WPL/SUB 13/01

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Munich, 22.05.2001

SUBJECT: Second Proposal for an EPLP

DRAWN UP BY: Mr Willems - expert

ADDRESSEES: Sub-group of the Working Party on Litigation (for opinion)

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This document has been distributed **in English only.**

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Munich, 21 May 2001.

Dear Colleagues,

As promised during the meeting of the subgroup at the Hague in April of this year, I am sending you, as a PDf file titled "Proposal 2A" the revised text for the EPLP proper, that is to say: without the Rules of Procedure.
I have tried to implement in the attached text the model for a court structure as developed during our discussions in the Hague. On some points, not discussed then, I have had to make a choice, which then is explained in the explanatory notes inserted in this text.

The most important point in this respect probably is my suggestion to set some minimal standard of experience in patent law as a requirement for the creation of a Regional Division of EPC1 in (goups of) countries. At what level this minimum is set is of course somewhat arbitrary.

Moreover on certain minor points the text can diverge from that in the First Proposal, so you are kindly asked to study the whole text as it is proposed now and not only the totally revised parts.

The two day discussion with the national experts on procedural law has been, in my view, a very fruitful one. The minutes of this discussion will be sent to you as soon as they are ready; probably about mid-June. I will then try to develop further the procedural rules, that will be sent to you as soon as possible. Probably however a further follow-up with the national experts on procedural law would prove fruitful, in which case the finalisation of the Rules of Procedure will take some more time and could possibly not be ready for discussion in July.

In the accompanying text you will find a number of error-messages, generated by the Word software. These are the places that in the final text will contain references to numbered paragraphs in the Rules of Procedure. (I propose to divide the protocol proper in numbered *articles* and the Rules of procedure in numbered §§§, so that it will be immediately clear whether a provision is cited from the protocol or from the rules of procedure.)

An important problem still is the precise effect of the EU Regulation 44/2001, coming into effect in March 2002.
The main criterion for the question whether the member states still have competence to conclude a EPLP, seems to be whether this EPLP will be, in the language of the AETR jurisprudence of the European Court of Justice, "affecting or altering the scope"[1] of Regulation 44/2001. Also because of that aspect, this proposal tries to avoid any conflict with the provisions and envisaged effect of the Regulation. As in this proposal all rules

[1] My translation.

about the territorial competence as comprised in the Regulation are respected, the only two possible sources of conflict I still could envisage are:
1. the fact that not all countries necessarily will have their own Regional Division of EPC1 and
2. the bypassing of exaequatur procedings by EPLP.

I feel that both aspects, none of which seems essential to the EPLP, should be discussed with the Commission but I am not sure whether the invitation for such a discussion should be forthcoming from the Commission or – alternatively – from the WPL and/or its subgroup.

I trust that we will be able to have a well prepared discussion at the Hague during our subgroup meeting in July. However, if any of you should have preliminary comments and/or suggestions, I would be happy to receive them either directly by email or via the bulletin-board.

Looking forward to our renewed meeting and discussion,
sincerely,

Jan Willems.

Second Proposal for an EPLP.

Second proposal for an EPLP.

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(Explanatory notes in italics.)

Part I. GENERAL AND INSTITUTIONAL PROVISIONS

Preamble

The Contracting States,

Desiring to enhance the harmonization of patent law within Europe, especially as regards European patents;

Desiring a simplification of jurisdiction in cases concerning the validity and/or infringement or possible infringement of European patents and therefore to establish a common supranational jurisdiction between a number of states, respecting and taking into account the system of law of the European Union,

Desiring to enhance the potential dissemination of views about European patent law among the different national courts and therefore wanting to create an advisory council which can provide non binding opinions on European patent law to those national courts that wish to receive such opinions;

Desiring to those ends to conclude a Protocol to the European Patent Convention, being this Protocol a separate treaty within the meaning of Art. 19 of the Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883 and last revised on 14 July 1967,

Have agreed on the following provisions, taking into account that some contracting states have only agreed to the provisions of Part IV of this Protocol:

Protocol.

<u>Subsection I. 1. 1. 1</u> General provisions

Article 1. Definitions.

