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## **CCBE POSITION PAPER ON THE EUROPEAN UNION PATENT JURISDICTION**

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The Council of Bars and Law Societies of Europe (CCBE) represents more than 700,000 European lawyers through its member bars and law societies of the European Union and the European Economic Area. In addition to membership from EU bars, it has also observer representatives from a further six European countries' bars.

The CCBE is following the discussions taking place at a Council level concerning the proposal for a European Union Patent Court.

Having examined the details of the proposal, the CCBE believes that there are a number of issues of concern. The CCBE would like to stress that these are preliminary comments and the CCBE may wish to submit more detailed comments in the future.

### **(1) Forum Shopping**

Article 15a(5) of the draft agreement provides the patent proprietor with far-reaching freedom in choosing a venue due to the fact that the proprietor may choose between any of the venues where the alleged infringement is taking place together with the defendant's own venue. Such access to forum shopping will entail that patent proprietors – especially in cases against small and medium enterprises (SMEs) – may base their choice of venue on tactical considerations and litigate outside the defendant's own venue with a view to using geographical distance, linguistic challenges and in turn financial implications to impede the defendant's ability to defend him- or herself.

The proposed access to forum shopping may, particularly in cases that concern cross border injunctions, imply that defendants may be deprived of the principle of equality of arms.

The CCBE suggests that not only cases that merely concern the defendant's own jurisdiction but also cases that concern cross border injunctions should only be brought before the defendant's own venue. This principle of subsidiarity is applied in the Community trademark regulation.

### **(2) Local divisions**

It is believed that prior memos on the EU Patent Judiciary have suggested that a member state should only be able to set up a local division if on average 50 cases were filed annually within the member state in question. This criterion would imply that very few member states, perhaps only Germany, would be able to set up a local division.

The new draft agreement provides member states with the option to set up a local division that consists of two permanent judges and a third judge from the pool of judges, cf. Article 7(2). During a transitional period, the local division will as a general rule consist of only one permanent judge together with two judges from the pool of judges, cf. Article 58(3).

The CCBE observes that the presence of non-native speakers from the pool of judges is likely to imply that the oral pleadings will be of much less significance than what exists today in a number of countries. While such deviation might in itself be acceptable, the CCBE strongly opposes the option provided in Article 29(4) to use the language in which the patent was granted as language of the proceedings instead of the local language.

In the CCBE's opinion, any defendant that is faced with a case in his or her own country has a right to a trial conducted in the defendant's national language. The fulfilment of this fundamental principle requires (i) that any member state should have the right to establish a local division, and (ii) that the local division, unless both the judges and all parties agree otherwise, uses the local language as the language of the proceedings.

### **(3) Reference to central division**

Article 15(a)(7) of the draft agreement stipulates that, if the defendant in the context of an infringement action as a defence files a claim for revocation, then the local or regional division may refer the counterclaim for decision to the central division.

In infringement cases litigated in a number of countries, if the defendant files a claim for revocation, the national courts' assessment of this claim is in practice closely interlinked with the courts' decision on the infringement claims. Therefore, a separation of the two questions is likely to impact negatively on the quality of the infringement assessment by the local/regional division. Furthermore, a separation of the two questions will undoubtedly materially increase the legal costs and there is an obvious risk that especially SMEs may be deprived of access to justice and back down from arguing invalidity as part of their defence.

### **(4) Representation**

#### Article 28.1

The CCBE believes that the first paragraph of Article 28 of the draft proposal is not very clear "The parties shall be represented by lawyers authorized to practise before a court of a Contracting Party who may be assisted by a European Patent Attorney, who is a national of a Contracting Party entitled to act as professional representative before the European Patent Office (hereafter: European Patent Attorney), and/or by patent attorneys with proven patent litigation experience."

