1. Introduction

When the European Patent Convention (EPC)\(^1\) came into force on October 7, 1977, Europe entered a new era of patent protection. A new “European patent” was provided for under the EPC, making it easier to secure patent protection in the seven states that first signed on to the agreement. As a testament to the success of the EPC, there are today 26 States that have acceded to the EPC.\(^2\) This number is expected to increase to 30\(^3\) by the end of this year, ultimately covering an area from the Atlantic to the Black Sea. But the number of Contracting States is not the only impressive aspect of the EPC; last year alone, more than 110,000 applications were filed with the European Patent Office (EPO),\(^4\) making the European patent one of the most sought after patents in the world. However, while the EPC sounds like a success story, as almost always in life, all that glitters is not gold.

The European patent provided under the EPC embodies in essence an agreement between Contracting States to a system of patent protection by a single procedure for the grant of patents and the establishment of common rules governing the patents so granted.\(^5\) Although the principle of territoriality is not mentioned as such in the EPC, Article 2 (2) makes clear that the European patent should, in each of the Contracting States for which it is granted, have the effect of and be subject to the same conditions as a national patent granted by that State. The European patent then is neither a national patent nor a unitary patent for the entire territory of the EPC Contracting States, but instead is in effect a bundle of European national patents.\(^6\)

As a consequence of the nature of the European patent, it was agreed to in the EPC that any Contracting State may require a translation into one of its official languages if the European patent was not originally granted in one of the State’s official languages\(^7\) - an option most States make us of. This has long been a leading factor in the exorbitant cost of securing a European

\(^{1}\) Convention on the Grant of European Patents of 5 October 1973.
\(^{2}\) All Member States of the European Union, plus Cyprus, Liechtenstein, Monaco, Switzerland and Turkey. Bulgaria, Czech Republic, Estonia and Slovakia acceded in July 2002, Slovenia in December 2002 and Hungary in January 2003. Albania, Lithuania, Latvia, the Former Yugoslav Republic of Macedonia, Romania and Slovenia are States recognizing European patents (so called Extension States).
\(^{3}\) It is expected that Latvia, Lithuania, Poland and Romania will accede.
patent vis-à-vis United States and Japanese patent prosecution. These onerous translation requirements however will soon be eased in several States. In a recent study, it was shown that translations are rarely consulted, prompting some EPC member States to waive translation requirements by signing the Optional Agreement on the Application of Article 65 of the EPC. As soon as the agreement enters into force, the translation-related costs of a European patent can be expected to be significantly reduced.

In the practical application, harmonized substantive legal provisions are not only construed by the European Patent Office during patent prosecution, but also by the national courts of the Contracting States during patent litigation. With the absence of a common European patent court, the danger for conflicting judicial decisions between Contracting States was realized early on. As a means to ensure harmonized interpretation of patent law within Europe, regularly scheduled symposia of patent judges were introduced to facilitate the exchange of views and experience among them. This year, judges and other experts of patent law convened for the eleventh time. There is no doubt that the meetings have brought judges from the various countries closer together. The judges are now aware that the same patent could be scrutinized by a court in another country, and that the same legal issue would have to be decided by other national courts, but the meetings have not prevented all contradictory interpretations of claims.

National courts are guided by the Protocol on the Interpretation of Article 69 EPC, but this only frames the extent of patent protection, and leaves too much room for interpretation. Neither does the TRIPs Agreement of 15 April 1994 (TRIPs Agreement) nor the Vienna Convention on the Law of Treaties of 25 March 1969, provide clear enough wording to avoid contradictory interpretations between national courts. The scope of protection of a European patent granted by the same office and based on the same law may therefore vary from State to State; making it possible for the patent to be revoked by a court in one State and declared valid in another. This situation not only leads to legal uncertainty, but is unsatisfactory in face of the

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9 So called London Agreement, cf. 2001 OJ EPO 549-619 and www.ige.ch/E/jurinfo/14104.htm. Up to now (1 January 2003) ten States have signed the Agreement: Denmark, France, Germany, Liechtenstein, Luxembourg, Monaco, The Netherlands, Sweden, Switzerland and the United Kingdom. However, none of them has ratified it so far.
11 It is said up to 50%, see www.patent.gov.uk/about/press/releases/2000/agree.htm and Audrey Yayon-Dauvet, Emmanuel Gougé, Approval of the London Protocol: French issues concerning the language system for European patents, WIPR 09/01, 17/18.
12 This includes the invention itself, its disclosure, the novelty requirement, inventive step, industrial application, as well as the grounds for revocation (Arts. 52-57, 69 and 138 EPC).
14 Cf. Sir Robin Jacob, Decisions relating to patents granted by the EPO in Great Britain and Germany, VPP-RUNDBRIEF, No. 1/1999, 13.
15 Cf. Sir Robin Jacob, Decisions relating to patents granted by the EPO in Great Britain and Germany, VPP-RUNDBRIEF, No. 1/1999, 13.
16 Art. 69 EPC regulates the extent of the protection conferred by a European patent.
growing internationalization of patent law and patent litigation. The call for further co-operation, such as the exchange of judges and members of the EPO Boards of Appeal, the publication of decisions, as well as the establishment and creation of a common European patent court, has therefore not taken long to be voiced. And industry, once again, repeated what it expected from the European patent litigation system: that it should be quick, affordable and uniform. Some of the proposals have become reality, bringing some harmonization – but not to the extent one could expect from a common patent system.

2. Are cross-border injunctions a way to solve the problem?

Jurisdiction in Europe regarding patents is to a great extent fixed by the Brussels and Lugano Conventions. These two conventions have changed the way foreign European Patents are litigated in Europe. But it would be more appropriate to speak of the Dutch courts and especially Professor Jan Brinkhof, who during his tenure as Vice President of the District Court at The Hague (Arrondissementsrechtbank), interpreted these Conventions to change the way jurisdiction would be determined.

