T R I B U N A L
D E G R A N D E
I N S T A N C E
O F P A R I S

■

3rd Chamber 1st Section

Docket No.:
09/12706

Minutes No.:

JUDGMENT
handed down on 20 March 2012

CLAIMANTS

S.A.S TEVA SANTE
Le Palatin 1 – 1 Cours du Triangle
92936 PARIS LA DEFENSE CEDEX

TEVA PHARMACEUTICAL INDUSTRIES LTD
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ISRAEL

represented by Mr Grégoire DESROUSSEAUX – AUGUST & DEBOUZY Avocats, attorney-at-law, member of the Paris Bar – Court box #P0438

DEFENDANT

ELI LILLY and Company INC
Lilly Corporate Center
Indianapolis, Indiana 46285
UNITED STATES

represented by Mr Dominique MENARD – HOGAN LOVELLS Paris (LLP), attorney-at-law, member of the Paris Bar – Court box #J0033

Enforceable copies delivered on:

VOLONTARY INTERVENERS

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Represented by Mr Dominique MENARD – HOGAN LOVELLS Paris (LLP), attorney-at-law, member of the Paris Bar – Court box #J0033

COMPOSITION OF THE COURT

Marie-Christine COURBOULAY, Vice-Presiding Judge
Thérèse ANDRIEU, Vice-Presiding Judge
Rémy MONCORGE, Judge

assisted by Léoncia BELLON, Court Clerk

DISCUSSION

At the hearing of 2 January 2012 held publicly before Marie-Christine COURBOULAY and Thérèse ANDRIEU, reporting judges, who, without opposition on behalf of the attorneys-at-law, held the hearing alone and, after hearing the parties' attorneys-at-law, gave an account of it to the Court, pursuant to the provisions of Article 786 of the French Code of Civil Procedure.

JUDGMENT

Pronounced by delivery of the decision to the Court Clerk's office
After hearing both parties
in first instance

FACTS AND PROCEEDINGS

In the early 1980s, Eli Lilly discovered a new molecule: raloxifene, protected by patents which have now expired.

In the early 1990s, it filed parent and divisional European patent applications protecting, in particular, the use of raloxifene for preventing osteoporosis.

The European Patent Office granted two patents: EP 0 584 952 and EP 1 438 957.

Teva Santé and Teva Pharmaceutical Industries Ltd, which wanted to launch a generic drug of the raloxifene product marketed in France under the proprietary drug denomination Optruma® by Lilly and Evista® by Daiichi Sankyo, initiated actions before the European Patent Office for the

invalidity of these raloxifene patents relating to osteoporosis, before their expiry.

By way of a decision dated 22 December 2009 handed down by the Opposition Division of the EPO, Eli Lilly's patent EP 957 was revoked for lack of inventive step. The appeal proceedings are currently pending before the Technical Board of Appeal.

Concomitantly, Teva served a summons upon Eli Lilly for the invalidity of its patents EP 952 and EP 957, by way of an act dated 30 July 2009.

A raloxifene-based generic drug has been marketed on French territory as of 15 March 2011 by Teva Santé and Teva Pharmaceutical Industries Ltd.

In their latest e-pleading of 9 December 2011, Teva Santé and Teva Pharmaceutical Industries Ltd requested that the Court:
Hold that Daiichi Sankyo Europe GmbH, Daiichi Sankyo France, and Pierre Fabre Médicament's claims are inadmissible,
Order a stay of the proceedings pending the final decision on the opposition before the European Patent Office concerning patent EP 1 438 957,
Hold that the French designations of patents EP 0 584 952 and EP 1 438 957 are invalid,
Order that the judgment to be handed down, once it has become final, be transmitted to the *INPI*[TN] to be registered in the French patent register,
In the alternative, hold that the French designations of patents EP 0 584 952 and EP 1 438 957 cannot be asserted against the defendants,
Dismiss all the claims of Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France, and Pierre Fabre Médicament,
Order Eli Lilly and Company to pay the sum of 1 euro to both Teva Santé and Teva Pharmaceutical Industries Ltd for the moral damage they suffered due to Eli Lilly and Company's abusive patent filing strategy;
Order the publication of extracts of the decision to be handed down, at Eli Lilly's expense, in five specialised journals and/or national publications of Teva Santé and Teva Pharmaceutical Industries Ltd's choice, not exceeding 5,000 (five thousand) euros exclusive of tax per insertion, to which is added VAT at the rate in force;
Order Eli Lilly to deposit the sum of 29,900 (twenty nine thousand nine hundred) euros into the care of the President of the Paris Bar appointed by the Court as receiver, under a penalty of 1,000 (one thousand) euros per late day, within 15 (fifteen) days of the service of the judgment to be handed down;
Hold that the President of the Paris Bar will award this sum to Teva Santé and Teva Pharmaceutical Industries Ltd as soon as they produce the publication orders, in the amounts mentioned in these orders;

[TN] *Institut National de la Propriété Industrielle*, the French industrial property office.

Order that the decision to be handed down be published in full at Eli Lilly's expense, as a PDF document reproducing the whole decision and available via a hypertext link prominently displayed on the home pages of the websites of Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France, and Pierre Fabre Médicament in French, English or Spanish, regardless of the address for accessing this website, the title of the link being, in the appropriate language:
"All the claims lodged by Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France, Pierre Fabre Médicament against Teva Santé and Teva Pharmaceutical Industries Ltd have been dismissed."
using a font size of at least 20 (twenty), for a period of 6 (six) months under a penalty of 1,000 (one thousand) euros per late day within 8 (eight) days of the service of the judgment;
Hold that the Court will rule on the enforcement of the judgment to be handed down, pursuant to Article 35 of French Act No. 91-650 of 9 July 1991 concerning the possible calculation of the penalties;
Order Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament, jointly and severally, to pay the sum of 75,000 euros to both Teva Santé and Teva Pharmaceutical Industries Ltd pursuant to Article 700 of the French Intellectual Property Code;
Order Eli Lilly, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament to pay all the costs, which will be collected by Mr Grégoire Desrousseaux under the conditions laid down in Article 699 of the French Code of Civil Procedure.

In their latest electronic pleading of 14 December 2011, Eli Lilly, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament requested that the Court:

Having regard to Articles L. 611-10 et seq., L. 613-3 et seq., L. 615-1, L. 615-7, L. 615-7-1 of the French Intellectual Property Code and 1382 of the French Civil Code,
Hold that claim 1 of patent EP 0 584 952 protects an invention which is new and involves an inventive step,
Hold that the other claims of patent EP 0 584 952, dependant on claim 1, protect an invention which is new and involves an inventive step,
Consequently, hold that the French designation of patent EP 0 584 952 is valid and dismiss Teva Santé and Teva Pharmaceutical Industries Ltd's claims,
Hold that patent EP 1 438 957 is valid and can be opposed, and dismiss Teva Santé and Teva Pharmaceutical Industries Ltd's claims
Consequently,
Hold that supplementary protection certificate FR 99 C 0022 is valid,

Dismiss all of Teva Santé and Teva Pharmaceutical Industries Ltd's claims and arguments,

As a counterclaim:

Hold that by offering, placing on the market and selling for the above-mentioned purposes, on French territory, the generic drug Raloxifene Teva 60mg as described in the bailiff's report of 7 April 2011, Teva Santé and Teva Pharmaceutical Industries Ltd committed acts of infringement of claim 1 of patent EP 0 584 952 and of claim 1 of patent EP 1 438 957,

Hold that Teva Santé and Teva Pharmaceutical Industries Ltd committed acts of infringement against Eli Lilly and Company, Daiichi Sankyo France and Daiichi Sankyo Europe GmbH,

Hold that Teva Santé and Teva Pharmaceutical Industries Ltd committed acts of unfair competition against Pierre Fabre Médicament,

Hold that Teva Santé and Teva Pharmaceutical Industries Ltd, jointly and severally, must compensate Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament for the damage they suffered due to the offer, placing on the market and sale of Raloxifene Teva 60mg,

Order, pursuant to Article L 615-5-2 of the French Intellectual Property Code, the production, under a penalty of 100,000 euros per late day within eight days as of the service of the judgment to be handed down, of all the necessary information for the evaluation of the damage suffered by Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament, due to the acts of infringement, and in particular:

* the names and addresses of the producers, manufacturers, distributors, suppliers

and other previous holders of these infringing products;

* the price obtained for Raloxifene Teva;

* the gross margin earned on Raloxifene Teva;

