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WORKING DOCUMENT

from: Presidency

to: Working Party on Intellectual Property (Patents)

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Subject : Draft Agreement on the European Union Patent Court and draft Statute

Delegations will find in Annex a Presidency working document containing a revised version of the Draft Agreement on the European Union Patent Court, for discussion at the meeting of the Intellectual Property (Patents) Working Party on 11 November 2008. This revised version takes account of the discussions in the Working Party on 24-25 July 2008 and on 11 September 2008 as well as of written comments submitted by delegations.

Delegations will also find in the Annex to the Draft Agreement a revised draft Statute of the European Union Patent Court and the list of issues to be included in the Rules of Procedure.

**EUROPEAN UNION PATENT COURT –
DRAFT AGREEMENT**

THE CONTRACTING PARTIES,

CONSIDERING that co-operation amongst the countries of Europe in the field of patents contributes significantly to the integration process in Europe, in particular to the establishment of an internal market within the European Economic Area characterized by the free movement of goods and services and the creation of a system ensuring that competition in the internal market is not distorted,

CONSIDERING that the fragmented market for patents and the significant variations between national court systems are detrimental for innovation, in particular for small and medium sized enterprises which have difficulties to enforce their patents and to defend themselves against unfounded claims,

WISHING to improve the enforcement of patents and to enhance legal certainty by setting up a European Union Patent Court for litigation related to the infringement and validity of patents,

CONSIDERING that the integrated and exclusive European Union Patent Court shall be set up for Community patents and European patents designating the Contracting Parties, under the necessary legal control of the Court of Justice of the European Communities, and that the present Agreement shall be open for all Contracting States of the European Patent Convention,

CONSIDERING that the European Union Patent Court shall be designed to ensure expeditious and high quality decisions, striking a fair balance between the interests of right holders and other parties and taking into account the need for proportionality and flexibility,

HAVE AGREED AS FOLLOWS:

PART I – GENERAL AND INSTITUTIONAL PROVISIONS

CHAPTER I – GENERAL PROVISIONS

Article 1

European Union Patent Court

A jurisdictional system for the settlement of litigation related to the infringement and validity of Community patents and European patents is hereby established. To this end, the European Union Patent Court is created.

Article 2

Definitions

- (1) "Court" means the European Union Patent Court.
- (2) "Community Patent" means a patent within the meaning of Article 2, paragraph 1, of Regulation (EC) No... on the Community patent.
- (3) "European Patent" means a patent granted under the provisions of the European Patent Convention designating one or more Contracting Parties to this Agreement.
- (4) "European Patent Convention" means the Convention on the Grant of European Patents of 5 October 1973, as amended.
- (5) "European Patent Office" means the organ carrying out the granting of patents as established by Article 4, paragraph 2(a), point a) of the European Patent Convention.
- (6) "Patent" means a Community patent and/or a European patent.
- (7) "Statute" means the Statute of the European Union Patent Court which is attached to an integral part of this Agreement.

(8) "Rules of Procedure" means the Rules of Procedure of the European Union Patent Court which are attached to this Agreement~~established by the Court in accordance with the provisions of this Agreement and the Statute.~~

(9) "Contracting Party" means any State party to this Agreement and/or the European Community.

(10) "Member State" means a Member State of the European Union.

(11) "Council" means the Council of the European Union.

(12) "Commission" means the Commission of the European Community.

Article 3

Scope of application

This Agreement shall apply to any:

(a) ~~any~~ Community patent;

(b) ~~any~~ supplementary protection certificate issued for a Community patent;

(c) compulsory licences in respect of a Community patents;

(d) ~~any~~ European patent which was granted and not yet lapsed at the date referred to in Article 59 or was granted after that date, without prejudice to Article 58; and

(e) ~~any~~ application for a patent which is pending at the date referred to in Article 59 or filed after that date.

Article 3a

Legal status

(1) The Court shall have legal personality.

