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COMMISSION WORKING DOCUMENT
ON THE PLANNED COMMUNITY PATENT JURISDICTION

Context

On 1 August 2000 the Commission put forward a proposal for a Regulation on the Community patent. In their working paper of 7 May 2001 the Commission services advanced a detailed approach on the necessary changes to the European Patent Convention in order to empower the European Patent Office to grant Community patents and to prepare an accession of the Community to the European Patent Convention. The current working document addresses the remaining fundamental feature of the Community patent system: the Community patent jurisdiction.

The Nice Treaty introduces into the EC Treaty a legal basis for the establishment of a Community patent jurisdiction. Article 229a of the EC Treaty constitutes a legal basis to confer jurisdiction on the Court of Justice in disputes relating to the application of acts which create Community industrial property rights. Article 225a of the EC Treaty allows for the establishment of judicial panels to hear and determine at first instance certain classes of actions or proceedings brought in specific areas with the possibility of an appeal to the Court of First Instance. The Council agreed in its common approach adopted on 31 May 2001 that these provisions should be used as the legal basis for the establishment of a Community patent jurisdiction. This working document builds on that same approach.

This working document contains in its annex detailed suggestions on the jurisdictional arrangements based on Commission's thinking so far, pending a formal proposal by the Commission. The primary purpose of this working document at this stage is to facilitate discussions in the Council with a view to reaching an overall political agreement on the main elements of the Community patent system. The working document is also being forwarded to the European Parliament and the European Court of Justice since both will be consulted in due course on any Commission proposal. The Commission reserves the right to modify or complement the suggestions made in this working document should this appear to be appropriate at the time when it may be in a position to make a formal legislative proposal which will then be subject to scrutiny in accordance with the usual legislative procedures.

Jurisdiction

As explained in the proposed Community patent regulation, the Commission is of the view that a centralised Community jurisdiction specialised in patent matters will best ensure unity of law and consistency of case law regarding the unitary Community patent. It should not only be delivered according to the uniform standards of the European Patent Convention but it should also be effectively enforceable before a Community jurisdiction guaranteeing a high quality decision in a quick, inexpensive and uniform procedure. Such a uniform procedure before a single Community jurisdiction would bring legal certainty to businesses across Europe doing away with the necessity of parallel costly and time consuming procedures in different Member States.

The litigation with which the specialised Community jurisdiction will deal, litigation between private parties, does not currently fall within the jurisdiction of the European Court of Justice. It will therefore be necessary to expressly confer this jurisdiction on the Court of Justice by a separate Council decision and subsequent adoption by the Member States according to their own constitutional requirements, as foreseen by Article 229a EC Treaty (Nice).

It is suggested that, in parallel, use be made of Article 225a EC Treaty (Nice) which allows the setting up of first instance judicial panels. Such a panel, Community Patent Court, would be attached to the Court of First Instance which would examine the appeals.

The specialised Community jurisdiction would hear certain categories of actions. It is essential that it can deal at the same time with disputes relating to the infringement and the validity of the patent. Separating jurisdictions for these two types of actions would not be conducive either to the sound administration of justice or the efficient functioning of the Community patent system aimed for in the Regulation, given that the factors which the Judge has to examine are largely the same in both types of action. Some other, limited categories of disputes and claims should also be brought under the specialised jurisdiction. In all cases where the specialised Community jurisdiction has competence, including provisional measures, its competence should be exclusive.

In contrast, decisions of the European Patent Office, which are subject to a specific review mechanism within the European Patent Convention, would not be reviewed by the specialised Community jurisdiction. Nor would it be competent to review decisions taken by the Commission on compulsory licences pursuant to the Community patent Regulation. Such decisions shall be subject to review in accordance with existing treaty provisions before the Court of First Instance.

Composition

The Judges of the specialised Community patent jurisdiction should be sufficiently experienced in the field of patents. The jurisdiction should comprise both “legal” and “technical” members. A case would consequently normally be heard by two legal members and one technical member. The technical members are expected to cover the three major technical fields (physics, chemistry, mechanics) and would consequently not possess the highest expertise in each and every field of technology. Their input would nevertheless be essential in helping to focus from the start of proceedings on the essential technical questions involved. Their role would not be to make the use of experts entirely superfluous but rather to enable the court as a whole to understand the technical aspects of the case quickly and accurately which is relevant for an efficient handling of a case and for a legally sound decision.

Another alternative means to make use of technical knowledge, although not pursued in this document, could be to make use of “Assistant Rapporteurs” as foreseen in the Statute of the Court of Justice. Such Assistant Rapporteurs, specialised in different technical fields, could actively participate in the internal deliberations of the jurisdiction and their possible reports could be submitted to the parties before the hearing, but they could not vote. The normal composition of the bench would in such cases be three “legal members” which would be assisted by an Assistant Rapporteur.

It is expected that, when the system becomes operational, in the first phase of operation only a limited number of Judges will be required. The approach put forward opts for seven Judges, including four legal members and three technical members, for the first instance. They could form two sections, each sitting with two legal and one technical member. With these resources, the first instance could be expected to handle around 120 - 150 cases per year. In the appeal instance, one chamber specialised in patent matters at the Court of First Instance would suffice.

Structure

The structure of the first instance jurisdiction has been the subject of lengthy discussions within the Council. Principles of proximity, local presence and closeness to users have been invoked as counter-arguments against a centralised Community jurisdiction.

This document takes as a starting point that the first instance court to be put in place must at the very least in an initial phase be completely centralised. In the beginning, when the Community patent system first becomes operational, there will be relatively few Community patents and even fewer litigated patents. Consequently, only a limited number of Judges will be needed. It is essential that these Judges work permanently together with a view to developing a common line for proceedings and a coherent jurisprudence. They should also prepare the Rules of Procedure of the first instance.

The use of best available modern technologies should ensure a simple and direct communication between the court and the parties. In order to achieve this, provision would have to be made for facilities that allow for a communication with the court in electronic form. The Community Patent Court should also be able to make use of video conferencing for oral hearings, where appropriate. However, this should not prevent the court from deciding, on a case by case basis, to hold oral hearings in a Member State, should this be more appropriate than to organise them at its own seat or by video conferencing. Such a hearing in a Member State will nevertheless only be possible where the Member State in question has put, at its own expense, the necessary infrastructure at the disposal of the court.

Over time, the volume of litigation and thereby the workload of the first instance jurisdiction can be expected to grow. In such cases it could be justified, from an efficiency point of view, to set up one or more regional chambers in the Member States to which the litigation has proven to be most closely connected. Such regional chambers would be sections of the central Community Patent Court of which they would form an integral part. The Commission considers it appropriate, already at this stage, to envisage clear criteria for the launching of the mechanism to set up regional chambers. In the interests of the users of the Community patent system it is essential to ensure, on the one hand that the establishment of regional chambers does not start before the central chamber is sufficiently well established and it has a workload which means it has built up a coherent case law but also, on the other hand, that its functioning is not hampered by serious backlogs. For these reasons the Commission considers it appropriate to link the mechanism to set up regional chambers to the number of cases before the central chamber of the Community Patent Court. Of course, a regional chamber should only be established where such a chamber can be expected to have a significant case load, in particular to ensure a high level of expertise and professionalism on the part of the chamber. The appropriate locations for regional chambers should be determined on the basis of the domicile of parties involved in litigation before the central chamber.

The existence of one or several regional chambers in addition to a central chamber requires, from an efficiency point of view, provisions on the exercise of jurisdiction between the central chamber and regional chambers. The basic principle would be that jurisdiction is exercised by the central chamber unless there are special rules providing for its exercise by a regional chamber. The special rules would build upon the principles of the so called Brussels regulation (Council regulation 44/2001).

The Commission wishes nonetheless to underline that, even if there is a certain delocalisation via the creation of regional chambers, these should possess and maintain the same level of professionalism as the central chamber. More importantly, they must form an integral part of the same central Community jurisdiction ensuring the development of a coherent body of case-law and that the Community patent Regulation is interpreted and applied in the same manner throughout the Community.

The annex of this document contains three major elements:

I. Conferral of jurisdiction on the Court of Justice

II. Establishment of a judicial panel

III. Changes to the Statute of the Court of Justice relating to the Court of First Instance

Annex: Elements of a Community patent jurisdiction

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I. CONFERRAL OF JURISDICTION ON THE COURT OF JUSTICE (ARTICLE 229A OF THE EC TREATY (NICE))

Article 229a of the EC Treaty (Nice) contains a legal basis to confer jurisdiction in Community patent litigation on the Court of Justice by way of a Council decision. That Article provides:

"Without prejudice to the other provisions of this Treaty, the Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament, may adopt provisions to confer jurisdiction to the extent that it shall determine, on the Court of Justice in disputes relating to the application of acts adopted on the basis of this Treaty which create Community industrial property rights. The Council shall recommend those provisions to the Member States for adoption in accordance with their respective constitutional requirements."

The following provisions could form the contents of the Council decision:

Article 1

Conferral of jurisdiction in Community patent litigation

The Court of Justice shall have exclusive jurisdiction in actions and claims referred to in Article 30 (1) of Regulation (.../...) on the Community Patent, including requests for provisional measures.

Notes:

On the basis of Article 229a of the EC Treaty (Nice) this Article confers on the Court of Justice jurisdiction relating to the Community Patent. It also determines the extent of such conferral referring to Article 30 (1) of the Community patent regulation. Such a reference is the simplest way to ensure coherence between the Community patent regulation and the Decision.

According to the proposed approach, the Court of Justice shall have exclusive jurisdiction in proceedings concerning the invalidity and the infringement of a Community patent, a declaration of non infringement, the use of the invention after the publication of the Community patent application, the right based on prior use of the invention and an application for a declaration of lapse. With regard to invalidity proceedings this includes claims in separate invalidity proceedings as well as counterclaims. The jurisdiction also covers actions and claims for damages.

