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Case No: CH/2010/APP/0020

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
PATENTS COURT

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 6 May 2010

Before :

THE HON MR JUSTICE ARNOLD

- -

Between :

NEURIM PHARMACEUTICALS (1991) LIMITED	**Appellant**
- and -	
COMPTROLLER-GENERAL OF PATENTS	**Respondent**

- -
- -

Andrew Waugh Q.C. (instructed by **Carpmaels & Ransford**) for the **Appellant**
Charlotte May (instructed by the **Treasury Solicitor**) for the **Respondent**

Hearing date: 27 April 2010

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Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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THE HON MR JUSTICE ARNOLD

MR. JUSTICE ARNOLD :

Introduction

1. This is an appeal by Neurim Pharmaceuticals (1991) Ltd ("Neurim") from a decision of Dr C. L. Davies on behalf of the Comptroller-General of Patents dated 15 December 2009 (BL O/384/09). By her decision the hearing officer refused Neurim's application for the grant of a Supplementary Protection Certificate ("SPC") in respect of its European Patent (UK) No. 0 518 468 B1 entitled "Melatonin containing compositions" ("the Circadin Patent") pursuant to Council Regulation 1768/92/EEC of 18 June 1992 concerning the creation of a supplementary protection certificate ("the Regulation"). By the time of the hearing officer's decision, the Regulation had been repealed and replaced by a codified version, Council and European Parliament Regulation 469/2009/EC of 6 May 2009, the relevant provisions of which are identical to those in the Regulation (although the codified version includes an additional recital before those quoted below). Nevertheless I shall continue to refer to the Regulation, since that was the legislation in force when the application was made.

The Regulation

2. The first nine recitals of the Regulation state (with numbering added for ease of identification):

> "[1] Whereas pharmaceutical research plays a decisive role in the continuing improvement in public health;
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> [2] Whereas medicinal products, especially those that are the result of long, costly research will not continue to be developed in the Community and in Europe unless they are covered by favourable rules that provide for sufficient protection to encourage such research;
>
> [3] Whereas at the moment the period that elapses between the filing of an application for a patent for a new medicinal product and authorization to place the medicinal product on the market makes the period of effective protection under the patent insufficient to cover the investment put into the research;
>
> [4] Whereas this situation leads to a lack of protection which penalizes pharmaceutical research;
>
> [5] Whereas the current situation is creating the risk of research centres situated in the Member States relocating to countries that already offer greater protection;
>
> [6] Whereas a uniform solution at Community level should be provided for, thereby preventing the heterogeneous development of national laws leading to further disparities which would be likely to create obstacles to the free movement of medicinal products within the Community and thus directly affect the establishment and the functioning of the internal market;
>
> [7] Whereas, therefore, the creation of a supplementary protection certificate granted, under the same conditions, by each of the Member States at the request of the holder of a national or European patent relating to a medicinal

product for which marketing authorization has been granted is necessary; whereas a Regulation is therefore the most appropriate legal instrument;

[8] Whereas the duration of the protection granted by the certificate should be such as to provide adequate effective protection; whereas, for this purpose, the holder of both a patent and a certificate should be able to enjoy an overall maximum of fifteen years of exclusivity from the time the medicinal product in question first obtains authorization to be placed on the market in the Community;

[9] Whereas all the interests at stake, including those of public health, in a sector as complex and sensitive as the pharmaceutical sector must nevertheless be taken into account, whereas, for this purpose, the certificate cannot be granted for a period exceeding five years; whereas the protection granted should furthermore be strictly confined to the product which obtained authorization to be placed on the market as a medicinal product."

3. Articles 1 to 4 and 7 of the Regulation provide:

"*Article 1*

Definitions

For the purpose of this Regulation:

(a) 'medicinal product' means any substance or combination of substances presented for treating or preventing disease in human beings or animals and any substance or combination of substances which may be administered to human beings or animals with a view to making a medical diagnosis or to restoring, correcting or modifying physiological functions in humans or in animals;

(b) 'product' means the active ingredient or combination of active ingredients of a medicinal product;

(c) 'basic patent' means a patent which protects a product as defined in (b) as such, a process to obtain a product or an application of a product, and which is designated by its holder for the purpose of the procedure for grant of a certificate;

(d) 'certificate' means the supplementary protection certificate.

Article 2

Scope

Any product protected by a patent in the territory of a Member State and subject, prior to being placed on the market as a medicinal product, to an administrative authorization procedure as laid down in Council Directive 65/65/EEC or Directive 81/851/EEC may, under the terms and conditions provided for in this Regulation, be the subject of a certificate.

Article 3

Conditions for obtaining a certificate

A certificate shall be granted if, in the Member State in which the application referred to in Article 7 is submitted and at the date of that application -

(a) the product is protected by a basic patent in force;

(b) a valid authorization to place the product on the market as a medicinal product has been granted in accordance with Directive 65/65/EEC or Directive 81/851/EEC, as appropriate. For the purpose of Article 19(1), an authorization to place the product on the market granted in accordance with the national legislation of Austria, Finland or Sweden is treated as an authorization granted in accordance with Directive 65/65/EEC or Directive 81/851/EEC, as appropriate;

(c) the product has not already been the subject of a certificate;

(d) the authorization referred to in (b) is the first authorization to place the product on the market as a medicinal product.