(2) In each of the territories of the Contracting Parties, the Court shall enjoy the most extensive legal capacity accorded to legal persons under the national law of that State.

(3) The Court shall be represented by the President of the Court.

Article 3b

Privileges and immunities

The Protocol on the Privileges and Immunities of the European Communities shall apply to the Court.

Article 3c

Liability

(1) The contractual liability of the Court shall be governed by the law applicable to the contract in question.

(2) The non-contractual liability of the Court in respect of any damage caused by it or its staff shall be governed by the law of [the State of seat of the organ of the Court concerned].

CHAPTER II – ORGANS OF THE COURT

Article 4

The Court

- (1) The Court shall comprise a Court of First Instance, a Court of Appeal and a Registry.
- (2) The Court shall perform the functions assigned to it by this Agreement.

Article 5

The Court of First Instance

- (1) The Court of First Instance shall comprise a central division as well as local and/or regional divisions.
- (2) A local division shall be set up in the territory of a Contracting Party upon its request.
- (3) An additional local division shall be set up in the territory of a Contracting Party upon its request when more than one hundred patent cases per calendar year have been commenced in that Contracting Party during three successive years prior to or subsequent to the date referred to in Article 59. The maximum number of divisions per Contracting Party shall be three.
- (4) Contracting Parties hosting a local division shall designate its seat and provide the facilities necessary for that purpose.
- (5) A regional division shall be set up for two or more Contracting Parties, upon their request. Such Contracting Parties shall designate the seat(s) of the division concerned. The regional division may hear cases in multiple locations.
- (6) The central division shall have its seat in [...].

Article 6

~~The Court of Appeal~~ *[Transferred to new Article 7]*

Article 6-7

Composition of the panels of the Court of First Instance

(1) Any panel of the Court of First Instance shall have a multinational composition. Without prejudice to paragraph 5 and to Article 15a, ~~paragraph 2 (7)~~, it shall sit in a composition of three Judges.

(2) Any panel of a local division shall sit in a composition of two permanent Judges, who shall be nationals of the Contracting Party hosting the division concerned, and one Judge from the Pool of Judges.

(3) In Contracting Parties where during a period of three successive years more than fifty patent cases per calendar year have been commenced at first instance, the third Judge referred to in paragraph 2 shall serve on a permanent basis at the local division. In other Contracting Parties a ~~judgemember of the Pool of Judges~~ shall be allocated from the Pool of Judges to the local division on a case by case basis.

(4) Any panel of a regional division shall sit in a composition of two permanent Judges chosen from a regional list of Judges, who shall be nationals of the Contracting Parties concerned, and one Judge from the Pool of Judges who shall not be a national of the Contracting Parties concerned.

(5) Without prejudice to paragraphs 2 and 4, any local or regional division may request, where appropriate, and after having heard the parties, the President of the Court to allocate from the Pool of Judges a technically qualified Judge with qualifications and experience in the field of technology concerned. In cases where such a technically qualified judge is allocated, no further technically qualified judge has to be allocated under Article 15a, paragraph 2(a).

(6) Any panel of the central division shall sit in a composition of two legally qualified judges and one technically qualified judge allocated from the Pool of Judges with qualifications and experience in the field of technology concerned.

~~(7) Any panel of the Court of Appeal shall sit in a composition of five Judges having a multinational composition. It shall sit in a composition of three legally qualified Judges and two technically qualified Judges.~~

~~(78) Any panel of the Court of First Instance shall be chaired by a legally qualified judge.~~

Article 7

The Court of Appeal

~~(1) The Court of Appeal shall have its seat in [...].~~

~~(12) Any panel of the Court of Appeal shall sit in a multinational composition of five judges. It shall sit in a composition of three legally qualified judges and two technically qualified judges.~~

~~(23) Any panel of the Court of Appeal shall be chaired by a legally qualified judge.~~

~~(34) The panels of the Court of Appeal shall be set up in accordance with the Statute.~~

~~(4) The Court of Appeal shall have its seat in [...].~~

Article 8

The Registry

(1) A Registry shall be set up at the seat of the Court of Appeal. It shall be managed by the Registrar and perform the functions assigned to it in accordance with the Statute.