* the reimbursement rate of Raloxifene Teva in France and the amount of the said reimbursement as set by the *CEPS*[TN],

Hold that these proceedings for the communication of information and presentation of the accounts will be conducted under the supervision of the Judge in charge of the case preparation, the Court remaining seized of the case so that, once the accounts have been presented, the Court may issue a ruling on the amount of the claims for compensation formulated by Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament,

Refer the proceedings, before finally ruling on the determination of the damage, to the Judge in charge of the case preparation so as to follow and supervise the proceedings for the communication of information and presentation of the accounts and for a subsequent pleading of the claimants concerning the damage they claim;

In any case:

Order the recall, the confiscation and the destruction of all the stocks of Raloxifene Teva infringing patents EP 0 584 952 and EP 1 438 957,

[TN] *Comité Économique des Produits de Santé*, the French economic committee for health products

Authorise Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament to publish extracts of the judgment to be handed down in five journals or periodicals at Teva Santé and Teva Pharmaceutical Industries Ltd's expense, the global cost of the insertion not exceeding 50,000 euros excluding taxes,
Order the provisional enforcement of the judgment to be handed down in all its provisions,
Order Teva Santé and Teva Pharmaceutical Industries Ltd, jointly and severally, to pay the sum of 100,000 euros to each of Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament for the moral damage they suffered,
Order Teva Santé and Teva Pharmaceutical Industries Ltd, jointly and severally, to pay to Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament all the costs and fees they had to incur to assert and defend their rights pursuant to Article 700 of the French Code of Civil Procedure, *i.e.*, considering the current state of the proceedings, the sum of 293,197.79 euros,
Order Teva Santé and Teva Pharmaceutical Industries Ltd, jointly and severally, to pay all the costs, which will be recovered by Hogan Lovells (Paris) LLP, for the costs paid in advance.

The closing order was pronounced on 14 December 2011.

GROUNDS

On the admissibility of Eli Lilly's claim for infringement of its two patents.

During the proceedings, Teva Santé and Teva Pharmaceutical Industries Ltd marketed in France, as of 15 March 2011, a generic drug whose MA indicates that it reproduces the features of the drug marketed under the denomination Evista and therefore of the two patents at issue.

Eli Lilly then lodged counterclaims for infringement of its patent EP 957, as patent EP 952 had been held invalid by the EPO.

The claimants assert that there is no sufficient link between the counterclaim for infringement and their claim for invalidity of patent EP 957.

Article 70 of the French Code of Civil Procedure provides:
Counterclaims or additional claims are admissible only if they are related to the original arguments by a sufficient link.

The counterclaim lodged by Eli Lilly due to the sale of a generic drug reproducing the features of patent EP 952 subject to a claim for invalidity before this Court is obviously related to the original claim because, while they do not accept the invalidity claim, Teva Santé and Teva Pharmaceutical Industries Ltd acknowledge the infringement.

Consequently, the plea of inadmissibility should be dismissed.

On Teva Santé and Teva Pharmaceutical Industries Ltd's request to stay the proceedings concerning the claims for infringement.

Teva Santé and Teva Pharmaceutical Industries Ltd lodge an alternative request for a stay of the proceedings on the grounds that although the dispute has evolved (a counterclaim for the infringement of the two patents EP 957 and EP 952 held by Eli Lilly has been formed), and although one of the patents (European patent *2* EP 1 438 957) was revoked by the Opposition Division of the European Patent Office in a decision of 22 December 2009, an appeal lodged by the defendants is currently pending before the Technical Board of Appeal of the European Patent Office; the claims subject to the appeal are different from those of the patent as granted; in order to avoid contradictory decisions from the Court – holding for example that patent EP 1 438 957 is valid – and the Technical Board of Appeal of the European Patent Office – issuing a final decision revoking this patent – it is necessary to stay the proceedings pending the decision of the Technical Board of Appeal.

Eli Lilly replies that Teva's request for a stay of the proceedings should be dismissed as it was not lodged in limine litis; indeed, Teva served several pleadings on the merits before formulating their request for a stay of the proceedings; this procedural plea pursuant to Article 73 of the French Code of Civil Procedure should have been raised in limine litis before all discussion on the merits; the request for a stay of the proceedings is therefore inadmissible.

It adds that faced with a counterclaim for infringement of which they do not dispute the materiality, Teva adopts a position which is the opposite of the position they had adopted up to now by requesting a stay of these proceedings pending a decision of the European Patent Office on patent EP 1 438 957 alone; this factual circumstance is actually not sufficient to justify a stay of the proceedings since Teva's claims for invalidity and Eli Lilly, Daiichi Sankyo and Pierre Fabre's counterclaims are essentially based on patent EP 0 584 952 whose situation at the EPO is not challenged.

It should be noted that Teva Santé and Teva Pharmaceutical Industries Ltd served several pleadings on the merits before Eli Lilly lodged its counterclaim but that, as soon as this counterclaim had been formulated,

they lodged a request for a stay of the proceedings so that this request is admissible with regard to Article 73 of the French Code of Civil Procedure.

However, Teva Santé and Teva Pharmaceutical Industries Ltd, which constantly sought to have a ruling issued on their claims and opposed any stay of the proceedings pending the decision of the Board of Appeal until a counterclaim was lodged, are not justified in lodging their request, all the more so as they do not explain the reasons for and the probability of a risk of contrary decisions.

The request for a stay of the proceedings should be dismissed.

On the admissibility of Daiichi Sankyo Europe GmbH and Daiichi Sankyo France's voluntary intervention in the proceedings

Teva Santé and Teva Pharmaceutical Industries Ltd allege that no distinction is made between Daiichi Sankyo Europe GmbH and Daiichi Sankyo France and that, therefore, it is not demonstrated that one of the two companies holds a licence of patents *Lilly 1* and *Lilly 2*; for this reason, Daiichi Sankyo Europe GmbH and Daiichi Sankyo France do not demonstrate their authority to bring an action; therefore, their voluntary intervention in the proceedings is inadmissible.

Daiichi Sankyo Europe GmbH indicates that it is a pharmaceutical company focusing on research and on making innovative drugs available; it indicates that it is the European registered office of the Japanese pharmaceutical group Daiichi Sankyo, which ranks among the 20 most important pharmaceutical companies in the world, and that it is the holder of the marketing authorisation for the drug Evista.

Daiichi Sankyo France's sole partner is Daiichi Sankyo Europe GmbH; it is the European subsidiary of the Japanese pharmaceutical group and has been present on the French market since 2003; in 2008, Daiichi Sankyo France expanded its drug portfolio to include the treatment and prevention of osteoporosis following the signature of a licence agreement between Eli Lilly and Daiichi Sankyo Europe GmbH authorising the manufacturing and marketing of Evista®, a drug having important added value for the patients; this agreement authorised Daiichi Sankyo Europe GmbH but also all its subsidiaries including Daiichi Sankyo France to market this drug.

Article L. 615-2 of the French Intellectual Property Code mentions that the beneficiary of an exclusive exploitation right may institute infringement proceedings if, after being placed on notice, the owner of the patent does not institute such proceedings.

In this case, the action for infringement is instituted by the holder of the two

patents having the authority to do so, so that Daiichi Sankyo Europe GmbH and Daiichi Sankyo France are joining the proceedings as licensees on the basis of unfair competition only.

It emerges from the exhibits submitted to the discussion that only Daiichi Sankyo Europe GmbH is a licensee of Eli Lilly and that it therefore has authority to bring an action with Eli Lilly. However, it has no interest in bringing an action as it does not market the drug in France and therefore suffers no damage.

The intervention of Daiichi Sankyo Europe GmbH in the proceedings is therefore inadmissible due to a lack of interest in bringing an action.

Daiichi Sankyo France alleges that it acts as a licensee of patents EP 952 and EP 957 and not as a distributor of the drug.

It does not bring evidence to this effect; indeed, exhibit 12 which is an agreement signed on 28 March 2008 contains only a few indications, most of the agreement having been redacted in such a manner that the Court does not understand which relationships are mentioned and regulated in this agreement, which does not constitute a licence agreement and was not registered in the French patent register.

Exhibit 36, which is an extract from the Vidal book or its website and which mentions the name of Daiichi Sankyo France, is insufficient to establish the existence of a licence between Eli Lilly and Daiichi Sankyo France.

Consequently, Daiichi Sankyo France's voluntary intervention in the proceedings should be held inadmissible.