Finally, the provision expressly states that exclusive jurisdiction is also conferred with regard to provisional measures concerning the conferred subject matter. This seems necessary, since provisional measures are not expressly mentioned in Article 30 (1) of the draft Community patent regulation. This approach is in line with the view taken by the Commission in the proposed Community patent regulation that the Community court should have straightforward and rapid procedures. Enforcement of decisions in Member States will take place according to Articles 244, 256 of the EC Treaty. By contrast, it is appropriate not to endow Member States' courts with concurrent power to order provisional measures in cases where the Community court would have jurisdiction to decide on the substance of the case. It is important, as far as

possible, to prevent any inconsistency arising between the provisional measures ordered by national courts and those ordered by the Community court.

Article 2

Structure of Community jurisdiction

The litigation of Community patents shall at first instance take place before a judicial panel established by a Council decision according to Article 225a of the EC Treaty. The appeal shall lie with the Court of First Instance.

Notes:

This provision refers to the fundamental structure of a Community jurisdiction before which disputes over Community patents shall be brought. The Community patent litigation shall take place before a judicial panel in the sense of Article 225a of the EC Treaty (Nice). The appeal will be to the Court of First Instance. The reference to Article 225a of the EC Treaty (Nice) seems appropriate in order to allow Member States to give their consent in accordance with their respective constitutional requirements to a Community jurisdiction in this field.

Article 3

Adoption by Member States and entry into force of Council decision

The Council recommends the provisions contained in Articles 1 and 2 of this decision to the Member States for adoption in accordance with their respective constitutional requirements. The decision shall enter into force on the day of the notification by the last Member State of its acceptance of these provisions.

Notes:

The entry into force of this decision will depend on the notification by all the Member States of their acceptance of this decision. The entry into force of this decision is not dependent on the decision establishing the Community patent judiciary because it only contains the conferral of competence of jurisdiction to the Community as well as general elements of its character. This competence will have to be exercised by the Community with the decision establishing the Community patent judiciary. That decision will have to ensure that it does not enter into force before Member States have notified their acceptance of the Council decision based on Article 229a of the EC Treaty (Nice).

II. ESTABLISHMENT OF A JUDICIAL PANEL (ARTICLE 225A OF THE EC TREATY (NICE))

Article 225a of the EC Treaty (Nice) shall serve as legal basis for the establishment of a first instance Community patent jurisdiction. That Article provides:

"The Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament and the Court of Justice or at the request of the Court of Justice and after consulting the European Parliament and the Commission, may create judicial panels to hear and determine at first instance certain classes of action or proceeding brought in specific areas.

The decision establishing a judicial panel shall lay down the rules on the organisation of the panel and the extent of jurisdiction conferred upon it.

Decisions given by judicial panels may be subject to a right of appeal on points of law only or, when provided for in the decision establishing the panel, a right of appeal also on matters of fact, before the Court of First Instance.

The members of the judicial panels shall be chosen from persons whose independence is beyond doubt and who possess the ability required for appointment to judicial office. They shall be appointed by the Council, acting unanimously.

The judicial panels shall establish their Rules of Procedure in agreement with the Court of Justice. Those Rules shall require the approval of the Council, acting by a qualified majority.

Unless the decision establishing the judicial panel provides otherwise, the provisions of this Treaty relating to the Court of Justice and the provisions of the Statute of the Court of Justice shall apply to the judicial panels."

A Council decision pursuant to Article 225a of the EC Treaty (Nice) would contain provisions on

- the establishment, the structure and the jurisdiction of the Community Patent Court (Articles 1 to 10),
- the EC Treaty provisions relating to the Court of Justice which shall be applicable to the Community Patent Court (Article 11),
- the Statute of the Community Patent Court (Articles 12 to 27),
- its entry into force (Article 28).

Article 1

Establishment of a Community Patent Court

- (1) A judicial panel, to be called "Community Patent Court ", shall be attached to the Court of First Instance of the European Communities. Its seat shall be at the Court of First Instance.

- (2) The Community Patent Court is composed of a central chamber and may comprise one or more regional chambers set up in accordance with Article 5.

Notes:

The legal basis for the establishment of the Community Patent Court (CPC) is Article 225a of the EC Treaty (Nice). Article 220(2) of the EC Treaty (Nice) provides that judicial panels are "attached to the Court of First Instance" following the same approach used for the creation of the Court of First Instance which is attached to the Court of Justice. The provision corresponds to Article 1 of Council decision 88/591 ECSC, EEC, EAEC of 24 October 1988 establishing a Court of First Instance of the European Communities.

The second paragraph sets out the structure of the CPC. It contains a central chamber (Article 4) and may comprise one or more regional chambers (Article 5). The chambers will sit in sections which hear and decide a case (Article 13).

Article 2

Judges and President of the Community Patent Court

- (1) The Community Patent Court shall consist of legal and technical members who are appointed for a period of 6 years. The membership shall be partially renewed every 3 years. Retiring members shall be eligible for reappointment. Immediately after all members of the Community Patent Court have taken oath, the President of the Council shall proceed to choose by lot the Judges whose terms of office are to expire at the end of the first 3 years.
- (2) The legal members must have a high level of experience in patent law. The technical members must have a high level of experience in the relevant technical fields and an appropriate experience of patent law. The members shall be appointed by a unanimous decision of the Council on the basis of a list of candidates produced by an independent selection committee established by the Council.
- (3) The judges shall elect the president of the Community Patent Panel from among their legal members for a term of 3 years. He may be re-elected. The first president shall be appointed for a term of 3 years in the same manner as its members. However, the Governments of the Member States may, by common accord, decide that the procedure laid down in the first sentence of this paragraph shall apply.

Notes:

The provision is modelled upon Article 2 of Council decision 88/591 establishing the CFI. According to the approach taken at Nice with respect to the CFI such a provision which concerns the establishment of the panel is not to be incorporated into its Statute.

The rules providing for the possibility to call upon a judge to perform the task of the Advocate General as foreseen for the CFI in Article 2(3) of Council decision 88/591 do not seem to be appropriate for the CPC. On the one hand even at the CFI these provisions have only rarely been used in its existence, while on the other hand there hardly seems to be any room for the function of the Advocate General before the CPC since the panel will be composed of specialised judges.

Article 2(5) of Council decision 88/591 on privileges and immunities of the members of the CFI will be dealt with by Article 12 declaring Article 3 of the ECJ Statute (Nice) applicable for the CPC.

It remains to be seen if a reference to article 6 of the Treaty establishing a single Council and a Single Commission of the European Communities will be necessary which is the case for the CFI in article 2(5) of Council decision 88/591.

Paragraph 1 sets out the specific nature of the CPC containing legal and technical judges. Apart from legal members, technical members are required on the bench. The approach taken foresees technical members in the basic three divisions of technology: chemistry, physics and mechanics (see Article 4 for the central chamber). The technical members could not of course be expected to possess the highest expertise in every existing subdivision of technology. Their role would not be to make the use of an expert entirely superfluous but rather to enable the Court as a whole to understand the technical aspects of a case more quickly and accurately, which is relevant for the efficient handling of a case and for a legally sound decision. With their input the Court will be better equipped to prepare the oral hearing and ask relevant questions to parties or experts. As term of office, a six year term as is the case with CFI Judges in Article 225(3) of the EC treaty seems appropriate.

A partial renewal of membership shall ensure that the expertise built up by the panel can be passed on from experienced judges to the judges newly appointed and thus contribute to stable jurisprudence and legal certainty. The same concept is foreseen for the ECJ, Article 223(2) of the EC Treaty (Nice), and CFI, Article 224(2) of the EC Treaty (Nice) in combination with Article 12 of Council decision 88/591. Since such a provision is not included in Article 225a of the EC Treaty (Nice) for the panels, it must be inserted in the decision establishing the panel. Since it directly relates to the cornerstones of the CPC it seems appropriate to include it in the part actually establishing the CPC rather than the Statute. Retiring judges can be re-appointed as is the case with CFI Judges.

In order to get into a cycle where the CPC is only partially re-staffed at any one time, some members must have a shorter term of office in the beginning. Such a provision is included in Article 12 of Council decision 88/591 for the CFI.

Paragraph 2 addresses the qualification of the members of the CPC . Article 225a(4) of the EC Treaty (Nice), which prescribes as eligible "persons whose independence is beyond doubt and who possess the ability required for appointment to judicial office", can be characterised as a general provision meant to address all the different kinds of possible panels. Paragraph 2 specifies this general requirement for the case of the CPC which is of a special character with a view on the one hand to the legal subject matter and on the other hand to the necessity to have technical members on the bench. The legal members must have a high standard of experience in patent law. This is particularly important because the special nature of patent law requires much experience in order to reach well balanced decisions. The technical members must have a high standard of experience in the relevant technical fields. At the same time they must also have a thorough experience in patent law. The technical members must have a good understanding of what technical aspects are relevant for a legally sound decision of the CPC.

The appointment of the Judges on the basis of a proposal by a selection committee shall ensure that the criteria that the Judges must fulfil are duly respected. Since the selection of candidates shall not be a political decision but to a large extent is a technical question of

finding the best qualified Judges, it seems appropriate to entrust a committee with the task of producing a list of possible candidates.

Paragraph 3 concerns the President of the CPC. Since only a legal member would have the required qualifications to run a court it would seem necessary to restrict the eligibility to legal members. The term of office of the president of the panel would be equal to half a Judge's term of office. Sentence 3 and 4 correspond to Article 11(1) of Council decision 88/591.

Article 3

Special functions of the President of the Community Patent Court

The President shall direct the judicial business and the administration of the Community Patent Court.

Notes:

This provision is inspired by Articles 8 of the ECJ and CFI Rules of Procedure underlining the special functions of the President of the CPC. The President shall direct the judicial and administrative business of the CPC.

Apart from these special functions of the President, he will preside over one of the sections of the central chamber according to Article 13 (1).

Article 4

Central chamber

The central chamber of the Community Patent Court at the seat of the Court of First Instance shall consist of seven Judges, four legal and three technical members.

Notes:

At the seat of the CFI in Luxembourg a central chamber of the CPC is established with seven judges. In a first phase the entire litigation is handled by this central chamber of the CPC. Only in a second phase with increasing caseload are regional chambers established (Article 5). Once the first regional chamber is established, the central and regional chamber will hear the cases according to the rules on the exercise of jurisdiction (Article 8).