(2) Sub-registries shall be set up at all divisions of the Court of First Instance.

(3) The Registry shall keep records of all cases before the Court. Upon filing, the sub-registry concerned shall notify every case to the Registry.

(4) The Court shall appoint the Registrar and lay down the rules governing his service.

Article 9

The Advisory Committee

(1) An Advisory Committee shall be set up. ~~It which shall assist the Council [and the Mixed Committee] in the preparation of the appointment of the Judges of the Court shall be set up.~~

(2) The Advisory Committee shall comprise patent judges and practitioners in patent law and patent litigation with the highest recognised competence. They shall be appointed, in accordance with the procedure laid down the Statute by the Council [and the Mixed Committee], for a term of six years. ~~They and~~ may be re-appointed.

(3) The composition of the Advisory Committee shall ensure a broad range of relevant expertise and the broadest possible geographic distribution within the territory of the Contracting Parties.

(4) The Advisory Committee shall elect a chairperson from among its members. It shall adopt its rules of procedure.

CHAPTER III – JUDGES OF THE COURT

Article 10

Eligibility criteria

(1) The Court shall comprise both legally qualified judges and technically qualified jJudges. Judges shall ensure the highest standards of competence and proven experience in the field of patent litigation.

(2) Legally qualified jJudges shall be qualified for judicial functions at the national level. They shall ensure the highest standards of competence in the field of patent litigation.

(3) Technically qualified jJudges shall have a university degree and proven expertise in a field of technology. They shall also have proven knowledge of civil law and procedure.

Article 11

Appointment procedure

(1) The jJudges of the Court shall be appointed in accordance with the following procedure:

(a) the Advisory Committee shall establish a list of the most suitable candidates, in accordance with the Statute;

(b) on the basis of this list the Council shall select nationals of Member States of the European Union who it proposes to the Mixed Committee for appointment as judges of the Court;

(c) on the basis of this list the Contracting Parties who are not Member States shall select candidates who they propose to the Mixed Committee for appointment as judges of the Court;

(d) the Mixed Committee shall take a decision acting by common accord.

(2) The implementing provisions shall be provided for in the Statute.

~~by decision of the Council, in accordance with the procedure laid down in the Statute, on the basis of proposals from the Advisory Committee.~~

~~(2) Judges from Contracting Parties which are not Member States shall be appointed in accordance with Part IIIA.~~

Article 12

Judicial independence and impartiality

(1) The Court, its judges and the Registrar shall enjoy judicial independence. In their decisions, the judges shall not be bound by any instructions.

(2) Legally qualified judges and technically and legally qualified judges who are full-time permanent judges of the Court may not engage in any occupation, whether gainful or not, unless otherwise provided for in this Article or where an exception exemption is exceptionally granted by the Council ~~for the Mixed Committee~~.

(3) The exercise of the office of a legally qualified judge shall not exclude the exercise of other judicial functions at the national level.

(4) The exercise of the office of a technically qualified judge who are part-time not permanent judges of the Court pursuant to Article 13, paragraph 2, shall not exclude the exercise of other functions provided there is no conflict of interest.

(5) In cases of a conflict of interest, ~~at~~ the judges shall not take part in proceedings. Rules governing conflicts of interest shall be provided for in the Statute.

Article 13

Pool of Judges

(1) A Pool of Judges shall be ~~set drawn~~ up in accordance with the Statute.

(2) The Pool of Judges shall be composed of all legally qualified judges and technically qualified judges from the Court of First Instance who are full-time judges of the Court. ~~as well as Moreover, it shall comprise technically qualified judges who are part-time not permanent judges of the Court. It shall be ensured The appointment of technically qualified members of the Pool shall ensure that~~ the Pool of Judges includes at least one technically qualified judge-member with qualifications and experience per field of technology.

