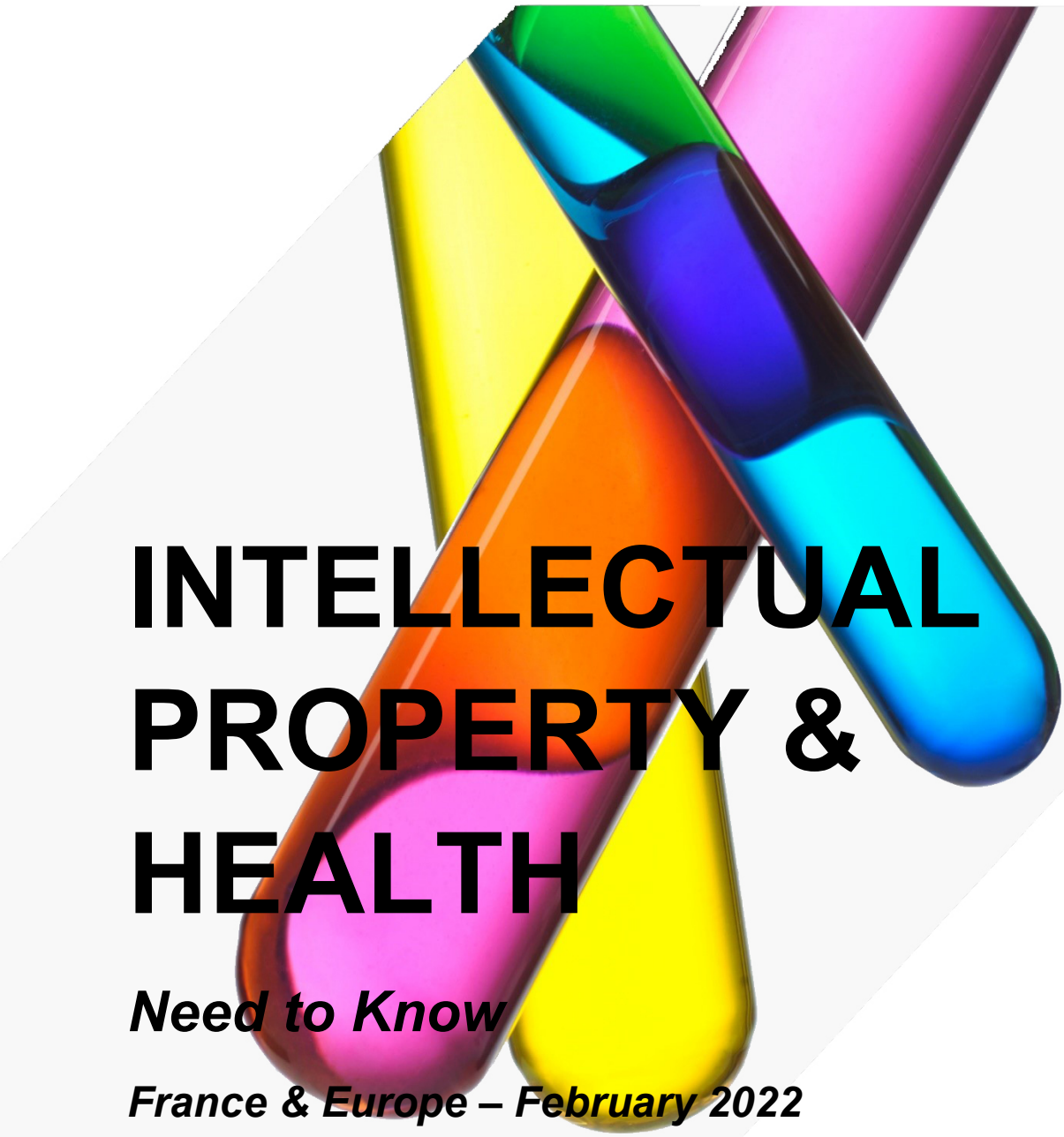

INTELLECTUAL PROPERTY & HEALTH

Need to Know

France & Europe – February 2022

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INTRODUCTION

Our Intellectual Property team welcomes you to the newest issue of our newsletter focused on intellectual property legal issues in the healthcare sector.