On the admissibility of Pierre Fabre Médicament's intervention in the proceedings

Pierre Fabre Médicament intervenes in the proceedings concerning the unfair competition due to patent infringement acts because it distributes in France the product Optruma with Eli Lilly's agreement in France and is therefore entitled to claim compensation for the acts of unfair competition against it, resulting from the infringement for which Teva is liable.

It specifies that it is the holder in France of the marketing authorisation for the proprietary drug Optruma which uses raloxifene as the active ingredient for the treatment and prevention of osteoporosis.

Teva Santé and Teva Pharmaceutical Industries Ltd contend that the distributor of a patented product cannot rely on patent infringement to allege damage because, even though the case law admits it for an exclusive distributor, it commits a legal error as there is no risk of confusion in patent infringement.

Article 325 of the French Code of Civil Procedure mentions:
An intervention will be admissible only if it is related to the parties' claims by a sufficient link.

In this case, it is not disputed that Pierre Fabre Médicament is not the exclusive distributor of Eli Lilly's drug Evista but, with the agreement of Eli Lilly, benefits from the MA in France for the product Optruma which is identical to the drug Evista marketed by Eli Lilly.

The Vidal extract is not submitted to the discussion for this Optruma drug but the Court points out that, according to Eli Lilly itself, this drug is the same as Evista, therefore Pierre Fabre Médicament cannot allege that it is the exclusive distributor of this drug which shares the market with Evista.

Teva Santé and Teva Pharmaceutical Industries Ltd argue that the patent infringement acts cannot constitute the basis for acts of unfair competition on the grounds that they do not lead to confusion in the public's mind, unlike trade mark infringement.

Yet, acts of infringement of a patent lead to risks of confusion in the mind of the public which knows that a patent confers an exploitation monopoly on its holder and is incompatible with the multiplication of the trade marks unless the holder agrees to it; the fact that the product has become commonplace due to the infringement and the uncertainty as to the origin of the product caused by the infringement are acts of unfair competition which trouble the consumer and cause damage to the exclusive or non-exclusive distributor of the product protected by a patent.

Consequently, Pierre Fabre Médicament's action for unfair competition is admissible.

On the scope of patent EP 0 584 952

The patent application was filed on 26 July 1993 claiming U.S. priority of 28 July 1992. The patent was granted on 2 May 1997 and is entitled "Improvements in or relating to benzothiophenes".

It relates to the use of 2-phenyl-3-aroylbenzothiophenes in the preparation of a drug for use in the prevention of bone loss.

It mentions as prior art the Jordan document published in the journal Breast Cancer Res Treat in 1987, the first Jones patent (an employee of Eli Lilly) of 1979 and the second Jones patent of 1983; it describes the mechanism of bone loss in post-menopausal women, women having undergone hysterectomy, patients having undergone long-term administration of corticosteroids and in other patients including men; it specifies that in post-menopausal women representing 20 to 25 million women in the United States alone,

the significant feature of osteoporosis is the large and rapid loss of bone mass due to the cessation of estrogen production by the ovaries. It recalls that estrogens have beneficial effects on bones, given even at very low levels, that long-term estrogen therapy has caused serious undesirable effects such as an increase in the risk of uterine and breast cancer, that the treatment consisting in administering combinations of progestogen and oestrogen causes regular withdrawal bleeding, which is troublesome to older women.

Patent EP 952 also addresses on page 6 the description of the issue of the bioavailability of raloxifene administered in the form of a hydrochloride salt.

The pharmacokinetics of a compound makes it possible to understand the absorption of the compound in the systemic circulation, its distribution in the body, then its metabolism or conversion into other forms, and eventually its excretion from the body.

Therefore, in order to optimise bioavailability in humans, a qualified person must look for compounds with low metabolic rates which would be well-absorbed.

If a drug is significantly metabolised in the liver into a parent compound and converted in the liver into unconjugated glucuronide which is quickly excreted from the body, this drug is assumed, because of this rapid excretion, to have little pharmacological relevance due to its low bioavailability.

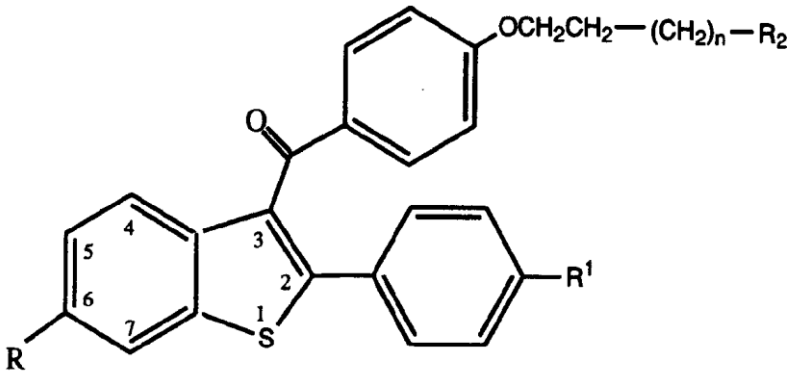
The patent mentions that raloxifene had low bioavailability.

Therefore, according to this patent, the problems that need to be solved are that of providing mainly post-menopausal women with a drug that generates desirable effects on bones but does not cause undesirable effects, and the bioavailability issue.

At the priority date of patent EP 952, the prior art was made up of the Jones patents relating to keoxifene or raloxifene, the Jordan document of 1987 relating to the works on rats to which tamoxifen and raloxifene were administered and which, as early as at that date, suggests at least for tamoxifen, carrying out a long-term study on women, the Feldmann document of 1989 which notes a decrease in bone mass in a study performed on rats to which raloxifene was administered but which specifies that there may have been a dosage problem, a Turner document of 1991 which compares the teachings in Jordan and Feldmann and puts forward the Jordan results, a document of March 1992 by Love and Jordan who administered tamoxifen to menopausal women with cancer and indicated that the results were promising.

The skilled person is a biochemist.

Claim 1 relates to the "use of a compound of formula (1) wherein



n is 0.1 or 2;
R and R1, independently, are hydrogen, hydroxyl, C_1-C_6-alkoxy, C_1-C_6-acyloxy, C_1-C_6-alkoxy-C_2-C_6-acyloxy, R^3-substituted aryloxy, R^3-substituted aroyloxy, R^4-substituted carbonyloxy, chloro, or bromo;
R^2 is a heterocyclic ring selected from the group consisting of pyrrolidino, piperidino, or hexamethyleneimino;
R^3 is C_1-C_3- alkyl, C_1 -C_3- alkoxy, hydrogen, or halo; and
R^4 is C_1-C_6- alkoxy or aryloxy; or
a pharmaceutically acceptable salt thereof, in the preparation of a medicament useful for treating or preventing osteoporosis in a post-menopausal woman."

The Canadian jurisdiction of Ottawa held the patent invalid for lack of inventive step over the Jordan, Lindgren and Feldmann documents and the American jurisdiction held it valid as it considered that there was an inventive step having regard to the issue of raloxifene bioavailability.

On the limitation of patent EP 952

The patent was subject, during the proceedings, to a request for the limitation of the claims before the *INPI*, filed on 20 April 2010 and granted on 6 May 2010, and which was registered in the French patent register on 10 May 2010.

Prior claims 15 and 16 were deleted and prior claim 17 became new claim 15.

This limitation decision of the Director General of the *INPI* was subject to an appeal lodged on 12 July 2010 before the *Cour d'Appel* of Paris, by Teva and Teva Santé, the claimants in this action. This appeal was rejected by the *Cour d'Appel* of Paris, in a decision dated 1 July 2011 on the grounds that a request for the invalidity of the limitation decision is inadmissible before the jurisdiction which can only issue a ruling on the validity of the claims of the patent at issue.

Eli Lilly alleges that Teva's claims relating to the alleged invalidity of the limitation of the French designation of patent EP 0 584 952 are therefore inadmissible and have already been settled by the *Cour d'Appel* of Paris.

Teva Santé and Teva Pharmaceutical Industries Ltd indicate that, on the contrary, the *Cour d'Appel* referred the parties before this Court to have ruling issued on the validity of the limitation decision handed down on 6 May 2010 by the Director of the *INPI*.