The following considerations have led to a number of four legal and three technical members for the central chamber: Since the chamber will sit in sections with two legal members and one technical member, four legal members will be necessary to form two sections. Each section will deal with cases of a number of neighbouring fields of technology so that each of the section will, depending on the technology concerned, always sit with one of the three technical members. The three technical members are required to cover the basic fields of technology in such a way as to equip the bench with the necessary technical expertise covering the fields of chemistry, physics and mechanics. The number of two sections for the central chamber seems appropriate to deal with the caseload of the central chamber which would be a maximum of 150 cases according to Article 5. Each section would thus have to hear up to 75 cases a year.

Article 5

Establishment of regional chambers in Member States

- (1) If the number of cases introduced before the central chamber in one calendar year exceeds 150 proceedings, a regional chamber of the Community Patent Court shall be established in the Member State in which the greatest number of parties involved in litigation before the central chamber were domiciled.
- (2) A further regional chamber shall be established in another Member State to be determined according to the criteria set forth in the previous paragraph each time that, after the establishment of a new regional chamber, the number of cases introduced before the central chamber in a full calendar year again exceeds 150 proceedings. For this purpose only the parties to the proceedings which were introduced after the relevant calendar year which led to the establishment of the previous regional chamber will be counted.
- (3) Two or more Member States can notify to the Council that for the purpose of the establishment of a regional chamber those Member States would be considered jointly. For the establishment of a regional chamber only those notifications are considered that are effected before the end of the relevant calendar year. The notification shall contain an agreement of the Member States concerned as to where the regional chamber common to those Member States shall be established.
- (4) Decisions to implement paragraphs 1 to 3 shall be taken by the Council, acting by a qualified majority at the request of the Community Patent Court made in agreement with the Court of Justice and after consulting the European Parliament and the Commission.
- (5) When a regional chamber has been constituted in accordance with law, the Court of Justice shall publish in the Official Journal of the European Communities a notice to that effect and the date on which the regional chamber will take up its function.

Notes:

It should be noted that Article 24 provides for the possibility of the central chamber conducting proceedings or a part thereof in a Member State. However, where a considerable amount of litigation is concentrated in a certain area of the Community, litigation is most efficiently dealt with by a chamber that is permanently located in that area. Therefore, for a later phase, with an increasing level of Community patent litigation, this Article provides for a mechanism to set up one or several regional chambers of the CPC for first instance patent litigation. The criterion chosen to decide the point in time when a first regional chamber will be opened is the number of cases newly introduced before the CPC in one calendar year exceeding 150 proceedings. After the establishment of the first regional chamber that chamber will draw a considerable number of cases itself, decreasing the caseload before the central chamber in the following years. The question where the regional chamber will be situated is decided with a view to patent litigation activity and hence the need for a regional chamber. The regional chamber shall be established in the Member State to which the highest proportion of Community patent litigation can be linked on the basis of the parties involved in litigation before the central chamber. For this purpose the total number of parties of litigation will be calculated and attributed to Member States with regard to the domicile of these parties. Where there are multiple parties involved in a single piece of litigation, the domicile of all

those parties will be counted. The regional chamber will be established in the Member State with the highest total of parties at the end of the relevant calendar year.

Paragraph 2 provides for the opening of further regional chambers each time the number of cases introduced before the central chamber again exceeds 150 in one calendar year. Subsequent regional chambers will be established in "another Member State" which means that no more than one regional chamber can be established in one Member State. The determination of a Member State in which a subsequent regional chamber shall be established is again related to the domicile of the parties involved in litigation before the central chamber. With the establishment of a regional chamber the calculation of the number of parties will start again. Only the number of parties to the proceedings will be calculated which were introduced after the relevant calendar year which led to the establishment of the previous regional chamber. The question of where further need for decentralisation is felt can only be determined with reference to those cases that are still heard centrally after the criteria for the establishment of the previous regional chamber have been met.

Paragraph 3 offers the possibility that two or more Member States group together for the purpose of the establishment of a regional chamber. One country alone might not meet the requirements justifying the establishment of a regional chamber whereas two or three countries combined would.

Paragraph 4 contains the procedure for the establishment of regional chambers. Whereas paragraphs 1 to 3 of this Article contain all the relevant criteria for the establishment of regional chambers, this paragraph provides for further Council decisions for their concrete implementation. The measures to be adopted by the Council will in particular concern the appointment of Judges and Registrars as well as other questions relating to the EU budget, such as acquisition of buildings and equipment.

Paragraph 5 provides for the publication of a notice by the Court of Justice of the date from which on a regional chamber will take up its work.

Article 6

Judges of regional chambers

Legal and technical members will be assigned to a regional chamber of the Community Patent Court by the President of the Community Patent Court for the entire term of their mandate. The number of Judges assigned to a regional chamber will depend on the level of litigation before it.

Notes:

Regional chambers are only established where a considerable demand justifies such a step. Where that is the case the regional chamber shall, of course, have the means to work efficiently. In order to ensure this, it is essential that the Judges permanently work together. Legal and technical members shall be assigned to it for the entire term of their mandate.

The regional chambers will deal with all the cases that are brought before them according to the relevant rules on the exercise of jurisdiction. Each regional chamber will need to have at least two legal members and three technical members covering the three fields of technology (chemistry, physics, mechanics). However it is not possible to predict the extent of litigation before regional chambers. That is why no exact number of Judges is laid down and the

provision limits itself to the principle that the number of Judges of a regional chamber will depend on the level of litigation before it.

Article 7

Jurisdiction

The Community Patent Court shall have at first instance exclusive jurisdiction in disputes relating to the application of the Community patent regulation to the extent that jurisdiction is conferred on the Court of Justice by Article 1 of the decision conferring jurisdiction on the Court of Justice.

Notes:

This Article attributes exclusive jurisdiction in first instance Community patent litigation to the CPC. The extent of jurisdiction is determined by way of reference to Article 1 of the decision conferring jurisdiction on the Court of Justice (Article 229a of the EC Treaty (Nice)). The CPC will thus have jurisdiction including provisional measures relating to the validity and the infringement of a Community patent, the use of the invention after the publication of the Community patent application, the right based on prior use of the invention as well as the requests for limitation and the declaration of the expiry of the Community patent.

Article 8

Exercise of jurisdiction

- (1) The central chamber of the Community Patent Court shall exercise jurisdiction, subject to the following paragraphs.
- (2) A regional chamber of the Community Patent Court shall exercise jurisdiction over actions against a defendant domiciled in the Member State where it is established. However an action directed against two or more defendants domiciled in different Member States shall be brought before the central chamber of the Community Patent Court.
- (3) Infringement proceedings can also be brought before the regional chamber established in the Member State where the harmful event occurred. In such a case the regional chamber shall also be competent to determine between the same parties parallel acts of alleged infringement that occurred in other Member States.
- (4) A chamber that would not be competent to exercise jurisdiction according to the provisions of this Article shall become competent if
 - (a) the action is brought as a counter claim arising on the same facts as those on which the original claim was based and the original claim is before it, or,
 - (b) the defendant enters an appearance before that chamber unless the appearance was entered to contest the exercise of jurisdiction by that chamber.
- (5) Upon a request by a Member State in which no regional chamber is established, and a corresponding proposal made by the Community Patent Court in agreement with

the Court of Justice and after consulting the European Parliament and the Commission, the Council, acting by a qualified majority, shall decide that for the purpose of this Article the exercise of jurisdiction by an existing regional chamber shall be extended to that Member State.

Notes:

First instance Community patent jurisdiction lies with the CPC whether or not the central chamber or a regional chamber delivers judgement. Nevertheless, some rules are necessary to attribute the exercise of jurisdiction to either the central or a regional chamber. This Article starts from the idea that actions are filed directly at the central or at a regional chamber. The efficiency of proceedings in general and the necessary speed for provisional measures in particular exclude rules which would make it compulsory to submit the application to the central chamber, which then would allocate the case to one of the regional chambers on a case by case basis. Also the trust of right-holders in the system can only be assured if the parties to a case can rely on a clear set of rules on the exercise of jurisdiction to bring their actions and prepare their defences.

Paragraph 1 states the principle that the central chamber of the CPC will exercise jurisdiction unless the following paragraphs provide otherwise.

If a regional chamber is established, jurisdiction with regard to defendants having their domicile in that Member State will according to paragraph 2 not be exercised by the CPC centrally but by the regional chamber concerned (Principle from Article 2 of the regulation EC 44/2001). If a regional chamber is established in Member State X, infringement actions against alleged infringers domiciled in X as well as invalidity actions against right-holders domiciled in that Member State would have to be brought before that regional chamber. However, where one action is directed against more than one defendant and the defendants are domiciled in different Member States jurisdiction is exercised by the central chamber.

Paragraph 3 provides a further ground for the exercise of jurisdiction by a regional chamber. In case of infringement, the plaintiff may also bring his action before the regional chamber where the harmful event occurred. The same principle is contained in Article 5 (3) of the Regulation EC 44/2001. Whereas the provision of that regulation not only refers to the place where the harmful event "occurred" but also to the place where the harmful event "may occur" that reference has not been retained since actions in respect of threatened infringement of a Community patent are excluded by Art. 30 (2) of the draft Community patent regulation.

When the regional chamber exercises jurisdiction on the ground that infringement has taken place in the Member State where it is located, it shall not be limited to examining that infringement only. It should also be competent to decide between the same parties parallel acts of infringement that occurred in other Member States if the plaintiff files a corresponding action. This seems necessary with respect to the nature of unitary title of the Community patent and to ensure efficient proceedings avoiding the need for duplicate proceedings.

Paragraph 4 contains two further grounds for the exercise of competence.