Pharmaceutical laboratories, biotechs, food supplements and dietary products professionals, cosmetics companies and medical devices manufacturers, this newsletter is for you! You will discover the legal and jurisprudential news in patent law, trademark law and other IP rights, in your sector only.

Produced in synergy with our Life Sciences team, Emmanuelle Trombe, Anthony Paronneau, Anne-France Moreau and Katya Ascher, we will continue to monitor the key cases and news across France and the EU.

Enjoy your reading and contact us with any questions,

The McDermott Will & Emery Intellectual Property team

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CURRENT EVENTS

UNIFIED PATENT COURT

The Unified Patent Court (UPC) should become a reality in 2022 or in the first few months of 2023.

The Protocol on Provisional Application (PPA) of the Agreement on a Unified Patent Court (AUPC) entered into force on January 19 after Austria became the thirteenth signatory to ratify it.

As a reminder, progress was slowed for the umpteenth time in 2020, when two appeals to the German Constitutional Court were filed against the German law ratifying the UPC agreement. After the Court denied the appeals (on June 23, 2021), Germany signed and promulgated the law (on August 7 and 12, 2021, respectively) and ratified the PPA (on September 27, 2021). Slovenia then ratified the PPA on October 15, 2021.

Technical preparations for setting up the UPC, including the hiring and training of roughly 90 judges, should be completed during the provisional application period which, according to Alexander Ramsay, Chair of the UPC Preparatory Committee, should last about eight months.

A decision should also be made during that period as to the attribution of the jurisdiction originally attributed to the London section, in particular in life sciences and health. At least initially, jurisdiction over those areas may be split between the Central Division headquarters in Paris and the Munich section.

Once enough progress has been made on the preparations, Germany should file its AUPC ratification instrument and the agreement will enter into force on the first day of the fourth month thereafter.

PATENTS

SUPPLEMENTARY PROTECTION CERTIFICATE (SPC) – ACTIVE INGREDIENT NOT SPECIFICALLY COVERED BY A PATENT

CA Paris, October 15, 2021, Royalty Pharma Collection Trust v. INPI (docket no. 17/04327)

The Paris Court of Appeal upheld the denial by the French Industrial Property Office (INPI) of an application for a supplementary protection certificate on the grounds that the product was not protected by the basic patent in force: the applicant had not shown that on the basic patent's filing or priority date, a person skilled in the art would be able to specifically identify the product.

Royalty Pharma Collection Trust applied to INPI for a supplementary protection certificate (SPC) for its "*sitagliptin*" product. The basic patent mentioned in the application is a European patent entitled "*method for lowering blood glucose levels in mammals*" and the marketing authorization mentioned was granted for a pharmaceutical specialty containing sitagliptin as its active ingredient.

According to Article 3(a) of Regulation (EC) No 469/2009, the product for which an SPC is requested must be protected by a "*basic patent in force*." And according to CJEU case law, it is not enough for the product, namely the medicine's active ingredient, to be implicitly included in the formula claimed by the patent, it must be (i) "*necessarily*" and (ii) "*specifically*" covered by the claims.

There was no dispute in this case that sitagliptin is a DP-IV inhibitor used to treat diabetes. The product fits the functional definition covered by the patent

and is "*necessarily*" covered by the claims, such that the first condition is satisfied.

Regarding the second condition, the Court of Appeal referred to the principles set out by the CJEU. A product is protected by a basic patent in force if, "*in light of all the information disclosed by the same patent, it is specifically identifiable by a person skilled in the art based on his or her general knowledge in the area in question as of the basic patent's filing or priority date, and the state of the technology on that same date*." Therefore "*a product is not protected by a basic patent in force . . . where, even though it fits the functional definition given in that patent's claims, it was developed after the date the application for the basic patent was filed and after independent inquiry*."