The decision of the *Cour d'Appel* handed down on 1 July 2011 specifies:
Considering that the arguments developed by Teva (absence of limitation having regard to the prior claims, lack of support in the description of claim 1, lack of clarity of claim 1, taking into account the teaching of the patent description) are actually arguments for invalidity of the patent in its initial version then in its limited version which, presented here, are intended to attempt to get the Court to issue a ruling on the validity of the amended claims whereas it is only required to appraise the validity of the administrative decision of the Director General of the INPI *dated 6 May 2010 and a request for invalidity of the patent claims has already been lodged before the* Tribunal de Grande Instance *of Paris which has full jurisdiction concerning patent invalidity actions."*

It should be recalled that only the *Cour d'Appel* of Paris is competent to rule on the lawfulness of the decision of the Director of the *INPI*; the *Cour d'Appel* noted that the arguments asserted by Teva Santé and Teva Pharmaceutical Industries Ltd were arguments in support of the invalidity of the limited claims of patent EP 952 and that these arguments had to be submitted to the Court to which the claims for invalidity of the said patent have already been referred.

Consequently, the request lodged by Teva Santé and Teva Pharmaceutical Industries Ltd for holding the decision of the Director of the *INPI* unlawful cannot be presented before this Court which cannot rule on the lawfulness of the decision of the Director of the *INPI*. Moreover, it was up to the claimants to raise before the *Cour d'Appel* the failure to comply with the non-patentability principle which is not mentioned in the above-cited grounds.

The Court is not competent to rule on the lawfulness of the decision of the Director of the *INPI* of 6 May 2010; and in any case, the *Cour d'Appel* has already issued a ruling on these requests.

However, contrary to Eli Lilly's assertions, the invalidity arguments developed by Teva Santé and Teva Pharmaceutical Industries Ltd and raised by the *Cour d'Appel*, namely "*lack of limitation having regard to the prior claims, lack of support in the description of claim 1, lack of clarity of claim 1, taking into account the teaching of the patent description*" have not been settled by the *Cour d'Appel*

which referred their examination before this Court.

Teva Santé and Teva Pharmaceutical Industries Ltd's requests for the appraisal of the validity of the amended claims of patent EP 952 are admissible.

On the validity of the claims of limited patent EP 952

The effects of the limitation of the claims of patent EP 952 were retroactive with regard to its French designation at the filing date of the patent application in accordance with the provisions of Article L. 613-24, paragraph 4 of the French Intellectual Property Code.

Article L. 623-25 of the French Intellectual Property Code mentions the grounds for patent invalidity noted by court decision:
a) if its subject-matter is not patentable pursuant to Articles L. 611-10, L. 611-11 and L. 611-13 to L. 611-19,
b) if it does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a skilled person,
c) if its subject-matter extends beyond the content of the application as filed or, when the patent was granted on the basis of a divisional application, if its subject-matter extends beyond the content of the parent application as filed,
d) if, following the limitation, the scope of the protection by the patent has been extended.

These grounds for invalidity are mentioned in the Munich Convention of 1973 or 2000 in Articles 84 and 123-2 and 3.

They add to the grounds for invalidity due to lack of novelty or inventive step.

Teva Santé and Teva Pharmaceutical Industries Ltd request that the limited claims be held invalid on the basis of several arguments: firstly, double patenting, then extension beyond the application, lack of clarity and description, insufficiency of disclosure, lack of novelty and lack of inventive step.

Eli Lilly disputed these invalidity arguments.

The Court should first rule on the invalidity arguments provided for in the EPC concerning both patent EP 952 and patent EP 957 before ruling on the double patenting issue, after a complete analysis of the two patents.

<u>On the extension of the patent beyond the application</u>

Teva Santé and Teva Pharmaceutical Industries Ltd assert that amended claim 1 is not based on the description of patent EP 952 because the description only considers the use of a compound of formula I for the preparation of a drug useful for treating osteoporosis in older post-menopausal women; the limitation of the Lilly patent was therefore granted

in violation of Articles R 613-45 and L. 612-6 of the French Intellectual Property Code and must be held invalid.

Eli Lilly replies that the patent description mentions that post-menopausal women aged 45 to 60 are considered, as well as surgically or naturally menopausal women.

Article 123-2 of the Munich Convention of 1973 mentions that "*the European patent application or European patent may not be amended in such a way that it contains subject-matter which extends beyond the content of the application as filed*".

Limited claim 1 can be summarised as follows:
"Use of a compound of the above-mentioned formula or a pharmaceutically acceptable salt thereof, in the preparation of a drug useful for treating or preventing osteoporosis *in a post-menopausal woman*."

It emerges from reading the description that it does not mention only older post-menopausal women, as asserted by Teva Santé and Teva Pharmaceutical Industries Ltd, but also considers women aged 45 to 60 (page 34) and women whose menstruation ceased following a surgical intervention.

Although the case of early menopausal women, *i.e.* before 40, is not considered, the description is nonetheless not limited to older post-menopausal women so that amended claim 1 does not extend beyond the content of the application and this invalidity argument should also be dismissed.

On the lack of clarity

Teva Santé and Teva Pharmaceutical Industries Ltd base this invalidity argument on the same article of the French Intellectual Property Code but on another part of the sentence.

They argue that amended claim 1 is not clear, considering the teaching which differs from the patent description.

Article 84 EPC 1973 provides that: "*The European patent application shall disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art.*"

However, by doing do, they use the same argument as the one presented for the previous head of claim *i.e.* an alleged confusion on the definition of the post-menopausal woman, which they allege can only be old, although this in no way emerges from the description of the patent which they misinterpreted.

This invalidity argument should also be dismissed.

On the insufficient disclosure

Pursuant to Article 138-b EPC 1973, the invention is considered to be sufficiently disclosed when it is disclosed "in a manner sufficiently clear

and complete for it to be carried out by a person skilled in the art", *i.e.* without having to rely on external information other than that deriving from his skills and knowledge.

Teva Santé and Teva Pharmaceutical Industries Ltd allege that Eli Lilly mentioned no result in its description making it possible to verify the pharmacological properties of its product in relation to the technical prior art; the patent description may give the illusion of the existence of experimental test results but examples 1 to 4 relate to experimental tests on an animal model, namely ovariectomised rats; therefore, no experimental result applicable to post-menopausal women is brought forward.

They specify that it emerges from the U.S. judgment submitted to the discussion that "*before the results of the clinical test approved by the Project Team Approval Committee (PTAC) had been collected, Lilly filed its patent application on Bone Loss Patents. Therefore, '086 contains no clinical human data. […]*"
"In May 1992, enrolment began for Lilly's Phase II, proof-of-concept study, referred to as the "GGGB" study, to test raloxifene's efficacy in humans as described in Example 5 of the '086 patent.
[…] The study was conducted from September 1992 to December 1992 and the results were announced early January 1993";
It is therefore obvious that on 28 July 1992, the filing date of the priority document, Eli Lilly had not implemented the clinical test protocol of example 5 and at the priority date, and then at the filing date of the European patent, the sole purpose of examples 1 to 4 was to support claim 1 as granted:
Use of a compound of formula (1) […] or a pharmaceutically acceptable salt thereof, in the preparation of a drug useful for treating or preventing osteoporosis in a human.
They add that the description of examples 1 to 4 does not begin to show results concerning post-menopausal women and merely affirms in a general manner that raloxifene was significantly less estrogenic than tamoxifen; compared to the state of the art (Jones, Black and Jordan in particular), the efficacy of the subject-matter for preventing or treating osteoporosis in post-menopausal women is not demonstrated.

They allege that the patent priority date cannot be maintained because the results of the tests carried out on humans became known after this priority date.

Eli Lilly replies that in the pharmaceutical field, it is sufficient to describe data on an adequate study model; although this is not required by Article L. 612-5 of the French Intellectual Property Code, nor by Article 83 of the European Patent Convention, the patent provides data on animals which very seriously support that raloxifene is effective for treating osteoporosis in post-menopausal women, while minimising side effects relating to oestrogens; the animal model used in the examples constitutes an adequate study model for the treatment of osteoporosis in post-menopausal women;

the examples of the patent sufficiently disclose the invention and its therapeutic application as it contains, in the first place, different formulations of pharmaceutical compositions for preparing a drug containing raloxifene; these formulations are subject to a description on pages 14 to 17; different processes for the preparation of compounds of the claimed formula are also described; these preparations are the subject of pages 19 to 26.

Finally, the defendant mentions that the pharmacological results and the considered therapeutic application are the subject of the examples disclosed on pages 26 to 35 and argues that:

* Example 1 describes in particular a model of osteoporosis during post-menopause making it possible to determine the effects of different treatments by measuring femur density.

This example describes results (page 28) of the influence of raloxifene on bone density as well as on the minimal increase in uterine weight, and in particular the measurement of bone density in the trabecular bone.