Subparagraph (a) provides that a chamber that is not already competent to exercise jurisdiction on the ground of the preceding paragraphs becomes competent for counter claims brought to an action of which the chamber in question is lawfully seized. The aim is to decide a case comprehensively between the parties as quickly as possible without jeopardising the safeguards of a party that lie in the rules of the exercise of competence. If one chamber is

already hearing a particular case it should also decide other claims which relate to that case even if the chamber would not have been competent to decide that claim if it were brought as an isolated claim. Parties have to appear before the chamber to state their case anyway and that chamber then should decide on all claims relating to it. A corresponding provision exists in Article 6(3) of Council regulation EC 44/2001. In the context of patent litigation this provision has a particular relevance for invalidity actions brought as a counter claim by the defendant in infringement proceedings. While a separate invalidity action would have to be brought centrally or - if it exists - before the regional chamber of the domicile of the rightholder, a regional chamber in the Member State of domicile of an alleged infringer would become competent to hear the invalidity action brought as a counter claim.

Subparagraph (b) provides that a chamber becomes competent if the defendant enters an appearance before it, a provision that is also foreseen in Article 24 of Council regulation EC 44/2001. If the exercise of competence has not been contested that chamber shall be able to examine the case and the rules on competence shall not serve as valid objection at a later stage.

Paragraph 5 provides for the possibility that an existing regional chamber may exercise jurisdiction with regard to another Member State if that Member State so wishes. This mechanism shall ensure that Member States in which no regional chamber is established can have access to a nearby existing regional chamber.

Further provisions governing the exercise of jurisdiction of the CPC by either the central or regional chambers which might prove to be necessary could be dealt with by the Rules of Procedure.

Article 9

Agreement on exercise of jurisdiction

Notwithstanding Article 8 of this part of the working paper, a specific chamber shall exercise jurisdiction if the parties in accordance with the provisions of the Rules of Procedure have agreed that jurisdiction to settle any disputes that have arisen or which may arise in connection with a particular legal relationship be exercised by that chamber; such exercise of jurisdiction shall be exclusive unless parties have agreed otherwise.

Notes:

Like the case in Article 23 ff. of Council regulation 44/2001, parties shall be able to agree on jurisdiction under certain circumstances. The rules on jurisdiction take into consideration the legitimate interests of parties to Community patent litigation and shall be applied unless the parties validly agree on a different location for litigation which better suits both their interests. Agreements on the exercise of jurisdiction shall only be possible with regard to disputes that have already arisen or which may arise in connection with a particular legal relationship. This is to ensure that both parties can assess the consequences of the agreement. Further requirements for a valid agreement such as for example the form of such an agreement may be laid down in the Rules of Procedure.

Article 10

Lis pendens and related actions

- (1) Where proceedings involving the same cause of action and between the same parties are brought before more than one chamber of the Community Patent Court any chamber other than the chamber first seised shall of its own motion stay its proceedings until such time as the exercise of jurisdiction of the chamber first seised is established. Where that is the case, any chamber other than the chamber first seised shall decline the exercise of jurisdiction in favour of that chamber.
- (2) Where related actions are pending before more than one chamber any chamber other than the chamber first seised may stay its proceedings until that other action has been decided or may refer with binding effect the action to the chamber first seised. Actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgements relating from separate proceedings.

Notes:

This Article corresponds to Articles 27 and 28 of Council regulation EC 44/2001 and provides for the treatment of cases where more than one chamber is seised.

Paragraph 1 concerns the situation where two more chambers are seised by the same parties concerning the same cause of action. In this case the latter seised shall stay proceedings and await the chamber first seised to confirm its competence to exercise jurisdiction. Where that is the case the chamber other than the chamber first seised declines competence.

Paragraph 2 concerns the situation where related actions are pending before different chambers and where they are so closely connected that in order to avoid contradictory judgements they should not be treated irrespectively of each other. In this case a chamber other than the chamber first seised can stay proceedings and await the decision of the chamber first seised or it can refer the case to that chamber.

Article 11

Application of EC Treaty provisions

- (1) Save as hereinafter provided Articles 241, 243, 244 and 256 of the EC Treaty shall apply to the Community Patent Court.
- (2) The competence of the Community Patent Court to prescribe any necessary interim measures shall not be conditional upon main proceedings having already been instituted before it.

Notes:

Article 225a(6) of the EC Treaty (Nice) declares the provisions of the EC Treaty relating to the ECJ applicable to the panels unless the decision establishing the panel provides otherwise. The same is the case for the CFI in Article 225(2) EC Treaty.

The provision corresponds to Article 4 of Council decision 88/591 which enumerate those Articles of the EC Treaty which shall apply to the CFI. It should be noted that the applicable Articles of the EC Treaty do not have the same importance in the framework of private party patent litigation compared to the cases handled by the ECJ or the CFI today. Nevertheless some of them contain provisions setting out some basic rules and powers also applicable to the patent judiciary. Unlike the case with the CFI only the relevant Articles of the EC Treaty and not the ECSC and the EAEC Treaties have been cited. This seems to be sufficient since the CPC will only exercise jurisdiction in patent litigation and thus under the EC Treaty whereas the CFI can be attributed jurisdiction under all three treaties.

Article 229 of the EC Treaty

This reference included in Article 4 of Council decision 88/591 has not been included in the corresponding list for the CPC. It deals with the possibility to charge the ECJ and the CFI with the power to control discretion exercised by the Council and the European Parliament with a view to coercive measures. There seems to be no need for such a provision in patent litigation.

Article 231 of the EC Treaty

Article 231(1) of the EC Treaty deals with nullification of an act of the Communities. This provision will not apply to patent litigation which is private party litigation and does not concern such acts. An act of the Commission granting or refusing to grant a compulsory licence will not fall under the jurisdiction of the CPC. Article 231(2) of the EC Treaty concerns the nullification of a regulation by the Court of Justice. The CPC shall not itself have the power to nullify provisions of the Community patent regulation. However it should be noted that parties before the CPC have the possibility to plead for the non-application of a regulation according to Article 241.

Article 233 of the EC Treaty

puts the obligation on the organs of the Community whose acts have been nullified or who contrary to EC law have not taken all necessary measures that follow from the judgement. For patent litigation this provision does not apply.

Article 241 of the EC Treaty

allows private parties to plead for the non-application of a regulation on the grounds stated by Article 230(2) EC Treaty. This provision shall apply in patent litigation as it allows the parties in patent litigation to indirectly attack the validity of relevant patent provisions.

Article 242 of the EC Treaty

which states the principle that actions have no suspensory effect but that the Court may stop the execution of a measure does not apply since no such acts are the subject of patent litigation.

Article 243 of the EC Treaty

states the principle that the Court can order necessary interim measures. Such provision is also valid for private party litigation and should thus apply to the CPC.

Articles 244 and 256 of the EC Treaty concern the execution of a judgement which occurs according to the law of the Member State in which execution is sought. This provision must also apply to the CPC judgements.

Article 243 of the EC Treaty allows interim measures only to be taken if main proceedings are already pending. In patent litigation interim measures are often essential even before main proceedings are introduced. This would be the case for example where the right holder would suffer considerable damages if he were to wait with the application for an interim measure until he had initiated main proceedings. In such a case the CPC must be able to grant the necessary interim measures. Therefore paragraph 2 of this provision enlarges the possibility of ordering interim measures accordingly.

Article 12

Judges and Registrar

- (1) Articles 2 to 7, Articles 13 to 15, the first, second, and fifth paragraph of Article 17 and Article 18 of the Statute of the Court of Justice shall apply to the Community Patent Court and its members. The oath referred to in Article 2 shall be taken before the Court of Justice and the decisions referred to in Articles 3, 4 and 6 shall be adopted by that Court after hearing the Court of First Instance and the Community Patent Court.
- (2) The Community Patent Court shall appoint its Registrars for the central and each regional chamber and lay down the rules governing their service. The fourth paragraph of Article 3 and Articles 10, 11 and 14 shall apply to the Registrars of the Community Patent Court *mutatis mutandis*.

Notes:

The provision corresponds to Article 47 of the Statute that declares provisions on the ECJ applicable to the CFI. As regards the CPC the following changes are necessary:

The reference to Article 8 of the Statute which declares Articles 2 to 7 of the Statute applicable to the Advocates General has not been taken aboard for the CPC. The CPC will not have an Advocate General. In patent litigation only the first Advocate General will play a role. He can propose under Article 62 of the Statute a review of the decision taken by the CFI on an appeal against a CPC decision. The first Advocate General is covered by the provisions concerning the CFI (Articles 47, 62).

Article 13 of the Statute is declared applicable which contains an enabling clause for the Council to provide for the appointment of Assistant Rapporteurs. This provision might be put to use to help chambers cope with work and for the training of not yet sufficiently experienced Judges which is especially important in patent law whose nature requires practice to a much greater extent than other fields of law.

Article 17 of the Statute is only referred to with regard to paragraphs 1, 2 and 5. Grand chamber (Article 17(3) of the Statute) and full Court (Article 17(4) of the Statute) decisions are not foreseen for the CPC. If the rules of procedure prescribe according to Article 13 (2) that the panel is sitting in an enlarged composition it will have to include provisions on the quorum.

The first sentence of paragraph 2 provides for a Registrar independent from the CFI for the central and each regional chamber of the CPC. This seems appropriate since the CPC will deal with an entirely different type of litigation, the caseload will justify such a measure and regional chambers by nature will be at such a distance that a central Registrar could not effectively administer the cases. A legal basis for the appointment of the Registrar and the rules governing the service seems necessary. Unlike for the ECJ (Article 223(5) of the EC Treaty (Nice)) and the CFI (Article 224(4) of the EC Treaty (Nice)) no such provision is included in the EC Treaty for the panel.

The second sentence of paragraph 2 declares provisions of the ECJ Statute applicable to the Registrars of the CPC as is the case for the Registrar of the CFI in Article 47(2) of the Statute.

Article 13

Composition of the chambers and assignment of cases

- (1) The chambers of the Community Patent Court shall sit in sections of three judges with two legal and one technical member. The President of the Community Patent Court shall preside over one of the sections of the central chamber. The Presidents of the remaining sections shall be elected by the Judges of the chamber to which the section belongs from among their legal members for a term of three years. They may be re-elected.
- (2) For certain cases the Rules of Procedure may provide that the Community Patent Court sits in an enlarged or a reduced composition. It shall contain provisions concerning the quorum.
- (3) The assignment of cases to the sections shall be governed by the Rules of Procedure.

