

# EPLAW

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European Patent Lawyers Association

## Response

of the European Patent Lawyers Association (EPLAW) to the Questionnaire  
"On the patent system in Europe"  
published by the European Commission on 16.01.2006

### I.

#### Resolutions of EPLAW

The European Patent Lawyers Association (EPLAW, formerly: EPLA) comprises European lawyers who specialize and have extensive experience in European patent law litigation, and who, therefore, have practical experience in the exact field to which the Questionnaire of the European Commission relates. EPLAW has, since 2001, given its advice to the European Commission and other relevant bodies in the form of written Resolutions. The Resolutions directly related to the matters raised in the Questionnaire are contained in Annex 1. These Resolutions continue to represent the opinions of EPLAW, and are part of its advice to the European Commission. Their contents may be summarized as follows:

1. **Resolution of 19.09.2001**: EPLAW advises against a fully centralised Community Patent Law Court and gives the same advice regarding the EPLA project. It proposes (no. 11) to harmonise patent enforcement regarding 10 specific questions. Some of these proposals have now been taken over by the Enforcement Directive (2004/48/EC).
2. **Resolution of 08.11.2002**: EPLAW supports the proposal of the European Parliament of April 10, 2002, that the first instance decisions on Community Patents should (as in the field of Community Trade Marks) be rendered by national courts with long experience in patent litigation and that an appeal from these courts should be available to a centralized second instance court. EPLAW (in

no. 5) does not see a lack of competence of EC member states to conclude EPLA (then: EPLP). The Community Patent court and the EPLA court would not decide on the same patents (Community Patents; EPC bundle patents).

3. **Resolution of 14.03.2003**: EPLAW comments on the Council's "Common Political Approach" (CPA) of 03.03.2003 (full centralisation). It points (page 1) to the facts that the CPA is inconsistent with the court system for Community Trade Marks, Community Designs and Community Breeders Rights and that it goes further, regarding centralisation, than the court system in the United States. EPLAW predicts that the solution favoured by the Council would deter many inventors, especially small and medium size firms, from using the Community Patent system. EPLAW advocates having a court of first instance close to the owners and users and to the place of the material conflict.
  
4. **Resolution of 12.02.2004**: EPLAW reiterates (no. 1) that it 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 using the experience of national court judges. EPLAW gives detailed advice regarding the paper COM (2003) 828 Final of the European Commission.
  
5. **Resolution of 02.12.2005**: EPLAW, in the light of the Resolution of leading patent judges in Europe of October 14-16, 2005, urgently asks for co-operation between the EU Commission, the EU Council and the European Patent Office to make progress:
  - without delay, for enhanced co-operation on EPLA for all member states interested in a European litigation system for EPO patents,
  
  - in revising the text of the Community Patent Regulation with participation of experienced patent judges and attorneys, and
  
  - on the harmonisation of divergences in the practice of the national courts and the EPO.

6. Additionally, EPLAW has sent to the European Commission a series of resolutions (Annex 2) on:

- the concentration and specialisation of national patent courts (21.11.2003),
- the problems of language (21.11.2003),
- the problem of privilege (08.11.2004),
- Art. 22.4 of the EC 44/2001 Regulation and cross border litigation (08.11.2004).

## II.

### Present State - Analysis

The present state of European patent law corresponds exactly to the predictions contained in the Resolutions of EPLAW (Annex 1) mentioned above:

1. Patent users find the proposal for a Community Patent as presented by the European Commission over-centralised and, especially regarding the translation and court language problems, vastly impractical. Furthermore, they doubt the cost and fee predictions of the European Commission. For these reasons, they have already made up their minds that they would continue to prefer the European Patent System under the European Patent Convention (EPC) even if the Community Patent would be created on the lines of the European Commission's proposal.

The European Commission and the Council, until now, have not been responsive to these fears of the users for which the Community Patent System is supposed to be designed. Therefore, the work on the Community Patent is being stalled (EPLAW Resolution of December 02, 2005, preamble, first bullet point). EPLAW, therefore, welcomes the initiative of the European Commission to start a consultation process by the Questionnaire.

2. The work on the European Patent Litigation Agreement (EPLA) is finished to a large extent (EPLAW Resolution of December 02, 2005, preamble, second bullet point). The leading patent judges in Europe have, in their Resolution of October 14-16, 2005, supported the convening of a diplomatic conference to proceed on the broad lines of the present proposal of an EPLA.
3. A harmonisation of patent litigation law, called for by EPLAW since 2001 (see I. 1. above) has now also been asked for from the members of the European Parliament (EPLAW Resolution of December 02, 2005, preamble, third bullet point).
4. Against this background, EPLAW, in its Resolution of December 2, 2005 (Annex 1), has urgently asked for progress:
  - on EPLA,
  - on a revision of the text of the Community Patent Regulation with the participation of experienced patent judges and attorneys, and
  - on the harmonisation of divergences in the practice of national courts and the EPO, a subject for which EPLAW had prepared a detailed analysis for the Venice Conference of Patent Judges (Annex 3).
5. EPLAW's response to the Questionnaire of the European Commission starts from the basis of this December 02, 2005 Resolution approved unanimously by its members present at its 2005 Congress.

### III.

#### Answers to the Sections of the Questionnaire

##### 1. Section 1: Basic principles and features of the patent system

*The idea behind the patent system is that it should be used by businesses and research organisations to support innovation, growth and quality of life for the benefit of all in society. Essentially the temporary rights conferred by a patent allow a company a breathing-space in the*

*market to recoup investment in the research and development which led to the patented invention. It also allows research organisations having no exploitation activities to derive benefits from the results of their R&D activities. But for the patent system to be attractive to its users and for the patent system to retain the support of all sections of society it needs to have the following features:*

- *clear substantive rules on what can and cannot be covered by patents, balancing the interests of the right holders with the overall objectives of the patent system*
- *transparent, cost effective and accessible processes for obtaining a patent*
- *predictable, rapid and inexpensive resolution of disputes between right holders and other parties*
- *due regard for other public policy interests such as competition (anti-trust), ethics, environment, healthcare, access to information, so as to be effective and credible within society.*

The description of basic principles and features of "the patent system" is, both, too general and not related to the specific objects of the matters in question, i.e. (1) the Community Patent, (2) the EPLA project and (3) harmonisation of practice under the European Patent Convention. Section 1 reads as if today's task were to create a patent system from scratch. In fact, the real issues to be solved on the basis of answers to the Questionnaire are: (1) Which court system to provide for patents granted by the European Patent Office on the basis of the existing European Patent Convention and (2) how to arrive at a harmonisation of divergent national court practice in the field of patents.

#### 1.1 Question 1.1

*Do you agree that these are the basic features required of the patent system?*

- a) Basic features 1 and 4 described in Section 1 read, as if it were the object of the Community Patent and/or the Commission to provide for "*substantive rules on what can and cannot be covered by patents, balancing the interests of the right holders with the overall objectives of the patent system*", having "*due regard for other public policy interests such as competi-*

*tion (anti-trust), ethics, environment, health care, access to information, so as to be effective and credible within society". In reality, this is not the case and not the question for both systems, since these considerations are for the patent granting rules of the EPC which are in accordance with TRIPs and which are implemented effectively by the European Patent Office. These rules also incorporate EU legislation (Rules 23(b)-(e) implementing provisions of the Biotech Directive).*

- b) Basic feature 2 (transparent, cost effective and accessible processes for obtaining a patent) also is not a central objective of the Community Patent and the EPLA project because the patent granting process of the EPO is already transparent and accessible and does not require change in these respects. So far as cost effectiveness is concerned this is important and must be dealt with within the structure of the EPC, especially by reducing the translation requirements (see no. 2.1(d) below).
- c) Only basic feature 3 (predictable, rapid and inexpensive resolution of disputes between right holders and other parties) correctly describes the basic objects of both the Community Patent and the EPLA project.
- d) Not mentioned under the 4 basic features is harmonisation of the practice of national courts and of the EPO regarding the existing rules of the EPC, especially on novelty and inventive step, as well as (regarding the national courts) on scope of protection.
- e) For these reasons EPLAW recommends redrafting the first paragraph of section 1 along the following lines:

### **Section 1**

#### **Basic principles and features of the Community Patent and the European Patent Litigation Agreement**

***Both, the Community Patent and the European Patent Litigation Agreement (EPLA) are based on the patent granting decisions of the European Patent Office (EPO) under the rules of the European Pat-***

**ent Convention (EPC). Both projects deal with the post-grant phase in giving effective protection for the patent owner and the possibility to invalidate a European Patent which has been granted by the EPO but, according to the opinion of the competent court, should not have been granted. Basically, neither the Community Patent nor the EPLA project are intended to have or should have an effect on the patent granting procedure (the pre-grant phase). Both proposals should address the following problems:**

- **how to arrive at a predictable, rapid and not overly expensive resolution of disputes between right holders and other parties,**
- **how to arrive as quickly as possible at a harmonisation of the practice of national courts regarding the scope of protection of European Patents and regarding the invalidation of European Patents, taking account of the practice of the European Patent Office.**

- f) The second feature which has been added reflects the opinion of the users of the patent system that such divergences in practice are the real motivation for a centralised court structure, but that it would take a long time for such a structure to harmonise, by court decisions, the great number of existing divergences.

## 1.2. Question 1.2

*Are there other features that you consider important?*

See answer to 1.1.