In *Royalty Pharma,* the Court found that it had not been shown that on the basic patent's filing or priority date, a person skilled in the art would be able to specifically identify sitagliptin simply by reading the patent's methods and based on the state of the technology on the patent's filing or priority date. The Court noted that the patent's description generically refers to effectors that reduce DP-IV enzyme activity and to groups of DP-IV inhibitors, but does not cite sitagliptin. It also underscores that sitagliptin, which is not specifically referred to in the basic patent, was patented, as such, more than five years after the basic patent had been filed.

It therefore concluded that the independent inquiry that led to developing sitagliptin had been adequately established. As a result, this product could not be deemed a "*product protected by a basic patent in force*" within the meaning of Article 3(a) of Regulation (EC) No 469/2009, and Royalty Pharma could not obtain an SPC for this product.

GENERIC MEDICINE – INFRINGEMENT ACTION – PROVISIONAL MEASURES

CA Paris, November 9, 2021, Eli Lilly v. Zentiva France (docket no. 21/01880)

The Paris Court of Appeal upheld a preliminary injunction prohibiting Zentiva from marketing its generic and ordering it to provide Eli Lilly with certain information. It nonetheless ordered Eli Lilly to return the damages that had been provisionally paid.

Eli Lilly and Company (a US entity) developed a cancer medication sold in France by its subsidiary, Lilly France, under the brand Alimta, the active ingredient of which is pemetrexed. Eli Lilly holds patent EP 1 313 508 (EP'508), entitled "*combination containing an antifolate and methylmalonic acid lowering agent*," which expired on June 15, 2021. Patent EP'508 concerns combining the administration of Alimta with vitamin B12 and possibly folic acid to treat two types of lung cancer by reducing the active ingredient's toxicity while maintaining its effectiveness as a treatment.

In 2018, the French subsidiary of the Czech company Zentiva, which specializes in generic medicines, obtained an authorization to market the generic version of Alimta under the name "*pemetrexed Zentiva*." On April 4, 2019, Zentiva France declared it was beginning to market its generic.

Eli Lilly sued Zentiva for infringement of the French portion of its patent EP'508, asking the pretrial judge for provisional measures prohibiting Zentiva from marketing its generic and requiring it to pay damages and provide information to Eli Lilly.

Having jurisdiction to rule on the appeal of the pretrial judge's order that Zentiva pay Eli Lilly a provisional amount of €4 million, the Court declared the appeal of the entire order admissible in the interests of the proper administration of justice.

After confirming that the alleged infringement was probable, the Court upheld the order prohibiting

Zentiva from marketing pemetrexed Zentiva. According to the Court, it was probable that the patent was infringed copying, or at least by equivalence, because:

- the generic medicine is composed of the same active ingredient as the reference medicine, and it must be administered in combination with vitamin B12 and folic acid, as recommended in patent EP'508;
- the claims in patent EP'508, which refer only to pemetrexed disodium, not pemetrexed diarginine (the generic medicine's salt form of pemetrexed), must be examined in light of the patent's description, which refers in general terms to the active ingredient pemetrexed;
- the generic medicine is designed to treat the same cancer-related illnesses with the same technical effect, and was authorized as a generic medicine of the reference medicine.

The Court also upheld the order requiring Zentiva to provide the requested information, such as the names and addresses of the manufacturers and others in possession of the products, the quantities produced and sold, the gross margin realized, and the clients' names and addresses. The Court reversed the order, however, to the extent it added a fine to the injunction, and specified that the information would be provided within the confidential circle set up by the parties.

Furthermore, the Court reversed the order's provision sentencing Zentiva to pay Eli Lilly a provisional amount of €4 million. The Court found that Eli Lilly had failed to show that it had suffered an amount of harm that could not seriously be disputed, and ordered it to return the €4 million in provisional damages to Zentiva.

TRADEMARKS

THREE-DIMENSIONAL TRADEMARK – SHAPE OF A SPHERICAL CONTAINER – LACK OF DISTINCTIVENESS

General Court, September 8, 2021, case T489/20, Eos Products Sàrl v. EUIPO

The General Court of the European Union upheld the decision of the European Union Intellectual Property Office (EUIPO) denying a request to register a three-dimensional trademark representing the shape of Eos lip balms, finding it was not distinctive because the represented shape does not differ significantly from the standards or usages in the sectors concerned.

