

IV. Forum of European Patent Judges in Venice – Survey on selected questions of the Presidency Paper st14970/08 of November 4, 2008

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At the Venice Forum of Judges 29 of the most experienced patent judges from 15 countries discussed the possibilities for more harmonisation of patent litigation between the different countries. Among others the judges dealt with the status of the work for a European patent litigation system. Here they took part in a survey and answered a selected number of disputed questions prepared by this author and chosen from the present draft paper st14970/08 of November 4, 2008. The following answers show a high level of consensus (The majority answers are in bold letters).

Art. 6: Composition of Panels

A panel of a local division shall sit in a composition of three judges, two permanent judges who shall be nationals of the Contracting Party hosting the division concerned, and one judge of a different nationality who speaks the language of proceedings.

Q: Which composition do you prefer?

- a) Composition as proposed (3 judges of 2 nationalities with optional technical judge)**
- b) All 3 judges of the nationality of the local division
- c) Legal judges of more than two nationalities
- d) Technical judge upon request by the judges only
- e) Mandatory technical judge in each case
- f) No technical judge

NB: d), e) or f) can be chosen in addition to a,) b) or c)

Result: The above answer **a)** in favour of three legal judges from two nationalities was approved by **more than a 2/3 majority**.

Judges were only divided on the additional options **d), e) and f)** on the necessity and the practice of the involvement of a *technical judge* as the fourth judge. One group voted for the proposal of the Paper, namely an optional involvement of a technical judge, another group for a mandatory involvement and a third group against a technical judge.

Art.15a: Bifurcation of infringement and revocation proceeding (“split system”)

Some countries in Europe practice a system in which infringement actions and revocation actions (nullity actions) must be filed with separate courts. The reason is that patents which are presumed to be valid should be enforced speedily without burdening the proceeding with validity questions. The advantage of a bifurcation may be seen from the fact that while in a combined system a counterclaim for revocation is mostly filed as a routine matter, in the

German system in only 25% on average of the infringement cases a revocation counter claim is being filed.

The *flexible approach* in the *Presidency Working Paper* allows the court to examine whether a combined treatment of the issues or a separation of validity and infringement would best serve the respective case.

Q: Which rule would you prefer?

- a) No bifurcation, i.e. infringement and validity to be decided by the same division
- b) Always bifurcation, i.e. infringement to be decided by local division and validity by central division
- c) **Flexibility as proposed in the text of the Presidency paper: discretion for each division whether validity question to be sent to central division or to be decided together with infringement**

Result: Close to a 2/3 majority (short by one vote) voted in favour of the flexibility rule.

Art. 48: The role of the ECJ

Upon the request of one member state Art. 48 of the present paper provides for the possibility of a legal review by the ECJ (“cassation”) against decisions of the Court of Appeal. This proposal has been largely opposed by user and expert groups and a clear majority of member states. The risk is that if this clause remains in the draft that the proposed court system would be rejected by users and eventually fail. The main argument is that in addition to cost and delay the ECJ is not a court equipped to deal with procedures between private parties and it is not a patent specialist court.

It has therefore been requested that the ECJ should only be involved if the Court of Appeal files a reference for preliminary ruling under Art. 234 of the EC Treaty whenever European Community law is an issue. In the discussion in Venice it has also been suggested to include into the draft paper an express clause which would make it clear that **substantive patent law** as far it is contained in the EPC, but also as far it is contained in the Community Patent Regulation (e.g. the rules on infringement and rights of the patent owner, patentability and scope of protection) **should not be the subject** of preliminary rulings by the ECJ.

Q: Which rule would you prefer?

- a) ECJ should act as third instance for questions of law, and cases would only become final after an ECJ decision
- b) **ECJ should only act upon request/reference by Court of Appeal under Art. 234 EC Treaty to clarify EU rules of procedure, i.e. Court of Appeal has discretion whether to send a case to the ECJ**

For both alternatives:

- c) ECJ should only be involved if it has a specialized patent chamber
- d) No specialized chamber required for ECJ

NB: c) or d) can be chosen in addition to a) or b)

Result: There was *unanimity* (short by 1 vote) in favour of a deletion of the present *cassation* proposal and a replacement by a reference under Art. 234 of the Treaty. The judges were **divided** about the necessity of a **specialized chamber at the ECJ**.

Art. 58: Option between use of national courts and EU patent court for EPO bundle patent

Under the present proposal after the **expiration of the transitional period** in Art. 58 and the **opt-out possibility** all actions based on EPO *bundle patents* like for Community Patents *must* be filed before the new EU patent court.

For cost reasons, but also in order to accommodate the hesitations and fears of users and member states which do not want to give up a well functioning national court system this author had made a proposal during the **Strasbourg Conference** in October 2008 which would offer all **owners of European bundle patents** an *option* either to use the existing national court structures *or* to use the future EU patent court¹. ***Injunction and other Remedies must be limited to one country.***

This possibility could **eventually be limited to the first action** of a patentee, so that any further action between the same parties would necessarily be an action before the Community Patent Court.

Q: Which solution would you prefer for litigating European “bundle” patents?

- a) Transitional period 3 years, afterwards exclusive jurisdiction of Community courts for European bundle patents.
- b) Transitional period 7 years, afterwards exclusive jurisdiction of Community courts for European bundle patents.
- c) Like a) or b), but exception for SMEs which can choose existing national courts instead also after expiration of the transitional period.
- d) No time limitation and no limitation to SMEs: all owners of European bundle patents and also alleged infringers can choose for each case whether to use the existing national courts or the new Community courts.**
- e) The option according to d) should only be possible for the first action of a plaintiff (patentee or alleged infringer)
- f) We do not want any changes and are against a Community court system.

¹ Details of the proposal are contained in the *Strasbourg Paper* by Pagenberg on the EPLAW website www.EPLAW.org

NB. You may choose multiple options for a) plus c) or b) plus c). If you choose f), all other alternatives do not apply.

Result: There was a ***majority of more than $\frac{3}{4}$*** in favour of a permanent option for bundle patents. While from this group a minority was in favour of an option only for SMEs, an additional small minority of only two votes requested that this option should be limited to the first action between the same parties. As a result, a majority of ***more than $\frac{2}{3}$*** voted in favour of an unlimited and unrestricted option for bundle patents.

Whether in addition the present opt-out option in Art. 58 should be maintained was not part of the question. But for the $\frac{2}{3}$ majority the unlimited option would indeed have an even broader effect than an opt-out possibility which would be limited to bundle patents filed before the enactment of the Treaty on an EU court.

Enhanced cooperation under Arts. 11, 42 et seq. of the Treaty

It appears according to opinions voiced by several countries that **it will be unlikely that the required unanimity vote of all 27 member countries** in the EU Council in favour of any proposed patent court system will be achieved, since a number of countries are against or do not need a supranational court system. There is the possibility under the Treaty that only a smaller number of countries start with a Community Patent Court according to **Arts. 11, 42 et seq.**

Q: Would you prefer that for a Treaty on a Community Patent Court (which would also include countries outside the EU like Switzerland etc.)

- a) all 27 EU member states must take part
- b) it should be optional for the member states whether they want to join, and a smaller group of countries should be enabled to establish a court system with the possibility that others may join later.**

Result: There was ***unanimity*** (short by 1 vote) in favour of Enhanced Cooperation and the possibility for a smaller group of countries to establish a common patent court system.