## 1.3 Question 1.3

*How can the Community better take into account the broader public interest in developing its policy on patents?*

This question has nothing to do with

- the Community Patent

- the EPLA project
- harmonisation of court practice regarding the EPC rules

as the three fields of action where the European Commission is seeking advice by the Questionnaire.

## 2. Section 2: The Community Patent as a priority for the EU

*The Commission's proposals for a Community patent have been on the table since 2000 and reached an important milestone with the adoption of the Council's common political approach in March 2003 [<http://register.consilium.eu.int/pdf/en/03/st07/st07159en03.pdf>; see also [http://europa.eu.int/comm/internal\\_market/en/indprop/patent/docs/2003-03-patent-costs\\_en.pdf](http://europa.eu.int/comm/internal_market/en/indprop/patent/docs/2003-03-patent-costs_en.pdf)]. The disagreement over the precise legal effect of translations is one reason why final agreement on the Community patent regulation has not yet been achieved. The Community patent delivers value-added for European industry as part of the Lisbon agenda. It offers a unitary, affordable and competitive patent and greater legal certainty through a unified Community jurisdiction. It also contributes to a stronger EU position in external fora and would provide for Community accession to the European Patent Convention (EPC). Calculations based on the common political approach suggest a Community patent would be available for the whole of the EU at about the same cost as patent protection under the existing European Patent system for only five states.*

### 2.1 Question 2.1

*By comparison with the political approach, are there any alternative or additional features that you believe an effective Community Patent system should offer?*

EPLAW continues to support, as it has done since its creation, the project of a Community Patent. However, the proposal of the European Commission in the form of the Common Political Approach (CPA) of the Council does not meet the needs and expectations of the future users of the Community Patent, especially for the following reasons, described in more detail in the EPLAW Resolutions in Annex 1.

- a) The fully centralised European patent litigation court system
  - does not respect the principle of subsidiarity (Art. 5 ECT) because it is unnecessary. Decentralised first instance courts are not only equivalent (this would be sufficient for the applicability of the subsidiarity principle), but offer a far better solution. A conflict would be decided by experienced patent judges close to the parties and close to the place of conflict in the language of the part of the Community where the conflict arises and at the same time avoiding the problem of a central first instance court waiting for cases which may be rare for a considerable time,
  - is in conflict with the solutions found for the Community Trade Mark (CTM), the Community Design and the Community Breeders Rights.
- b) The costs of a fully centralised Community Patent Court are grossly underestimated by the European Commission. If the first instance would be left to specialised national courts (as in the case of the CTM), the costs of 70% of the cases would be borne by the European Union member states.
- c) The language of the Community Patent Court should be the language of one of the European Union member states in which the alleged infringer offers or sells the contested goods and which language is chosen by the claimant under the control of the court.
- d) The translation requirement (in addition to the filing language) should, as proposed by members of the European Parliament, be restricted to the language, which over the last 3 years has been the language in which the greatest number of European Patents have been filed. In effect, this would be the English language.

If, for reasons of equal treatment and fairness, it is regarded as necessary to have additional translation of claims as a means of providing information for local industry into all languages of the member states, such translations should be restricted to the first claim and any other inde-

pendent claims of each patent. This would amount to a considerable cost saving and is entirely sufficient for industry and patent practitioners.

3. **Section 3: The European Patent System and in particular the European Patent Litigation Agreement**

*Since 1999, States party to the European Patent Convention (EPC), including States which are members of the EU, have been working on an agreement on the litigation of European patents (EPLA). The EPLA would be an optional litigation system common to those EPC States that choose to adhere to it.*

*The EPLA would set up a European Patent Court which would have jurisdiction over the validity and infringements of European patents (including actions for a declaration of non-infringement, actions or counterclaims for revocation, and actions for damages or compensation derived from the provisional protection conferred by a published European patent application). National courts would retain jurisdiction to order provisional and protective measures, and in respect of the provisional seizure of goods as security. For more information see [[http://www.european-patent-office.org/epo/epla/pdf/agreement\\_draft.pdf](http://www.european-patent-office.org/epo/epla/pdf/agreement_draft.pdf)].*

*Some of the States party to the EPC have also been tackling the patent cost issues through the London Protocol which would simplify the existing language requirements for participating states. It is an important project that would render the European patent more attractive.*

*The European Community is not a party to the European Patent Convention. However there is Community law which covers some of the same areas as the draft Litigation Agreement, particularly the "Brussels" Regulation on Recognition and Enforcement of Judgments (Council Regulation no 44/2001) and the Directive on enforcement of intellectual property rights through civil procedures (Directive 2004/48/EC). [[http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/1\\_195/1\\_19520040602en00160025.pdf](http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/1_195/1_19520040602en00160025.pdf)].*

***It appears that there are three issues to be addressed before EU Member States may become party to the draft Litigation Agreement:***

- (1) the text of the Agreement has to be brought into line with the Community legislation in this field***
- (2) the relationship with the EC Court of Justice must be clarified***
- (3) the question of the grant of a negotiating mandate to the Commission by the Council of the EU in order to take part in negotiations on the Agreement, with a view to its possible conclusion by the Community and its Member States, needs to be addressed.***

EPLAW welcomes the openness to EPLA shown by the EU-Commission in Section 3 of the Questionnaire. EPLAW "urgently asks for co-operation between the EU Commission, the EU Council and the European Patent Office to make progress without delay for enhanced co-operation on EPLA for all Member States interested in a European Litigation System for EPO Patents" (EPLA Resolution of December 02, 2005, see Annex 1).

In the view of EPLAW, the EPLA project, dealing with European Patents as distinct from future Community Patents, does not clash with the project for a Community Patent. Since the Community Patent leaves it completely to the decision of the applicant whether he wants the Community Patent as the right resulting from the patent granting decision of the European Patent Office, or whether he wants a so-called EPC "bundle-patent" (which is, presently, the only effect of the EPO's granting a European Patent), there would be a "healthy competition" between both systems, forcing the Community Patent to be more attractive than the simple European Patent in its present form as enhanced by EPLA. Therefore, both systems should be implemented. They can exist side-by-side offering different services for different demands.

The Community Patent project may benefit from the work on the EPLA project, the latter having been developed in close contact with future users. The EPLA project provides for an intelligent and cost-saving combination of a reduced number of regional first instance courts (the costs of which should be borne by the relevant member states) and a central appeal court (the costs of which are borne by all member states of EPLA). This is another argument against total

court centralisation proposed by the European Commission for the Community Patent.

The leading patent judges in Europe, in their Resolution of October 14-16, 2005, have indicated that EPLA may be designed and implemented in the form of an "enhanced co-operation" of EU member states (Art. 11, 11a ECT; Art 43 ff. EUT). EPLAW strongly supports this proposal which would result in having the European Court of Justice (ECJ) as the authority to interpret the patent granting and scope of protection rules of the EPC as well as the rules of EPLA itself.

### 3.1 Question 3.1

*What advantages and disadvantages do you think that pan-European litigation arrangements as set out in the draft EPLA would have for those who use and are affected by patents?*

The advantage for the owners of European Patents and for possible infringers would be that an effective system of a reduced number of experienced patent courts and of a central appeal court would provide legal security at reasonable speed and cost, which is in the interest of both parties.

### 3.2 Question 3.2

*Given the possible coexistence of three patent systems in Europe (the national, the Community and the European patent) what in your view would be the ideal patent litigation scheme in Europe?*

For the time being, the users of the patent system need all three forms of patent (national patents, European Patents, Community Patents). They would welcome a harmonised coexistence of these three forms which would make each of these forms as useful as possible for the special needs of the respective patent applicants. Moreover, the Community Patent project and the EPLA project should be integrated into each other.

- a) For national patents the number of national courts should be reduced (EPLAW Resolution concerning concentration and specialisation of national patent courts of 21.11.2003, Annex 2).

- b) For European Patents there should be a partially centralised system as provided for by the EPLA draft.
- c) For Community Patents, there should be the same structure as in EPLA.
- d) The EPLA court structure and the Community Patent Court structure should be integrated into each other: The first instance should be the same and the appeal court should be the same, both applying the EPLA and the Community Patent rules as the case may be.
- e) The integrated system would avoid a duplication of court structures. In essence, there would be only one structure above the level of purely national courts (deciding on national patents, see 3.2(a)).
- f) This effective integrated system could and should be enhanced by the harmonisation of presently divergent court practice (see Section 4, below).