Eos Products Sàrl applied to EUIPO to register a three-dimensional EU trademark, reproduced below, to designate products in class 3 (e.g., "*non-medicated lip balms*"), 5 (e.g. "*medicated lip balms*") and 21 (e.g., "*containers for cosmetics*" and "*cosmetics applicators*").

Regarding the relevant public, the Court found that the products in question are ordinary consumer products intended for all consumers even though some may also be intended for professionals. For example, the class-5 products may be intended for medical professionals and the class-21 products for professional cosmetics manufacturers. The Court reminded the parties that for the trademark to perform its essential function for the product's end-users, it is

the consumers or end-users of the products in question who must be considered when defining the relevant public, not the distributors or other intermediaries in the products' distribution chain.

Regarding the usual shapes in the sectors concerned, the Court noted that novelty or originality is not a relevant criterion for assessing a trademark's distinctiveness. A shape must not simply be novel, it must differ substantially from the basic shapes of the product in question and not look like a mere variant. The Court also said that a trademark's distinctiveness must be assessed as of the filing date.

In *Eos*, the application was for a three-dimensional trademark consisting of a graphical reproduction of a smooth, spherical or ovoid shape on a flat base, with a dent in one side and a horizontal line in the middle separating the top from the bottom.

Regarding the class-21 products (e.g., "*containers for cosmetics*" and "*cosmetics applicators*"), the Court found that the spherical or ovoid shape represented in the requested trademark is not unusual and is similar to many of the containers for cosmetics available on the market.

With respect to the class-3 (e.g., "*non-medicated lip balms*") and class-5 (e.g. "*medicated lip balms*") products, the Court found, in particular, that:

- the fact that Eos is the only one to produce a spherical or ovoid container does not necessarily mean that this trademark is distinctive;
- the alleged renown of the requested trademark is irrelevant to a determination of whether the represented shape is distinctive;
- the characteristics cited by Eos do not significantly distinguish the represented shape from the sector's standards or usages;
- certain characteristics, such as the flat base, the horizontal line, and the dent, do not stand out when viewing the represented shape as a whole but instead blend in with the functional characteristics, such that they are not likely to confer distinctiveness.

The Court therefore denied Eos's appeal.

OPPOSITION PROCEEDINGS — NO SIMILARITY OF THE GOODS AND SERVICE – NO LIKELIHOOD OF CONFUSION

General Court, September 15, 2021, case T331/20, Laboratios Ern SA v. Le-Vel Brands LLC and EUIPO

The General Court of the European Union found that there was no similarity between perfumes (class 3) and pharmaceuticals and sanitary preparations for medical purposes (class 5), as these products have different uses, distribution channels, and usual origins.

Le-Vel Brands filed an application with EUIPO to register the verbal trademark "LE-VEL" to designate products and services in classes 3, 5, and 35, in particular class-3 "*perfumery*," "*perfumes*," and "*essential oils for manufacturing cosmetics*."

Laboratorios Ern opposed the registration of the trademark based on its prior Spanish verbal trademark, "LEVEL," which designates class-5 products, in particular "*pharmaceuticals*" and "*sanitary preparations for medical purposes*."

The EUIPO opposition division and Boards of Appeal denied the opposition for the products listed above and the Court found that the products were not similar. In particular:

- with respect to product use, class-3 "*perfumery*," "*perfumes*," and "*essential oils for manufacturing cosmetics*" are beauty and bodily hygiene products used to take care of and beautify the human body, give it an agreeable odor, and make it look good, whereas class-5 "*pharmaceuticals*" and "*sanitary preparations for medical*

purposes" are intended for medical treatment or healthcare uses.

- regarding the distribution channels for these products, "*perfumery*," "*perfumes*," and "*essential oils for manufacturing cosmetics*" are sold in drugstores or supermarkets, whereas "*pharmaceuticals*" and "*sanitary preparations for medical purposes*" are sold in pharmacies given their medical use. Even assuming the distribution channels for these products partially overlap, that fact does not lead to the conclusion that they are similar;
- concerning the products' usual origin, "*perfumery*," "*perfumes*," and "*essential oils for manufacturing cosmetics*" are not sourced from the same producers as "*pharmaceuticals*" and "*sanitary preparations for medical purposes*," which are usually manufactured by the pharmaceutical industry;
- the products in question are neither competing nor complementary.