Article 4

Subject-matter of protection

Within the limits of the protection conferred by the basic patent, the protection conferred by a certificate shall extend only to the product covered by the authorization to place the corresponding medicinal product on the market and for any use of the product as a medicinal product that has been authorized before the expiry of the certificate.

Article 7

Application for a certificate

1. The application for a certificate shall be lodged within six months of the date on which the authorisation referred to in Article 3(b) to place the product on the market as a medicinal product was granted.

> 2. Notwithstanding paragraph 1, where the authorisation to place the product on the market is granted before the basic patent is granted, the application for a certificate shall be lodged within six months of the date on which the patent is granted.
>
> ...."

The Application

4. On 26 September 2007 Neurim filed application SPC/GB/07/051 for an SPC in respect of the Basic Patent ("the Application"). The Application identified the product which Neurim wanted to protect as "melatonin". The Application identified Commission decision EU/1/07/392/001-007 dated 29 June 2007, which granted a marketing authorization for a medicinal product for human use identified as "Circadin – melatonin" ("the Circadin Authorization"), as the first authorization to place the product on the market in the UK. The medicinal product to which the Circadin Authorization relates is Circadin 2 mg prolonged release tablets, which comprise melatonin as the active ingredient and various excipients. The therapeutic indication of Circadin 2 mg prolonged release tablets is as monotherapy for the short-term treatment of primary insomnia characterized by poor quality of sleep in patients who are aged 55 or over.

5. The examiner objected to the Application on the ground that it did not comply with Article 3(d) of the Regulation since the Circadin Authorization was not the first authorization to place melatonin on the market as a medicinal product. An earlier authorization to place melatonin on the market was granted between 1 January 2001 and 22 March 2001 ("the Regulin Authorization"). The Regulin Authorization, which was granted to CEVA Animal Health Ltd, relates to the veterinary medicinal product Regulin 18 mg implant, which comprises melatonin as the active ingredient and various excipients. Regulin is indicated for administration to sheep, more specifically ewes, to improve the reproductive performance of pure bred and cross bred lowland sheep which are to be mated early in the season before the usual peak of reproductive activity. When used as directed, it stimulates the early onset of natural reproductive activity. Regulin is protected by European Patent 0 246 910 B1 ("the Regulin Patent").

6. Although Neurim endeavoured to persuade the examiner that the Application did comply with Article 3(d), he maintained the objection. Accordingly Neurim requested a hearing.

The hearing officer's decision

7. In her decision the hearing officer upheld the objection that the Application did not comply with Article 3(d). Her reasoning in short was that she interpreted Article 3(d) as requiring the authorization referred to in Article 3(b) to be the first authorization to place the product on the market as *any* medicinal product. Here the Circadin Authorization was not the first authorization to place melatonin on the market as any medicinal product, since the Regulin Authorization had previously authorized melatonin to be placed on the market as a medicinal product, albeit as a veterinary rather than a human product and for a different indication. The hearing officer held that this interpretation of Article 3(d) was supported in particular by three decisions of

the Court of Justice of the European Communities, namely Case C-31/03 *Pharmacia Italia SpA* [2004] ECR I-10001, Case C-431/04 *Massachusetts Institute of Technology* [2006] ECR I-4089 and Case C-202/05 *Yissum Research and Development Company of the Hebrew University of Jerusalem v Comptroller-General of Patents* [2007] ECR I-2839.

8. The hearing officer also rejected an alternative request by Neurim that an SPC be granted in respect of "Circadin – melatonin", holding that to amend the description of the product in this way would make no difference to the Article 3(d) objection.

The appeal

9. Neurim appeals on the ground that the hearing officer erred in law in that she wrongly interpreted Article 3(d) of the Regulation. In summary, Neurim contends that the hearing officer should have adopted a teleological rather than a literal interpretation of Article 3(d) and that the case law of the ECJ does not support, or least compel, the conclusion reached by the hearing officer. In the alternative, Neurim contends that a question should be referred to the Court of Justice as to the correct interpretation of Article 3(d).

10. Neurim's construction of Article 3(d) is that the authorization referred to in Article 3(b) must be the first *relevant* authorization to place the product on the market as a medicinal product. Neurim contends that the Regulin Authorization is not a relevant authorization since it related to the administration of melatonin to a different species and for a different indication to Circadin.

11. The Comptroller contends that the hearing officer reached the right conclusion for the right reasons and that no reference is required since the interpretation of Article 3(d) is *acte clair*.

The delay in the grant of the Circadin Authorization

12. Neurim contends that the Application represents a strong case for the grant of an SPC by reason of the lengthy period it took to obtain the Circadin Authorization. In short, although the Circadin Patent was applied for on 23 April 1992 and will therefore expire on 23 April 2012, the Circadin Authorization was not granted until 29 June 2007. That was more than seven years after authorization was first applied for. The Circadin Authorization was only granted after extensive clinical trials and other tests had been conducted.