#### 4. **Section 4: Approximation and mutual recognition of national patents**

*The proposed regulation on the Community patent is based on Article 308 of the EC Treaty, which requires consultation of the European Parliament and unanimity in the Council. It has been suggested that the substantive patent system might be improved through an approximation (harmonisation) instrument based on Article 95, which involves the Council and the European Parliament in the co-decision procedure with the Council acting by qualified majority. One or more of the following approaches, some of them suggested by members of the European Parliament, might be considered:*

- (1) *Bringing the main patentability criteria of the European Patent Convention into Community law so that national courts can refer questions of interpretation to the European Court of Justice. This could include the general criteria of novelty, inventive step and*

*industrial applicability, together with exceptions for particular subject matter and specific sectoral rules where these add value.*

- (2) More limited harmonisation picking up issues which are not specifically covered by the European Patent Convention.*
- (3) Mutual recognition by patent offices of patents granted by another EU Member State, possibly linked to an agreed quality standards framework, or “validation” by the European Patent Office, and provided the patent document is available in the original language and another language commonly used in business.*

*To make the case for approximation and use of Article 95, there needs to be evidence of an economic impact arising from differences in national laws or practice, which lead to barriers in the free movement of goods or services between states or distortions of competition.*

EPLAW, in general, agrees with proposals from the members of the European Parliament that the practice of the courts in the member states in the European Union should be further harmonised in certain areas keeping in mind that – as mentioned under Section 1, the substantive provisions of the European Patent Convention in most key areas like (1) patent granting/invalidity (Arts. 54, 56, 57 EPC) and (2) scope of protection (Art. 69 EPC and Protocol thereto) have already an identical wording. A centralised second instance court would of itself create more harmony in practice. The task of harmonising divergent court practice regarding certain aspects by case law may, however, be a very long process, because one would have to wait until a relevant case arrives and is brought up to the level of the ECJ. Still, more harmonisation by statute is undesirable until some degree of judicial harmonisation is achieved. For this purpose EPLAW has prepared an analysis listing (not exhaustively) the present divergences in national court practice (Annex 3). EPLAW proposes that a harmonisation text should be prepared with the active co-operation of the leading patent judges in Europe. This text could form the basis for guidelines to be widely applied.

#### 4.1. Question 4.1

*What aspects of patent law do you feel give rise to barriers to free movement or distortion of competition because of differences in law or its application in practice between member states?*

The divergences listed in Annex 3 relate, firstly, to the scope of protection granted by national courts to European Patents. These divergences must be harmonised, because Art. 69 EPC and the Protocol thereto contain, although generally worded, an exclusive rule as to the scope of protection.

The divergences, secondly, relate to the invalidation of European Patents and, here, do not only exist between national courts but also between some national courts and the practice of the European Patent Office. These divergences must be harmonised, because Art. 138 EPC (regarding the invalidation of European Patents) refers *telle quelle* to the patent granting rules to be applied by the EPO; these rules leave no room and discretion for different practices of courts and the EPO.

The divergences listed in Annex 3 may have an impact on the decision of the owners of European Patents regarding the question where to start litigation against an assumed infringer. This impact will be reduced when the process of harmonisation advances.

#### 4.2 Question 4.2

*To what extent is your business affected by these differences?*

That these divergences have a practical impact on the decisions of patent owners is best shown by the interest of European industry in an (improved) Community Patent system and in the EPLA project. It is generally hoped that a partially centralised court structure with a common appeal court for EPLA and the Community Patent, together with guidelines to be developed by experienced judges (see above), would, in the long run, harmonise these divergences.

#### 4.3 Question 4.3

*What are your views on the value-added and feasibility of the different options (1) - (3) outlined above?*

a) **Option 1**

EPLAW believes that action is needed only regarding the existing divergences such as those listed in Annex 3.

b) **Option 2**

If the ECJ would be the interpreting authority for the Community Patent and the EPLA courts, further harmonisation could and should, in the view of EPLAW, be left to the ECJ answering questions (Art. 234 ECT). Given the experience with the Biotech and the Computer Software Directives, the construction of an integrated European Patent litigation system (see EPLAW's proposals on Section 3) should not be burdened with a general implementing directive regarding the interpretation of patent concepts such as the exclusions from patentability (Arts. 52, 53 EPC) or the whole contents of novelty (Art. 54 EPC) and inventive step (Art. 56) where no problem has arisen in the past.

c) **Option 3**

If the applicant is interested in protection in more than one state, he will choose the EPC system (or the Community Patent system) himself. Therefore, there does not seem to be a real need for mutual recognition.

Furthermore, feature 3 would create difficult problems regarding priority. The public would not know, from the point in time of the national application, whether and for which other states the applicant would seek extended protection.

In practice, applicants often apply at the same time for certain national patents and for a European Patent, renouncing on their national right when they receive a European Patent, because the national patent, in most member states, loses its effect at that point in time (see Art. 139.3 EPC).

## 4.4 Question 4.4

*Are there any alternative proposals that the Commission might consider?*

An alternative to an EU harmonisation directive regarding Option 2 (see 4.3 above) would be to prepare with the help of the leading patent judges in Europe (see introduction to Section 4, above) guidelines as mentioned before (see Annex 3) which later may be transformed into implementing rules of the EPC by the Administrative Council of the EPO (Art. 33(1)(b) EPC).

5. **Section 5: General**

***We would appreciate your views on the general importance of the patent system to you.***

***On a scale of one to ten (10 is crucial, 1 is negligible):***

The members of EPLAW, professionally, are in constant contact with users of the European Patent system. The following numbers give an indication of how these users probably would answer this question. They are estimated and given by EPLAW because it cannot be expected that a great number of individual business enterprises will answer the Questionnaire themselves and because the associations of such enterprises which do answer will probably not be "nearer" to the thinking of individual enterprises than the members of EPLAW. This said, the following numbers, of course, have to be taken with the appropriate reserve.

## 5.1 Question 5.1

*How important is the patent system in Europe compared to other areas of legislation affecting your business?*

Answer: 7

## 5.2 Question 5.2

*Compared to other areas of intellectual property such as trade marks, designs, plant variety rights, copyrights and related rights, how important is the patent system in Europe?*

Answer: 7

## 5.3 Question 5.3

*How important to you is the patent system in Europe compared to the patent system worldwide?*

Answer: 10

## 5.4 Question 5.4

*If you are responding as an SME, how do you make use of patents now and how do you expect to use them in future? What problems have you encountered using the existing patent system?*

Answer: 60:40 final use of European Patents compared with final use of national patents. The problems are the same as described in Section 4.

## 5.5 Question 5.5

*Are there other issues than those in this paper you feel the Commission should address in relation to the patent system?*

Answer: No

# EPLAW

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**European Patent Lawyers Association**  
Avenue Louise 149 (boîte 20)  
1050 Brussels  
Belgium  
[www.eplaw.org](http://www.eplaw.org)

Please contact:

Kevin Mooney  
President  
Simmons & Simmons  
CityPoint  
One Ropemaker Street  
London  
EC2Y 9SS

Tel: + 44 20 7825 4480  
Email: [kevin.mooney@simmons-simmons.com](mailto:kevin.mooney@simmons-simmons.com)



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European Patent Lawyers Association

## **Response**

**of the European Patent Lawyers Association (EPLAW) to the  
Questionnaire "On the patent system in Europe"  
published by the European Commission on 16.01.2006**

# **ANNEX 1**

## **Resolution on a Central European Patent Court**

**EPLA**

European Patent Lawyers Association

19.9.2001

## **Resolution on a Central European Patent Court**

### **I.**

1. EPLA welcomes the proposal of the EU-Commission regarding the Community Patent Regulation. Based on the practical patent litigation experience of its members with (national and European) Patents, EPLA would like to contribute to the creation of a Community Patent related court system which is of high quality, is reasonably swift and which achieves its results with reasonable costs for both parties concerned (i.e. the claimant and the defendant).
2. EPLA is concerned about the prospect of possible duplication of patent-related court systems arising out of the parallel plans of the EU-Commission (regarding the Community Patent) and members of the European Patent Convention (regarding a Protocol to that Convention).
3. The EU-Commission has stated that after the Regulation (EC) No. 44/2001 of the Council of December 22, 2000 the competence for establishing a patent-related court system in Europe lies with the Community. If this view is legally correct, EPLA is of the opinion that the efforts should be concentrated on the Community Patent system. It urges EU-member states to cooperate in Council deliberations on the draft Community Patent Regulation, so that the time limit set by the Presidents of the Council (end of the year 2001) can be met. Correspondingly, EPLA, in this Resolution, states its opinion only regarding the Community Patent system as proposed by the EU-Commission in the draft Community Patent Regulation. However, the Resolution is relevant also to the European Patent Litigation Protocol Proposals.

## II.

4. The Community Patent related court system must be designed in such a way that the centralisation envisaged is effective regarding its possible benefits (i.e. community-wide protection with an adequate and predictable scope of protection) and, at the same time, the Community Patent related Court System should avoid a prolongation of procedures caused by a bottle-neck situation such as that presently experienced in the patent-granting, opposition and appeal procedures before the European Patent Office. A patent owner who has finally gained his patent through these lengthy procedures expects to be able to enforce his valuable right against an infringer in a reasonably swift and affordable litigation procedure. These practical aspects must, in the opinion of EPLA, dominate all decisions regarding a Community Patent related court system.
5. Given these aspects, the personal and cost-related predictions and estimates of the EU-Commission on page 68 of its draft Community Patent Regulation are, as seen from the experience of EPLA-members gained in all major patent-litigation EU member states, grossly understated. If one takes into account the annual number of decisions of a member of an EPO-appeal board, who is dealing only with the question of validity and not, as in the litigation court, also with questions of infringement, leaving aside other possibly complex legal questions regularly arising in patent-litigation, the assumption that a chamber of three judges could deal with 200 litigations per year is clearly unrealistic. EPLA estimates that in order to be able to decide the estimated 1000 patent cases per year, a single central court of first instance, burdened with a widely underestimated language problem, would need more likely between 50 and 100 judges. Such a number of judges, who are experienced in patent cases and able to understand the major languages of the Community (in a wide range of different technical fields) does not exist.
6. Weighing the possible benefits of centralisation (see 4 above) against the probable bottle-neck effect of centralisation already on the first-instance level, it is prudent to confine centralisation – at least for a long initial phase – to a higher instance. The decision of such a higher instance would have a guiding effect on the first instance decisions and would, therefore, achieve, to a large practical extent, a harmonizing effect also regarding the level of first instance. Since in all major patent-litigation EU-member states about 70 % of all patent litigation cases are definitively decided by the first instance court, the higher instance could concentrate on the 30 % of cases which are usually of a more difficult nature and require special attention.