Led by the efforts of Prof. Brinkhof, Dutch courts decided that it was much more efficient to have one judge exercise jurisdiction over the infringement of a European patent for all countries the European patent was valid in, severely diminishing the principle of territoriality. Such cross-border injunctions have been pronounced by courts on a regular basis for a number of years, and have been a source of great controversy.

References:

23 John Mackay Reid, Views of Industry on requirements for adequate and effective patent protection in Europe, 27 IIC 214 (1996); UNICE, Comments to an Optional Protocol on an Integrated Judicial System of 6 June 2000 (WPL/11/00).
24 Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters of 27 September 1968. The Convention has meanwhile been transferred into a Council Regulation (EC; No. 44/2001 of 22 December 2000). However, Denmark was not participating in the adoption of this Regulation. Therefore, the Brussels Convention still applies to Denmark.
28 At that time Prof. Brinkhof was Vice President of the District Court (Arrondissementsrechtbank) The Hague.
courts of some other European States have applied the rules on jurisdiction differently, thereby refraining from extensively applying their jurisdiction to foreign industrial property law. In addition, many questions remain unanswered and, in the end, legal uncertainty actually increased while international differences in the interpretation of patent law remained unmitigated.

3. The approaches for specialized European patent courts

3.1 The European Union approach

Originally, it was planned that the Community Patent Convention (CPC) and, at a later stage, its Protocol on the Settlement of Litigation Concerning the Infringement and Validity of Community Patents (CPC Protocol on Litigation), would complement the EPC and provide a unitary patent for the whole European Community and a common court of appeal. However, in spite of various re-negotiations, the CPC has not entered into force to this day – and it probably never will. This are several major reasons for this: One, granting a Community patent would incur enormous costs because of the translation requirement; a Community patent would have to be translated into all of the EC languages. Two, national courts would have had the authority to revoke a Community patent in an infringement case, if the action was brought up by way of counterclaim. This was perceived as too high a risk for providing legal certainty, especially since not all EU Member States provide for courts with judges experienced in patent law. As a result, industry’s interest in the Community patent faltered, leaving another important element of the European patent system missing.

The European Commission reacted by taking the initiative to create a unitary patent for the European Union through a regulation enacted under the EC Treaty. It also proposed to establish a centralized, two-instance “Community Patent Court” applying its own rules of procedure and the authority to grant provisional measures, determine penalties and award damages.

The proposal is clearly influenced by the outcome of the negotiations for an

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37 So called COPAC.
44 In the proposal for a Community Patent Regulation (see supra note 8) the European commission was using the more extensive term „Community Intellectual Property Court“.
45 Cf. supra note 8.
Optional European Patent Litigation Agreement (EPLA) of the European Patent Organisation.\(^{46}\) Despite great efforts to reach an agreement, the EU Member States could not meet the deadline for creating a Community patent by the end of 2001,\(^ {47}\) as recommended by their ministers at different summits. The Internal Market Council highlighted as the major obstacles \textit{inter alia} the language regime, the role of national patent offices and the jurisdictional arrangements.\(^ {48}\) Once again, languages and jurisdictional arrangements had become the major obstacles in the ongoing negotiations. And unfortunately, there are no indications so far that the necessary unanimous agreement needed for the Community Patent Regulation including the proposal for a Community Patent Court dealing with the respective litigation, will be achieved soon.\(^ {49}\)

### 3.2 The European Patent Organization approach

#### 3.2.1 History and development

At the invitation of the French government, an Intergovernmental Conference of the Contracting States to the EPC was held in Paris on June 24 and 25, 1999. Among other things, the conference mandated a Working Party on Litigation (WPL), jointly chaired by Germany, Luxembourg and Switzerland, to “present a draft text for an optional protocol to the EPC which, with regard to litigation concerning European patents, would commit its Signatory States to an integrated judicial system, including uniform rules of procedure and a common court of appeal.”\(^ {50}\)

The WPL held three meetings and elaborated, in just one year of negotiations, a structure paper\(^ {51}\) with the cornerstones of the court’s organization and the rules of proceedings that was submitted to a second Intergovernmental Conference. Left open was the question of whether the court should comprise two European levels, or if simply one common court of appeal would be sufficient for harmonization. The majority of the working party took the view that a common European court of first and second instance composed of highly qualified and experienced patent judges from States with different legal cultures would most likely achieve the desired goal of applying and construing law in a truly consistent \textit{European} way. With two common instances, patents could be enforced and attacked in all Contracting States through reliable, affordable and efficient proceedings resulting in quick, high-quality decisions.\(^ {52}\) However, it was also decided that the first instance should provide for some form of local presence.

One obstacle to having national courts in first instance was the variety and divergence of national procedural rules. It was pointed out that it would be extremely difficult to achieve true consistency, and to ensure smooth interaction between first-instance proceedings before a national court and the proceedings before a common court of appeal, which would have to apply its own rules of procedure. Furthermore, \textit{forum shopping} and its related ills would almost


\(^{47}\) Cf. European Commission MEMO/01/451.


\(^{49}\) Cf. Patently absurd, Financial Times, November 15, 2002 and European Commission MEMO/02/255.

\(^{50}\) See 1999 OJ EPO 546, as well as 1999 GRUR INT. 722.


\(^{52}\) Id.
inevitably be perpetuated if the national courts would keep their jurisdiction in regards to European patent litigation.\footnote{Also see Jan Willems, \textit{A European Patent Court of First Instance?} Special edition No. 2, 2001 OJ EPO 160-169.}

