

WORKING PARTY ON LITIGATION SUBGROUP

First global outline of the Protocol on Litigation (WPL/SUB 4/00)

UNICE remarks

I. GENERAL REMARKS

UNICE confirms its continued full support for the work on the EPLP, the importance of which has only been underscored by the worrying lack of development with regard to the political acceptance of features of the proposed Community patent system that are crucial for industry and for the success of the Community patent. Industry welcomes the efficacious approach to the pursuance of the work on EPLP, which has been adopted in London and is reflected in the first global outline.

UNICE appreciates that a formidable task has been set for the subgroup and its expert. Its success will depend on ingenious and intensive drafting work and continued efforts to take into account the interested circles' experience and contributions.

Common solutions to a number of important issues, where national legal systems are at fundamental variance, are yet to be found. To become acceptable, the new integrated judicial system must offer an entirely practicable expedient for resolving patent disputes and prove itself as an alternative to present, fragmented national litigation. As earlier emphasized by UNICE, the system must not only be beneficial from the point of view of litigants, plaintiffs as well as defendants, but also preserve geographical distribution of professional experience and competence at national level, among practitioners as well as judges.

To reach the goal, the drafting work must be based on a broad and open discussion involving all competent quarters interested in avoiding multiple litigation of cross-border disputes and in improving consistency, reliability and efficiency in litigation regarding infringement and revocation of European patents in EPC member states. UNICE will continue to give its contribution to that result and now provides provisional remarks regarding the first outline.

II. SUBSTANTIVE LAW

UNICE sees common substantive patent law as a crucial element of an integrated judicial system. In particular, remedies for patent infringement must be uniform for the EPLP states and apply to both European and nationally granted patents.

For the operation of EPLP – as of the Community patent system - it is essential to provide an effective remedy in the form of appropriate compensation for infringement. It should be noted that national laws of the Member states widely differ in this respect and in many cases fail to provide such a remedy having the adequate reparative and preventive functions. The provisions in this respect in TRIPs represent an international minimum standard but not an appropriate standard for the European patent system to operate efficiently. No more are the provisions in the draft Community patent regulation appropriate. Thus, a new common standard must be established,

which never encourages infringement but establishes that it should not be profitable to infringe a European patent. For these reasons, UNICE is of the opinion that precise, yet balanced rules must be established in the EPLP.

EPLP further should provide for a common period of limitation. For past infringement, a five year period is appropriate in UNICE's view. This period should be calculated from the time of the infringement. Claims relating to use prior to the grant should, however, only be barred after five years, if no infringement action is brought within one year from the grant.

Injunctive relief is a primary relief in infringement actions. In view of the international character of the EPJ, the legal character of injunctions and penalties must be considered in view of the need to allow injunctions to function properly. To be enforceable under the Brussels Convention, violations of injunctions must be subject to civil remedies.

It is of great importance for the operation of the patent system and has far-reaching consequences for the parties whether and under which conditions preliminary injunctions are granted. In view of the character of a fundamental element of patent protection, UNICE suggests that these conditions be precisely defined in the EPLP. Common rules are needed covering the urgency with which an action must be brought, the degree of certainty with which infringement must be established, the extent to which the validity of the patent is considered, 'balance of convenience' considerations and the need to provide a guarantee or other security for the potential losses. It should in this connection be noted that national laws of the EPC states widely differ in these respects and that new common arrangements require careful elaboration.

III. MANAGEMENT AND ADMINISTRATION

In the opinion of UNICE, the Administrative Council of the European Patent Organisation, which is a body composed in view of its tasks in relation to EPO, is not an appropriate body for the administration of the EPJ. Thus, a separate Administrative Committee for the EPLP should be set up.

IV. ORGANISATIONAL STRUCTURE AND REGIONAL CHAMBERS

An effective local presence of the first instance of the EPJ is a fundamental element of EPLP which has now to be brought into a practical reality.

UNICE welcomes that the outline is based on the establishing of regional chambers with a permanent organisational local basis, which are at the same time units of one common court. In the opinion of UNICE, a structure must be created where judges are effectively integrated into the common court in the decision making process though they have a permanent organisational basis in a regional chamber. Cases should be allocated among the regional chambers according to established rules similar to normal forum rules. Thus, the capacity of each regional chamber has to be adapted to the number of cases. Judges should be assigned to a regional chamber but should be available to sit on panels of other regional chambers. This should further the creation of the required uniform European practice already in the first instance and introduce a desirable flexibility in the capacity of different regional chambers. Hearings should be held at the regional chambers, which should also deal with preliminary injunctions and protective measures.

The principal elements paper foresees the establishing of links to appointed national patent courts. In UNICE's opinion, this is an essential element of the local presence of the EPJ, which will have favourable effects both for the common court and the national courts and contribute to the uniform application of European patent law.

V. PROCEDURAL LAW

UNICE welcomes that the outline sets out a complete set of procedural rules. This will be an important aspect when the proposed EPLP is to be finally evaluated. A clear awareness of the procedural law of the EPJ already from the beginning will also be important for the litigants.

At the same time, UNICE notices that there are a number of essential issues yet to be settled, which have been left open in the principal elements paper and are dealt with very differently in national procedural law.

IV. TRANSITIONAL RULES

The transition from litigation before national courts to the EPJ is a crucial phase of the EPLP project in view of the need both to build a functioning new organisation and to create the necessary confidence in the EPJ.

UNICE shares the opinion that the appropriate measure is to restrict for a transitional period, which may be quite extended, the exclusive jurisdiction of the EPJ giving the plaintiff the option to take action before national courts as under present rules, provided that the same case is not already pending before the EPJ. The operation of such parallel routes will be facilitated by an organisational structure of the EPJ having close links to national patent courts.

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