suspension as it was developed and acknowledged by the jurisprudence of the Legal Board of Appeal. In particular, it was procedurally correct to issue the communication without having heard the appellant and only subsequently providing the possibility to be heard (see point 8 above).

As regards the issue of a lack of competence to order suspension after the date of publication of the mention of the grant (see 9 above), the Legal Division acted in compliance with the line of reasoning in decisions J 33/95 dated 18 December 1995 and J 36/97 dated 2 May 1999. In both cases a request for suspension was filed shortly before the publication of the mention of the grant of a patent and refused by a decision of the Legal Division after that date. In case J 36/97, the Legal Board of Appeal decided against the refusal of the request for suspension that the decision was to be set aside and that the proceedings in respect of the

patent applications were suspended under Rule 13(1) EPC with retrospective effect as from the date when the allowable request for suspension had been filed. In case J 33/95, the Legal Board decided against the refusal of the request for suspension and that a correction of the publication of the mention of the grant was to be published such that the 6 September 1995 was not the date when the mention of the grant of the patent had been published. In both decisions, the competence of the European Patent Office to order suspension pursuant to Rule 13(1) EPC after the publication of the mention of the grant of a patent was acknowledged provided that an allowable request had been filed before the publication.

As the Legal Division proceeded in compliance with the established jurisprudence of the Legal Board of Appeal, reimbursement of the appeal fee is not justified pursuant to Rule 67 EPC.

Therefore, the request for reimbursement of the appeal fee is not allowable.

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. 04 019 048.0 are continued.
3. The request for reimbursement of the appeal fee is refused.

The Registrar:

The Chairman:

P. Martorana

B. Günzel