A minority in the working party took a different view:\footnote{Cf. also Jürgen Schade, \textit{Gerichtliche Regelung der Patentstreitsachen in Europa}, 2000 GRUR 104/105; Jochen Pagenberg, \textit{The First Instance European Patent Court – A Tribunal Without Judges and Attorneys}, 31 IIC 481-499 (2000); Gernot Sydow, \textit{Die Ausdifferenzierung des Gerichtssystems der EU}, 2001 GRUR, 659-696.} It pointed out that national procedural law, as well as, to a certain extent, substantive patent law could be harmonized without necessarily leading to different results.\footnote{Cf. also Jürgen Schade, \textit{supra} note 41, 832} Their argument, however does not take into account that national courts with their national judges and their respective legal views and traditions would construe the law, again leading to different interpretations. In addition, despite patent law already being harmonized to a great extent, contradiction in decisions could never be completely avoided. Furthermore, it was pointed out that experience has shown that \textit{forum shopping} is not bad because it gives the plaintiff the possibility of choosing the most experienced court. No doubt this is correct, but since a forum is legitimately chosen by lawyers to best suit the commercial objectives of a client,\footnote{Cf. Morag Peberdy, \textit{Managing and co-ordinating multi-jurisdiction patent litigation}, \textit{GLOBAL IP RIGHTS MANAGEMENT} 2002, Supplement to Patent World and Trademark World 2002, 23.} it is conceivable that a certain court could be chosen for its lack of experience or speed in reaching decisions.\footnote{In several European countries it is possible to start an action for declaration of non-infringement. If such an action of a foreign patent is started before a judge where the judicial system is not particularly quick, it may block the other, faster, jurisdiction from dealing with proceedings concerning the same patent and/or the same alleged infringement. This phenomenon is called \textit{Torpedo action}, based on \textit{the Italian Torpedo} a name given by Prof. Mario Franzosi who brought up this problem for the first time: Mario Franzosi, \textit{Worldwide Patent Litigation and the Italian Torpedo}, [1997] EIPR 382-385.} This problem, however, could also be avoided with a common court with its own procedural rules which would ensure a harmonized interpretation of law.

The second Intergovernmental Conference, held in London October 16 and 17, 2000, acknowledged the structure paper. It confirmed the mandate of Paris and agreed that a sub-group of the WPL, comprising the EPC States interested in signing the agreement, should produce a draft for an optional agreement\footnote{It took the view that from an point of view of international law it is an agreement rather than a protocol that is created. Therefore, the name \textit{European Patent Litigation Protocol} (EPLP) was exchanged by \textit{European Patent Litigation Agreement} (EPLA).} and submit it to the WPL for consideration.\footnote{Cf. Felix Addor/Stefan Luginbuehl, \textit{Stärkung des europäischen Patentsystems}, Jusletter, October 23, 2000, available at \texttt{www.jusletter.ch}.} The sub-group,\footnote{Members of the sub-group are Denmark, Germany, Finland, France, Italy, Luxembourg, Monaco, the Netherlands, Sweden, Switzerland and the United Kingdom. The European Commission, epi and UNICE are observers in the meetings.} chaired by the Netherlands, appointed Jan Willems, Judge and Member of the EPO Boards of Appeal, as its expert to draft the agreement proposals. Jürgen Schade, Judge at the German \textit{"Bundespatentgericht"} (and meanwhile president of the German Patent and Trademark Office), as well as Jochen Pagenberg, Attorney at Law in Munich, were mandated by the sub-group to investigate the option of a national first instance and European second instance. The sub-group has thus far met six times.\footnote{Cf. Stefan Luginbuehl, \textit{Reports from the third to the sixth meeting of the sub-group to the Working Party on Litigation} (German and French version), 2001 sic! 352-353; 570-571 and 2002 sic! 207-208; 647, as well as \texttt{www.ige.ch/E/jurinfo/j1102.htm} for the English versions.} Its main challenge - how to use existing experience\footnote{Cf. Jürgen Schade, \textit{supra} note 54, 104.} and, at the same time, ensure local presence (this is in particular for the benefit of
small and medium-sized businesses) and the necessary diffusion of legal traditions - was huge. But at the third meeting,\textsuperscript{63} the two sides found a way to merge the two fundamental positions.

It was agreed that each Contracting State would be able to create up to three Regional Divisions on its territory which would act as a European Patent Court of first instance.\textsuperscript{64} The court panels, however, would be internationally composed to provide a uniform interpretation of law and claims throughout Europe. Over a period of ten months, the sub-group discussed three proposals.\textsuperscript{65} Additionally, a meeting of experts in procedural law was held in Munich May 14 and 15, 2001. At the 5\textsuperscript{th} meeting of the sub-group, it was decided that the revised “Third Proposal for an EPLP”\textsuperscript{66} would be drafted in treaty language.\textsuperscript{67} A team from the EPO,\textsuperscript{68} under the experienced and professional guidance of Gert Kolle, Director in the Directorate-General Legal/International Affairs, elaborated a draft Agreement on the Establishment of a European Patent Litigation System (draft EPLA) as well as a draft Statute of the European Patent Court (draft SEPC).\textsuperscript{69} In its drafts, the team followed guidelines to:

\begin{itemize}
\item[a)] keep only the most fundamental provisions in the agreement;
\item[b)] transfer a number of important organizational provisions to a statute;
\item[c)] delay all provisions for inclusion in rules of procedure, service regulations and practice directions until after the agreements are signed at an Intergovernmental Conference.\textsuperscript{70}
\end{itemize}

The drafts were discussed at the most recent meeting of the sub-group held in July 2002. They were revised\textsuperscript{71} and submitted to the WPL at its 4\textsuperscript{th} meeting, 3 – 5 December 2002.

\subsection*{3.2.2 The main features of the draft of an European Patent Litigation Agreement}

To avoid lengthy discussions on provisions already decided and agreed upon, the EPLA draft was based as much as possible on existing texts and provisions, such as the EPC 2000,\textsuperscript{72} the CPC as last revised in 1989, the CPC Protocol on Litigation, the Brussels and Lugano Conventions, and the TRIPs Agreement.

The draft contains six parts. The first and second parts deal with general, institutional and financial provisions, while a third part deals with substantive patent law, jurisdiction and the effect of decisions. Parts four and five put down the major cornerstones of the procedure and procedural remedies and part six deals with the transitional and final provisions.