Notes:

The changes agreed upon at Nice have moved the composition of the chambers of the CFI from Council decision 88/591 to article 50 of the Statute (Nice). The parallel approach should be taken for the CPC.

The actual cases are heard by subdivisions of the chambers of the CPC, the so called "sections". For patent litigation a normal composition for a section of three judges, two legal members and one technical member seems appropriate. The president of the section must always be a legal member of the panel who has the required skills to conduct the legal proceedings. As a rule, the second legal member would be the reporting Judge aided by the technical member in technical questions. In cases where the dispute centres on technical points the reporting judge could be the technical member aided by the legal member. The President of the section would have to determine this question on a case by case basis. Always one of the three technical members would sit in on a case. They would be chosen on a case by case basis according to the technical field concerned.

The President of the CPC will automatically be President of one of the sections of the central chamber. The remaining Presidents of sections will be elected by the Judges assigned to the chamber to which that section belongs from among their legal members. Taking into consideration that the term of office of President of a section is half the term of office of the Judges a practice might develop according to which the experienced Judge in the second half

of his term would be the president of the section whereas the legal member serving the first half of his term would sit as the second legal member of the section.

For certain cases there will be a need to deviate from the standard composition of the section. An enlarged composition might be appropriate in, for instance, cases that involve fundamental points of law or where one section has a different view from another section on a legal matter. A reduced composition might be considered for provisional measures or simple cases. The requirements for such a special composition shall be laid out in the Rules of Procedure to allow for the necessary flexibility. See also the parallel provision for the CFI, Article 50 of the Statute.

The Rules of Procedure would need to address the quorum for a decision of a reduced or enlarged section. The standard provision of Article 17 (3) (grand chamber) and (4) of the Statute (full court) do not apply to the CPC.

Like the case in article 50(2) of the Statute for the chambers of the CFI, the Rules of Procedure will attribute the cases to each of the sections. It opens the possibility of largely attributing the cases on the basis of the field of technology to the different section. This would enhance the expertise of the section since the members of the sections would build up a certain experience in the technical fields concerned.

Article 14

Agreement on services of support staff

The President of the Court of Justice or the President of the Court of First Instance and the President of the Community Patent Court shall determine, by common accord, the conditions under which officials and other servants attached to the Court of Justice shall render their services to the Community Patent Court to enable it to function. Certain officials or other servants shall be responsible to the Registrars of the Community Patent Court under the authority of the President of the Community Patent Court.

Notes:

The Article corresponds to Article 52 of the Statute.

Article 15

Procedure before Community Patent Court

- (1) Subject to Articles 16 to 27 the procedure before the Community Patent Court shall be governed by Title III of the Statute of the Court of Justice.
- (2) Such further and more detailed provisions as may be necessary shall be laid down in its Rules of Procedure. The Rules of Procedure may derogate from the fourth paragraph of Article 40 and from Article 41 of the Statute of the Court of Justice in order to take account of the specific features of litigation in the field of patents.

Notes on this Article:

This provision corresponds to Article 53 of the Statute relating to the CFI.

Some of the most fundamental aspects of procedure are laid down in Title III of the Statute. By way of reference these provisions are applicable to the CFI and shall also be applicable to the CPC with some necessary modifications. The approach taken tries to limit changes to the Statute provisions of Title III to those absolutely necessary which are dictated by the special character of patent litigation.

A necessity to derogate from Article 40(4) of the Statute on the scope of third party intervention cannot be identified at the moment; nevertheless the enabling provision has remained unchanged.

Article 41 of the Statute on the main elements of a judgement by default needs the following adaptations but it was felt that they could be done in the Rules of Procedure which is made possible by this enabling clause. A judgement by default should for example also be possible against the plaintiff who does not appear at the hearing, against the defendant if he does not appear at the hearing and always only in the case where the statement of facts of the other party justifies the judgement.

Paragraph 3 of Article 53 of the Statute which concerns the Advocate General has not been included in this Article since there will be no Advocate General in CPC proceedings.

Notes on the provisions of Title III of the Statute of the Court of Justice:

Article 19 on representation is drafted for ECJ proceedings and accordingly puts the emphasis on the type of litigation before it but nevertheless can be used for patent litigation purposes. The first two paragraphs concerning the representation of Member States and the Community will play a marginal role in patent litigation i.e. in the few cases where Member States would hold a patent and in invalidity proceedings.

The central provision is Article 19(3) stating the requirement of an obligatory representation by a lawyer. A necessary change for patent litigation concerns the role of patent attorneys in CPC proceedings (see Article 17 of this decision).

Article 20 concerns the two parts of proceedings, written and oral, as well as their main contents. For minor adjustments see Article 18 of this decision.

Article 21

Article 21(1) concerns the contents of the written application. Changes do not seem necessary even though the term "written application" does not seem to be the most appropriate one for private party litigation. Missing elements of the contents of an application such as the address of the defendant could be introduced in the Rules of Procedure.

Article 21(2) referring to the annulment of a measure taken by a Community institution seems obsolete for patent litigation. Litigation concerning a compulsory licence as a possible object for the application of this provisions is not brought before the CPC. Consequently this provision should not apply (see Article 16 of this decision).

Articles 22 and 23 concerning an appeal against EAEC arbitration awards and preliminary rulings before the ECJ shall not apply (see Article 16 of this decision).

Article 24 contains the obligation of the parties to produce documents and supply information (paragraph 1) as well as the institutions to supply information (paragraph 2) considered necessary by the court. The former is in principle also applicable in private party litigation,

the latter constitutes a general obligation of Member States and the institutions of the Communities to provide necessary information. Both should apply to patent litigation.

Articles 25 - 30 contain provisions on evidence, the expert opinion and witnesses that can also apply in patent proceedings.

Article 31 states the principle of a public hearing and the power of the court to exclude the public for serious reasons.

Article 32 states that in the hearing the court may examine experts, witnesses and parties.

The second sentence "... [the parties] may address the Court only through their representatives" is somewhat unclear. If it means that not even the court if it so wishes can converse directly with the parties then the provision would be unsuitable for trial court proceedings where in some instances there is a need for direct questions to the parties. On the other hand it can also be interpreted in a manner compatible with private party litigation meaning that the parties cannot by their own initiative directly address the court. If interpreted in the latter sense no changes are required with a view to CPC proceedings.

Article 33 provides for the establishment of the minutes of the hearing which shall be signed by the President and the Registrar and is a provision which should also apply to patent proceedings.

Article 34 Establishment of the case list by the President.

Article 35 Secret deliberations of the court.

Article 36 contains two fundamental elements of a judgement, the names of the Judges and the reasons for the judgement.

Article 37 states that the judgement shall be signed by the President and the Registrar.

This provision could be left untouched with a view to the general approach that only the changes strictly necessary should be carried out. However it could be considered that the judgement should be signed by all the Judges who heard the case and assume responsibility for the decision. Their signature would be the proof that indeed the final drafting of the judgement reflects the decision of the court. The Registrar instead of signing the original judgement could be left to sign the certified copies of the original judgement.

Article 38 lays down the principle that the court shall adjudicate upon costs.

Article 39 concerns suspensory and interim measures and can in principle be used for CPC proceedings. However it would not be the President of the CPC who would make such orders but the competent judge as determined by the Rules of Procedure. Moreover the CPC does not take any suspensory measures with a view to Articles 242 of the EC Treaty or 157 of the EAEC Treaty. Unlike Article 4 of Council decision 88/591 establishing the CFI, Article 11 of this decision makes no reference to those Treaty provisions since the object of patent litigation could not be the demand for suspension of a Community measure. For amendments to Article 39 see Article 19 of this decision.

Article 40 concerns the intervention of Members States, Communities, EEA and EFTA States and other third parties having an interest in the result of a case.

There will be little need for States and the Community (paragraph 1 and 3) to intervene in private party litigation. However such an interest might for instance arise in the context of an infringement case where the right-holder argues that the terms of a granted compulsory licence have not been observed and consequently the licensee is alleged to infringe.

The intervention of private third parties (paragraph 2) does have some relevance in patent litigation.

Article 41 concerns elements of the judgement by default. Changes seem necessary in order to be suitable for patent litigation. However these can be done in the Rules of Procedure which Article 15 (2) expressly allows for.

Article 42 provides for third party proceedings to contest a judgement prejudicial to their rights and where in the course of proceedings they had not been heard. For patent litigation there is to be no room for such a type of third party proceedings, see Article 16 of this decision.

Article 43 states that in case of doubt the court decides the meaning and scope of a judgement.

Article 44 concerns special proceedings for the revision of a judgement. For necessary changes see Article 20 of this decision.

Article 45 concerns time limits.

Paragraph 1, which states that the Rules of Procedure shall determine grace periods on the consideration of distance, might be problematic. That would mean in effect that a party from a remote place in Europe would be accorded a longer time span to comply with certain duties than a party domiciled closer to the Court. In times of modern communication systems this seems more and more difficult to justify and it might constitute an inequality which could bring the provisions in the scope of Article 6 of the European Convention on Human Rights.

Paragraph 2 provides that a right shall not be prejudiced by the expiry of a time limit if its non-observation is due to unforeseeable circumstances or *force majeure*.

Article 46 states that liability claims against the Commission are barred after a period of 5 years and it contains circumstance which interrupt the period limitation.

Article 16

Inapplicable provisions

Articles 21 (2), 22, 23, and 42 of the Statute of the Court of Justice shall not apply.

Notes:

Article 21 (2) of the Statute referring to the annulment of a measure taken by a Community institution seems obsolete for patent litigation. Litigation concerning a compulsory licence as a possible object for the application of this provisions is not brought before the CPC. Consequently this provision should not apply.

Article 22 of the Statute concerns an appeal against the EAEC arbitration Committee.

Article 23 of the Statute deals with preliminary rulings before the ECJ.

Article 42 of the Statute provides for third party proceedings to contest a judgement prejudicial to their rights and where in the course of proceedings they had not been heard.