Article 28.1 implies that the parties can be represented by lawyers and possibly assisted by a European patent attorney or a patent agent having experience in patent litigation. The CCBE believes that the formulation of Article 28.1 is ambiguous. It is not clear whether the patent agent can only assist lawyers or whether the patent agent can directly represent a party before the European Court. If it is possible for patent agents to plead directly in front of the Patent Court, this provision would be extremely problematic as patent disputes are not limited to technical matters but can involve many other points of law, for example questions of private international law, competence, civil responsibility, damages, causal link etc. which are issues involving purely legal questions. In addition, there is also the matter of the application of procedural rules in which a patent agent does not benefit from adequate training. Furthermore, the CCBE would like to stress that in several member states of the European Union (in particular in Belgium, the Netherlands and Luxembourg), patent agents do not belong to any legal profession and are not subject to a particular deontology or any professional order recognised by law.

#### Article 28.2

The CCBE believes that in the event that Article 28.1 is to be interpreted as meaning that patent agents cannot directly represent a party before a future Patent Court, Article 28.2 provides that European patent attorneys and patent agents with proven patent litigation experience who are in possession of a European Union Litigation Certificate can represent the part of the action relating to the revocation of a patent: "Notwithstanding paragraph 1, European Patent Attorneys and patent attorneys with proven patent litigation experience who are in possession of a European Union Litigation Certificate may represent the parties in actions for revocation of a patent before the central division."

The CCBE would like to point out that revocation actions are in many cases closely related to infringement proceedings, which imply, as mentioned above, that many legal questions are involved which go beyond technical issues, for example, the application of the terms of legal reference, private international law, right of civil responsibility, right to compensation for damage. These legal issues mean that lawyers, having obtained legal training and being subject to strict deontological rules, and further being familiar with the rules of procedure and the principles of the right of defence, are in the best position to protect the interests of the respective parties to the action. In this respect, the deontological obligations on lawyers are far higher than what is envisaged with regard to Article 28.3° and 28.4 of the draft proposal with regard to "representatives".

Rules concerning professional secrecy, the prohibition of conflicts of interests, and the independence of a lawyer are additional guarantees that the members of the bar bring to the protection of the interests of the parties. Such rules or guarantees do not necessarily extend to patent agents. In several countries of the European Union, as stated above, patent agents are not subject to deontological rules and so do not offer the same guarantees.

## **(5) Appeal and Review**

### Article 45

With regard to the procedure for appeal in Article 45 of the draft proposal, the CCBE believes that the current proposal is problematic. Article 45.3 provides that “New facts and new evidence may only be introduced if their submission by the party concerned could not reasonably have been expected during proceedings at first instance, in accordance with the Rules of Procedure.”

The rights of defence, and especially the rights available to the defence on appeal, are thus reduced by this rule. Moreover, the current proposal will have as a consequence the result that at first instance parties will have to raise all possible arguments, call upon all parties and all pieces of evidence in their possession, even those which appear less relevant, due to the penalty of not being able to call upon them later. This will necessarily lead to complicating the procedures with respect to the first instance and at a cost. Such a rule does not appear to the CCBE to be in the interests of justice.

## **(6) Petition for Review (cassation)**

### Article 48

Article 48 of the proposal provides that “Decisions given by the Court of Appeal under Article 45 may be subject to further review by the Court of Justice of the European Communities on points of law only, in accordance with the Statute.”

In this respect, the CCBE has doubts with regard to the compatibility of this provision with existing Community legislation. The CCBE is of the opinion that an international agreement cannot confer new roles and duties on the European Court of Justice if these new duties change the nature of its function, as conceived by the EC Treaties.

The draft proposal provides that the new Patent Court must have the necessary competences to rule on injunctions, to rule on safeguarding evidence, to order measures of investigation and measures of seizure, and allotting damages. These various competences do not have, with regard to the European Court of Justice, a base in the EC Treaty. In addition, the CCBE is concerned whether the European Court of Justice is equipped to cover the subject of patent law, for example, the criteria of innovation, or the patentability of inventions created by computer, that is to say questions which currently do not arise within disputes before the European Court of Justice. If the European Court of Justice is and must remain the final interpreter of the treaties of the European Union and the derived Community legislation, it does not appear that points of material law such as those stated naturally enter its competence.