The scope of the Patents

13. It is common ground that Regulin does not fall within the claims of the Circadin Patent (which are limited to "use in correcting a melatonin deficiency or distortion in the plasma melatonin level and profile in a human subject") and that Circadin does not fall within the claims of the Regulin Patent (which are limited to "coated veterinary implants" and methods for using the same).

The correct approach to the interpretation of Article 3(d) of the Regulation

14. It is also common ground that the correct approach to the interpretation of the Article 3(d) of the Regulation is that stated by the Court of Justice in Case C-482/07 *AHP Manufacturing BV v Bureau voor de Industriële Eigendom* [2009] ECR I-0000 at [27]. It must be interpreted:

> "not solely on the basis of its wording, but also in the light of the overall scheme and objectives of the system of which it is a part."

The wording of Article 3(d)

15. Counsel for the Comptroller submitted that the wording of Article 3(d) is clear: it refers to "the *first* authorization to place *the product* on the market as *a* medicinal product [emphases added]". She submitted that this plainly means that, if there was an earlier authorization to place the product (i.e. active ingredient) on the market as a medicinal product, then the authorization referred to in Article 3(b) is not the first authorization to place the product on the market as a medicinal product. It is immaterial that the earlier authorization concerned administration of the product to a different species and/or for a different indication.

16. Counsel for Neurim did not dispute that the literal meaning of the words was as counsel for the Comptroller contended, but he submitted that a literal interpretation was inappropriate having regard to the scheme and objectives of the Regulation.

The scheme of the Regulation

17. Both sides made points based on the scheme of the Regulation.

18. Counsel for Neurim submitted that the entire scheme revolves around the basic patent, and that Article 3(d) must be interpreted in that light. As I understood his submissions, he argued that the relevant first authorization for the purposes of Article 3(d) must be the first authorization to place the product on the market "within the limits of the protection conferred by the basic patent", to use the language of Article 4.

19. He submitted that this interpretation was supported by the decision of the Court of Appeal in *Generics (UK) Ltd v Daiichi Pharmaceutical Co Ltd* [2009] EWCA Civ 646, [2009] RPC 23. In that case, marketing authorisations had been granted for ofloxacin, which was a racemic mixture, in 1985 and 1990. Subsequently, Daiichi obtained a patent in 1993, a marketing authorisation in 1997 and an SPC in 1998 in respect of levofloxacin, one of the two enantiomers contained in the racemate. GUK unsuccessfully attacked the validity of the patent, the courts holding that levofloxacin was novel and inventive over ofloxacin. GUK also attacked the validity of the SPC, contending that the 1985 or 1990 authorization was the first authorization to place the product on the market and so the application for the SPC did not comply with Article 3(d). The Court of Appeal rejected this argument, holding that the product in the 1985 and 1990 authorisations was ofloxacin, whereas the product in the 1997 authorization was levofloxacin, and accordingly the 1997 authorization was the first to place the latter product on the market.

20. Counsel for Neurim relied on the following passages in the judgment of Jacob LJ:

> "68. Based on these passages [from *MIT*], [counsel for Daiichi] submitted that 'product' must be strictly construed – and so in the case of ofloxacin the product should be regarded as levofloxacin. I accept the former (which also follows from *BASF*) but not the latter. What the passage and policy is aimed at preventing is successive SPCs for mere minor variants of an active substance. That is simply not this case. Levofloxacin is a novel and inventive improvement over ofloxacin. It is not a minor variant. It has its own distinct activity, bioavailability and toxicity.
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> …
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> 75. The [reasoning of the Bundespatentsgericht in *Fusilade*] was in part based on Recital 14 of the plant protection regulation, which, by virtue of Recital 17 applies also to the interpretation of the medicinal products regulation. Mr Carr accepted that was so, but suggested that it was limited to cases where the later patent was for derivatives consisting of salts or esters. I think that is a hopeless submission – clearly the BPG did not think so, for it was not concerned with a derivative in the strict sense of organic chemistry – but only with, in the relevant context, a clearly analogous case. Any rational or purposive reading of Recital 14 would not limit its use for construction of the Regulation only to derivatives in the strict chemical sense. The Recital is clearly using 'derivatives (salts and esters)' by way of example only. The important point is that the product is sufficiently novel and inventive to justify a patent.
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> …
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> 76. To put it another way, the Recital is to be used as an aid to construction of Art. 3 of the medicinal products Regulation. If one reads Art. 3(c) of that as excluding the case where there is a fresh patent for a derivative in the strict sense, it follows that it also excludes the case where there is a fresh patent for something analogous such as a fresh patent for an enantiomer. For if, as Recital (14) requires, a 'product' which has 'already been the subject of a certificate' (the language of Art.3(c)) cannot be read as covering a patented (and so *ex hypothesi* novel and inventive) derivative in the strict sense, it cannot cover any other substance which is novel and inventive. You cannot read Art 3(c) so as to exclude a novel and inventive derivative but not another sort of novel and inventive substance such as a novel and inventive enantiomer.
>
> 78. … what is clear is that the BPG thought that the fact that if there was a subsequent patent for the compound concerned any