For patent litigation there is no room for such a type of third party proceedings, the principle in civil proceedings being that only the losing party in a given case can challenge the judgement. Correspondingly a judgement only has *inter partes* effect. As far as such an *inter partes* judgement has an impact on third parties in the sense of a precedent the judgement cannot be contested. This is the case in infringement proceedings, for instance.

This may be different in validity proceedings where the judgement produces effect *erga omnes* and thus also may affect a holder of a licence, for instance. However in this case too the principle of legal certainty which speaks against third party proceedings and outweighs the advantages given to a third party by such proceedings. In such a case it is the obligation of the right holder and the holder of the licence in their contractual relation to safeguard the interests of the latter in case of an invalidity action.

An intervention in the sense of Article 40 of the Statute which is directed to support the form of order sought by one of the parties remains at the disposal of a third party.

Consequently Article 42 of the Statute should not apply in patent litigation.

Article 17

Technical adviser

- (1) With regard to Article 19 of the Statute of the Court of Justice the lawyer may be assisted by a technical adviser who is a professional representative whose name appears on the list maintained by the European Patent Office. The technical adviser shall be allowed to speak at hearings under the conditions laid down in the Rules of Procedure.
- (2) Such technical advisers shall enjoy rights and immunities set forth in Article 19(5) of the Statute of the Court of Justice under the conditions laid down by the Rules of Procedure.

Notes:

This addition to Article 19 of the Statute is inspired by Article 12(2) and (3) of the Protocol on the Statute of the Common Appeal Court in the framework of the Luxembourg Convention.

With a view to the special nature of patent litigation Article 19 of the Statute governing the representation before the ECJ needs adaptation for CPC proceedings. In patent litigation, questions of technology play an important part in order to reach a legally sound decision. Technical expertise is required not only on the bench but also on the side of the parties giving technically qualified advisers an appropriate role to play within the legal proceedings. The lawyer representing a party before the CPC may consequently be assisted by a technical adviser who shall have the possibility to speak before the CPC. This will particularly apply to technically complex questions. As technical advisers with the capacity to address the CPC those professional representatives shall qualify whose name appears on the list maintained by

the European Patent office to ensure the appropriate standard which must be met for efficient proceedings.

Article 18

Oral and written procedure

Article 20 of the Statute of the Court of Justice shall be applied subject to the following modifications:

- (a) Paragraph 4 shall read: "The oral procedure shall consist of the presentation of the main features of the case by the Judge acting as Rapporteur, the hearing by the Community Patent Court of the parties and the examination of evidence."
- (b) Paragraph 5 shall read: "The Community Patent Court may in accordance with the Rules of Procedure and after having heard the parties dispense with the oral procedure."
- (c) A new paragraph 6 shall be inserted which reads: "The Rules of Procedure may provide that all or part of the procedure may be conducted in electronic form and the conditions for doing so."

Notes:

Article 20 of the Statute concerns the two parts of the procedure, written and oral. Modifications are necessary to paragraphs 4 and 5.

Article 20(4) of the Statute was rephrased since the current wording leaves no room to hear patent attorneys. The language chosen instead "the parties are heard" uses more appropriate language for trial court proceedings. The question who actually addresses the court does not have to be spelled out in this provision but is a question of proper representation according to Article 19 of the Statute. In addition Article 20(4) of the Statute insists that the reporting Judge reads a written report of the case which seems too rigid for daily trial court litigation and was thus replaced by the duty of a presentation of the main features of the case. Finally the limitation of the oral procedure to the "hearing of witnesses and experts" seems to narrow and was thus replaced by the "examination of evidence".

The reference to the Advocate General in Article 20(5) of the Statute had to be deleted since there is none in CPC proceedings. Instead the possibility for a CPC decision in a written procedure has been introduced.

Finally an enabling clause should be introduced which allows for the employment of technical means in the written and oral procedure. This could, for example, apply to the submission of documents in the written procedure or video conferencing at the oral stage. The specification of the parts of the procedure which can be conducted by electronic means and the conditions of doing so should be left to the Rules of Procedure. Practice will show where, to what extent and under what conditions electronic means should be employed. Moreover technology is developing constantly and the Rules of Procedure would be best suited to keep track of the widening technological possibilities by introducing necessary changes into the procedure.

Article 19

Special orders

Article 39 of the Statute of the Court of Justice shall apply on condition that the Rules of Procedure shall determine who is competent to make the orders prescribed in that Article. The Community Patent Court shall not make orders provided for by Article 242 of the EC Treaty and Article 157 of the EAEC Treaty.

Notes:

Article 39 of the Statute attributes the competence to suspend enforcement and to make interim measures to the President of the Court. This does not seem to be the right approach in patent litigation. The question whether enforcement of a title should be suspended is closely linked to the individual case and should consequently be handled by the Judge or the section familiar with the case. Interim measures will be a quite common procedure in patent litigation. They could be handled by the same section that is competent for the main proceedings (efficiency) or by a different Judge (impartiality). The Rules of Procedure have the necessary flexibility to provide for the most suitable solution.

The second sentence clarifies that the CPC does not take any suspensory measures with a view to Articles 242 of the EC Treaty or 157 of the EAEC Treaty as mentioned in Article 39 of the Statute. Unlike Article 4 of Council decision 88/591 establishing the CFI, Article 11 makes no reference to those Treaty provisions since the object of patent litigation could not be the demand for suspension of a Community measure.

Article 20

Revision of a judgement

Article 44 paragraphs 1 and 2 of the Statute of the Court of Justice shall be construed as follows:

"An application for a revision of a judgement by the party adversely affected by the decision may be made on the grounds of

- (a) a fundamental procedural defect which may have had an impact on the decision or
- (b) an act which is of such nature to be a decisive factor and which was held by a final court decision to constitute a criminal offence.

The revision shall be opened by a judgement expressly recording the existence of the requirements of paragraph 1."

Notes:

Article 44 Statute contains revision proceedings unsuitable for private party litigation in allowing a revision of a judgement on the grounds that a decisive factor was unknown when the judgement was given. With a view to legal certainty such grounds are insufficient to reopen a case in private party litigation.

The reopening of a case must remain very exceptional. In order to justify the reopening of a case there must be a fundamental procedural defect which may have had a bearing on the decision or a criminal offence concerning a decisive factor such as forged documents or a witness deliberately giving wrong evidence. Article 112a of the EPC, included in the 2000 EPC Revision Act, and Article 157 of the third EPLP draft proposal both adopt a similar approach.

Paragraph 3 of Article 44 of the Statute would remain as it stands and would exclude applications for revision after 10 years from the date of the judgement.

Article 21

Wrongly addressed Community Court

Article 54(1) and (2) of the Statute of the Court of Justice shall apply *mutatis mutandis*.

Notes:

54(1) of the Statute concerns the obligation of the Registrars of the ECJ and CFI to forward documents addressed to one of them but accidentally lodged with the other. The same obligation shall apply *mutatis mutandis* in patent proceedings between ECJ, CFI and CPC.

54(2) of the Statute governs the situation that either the ECJ or the CFI is seised whereas the other Court is the competent court. In this case the court first seised can refer the action with binding effect. Also this provision shall apply *mutatis mutandis* between ECJ, CFI and CPC.

Article 54(3) of the Statute providing for the possibility to stay proceedings and wait for the ruling of the ECJ necessitates some changes and is separately treated in the following Article.

Article 22

Stay of proceedings

Where the Court of Justice or, by way of preliminary ruling, the Court of First Instance is seized of a case in which the same issue of interpretation is raised, or where the validity of the same act is called in question, the Community Patent Court may, after hearing the parties, stay proceedings before it until such time as the Court of Justice or the Court of First Instance shall have delivered judgement.

Notes:

This Article corresponds to Article 54(3) of the Statute with the necessary amendments to patent litigation.

The only cases that would justify staying proceedings before the CPC would be waiting for a judgement of the ECJ in cases where it was seised by the First Attorney General under Article 62 of the Statute considering that there is a serious risk of the unity and consistency of Community law being affected or a preliminary ruling of the CFI on a patent law provision (to be established according to Article 225(3) of the EC Treaty (Nice)) and if such case would raise the same issue as the one before the CPC or where the validity of the same act is in question (validity of the same patent).

Other situations addressed in Article 54(3) of the Statute, such as the same relief being sought, do not apply to patent litigation. Nor do the second and third sentence apply in patent litigation because they start from the idea that the same subject matter could belong to the competence of either ECJ or CFI and that accordingly the CFI could decline competence. This is not the case for patent litigation where the CPC is competent for all first instance proceedings.

Article 23

Transmittal of decisions

Article 55 of the Statute of the Court of Justice shall apply subject to the modification that Member States as well as the institutions of the Communities which have neither intervened nor been a party to the case will only be transmitted the final decision of the Community Patent Court.

Notes:

This Article limits the obligation for the Registrar to formally notify decisions to the parties of the proceedings. Unless they have been a party to a case Member States and institutions of the Communities will only informally receive a copy of the final decision for information purposes.

Article 24

Proceedings in Member States

- (1) Where the nature of the cases so justifies the central chamber of the Community Patent Court may in accordance with the Rules of Procedure conduct the proceedings or a part thereof in a Member State. It shall in particular take into consideration elements such as the domicile of the parties and the need for an efficient examination of evidence.
- (2) Each Member States that wishes the central chamber of the Community Patent Court to conduct proceedings on its territory shall provide for this purpose adequate facilities the costs of which are borne by that Member State.

Notes:

This provision ensures from the start that the central chamber of the CPC will not only hear cases at its seat in Luxembourg but that under certain conditions it will travel to Member States to conduct part of a proceeding or even hear the entire case. The requirement for such local hearing of a case is that the nature of the case justifies it. Criteria that might initiate proceedings in Member States would in particular be the domicile of the parties and witnesses as well as the examination of evidence that could only with difficulties be produced in front of the CPC (heavy machinery, laboratory testing etc.). The CPC will have to weigh the characteristics of the case taking into consideration the practicality for its own efficient case management and will have to decide whether or not and if so where it hears the case.

Since the decision to effect local hearings very much depends on the individual case it seems appropriate that more specific criteria will be inserted in the Rules of Procedure. This ensures sufficient flexibility to take account of the practice to be developed by the CPC.

