

**Statement**  
**Regarding the Proposal for a Council Decision**  
**establishing the Community Patent Court and**  
**Concerning Appeals before the Court of First Instance**  
COM(2003) 828 final

The European Patent Lawyers Association comprises European lawyers who specialise in patent litigation. The members of EPLA have declared themselves in favour of a Community Patent which can be enforced before the Community Patent Court in litigation proceedings, which, regarding speed and cost, are comparable to the leading patent litigation courts in member states. Therefore, they have studied with interest the Proposal mentioned above. They want to give their opinion and advice to the EU-Commission and to the member states who will decide on that Proposal in the Council.

1. EPLA understands that the Proposal is based upon the Common Approach of March 3, 2003. Therefore, it only wants to reiterate briefly that EPLA was and is in favour of a reduced number of national patent litigation courts taking over the role of the first instance court of the Community Patent Court System, because it believes, that in doing so the expertise of the national judges can be used, the problem of a (possibly) small number of Community Patent cases in the initial stage would be taken care of (because those courts would be active also with litigation regarding European Patents and national patents) and that a central second instance court would be sufficient to guarantee a harmonised interpretation and application of Community Patent law.
2. Regarding **technical experts** (Annex II. Art. 7) EPLA believes that it is not necessary and not even advisable to have technical experts playing the role envisaged by the Proposal. The reasons for this are:

- a) Only highly experienced patent judges can be appointed. This reduces the need for such experts.
- b) There are serious concerns as to how the technical experts may interact with the judges outside the open hearing, and that there is a likelihood of them confusing issues of fact and law without the knowledge of the parties. This concern is increased because of the intention to appoint experts with relevant experience of patent law.
- c) Nothing stands in the way of parties appointing and remunerating their choice of independent experts to consider the technical issues and to prepare a technical brief and evidence to assist the court.
- d) Such independent party experts and any independent court-appointed experts can be held to account by the availability of cross-examination.
- e) Precise arrangements for the giving of technical assistance to the court can be determined at an early case management conference (if possible with the same panel of judges who will hear the trial). This will help a speedy proceeding.

If, however, there are to be technical experts as proposed, EPLA advises against appointing those experts by means of a procedure which would appear to be equivalent to appointing judges. Actually, the technical experts are advisors of the judges; they belong to the staff of the court. Therefore, they should be appointed in the same way as other staff members. This would render the nomination procedure more flexible. A flexible procedure is necessary, because it must be anticipated, that technical experts ready to serve as full time staff members and having the quality to be expected will not be easily found on the market and that swift decisions must be taken. Further, EPLA believes that technical experts should be appointed because of their technical expertise alone.

Instead of recruiting a small number of technicians on a permanent basis as employees, a better option would be to choose from a pool of ad hoc experts e.g. from the Boards of Appeals of the EPO or the technical judges who exist in the national courts or simply from a pre-established list of university professors etc. A small number of employed experts will not be able to cover all technical fields, all languages required and they will soon be overworked if they have to draft technical opinions for the court.

3. A number of provisions deal with the role of **member states and institutions of the Community** in patent litigation proceedings regarding Community Patents (Annex II, Art. 10 (1), which does not exclude Art. 19 (1), 20 (2), 49 (1); Annex II, Art. 21, 55, 61 a (3), second sentence). EPLA believes, that there should be no role for member states and other institutions of the Community in patent litigation cases, which are purely civil law cases between private parties. The interest of the Community is sufficiently safeguarded by the possible role of the Advocate-General, to which we will refer later. EPLA sees a danger that private parties would try to engage their own member states to intervene on their behalf in patent litigation cases thereby introducing aspects of politics into such proceedings.

Furthermore, having regard to the great number of member states after the enlargement process and given the fact that the proceedings could be conducted in a language which the receiving member state and its officials would not understand anyway, the provision of information to member states regarding the existence and the results of proceedings of the Community Patent Court would be an unnecessary and costly burden on the Court and on the parties who have to contribute to the costs of the Court by court fees.

