



European Economic and Social Committee

INT/226
Disputes relating to the
Community patent

Brussels, 31 March 2004

OPINION

of the European Economic and Social Committee

on the

**Proposal for a Council Decision conferring jurisdiction on the Court of Justice in disputes
relating to the Community patent**

COM(2003) 827 final - 2003/0326 (CNS)

On 30 January 2004, the Council decided to consult the Economic and Social Committee, under Article 95 of the Treaty establishing the European Community, on the

Proposal for a Council Decision conferring jurisdiction on the Court of Justice in disputes relating to the Community patent
COM(2003) 827 final – 2003/0326 (CNS).

The European Economic and Social Committee decided to ask the Section for the Single Market, Production and Consumption to carry out the work on the subject.

In view of the urgency of the matter, at its 407th plenary session held on 31 March and 1 April 2004 (meeting of 31 March), the European Economic and Social Committee appointed **Mr Retureau** as its rapporteur-general and adopted the following opinion by 56 votes in favour, 1 against and 1 abstentions.

1. **The proposed Council Decision presented by the Commission**

1.1 The purpose of the proposal is to confer jurisdiction on the Court of Justice in disputes relating to the proposed Community patent.

1.2 The European Council held in Lisbon in March 2000 adopted a general programme to increase the competitiveness of the Union's economy in order to turn it into a knowledge-based economy that would be the most competitive in the world. This ambitious programme breaks down into a number of areas, including that of industrial property. In respect of this, the Council relaunched the creation of a system of Community patents in order to mitigate the limitations of the current systems for protecting technological inventions, in order to help stimulate investment in research and development in the European Community.

1.3 The Council, which has sole jurisdiction in these matters according to the legal basis of the proposals under discussion, has yet to make a final decision. In the meantime, the Commission has based this first proposal, which concerns the conferral of jurisdiction on the Court of Justice, on the Council's common political approach (discussed at the Competitiveness Council on 3 March 2003 and at the Employment, Social Policy, Health and Consumer Affairs Council three days later)¹

1.4 The aim is to prevent territorial and material fragmentation of litigation concerning the validity of the Community patent and of industrial property rights that arise directly from it, as well as of any supplementary protection certificates associated with that patent, by creating a single Community court that will need to be accessible to natural and legal persons and be operational by 2010 at the latest.

¹ Memo from the secretariat of the Council to delegations, inter-institutional dossier 2000/0177 (CNS), no 7159/03 PI 24 of 7 March 2003.

1.5 The legal basis for the proposal to confer jurisdiction on the Court of Justice in disputes relating to the Community patent² is Article 229a of the EC Treaty, introduced by the Treaty of Nice. The EC Treaty provides that the Council, on a proposal from the Commission and after consulting the Parliament, can confer jurisdiction on the Court of Justice, within the limits it lays down, to hear disputes relating to Community intellectual property titles. The Council recommends the adoption of these provisions by the Member States. These will then ratify them according to their respective constitutional arrangements.

1.6 The Court's jurisdiction will (if strictly interpreted) cover disputes relating to the infringement and validity of Community patents and supplementary certificates. The nature of admissible actions is set out in the revised proposal for a Council Regulation on the Community patent³: with respect to infringement, these are actions to stop infringement and actions for the declaration of non-infringement, as well as sanctions in the case of infringement; with respect to validity, these are invalidity actions and counter claims for invalidity. The Court will also have the power to take emergency measures and to order penalty payments that may be necessary in the disputes it will be handling.

1.7 Provision is made for transitional measures for Community patents, which might come into effect before the creation of the CPC in 2010; the designated courts of Member States would have jurisdiction in applying the substantive law of the Munich Convention and relevant Community law to disputes initiated before the creation of the CPC, and would in all cases be required to see through to the end any proceedings that had already been started.

2. General comments

2.1 The Committee notes that the proposal is in line with the EC Treaty and with the Protocol on the Statute of the Court of Justice. The Committee supports the proposal in principle, subject to the following comments.

2.2 The Committee subscribes to the point of view that a single court with exclusive jurisdiction applying uniform rules and jurisprudence is necessary for the fair application of Community patent law to disputes arising within the Community. Such a solution gives parties to court proceedings the assurances of legal certainty and stability they are entitled to expect. The right to be heard in one's own language is also respected at hearings.