Member States would have to provide at their charge adequate facilities for the CPC to hear a case. This would in particular mean court rooms and technical facilities for interpretation, video conferencing, e mail, fax etc.. If a Member State does not provide such facilities then decentralised proceedings in that Member State will not be possible and cases consequently will be heard at the central seat of the CPC.

Article 25

Language of proceedings

- (1) The Community Patent Court will conduct the proceedings in the official language of the Member State where the defendant is domiciled.
- (2) If the Community Patent Court finds that the use of that language would not enable all parties to follow the proceedings and defend their interests and that only the use of another official EU language makes it possible to remedy that situation, it may designate that other language as language of proceedings. At the request of the parties with the consent of the Community Patent Panel any official EU language can be chosen as language of proceedings.
- (3) The Community Patent Court may in accordance with the Rules of Procedure hear parties in person and witnesses in a language other than the language of proceedings. In that case the Registrar shall cause everything said during the oral procedure to be translated into the language of the case and at the request of any party into the language used by that party.
- (4) The Community Patent Court may in accordance with the Rules of Procedure allow the submission of accompanying documents drawn up in a language other than the language of proceedings. It can at any time order that party to produce a translation of such documents into the language of proceedings.

Notes:

The language of proceedings before the Community Patent Court would be the official language of the Member State in which the defendant is domiciled. This regime aims at the protection of the defendant and starts from the idea that in the majority of cases the defendant has at least a sufficient knowledge of the language of the Member State in which he has his domicile.

Paragraphs 2 to 4 contain number of provisions which would allow derogations in order to adapt the language regime to the needs of a specific case.

If the CPC finds that a given language of proceedings does not enable the parties to follow and defend their interests but another official EU language would, it can designate that language as language of proceedings. Such a possibility is also laid down in Article 131 of the CFI Rules of Procedure concerning proceedings against the Office for Harmonisation in the Internal Market.

If the parties agree to use any other official EU language as language of proceedings they should be able to do so with the consent of the CPC. The CPC would agree if a change to another language would not endanger the objective of efficient proceedings.

Parties in person or witnesses would be heard in their language and the Registrar of the CPC would ensure the necessary translations.

Finally the CPC could dispense with regard to accompanying documents from the requirement to produce written submissions in the language of proceedings. Such documents that are drawn up in a language other than the language of proceedings need thus not be translated where such costly translation would not seem necessary in the particular case.

Article 26

Appeal against decisions of the Community Patent Court

- (1) An appeal against a final decision of the Community Patent Court may be brought before the Court of First Instance within two months of the notification of the decision appealed against.
- (2) An appeal against a decision of the Community Patent Court made pursuant to Article 243 or the fourth paragraph of Article 256 of the EC Treaty may be brought before the Court of First Instance within two months of its notification. However if an interim measure has been ordered without prior hearing of the party adversely affected that party may file an opposition before the Community Patent Court whose decision shall be subject to an appeal to the Court of First Instance.
- (3) An appeal against a decision of the Community Patent Court dismissing an application to intervene may be brought within two weeks of its notification.
- (4) An appeal may also be brought against such other decisions of the Community Patent Court as provided for and under the conditions laid down by the Rules of Procedure
- (5) An appeal as provided for in paragraphs one to four may be brought by any party which has been unsuccessful, in whole or in part, in its submissions. The procedures referred to in paragraphs two and three shall be heard and determined under the procedure referred to in Article 39 of the Statute of the Court of Justice.

Notes:

Paragraph 1 of this provision corresponds to Article 56(1) of the Statute with some changes. Paragraph 1 addresses the possibility of an appeal against a final decision of the CPC. The wording of Article 56(1) "[appeal against] decisions ... disposing of substantive issues in part only or disposing of a procedural issue concerning a plea of lack of competence or inadmissibility" has not been incorporated. A decision disposing of substantive issues in part would be a judgement of the CPC and could thus be appealed against. The same can be said for a decision declining of the CPC declining its competence. The possibility to appeal against every decision disposing of procedural issues seems too wide and would paralyse the proceedings. Those procedural decisions that shall be subject to a review will be discerned in the Rules of Procedure according to paragraph 4 of this Article.

Paragraph 2 contains a second type of decision that can be appealed against which covers decisions of the CPC made pursuant to Articles 243 and 256(4) EC Treaty. The decisions concerned are those on interim measures and the suspension of the enforcement of judgements. This provision corresponds to Article 57(2) in as far as EC Treaty provisions are applicable to the CPC.

If an interim measure had been ordered by the CPC without prior hearing of the opposite party the legal remedy shall not consist of a direct appeal to the Court of First Instance. Instead an opposition may be filed with the CPC which then can, with due consideration of the arguments brought forward by the party adversely affected by the measures, either confirm or quash the order. That decision of the CPC can be appealed to the CFI. This procedure ensures that an appeal is reserved as legal remedy against a true decision of the CPC handed down after an inter partes procedure before it.

Paragraph 3 contains a provision taken from Article 57(1) of the Statute.

According to paragraph 4 other possible appeals against decisions taken by the CPC in the course of proceedings should be regulated by the Rules of Procedure (i.e. order on costs if case is closed without judgement). Where not explicitly stated by the Rules of Procedure an appeal against procedural orders would not be possible. Any mistake in the procedure would have to be dealt with within the framework of the appeal against the judgement itself. This ensures swift first instance proceedings while leaving sufficient safeguards for the parties.

Paragraph 5 states that, in the case of an appeal according to paragraphs 1 to 4, the appeal may only be brought by the party adversely affected by the decision. This is an identical provision to the first sentence of Article 56(2) of the Statute.

The procedures mentioned in paragraphs 2 and 3 can be dealt with under a summary procedure. Again, this is an identical provision to Article 57(3) of the Statute.

The second sentence of Article 56 (2) of the Statute, which concerns the right of the intervener to appeal against a decision which directly affects the intervener, has not been incorporate as this does not seem appropriate for CPC proceedings. In patent litigation an intervention to support one of the parties is possible if a corresponding interest in the result of the case exists (Article 40 of the Statute). The intervener may also support a party in appeal proceedings if that interest continues to exist and he may consequently joint the party in filing an appeal without having to establish that he is directly affected by the CPC decision. However he shall not have an independent right to appeal.

Finally, there is no need in patent proceedings to grant a right to a Member State to file an appeal even in cases that they have not been a party to or intervened in first instance like the right provided for by Article 56(3) of the Statute.

Article 27

Suspensory effect of appeal

The appeal shall have suspensory effect. However the Community Patent Court may declare its decisions enforceable while, if necessary, subjecting enforcement to the provision of security.

Notes:

This provision so far included in Article 39(5) of the draft Community patent regulation seems necessary for private party litigation in order to ensure that a party adversely affected by a first instance judgement does not suffer damage if the decision is not upheld in second instance. The CPC may declare its decisions enforceable, if necessary subject to the provision of a security. This possibility allows a plaintiff to whom, for example, a judgement awards damages to enforce the judgement which would lead to the payment of the required sum by the defendant. However if the defendant appeals the first instance decision successfully and the plaintiff in the meantime has fallen into insolvency the defendant would not be able to recover the paid sum even though the final decision rules that the plaintiff had no claim whatsoever. Such a situation is guarded against if the CPC orders that the judgement can only be enforced if a security is provided.

The possibility to order suspensory measures against the execution of judgements according to Articles 244 and 256 of the EC Treaty in combination with Article 11 is neither sufficient nor superfluous. It is not sufficient because under those provisions the rule would be that a decision of the CPC could be enforced unless the CPC would decide otherwise at a later stage which would not meet with the required features for private party litigation. It is not superfluous because, in cases where initially the CPC in the judgement allowed the enforcement without security, special circumstances might necessitate suspensory measure at a later stage.

Article 28

Entry into force

Following its publication in the Official Journal of the European Communities this decision shall enter into force on the day following the notification of the last Member State of its acceptance of the Council decision taken pursuant to Article 229a of the EC Treaty and conferring jurisdiction on the Court of Justice in relation to the Community Patent, with the exception of Article 7 which shall only enter into force on the date of the publication of a notice by the Court of Justice that the Community Patent Court and the appeal chamber within the Court of First Instance have been constituted in accordance with law.

Notes:

This provision corresponds to Article 13 of Council decision 88/591 establishing the CFI with necessary changes.

The entry into force of the decision is dependant on a) its publication in the Official Journal and b) the notification of all Member States that the conferral of competence is accepted, a necessity provided for by Article 229a of the EC Treaty (Nice) and the Council decision implementing that Article. On the day following the notification of the acceptance the preparation for the establishment of the Community patent judiciary can proceed, i.e. recruitment of staff, establishment of necessary infrastructure and so on.

The entry into force of Article 7 which contains the provision attributing jurisdiction to the CPC, is dependant on a declaration of the Court of Justice that the CPC and the appeal chamber have been constituted in accordance with law. This ensures that the jurisdiction is attributed at a point in time where a functioning Community patent judiciary is successfully installed. Unlike Council decision 88/591 it seems necessary to make the transfer dependent

on the constitution not only of the first instance jurisdiction but also of the appeal instance because at the CFI level too necessary preparations have to be completed before the Community patent judiciary can take up its work, such as the constitution of the appeal chamber, recruitment of patent Judges and adoption of special Rules of Procedure for trial court appeal proceedings.

III. CHANGES TO THE STATUTE OF THE COURT OF JUSTICE RELATING TO THE COURT OF FIRST INSTANCE.

On the basis of Articles 225(2) and 225a(3) of the EC Treaty (Nice), the Court of First Instance will hear appeals against decisions of the Community Patent Court. For that purpose a special patent appeal chamber should be established within the Court of First Instance. Statute provisions have to be adapted to ensure that proceedings before the patent appeal chamber take account of the special nature of private party litigation and to establish a uniform procedure before both the Community Patent Court and the patent chamber of the Court of First Instance.

Article 225(3) of the EC Treaty (Nice) allows for the possibility of entrusting preliminary rulings in specific areas to the Court of First Instance by Statute provision. Use of this provision should be made for patent law.