## III.

7. The Community Patent related court-system should, in the opinion of EPLA, take account of the existing systems of protection of IP-related rights on the Community-level, such as:
  - plant variety protection (Art. 101 Regulation 2100/94 of July 27, 1994), which is close to the patent-protection of technical inventions, and
  - the protection of the Community Trademark (Art. 93, 94 Regulation 40/94 of December 20, 1993).
  
8. Both existing systems provide for
  - Community-wide protection by a single judgement, if the action is started in the state of the seat of the defendant;
  - the possibility of Community-wide preliminary measures regarding all member states where an infringement is taking place; and
  - the possibility of starting an action on the merits in every state where an infringement is taking place.

These systems allow for internal "competition" of legal and judicial systems which tends to achieve the best possible result. They are at the same time balanced, because they take due regard of the legitimate interests of the defendant.
  
9. This is another reason for limiting a centralisation (meaning a single court on one level) to a higher instance, as it is successfully provided for in the Trademark System by the guiding role of the European Court of Justice.
  
10. The Community Trademark-System has only to a limited extent established European rules regarding procedural and material questions (especially sanctions). The TRIPs-obligations of both the Community and the EU member states make it possible to "harmonise" such rules to a larger extent. The Community Trademark System could (and should) be amended accordingly.

11. The following measures could be adopted in the Community Patent Regulation to harmonise Community Patent enforcement. These measures would, at the same time, additionally justify the decision to limit court-centralisation (meaning a single court for the Community) to a higher instance:
- a) A concentration of jurisdiction to one or few specialised Community Patent Courts with national presence in each member state or group of member states;
  - b) the possibility of an appeal to a central European Patent Court;
  - c) uniform rules on the scope of protection;
  - d) uniform rules on the sanctions (including damages; Art. 45 TRIPs, and damages for misuse of sanctions, Art. 48 TRIPs);
  - e) uniform rules on assignment and licensing;
  - f) uniform rules on civil procedure (including provisional protective measures, Art. 50, 57 TRIPs);
  - g) uniform rules on pre-trial and in-trial evidence (Art. 34.1, 43 TRIPs);
  - h) uniform rules on obligations to provide information (Art. 47 TRIPs);
  - i) adoption of the competence-rules of the CTM (see no. 8 above); and
  - j) regulation of the relationship between the negative action for non-infringement and the positive action on the merits by amending Regulation 44/2001.
12. A basic proposal along these lines was adopted by AIPPI in Melbourne and would have the following effects:
- a) More than 70 per cent of the patent litigation cases would be definitively decided by the Patent Courts of first instance, because this percentage is the average in national courts.
  - b) The uniform rules according to no. 11 above would make it possible to leave first instance litigation close to the place of conflict.
  - c) There would continue to be a healthy competition for quality, speed, effectiveness and costs between the courts the claimant may choose.
  - d) Small and medium-size enterprises would favor such a system over a central court already in the first instance.
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8. 11. 2002

08 November 2002

## **EPLA**

### **Resolution on a European Court System for Patents**

The European Patent Lawyers Association (EPLA) is the representation of lawyers with long-time experience in Patent Litigation. EPLA wants to share the experience of its members with the EC-institutions (Commission, Council, Parliament, ECJ) active in preparing a Community Patent with a Community Patent Court system. It also wants to give any information or advice useful for the Working Group of the European Patent Convention (EPC) on a European Patent Litigation Protocol (EPLP).

During EPLA's 2. congress in Brussels on November 8, 2002, EPLA discussed questions relevant for both possible systems.

Lawyers are representing claimants and defendants. Their only "interest" lies in a high quality and a reasonably quick procedure, which, concerning the Community Patent, convinces the inventors that they are well advised to use the Community Patent and not to continue to use national patents or the EPC-bundle patent.

Regarding the Community Patent, the deliberations during the second congress form the basis for the following Resolution:

1. EPLA had welcomed the Common Approach reached under the Swedish Presidency in Stockholm stressing the importance, regarding the first instance, of
  - courts close to the conflict and to the parties,
  - courts using the language of the parties in its area of jurisdiction,
  - quick and low-cost proceedings.

The Community Patent will not be accepted, and the EPC-bundle-patent will continue to be used, if the solution for a central and regional Community Patent Court does not follow these principles, on which the Council agreed.

2. EPLA welcomes the proposal accepted by the European Parliament on April 10, 2002 regarding a court structure,
  - where the first instance decisions are rendered by national courts with long experience in patent litigation and
  - where an appeal from these courts is available to a centralized second instance.

This solution, which is implementing the principles of the Stockholm Approach would leave more than 70 % of all patent litigation cases close to the parties. The more difficult or the more disputed cases would, on appeal, be decided by the central appeal board, which would give, by its decisions, guidance for the courts of the first instance. This solution is compatible with the relevant Articles of the Nice Version of the EC.

3. EPLA would, if the proposal No. 2 is not accepted, be in favour of a system,
  - where the central panel and a sufficient number of regional panel of the Community Patent Court would decide in the first instance, and the court of first instance of the European Court of Justice would act on an appeal from these panels,
  - if the regional panels would be established where national courts with the highest numbers of decisions on European Patents exist showing the confidence of the owners of European Patents in their jurisdiction,
  - if the regional panels would start to work at the same time as the central chamber
  - if the regional panels would, if they not otherwise agree, use the language of their country, which would highly facilitate the procedure regarding difficult technical cases.
  - if the jurisdiction of the central chamber and the regional panels would follow the rules of Regulation 44/2001 (ex Brussels Convention).
4. EPLA strongly advises against the latest proposal of the EC-Commission, which would centralize all cases in the central panel, until this panel would decide 150 cases per year, starting only then with the establishment of regional panels. This would remove patent litigation for a long time from the neighbourhood of the parties and prove to be a strong deterrent against the use of the Community Patent. A patent owner would feel much more comfortable under the present European Patent-system.
5. EPLA does not see a lack of competence of EC-member-states to conclude a European Patent Litigation Protocol (EPLP). The Community Patent Court and the EPLP-Court would not decide on the same patents (Community Patents; EPC-bundle-Patents).

However, EPLA favours the Community Patent Court-system, leaving the EPC-bundle-Patent-cases to the national courts, which would, deciding EPC-bundle-patents, certainly follow the guidance of the Community Patent Court on Community Patents.

14.3.2003



European Patent Lawyers Association

March 14, 2003

## Community Patent « Common political approach »

### EPLA Position paper

The European Patent Lawyers Association (EPLA) comprising lawyers with many years experience in European Patent Law litigation welcomes the breakthrough achieved in the EU Council in creating a Community Patent. European patent litigation lawyers and their international clients have awaited the establishment of such a Community-wide patent right for more than 30 years. By adherence to the European Patent Convention the Community offers inventors the option to choose between the traditional "European Patent" offering, by a central grant through the European Patent Office, a bundle of national patent rights on the one hand and the new unitary Community Patent covering the entire Common Market on the other hand.

The choice which inventors will make will largely depend on the quality which the Community Patent system can offer, and this quality will be determined by the cost of obtaining and maintaining a Community Patent and by the cost and the speed of the Community Patent Court which will decide infringement and nullity proceedings.

Regarding the structure of the Community Patent Court, the Council, until now, has not followed the European Parliament Resolution that the first instance should consist of regional courts with a central appeal court giving guidance to their decisions which was also the unanimous advice of European patent litigators represented by EPLA. Instead, the Council has opted for a central court of first instance for all Community Patents. The Council, thus, went further than the court system in the United States, where patent cases are heard, in the first instance, by different Federal Courts and, on appeal only, by a central appeal court and is not coherent with the court system for Community Trademarks, Designs and Plant-Breeders-Rights (entrusted to the national courts of member-states). The solution favoured by the Council will, as EPLA and its members expect, deter many inventors, especially small and medium size firms, from using the Community Patent system.