2.3 The Committee considers that the ability given to private individuals to mount an indirect challenge to certain Community acts in relation to their private dispute (a technique known in French as *exception d'illégalité*, whereby a defence is made on the basis that the law of which the

² COM(2003) 827 final of 23.12.2003.

³ Memo from the Presidency to the Intellectual Property (Patents) group, text (revised) of proposal 10404/03 PI 53 of 11 June 2003, subsequently revised by the Patents group on 4 September 2003, document number 12219/03.

defendant is in breach is itself illegal) concerning the validity of a patent, without giving the Community Patent Court the power to strike down the Community acts in question, is justified on the basis of respect for the rights of defendants. However, the Committee considers that it would be appropriate that consequences be drawn from this, for example by the Court of Justice, to which the Commission could make a mandatory referral in cases where the CPC has accepted an *exception d'illégalité* defence.

2.4 For the transitional period, it is necessary to highlight the risk that the limited number of national courts appointed by each country might produce diverging decisions and case law, particularly as regards the interpretation of Articles 52 to 57 of the European Patent Convention. It might be appropriate to make provisions for the Court of Justice to be able to intervene subsequently as a revision body, in the limited circumstances that would allow such a procedure, in order, where necessary, to harmonise jurisprudence created by the national courts responsible for hearing disputes relating to the Community patent, as it would be unfair if different solutions were reached in similar cases. This could, in particular, relate to the conditions of validity of a certificate issued by the EPO, whose Opposition Division and Board of Appeal are known for their sometimes questionable jurisprudence on conditions of patentability⁴, which is not always adhered to by the national courts.

2.5 The supplementary protection certificate (medicines and plant protection products) does not yet exist for the Community patent and will be the subject of a later proposal by the Commission. The Committee considers it risky to include in the Court's jurisdiction disputes involving a certificate that has been proposed but whose nature and existence remain uncertain. A different, broader definition of the Court's jurisdiction (for example, "Community patents and other Community industrial property certificates") could be considered in order to allow for future developments. The extension of protection or its future application to various fields of patentable inventions will doubtless raise contradictory issues, and one should be cautious about prejudging right now solutions and the nature of certificates which might one day be the subject of decisions by the Community legislator.

2.6 The Committee supports the Court being given the power to adopt interim measures (orders to act or abstain from an act, evidence protection, cease and desist orders) and sanctions, including penalty payments, without which the resolution of disputes would lack effectiveness. For practical reasons, the implementation of the CPC's final or interim enforcement decisions will need to be left to the competent national authorities, who have powers of coercion according to the respective laws. For cases not covered by the conferral of jurisdiction on the Court, national courts remain competent; such cases could include contracts relating to Community patents, or disputes relating to the ownership of such patent. The Committee also supports these solutions, but has a number of specific comments to make about them.

⁴ For example, a patent was granted for a genetically modified animal (oncogenic mouse), whereas animal races and species are not patentable.

2.7 Finally, the Committee considers the conditions of entry into force of this decision to be logical and necessary, as it requires alterations to national rules on jurisdiction and judicial organisation, about which Member States will have to inform the Commission in advance, as well as the effective and simultaneous creation of the CPC, which will be created by the proposed Council decision commented upon in a separate opinion.

3. Specific comments

3.1 The CFI already has jurisdiction in disputes relating to industrial property with respect to trademarks and designs, which are managed by the Office for Harmonisation in the Internal Market. It might perhaps have been worth considering the creation of an Industrial Property Court attached to the CFI, with jurisdiction over all existing and future Community intellectual property certificates, and a specialised appeal panel within the CFI for these certificates, in order to centralise litigation on industrial property within the Community. However, this question could be looked at in the more distant future, once the patent court has gathered sufficient practical experience – say, after 2013. This possibility of a wider jurisdiction is already open to the CFI’s judicial appeals panel. The Committee supports this wholeheartedly.

Brussels, 31 March 2004.

The President
of the
European Economic and Social Committee

The Secretary-General
of the
European Economic and Social Committee

Roger Briesch

Patrick Venturini