(3) ~~Where provided in this Agreement or the Statute, At the request of a local or regional division the judges from the Pool of Judges shall be allocated to the division concerned by the President of the Court shall allocate Judges from the Pool of Judges to the division concerned. The allocation of judges shall be based on their legal or technical and legal expertise, linguistic skills and proven experience.~~

Article 14

Training Framework

(1) A training framework for judges shall be set up in accordance with the Statute in order to improve and increase available patent litigation expertise and to ensure a broad geographic distribution of such specific knowledge and experience.

(2) The training framework shall in particular focus on:

(a) internships in national patent courts or divisions of the Court of First Instance hearing having a substantial number of patent litigation cases;

(b) improvement of language skills;

- (c) technical aspects of patent law;
- (d) the dissemination of knowledge and experience ~~in~~ civil procedure for technically qualified judges;
- (e) the preparation of candidate-judges.

(3) The training framework will provide for continuous training. Regular meetings will be organized between all judges of the Court in order to discuss developments in patent law and to ensure consistency of jurisprudence.

CHAPTER IIIA – SUBSTANTIVE LAW

Article 14a

Applicable law relating to patents ~~Substantive patent law~~

For the purpose of litigation under this Agreement the Court shall base its decisions on:

- (a) this Agreement
- (b) Council Regulation (EC) No ... on the Community patent;
- (c) the European Patent Convention;
- (d) national law which has been adopted by the Contracting Parties to implement Article 65, Article 67, paragraphs 2 and 3 and Article 70, paragraphs 3 and 4, of the European Patent Convention;
- ~~(e) Regulation (EC) No 816/2006 of the European Parliament and the Council of 17 May 2006 on compulsory licensing of patents relating to the manufacture of pharmaceuticals for export to countries with public health problems;~~
- ~~(f) Council Regulation (EC) No 1768/92 of 18 June 1992 concerning the creation of a supplementary protection certificate for medicinal products, as amended;~~
- ~~(g) Regulation (EC) 1610/96 of the European Parliament and of the Council of 23 July 1996 concerning the creation of a supplementary protection certificate for plant protection products, as amended;~~
- ~~(h) Council Regulation (EC) No 2100/94 of 27 July 1994 on Community plant variety rights, as amended; and~~

(e) any further provision of Community law and national law implementing Community law, as well as international agreements, applicable to patents, including Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions.

Article 14b

Applicable Application of civil law

To the extent that decisions will not be based on the legal acts referred to in Article [14a] but shall be based on national civil law, the applicable law will be determined in accordance with:

(a) Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations (Rome II);

(b) Regulation (EC) No 593/2008 of the European Parliament and of the Council of 17 June 2008 on the law applicable to contractual obligations (Rome I);

~~EC Convention on the 2007 on the law applicable to contractual obligations (Rome I);~~

(c) other applicable instruments or national rules of private international law ~~applicable between the Contracting Parties.~~

Article 14c

Infringement of European patents

A European patent shall confer on its proprietor the right to prevent any third party not having his consent:

(a) from making, offering, putting on the market or using a product which is the subject-matter of the patent, or importing or stocking the product for these purposes;

(b) from using a process which is the subject-matter of the patent or, when the third party knows, or it is obvious in the circumstances, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use;

(c) from offering, putting on the market, using, importing or stocking for these purposes a product obtained directly by a process which is the subject-matter of the patent.

Article 14d

Indirect infringements of European patents

(1) A European patent shall also confer on its proprietor the right to prevent any third party not having his consent from supplying or offering to supply within the territory of protection any person, other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or it is obvious in the circumstances, that these means are suitable and intended for putting that invention into effect.

(2) Paragraph 1 shall not apply when the means are staple commercial products, except where the third party induces the person supplied to commit acts prohibited by Article 14c.

(3) Persons performing the acts referred to in Article 14e (a) to (c) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.

