V. Conclusion

This series of decisions on patentability of selection inventions in Europe and in the U.S. clarified or confirmed the novelty requirement thereof. Especially in Germany where the highest litigation activities are observed (between 50 and 70% of all patent litigation activities in Europe),[295] the *Olanzapine* decision was expected and welcomed[296] because it finally harmonized the German approach with the EPO's and other member states' case law.

The essence of these decisions in three jurisdictions is the enablement requirement within the context of anticipation on selection inventions. Namely, it was held that the decisive factor regarding this requirement was what could be *directly and unambiguously* derived from a prior art document. For this purpose, the disclosure of information should enable the person skilled in the art to obtain the specific substance. For example, a prior art reference claimed as a Markush type invention should enable a specific claimed compound (*individualized description*), and the prior art reference of a racemate can only enable a racemate when it provides a method of resolving the claimed enantiomer. This heightened requirement of disclosure in the context of patent-defeating purpose may raise several issues, such as the vague distinction between the tests of novelty and obviousness, possible invalidity grounds for basic patents, and other disclosure related issues.

Moreover, this lowered requirement for novelty may increase the number of selection inventions, which in turn may raise other issues after selection patents are granted. In case the selection patent holder is different from the patentee of the basic patent in force, the former cannot exploit his invention without licensing the basic patent (so-called 'blocking effect'). If the selection invention is owned by the patentee of the basic invention, it would increase the possibility of extension of exclusive rights (so-called 'evergreening effect'). Furthermore, it is reported that where incentives for improvement are increased, incentives for innovative inventions are decreased.[297] Thus, it may encourage companies to conduct more researches on selection inventions which become easier to be patented. This position might be viewed as being in line with some U.S. Federal Circuit decisions where

295 Dietmar Harhoff, Economic Cost-Benefit Analysis of a Unified and Integrated European Patent Litigation System, 2009 available at http://ec.europa.eu/internal_market/indprop/docs/patent/studies/litigation _system_en.pdf.

296 *See e.g.,* Bublak *supra* note 182, at 388.

297 Robert P. Merges, et al., *On the Complex Economics of Patent Scope*, 90 Colum. L. Rev. 839, 873-878 (1990).

the Court has applied the inherent anticipation doctrine in a broader fashion to cases which seemed to attempt evergreening of patents[298] and the recent EU Commission's report about the Pharmaceutical Sector Inquiry.[299] However this whole discussion may not apply where compulsory licenses with respect to dependent patents are granted, which has not yet happened to any significant degree.

298 Mueller, *supra* note 167, at 1106; *see e.g., Smithkline, supra* note 162 at 1342-44; *see also e.g.,* McNeil-PPC, Inc. V. L. Perrigo Co., 337 F.3d 1362, 1373 (Fed. Cir. 2003).

299 *See generally,* European Commission's pharmaceutical sector inquiry report, *supra* note 21.