Article 1

Number of judges of the Court of First Instance

Article 48 of the Statute of the Court of Justice is replaced by the provision "The Court of First Instance shall consist of 20 Judges."

Notes:

With the establishment of a patent appeal chamber within the CFI (see Article 3) with 2 legal and 3 technical members the total number of judges rises from 15 to 20. Three technical members are required to cover the basic fields of technology in such a way as to equip the bench with the necessary technical expertise covering the fields of chemistry, physics and mechanics.

Article 2

Election of Presidents of the chambers

For the chamber of the Court of First Instance hearing patent appeal proceedings the second sentence of Article 50(1) of the Statute of the Court of Justice shall be construed as follows: "The Judges shall elect the President of the chamber from among their legal members."

Notes:

This wording would have the effect that all the Judges of the patent chamber of the CFI would elect their President from among their legal members, identical approach to Article 13 (1) of the decision establishing the CPC.

Article 3

Patent appeal chamber of the Court of First Instance

- (1) A specialised patent chamber of the Court of First Instance shall hear appeals against decisions of the Community Patent Court. The legal members shall have a high level of experience in patent law. The technical members shall have a high degree of experience in the relevant technical fields and an appropriate experience in patent law.
- (2) The patent chamber shall sit with two legal members and one technical member. For certain cases the Rules of Procedure may provide that a patent chamber sits in an enlarged or a reduced composition. It shall contain provisions concerning the quorum.
- (3) Immediately after the members of the Community patent appeal chamber have taken oath, the President of the Council shall proceed to choose by lot one legal member and one technical member whose terms of office are to expire at the end of the first three years.

Notes:

The appeal shall be heard by a specialised chamber of the CFI whose members have to fulfil the same requirements as those of the CPC. One chamber for patent appeal proceedings with two legal and three technical members should be established within the CFI. As at first instance the three technical members shall cover the technical fields of chemistry, physics and mechanics.

With regard to the composition of the patent chambers this Article is *lex specialis* to Article 50 of the Statute. The ordinary composition of a patent chamber would be two legal and one technical Judge. The Rules of Procedure may contain provisions derogating from this rule as well as laying down further practical details.

It shall be ensured that the patent chamber will not be replaced entirely at the end of its members terms of office but that from the beginning the possibility to enter into a cycle where some of the Judges will already have experience in the patent appeal proceedings when new Judges enter that function. Without this provision the patent chamber could enter into a cycle of replacement of Judges where all the members of the patent chambers would serve the entire term of office and all of them would be replaced at the same time.

According to Article 224(2) of the EC treaty (Nice) the term of office for the CFI Judges and consequently of the patent judges will be 6 years with the possibility of their reappointment.

Article 4

Grounds for appeal

- (1) The appeal may be based on points of law and matters of fact. New facts and new evidence may only be introduced if their submission by the party concerned could not reasonably have been expected during proceedings before the Community Patent Court.

- (2) An appeal on points of law shall lie on the grounds of lack of competence of the Community Patent Court, a breach of procedure before it which adversely affects the interests of the appellant as well as the infringement of Community law by the Community Patent Court.
- (3) No appeal shall lie regarding only the amount of the costs or the party ordered to pay them.

Notes:

This provision makes use of the enabling clause of Article 225a(3) of the EC Treaty that restricts the appeal to points of law unless otherwise provided for in the decision establishing a panel allows the basis of an appeal also to be matters of fact. This Article does not open up an unlimited possibility to submit new facts and evidence in the second instance which would risk reducing the CPC proceedings to a warm up exercise and postpone the serious trial to second instance proceedings. Only those new facts and evidence that the party could not reasonably be expected to submit in first instance can be submitted. This could be the case if a fact was unknown and could applying due diligence not have been known by the party or if the CPC took a different view of the case that suggested known facts to be irrelevant.

Paragraphs 2 and 3 correspond to Article 58 of the Statute.

Article 5

Decision by the Court of First Instance and referral back to the Community Patent Court

- (1) If the appeal is well founded, the Court of First Instance shall quash the decision of the Community Patent Court and give final judgement. The Court of First Instance may in exceptional circumstances and in accordance with the Rules of Procedure refer the case back to the Community Patent Court for judgement.
- (2) Where a case is referred back to the Community Patent Court, it shall be bound by the decision of the Court of First Instance on points of law.

Notes:

This provision corresponds to Article 61 of the Statute with necessary changes.

The CFI shall have the power to quash the decision of the CPC. Unlike Article 61, which addresses the appeal against CFI decisions to the ECJ on points of law and which states that the ECJ may give final judgement where the state of proceedings so permits or otherwise refer the case back to the CFI, this Article states the rule that the CFI in patent proceedings shall decide the case. This already follows from the different nature of patent appeal proceedings which also carry on facts. The CFI can establish those facts that are missing in its view and then decide. This is different from an appeal against a CFI decision to the ECJ on points of law only. In such a case the appeal court can only use the established facts of the first instance which makes a referral back to first instance necessary if further facts need to be established. Furthermore it is essential for efficient and swift patent proceedings to avoid unnecessary referring back and forth of a case between the instances which is excluded if the CFI has to take the decision itself.

However, there are cases where a referral back to the CPC could be appropriate for two reasons:

One is that the case was not heard in substance before the CPC and a direct decision of the CFI would take away the entire first instance for the parties. Also the superior quality of appeal court proceedings is partly do to the fact that the first instance has already worked through the case very thoroughly which would be missing if the CFI directly took the decision without the CPC having decided on substantive issues. Examples for a referral back to the CPC would be cases where an appeal was brought forward against a CPC judgement declining competence, a judgement deciding only on the liability as such but not the amount of damages or a judgement by default.

The second case where a referral back could be considered is where the CPC committed a fundamental procedural mistake that had an effect on the judgement which can be the case i.e. with a violation of the right to be heard. In such a case the first instance proceedings cannot be considered to be an effective legal remedy.

This provision takes the approach that the Statute only contains the general rule that the CFI decides the case and that possible exceptions will be included in the Rules of Procedure. It seems more flexible than a corresponding list in the Statute. Moreover the exact exceptions would depend on the type of possible procedures before the CPC.

Article 61(3) of the Statute has not been retained. It does not apply in patent proceedings.

Article 6

Language of appeal proceedings

The appeal proceedings will be conducted in the language of proceedings in which the case was conducted before the Community Patent Court.

Notes:

It would seem most efficient to have as language of appeal proceedings the language that first instance proceedings had been conducted in. That way the documents such as written contributions of the parties, testimonies of witnesses, expert opinions etc. could be directly considered without translation. Also the representative of a party who was at first instance among other criteria chosen with a view to his ability to represent in the language of first instance proceedings and who is familiar with the parties' case can take the case to appeal.

Article 7

Review

Without prejudice to Article 62 of the Statute of the Court of Justice, the decision of the Court of First Instance is subject to no further review.

Notes:

This provision seems necessary to clarify that unlike other decisions of the CFI its decisions taken in appeal patent cases cannot be appealed further to the ECJ. The only exception being

the review by the ECJ on the application of the First Advocate General in cases where there is a serious risk for the unity and consistency of Community law according to Article 62 of the Statute.

Article 8

Advocate General

Article 49 of the Statute of the Court of Justice shall not apply to appeal proceedings before the patent chamber of the Court of First Instance.

Notes:

For the purpose of proceedings before the patent chamber of the CFI this Article declares not applicable provisions which attribute a role to the Advocate General before the CFI.

The Advocate General should not participate in patent litigation since the nature of private party litigation and the principle of equality of arms leaves no room for the participation of the Advocate General. Also there is no need for an Advocate General because Judges experienced in the specific subject matter will be hearing the case.

Article 9

Application of provisions governing proceedings before the Community Patent Court

Articles 16 to 23 of the decision establishing the Community Patent Court shall apply to the appeal procedure before the patent chamber of the Court of First Instance.

Notes:

In order to ensure a uniform patent judiciary, a number of provisions that shall apply to the procedure before the CPC, deviating from the current Statute of the Court of Justice with a view to the specific nature of private party patent litigation, shall also apply to the appeal procedure before the patent chambers of the CFI. The Articles would refer to those special Statute provisions for the CPC contained in Articles 16 to 23 of the decision establishing the CPC. For further comments on the substance of those Articles see the notes to the Articles concerned.

Article 10

Preliminary rulings in patent law

The Court of First Instance shall have jurisdiction to hear and determine questions referred for a preliminary ruling under Article 234 of the EC Treaty in patent law. Article 23 of the Statute of the Court of Justice shall apply.

Notes:

Preliminary rulings in patent law should be heard by the patent chamber of the CFI which is the most suitable body to determine such questions. The CFI would on the one hand be the appeal instance in Community patent litigation and on the other hand give preliminary rulings

to questions referred to it by national courts asking for the interpretation of EU patent law i.e. the Community patent regulation, the biotech directive or possibly a future software directive. Such a step would reduce the workload of the ECJ while at the same time it would guarantee coherent interpretation of EU patent law.

If the ECJ would keep the competence for such preliminary rulings, either the ECJ would only answer to questions referred to it by national courts whereas the CFI would separately handle Community patent cases with the danger of diverging decisions or the possibility for the CFI to ask the ECJ for a preliminary ruling would have to be installed which might unnecessarily prolong Community patent litigation. This problem arises because the same substantive rules apply to national patent litigation as well as to Community patent litigation.

Even if the CFI is entrusted with preliminary rulings on patent law the ECJ would retain some competence to pronounce itself with regard to patent law. According to Article 225(2) of the EC Treaty (Nice) in combination with Article 62 of the Statute the ECJ could review a decision taken by the CFI in appeal Community patent proceedings at the application of the First Advocate General if there is a serious risk of the unity or consistency of Community law being affected. Under the same circumstances a preliminary ruling of the CFI would be subject to an extraordinary review by the ECJ, according to Article 225(3) of the EC Treaty and Article 62 of the ECJ Statute (both Nice).

Article 23 of the Statute governs the procedure in case of a referral of a question for preliminary ruling.