> earlier authorisation was not the first authorisation for the subsequently patented product.
>
> 79. Curiously I expressed the same view, obiter, some time ago in *Draco's Appn.* [1996] RPC 417. I said at p.439:
>
> > 'The research leading to the Turbohaler was formulation research. I see nothing indicating that formulation research (unless of course it warrants its own patent) is to be protected by the SPC scheme. The scheme is not for the general protection of the fruits of research. It is to compensate for lost time in the exploitation of inventions which are patented.'
>
> I do not resile from this view, which indeed seems to me the only possible and rational view of this EU legislation. I think the point is *acte claire.*"

21. Counsel for the Comptroller submitted that these passages had to be read in context. The context was that the Court of Appeal was concerned with a case in which the later patent was, as the Court held, a patent in respect of a different product (that is to say, a different active ingredient) to the earlier marketing authorisation. It did not follow that the same reasoning was applicable where the later patent was in respect of the same product (that is to say, the same active ingredient). If a later patent was obtained in respect of the same product, then the later patent could be designated as the basic patent under Article 3(a), but that would not change what amounted to the first marketing authorization within Article 3(d). I accept that submission, which is supported by the decisions of the Court of Justice in Case C-181/95 *Biogen Inc v Smithkline Beechams Biologicals SA* [1997] ECR I-386 and in *AHP*. In both of those cases the Court held that SPCs could be granted in respect of multiple patents in respect of the same product, but in each case the marketing authorization relied on was the first authorization for the product (active ingredient) in question, not any later authorizations. As I shall discuss below, the submission is also supported by *Yissum*.

22. For her part, counsel for the Comptroller made two points about the scheme of the Regulation. First, she submitted that the Comptroller's interpretation was supported by Article 4. This provides that the protection conferred by an SPC extends to "any use of the product as a medicinal product that has been authorized before the expiry of the certificate". She argued that it was clear from this that there could be subsequent marketing authorizations in respect of different uses of the same product, and these would extend the scope of the SPC, but not found an application for a different SPC.

23. Secondly, she submitted that the Comptroller's interpretation was supported by the relationship between Article 3(b), Article 3(d) and Article 7. She relied in this respect on the decision of the hearing officer in the *Yissum* case (O/222/04) at [37]:

> "At the hearing Dr Miles did not address what is generally recognised as the purpose behind Article 3(d) which is linked via Article 3(b) to Article 7. According to Article 7 an application for a certificate must be lodged within six months of the date of grant of the authorization referred to in Article

> 3(b) or within six months of the date of grant of the basic patent if this is later. This requirement provides certainty for third parties who have an interest in knowing as early as possible whether the product concerned will be protected by a certificate once the patent has expired. This certainty for third parties would be undermined if a certificate could be based on the same basic patent and a second or third authorization, authorizing, for example, a new therapeutic application of the product concerned. Contrary to Dr Miles' submission, the proper functioning of Article 7 requires the first authorization of Article 3(d) to be the first authorization to place the product on the market as **any** medicinal product."

24. In my judgment these points do lend support to the Comptroller's interpretation, but I do not regard them as conclusive.

The objectives of the Regulation

25. In *AHP* the Court of Justice identified three objectives of the Regulation as follows:

> "30. Regarding the objectives of Regulation No 1768/92, firstly, it must be noted that the fundamental objective of the Regulation, as set out in the first and second recitals in the preamble thereto, is to ensure sufficient protection to encourage pharmaceutical research, which plays a decisive role in the continuing improvement in public health (Case C-392/97 *Farmitalia* [1999] ECR I-5553, paragraph 19). In that regard, the third and fourth recitals in the preamble give as a reason for the adoption of the Regulation the fact that the period of effective protection under the patent is insufficient to cover the investment put into the pharmaceutical research. Regulation No 1768/92 thus seeks to make up for that insufficiency by creating an SPC for medicinal products. It seeks, in addition, to confer supplementary protection on the holders of national or European patents, without instituting any preferential ranking amongst them (*Biogen*, paragraphs 26 and 27).
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> …
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> 35. Second, Regulation No 1768/92, which was adopted on the basis of Article 100a of the EEC Treaty (subsequently Article 100a of the EC Treaty, and now, after amendment, Article 95 EC), establishes, as is apparent from the sixth and seventh recitals in the preamble thereto, a uniform solution at Community level by creating an SPC which may be obtained by the holder of a national or European patent under the same conditions in each Member State. It thus aims to prevent the heterogeneous development of national laws leading to further disparities which would be likely to create obstacles to the free movement of medicinal products within the Community and thus directly affect the establishment and the functioning of the

> internal market (see Case C-350/92 *Spain* v *Council* [1995] ECR I-1985, paragraphs 34 and 35, and Case C-127/00 *Hässle* [2003] ECR I-14781, paragraph 37).
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> …
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> 39. Thirdly, apart from the objective of adequate protection to encourage research, Regulation No 1768/92 recognises, as is apparent from the ninth recital in its preamble, the necessity, in a sector as complex as the pharmaceutical sector, to take into account all the interests at stake, including those of public health (see *Spain* v *Council*, paragraph 38). For that purpose, the SPC may not be granted for a period exceeding five years. Similarly, the eighth recital in the preamble states that the holder of both a patent and an SPC should be able to enjoy an overall maximum of fifteen years of exclusivity from the time the medicinal product in question first obtains authorisation to be placed on the market in the Community."