In this example, the analysis is performed in a specific part of the femurs which is rich in trabecular bone, the results of the densitometric measurements taking into account the bone mineral content and bone width. Only these results could make it possible to seriously consider osteoporosis treatment, as they are truly correlated with bone density in the trabecular bone, it being recalled that a decrease in the trabecular bone characterises osteoporosis.

The loss of bone density should not be confused with the loss of bone mass which may be linked to a bone growth problem without necessarily affecting bone density.
This example also provides the dose-dependent effect study of raloxifen administered to the animal subject.

* Example 2 relates to the treatment using raloxifene alone or in combination with ethynyl estradiol.

* Example 3 provides a comparison between the activity of raloxifene and that of tamoxifen.
This study related not only to the femur density and uterine weight but it also provides a comparison of several histological parameters which made it possible to carry out a global evaluation of estrogenicity, by compiling four key parameters (epithelial height, eosinophils in the stroma, myometrium thickness, stromal expansion) and to demonstrate a marked difference between the rats treated with these two agents.

This study made it possible to demonstrate that raloxifene is significantly less estrogenic than tamoxifen.

* Example 4 describes the activity of other compounds of the same family as raloxifene on bone density and uterine weight.

* Finally, example 5 describes the protocol for performing clinical tests on patients.

It emerges from the parties' explanations and the analysis of the description that when Eli Lilly filed the patent application, it had carried out most of its studies on the effects of only raloxifene on the animal subject, such that it cannot be criticised for having only speculated on results and a study relating to the other compounds; it had also prepared the protocol for performing tests on humans, tests which were performed after the filing date of the patent according to a protocol mentioned in example 5.

Therefore, it should be noted that Eli Lilly did indeed carry out research, mentioned three examples of the effects of raloxifene on osteoporosis conducted on an animal subject and one on the other compounds and prepared, on the basis of the knowledge acquired during these tests, the protocol mentioned in example 5, the results of which were known only after the filing date; it cannot be criticised for having filed a patent application without having waited for the results of the tests performed on post-menopausal women, which it did so as not to run the risk of being unable to patent its invention for having taken too much time.

Consequently, the invention is sufficiently disclosed in patent EP 952 pursuant to Article L. 612-5 of the French Intellectual Property Code or Article 138-b EPC 1973 and this invalidity argument should be dismissed as well as the claim for invalidity of the patent priority due to the fact that knowledge of the test results was acquired after that date.

<u>On the lack of novelty</u>

Article 54 of the European Patent Convention defines novelty as follows:
"*An invention shall be considered to be new if it does not form part of the state of the art.*"

Teva Santé and Teva Pharmaceutical Industries Ltd argue that claim 1, drafted in the form of a Swiss-type claim, indicates that it is a new therapeutic application of a known substance which cannot confer the novelty required by Article 54 of the European Patent Convention of 1973 applicable to patents due to their filing dates.

Eli Lilly disputes this interpretation of EPC 1973 and recalls that the Enlarged Board of Appeal had held the Swiss-type claims to be valid so that patent applications could be filed for a molecule which was already known but for a second use; EPC 2000 admits the principle of the patentability of a second therapeutic application.

Whereupon

It should be noted that part of the French case law prior to the implementation of EPC 2000 did not admit the principle of patentability of a new therapeutic application of a product already known not on the grounds that a text explicitly excluded it but on the principle that, as the molecule was known, the second application was necessarily known.

Therefore, even under EPC 1973, it was not impossible to acknowledge the validity of a second therapeutic application provided that it could be established that this application was new or inventive and that it was not already contained in the prior art.

This argument should be dismissed.

Teva Santé and Teva Pharmaceutical Industries Ltd further assert that the mere fact of changing the term "human", as drafted in the claim before the limitation, to "a post-menopausal woman" can confer a monopoly of 20 years; the legislator in no way wished to confer a new monopoly to a person who discovered a therapeutic application for humans but which was already known for animals; therefore, the limitation to post-menopausal women cannot constitute a new therapeutic application; it is possible to patent a drug with a view to treating a disease ,but not a population adapted to the treatment of this disease, because by doing so, one would be attempting to patent a therapeutic method which is out of the question in the field of medical care and depends only on the freedom and concomitant responsibility of each doctor.

Eli Lilly replies that it does not seek to protect a specific patient group but a specific disease, *i.e.* osteoporosis in post-menopausal women; this position is confirmed by the decision of the Opposition Division of the EPO concerning patent EP 1 438 957 which acknowledges that the indications "post-menopausal osteoporosis in women" or "osteoporosis in post-menopausal women" are identical; this osteoporosis type is characterised as indicated in the description, page 2 lines 11 to 14, by a "large and rapid loss of bone mass due to the cessation of estrogen production by the ovaries"; it is therefore different from the other types of osteoporosis in other patients such as those mentioned in the description page 1, line 20, page 2, line 2, *i.e.* "patients who are undergoing or have undergone long-term administration of corticosteroids, patients suffering from Cushing's syndrome"; therefore, claim 1 as limited is not excluded from patentability.

Whereupon

The Court points out that Eli Lilly limited the scope of its claim to post-menopausal women only and not to human beings because the description and

in particular the examples only relate to post-menopausal women; it did not intend to gain a monopoly on a category of the population but only to protect a drug adapted to a specific segment of the population which is the only segment to suffer from this disease because of its sex and the disappearance of the effect of estrogens as they cease to be produced following menopause, be it brought on naturally or surgically.

Therefore, this argument which is moreover not supported by any text, should be dismissed.

Teva Santé and Teva Pharmaceutical Industries Ltd lodge claims for invalidity for lack of novelty on the grounds that this compound family for this treatment was already fully disclosed in the prior art.

Eli Lilly disputes these assertions on the grounds that no prior document discloses the invention in its entirety in a single confirmed prior art document with the same constituting elements, in the same form, the same configuration, with the same function, aspiring to the same technical result.

The Court points out that since the priority date of the patent of 28 July 1992 has been maintained, the Pink Sheet document of 1993 cannot be included in the prior art and, therefore, will not be examined.

Having regard to the Jordan document of 1987

Teva Santé and Teva Pharmaceutical Industries Ltd assert that the teaching of Jordan is identical to examples 1 to 4 of patent EP 952, because it discloses the use of raloxifene (but also tamoxifen) in rats for treating or preventing osteoporosis, and describes the raloxifene molecule whose bone loss inhibiting function makes it possible to treat osteoporosis in post-menopausal women.

They dispute Eli Lilly's arguments relating to the ambiguity of Jordan's teaching on the effect of raloxifene which allegedly only intends to treat osteoporosis in rats and which was published in the journal *Breast Cancer Research and Treatment,* which would have deterred the skilled person from consulting this document.
They argue that these arguments are irrelevant in the assessment of the novelty of claim 1 of patent EP 952.

Eli Lilly argues that Teva's reasoning is based on the existence of a document describing the experimental administration of raloxifene to rats having undergone ovariectomy; the ovariectomy leads to greatly reduced circulating estrogen levels (and, therefore, under appropriate circumstances, to a bone loss) but the Jordan et al. document does not disclose the administration of raloxifene under the correct conditions for reproducing and evaluating the treatment of osteoporosis in humans and in post-menopausal women in particular; it does not conclude that raloxifene is appropriate for the treatment of osteoporosis, but

teaches that the contrasting pharmacological actions of anti-estrogens suggest that patients receiving a long-term adjuvant tamoxifen therapy for breast cancer should be evaluated to determine whether tamoxifen can retard the development of osteoporosis; there is no conclusion concerning raloxifene because the study mainly relates to the use of tamoxifen for treating breast cancer; the research described in Jordan et al. was carried out to evaluate the side effects of tamoxifen (including the effects on the bone) in its long-term use to prevent the recurrence of breast cancer; preventing the development of osteoporosis is not the same as treating osteoporosis: moreover, Jordan concludes concerning tamoxifen (and not raloxifene) that it is necessary to confirm whether the effects observed in the animal study also occur in human patients; finally, the Jordan et al. article was published in the journal *Breast Cancer Research and Treatment*, specialising in the research and treatment of cancer, breast cancer in particular; this is a field which is very different from the patent (osteoporosis) which clearly shows that Jordan et al. did not aim to disclose a teaching in the field of the treatment of osteoporosis and the measurements made by Jordan were taken from the ashes of the whole bone, whereas Eli Lilly took measurements from the ashes of the trabecular bone to establish the effect of raloxifene.