\textbf{a) General, Institutional and Financial Provisions (Articles 1 - 31 draft EPLA)}

The EPLA would create a new international organization, independent from the European Patent Organization, and therefore in accordance with Article 6 of the European Human Rights Convention of November 4, 1950 (EHCR) and Articles 41ss of the TRIPs Agreement. This so-called European Patent Judiciary (EPJ) would have administrative, financial and certainly

\begin{itemize}
\item[63] The meeting was held in The Hague, 4 – 6 April 2001.
\item[64] Cf. WPL/SUB 10/01, N 15.
\item[65] All available at www.ige.ch/E/jurinfo/j1102.htm.
\item[66] Also available at www.ige.ch/E/jurinfo/j1102.htm.
\item[68] Part of the drafting team is Ulrich Joos, Michael Schneider, Eskil Waage, Jan Willems and myself. WPL/SUB 2/02 available at www.ige.ch/E/jurinfo/pdf/j1000.pdf.
\item[69] Id.
\item[70] Id.
\item[71] WPL 3/02 and WPL 4/02, supra note 66.
\item[72] The EPC was revised by a Diplomatic Conference in November 2000, see Special edition No. 4, 2001 OJ EPO and www.european-patent-office.org/epo/dipl_conf/pdf/em00003a.pdf. It will very probably not enter into force before 2007.
\end{itemize}
judicial autonomy. The necessity of the creation of a new organization is, however, questionable. It could be sufficient to incorporate the European Patent Court into the European Patent Organisation as a third organ, next to the EPO and the Administrative Council. A revision of the EPC would in this case be unavoidable and include a certain risk since not all EPC Contracting States are interested in signing the EPLA.

Article 3 (2) draft EPLA makes clear that the judiciary will comprise two organs: The European Patent Court - including the Court of First Instance, and the Court of Appeal, as well as the Registry - and the Administrative Committee.

The Administrative Committee is modeled after the Administrative Council of the European Patent Organisation. Each Contracting State shall be able to send one representative and alternate representative to the committee and it shall, inter alia, have the authority to amend the provisions of the Statute and to adopt or amend the Rules of Procedure and the Financial Regulations. Additionally, it would supervise the European Patent Court without infringing on the court’s judicial independence; it would also set up Regional Divisions, upon request, and appoint the judges and the Registrar. It has been suggested that Contracting States to the EPC not acceding to the EPLA as well as non-governmental organizations may observe the meetings of the Administrative Committee.

The EPJ is envisioned as being self-financing. This will be a difficult task since court fees in patent cases vary anywhere from 100 to some 100'000 Euros in European civil courts. The reason for this variety lies in the differing approaches of the States when interpreting the right of the parties to have access to the court. It is therefore foreseen that if the EPJ were unable to balance its budget with its own resources, the Contracting States would have to contribute. The distribution of the fees must still be determined. Several options have been suggested: For instance, the ratio of number of European patents that have become effective in the States during a certain period of time could be used, or the ratio of court activity, or a combination of both. A combination seems most appropriate since there will be States with rather high numbers of European patents taking effect in their territory but only a small amount of litigation activity. The details of the financial provisions were mainly taken from the EPC 2000.

b) Substantive patent law and jurisdiction (Articles 32 - 42 and 44 - 46 draft EPLA)

The substantive law is closely related to the corresponding provisions in the 1989 CPC. There is a concentration on acts directly or indirectly infringing the European patent; the limitation of the effects of the patent; the reversal of proof, which was updated to the requirements of Article 34 of the TRIPs Agreement; and the provision on prior use. The Contracting States will designate the European Patent Court as a national court according to the Lugano and Brussels Conventions and the EC Council Regulation 44/2001 of December 22, 2000 (Regulation 44/2001). The aim of this designation is to prevent any conflict between the Regulation and the Agreement. Time will tell if this approach is acceptable to the European Union. The European Patent Court would have exclusive jurisdiction in respect to actions for actual or threatened infringement, as well as actions and counterclaims for revocation of European patents and for damages or compensation if the defendant is domiciled in a Contracting State. To simplify the

73 Art. 3 (1) draft EPLA (WPL 3/02, supra note 71).
75 Art. 3 (4) draft EPLA (WPL 3/02, supra note 71).
76 Id at Arts. 4 and 11 draft SEPC.
77 Id at Art. 15 (3) and (4) draft EPLA.
79 See supra note 24.
80 See Jan Willems, First Proposal for an EPLP, WPL/SUB 5/01, Art. I.3.3.1.1, supra note 66.
procedure,\textsuperscript{81} to make it more economical\textsuperscript{82} and to avoid contradictory decisions,\textsuperscript{83} the validity and infringement would therefore be litigated in the same proceeding. The same suggestion has been made for the Community Patent Court,\textsuperscript{84} whereas it is suggested in the draft Hague Jurisdiction Agreement\textsuperscript{85} to possibly split the proceedings.\textsuperscript{86} The administrative attribution to the various divisions of the cases where the European Patent Court would have jurisdiction would be executed along the lines of the above mentioned jurisdiction conventions. This would establish a two-level system of territorial and geographical jurisdiction/distribution, respectively. At the first level, the question of whether the European Patent Court as such would have jurisdiction based on international or national law would have to be answered. If the answer is affirmative, the competent Regional Division would be chosen according to the provisions of the Lugano and Brussels Conventions or Regulation 44/2001. It would be necessary to subdivide the jurisdiction territories in Contracting States having more than one Regional Division.

National courts would retain jurisdiction to order provisional and protective measures provided for by national law and to order provisional seizure of goods as security for any damages, compensation, costs or any other payment resulting from proceedings before the European Patent Court. When the EPLA enters into force, proceedings for infringement or revocation of a European patent may still be initiated for a period of seven years before a national court or other competent authority of a Contracting State having jurisdiction under national law which, for that purpose, shall continue to apply to European patents effective in that Contracting State.\textsuperscript{87}

c) Effect of decisions (Articles 43 and 47 draft EPLA)

It goes without saying that decisions on the infringement of a European patent would have an \textit{inter partes} effect with enforcement being carried out by national authorities. To avoid contradictions and to create one common court for the Contracting States, it was proposed that decisions on revocation of a European patent should take effect \textit{erga omnes} in all Contracting States. The effective consequence of this would be that the European patent would become a unitary patent for the Contracting States. This proposal was highly controversial at the last meeting of the WPL and will need further discussions.