26. Counsel for Neurim relied on the fact that the "fundamental" objective identified by the Court of Justice is to encourage pharmaceutical research by conferring extended protection. This is in order to compensate for the fact that the effective period of protection under pharmaceutical patents is shortened by the long time it takes to obtain marketing authorizations. He submitted that the Regulation should be interpreted to give effect to that fundamental objective, rather than to frustrate it, as the Court of Justice had done in interpreting Article 3(c) of the Regulation in *AHP* itself.

27. As counsel for the Comptroller submitted, however, the encouragement of research is not the only objective of the Regulation. Two other objectives identified by the Court of Justice in *AHP* are to establish a uniform solution and to take account of all the interests at stake, which include the interests of third parties who may be affected by the grant of an SPC. A further objective was identified by Kitchin J in *Gilead Sciences Inc's SPC Application* [2008] EWHC 1902 (Pat) at [39]:

> "The scheme of the Regulation is to provide a simple and straightforward system for the grant of SPCs based only upon a consideration of the requirements laid down in the Regulation. Such is also apparent from the Commission Proposal COM (90) 101 of 11 April 1990 which says in terms at paragraph [16] that the proposal provides a simple transparent system which can easily be applied by the parties concerned and does not lead to excessive bureaucracy."

28. In my judgment consideration of the objectives of the Regulation does not provide a clear answer to the issue of interpretation of Article 3(d) with which I am concerned.

The Explanatory Memorandum

29. Both counsel referred me to passages in the Explanatory Memorandum accompanying the European Commission's Proposal for the Regulation in addition to the paragraph

referred to by Kitchin J in *Gilead* as support for their respective contentions with regard to the interpretation of Article 3(d). In my view the most relevant passages are the following:

> "11. The proposal for a Regulation therefore concerns only new medicinal products. It does not involve granting a certificate for all medicinal products a certificate for all medicinal products that are authorized to be placed on the market. Only one certificate may be granted for any one product, a product being understood to mean an active substance in the strict sense. Minor changes to the medicinal product such as a new dose, the use of a different salt or ester or a different pharmaceutical form will not lead to be issue of a new certificate.
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> …
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> 35. It occurs very often that one and the same product is successfully granted several authorisations to be placed on the market, namely each time a modification is made affecting the pharmaceutical form, dose, composition, indications, etc. In such a case, only the first authorisation for the product to be placed on the market in the Member State in which the application is presented is taken into account for the purposes of the proposal of this Regulation, in particular for calculating the period of six months which the holder of the basic patent has to submit an application for a certificate. Furthermore, if the first authorisation given is also the first authorisation to place the product on the market in the Community, it serves as the only reference for all of the Member States for the purposes of calculating the duration of each of the certificates granted in each of the Member States for the same product…
>
> 36. … If a certificate has already been granted for the active ingredient itself, a new certificate may not be granted for one and the same active ingredient whatever minor changes may have been made regarding other features of the medicinal product (use of a different salt, different excipients, different pharmaceutical presentation, etc).
>
> In conclusion, it should be noted that, although one and the same product may be the subject of several patents and several authorisations to be placed on the market in one and the same Member State, the supplementary protection certificate will only be granted for that product on the basis of a single patent and a single authorisation to be placed on the market, namely the first chronologically given in the State concerned (the first authorisation in the Community being taken only to calculate a

> uniform duration of different certificates for one and the same product)."

30. Counsel for the Comptroller emphasised the references in these passages to only one certificate being granted for each active ingredient. Against that, counsel for Neurim emphasised the references to "minor changes" to the medicinal product, and submitted that the position was different if a completely different medicinal product was authorized to be marketed as a consequence of further research leading to another patent. In my judgment these passages do not count as a bull's-eye in favour of either side's interpretation (see Lord Steyn in *Effort Shipping Co Ltd v Linden Management SA* [1988] AC 605 at 625). On the other hand, as I will discuss below, it appears that the Court of Justice has read paragraphs 11 and 36 (or, more accurately, a corresponding passage in the plant products SPC regulation) in a manner which tends to favour the Comptroller's interpretation.

The case law of the Court of Justice

31. As noted above, the hearing officer held that the Comptroller's interpretation of Article 3(d) was supported by three decisions of the Court of Justice. I shall consider them in chronological order.