Whereupon

It cannot be disputed that the Jordan article published in 1987 relates to the effects of a long-term tamoxifen therapy on patients with cancer; it concerns ovariectomised rats *i.e.* rats that underwent an operation placing them in a menopausal state and noted that "the estrogen is implicated in the maintenance of bone density. Prolonged antiestrogen therapy might therefore precipitate an early osteoporosis, thereby limiting the usefulness of the drug in treating younger women. If this is the case, the drug would be unlikely to be used as a preventive agent in women only at risk for breast cancer".

It is thus clear that Jordan studied women suffering from breast cancer and treated with tamoxifen for a long period of time, and that Jordan is not specifically interested in post-menopausal women.

Jordan noted however that in light of the effects on ovariectomised rats of the contribution of tamoxifen to bone loss, it would be interesting to evaluate patients receiving long-term adjuvant tamoxifen therapy for breast cancer to determine whether tamoxifen can prevent the development of osteoporosis.

Therefore, concerning the conditions relating to novelty (a document which discloses the invention in its entirety in a single confirmed prior art document with the same constituting elements, in the same form, the same configuration, with the same function, aspiring to the same technical result), it cannot be alleged that the invention is

contained in its entirety in the Jordan document which merely suggests carrying out research along that line and on women suffering from breast cancer and therefore being treated on a long-term basis with tamoxifen or raloxifene and not on post-menopausal women.

The Jordan document does not destroy the novelty of the invention disclosed in patent EP 952.

Having regard to the Sonnenschein document

Published on 22 August 1989, U.S. patent US 4,859,585 filed by Sonnenschein and Soto, already disclosed, according to Teva Santé and Teva Pharmaceutical Industries Ltd, the use of raloxifene for preventing osteoporosis.

It teaches an in-vitro method for identifying relevant compounds whose pharmacological activity would be useful for the treatment of estrogen-related disorders. Osteoporosis is mentioned among these conditions.

It points out that in order to treat osteoporosis, the compounds proposed must meet two conditions:

* have *some estrogen-like function* but the estrogen must not be *fully active*: in other words, the compound must have certain functions of a naturally occurring estrogen;

* be devoid of proliferative side effects: the author refers to the previous sentences, and more particularly to *cell proliferation,* leading to the development of *cancer*.

It emerges from the table provided in the patent that only three compounds, tamoxifen, LY 117018 and LY 156758 (raloxifene) present selective effects in relation to estrogen; they are described as particularly useful in therapy and only two compounds, namely LY 117018 and LY 156758, present the characteristics sought to treat osteoporosis: *partial agonist* and *full antagonist*; LY 156758 and LY 117018 are respectively raloxifene and a derivative of raloxifene (covered by claim 1 of limited patent EP 952).

Eli Lilly argues that patent US 4,859,585 relates to in-vitro methods for identifying compositions which are agonists and antagonists of estrogens; as an illustration of these methods, results are provided for tamoxifen and raloxifene hydrochloride; the latter is described as a partial agonist and a full antagonist of estrogen.

It specifies that the patent considers two different clinical situations:

- the first one is "the problem of hormone-sensitive cancers and their control" and in this context, estrogen antagonists are "of primary interest";
- the second one is osteoporosis, which "is greatly ameliorated by the use of fully active estrogens" and the most common form of osteoporosis is by far post-menopausal osteoporosis where estrogen is present at very low levels only; estrogen is not the problem but rather its absence presents a

problem; in this situation, estrogen antagonist activity is at best irrelevant and, at worst, detrimental.
These are the conditions in which the patent mentions that the problem of osteoporosis is greatly ameliorated by the use of fully active estrogens but that, however, fully active estrogens carry the risk of cancer, making estrogen agonists of "primary interest".
A disclosure indicating that a particular compound, in an in-vitro dosage, has some of the properties which are considered separately as useful in the treatment of osteoporosis in no way discloses the use of this compound for treating osteoporosis.

It adds that, moreover, there is nothing in patent US 4,859,585 concerning glucuronidation nor therefore the bioavailability of raloxifene, the appropriate rat model, the bone density analysis of post-menopausal osteoporosis, or the specific uterine-related action of raloxifene on the bone.

Whereupon

It emerges from reading this document that it broaches the question of an in-vitro method for identifying compounds, including raloxifene and tamoxifen, whose pharmacological activity may be useful for treating oestrogen-related disorders; it does not aim to specify the specific effect of raloxifene on the treatment of osteoporosis, even if this disease is mentioned, but only mentioned in the context of conditions affecting estrogen-related disorders; moreover, as osteoporosis in post-menopausal women is not mentioned, the Sonnenschein document does not destroy the novelty of the invention disclosed in patent EP 952.

Having regard to the Lindgren document

This document is an article published in 1990 by M. Lindgren which, according to the claimants, concludes that raloxifene and tamoxifen have a useful effect in preventing osteoporosis in rats having undergone ovariectomy.

For Eli Lilly, if these results are extrapolated to the human situation, it would be possible to use tamoxifen alone or in combination with estrogen for preventing osteoporosis caused by an estrogen deficiency and, for Eli Lilly, it is clear that additional studies would have to be carried out to use tamoxifen in the treatment of human osteoporosis and that no extrapolation is suggested concerning raloxifene; the fact that Lindgren's conclusion is limited to tamoxifen is not due to the fact that only tamoxifen was authorised in men and women since the absence of a marketing authorisation for a product has never prevented scientists from coming to conclusions on a product following tests on animals or in-vitro, but it is

rather due to the fact that M. Lindgren, aware of the problems of the bioavailability of raloxifen in humans, did not consider that the tests performed on rats could be applied to a human patient.

It appears again here that the Lindgren document does not disclose the invention in its entirety under the above-mentioned conditions because Lindgren mainly relies on tamoxifen and not on raloxifene and does not develop its study on post-menopausal women and it is irrelevant as far as novelty is concerned to make guesses as to the reasons for which the Lindgren document prefers tamoxifen to raloxifene.

The Lindgren document does not destroy the novelty of the invention disclosed in patent EP 952.

Therefore, the head of claim relating to the lack of novelty should be dismissed.

On the lack of inventive step

Article 56 of the Munich Convention of 1973 provides:
"*An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art.*"

It emerges from the parties' explanations that the most relevant prior art document for the skilled person who is a biochemist is the Jordan document of 1987 which explicitly prompts one to verify the first elements come to light concerning the effect of anti-estrogens on osteoporosis.

In spite of the possible statistical errors contained in this document which the biochemist is perfectly capable of understanding and taking into account, the skilled person would above all and in the first place recognise the positive effect on bone loss demonstrated by anti-estrogens and the fact that this article was mentioned in the entire scientific press demonstrates that this document was considered important by all skilled persons.

Eli Lilly indicates that the problem solved by the patent is that of bioavailability because prior documents established that raloxifen had low bioavailability, *i.e.* that it was quickly eliminated from the body due to the effects of glucuronic acid and therefore could not be truly effective.

It argues that the skilled person has to overcome prejudice leading to an inventive step because the Lindstrom article teaches that the oral administration of 4mg/kg in rats led to peaks in the concentration in the plasma of non-conjugated product of approximately 0.09µg/ml[TN], that there are peaks in the concentration in the plasma in rats which are 60 times more important than those in humans although the administered dose is only approximately 1.4 times more important;

[TN] The French text contained a typing error, 0.09µg/ml is most likely the right concentration

the Budzar study on the use of a 200 mg dosage relates to a very high dosage far beyond the dosage finally recommended for treating osteoporosis (60 mg) pursuant to the specifications for the drug Evista and those for the drug Optruma (which are identical) and shows that even high dosages do not provide for good bioavailability and, finally, that administering too important dosages may cause other problems such as side effects.

Therefore, one should evaluate whether bioavailability constitutes real prejudice or only a difficulty usually encountered in the development of a drug.

While it emerges from the above-mentioned articles that issues were being raised about the bioavailability of raloxifene, it also appears that in 1989, Feldmann had noted a reduction in bone mass in a study performed on rats to which raloxifene had been administered while mentioning the possibility of a dosage problem and that in 1991, Turner had published an article which compared the teachings of Jordan and Feldmann and favoured Jordan.

Therefore, it cannot be alleged that this questioning constitutes a prejudice to be overcome because, firstly, it was known that the Jordan document had to be taken into account and that in spite of the dosage problem, its teaching prevailed concerning the dosage difficulty and, secondly, bioavailability does not correspond to arithmetical proportionality criteria.