Additionally, the question has been posed whether such a proposal could go into effect without a revision of the EPC, since it goes beyond the EPC and the bundle effect of a granted European patent.\textsuperscript{88} The answer, in the view of the author, is that a revision is not necessary. The Diplomatic Conference for the revision of the EPC\textsuperscript{89} introduced a new Article 149a into the EPC. The explanatory notes of the conference’s basic proposal\textsuperscript{90} define the aim of this provision as follows:

\begin{itemize}
  \item \textsuperscript{81} Cf. Jan J. Brinkhof, \textit{Patent litigation in Europe in need of change}, supra note 53, 106.
  \item \textsuperscript{82} Cf. Jürgen Schade, supra note 54, 102.
  \item \textsuperscript{83} Cf. Antje Sedemund-Treiber, \textit{Strukturen einer europäischen Patentgerichtsbarkeit}, 1999 MTT. 123 and Jochen Pagenberg, supra note 54, 495.
  \item \textsuperscript{84} See Art. 30 Proposal for a Council Regulation on the Community Patent, supra note 8.
  \item \textsuperscript{85} See note 4.
  \item \textsuperscript{87} Art. 85 draft EPLA (WPL 3/02, supra note 71).
  \item \textsuperscript{88} Cf. Jürgen Schade, supra note 54, 103.
  \item \textsuperscript{89} Cf. supra note 72.
  \item \textsuperscript{90} Cf. MR/2/00, 203, available at \url{www.european-patent-office.org/epo/dipl_conf/pdf/em00002.pdf}.
\end{itemize}
Article 149a was introduced into the EPC to create a clear legal basis for any future agreements between the EPC Contracting States concerning matters such as litigation in regards to European patents.

Article 149a EPC 2000 makes clear, in paragraph 1, that nothing in the EPC shall be construed as limiting the right of some or all of Contracting States to the EPC to conclude special agreements on any matter concerning European patents which under the EPC are subject to and governed by national law. According to subparagraph a) of Article 149a (1) EPC 2000, this applies in particular to an agreement establishing a European patent court common to the Contracting States party to it. The explanatory notes make reference to Articles 2 and 64 EPC regarding the definition of matters which are governed by national law. Thus, the EPC 2000 provides the future Contracting States of the EPLA and respectively of the SEPC, with the possibility and competence to conclude an agreement on litigation concerning European patents that might interfere with the rights that are left to the EPC States. If, therefore, the Contracting States gave their European patent court the right to render decisions which would have effect in all Contracting States, they would explicitly be allowed to do so only by this new provision. And since such an agreement would have no effect on the authority of any other EPC Contracting States, there was also no need for any opposition at the Diplomatic Conference.

d) Procedure before the European Patent Court (Articles 48 - 63 and 66 - 75 draft EPLA)

Part four of the draft EPLA begins with a chapter on general provisions. Bearing in mind that the aim is to create a system which provides quick decisions, a provision was included to oblige the court to have active case management. Additionally, generally accepted maxims of procedural law, such as public proceedings, the right to be heard, the principle of party decision and the principle of free evaluation of evidence are recommended. Following the example of the EPC 2000, it includes a non-exhaustive list of means for giving and obtaining evidence, added by a rule on production of evidence by other or third parties. It stipulates that the court fees are to be paid in advance and that the unsuccessful party must bear the cost of litigation. The holder of an exclusive licence under a European patent may initiate litigation before the European Patent Court in the same way as the proprietor of the patent unless the licensing agreement provides otherwise.91

The second chapter lists the powers of the European Patent Court. There is a general provision which makes it clear that the court may impose such measures, securities, sanctions and fines as are laid down in the EPLA. Specifically, the powers of the court include the authority to order measures in accordance with the TRIPS Agreement (such as forfeiture, indemnification of a party and right for information), as well as an astreinte. The astreinte, known in the Benelux States, provides the European Patent Court with some kind of enforcement power for its decisions and is an order to pay a fine to the other party if the party does not comply with the order given. Practice has shown that this instrument is a useful deterrent to further infringement.92 The court would also have the authority to order provisional and protective measures. The mixture of legal cultures is especially evident in this chapter, as it includes, for example, the order for inspection of property, a measure known in France as saisie contrefaçon93 and Anglo-Saxon freezing orders.94

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91 Art. 51 (2) draft EPLA (WPL 3/02, supra note 71).
92 See Jan Willems, Third Proposal for an EPLP (WPL/SUB 20/01), Section III.3.7, supra note 66.
94 These measures are formally known as Mareva injunctions.
e) Damages (Articles 64 and 65 draft EPLA)

Since the regulations covering damages vary greatly in Europe, a number of delegations of the sub-group requested that common provisions about damages be incorporated. In order to fulfill the minimum standards of Article 45 of the TRIPS Agreement, it was agreed that the injured party should, as much as possible, be restored to the position it would have been in if no infringement had taken place. The party infringing the European patent would therefore not benefit from the infringement. Additionally, damages to compensate any losses suffered by the injured party because of an infringing act could be demanded, but should not be punitive in nature.

f) Procedural remedies (Articles 76 - 83 draft EPLA)

Based on the decision of the Court of First Instance, an appeal would go before the Court of Appeal. The appeal is created as a ordinary remedy with suspensive effect, and could be based on the grounds that the facts alleged by the parties were not correctly established, or that, given on the established facts, the law was not correctly applied. In exceptional cases, new facts or evidence could be taken into consideration by the Court of Appeal in accordance with the Rules of Procedure. As an extraordinary procedural remedy, the Petition for Review would be included. This was inspired by the newly introduced remedy before the EPO Enlarged Board of Appeal in the revised EPC. Such a petition could only be filed on the grounds that a criminal act might have had an impact on the decision, or that a fundamental procedural defect has occurred in proceedings before the Court of Appeal.

g) Facultative Advisory Council (FAC)