Association européenne d'avocats spécialisés dans le contentieux des brevets d'invention  
Europäische Vereinigung der Patentrechtsanwälte

Siège : Avenue Louise, 149 (boîte 20) 1050 BRUXELLES - BELGIQUE  
Association sans but lucratif (Loi du 27 juin 1921)

## **EPLA**

### European Patent Lawyers Association

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- Patent owners will generally prefer to use a court nearby – which for many would seem to be less costly – and therefore have a tendency to choose the EPC bundle patent instead of a Community Patent. They might also want to cooperate with their known and trusted patent litigation lawyers representing them in a first instance litigation. If they have to carry the costs of sending them to a central court of first instance they may well rather choose the less costly alternative of continuing to use the EPC-bundle-patent giving them the opportunity to use a court nearby.
- A single central patent litigation court for the Community patent will offer no solution in the event of over-long procedures, or bottle-necks, in such a central court. Under the present system of the EPC-bundle-patent the patent-owner may choose the court giving the most speedy procedures. A kind of healthy "competition" of the first instance national courts has reduced the duration of first instance procedures in some of the EPC-member-states to 6 - 9 months. If the proposed system has only one central first instance court the patent owner has to make use of such a court, even if the duration of patent litigation procedures exceeds 1 or 2 or even 3 years as is quite often the case in the appeal procedures in the EPO and in the Alicante Office (for Community Trade marks) or – closer to the problem – in the procedures before the CFI and the ECJ. A bottle-neck situation almost certainly will arise because of the language and translation problems in invalidity and infringement cases.
- Without a choice between different courts and without competition between them as a guarantee of speed and quality, and in particular without the possibility to litigate close to the place of infringement, the future Community Patent will lack important features which users want. Here again the US system can be cited as an example: Although the US do not have specialized courts, a number of courts/judges have specialized in patent law and developed an especially fast procedure which has led to a concentration of patent litigation in these courts. The central Court of Appeal is there to ensure harmonization. One must not overlook the possibility that, if in Europe there is no choice within the system, users will choose between the available systems which may lead to a failure of the Community Patent.
- The belief that harmonization and predictability of decisions can only be achieved with a first instance central court is contradicted by the practice in different areas. How different chambers within the same institution may decide can best be demonstrated by the Boards of Appeal in Alicante and also in the EPO. On the other hand, with a competent and experienced appeal court a predictable case law can develop as can be demonstrated by the practice of the German Supreme Court in patent cases.

## **EPLA**

European Patent Lawyers Association

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- EPLA, for this reason, proposes, as a first step, that the interim-period (planned to end "at the latest by 2010") be extended for a period sufficient to allow existing resources in the Community to demonstrate how they can contribute to the success of the Community patent. As the Community Patent will have, for cost reasons, a slow start, the period until 2010 is not long enough for such a practical demonstration.
- Such an approach will certainly be more in line with the Principle of Subsidiarity. It is, above all a safer and more practical proposal.

EPLA offers its and its experienced members advice in finding good practical solutions concerning the questions discussed. EPLA further offers its advice for the great number of detailed questions still to be solved in creating the first civil law court system and civil procedure law system in the EU.

**President**

**Pierre VÉRON**  
**VÉRON & ASSOCIÉS**  
6, square de l'Opéra Louis Jovet  
F 75009 PARIS  
FRANCE  
Tel : + (33) 1.53.05.91.91  
Fax : + (33) 1.53.91.91.98  
E-mail : [pierre.veron@veron.com](mailto:pierre.veron@veron.com)

**Vice-Presidents**

**Prof. Dr. Winfried TILMANN**  
**LOVELLS**  
Kennaedydam 17  
D 40476 DUSSELDORF  
GERMANY  
Tel : +49 (0) 1368-0  
Fax : +49 (0) 1368 100  
E-mail : [winfried.tilman@lovels.com](mailto:winfried.tilman@lovels.com)

**Kevin MOONEY**  
**SIMMONS & SIMMONS**  
One Ropemaker Street  
GB LONDON EC2Y 9SS  
UNITED KINGDOM  
Tel : + (44) 171.628.2020  
Fax : + (44) 20.7.628.2070  
E-mail : [kevin.mooney@simmons-simmons.com](mailto:kevin.mooney@simmons-simmons.com)

**Secretary**

**Fernand DE VISSCHER**  
**BRAUN BIGWOOD**  
Avenue Louise, 149 (boite 20)  
B 1050 BRUXELLES  
BELGIUM  
Tel : + (32) 2.543.70.80  
Fax : + (32) 2.543.70.90  
E-mail : [fdvisschen@braunbigwood.be](mailto:fdvisschen@braunbigwood.be)

**Treasurer**

**Dr Peter HEINRICH**  
**LENZ & STAEHELIN**  
Bleicherweg 58  
CH 8027 ZÜRICH  
SWITZERLAND  
Tel : + (41) 01.204.12.12  
Fax : + (41) 01.204.12.00  
E-mail : [peter.heinrich@lenzstaehelin.com](mailto:peter.heinrich@lenzstaehelin.com)

12.2.2004

# EPLA

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European Patent Lawyers Association

## 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 ~~unpractical~~ impractical 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

## **EPLA**

European Patent Lawyers Association

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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.

2.12.2005

## **Resolution**

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**Adopted by the General Assembly of the  
European Patent Lawyers Association (EPLAW)  
Brussels – 02 December 2005**

In view of:

- the fact that the work on the Community Patent is being stalled by translation and other problems.
- the work on the European Patent Litigation Agreement is finished to a large extent,
- the Resolution of leading patent judges in Europe of October 14-16, 2005,
- the proposal of the European Parliament to harmonize divergences in the post-grant phase of European patents between national courts and the patent granting practice of the European Patent Office,

the European Patent Lawyers Association urgently asks for co-operation between the EU Commission, the EU Council and the European Patent Office to make progress:

- without delay for enhanced co-operation on EPLA for all member states interested in a European litigation system for EPO patents,
- to revise the text of the Community Patent Regulation with participation of experienced patent judges and attorneys,
- on the harmonisation of divergences in the practice of the national courts and the EPO

in order to arrive at a combined solution to advance innovation in Europe as effectively as possible.

## **Response**

**of the European Patent Lawyers Association (EPLAW) to the  
Questionnaire "On the patent system in Europe"  
published by the European Commission on 16.01.2006**

# **ANNEX 2**

## **Resolution on Experts**

EPLA 2003 Congress in Brussels

**RESOLUTION ON EXPERTS**

EPLA believes that the needs of the Community Patents Courts will be best met by the adoption of a system whereby :

- only highly experienced patent Judges can be appointed;
- technical advisors should NOT be appointed to assist the Court (there being serious concerns as to their legal status, how they may interact with the Judges outside the Court, and the likelihood of them confusing issues of fact and law);
- parties may appoint and remunerate their choice of independent expert(s) to consider the technical issues and prepare evidence to assist the Court;
- such independent party experts and any Court-appointed experts can be held to account by the availability of cross-examination;
- the precise arrangements for the giving of technical assistance to the Court to be determined within the above guidelines by an early case management conference – if possible with the same panel of Judges who will hear the trial.

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21. 11. 2003

EPLA 2003 Congress in Brussels

## RESOLUTION ON LANGUAGES

The European Patent Lawyers Association (EPLA) adopted the following resolution on the languages of the proceedings before the CPC (Community Patent Court):

### Taking into consideration:

1. that the present proposal (Art. 1.7 of the Common Political Approach of March 3, 2003) states that the CPC will conduct the proceedings in the official language of the Member State where the defendant is domiciled;
2. that after the Enlargement of the EU this proposal means that the Court has to conduct proceedings in 21 different languages;
3. that it is essential for a successful community patent system that disputes are settled in efficient proceedings by expert judges;
4. that the present proposal will not be able to achieve such settlement of disputes. The proposed proceedings will involve costly and time consuming translations and will make a direct exchange of views between the parties and the Court during the hearings in many cases virtually impossible, the latter being very important for the good administration of justice in patent cases;
5. that under the law of the EU as it stands at present a defendant domiciled in the EU who engages in activities outside his country of domicile or who is summoned as a co-defendant in patent proceedings outside his country of domicile has to defend himself in a language which is not necessarily the language of the Member State where he is domiciled (compare Art. 5 under 3 and Art. 6 under 1 of the Regulation on Jurisdiction);
6. that the present proposal does not give a solution for proceedings involving a defendant from outside the EU or proceedings involving multiple defendants;
7. that the present proposal has not addressed the issue of the Court partially invalidating a patent granted in a different language than the language of the proceedings;
8. that EPLA, although convinced that the language system as proposed in the European Patent Litigation Agreement would lead to a more efficient and better system, has noticed the concern for the rights of the defendants who operate within the border of their own Member State more especially the medium and small enterprises;
9. that it is important for third parties to be able to take knowledge of the judgments of the courts.

Resolves that:

1. If the present proposal remains unamended, a viable and credible Community Patent will not be possible and the only solution would then lie in having the specialized Courts of the Member States dealing with Community Patent litigation (compare the Community Trademark).
2. In order to achieve a more workable solution the proposal should be amended 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 defendants which are not all domiciled in the same Member State, the rule established under a) will apply.
  - d) The Court will deliver a judgment in the language of the proceedings but if the language of the proceedings is not one of the EPC languages, the Court will also make available a translation of its decision in the language in which the patent was granted.
  - e) If the 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.

21. 11. 2003

## **European Patent Lawyers Association**

### ***Resolution concerning concentration and specialisation of national patent courts***

EPLA, the Europe-wide non-profit organisation of lawyers specialised in patent litigation,

Having considered the following:

- that for many industrial enterprises, in particular small and medium-sized, national and European patents will still be widely used in the future, even beside the Community patent;
- that in the Community patent system itself the national courts will have jurisdiction for hearing the cases, at least in a first period;
- the wish of the industry and generally of all those involved in patent cases for specialised and experienced judges;
- the positive results in terms of quality and speed in the countries where only a limited number of courts has jurisdiction over patent cases, either by virtue of the statutory judicial organisation (*de jure* concentration) or as a consequence of the practitioners' choice to go by preference to the courts known for having experience in this field (*de facto* concentration);
- that even in countries where only a small number of courts deal with patent cases, the practitioners feel the need, and express the wish, to further reduce the number;
- that the existence of a very small number of specialised national patent courts would also facilitate it to leave European and Community patent litigation of first instance with existing national courts.

