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FRENCH REPUBLIC
IN THE NAME OF THE FRENCH PEOPLE

***COUR D'APPEL* OF PARIS**

Section 5 - 1st Chamber

DECISION OF 30 JUNE 2010

(No. 194, 06 pages)

Docket number: **10/07477**
Decision referred to the *Cour d'Appel*: Judgment of 31 March 2010 – *Tribunal de Grande Instance* of PARIS – Docket No.: 08/17625

APPELLANT

LABORATOIRES NEGMA, S.A.S.
Represented by its legal representatives
whose registered office is located at 10 rue Paul Dautier
78140 VELIZY VILLACOUBLAY

represented by SCP GERIGNY-FRENEAUX, *avoués*
assisted by Mr Louis DE GAULLE, attorney-at-law, member of the Paris Bar, court box K 35
pleading for SELAS DE GAULLE FLEURANCE ET ASSOCIÉS

RESPONDENTS

BIOGARAN, S.A.S.
Represented by its legal representative
whose registered office is located at 15 Boulevard Charles de Gaulle
92700 COLOMBES

represented by Mr Dominique OLIVIER, *avoué*
assisted by Mr Arnaud CASALONGA, attorney-at-law of the Paris Bar, court box K 177

LABORATOIRES MEDIDOM
a company governed by the laws of Switzerland
Represented by its legal representative
whose registered office is located at 44 Enetriederstrasse
6060 SARNEN (SWITZERLAND)

domiciled at Mr François TEYTAUD's firm, *avoué*
assisted by Mr Silvestre TANDEAU DE MARSAC, attorney-at-law of the Paris Bar, court box P 147
pleading for FISCHER, TANDEAU DE MARSAC, SUR ET ASSOCIÉS

COMPOSITION OF THE COURT

The case was discussed on 25 May 2010, in public, before the *Cour d'Appel* composed of:
Mr Didier PIMOULLE, Presiding Judge
Ms Brigitte CHOKRON, Judge
Ms Anne-Marie GABER, Judge

Court's clerk, during the trial: Ms Aurélie GESLIN

DECISION: - after hearing both parties

made available at the clerk's office, the parties having been previously notified in accordance with the conditions laid out in the second subparagraph of Article 450 of the French Code of Civil Procedure.

Signed by Mr Didier PIMOULLE, Presiding Judge, and by Ms Aurélie GESLIN, clerk to whom the signatory judge handed over the copy of this decision.

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THE COURT,

Having regard to the appeal, pleaded in fast-track proceedings by LABORATOIRES NEGMA, S.A.S. against the judgment handed down by the *Tribunal de Grande Instance* of Paris on 31 March 2010 (3rd Chamber, 3rd Section, Docket No. 08/17625);

Having regard to the appellant's latest pleading (25 May 2010);

Having regard to the latest pleading (25 May 2010) of the Swiss company LABORATOIRES MEDIDOM, respondent in the main appeal and cross-appellant in the cross-appeal;

Having regard to the latest pleading (20 May 2010) of BIOGARAN, S.A.S., respondent;

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WHEREUPON,

Considering that BIOGARAN, possessing authorizations to market the drugs *Diacereine SET 50 mg gélules* and *Diacereine REF 50 mg gélules*, having received from LABORATOIRES NEGMA (hereafter: NEGMA) a letter of warning according to which these two products were generic drugs of ART 50, covered by the patent EP 520 414, filed on 24 June 1992 and published on 13 March 1996, of which it is the exclusively license-holder, and which it commercializes on the French market, served a summons on this company, as well as the company LABORATOIRES MEDIDOM (hereafter: MEDIDOM), holder of the cited patent, for invalidity of patent claim 14 concerning the pharmaceutical product at issue;

That the *Tribunal*, through the appealed judgment, ordering the provisional enforcement, held claim 14 of the French part of the EP 520 414 patent to be invalid for lack of novelty, and dismissed NEGMA and MEDIDOM's request for expert investigations, requiring them to pay, in addition to expenses, compensation to the appellant.

1. *On the procedure*

Considering that the pleading notified on 25 May 2010 by NEGMA, and likewise the one notified on the same day by MEDIDOM, do not contain any requests or new means with respect to the previous drafts, in other words, for NEGMA, those attached to the summons for fast-track proceedings delivered to BIOGARAN on 20 April 2010 and, in MEDIDOM's case, those of 14 May 2010; that these pleadings have no other purpose than to respond to those notified on 20 May 2010 by BIOGARAN; that the latter recognizes that exhibits 93 to 95, whose dismissal it requests, were transmitted to its counsel on 21 May 2010;

Considering that as a result, the due process was respected in this case; that BIOGARAN's request for the dismissal of exhibits and pleadings shall be denied.