Still unclear is the chapter on the Facultative Advisory Council (FAC) or common entity, as it was called earlier. The mandates of Paris and London also include the task for the WPL to “define terms under which an entity can be established and financed to which national jurisdiction can refer, with a view to obtaining advice.” The FAC would therefore give opinions on litigation regarding the validity and infringement of European patents by national jurisdictions. The model for this proposal was the preliminary ruling by the European Court of Justice. However, there are some major differences from the point of view of the WPL, which believes that such a FAC should, in principle, be identical to the Court of Appeal. It was therefore decided at the Intergovernmental Conference in London to include the FAC in a separate chapter of the agreement, “it being understood that Contracting States shall be free to join only that part.” In addition, the WPL made clear in the document it submitted to the conference that referral to such an instance should be optional for national courts and that the given opinion should not be binding. In other words, the FAC should function as an entity which gives opinions in questions of law to national courts that have problems in understanding and applying it. The exact organization of the FAC is still open. However, Article 25 EPC, which provides a possibility to request technical opinions in patent litigation from the EPO as the court’s expert, will be serving as a model.

The impact which the FAC will have on the harmonization of interpretation of European patent law is unclear. For one, practice has shown that the EPO is hardly ever asked for a technical

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95 See Art. 112a revised EPC 2000, supra note 76, and cf. Peter Messerli, Die Überprüfung von Entscheidungen der Beschwerdekammern des Europäischen Patentamts nach dem neuen Art. 112a EPÜ, supra note 13, 979-984.
96 See supra note 50.
97 Quoted from the mandate of the intergovernmental conference in London. The mandate has not been published.
98 WPL 10/00.
99 Cf. WPL/6/02.
opinion. Furthermore, the very assumption that a national court will ask a supranational court for help interpreting its own law - not least out of sovereignty reasons and its own conviction that it knows its law better - seems questionable. Finally, it would be up to the court itself to follow the opinion. Thus, the function of the FAC would be rather to give States which are not or not yet able to accept the European Patent Court the opportunity to still be part of the newly created litigation system.

3.2.3 The main features of the draft statute of the European Patent Court

The draft SEPC comprises six chapters, including provisions on the judges, the Registrar, the organization of the Court of First Instance and the Court of Appeal, and procedural provisions with an organizational character.

a) The organization of the European Patent Court (Articles 11 - 20 draft SEPC)

As mentioned earlier, the European Patent Court is to be composed of a Court of First Instance and a Court of Appeal. A registrar would provide administrative and secretarial assistance to the European Patent Court. Both instances would have a president, who would preside over the respective court. Both courts would have a presidium: The presidium of the Court of First Instance would be composed of its president, the divisional presidents and two members, elected by the judges of the court, while the presidium of the Court of Appeal would be composed of its president and two members elected by the judges of the court. The task of the presidiums would be, in particular, to advise and assist the presidents of the court in administrative, organizational, budgetary and personnel matters, as well as to advise the Executive Committee about proposals for the Practice Directions of the court. The common presidium, including the members of both presidiums as well as the Registrar, would draw up proposals concerning the appointment, re-appointment and removal of the judges and the Registrar. Obviously, members of the presidium would not be able to take part in deliberations or decisions concerning themselves. The Executive Committee, composed of both presidents of the European Patent Court and the Registrar, would be the highest organizational unit of the European Patent Court and basically be responsible for its management. In particular, it would draw up proposals for the Administrative Committee on Rules of Procedure and court fees having consulted the common presidium, and it would prepare the budget. The hierarchy of the European Patent Court would look as follows:

The Court of First Instance would be comprised of a Central Division at the seat of the European Patent Court and several Regional Divisions in the Contracting States. The seat of the court is to be decided. To avoid any discrimination, each Contracting State would have the right to request one Regional Division, if it were willing to pay for it. It would, however, also be possible that smaller Contracting States could form one Regional Division or that a State would designate the Central Division or a Regional Division of another State as its responsible Division. Finally, it would be possible to request the creation of further divisions (but not more than three Divisions in each State), provided that over one hundred cases were dealt annually by a Regional Division or, at the beginning, by a national court, over a period of three successive years. The Court of Appeal is to be centralized. The proposal of the European Commission for a Community Patent Court proposes a centralized structure with a limited possibility for setting up regional chambers in the EU Member States.

b) Judges (Articles 2 - 10 and 23 - 26 SEPC)

A general request made by patent judges and other people experienced in patent litigation was for the European Patent Court to comprise both legally and technically qualified judges. Clearly the success of the court depends largely on the quality of its judges. However, there is a lack of experienced patent judges in Europe. To avoid a possible lack in the future court, it was suggested that a large pool of possible candidates be created. Persons who are from a Contracting State to the EPC with a good command of at least one of the official languages of the EPO would be eligible to be appointed as judge, provided that they have sufficient experience in patent law and have been or were either a judge in one of the EPC Contracting States or a Member of the EPO Boards of Appeal or national patent office, or can show other equivalent experience which enables them to act as a judge (this category would include, for instance, full university professors or lawyers). A person who has insufficient experience with patent law but otherwise complies with the necessary requirements may be appointed as an assessor to the European Patent Court. In regards to the number of judges sitting on the panel, it was decided by the sub-group to only fix minimum standards that would ensure a real harmonization in the interpretation of law. The exact number of judges sitting on the panel could therefore vary from Regional Division to Regional Division. But in all Divisions there would be an odd number of judges, with at least one of them technically qualified; additionally, the legally qualified judges as such would have to represent at least two different countries.

c) Languages of the proceedings and representation (Article 32 to 35 draft SEPC)

It was already decided earlier to keep the three-language regime of the EPO for the proceedings. Judges would therefore also be appointed to a Regional Division not least

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101 Cf. Art. 10 draft EPLA (WPL 3/02) and Arts.19 and 20 draft SEPC (WPL 4/02) both supra note 46.
102 Cf. Art. 11 draft EPLA (WPL 3/02, supra note 46).
105 Cf. Jochen Pagenberg, supra note 54.
106 English, French and German.
107 Also see Art. 149c (2) (a) EPC 2000, supra note 72.
based on their language skills. However, if the parties and the panel agreed, the European Patent Court could allow the use of a language other than the language normally used in the proceedings during all or part of the proceedings. The Rules of Procedure in this case would lay down rules for the translation of the file. It has not yet been decided if a proposal of UNICE to accept English at all times in any proceedings\(^\text{110}\) should be accepted.