Recommends :

- 1) that in each European country the number of courts having jurisdiction in patent matters be reduced to a very minimal number, in most countries to one court only, and
- 2) that within these courts, the patent cases be brought systematically before the same chamber and the judges be given the possibility to stay in office for a reasonably long time in that chamber and thereby to acquire experience;
- 3) that at least in the interim period before the establishment of a European patent court system specialised national judges become more acquainted with patents and exchange their views;
- 4) that EPLA members in their countries work for the achievement of such concentration and specialisation.

And suggests that the appropriate European authorities take the necessary steps to that end with respect to the EU member states.

Adopted during the EPLA congress in Brussels, 21 November 2003

8.11.2004

# EPLA

European Patent Lawyers Association

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## Congress 2004

### Resolution regarding Art. 22.4 of the EC 44/2001 Regulation and cross border litigation

The European Patent Lawyers Association (EPLA) the membership of which comprise the lawyers active in patent litigation in Europe with experience in cross border litigation has, during its annual Congress in Brussels on November 8, 2004, discussed the opinion of Advocate General Geelhoed of September 16, 2004 in the case C - 4 / 03 of the European Court of Justice.

Members of EPLA are alarmed by the consequences of a decision of the ECJ following that opinion, because such a decision could severely restrict cross border litigation, forcing an owner of a European patent to enforce his patent separately in all States. This will multiply the costs of patent enforcement.

If such a situation arises, EPLA believes it would be necessary to change Regulation 44/2001 to allow for cross border litigation where the defendant raises the defence of the nullity of the patent.

Brussels, 8 November 2004

The Secretary

Fernand de Visscher

The President

Kevin Mooney

Association européenne d'avocats spécialisés dans le contentieux des brevets d'invention  
Europäische Vereinigung der Patentrechtsanwälte

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Siège : Avenue Louise, 149 (boîte 20) 1050 BRUXELLES - BELGIQUE  
Association sans but lucratif (Loi du 27 juin 1921)

8.11.2004

## **EPLA**

European Patent Lawyers Association

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### **Congress 2004**

#### **Resolution regarding privilege**

The European Patent Lawyers Association,

- (1) considering that, in most European countries, attorneys-at-law and patent attorneys enjoy professional privilege for the efficient representation and protection of their clients,
- (2) considering that the concept of privilege is also acknowledged at Community level,
- (3) considering that privilege is desirable in that it ensures total freedom of communication between client and counsel, without which the latter cannot fulfill their roles,

RECOMMENDS that countries which do not recognize privilege adopt legislation granting privilege against compulsory disclosure of legal advice or request for legal advice by or to attorneys-at-law and patent attorneys,

CONSIDERS that the invocation of privilege is a right and that no adverse inference should be drawn from the exercise of this right,

CONSIDERS/RECOMMENDS that wherever counsel enjoy privilege in their own countries, it should be recognized and enforced also by foreign Courts.

Brussels, 8 November 2004,

The Secretary

The President

Fernand de Visscher

Kevin Mooney

## **Response**

**of the European Patent Lawyers Association (EPLAW) to the  
Questionnaire "On the patent system in Europe"  
published by the European Commission on 16.01.2006**

## **ANNEX 3**

**Harmonisation of Invalidity-Practice of national  
courts of EPC-member states**

**Annex 3**

**Harmonisation of Invalidity-Practice**  
**of national courts of EPC-member-states**

**Paper prepared for the  
Venice Forum of Patent Judges  
and revised after the Forum**

**by**

**Prof. Dr. Winfried Tilmann  
Düsseldorf**

**Harmonisation of Invalidity-Practice of  
national courts of EPC-member-states**

1. A well known and widely discussed problem in the post-grant practice of national courts of EPC-member-states is the need for harmonizing

*divergencies of national court practices in EP-patent-infringement cases  
in the absence of a central court governing and guiding such practices.*

The Amgen-decision of the House of Lords (see no. 8. a. below) and the *Schneidmesser*-decision of the German Federal Supreme Court (BGH; see no. 8. a. below) have contributed to narrowing the gap between the most divergent court practices relating to the scope of protection of a European Patent (UK practice, practice in Germany), but a certain gap still exists (see no. 8 below).

2. A less known and rarely discussed problem in the post-grant-practice of national courts of EPC-member-states is the need for harmonizing

*divergencies of national court practices in EP-patent-validity cases in the  
absence of a central court governing and guiding such practices.*

3. The problems no. 1 and 2 can arise separately, if one action in one court is dealing only with validity, another action in another court (in Germany: the Bundespatentgericht), or the same court later is dealing with infringement. Normally, however, both problems arise jointly, if, in an infringement action, the defendant is asking not only for the rejection of the infringement-claim, but also, or in the first place, for an invalidation of the EP or if he is raising only the defence-argument of nullity.
4. Therefore, both problems are practically connected: The need for harmonizing national court practices is showing itself regarding two aspects of the same procedure (validity, infringement). Hence, it is reasonable and justified to pay attention to the harmonization of practice not only regarding the infringement side of the case (scope of protection, equivalence; see no. 1), but also regarding the validity side (see no. 2).
5. The EPC provides binding general rules for infringement (scope of protection, art. 69 EPC and Protocol to art. 69 EPC) and for validity (art. 138 lit. a, referring to art. 52 to 57 EPC; art. 54 EPC is dealing with "novelty"; Art. 56 EPC is dealing with "inventive step") excluding the application of national rules (Swiss Fed. Court 19.08.1991, GRUR Int. 1998, 293/294 ff. - Stapelvorrichtung). These rules are general, because they seem to leave room

- a) for the application of the general rule in one specific case which is showing itself if different courts of the same state (e.g.: a first instance and a second instance court) or the courts of two member states decide differently, regarding one specific EP-patent and one specific accused form ("application" problem);
  - b) for the application of the general rule vis-à-vis a problem common to a certain group or category of cases (problem of "sub-rules" of interpretation or application) regarding such group or category (for examples see No. 8 and 9).
6. "Harmonization" of the application problem (No. 5a) above) means finding the (one) right decision in a specific case by different courts (perhaps in different countries). It should not be called "harmonization", but "synchronisation" and can be achieved only by a central court in the first or second instance, that is: by organisational means as envisaged
- a) by the (old) Community Patent Treaty of 15 December 1975/21 December 1989, not ratified by all EC-member-states, which provided for an appeal-like instrument from the second instance of a national court to a central EC-court dealing only with questions of validity and claim construction/infringement, not with the legal consequences (remedies, damages), which were left for the national courts to decide,
  - b) by the project of a Community Patent with a central two instance Community Patent Court and
  - c) by the project of a European Patent Litigation Agreement (EPLA) with a concentration of first instance courts and a central appeal court.
7. Harmonization in the sense of giving guidance on a more abstract level of rules governing court practice for a certain group or category of cases (No. 5 b) above) is possible by developing "sub-rules" to a general rule contained in the EPC, such sub-rules governing this group or category of cases and being followed by all national courts of all EPC-member-states. What would be the nature of such "Sub-rules"?

The legal understanding of constant court practice differs from country to country and from one law-school teacher to the other. There is one opinion which regards

these "sub-rules" only as a mode of practice, a mode of practice applied by the EPO or by the national courts. Another view on a higher level understands the sub-rules as a mode of practice under the obligation of equal application of equal treatment. The EPO or a court binds itself for the future, once it has established a certain mode of practice. We could speak of self-binding modes of practice. An even more advanced view is known from the US, where the principal of "stare decisis" of high courts comes close to the concept of a "court-developed law". Lower courts may deviate only after the Supreme Court has changed the mode of practice regarding a certain question. An extreme view would regard the mode of practice, strictly speaking, as court-developed law. For our purpose we don't have to decide on this dogmatic question. It is sufficient to agree that the divergent "sub-rules" listed under no. 8 and 9 below would lend themselves to become legal rules adopted by a law-making body.

8. National courts of EPC-member-states apply "sub-rules" (No. 5 b) and 7) regarding interpretation and infringement (art. 69 and Protocol to art.69 EPC) which are partly different from each other (divergences) despite the fact that all courts agree in principle that there can be, regarding the same patent claim and the same accused form, only one result which is "correct" under the binding rule of Art. 69 EPC and the Protocol (UK: the "Protocol Question(s)"). Examples for these divergences are:
  - a) The question whether patent protection is confined to an interpretation of the patent claim, read contextually together with the description, (English courts: *Kirin-Amgen Inc. v. Hoechst Marion Roussel*, 21.10.2004, [2004] UKHL 46; *Rockwater v. Techniq France SA et al.*, 1.4.2004, HC 02 00 440), or whether patent protection is also granted for means equivalent to the means proposed by the patent claim (German courts: 5 decisions of the Federal Supreme Court–BGH–of 12.3.2002: *Kunststoffrohrteil*, GRUR 2002, 511; *Schneidmesser I*, GRUR 2002, 515; *Schneidmesser II*, GRUR 2002, 519; *Custudiol I*, GRUR 2002, 523; *Custudiol II*, GRUR 2002, 527; similar situation in France).
  - b) The question, whether in interpreting an EP-patent the court may take regard of the file-history (practice in NL: *Ciba Geigy AG v. Oté Optics*, Hoge Raad, 10. January 1995, NJ 1995, 391) or only in rare cases

(practice in UK: Rohm & Haas [2002] F.S.R. 28) or only in order to assess the understanding of a skilled person at the priority date (practice in: France and Germany).