4. The Proposal, until now, does not contain special and appropriate rules regarding the participation of the **Advocate-General**. EPLA proposes a rule, according to which the Community Patent Court decides on a case by case basis whether an Advocate-General should take part in the proceedings or not. The reason for this proposal is that in the great majority of cases there will be no aspects of special interest to the Community or relating to the development of Community Law. The emphasis will be on the technical nature of the case as to which the Advocate-General, lacking technical experience, could not be expected to be able to contribute. Otherwise, the Proposal would have to be

amended so that at the level of the Advocate-Generals there would also be a person specialising in technical questions. However, this seems unnecessary; technical questions arising in patent proceedings, generally do not call for a contribution regarding Community interests or Community law.

5. The **language-rules** regarding the **proceedings** of the Community Patent Court and the Court of First Instance in Community Patent litigation are completely unpracticalimpractical and will impede a speedy and cost-effective procedure. They are unacceptable for the future parties and their representatives. They will stand in the way of parties using the Community Patent System. EPLA realises that the proposal tries to retain the basis of the Common Approach of March 3, 2003. However, the Council should be free to adopt a system which is clearly better for handling complex technical cases.

The objections of EPLA to this language-regime are not only based on the practical experience of its members. The proposed rules also contradict the spirit of Regulation 44/2001: According to that Regulation (Art. 2) a defendant may not only be sued in the country where he is domiciled (and where the court speaks his language). The defendant may also be sued in the member state where an infringement occurs (Art. 5 Regulation 44/2001), and this is happening in the majority of cases. Before the courts of the member state where the infringement occurs the defendant must argue his case in the language of that state. There is no reason to afford the infringer a better language-option in the Community Patent System than in proceedings governed by Regulation 44/2001.

If, however, the Council feels that it is bound by the Common Approach of March 3, 2003, in that the language of the defendant's domicile must be used, EPLA urges the Council to include into that rule **exceptions** regarding cases, where there is **no legitimate interest of the defendant** to use his own language. The proposal of EPLA is as follows:

- a) If a defendant acts or threatens to act outside the Member State where he is domiciled, the language of the proceedings will be one of the languages of the European Patent Convention as chosen by the plaintiff.

- b) If the defendant is domiciled outside the EU, the rule established under a) will apply.
  - c) In proceedings with more than one defendant who are not all domiciled in the same Member State, the rule established under a) will apply.
  - d) The court will deliver a judgement in the language of the proceedings. However, if the language of the proceedings is not one of the EPC languages, the court will also make available a translation of its his decision in the language in which the patent was granted.
  - e) If a decision of the court contains an amendment of the patent, the part of the decision formulating the amendment will be in the language in which the patent was granted.
6. Regarding **court fees**, EPLA believes that it is prudent not to believe that these court fees to be paid by the parties (ultimately the losing party) will be sufficient to cover the overall costs of the Community Patent Court and of the special chamber of the Court of First Instance. With few cases in the initial phase it must be expected that the court fees, at least at that stage, will contribute only a small percentage to the overall costs of the court. However, even when the number of proceedings increases, court fees cannot be prohibitive and should not deter parties from using the Community Patent System. Therefore, the Community must take into account that it will bear a large proportion of the costs of the Community Patent Court and the chamber of the Court of First Instance. This is, in the opinion of EPLA, another reason for using the existing national courts in the capacity of the first instance courts of a Community Patent Court.
7. Regarding the **right of representation** (Annex II, Art. 11), EPLA believes that the Proposal strikes the right balance. The Proposal is in line with the procedural rules of almost all member states. The great majority of member states admit only lawyers to represent the parties before the court in patent litigation proceedings, allowing patent agents to take part in the oral discussions, according to the procedural rules. Having regard to Regarding the education of patent agents and also their large number the great

number of patent agents (the great majority of whom have no experience in patent litigation cases), this solution makes sense also on the Community level since in patent litigation cases at this level, a great number of difficult civil law and civil procedural law questions can arise of which the vast majority of patent agents will have little or no experience. The judges of the Community Patent Court and of the Court of First Instance, who are themselves lawyers, can and must expect from the representatives of the parties that they are able to discern and to discuss with them legal questions on the same level, having had the same legal education.

8. EPLA has some further remarks regarding **questions of detail** in the Proposal. These are dealt within the Annex to this Statement.