2. <u>On the merits</u>

Considering that the patent at issue, entitled "Process for the preparation of diacetylrhein", concerns "a procedure for the preparation of diacetylrhein having a degree of purity making it suitable for use in pharmacies and having a total residual content of undesirable aloe-emodin inferior to 20 ppm, as well as diacetylrhein that may be obtained by this procedure and a pharmaceutical composition containing this compound";

That claims 1 to 13 of the patent, which relate to the product's fabrication procedure, are not in dispute, and that only claim 14 is challenged, being drafted as follows: "pharmaceutical preparation containing diacetylrhein having less than 20 ppm of aloe-emodin components together with conventional pharmaceutical carriers and auxiliary supports";

Considering that BIOGARAN maintains that claim 14 is null, mainly for lack of novelty, and subsidiairily for lack of inventive step;

Considering that Article L. 614-12 of the French Intellectual Property Code sets out that, "A European patent may be revoked with effect for France on any one of the grounds set out in Article 138(1) of the Munich Convention.";

That Article 138(1) of the Munich Convention on European Patents (EPC) of 5 October 1973, lays out that: "[…] a European patent may only be revoked under the law of a Contracting State, with effect for its territory, on the following grounds: (a) if the subject-matter of the European patent is not patentable within the terms of Articles 52 to 57.";

That according to the terms of the first paragraph of Article 52 of the EPC: "European patents shall be granted for any inventions which are susceptible of industrial application, which are new and which involve an inventive step.";

That, on the condition of novelty, Article 54 specifies: "An invention shall be considered to be new if it does not form part of the state of the art."

Considering that, in order to be included in the state of the art and to be lacking in novelty, the invention must be found in its entirety in a single confirmed prior art, with the same constituting elements, in the same form, the same configuration, with the same function, aspiring to the same technical result;

Considering that it results from the specification of the contentious patent (page 1, lines 20 onwards) that diacetylrhein is known as "an active ingredient in antiarthritic, anti-inflammatory, antipyretic and analgesic medication, and was therefore used in treating arthritic illnesses";

Considering that the same document explains that diacetylrhein may be obtained through various methods and mentions, <u>for instance</u>, "the acetylation of barbaloin and peracetic oxidation obtained with chromium trioxide" before mentioning, "<u>what is more</u>" the procedure that specifically demonstrates the inconveniences that the patent aims to remedy and that consists in "preparing the diacetylrhein by the acetylation of the rhein that can be obtained, <u>for example</u>, from the senna drug";

Considering that, according to the patent description, “the diacetylrhein obtained through this procedure contains undesirable impurities consisting of derivatives of aloe-emodin […] in relatively small quantities and therefore may only be separated very difficultly through classical purification operations”;

Considering that it is clear from the preceding quotes (emphasis added by the court) that the patent description does not exclude the possibility of producing diacetylrhein through processes other than the one demonstrating a noted difficulty regarding the elimination of undesirable aloe-emodin derivatives, even if the first procedure mentioned comprises other noted inconveniences, such as the need to appropriately treat chromium residue;

Considering that it is consistent that diacetylrhein and its properties were known in the state of the art prior to the contentious patent and were namely exposed in the invention by Charles Friedmann that gave rise to the United States Patent 4.244.968, filed on 1 March 1977 by PROTER, issued on 13 January 1981, concerning, in short, “1,8-Dihydroxy- and 1,8-diacetoxy anthraquinones (*i.e.* diacetylrhein) and derivatives thereof are used to treat the symptoms of arthritis” and to the patent No. 81 13115 request filed at the INPI (National Institute of Industrial Property) by the same company concerning “anthraquinone derivatives used for the treatment of arthritis”;

Considering, as the *Tribunal* specifically noted, that the structure of a product is defined by its nature and atomic configuration; that the parameters that are not inherent to the chemical compound itself, but rather are extrinsic, shall not be taken into account in order to determine the novelty of a product, which may not acquire novelty simply because it is prepared in a purer form; and consequently, that a document disclosing a chemical compound makes this product available, according to the meaning of Article 54 of the EPC, in all degrees of purity;

Considering that the appellants do not claim that the active diacetylrhein substance, as presented in claim 14 of the patent EP 520 414, compared to the one that is mentioned in the United States Patent 4.244.968, would be structurally modified; that it is consistent that it has the same already-known composition and therapeutic value;

Considering that the only novel element claimed resides in the slighter aloe-emodin content allowing for not only a more limited use in the acute phase of an illness, but also for long-term use with no toxicity risk, which would, according to the appellants, justify the dismissal of the abovementioned rule;

Considering, in all eventualities, that BIOGARAN rightly contests the claimed element of novelty;