- c) The question of what is the reference time for the skilled person to assess the scope protection (equivalence). In Germany the courts refer to the priority date, whereas in the UK (*General Tire v. Firestone* [1972] R.P.C. 451) some decisions refer to the day of publication. In the Netherlands and in France court practice refer to the date of infringement.
- d) The question whether, at least under special conditions, the patent covers also a partial infringement (disputed practice in France: French Supreme Court, decision of 28 April 1987 *Equipments Automobiles Marchal v. Paul Journée*; this practice is followed by no other EPC-member-state).
- e) The question whether the claims of a European patent also extend to so-called "dependent inventions", i.e. (1) to an accused form which adds an inventive aspect to the patented technology, or (2) to an accused form which uses inventive means belonging to the same family of means as the (original) means proposed by the patent claim, this family being equivalent to the original means (Germany: for (1) see: German Federal Supreme Court (BGH) decision *Spannschraube*, GRUR 1999, 909; *Bratgeschirr*, GRUR 2000, 1005; for (2) see German Federal Supreme Court decision *Kabeldurchführung*, GRUR 2001, 770; similar situation for (1) in France, but with this exception, there is no such practice in other EPC-member-states).
- f) The question, whether patent interpretation and protection in "equivalence-cases" is to be restricted, if the accused form (1) is part of the state of the art, or (2) is a non inventive development over the state of the art (Germany: *Formstein*-defence in Germany: Federal Supreme Court-BGH-decision *Formstein*, GRUR 1986, 803; *Kabeldurchführung I*, GRUR 1987, 454; Switzerland: Swiss Federal Court, decision *Polyurethan-Hartschaumplatten*, 16.11.1989, GRUR Int. 1991, 312). There is no such practice in other EPC-member-states.

9. National courts have divergent practices and they apply different "sub-rules" (no. 5 b), 7) also regarding the validity aspects of an EP patent infringement case (art. 138 EPC). They also differ in the "Sub-rules" they apply from the practice of the EPO. Examples for such divergences are:
- a) Interpretation of the Exclusions of Patentability (art. 52 EPC), for instance (1) of art. 52 (2) (c) EPC (exclusion of programs for computers from patentability) to which art. 138 (1) (a) EPC refers for validity procedures regarding computer-implemented inventions, in the absence of an EU-directive, which failed in the European Parliament in July 2005 or (2) methods of treatment versus second medical use (restrictive practice in the UK compared with that of the EPO: Merck & Co. Inc's Patent [2003] FSR 29; *Bristol Myers Squibb v. Baker Norton* [2001] R.P.C.).
  - b) "Sub-rules" concerning novelty (art. 52 (1), art. 54 (1) and (2) EPC) may deal with the following questions:
    - (1) Is the disclosure of an older document restricted to what it says (i.e. "photographic" notion of disclosure), only including inevitable results (see Busse-Keukenschrijver German Patent Act = BK, 6. Ed. 2003, PatG § 3 note 103, footnote 300; this is the position of the EPO and the practice in most of the EPC-member-states) or does it include all information which the skilled man would "read between the lines" (position in Germany; BK PatG § 3 note 101, footnote 273; the same situation exists in France and in the UK)? In the UK, however, the question is asked, whether carrying out the directions contained in the prior art will "inevitably" result in something being done which would constitute an infringement of the patent (*General Tire*, see No. 8. c) above).
    - (2) Does, therefore, an "implicit" disclosure have to be taken into account (EPO: no; see BK PatG § 3 note 103, footnote 301; Germany, France and the UK: yes)?
    - (3) Does a general term (e.g. vegetable) include specific sub-terms (e.g. edible fruits), but not vice versa (i.e. a specific sub-term does not disclose the more general term), which is the position of the EPO (EPO-guidelines C IV 7.4; BK PatG § 3 note 103, footnote 398)? The practice in Germany (BK footnote 299) and, possibly, in

the UK is wider: The specific sub-term may disclose the general term.

- (4) Is a disclosure regarding a greater range of values, in principle, novelty-destroying regarding a smaller frame of values within that range (position in Germany, BGH, GRUR 2000, 591/594 - *Inkrustierungsinhibitoren*; BK PatG § 3 note 151, 156; ENPDR, 2004, 55/57) or is this not the case, if the smaller frame of values is limited and constitutes a selection under the aspect of a certain, new effect (position of the EPO: T26/85; T279/89; T255/91; T 631/92 and of most of the other EPC-member-states, BK PatG § 3 note 152, footnote 470; for example UK: *DuPont's Application* [1982] RSR 303)?
- (5) Is a process-claim new because of a new effect under similar rules as regarding use-claims (EPO: yes, BK § 3 note 163; Germany: no, BK § 3 note 163)?

c) Sub-rules concerning "inventive step"/"obviousness"

- (1) Does the "skilled person" have to be selected from the same technical field (EPO: yes, ENPDR 2004, 84; Germany: not necessarily, ENPDR 2004, 85/87).
- (2) Does the examination have to start from the closest prior art (position of the EPO, ENPDR 2004, 69; BK PatG § 4 note 34, footnote 147, see also note 153; the EPO is followed by Austria, ENPDR 2004, 70/71) or is this only a practical first step, and is it necessary to include other documents which are not so close (position in Germany, France and UK: BK PatG § 4 note 34, footnote 148, 150)?
- (3) In applying the "could-would-test" (would the skilled person do what he could do?; EPO, ENPDR 2004, 69; followed by Austria, The Netherlands, Sweden; critical: Germany, BGH GRUR 2004, 47/50 – *Blasenfreie Gummibahn I*, different UK: "Windsurfer Test", ENPDR 2004, 70, 72 – 82) within the framework of an ex-post-analysis, should it be asked whether there was a "reasonable expectation of success" (position of the EPO, BK PatG § 4 note 145;

position in Germany and France: expectation of success not necessary, but the prior art should incite the skilled man to modify the prior art, BK PatG § 4 note 145; position in the UK: Would the skilled person assess the likelihood of success as sufficient to warrant actual trial? *John Mansville Corporation's Patent* [1967] R.P.C. 479)?

d) Sub-rules concerning

- amendments of the claims after the grant of the patent
  - filing of auxiliary requests during litigation
  - partial invalidity.
- (1) In the Netherlands the Supreme Court (*Spiro v. Flamco*, Hoge Raad 9. February 1996, NJ 1998, 2) has limited the possibility for amendments to cases where it is clear to the skilled man where the limitation of the protection lies after the amendment and that the supplement was sufficiently obvious for him reading the specification.
  - (2) The practice of the EPO is more liberal in this respect. An amendment is allowable, if its subject matter is directly and unambiguously disclosed in the application as filed (Art. 123 (2) EPC) and if the scope of protection is not extended (Art. 123 (3) EPC) [Cf. T 339/89 OJ EPO 1991, 545; T 823/96; G 1/93 OJ EPO 1994, 541]. Unlike the Dutch courts, the EPO Boards of Appeal have not established any further requirement.
  - (3) Germany and Sweden are close to the NL practice (for Germany: BGH GRUR 2005, 145 - *Elektronisches Modul*; BGH GRUR 2005, 316 – *Fußbodenbelag*, for Sweden: ENPDR 2004, 247/251 ff).
  - (4) In the UK, even if the amendment renders the amended claims inventive and novel, the Court retains discretion to refuse amendment based upon the conduct of the patentee (e.g. asserting a patent when the patentee knows it to be invalid can result in a refusal to allow amendment).

10. A harmonization of the practice of national courts regarding "sub-rules" for invalidation (no. 5 b), 7, 9) is for the following reasons even more urgent than a harmonization of the practice of national courts regarding the above mentioned infringement sub-rules (no. 5 b), 7, 8).
- a) Regarding infringement (no. 5. b), 7, 8), there can be only a conflict (divergence) between certain practices of national courts.
  - b) Regarding validity, there may not only be divergent practices of national courts, but also divergences of such national court practise as compared with the practice of the EPO (see no. 9). Therefore, there may be a double divergence.
    - (1) The practice of a national court differs from the practice of other national courts;
    - (2) The practice of certain national courts differs from the practice of the EPO, whereas the practice of other national courts follows the practice of the EPO. Such a constellation has, from the viewpoint of the patent applicant, a "positive" and a "negative" effect:
      - (a) Negative effect: Where the EPO rules are "stricter" than the national rules, a patent will not be granted despite "softer" national standards.
      - (b) Positive effect: The EPO may grant a patent which may not have been granted by a certain member-state and which may be invalidated by the national courts of that member-state in view of identical prior art but under application of different sub-rules, but not invalidated by the courts of other member-states following the practice (the sub-rules) of the EPO.
11. The judicial control intended by the EPC in using national courts refers only to patent granting decision, not to the denial of patent granting. For the denial of patent-granting the EPO has a "monopoly" on the application of Art. 52-57 EPC. This aspect contributes to the impression of a dominant position of the EPO regarding the interpretation and application of Art. 52-57 EPC. The partial judicial control intended by the EPC in giving the national courts of mem-

ber-states the authority to cancel European Patents granted by the EPO certainly includes the authority to correct errors of the EPO in interpreting the rules of the EPC (art. 52-57 EPC). If, however, there is no unanimity of national courts in that some (or even the majority of the) national courts follow the interpretation by the EPO, but others (perhaps a minority) not, there is no clear case of an "error" of the EPO. In such cases, already from a practical point of view, the question arises whether it would be better if the practice of the EPO prevailed.