Article 14e

Limitations to the effects of the European patent

The rights conferred by a European patent shall not extend to:

- (a) acts done privately and for non-commercial purposes;
- (b) acts done for experimental purposes relating to the subject-matter of the patented invention;
- (c) the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared;

(d) the use on board vessels of the countries of the Union of Paris for the Protection of Industrial Property, other than the Contracting Parties, of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of the Contracting Parties, provided that the invention is used there exclusively for the needs of the vessel;

(e) the use of the patented invention in the construction or operation of aircraft or land vehicles of the countries of the Union of Paris for the Protection of Industrial Property, other than the Contracting Parties, or of accessories of such aircraft or land vehicles, when these temporarily or accidentally enter the territory of the Contracting Parties; and

(f) the acts specified in Article 27 of the Convention on International Civil Aviation of 7 December 1944, where these acts concern the aircraft of a State, other than a Contracting State, benefiting from that Article.

Article 14f

Right based on prior use of the invention

Any person, who, if a national patent had been granted in respect of an invention, would have had, in a Contracting Party, a right based on prior use of that invention or a right of personal possession of that invention, shall enjoy, in that Contracting Party, the same rights in respect of a European patent for the same invention.

Article 14g

Grant of compulsory licences in respect of Community patents

[Deleted and transferred to the Draft Regulation on the Community patent]

Article 14h

Conditions applicable to compulsory licences in respect of Community patents

[Deleted and transferred to the Draft Regulation on the Community patent]

CHAPTER IV – JURISDICTION, ALLOCATION OF CASES AND EFFECTS OF DECISIONS

Article 15

Competence

(1) ~~The Court shall have exclusive competence in respect of:~~

- ~~(a) actions for actual or threatened infringements and related defences, including counterclaims concerning licences, or for a declaration of non-infringement;~~
- ~~(b) actions or counterclaims for revocation;~~
- ~~(c) actions for damages or compensation derived from the provisional protection conferred by a published patent application;~~
- ~~(d) actions relating to the use of the invention prior to the granting of the patent or to the right based on prior use of the patent;~~
- ~~(e) actions for the grant or revocation of compulsory licences in respect of Community patents~~
- ~~(f) actions on compensation for licences within the meaning of [Article 20, paragraph 1] of Council Regulation (EC) No. ... on the Community patent;~~
- ~~(g) actions relating to ~~for~~ the grant or refusal/revocation of supplementary protection certificates issued for a Community patents.~~

(2) The national courts of the Contracting Parties shall have jurisdiction in actions related to Community patents and European patents which do not come within the exclusive jurisdiction of the Court.

Article 15a

Jurisdiction in respect of infringement and validity

(15) Actions for actual or threatened infringement, actions for damages ~~and~~ compensation, actions relating to the use of the invention prior to the granting of the patent or to the right based on prior use of the patent, actions for the grant or revocation of compulsory licences and on compensation for licences, actions relating to ~~or the grant or refusal of supplementary protection certificates and on compensation for licencees~~, and actions for ~~provisional and protective measures or injunctions~~ shall be brought before:

- (a) the local division hosted by the Contracting Party where the actual or threatened infringement has occurred or may occur, or the regional division in which this Contracting Party participates; or
- (b) the local division hosted by the Contracting Party where the defendant is domiciled, or the regional division in which this Contracting Party participates.

If the Contracting Party concerned does not host a local division and does not participate in a regional division, actions shall be brought before the central division.

(27) Where a counterclaim for revocation is brought in the case of an action for infringement, the local or regional division concerned shall, after having heard the parties, have the discretion to either:

- (a) proceed with both the infringement action and with the counterclaim for revocation and request the President of the Court to allocate from the Pool of Judges a technically qualified judge with qualifications and experience in the field of technology concerned;
- (b) refer the counterclaim for decision to the central division and suspend or proceed with the infringement proceedings; or
- (c) with agreement of the parties, refer the case for decision to the central division.