Pharmacia

32. In *Pharmacia* an SPC application had been made in Germany for the active ingredient cabergoline, which was protected by a basic patent filed in 1981. The application was based on a marketing authorization for cabergoline granted for the human medicinal product Dostinex in Germany in June 1994. By virtue of the transitional provision contained in Article 19(1) of the Regulation, an SPC could only be granted for a product if, on the date the Regulation entered into force, it was protected by a basic patent and "the first authorization to place it on the market as a medicinal product in the Community was obtained after" 1 January 1988. The first authorization for Dostinex in the Community had been granted in the Netherlands in October 1992, but there had been an earlier authorization for cabergoline as the active ingredient of a veterinary medicinal product called Galastop granted in Italy in January 1987. In these circumstances the Bundesgerichtshof referred the following question to the Court of Justice:

> "Is the grant of a supplementary protection certificate in a Member State of the Community on the basis of a medicinal product for human beings authorised in that Member State precluded by an authorisation to place the same product on the market as a veterinary medicinal product granted in another Member State of the Community before the date specified in Article 19(1) of the Protection Certificate Regulation, or is the sole determining factor the date on which the product was authorised in the Community as a medicinal product for human beings?"

33. The applicant argued that it was the date of first authorization to place the product on the market for human use which was relevant, whereas the Commission and the United Kingdom contended that the relevant date was that of the first authorization to

place the product on the market for either human or veterinary use. Advocate General Jacobs advised the Court of Justice to adopt the latter interpretation. In his Opinion he considered Article 3(d) as well as Article 19(1), saying (footnote omitted, emphasis added):

> "48. Finally the applicant invokes the scheme of the Regulation and in particular the effect of Articles 3(c) and (d).
>
> 49. In my view however the scheme of the Regulation also supports the view that the system of supplementary protection certificates which it establishes does not distinguish between medicinal products for, on the one hand, human use and, on the other hand, veterinary use, whether generally or for the specific purpose of Article 19.
>
> 50. In particular, the interpretation which I am suggesting appears consistent with Article 3(c) and (d). Article 3(c) includes as a condition for obtaining a certificate that the product has not already been the subject of a certificate and thus precludes the grant of more than one certificate for a product in a Member State even if it has been authorised as a medicinal product more than once. Article 3(d) includes a further condition that the marketing authorisation covering the product in respect of which a certificate is sought is the first authorisation to place that product on the market as a medicinal product and thus precludes the grant of a certificate on the basis of a second marketing authorisation even if an application for a certificate has not been made on the basis of the first marketing authorisation. *Those provisions highlight the significance for the system put in place by the Regulation of the notion of one certificate per product without distinction depending on the number of authorisations.* Although the authorisation referred to in Article 3(b) and (d) is the first authorisation in the Member State in which the application for the certificate is made whereas that at issue in Article 19 and the question referred is the first Community authorisation, to my mind the principle underlying Article 3 equally suggests that no distinction should be drawn for the purpose of Article 19 depending on whether the relevant authorisation was for human or veterinary use."

34. In its judgment the Court of Justice followed the Advocate General's advice, holding:

> "20. It follows, first, that the decisive factor for the grant of the certificate is not the intended use of the medicinal product and, second, that the purpose of the protection conferred by the certificate relates to any use of the product as a medicinal product without any distinction between use of the product as a medicinal product for human use and as a veterinary medicinal product.

> 21. Whilst noting that the term 'first marketing authorisation in the Community' must be interpreted in the same way in each of the provisions of the regulation in which it is used, it should be pointed out that, according to the sixth recital in its preamble, that regulation seeks to provide a uniform solution at Community level to the problem of inadequate patent protection, thereby preventing the heterogeneous development of national laws leading to further disparities which would be likely to create obstacles to the free movement of medicinal products within the Community. However, an interpretation such as that proposed by Pharmacia would prevent the realisation of that objective. Under Pharmacia's interpretation, the duration of the protection conferred by the certificate, calculated in accordance with Article 13 of the regulation, might be different for the same product.
>
> 22. Lastly, and for the reasons set out in points 41 to 43 and 48 to 50 of the Advocate General's Opinion, it must be found that neither the purpose of Article 19 nor the broad logic of the regulation militate in favour of the interpretation put forward by Pharmacia."

35. Three points should be noted. First, the Court said that the intended use of the product was not what mattered. Secondly, although the case was concerned with the interpretation of Article 19(1), the Court re-iterated the point it made in Case C-127/00 *Hässle* [2003] ECR I-14781 at [72] that the words "first marketing authorization" must be interpreted in the same way in each of the provisions of the Regulation. Thirdly, the Court explicitly endorsed what the Advocate General had said in the passage quoted above.

36. Counsel for Neurim asserted that both Dostinex and Galastop were authorized for the same indication (inhibition of prolactin secretion thereby suppressing lactation) and that both were covered by the same basic patent. Even if these points are factually accurate, they do not appear to have been regarded as significant by either the Advocate General or the Court. Counsel went on to submit that, for these reasons, the applicant had been forced to argue that *any* authorization for veterinary use should be disregarded, even if it was for the same indication and covered by the same basic patent, and thus the Court's ruling was confined to rejecting that argument. I do not accept that the Court's judgment should be read that narrowly.

