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Who may bring an action for patent revocation?

Pierre Véron (Véron & Associés) · Monday, June 6th, 2011



Who may bring an action for patent revocation? Such is the fundamental question which has been submitted to the *Tribunal de Grande Instance* of Paris in a case whose factual circumstances made it very interesting.

On 13 September 2010, Omnipharm Limited served a summons on Merial to appear before the *Tribunal de Grande Instance* of Paris to see, on the basis of Article L. 613-25 of the French Intellectual Property Code, French patent FR-B-2 746 597 and French patent FR-B-2 746 594, entitled "*insecticidal combination effective against fleas on mammals, particularly cats and dogs*", entirely revoked for lack of inventive step.

Before any defence on the merits, Merial requested the Court to find that Omnipharm did not justify an interest in the action for revocation of the two French patents and to hold consequently Omnipharm's revocation action inadmissible for lack of interest.

To support its view, Merial argued that the information on Omnipharm, which was made available to the public, showed that this company set up in 1998 in England had no industrial or commercial activity in France and, in particular, that it had no website, that it had not filed any annual accounts with the UK Companies House since February 2007, that its latest accounts showed a negative value of £345,991 and that, accordingly, it does not prove to be in a position to develop, manufacture or market itself a veterinary product in France.

This Merial's argument is finally admitted by the *Tribunal de Grande Instance* of Paris which explains very precisely how the interest in the action for revocation of a patent shall be appreciated.

Had Omnipharm an interest in the action for revocation of the two French patents of Merial?

A first part of the answer shall be found in the common rules of French civil procedure and especially in Article 31 of the French Civil Procedure Code which reads as follows:

"The right of action is available to all those who have a legitimate interest in the success or dismissal of a claim, without prejudice to those cases where the law confers the right of action solely upon persons whom it authorises to raise or oppose a claim, or to defend a particular interest".

The court summarizes this first element stating that "the claimant to a court action must justify an arisen, direct and current interest in the success of his claim pursuant to Article 31 of the French Civil Procedure Code".

But, if the claimant to an action for patent revocation must have an interest in the action, it remains still unclear what this common procedural requirement really means in the context of the patent revocation litigation and which are the persons who, in the opinion of the courts, justify such an interest in the action for revocation of a patent.

The Tribunal de Grande Instance of Paris in a 12 May 2011 decision answers that "In the case of an action for patent revocation, it is established that the interest in the action is only recognised for current or potential competitors in the field of the manufacture and of the marketing of the patented products".

And applying this general statement to the specific case of Omnipharm, the court finally concludes that: "Omnipharm, far from proving to be a current or even simply a potential competitor to Merial, in reality acts on behalf of third companies, which do not want to appear in this dispute, and that it is a shell company hiding other companies, including the Indian generic manufacturer Cipla, which is one of Merial's direct competitors likely to develop business in France, which could be hindered by the patents, the revocation of which is sought.

Under these conditions, since Omnipharm does not prove to be in a position to develop, manufacture or sell itself in France a product for veterinary use, in compliance with Merial's patents in dispute, and in particular to have the required means (infrastructure, staff and installations) to develop such business, its action for patent revocation should be held inadmissible for lack of interest pursuant to Article 31 of the French Civil Procedure Code".

The court reaches this conclusion after rejecting the four arguments put forward by Omnipharm to try to prove its capacity and its intention to manufacture and to market generic products covered by the disputed patents, namely:

1) the marketing authorisation for the Flexicam and Acticam veterinary products,

2) the PCT patent application No. WO 2010/106 325 filed by Omnipharm on 17 March 2010,

3) the community trademarks *Fiprotek*, *Fiprotek Plus*, *Fiprotek* + and *Fiprotek Combo* filed by Omnipharm shortly before starting the revocation action,

4) the declaration of an Omnipharm's director asserting the intention to market products competing Merial's *Frontline* and *Frontline Combo* products.

1) As for the marketing authorisations (MA) relating to the *Flexicam* and *Acticam* veterinary products, the court notes that, for *Flexicam*, the MA's holder is a Danish company called Dechra Veterinary Products and that the manufacturers of the batches are either the latter or third companies and that, for *Acticam*, the MA's holder is a Belgian company called Ecuphar NV, which also is the manufacturer thereof.

"It results therefrom that Omnipharm's role was limited to the grant of these MAs on behalf of third parties, to which it then transferred the said authorisations, and that it kept no responsibility in the manufacture or marketing of the two products at issue".

2) Regarding Omnipharm's PCT patent application No. WO 2010/106 325, the court notes strong similarities, namely an identical definition of the technical problem relating to the "*flash point*" (the flash point is defined as the lowest temperature at which a liquid can vaporise to form, with the ambient air, a gaseous mixture that ignites under the effect of a heat energy source), between this Omnipharm's PCT patent application No. WO 2010/106 325 (designating its director, Mr Donnelly, as the inventor) and a Cipla's PCT patent application No. WO 2010/092 355 (designating Mr Donnelly as the inventor with two other Indian inventors).

The court also notes that close links between Omnipharm and Cipla are established by the examination of the priority documents claimed by the two aforementioned patent applications.

Indeed, US patent application No. 61/161 361 filed by Mr Donnelly includes three examples of formulations that are three examples out of the six ones included in Cipla's prior patent application and of which Mr Donnelly could not be aware unless he was directly informed thereof by Cipla.

"These elements sufficiently show that Omnipharm – which only filed its PCT patent application No. WO 2010/106 325 on 17 March 2010, i.e., six months before initiating this revocation action, and which does not justify its capacity to personally exploit this title – in reality acts on behalf of the Indian company Cipla, which is one of Merial's direct competitors".

3) Regarding the community trademarks *Fiprotek*, *Fiprotek Plus*, *Fiprotek* + and *Fiprotek Combo*, the court considers that they were filed by Omnipharm shortly before the initiation of these proceedings by the 13 September 2010 summons (the *Fiprotek* trademark being filed on 4 February 2010 and the other trademarks on 18 August 2010) and that they also show the close links uniting Omnipharm to the Indian company Cipla, which manufactures generic medicines:

"the aforementioned trademarks show again the close links uniting Omnipharm to the Indian company Cipla, which manufactures generic medicines.

It is established that Cipla Vet, Cipla Medpro's South-African subsidiary, already holds the Fiprotek trademark to market generic veterinary medicines containing fipronil.

It is also established that Omnipharm filed the Protekktor and Terminator trademarks, which correspond to two names used by Cipla Vet to designate parasiticidal veterinary products".

4) As for the statement of intention from Omnipharm's one and only director, Mr Donnelly, the court states that it completely lacks probative force since "*nobody can produce evidence for oneself*". This legal rule is also well admitted and applied by the French case law.

Thus, the court concludes that these four elements, the marketing authorisations, the PCT patent

application, the community trademarks and Mr Donnelly's statement on which Omnipharm relied in its pleading do not prove that it is one of current or potential Merial's competitor in the field of the products covered by Merial's patents in dispute.

It only proves that it acted in the past and is still acting on behalf of third companies. Therefore, the conclusion of the court is that Omnipharm "*in reality acts on behalf of third parties*"; it only appears as "*a shell company hiding other companies*". Thus the elements put forward by Omnipharm did not convince the court, which, on the reverse, finds that its revocation action is inadmissible for lack of interest pursuant to Article 31 of the French Civil Procedure Code.

Original French decision. English translation.

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