Considering that the PROTER Friedmann patent, which provides thirteen examples of anthraquinone derivative fabrication procedures, not once mentions the presence of undesirable aloe-emodin-type components; that BIOGARAN concludes therefrom that the aloe-emodin content of the diacetylrhein produced according to this patent is “necessarily inferior to 20 ppm” (page 12 of its latest pleading), while NEGMA explains this silence by the fact that “the presence of aloe-emodin was not known in 1981 and in any case was in no way considered to be a bother” (page 34 of its latest pleading);

Considering that, in order to eliminate this contradiction, BIOGARAN produced in the discussion the report of the experiments carried out by Ms Dumas in order to bring about, at the request of this product’s manufacturer, the synthesis of diacetylrhein according to the indications in Example 1 and Example 13 of the American PROTER Friedmann patent and by using the

general knowledge of a person skilled in the art in the relevant technical field, to determine the aloe-emodin and aloe-emodin derivative content of the synthesized diacetylrhein according to this method and compare it with the one mentioned in claim 14 of the patent EP 0520414;

Considering that this report, established on 14 October 2008, concluded that the diacetylrhein that is synthesized from a mixture of sennosides A and B, by scrupulously following the indications of Example 1 and Example 13 of the United States Patent 4.244.968 and by using the general knowledge of a person skilled in the art of this field considered at the date of patent EP 0 520 414, shows an aloe-emodin and aloe-emodin acetate content of 0.73 ppm and 1.44 ppm depending on the sample selected, therefore inferior to the 20 ppm characterized in claim 14 of the contested patent;

Considering that the work of Ms Dumas was submitted to Mr Rosset for evaluation, that without contesting the aforementioned results, he nonetheless declared them devoid of meaning because, according to him, Ms Dumas did not specify the origin of the sennosides A and B used as raw material, while, had she followed the PROTER Friedmann patent instructions exactly, she would have used raw sennosides that would not allow one to produce diacetylrhein without the presence of a prohibitive proportion of aloe-emodin, in any case superior to 20 ppm, and that she was only able to obtain a better result by resorting to very pure sennosides, at a very expensive cost, so that Ms Dumas' work is, according to Mr Rosset, "scientifically acceptable" but "economically insignificant because it does not apply, as the Friedman patent teaches, raw sennosides A and B extracted from senna leaves and fruits, as raw material";

Considering that it is pertinent to recall, first of all, that the assessment of novelty as a condition for the patentability of an invention, in the meaning of Article 52 of the EPC, does not require an evaluation of its economic profitability, but rather only the determination of whether or not it is comprised in the previous state of the art; that in this respect, Mr Rosset's evaluation is not pertinent in that it bases itself on the narrow cost margin between the price of the very pure sennosides supposedly used by Ms Dumas and the sale price of the final pharmaceutical specialty;

Considering, secondly, that Ms Dumas, in a technical analysis of 24 September 2009 responding to Mr Rosset's evaluation, accentuates that the Friedmann patent indicates to the person skilled in the art of the relevant field that he may use sennosides A and B as raw material, obtained for example from extracts of senna leaves or fruits, therefore without excluding another means of obtaining them, without saying that these elements must be raw, in other words impure, and by referring only to individually identified molecules as being sennosides A and B; that it is demonstrated in this analysis (pages 3 to 5) that the person skilled in the art could obtain and characterize these sennosides A and B, or purify them if necessary, by using the general knowledge of the relevant field at the time;

That she reaffirmed her previous conclusions while specifying however that synthesizing diacetylrhein according to Examples 1 to 13 of the American Friedmann patent No. 4.244.968, but omitting, as does Professor Rosset, the rhein crystallization as advocated in the teachings of Example 1 of this patent, leads to a diacetylrhein containing more than 20 ppm of aloe-emodin and aloe-emodin acetates", but that synthesizing the diacetylrhein by strictly following the teachings of, namely, Examples 1 and 13 of this patent and by using the general knowledge of a person skilled in the art considered at the date of the patent EP 0520414, leads to a diacetylrhein containing less than 20 ppm of aloe-emodin and aloe-emodin acetates;

Considering that it results from the foregoing that the *Tribunal* had exact, sufficient and pertinent grounds to hold that the PROPTER Friedmann patent, which discloses the compound named diacetylrhein, makes this product available, under the meaning of Article 54 of the EPC, in all degrees of purity; that the judgment under appeal shall be consequently affirmed in all its orders;

ON THESE GROUNDS:

AFFIRM the judgment under appeal,

ORDER NEGMA LABORATOIRES, S.A.S. *in solidum* with the Swiss company LABORATOIRES MEDIDOM to pay the expenses of the appeal that may be recovered in accordance with Article 699 of the French Code of Civil Procedure, and pay €200,000 to BIOGARAN, S.A.S. in application of Article 700 of the French Code of Civil Procedure.

THE CLERK **THE PRESIDING JUDGE**

[Signature] [Signature]