MIT

37. In *MIT* the applicant had applied in Germany for an SPC for the product carmustine, either in combination with a polymeric biodegradable matrix called polifeprosan or alternatively on its own. The applicant relied on a marketing authorization dated August 1999 for the medicinal product Gliadel, which was used for the treatment of human brain tumours. Gliadel comprised carmustine as its active ingredient and polifeprosan as an excipient. Carmustine was already covered by an earlier marketing authorisation for the treatment of brain tumours with inert excipients. Polifeprosan was a new excipient that enabled the slow release of carmustine, which was too toxic

to be used as a single dose in isolation. Polifeprosan was the subject of a patent which the applicant relied on as the basic patent for the application.

38. The application was refused by the German Patent and Trade Mark Office on the basis that (i) no SPC could be granted for the combination of carmustine and prolifeprosan since that was not a combination of active ingredients within the meaning of Article 1(b); and (ii) no SPC could be granted for carmustine on its own since the marketing authorization relied on was not the first authorization to market carmustine contrary to Article 3(d). As I understand it, the applicant appealed against holding (i), but not holding (ii). In these circumstances the Bundesgerichtshof referred the following questions to the Court of Justice:

> "1. Does the concept of 'combination of active ingredients of a medicinal product' within the meaning of Article 1(b) of Regulation [No 1768/92] mean that the components of the combination must all be active ingredients with a therapeutic effect?
>
> 2. Is there a 'combination of active ingredients of a medicinal product' also where a combination of substances comprises two components of which one component is a known substance with a therapeutic effect for a specific indication and the other component renders possible a pharmaceutical form of the medicinal product that brings about a changed efficacy of the medicinal product for this indication (in vivo implantation with controlled release of the active ingredient to avoid toxic effects)?"

39. Advocate General Léger advised the Court of Appeal to rule that Article 1(b) should be interpreted as including a combination of an active ingredient (such as carmustine) with an excipient which is necessary for the therapeutic efficacy of the active ingredient (such as prolifeprosan). He did so on the basis of the kind of teleological approach to interpretation contended for by Neurim in the present case, saying that this was just the kind of costly innovation that the Regulation was designed to protect. Nevertheless the Court of Justice declined to follow that advice, and ruled that such a combination was not within the scope of Article 1(b) on its proper interpretation. As counsel for the Comptroller submitted, this demonstrates that the teleological approach cannot be pressed too far.

40. Furthermore, there are two passages in the Court's judgment that are relevant to the present issue:

> "19. In that regard, attention must be drawn to the fact that in point 11 of the Explanatory Memorandum to the Proposal for a Council Regulation (EEC), of 11 April 1990, concerning the creation of a supplementary protection certificate for medicinal products (COM(90) 101 final), to which the French Government referred in its oral observations, it is specified that '[t]he proposal for a Regulation therefore concerns only new medicinal products. It does not involve granting a [SPC] for all medicinal products that are authorised to be placed on the

market. Only one [SPC] may be granted for any one product, a product being understood to mean an active substance in the strict sense. Minor changes to the medicinal product such as a new dose, the use of a different salt or ester or a different pharmaceutical form will not lead to the issue of a new [SPC].'

20. Therefore, the definition of 'product' in Article 1(b) of Regulation No 1768/92 does not in any way conflict with that referred to by the Commission in point 11 of that explanatory memorandum.

…

23. In this connection, in point 68 of the Explanatory Memorandum to the Proposal for a European Parliament and Council Regulation (EC), of 9 December 1994, concerning the creation of a supplementary protection certificate for plant protection products (COM(94) 579 final), it is stated that:

– it would not be acceptable, in view of the balance required between the interests concerned, for the total duration of protection granted by the SPC and the patent for one and the same product to be exceeded;

– that might be the case if one and the same product were able to be the subject of several successive SPCs;

– that calls for a strict definition of the product;

– if an SPC has already been granted for the active substance itself, a new SPC may not be granted for that substance, whatever changes may have been made regarding other features of the plant protection product (use of a different salt, different excipients, different presentation, etc.);

– in conclusion, it should be noted that, although one and the same substance may be the subject of several patents and several marketing authorisations in one and the same Member State, the SPC will be granted for that substance only on the basis of a single patent and a single authorisation, namely the first granted in the Member State concerned.

24. Thus, the first sentence of Article 3(2) of Regulation No 1610/96 itself provides that the holder of more than one patent for the same product is not to be granted more than one SPC for that product. As set out in recital 17 in the preamble to that regulation, the detailed rules in Article 3(2) thereof, in particular, are also valid, mutatis mutandis, for the interpretation of Article 3 of Regulation No 1768/92."

41. It can be seen from these passages that the Court of Justice considered that the Explanatory Memoranda for the two regulations show that only one SPC may be granted per patent per product (i.e. active ingredient) and that all such SPCs must be based on a single marketing authorization. (The last two bullet points of [23] might be read as going further, and as saying that there can be only one SPC per product, but it is clear from the decisions in *Biogen* and *AHP* that that is not what the Court meant.) As counsel for the Comptroller submitted, it does not follow that every patent is entitled to an SPC. On the contrary, as the case law of Court of Justice has repeatedly confirmed, an SPC may only be granted where all the conditions laid down in Article 3 are satisfied.