Bioavailability certainly varies depending on the dosages but it can present sine curves or differences in the results and a less important dosage can be more effective than a higher dosage in spite of results which show that bioavailability decreases as more product is added, which every biochemist knows.

Consequently, bioavailability is not a prejudice to be overcome and requires routine work on dosage with a view to developing the drug; this routine work may be long and expensive and Eli Lilly performed it in its laboratories, but it implies no inventive step.

Therefore, claim 1 of patent EP 952 should be held invalid for lack of inventive step.

<u>On the other claims</u>

Teva Santé and Teva Pharmaceutical Industries Ltd argue that the other dependent claims of the patent are invalid and Eli Lilly did not reply on these claims for invalidity of the other claims of patent EP 952.

The claims of patent EP 952 are all dependent on claim 1 and dependent on one another.

Claim 2 of limited patent EP 952 covers the use of raloxifene in post-menopausal women, not for osteoporosis, but for inhibiting loss of bone mass.

This simple semantic change from osteoporosis to loss of bone mass in no way modifies the invalidity arguments mentioned against claim 1 of the patent.

Therefore, claim 2 of limited patent EP 952 is invalid.

Claim 3 of limited patent EP 952 protects the most common salt of raloxifene, namely raloxifene hydrochloride.

The choice of this salt involves no technical contribution on behalf of the skilled person and is obvious.

Claim 3 of limited patent EP 952 is invalid for lack of inventive step.

Claims 4 and 5 of limited patent EP 952 add a result to achieve, namely without the associated adverse effects of estrogen therapy, then with diminished risk of developing the undesirable effects of customary estrogen replacement therapy.

As these are not additional technical features, claims 4 and 5 are invalid because they do not teach a technical effect and repeat the allegedly solved problem set out in the description.

Therefore, claims 4 and 5 of limited patent EP 952 are invalid.

Claim 6 of the limited patent relates to the combined administration of raloxifene and an estrogen.

However, this teaching was already disclosed in the Jordan or Lindgren documents which related to non-menopausal patients with breast cancer.

Therefore, claim 6 of limited patent EP 952 is invalid for lack of novelty.

Claim 7 is drafted as follows:
The use of any one of claims 1 to 6 wherein the medicament is for the treatment of a post-menopausal woman diagnosed as suffering from osteoporosis.

Claim 8
The use of any one of claims 1 to 6 wherein the medicament is intended for prophylactic administration.

The subject-matter of claims 7 and 8 is the same as the one added to claim 1 during the procedure of limitation of this claim since it is mentioned here that the drug is used for treatment and for preventative purposes in

post-menopausal women, they are redundant and invalid on the above-mentioned grounds.

Claims 9 to 12 of the limited patent relate to specific dosages for the administration of raloxifene.

In addition to the fact that dosage is not patentable because it is up to doctors to assess the required doses for their patients and that the number of times the patient must take the drug must again be determined by a doctor, claims 9 to 12 which protect specific dosages and cover a very large dosage spectrum ranging from 0.1 to 1,000 mg, from 50 to 400 mg, from 50 to 200 mg without explaining why these dosages would be relevant and which specific problem they would solve, are invalid for lack of inventive step.

Claim 13 of the limited patent specifies an oral administration.

As this is the most common administration mode for the skilled person, claim 13 is invalid for lack of inventive step.

Claim 14 of patent EP 952 specifies that the post-menopausal woman is old.

This claim is redundant in relation to the more general claim 1 on the post-menopausal woman and will therefore be held invalid for lack of inventive step.

Claim 15 of the limited patent adds a result to achieve, namely without causing significant estrogenic response in the primary sex tissues.

As this is not an additional technical feature, claim 15 should be held invalid for the same reasons as claims 4 and 5.

Therefore, all the claims of the French designation of patent EP 952 are invalid.

On patent EP 1 438 957

The patent application was filed on 26 July 1993 claiming American priority of 28 July 1992. The patent was granted on 11 April 2007. It is entitled “Raloxifene in the treatment of postmenopausal osteoporosis”.

Claim 1 covers the “use of raloxifene, or a pharmaceutically acceptable salt thereof, in the manufacture of a medicament for preventing or treating

postmenopausal osteoporosis in a postmenopausal woman wherein said medicament is in the form of a tablet or capsule".

Patent EP 0 584 952 examined above and held invalid is also derived from the U.S. priority and patent EP 1 438 957 which is a patent derived from a divisional application of patent EP 0 584 952 benefits from the priority date of 28 July 1992.

It was revoked by the Opposition Division of the EPO on 8 December 2009 and is subject to an appeal before the Board of Appeal.

The Court points out that the only difference between claim 1 of patent EP 952 held invalid and claim 1 of patent EP 957 resides in the fact that raloxifene is precisely mentioned as a compound whose formula is claimed and that the drug thus obtained is presented in the form of a capsule or tablet.

However, the lack of inventive step that was held concerning the use of the compound of a general formula applies to claim 1 of this patent because the examples mentioned in patent EP 952 all relate to raloxifene so that one must assess that this product is presented in the form of a capsule or tablet.

This specification does not derive from an inventive step because the oral administration of raloxifene was already known and it is obvious for the skilled person to develop raloxifene in order to use it in the form of a tablet or capsule; moreover, no other effect can be recognised, insofar as no other specific tablet or capsule has been disclosed; in particular, no effect on the amelioration of bioavailability has been demonstrated.

Therefore, claim 1 of patent EP 957 is invalid for lack of inventive step having regard to the provisions of Article 55 EPC.

Teva Santé and Teva Pharmaceutical Industries Ltd argue that the other dependent claims are invalid and Eli Lilly did not reply on the requests for a declaration of invalidity of the other claims of patent EP 957.

Claims 3, 4, 7 and 8[TN],of patent EP 957 are drafted as follows and depend on claim 1:

Claim 2
The use of claim 1 wherein raloxifene hydrochloride is employed in the manufacture of the medicament.

This claim protects the most common salt of raloxifene, namely raloxifene hydrochloride. This choice involves no technical contribution on behalf of the skilled person; it is therefore invalid for lack of inventive step.

[TN] Omission in the French text; one should read: "Claims 2, 3, 4, 7 and 8".

Claim 3:
The use of claim 1 or 2 wherein the medicament is in the form of a tablet.

Claim 4:
The use of any one of claims 1 - 3 wherein the medicament is for oral administration.

Claim 7:
The use of any one of claims 1 - 6 wherein the said medicament is used for prevention.

Claim 8:
The use of any one of claims 1 - 6 wherein said medicament is used for treatment

As rightly asserted by Teva Santé and Teva Pharmaceutical Industries Ltd, these claims are redundant and contribute no additional specification, therefore they will be held invalid.

Claims 5 and 6 are drafted as follows[TN]:

Claim 5:
The use of any one of claims 1 -4 wherein the said medicament contains about 50 to about 200 mg of raloxifene hydrochloride.

Claim 6:
The use of any one of claims 1 -5 wherein the said medicament is intended for one daily administration.

In addition to the fact that dosage is not patentable because it is up to doctors to assess the required doses for their patients and the fact that the number of times the patient must take the drug must again be determined by a doctor, claims 5 and 6 which protect, in the case of the one, a dosage without explaining why this dosage – which, in addition, covers a rather large spectrum - would be relevant and which specific problem it would solve, and in the case of the other, one daily administration without again specifying which problem would be solved, are invalid for lack of inventive step.

Claim 9 of the patent covers the administration of only raloxifene, without any other drug combination.

This claim introduces a negative feature which, firstly, is not supported by a description and, secondly, involves no inventive step for the skilled person. It only aims to surreptitiously create further protection to the holder's benefit.

Claim 9 is also invalid.

[TN] Error in the French text: claims 5 and 6 have been reversed.

Therefore, all the claims of patent EP 957 should be held invalid.

On double patenting

Teva Santé and Teva Pharmaceutical Industries Ltd contend that limited claim 1 of patent EP 952 is invalid on the grounds that, as limited, it uses the terms of claim 1 of patent EP 957 held invalid by the Opposition Division of the EPO and therefore restores it; the subject-matters of both patents are almost identical and the rule prohibiting double patenting is applied by both French law and the regulation applying to European patents.