It was suggested that representation be made mandatory. The so-called European patent counsel could be any person who fulfills the requirements to be defined in the Rules of Procedure. Some delegations made a reservation to that proposal at the last meeting of the WPL since this would make it possible that not only lawyers could represent parties in proceedings before the European Patent Court. The European patent counsel can be assisted by a technical adviser.

4. Relationship with the project for an Agreement on Jurisdiction and Foreign Judgments in Civil and Commercial Matters of The Hague Conference on Private International Law

From June 6 – 20, 2001, The Hague Conference on Private International Law held the first part of a Diplomatic Conference on a worldwide agreement on jurisdiction and foreign judgments in civil and commercial matters (Hague Jurisdiction Agreement; HJA). This agreement, if it is ever adopted, would certainly have an impact on the EPLA. The first proposal, as put forward in Article 37 of annex I of the updated interim text,\(^\text{111}\) makes clear that the HJA would not affect any international instrument to which States are or become contracting parties and which contains provisions on matters governed by the HJA, unless a contrary declaration is made by the States parties to such instrument. However, the HJA prevails over such instruments in so far that these instruments provide for fora that are not authorized under the provisions of the HJA dealing with illicit grounds of jurisdiction. These provisions shall also apply to uniform laws that are based on special ties of a regional or other nature between the States concerned, and to instruments adopted by a community of States. As a regional agreement, the EPLA would therefore fall under the proposed HJA, and the provisions of the HJA regulating the illicit grounds of jurisdiction\(^\text{112}\) would therefore prevail over the EPLA’s provisions on jurisdiction. Irrespective of the final wording of the respective provision, it will certainly be unsatisfactory and time consuming if the European Patent Court would have to decide whether such an illicit ground as provided for in the Hague Jurisdiction Agreement is given or not. Additionally, there is a great potential for misuse of such proceedings and therefore legal uncertainty would be increasing.

Proposal two for an Article 37 takes a different approach: The Brussels and Lugano Conventions as well as Regulation 44/2001 (European instruments) would basically prevail over the HJA. This proposal is in two ways problematic. First, the general rule of \textit{lex specialis derogat legi generali}, as it is foreseen in the European instruments,\(^\text{113}\) does not apply and therefore excludes any special regulations on jurisdiction. The draft EPLA states that the cases would be distributed among the different Regional Divisions of the European Patent Court based on the provisions of these European instruments.\(^\text{114}\) Nevertheless, some exceptions are under discussion. For example, it is proposed that the Central Division should exclusively deal with claims that are solely for the revocation of one or more parts of a European patent or a declaration of right in that respect.\(^\text{115}\) This proposal was made to avoid \textit{Torpedo actions}.\(^\text{116}\) The

\(^{110}\) Cf. WPL/SUB 28/01.
\(^{111}\) Cf. Interim Text, \textit{supra note 86}.
\(^{112}\) Art. 18 Interim Text, \textit{supra note 86}.
\(^{114}\) See 3.2.2 b).
\(^{115}\) Art. 41 (2) draft EPLA (WPL 3/02, \textit{supra note 71}).
introduction of this proposal into the draft EPLA should, however, not be necessary if all Regional Divisions render decisions with the same speed and quality. Second, it is proposed that Article 37 again foresees exceptions from certain rules of the European instruments,\textsuperscript{117} which in turn would lead to an increase of legal uncertainty concerning the litigation of European patents.

During the first part of the Diplomatic Conference a fourth proposal with two alternatives was introduced and discussed. According to both of these alternatives, other conventions regulating particular matters, such as the EPLA, would prevail over the “common” rules of the HJA. The second alternative includes the following reservation: Special jurisdiction rules of conventions regulating particular matters would not apply in a Contracting State if their application affects the rights and obligations of the Contracting Parties of the HJA which are not Contracting Party to the convention governing the particular matter. Thus, if for example a US or Japanese holder of a European patent were to file suit in an EPLA Contracting State, provided that the USA and Japan become parties to the HJA, again different regulations on jurisdiction could apply. In contrast, the first alternative consistently applies the rule \textit{lex specialis derogat legi generali}, and the provisions of the EPLA would in any case have preference. Thus, this first proposal deserves preference, as additional difficult questions and lengthy discussions on jurisdiction could be avoided. Such a solution would be most satisfactory for patent holders and other users of the European Patent Court.

The further destiny of the entire project for a HJA is, however, unclear. Highly controversial discussions in many aspects also as regards to intellectual property do not strengthen the hope that an extensive agreement may be concluded within a short time.

5. Conclusion and Future

The Community Patent Regulation and its litigation system and the EPLA should not be competitive, but should complement each other. This follows logically from the idea that a Community patent should be a European patent granted by the EPO with effect in the territory of the European Union.\textsuperscript{118} It also follows that if the object is to create a user-friendly litigation system for European patents, the two systems must be legally compatible.\textsuperscript{119} The two systems should be merged into one\textsuperscript{120} and include the EPO Boards of Appeal.\textsuperscript{121} This could be achieved by either merging the Community (patent) litigation system into the EPLA or vice versa.\textsuperscript{122} Since 15 of the 26 Contracting States to the EPC are members of the EU and another seven are candidates, it should be the EPLA that is implemented into the Community (patent) litigation system.\textsuperscript{123} However, this will - and should - depend on the development concerning the