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**EPLA****Board of Directors****12 February 2004**

## **Annex**

1. Regarding enforcement, Art. 244, 256 EC must be read together with Annex II, Art. 22 (2) and (3). The Community Patent Court will have only the power to impose financial sanctions. All other questions (including the enforcement of the financial sanctions) will be left to the member states. The formulation of Art. 22 (2) should make clear, that the decision is not "enforceable against member states", but that member states must comply with their duty to enforce decisions of the different bodies of the European Court of Justice acting in patent infringement cases.
2. In Annex II, Art. 5 (2), a reference to Art. 18 should be included. In Annex II, Art. 10 (1) the number of exceptions should be enlarged: Already in its Statement, EPLA has declared itself in favour of enlarging the exceptions by declaring the following articles as not being applicable: Art. 19 (1), Art. 20 (2), Art. 24 (2), Art. 49 (1), Art. 51, Art. 61 a (3), second instance. For the same reason, Annex II, Art. 21 should be deleted.
3. Furthermore, in Annex II, Art. 10 (1) an exception should be made regarding Art. 21 (1), referring to "brief statement". The Community Patent Court can expect to receive extensive and informative written statements. It is unnecessary to refer to the "pleas in law on which the application is based". The rule to be devised should refer to all technical and legal aspects of the case.
4. Again, regarding the exceptions in Annex II, Art. 10 (1) there is, in private patent litigation, no reason to give the court the right to require member states and institutions not being part of the case to supply all information which a court considers necessary for the proceedings. Furthermore, there should be no right of the court (Art. 25) to entrust to a "Committee or other organisation it chooses" the task of giving an expert opinion. The cost rule in Art. 29 (3) should be changed according to the usual rules in civil procedure law regarding costs, namely that the costs are carried by the losing party. However, there must be a cost-fixing and cost-controlling decision by the court in order to avoid unnecessary costs to be born by the losing party.

5. Annex II, Art. 12: There is no "sixth paragraph" in Art. 20.
6. Annex II, Art. 12 (3): The Community Patent Court should not have the right to dispense with oral proceedings. At least there should be a rule, that such a procedure can only be used if both parties agree.
7. Annex II, Art. 17: There must be a possibility for a revision of the court's decision if the patent is totally or partly invalidated after the court decision has become final. (For example, the patent may be revoked in appeal proceedings at the European Patent office after the infringement case has been decided in the favour of the claimant).
8. Annex II, Art. 27: EPLA supports this proposal, but proposes to add some words to the Explanatory Memorandum and to the Reasons for the proposal to the effect that the restriction in Art. 28 (3), (that new facts and new evidence may only be produced if their submission by the party concerned could not reasonably have been expected during the proceedings at first instance) is applied in a reasonable, not too restrictive way, taking into account that after a decision of the first instance the focus of the case could prove to be different from what the parties had expected during the first instance and that the oral hearing before the Community Patent Court, acting as first instance, may have produced results surprising to one party or to both parties. The Court of First Instance (as an appeal court) should not be forced to decide a case knowing or presuming that the decision is false, because there has been a presentation of relevant new facts to him which were excluded by the rule in Art. 27 (3).
9. Chapter II of Annex II assumes that all provisions of the Statute of the Court of Justice should be applicable to the specialised Patent Chamber of the Court of First Instance. However, the following rules should not play a role in patent proceedings:
  - a) Advocate-General (Art. 49 and 53 (3)): The Advocate-General should participate in the patent civil law proceedings only if the court asks him to do so.



- b) Regarding Art. 50, there is no need to add two non-specialised judges to the three judges of the patent chamber and/or for the court to sit in a "Grand Chamber". The two other judges of the Court of First Instance would not be able to participate in technical questions.
- c) Art. 51 is not applicable to civil law cases.
- d) There is no special rule for patent cases regarding an appeal against decisions of the Court of First Instance to the European Court of Justice. Therefore, the rules of Art. 56 to 59 and 61 apply. Art. 60 and Art. 62 are not applicable.

10. Regarding the new Art. 61 a (2):

- a) The reference to Art. 15 should be deleted, because there is no need to enlarge the patent chamber by another two judges.
- b) We have already referred to Art. 61 a (3), second sentence: Member States and institutions of the European Community should not have the right to intervene in civil law proceedings.