Eli Lilly argues that there is no text, neither French nor emerging from the Munich Convention, providing that the prohibition on obtaining two titles for a same invention, except in the case of a divisional application, is sanctioned by the invalidity of the granted patent; this ban must be assessed during the grant of the patent and cannot, once the patent has been granted, constitute grounds for invalidity due to a lack of text; it adds that patent EP 952 is the parent patent from which divisional patent EP 957 derives and that they do not have the same subject-matter, as patent EP 952 covers a product range whereas patent EP 957 only confers protection on raloxifene administered in the form of a capsule or tablet.

Whereupon

It is not disputed that only one single title may be granted for an invention, as recalled by Article L. 611-1 of the French Intellectual Property Code and as acknowledged by the decisions of the Enlarged Board of Appeal G1/05 and G1/06 cited by the claimants, according to which:
"*The Board accepts that the principle of prohibition of double patenting exists on the basis that an applicant has no legitimate interest in proceedings leading to the grant of a second patent for the same subject-matter if he already possesses one granted patent therefor*."

Contrary to Eli Lilly's assertions, this principle of prohibition is not assessed during the grant of the patent only and it is up to the jurisdictions to implement this general principle, even if it is not explicitly mentioned in the Munich Convention, because it constitutes one invalidity argument among other arguments, which may be submitted to the jurisdictions pronouncing the validity, limitation or invalidity of the patents which, however, had been granted by a patent office.

Therefore, having regard to the patent scope, it should be assessed whether claim 1 of patent EP 952 constitutes a double protection to the benefit of Eli Lilly.

It is not disputed that patent EP 952 is the parent patent application filed by Eli Lilly and that patent EP 957 is only a divisional patent obtained from this parent application.

Article L. 612-4 of the French Intellectual Property Code provides that:
"The patent application shall relate to one invention only or to a group of inventions so linked as to form a single general inventive concept.
An application which does not comply with the provisions of the foregoing paragraph shall be divided into divisional applications within the prescribed time limit; the date of filing and, as the case may be, the priority date of divisional applications shall be the priority or the filing date of the parent application."

Therefore, French law admits the possibility of dividing an invention into several applications which form a general inventive concept.

Similarly, the EPC allows for the possibility of forming divisional applications, and decision T587/98 handed down by the Technical Board of Appeal on 12 May 2000 specified:
"*There is no express or implicit provision in the EPC which prohibits the presence in a divisional application of an independent claim - explicitly or as a notional claim arrived at by partitioning of an actual claim into notional claims reciting explicit alternatives - which is related to an independent claim in the parent application in such a way that the 'parent' claim includes all the features of the 'divisional' claim combined with an additional feature*."

Therefore, it bears verifying, in light of the above analyses, whether the invalidity argument raised by Teva Santé and Teva Pharmaceutical Industries Ltd is founded, *i.e.* whether the subject-matter of amended patent EP 952 is found to be the same as that of patent EP 957.

The Court points out that the description used in patent EP 957 is copied exactly from that of parent patent EP 952, the examples mentioned in patent EP 957 are the same as those mentioned in patent EP 952 which nevertheless contains a fifth example (example 4) relating to tests on the compounds other than raloxifene found in table 7.

It notes that these tests relating to other compounds found in a table 7 indicate the results of other compounds whose names are not known because they are identified by a number, and the percentages of bone loss inhibition and uterine weight gain, without drawing the slightest conclusion from each of these compounds so that the addition of patent EP 952's example 4 is effectively artificial.

It is therefore established that the subject-matter of claim 1 of patent EP 952 artificially claims the protection of an entire family of compounds for which no serious study has been carried out; the protocol that was established concerning the tests retained and described in examples 1, 2 and 3 in fact only concerned and related to raloxifene which was the subject-matter of a divisional patent.

Due to a lack of description of the real effects of the other compounds, the patent which relates to this entire family of compounds is speculative.

Finally, claim 1 of patent EP 952 related to the human subject in its entirety while no such test, not even on a rat, had been carried out (as the subject-matter of the patent related in its entirety to the post-menopausal woman) and was therefore limited to a drug for treating osteoporosis that concerned this category of patients.

The patent thereby discloses the same teaching as that of claim 1 of patent EP 957 even if it does not specify the product administration mode.

The only difference at this stage of the analysis between claim 1 of patent EP 952 held invalid and claim 1 of patent EP 957 resides in the fact that the drug thus obtained is in the form of a capsule or tablet.

However, it was mentioned above that this specification does not contribute new or inventive teaching and as a result, there is no difference between these two claims.

Therefore, following the limitation of patent EP 952, the two patents have the same subject-matter.

The double patenting argument is founded and all the claims of patent EP 952 should be held invalid.

On Teva Santé and Teva Pharmaceutical Industries Ltd's secondary claims

Teva Santé and Teva Pharmaceutical Industries Ltd lodge a claim for compensation, in the amount of 1 euro each, for the moral damage they suffered due to Eli Lilly and Company's abusive patent filing strategy.

However, firstly, Teva Santé and Teva Pharmaceutical Industries Ltd do not demonstrate that they suffered moral damage and, secondly, this claim should be assessed as damages for abuse of process as the claimants had to summon Eli Lilly to appear before the Court to be able to market the generic drug protected by these two patents.

Teva Santé and Teva Pharmaceutical Industries Ltd will receive compensation for the costs incurred to present their invalidity arguments before this jurisdiction pursuant to Article 700 of the French Code of Civil Procedure and, as they do not mention other suffered damage, their claim should be dismissed.

Their request for judicial publication should also be dismissed as it is an additional claim for compensation and is therefore not founded due to the absence of compensation for damage.

On the counterclaims

As the two Eli Lilly patents have been held invalid, the claim for infringement lodged by Eli Lilly following the introduction of the generic drug in March 2011 and the claim for unfair competition lodged by Pierre Fabre Médicament against Teva Santé and Teva Pharmaceutical Industries Ltd are without object.

On the other claims

Bringing a court action, in principle, constitutes a right and turns into an abuse giving rise to a debt of damages only in the case of malice, bad faith or gross error equipollent to deception.

The claimants' claim should be dismissed in that respect, as they have failed to provide evidence that Eli Lilly instituted proceedings with an intent to harm or a reproachable lack of consideration, as there is the possibility that Eli Lilly simply mistook the extent of its rights, and as the claimants have failed to establish the existence of a damage other than that suffered as a result of the expenses incurred for its defence.

The conditions are met to grant to Teva Santé and Teva Pharmaceutical Industries Ltd the sum of 50,000 euros each, which will be paid by the defendants, jointly and severally, pursuant to Article 700 of the French Code of Civil Procedure.

The provisional enforcement of the judgment is not necessary and should not be ordered.

ON THESE GROUNDS

Ruling publicly by way of a judgment made available at the Court Clerk's office, in the presence of all the parties and in first instance,

Accedes to Eli Lilly's counterclaims relating to the infringement of its patents EP 952 and EP 957 lodged against Teva Santé and Teva Pharmaceutical Industries Ltd.

Accedes to Teva Santé and Teva Pharmaceutical Industries Ltd's request to stay the proceedings concerning this claim for infringement.

Dismisses it on the grounds that it is ill-founded.

Holds Daiichi Sankyo Europe GmbH and Daiichi Sankyo France's voluntary intervention inadmissible.

Holds Pierre Fabre Médicament's voluntary intervention admissible.

Holds Teva Santé and Teva Pharmaceutical Industries Ltd's claim for invalidity of the limited patent EP 952 held by Eli Lilly admissible.

Holds the French designation of limited patent EP 0 584 952 invalid for lack of inventive step and for not respecting the prohibition of double patenting.

Holds the French designation of patent EP 0 584 957 invalid for lack of inventive step.

Orders that this judgment, once it has become final, be transmitted to the *INPI* to be registered in the French patent register, at the request of the most diligent party.

Holds Eli Lilly and Pierre Fabre Médicament's claims for infringement and unfair competition inadmissible.

Dismisses Teva Santé and Teva Pharmaceutical Industries Ltd's claims for compensation for the moral damage they suffered, for abuse of process and for judicial publication.

Orders Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament, jointly and severally, to pay the sum of 50,000 euros to both Teva Santé and Teva Pharmaceutical Industries Ltd pursuant to Article 700 of the French Code of Civil Procedure.

Holds that the provisional enforcement need not be ordered.

Orders Eli Lilly and Company, Daiichi Sankyo Europe GmbH, Daiichi Sankyo France and Pierre Fabre Médicament, jointly and severally, to pay all the costs, which will be recovered by Mr Grégoire Desrousseaux under the conditions laid down in Article 699 of the French Code of Civil Procedure.

Ordered in Paris on 20 March 2012.

The Clerk **The Presiding Judge**