\textsuperscript{116} See supra note 57.
\textsuperscript{117} Cf. e.g., Art. 12 Alternative A Interim Text, supra note 86 and 3.2.2 b).
\textsuperscript{118} Cf. Arts. 1 and 2 Proposal for a Council Regulation on the Community patent, supra note 8.
\textsuperscript{121} Cf. among others Sir Robin Jacob, supra note 22; Peter Messerli, \textit{A European system of patent courts}, supra note 53, 128-157.; Jan Willems, \textit{The EPC: The Emperor’s Phantom Clothes? A Blueprint Instead Of a Green Paper}, 1998 IPQ, 1-16; Jürgen Schade, supra note 41, 838.
\textsuperscript{122} Cf. Hanns Ullrich, \textit{Patent Protection in Europe: Integrating Europe into the Community or the Community into Europe}, EUI Working Papers, LAW No. 2002/5.
Community Patent Regulation. The litigation system of the Community patent is based on Articles 225a and 229a of the Nice Treaty. With the positive plebiscite in Ireland on October 19, 2002 a big and important hurdle was overcome. Nevertheless, the legal basis of the Community Patent Regulation itself is Article 308 EC Treaty, which requires a unanimous decision by the EU Member States. But progress on the Community patent is not as fast as expected and even if an agreement were to be reached in short, it would take another at least five to ten years until the first Community patent would be granted and even longer for a Community Patent Court to be established. A solution to the problems mentioned is, however, needed now, since European patents will continue to exist in all Europe, and not only until the first Community patent has been granted. It seems therefore plausible that the EPC States willing to take a first step should be able to do so with the EPLA. The other States which were not able to accept such a court would then have the opportunity to see how it works and experience the advantages.

The EPC started with seven and has 26 Contracting States now. An EPLA and a well-functioning European Patent Court would not only finally bring a long anticipated and necessary common court dealing with European Patent Litigation into existence, but it would also have a positive influence on the discussions and creation of a Community patent and a Community Patent Court. At the last meeting, the WPL in a symbolic act also opened the EPLA to the EC for accession. The European Commission, yet, takes the view and stated that following the adoption of the Council Regulation on jurisdiction and the recognition and enforcement in civil and commercial matters, that the EU Member States no longer had the power to conclude an agreement like the one on patent litigation - a rather more political than practical approach, as other examples could show. This leads to the paradoxical situation that the acquis communautaire itself is blocking the further development of the internal European market. This official position of the European Commission obstructed the WPL’s adoption of the EPLA at its last meeting to a great extent. It was, therefore, decided to have one more meeting of the subgroup in early summer and a final meeting of the WPL at the end of 2003, at which time the fate of the EPLA will be decided. From a substantive point of view, the drafts for the establishment of a European Patent Court will be ready for signature at that time. If at that point the European Commission has not changed its position concerning the right of the EU Member States to sign such an agreement, the net result could be a lose-lose situation, having neither a European Patent Court nor a regulation establishing a Community Patent Court and fixing the current unsatisfactory situation in Europe.

It is the aim of the EPLA to establish a European Patent Court, which increases the effectiveness and legal certainty of the protection conferred by the European Patent. At the same time, it attempts to include a diffusion of legal cultures and views while keeping the necessary local presence in the concept. The litigation system of the EPLA could therefore serve as a model for other international organizations or multicultural and multilingual countries. And an international court that harmonizes the interpretation of law will be needed. WIPO has

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litigation, Frankfurt, 7/8 February 2002.; Uwe Dreiss/Christof Keussen, Zur Streitregelung beim Gemeinschaftspatent, supra note 13, 891.


125 Id at 6.


127 Cf. Jan Willems, Awaiting the Community patent – A Suggestion for a Flexible Interim Solution, 33 IIC 569 (2002).

128 See CA/PV 87, note 43.

129 The agreement, as it was concluded in regards to the Hague Jurisdiction Agreement which entirely covers the same aspects as the regulation does, which again the EPLA does not, may serve as an example. Also see Hanns Ullrich, supra note 122, 74.
re-started negotiations in 1998 for a treaty on the substantive, worldwide patent law (SPLT).\textsuperscript{130} If such a treaty or a treaty on substantive patent law among the Trilateral Offices\textsuperscript{131} could be signed and enter into force, a jurisdictional system meeting the needs of a uniform interpretation should be established.\textsuperscript{132} Mistakes made in Europe could then be avoided from the beginning.

\textbf{Abbreviations of Journals}

\begin{itemize}
\item \textbf{AIPLA Q.J.} American Intellectual Property Law Association Quarterly Journal
\item \textbf{EIPR} European Intellectual Property Review
\item \textbf{FORDHAM INT’L. INTELL. PROP. L. & POL’Y} Fordham International Intellectual Property Law & Policy
\item \textbf{GRUR INT.} Gewerblicher Rechtsschutz und Urheberrecht Internationaler Teil
\item \textbf{GRUR} Gewerblicher Rechtsschutz und Urheberrecht
\item \textbf{IIC} International Review of Industrial Property and Copyright Law
\item \textbf{IND. INT’L & COMP. L. REV} Indiana International and Comparative Law Journal
\item \textbf{IPQ} Intellectual Property Quarterly
\item \textbf{JWIP} The Journal of World Intellectual Property
\item \textbf{MITT.} Mitteilungen der deutschen Patentanwälte
\item \textbf{OJ EPO} Official Journal of the European Patent Office
\item \textbf{sic!} Zeitschrift für Immaterialgüter-, Informations- und Wettbewerbsrecht
\item \textbf{TEX. INTELL. PROP. L.J.} Texas Intellectual Property Law Journal
\item \textbf{VAND. J. TRANSNAT’L L.} Vanderbilt Journal of Transitional Law
\item \textbf{VPP-Rundbrief} Rundbrief der Vereinigung von Fachleuten auf dem Gebiet des gewerblichen Rechtsschutzes
\item \textbf{WASH. U. J. L. & POL’Y} Washington University Journal of Law & Policy
\item \textbf{WIPR} World Intellectual Property Report
\item \textbf{WPL} Document of the Working Party on Litigation
\item \textbf{WPL/SUB} Document of the Sub-group of the Working Party on Litigation
\end{itemize}

\textsuperscript{130} Cf. WIPO Standing Committee on the Law of Patents (SCP).
\textsuperscript{131} Cf. www.jpo.go.jp/saikine/tws/twsindex.htm.