Yissum

42. In *Yissum* the applicant applied for an SPC for the product calcitriol either alone or in combination with an ointment base. The applicant relied upon (i) a second medical use patent, the claims of which were directed to the use of calcitriol in topical treatment of skin disorders including psoriasis, and (ii) a marketing authorization for Silkis ointment, which comprised calcitriol as the active ingredient with various carriers and was authorised for the topical treatment of psoriasis. The application was refused by the Comptroller because there were two earlier marketing authorisations for medicinal products containing calcitriol as the active ingredient, namely Calcijex and Rocaltrol. Calcijex was authorised for the management of hypocalcaemia in patients undergoing dialysis for chronic renal failure. Rocaltrol was authorised for administration to patients with chronic renal failure or post-menopausal osteoporosis.

43. On the applicant's appeal, I referred three questions to the Court of Justice. Two of those were subsequently withdrawn in the light of the Court's judgment in *MIT*. The remaining question was follows:

> "In a case in which the basic patent protects a second medical application of a therapeutic agent what is meant by 'product' in Article 1(b) of the Regulation and in particular does the application of the therapeutic agent play any part in the definition of 'product' for the purpose of the Regulation?"

44. The Court of Justice gave its answer to the question by reasoned order on the basis that the answer to it could be clearly deduced from the existing case law. In its order the Court held:

> "16. As laid down in Article 1(b) of Regulation No 1768/92, 'product' means the active ingredient or combination of active ingredients of a medicinal product.
>
> 17. It is clear from *Massachusetts Institute of Technology*, and, in particular, from paragraphs 19, 21, 23 and 24 of that judgment, that the concept of 'product' referred to in Article 1(b) of Regulation No 1768/92 must be interpreted strictly to mean 'active substance' or 'active ingredient'.

> 18. It follows that the concept of 'product' cannot include the therapeutic use of an active ingredient protected by a basic patent.
>
> 19. Moreover, the same interpretation can be inferred from paragraph 20 of the judgment in Case C-31/03 *Pharmacia Italia* [2004] ECR I-10001, in which the Court held that 'the decisive factor for the grant of the certificate is not the intended use of the medicinal product and … the purpose of the protection conferred by the certificate relates to any use of the product as a medicinal product without any distinction between use of the product as a medicinal product for human use and as a veterinary medicinal product'.
>
> 20. Consequently, the answer to the question referred must be that Article 1(b) of Regulation No 1768/92 is to be interpreted as meaning that in a case where a basic patent protects a second medical use of an active ingredient, that use does not form an integral part of the definition of the product."

45. Counsel for Neurim submitted that *Yissum* was of lesser authority than *Pharmacia* and *MIT* since it was a reasoned order. That is simply wrong.

46. Counsel for Neurim also submitted that the present case was to be distinguished from each of *Pharmacia*, *MIT* and *Yissum* because the factual situation is different. I am unable to accept that submission. As counsel for Neurim himself pointed out, *Pharmacia* concerned the use of the same active ingredient to treat (a) the same indication (b) in a different species (humans rather than dogs); *MIT* concerned the use of the same active ingredient to treat (a) the same indication (b) in the same species; and *Yissum* concerned the use of the same active ingredient to treat (a) a different indication (b) in the same species. It is true that the present case concerns the use of the same active ingredient to treat (a) a different indication (b) in a different species, but as a matter of logic, if neither a difference in the indication nor a difference in the target species is material, then a difference in both cannot be material either.

47. Furthermore, as counsel for the Comptroller submitted, it is significant that in *Yissum* the Court of Justice considered that the answer to the question could be clearly deduced from *Pharmacia* and *MIT* even though the factual situation was different. This demonstrates that the principles laid down by this line of case law are not confined to the particular facts of the cases.

48. It is also significant that *Yissum* concerned an application based on a patent and a marketing authorization for a second medical use and the Court's answer to the question explicitly recognises that. This again undermines Neurim's teleological argument. In addition, as mentioned above, it confirms that the grant of a second (or subsequent) patent in respect of a particular product (i.e. active ingredient) does not change what constitutes the first authorization to place that product on the market as a medicinal product.

49. In my judgment, whatever might have been the position if *Pharmacia* and *MIT* had stood on their own, *Yissum* is fatal to Neurim's case on this appeal. Moreover, I

consider that it means that the interpretation of Article 3(d) is *acte clair*. If I were to refer a question to the Court of Justice on the point, I have no doubt that the Court would dispose of it by reasoned order

Conclusion

50. I conclude that the hearing officer was correct to interpret Article 3(d) as requiring the authorization referred to in Article 3(b) to be the first authorization to place the product on the market as *any* medicinal product. In the present case that requirement is not satisfied. Accordingly, the appeal must be dismissed.