The Court therefore upheld the finding that there was no risk of confusion and denied Laboratorios Ern's appeal.

THREE-DIMENSIONAL TRADEMARK – GEOGRAPHICAL INDICATION – DISTINCTIVENESS

CA Aix-en-Provence, September 23, 2021, Laboratoires M&L v. INPI (docket no. 21/00164)

The Aix-en-Provence Court of Appeal invalidated INPI's decision denying the application to register a three-dimensional trademark representing the shape of a stick with the verbal sign "L'OCCITANE" written on it.

Laboratoires M&L appealed INPI's decision, which was based on the trademark's lack of intrinsic distinctiveness and the applicant's failure to show that distinctiveness would come with use.

The Court found that taken alone, the shape shown in the filing had to be deemed common and ordinary in the product sector concerned because:

- for any consumer looking for a cosmetic product, the cylindrical shape evokes a stick or a sophisticated container, depending on the size; and
- the three horizontal lines may be taken to play a purely functional role, namely, of making it easier to screw the cylinder's top on and off.

The Court nonetheless invalidated INPI's decision, stating that writing the arbitrary verbal sign "L'OCCITANE" across more than half of the cylinder conferred intrinsic distinctiveness on the trademark as a whole.

The Court clarified that the word "L'OCCITANE" does not constitute a geographical indication (the Occitanie region of France) in the strict sense, but an adjective evoking Occitanie. It added that nothing supported an assertion that a consumer would be led to think that the designated products come from Occitanie, as that region is not identified as a geographical provenance known in the area of perfumes or beauty products.

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MISCELLANEOUS

UNFAIR COMPETITION – PARASITISM – CONFIDENTIAL KNOW-HOW – FORMER EMPLOYEE – INVALID PURCHASE REPORT

CA Douai, December 16, 2021, Cartospé-Packaging v. Cartonnage Vaillant and Astra Inks (docket no. 19/05826)

The Douai Court of Appeal denied the plaintiff's claims of unfair competition but granted its parasitism claims, and invalidated a report of an online purchase prepared by a law-firm's intern.

Cartospé-Packaging, specialized in designing cardboard containers, sued Cartonnage Vaillant for having sold so-called Dasri containers for waste that may pose a risk of infection, that allegedly mimic the characteristics of Cartospé-Packaging's containers. It also sued Astra Inks, managed by a former Cartospé-Packaging employee, for making confidential know-how available to Cartonnage Vaillant.

The Court acknowledged that Cartonnage Vaillant's containers reproduced several characteristics specific to those of Cartospé-Packaging, including a similar flap, similar cutout of the side handles, an identical slogan inserted in identical writing style, and the same image of a syringe. However, after noting that copying a competing product is not in itself wrongful if no private right has been infringed, the Court denied the claims of unfair competition. It underscored that no wrongful conduct, and in particular no risk of confusion, had been established.

The Court did find, however, that Cartonnage Vaillant was guilty of parasitism. By reproducing several characteristics of Cartospé-Packaging's containers and ordering a manufacturing machine that has the same features as those developed by Cartospé-Packaging, Cartonnage Vaillant had saved the cost of designing a machine and profited from the plaintiff's investments.

The Court also found Astra Ink guilty of parasitism. By ordering the machine on Cartonnage Vaillant's behalf, Astra Ink knowingly appropriated confidential Cartospé-Packaging information disclosed to it by its manager, a former Cartospé-Packaging employee.

The Court then denied the counterclaim for unfair competition filed against Cartospé-Packaging based on its sales of containers that did not conform to certain standards. In its report, the bailiff (*huissier*) mentioned the name of the person who had purchased the containers online, but did not mention that that person was an intern at the firm of Cartonnage Vaillant's lawyer. The Court found that the report had not been prepared by an independent party and invalidated it, thereby denying the counterclaim.

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