12. There could be a legal answer to this practical question:
  - a) For the interpretation of the EPC-rules and the development of sub-rules thereto, the Vienna Convention on the Law of Treaties of 23.5.1969 is relevant. This Convention codifies the general principles of international treaty law. The relevance of the Convention to the EPC has been recognised by the EPO (EPO G 1/83, GRUR Int. 1985, 193/194; G 1/84, GRUR Int. 1986, 123/124; J 8/82, GRUR 1984, 441; BK art. I Int. PatG note 18).
    - (1) The Vienna Convention calls for a *bona fide* interpretation of international agreements "in the light of its aims and objectives" (Art. 31 (1)). There shall be taken into account subsequent "agreements" (Art. 31 (3) (a)) and "subsequent practice" (Art. 31 (3) (b)), "which establishes the agreement of the parties" regarding the interpretation. These rules are binding for the member states (Germany: Const. Court 31.03.1987, NJW 1987, 2155/2157; Switzerland: BGE 122 II 234 E. 4 c.) and for the Community Institutions (CFI 22.01.1997, T-115/94 - Opel Austria vs. Council, 1997, II-39; ECJ 20.11.2001, C-268/99 - Aldona, EuZW 2002, 120/123 with further references). See Bruchhausen, GRUR Int. 1983, 202/208 ff.; Vossius GRUR 1990, 333/335; Walter, GRUR 1998, 866 ff.
    - (2) Such a subsequent practice could be assumed to exist where a sub-rule-practice of the EPO is being existent or at least is existent and is followed by a majority of the national courts of EPC-member-states (see no. 11 above).

(3) This would lead to a binding effect of an EPO-practice in case of (2).

- b) At least there is, under such circumstances, an obligation to seek a harmonised interpretation of the rules concerning validity. All EPC-member-states have incorporated (by duplication or by way of referral) Art. 138 EPC which itself refers to the patent-granting rules of art. 52 – 57 EPC. In patent literature an obligation is recognised (*Benkart/Rogge*, EPÜ art. 138 note 7; Swiss Fed. Court 19.08.1991, GRUR Int. 1992, 293/294 f. - Stapelvorrichtung).

to come to an interpretation in accordance with identical criteria and not with different national legal traditions.

- c) The German Federal Supreme Court (BGH) also has recognised such an obligation to harmonise national court practice applying the patent validity rules of the EPC. In the decision "*Tollwutvirus*" (*rabies-virus*) of 12 February. 1987 (GRUR 1987, 231/233) it has said:

*The EPO is ... of a different opinion as to the practice, until now, of the Senate and holds, that ... Since the harmonization of the national and European rules on material patent-law should serve to create a far-reaching unified patent law, one should seek an application which is as far as possible unitary in the national and the international field...*

Therefore, the BGH "for reasons of achieving the desired unitary application" has seen an obligation that national practice is put in line with the EPC and with the practice of the EPO.

- d) Some national courts have adopted the principle that a decision of the EPO in granting a patent should be regarded as an expert opinion as to how the so-called "skilled person" would understand the patent and include and understand a document of the prior art. (Germany, France, UK, see EPO, European National Patent Decisions Report = ENPDR 2004, 301 ff.).

13. It appears necessary to increase the state of information and awareness of national courts regarding this obligation and the divergences (no. 8 and 9) existing despite this obligation. The national court decisions which apply "sub-rules" differently from those applied by the EPO or by other EPC-member-

states should be brought to the attention of the EPO and of the other national courts. There seems to be an obligation on the side of the EPO as the administrative body of the EPC to provide for such information and transparency.

14. Despite the undeniable obligation at least to harmonise the national practice regarding the EPC patent validity rules (No. 12 b) above) differences in the practice of national courts and between national practices and the EPO practice may continue to exist even after further information according to No. 13. Moreover the process of de-facto-harmonisation through a cooperation of national courts and judges may be very slow. Which further action would be possible and advisable to come more rapidly to a higher degree of harmonization regarding the "sub-rules" for patent interpretation and infringement on the one side and for patent granting and validity on the other side?
15. Harmonization (and "synchronization" see no. 6 above) of national court practice (not necessarily between the court practice and the practice of the EPO) would of course be possible by a central court. However, the prospects of a Central Community Patent Court are, presently, dim. The same is true regarding the European Patent Litigation Agreement (EPLA). Even if such central courts would be established, the time until they could decide the first relevant cases seems too long to wait. There is need for a quicker action. Therefore, one should look for alternative means for harmonization.
16. A second possibility would be to amend Art. 54 and 56 EPC by sub-rules on the problems referred to in no. 9 above and to amend Art. 69 EPC or the Protocol thereto by sub-rules on the problems referred to in no. 8 above. However, changing the EPC is a slow process (ratification).
17. A third alternative would be an EU-harmonization directive.
  - a) The European Community has already acted in the field of IP (e.g.: Bio-tech-Directive; Draft Directive on Computer-Implemented Inventions, just rejected by the European Parliament; Enforcement-Directive).
  - b) However, there is no room for a direct EU-harmonisation on the effects of EP-Patents, since binding EPC rules already exist for (1) the interpretation (construction) of patents and the scope of protection and (2) for the granting/revocation of patents. The EU has no authority to give further definitions about what these EPC-rules are going to mean.

- c) The EU can only harmonize national law. Such harmonization would have an indirect effect on EPC-patents in influencing EPO-practice. To give an example: In the field of Biotech the EU has chosen that way (Biotech Directive) and the EPO is following the rules of the Biotech Directive (Implementing Rules 23b - 23e).
- d) Does this way (EU directive) seem feasibly also regarding our problem?

The experience with the directives referred to in No. 16 above, especially the fate of the draft Computer Program Directive, does not invite choosing this route. The questions at the heart of this paper are of a highly specialised character. The creation of a directive for such questions may be a long and difficult task, and there is no guarantee that the result would be useful at all.

18. A fourth alternative would be that the Administrative Council of the EPO uses his power to adopt interpretative rules on the questions discussed here.
- a) The Vienna Convention (see No. 12 a)) gives preference to "later agreements" (Art. 31 (3) a); Germany: BGH 10.10.2002, NJW 2003, 134/135). This means: If an international agreement (as the EPC) is modified by a later revision-agreement, this later revision-agreement must be regarded as binding on the member states - and not the old agreement.
  - b) The EPO is applying this rule to implementing or interpreting decisions or rules (Art. 33 (1) (b) EPC) of the Administrative Council (EPO J16/96, Official Journal EPO 1998, 347/353 = GRUR Int. 1998, 708/709). This means: The EPO is considering Administrative Council rules (Art. 33 (1) (b) EPC) on the EPC rules as if they were "later agreements" in the meaning of the Vienna Convention, having binding effect on EPC member states (EPO cif nr. 3.2, referring to Art. 31 (3) a) of the Vienna Convention).
  - c) Interpreting existing rules by defining sub-rules for a better practice is clearly within the authority of the EPO Administrative Council (Art. 33 (1) b) EPC), since such definitions do not change the existing agreement. Such Administrative Council decisions or rules, therefore, would fall under the rule of Vienna Convention (referred to in No. 18 a)) and would have to be observed in the spirit of *bona fide* interpretation (see No. 12 a) (1)).

- d) Implementing Rules (Art. 33 (1) (b) EPC) are not confined to procedural question. They may also give a binding interpretation regarding material questions (see Rules 23a, 23b - 23e; Benkard/Schäfers EPÜ Art. 164 note 5).
  - e) Art. 164 (2) EPC, in the case of a conflict between an Implementing rule and a rule of the EPC itself, gives priority to the rule of the EPC. Theoretically, therefore, a national court could maintain its "sub-rule" in the face of a different sub-rule of the Administrative Council. However, a harmonizing sub-rule adopted by a 3/4 majority of the Council (Art. 35 (2) EPC) would carry so much weight, that the "danger" of a later deviation of a national court would, indeed, be only theoretical.
19. The way of using Implementing Rules for harmonization of divergent national "sub-rules" seems viable in the first place regarding the sub-rules for the granting and for the revocation of an EP-patent (no. 9 above), because these sub-rules concern also (mainly) the activity of EPO itself, which has a dominant position in interpreting Art. 52-57 EPC ("monopoly" on negative decisions, see no. 11 above). To a lesser degree, but still, this way would be open for interpretative rules on the construction of the patent and on infringement, where no divergence with an EPO-Practice can occur (see No. 10 a) and b) above), especially interpreting the new art. 2 of the Protocol to art. 69 EPC (version of 29.11.2000, by which the scope of protection is defined in stating that patent protection must take due regard of equivalents to the (original) elements of the patent claim).
20. Therefore, a possible route on the path of harmonisation could be seen in submitting to the Administrative Council of the EPO a draft resolution regarding open questions of invalidity for which examples have been given in No. 9 above, possibly also regarding the open questions of infringement, for which examples have been given in No. 8 above. Such a proposal in itself would already have an immediate valuable effect in reminding the courts of member-states of their obligation to harmonize their practice and, especially, to avoid divergences between their invalidity-practice and that of the EPO in patent-granting (no.12 above).
21. If the route would be chosen

- the "sub-rules" on patent-granting and validity should be worked out and drafted by way of a cooperation between the EPO and the leading national judges,
- the "sub-rules" on patent interpretation and on the extent of patent protection should be worked out and drafted by way of a cooperation of the leading national judges.