EPC	the Convention on the grant of European patents concluded at Munich on 5 October 1973
EPC1	the European Patent Court of First Instance
EPC2	the European Patent Appeals Court
the Organisation	the European Patent Organisation as established by EPC
the Office	the European Patent Office
CPC	Convention for the European Patent for the Common Market concluded at Luxembourg on 15 December 1975 and the Agreement relating to Community Patents concluded at Luxembourg on 15 December 1989.
Brussels and Lugano Conventions:	the Conventions on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters signed in Brussels on 27 September 1968 and in Lugano on 16 September 1988.
Jurisdiction Regulation	the EU regulation on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters of 22 December 2000 no. 44/2001
Facultative Advisory Council	the Facultative Advisory Council as established by Article 139 of this protocol.
EPJ	the European Patent Judiciary as established by this protocol.
EPJ-states	contracting states that have acceded to Subsection I. 1. 1. 1, Part III and V of this protocol
Facultative Advisory Council-states	contracting states that have acceded to Part IV of this protocol.
European patents	patents granted according to the EPC, not being European community patents.

If the EU were to become a member of the EPC, a community patent could be regarded as a European patent. To avoid conflicting regulations, it has to be made clear that this protocol and its judiciary will have no jurisdiction over community patents.

Court	any of the European Patent Courts as established by this protocol, comprising the members of the court dealing with an individual case, be it the whole panel or the rapporteur.
Panel	a number of judges of EPC1 or EPC2, being designated to sit and decide on a certain case
Legal judge	a judge of the EPJ who is appointed as a legally qualified judge
Technical judge	a judge of the EPJ who is appointed as a technically qualified judge

25 Use in this protocol of the words “he” and/or “his” are to be taken as indicating equally the words “she” and “her” respectively.

Article 2. System of law established

A system of law, common to the EPJ-states, for the adjudication of proceedings concerning the validity and/or infringement of European patents is hereby established.

See Art. 1 EPC.

Article 3. European Patent Judiciary established

A European Patent Judiciary for the EPJ states is established by this protocol. It shall have judicial, administrative and financial autonomy.

See Art. 4 EPC. In due time the EPJ will have to be incorporated into the European Patent Organisation as a separate organ of the Organisation. As long as some EPC member states are not also member states to the protocol, it seems simpler to keep it distinct from the Organisation.

Article 4. Legal status and Immunity.

The Protocol on Privileges and Immunities of European Patent Judiciary shall define the conditions under which the European Patent Judiciary, its judges, the members of the Administrative Committee, the officials and other servants of the European Patent Judiciary and such other persons specified in that Protocol as take part in the work of the European Patent Judiciary shall enjoy, in the territory of each EPJ State, the privileges and immunities necessary for the performance of their duties

See art. 4 Protocol On The Settlement Of Litigation of the CPC. A similar protocol will have to be drawn up for the EPJ.

Article 5. Task of the EPJ

The function of the EPJ will be the adjudication of litigation concerning the validity and/or infringement of European patents, if and in so far as EPJ-states are designated in such European patents.

Article 6. Seats

The EPJ, the European Patent Court of First Instance (EPC1), the European Patent Appeals Court (EPC2), its Registry and the Facultative Advisory Council shall have their seat at ...

The seat will have to be determined by the common accord of the governments of the EPJ-states, see Art. 2 Protocol on litigation CPC. The only requirement to be kept in mind is that it should be a place with good and frequent aeroplane connections with the rest of Europe, as the courts and its judges will have to travel frequently. It is of the utmost importance to make it attractive for experienced patent judges to take part in the EPJ because the success of the whole system is dependent on the confidence the users of the system can have in the quality of the judges concerned. Therefore the accessibility of the seat of the courts is more than just a political question; it is of overriding importance for the success of the EPLP.

Part II. HARMONISING PROVISIONS

Chapter I.1 Substantive Patent Law

See WPL 9/99 pat. 3.3 1). Although the substantive law established in the CPC is implemented in most member states, it seems advisable to re-enact it in this protocol because of the possible future accession of states that were not member states of the CPC.

Article 7. Infringing acts

A European patent shall confer on its proprietor the right to prevent all third parties not having his consent:

(a) from making, offering, putting on the market or using a product which is the subject-matter of the patent, or importing or stocking the product for these purposes;

(b) from using a process which is the subject-matter of the patent or, when the third party knows, or it is obvious in the circumstances, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use within the territories of the EPJ states;

(c) from offering, putting on the market, using, or importing or stocking for these purposes the product obtained directly by a process which is the subject-matter of the patent.

See Art. 25 CPC

Article 8. Indirect infringement

A European patent shall also confer on its proprietor the right to prevent all third parties not having his consent from supplying or offering to supply within the territories of the EPJ states a person, other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or it is obvious in the circumstances, that these means are suitable and intended for putting that invention into effect.

Paragraph 1 shall not apply when the means are staple commercial products, except when the third party induces the person supplied to commit act prohibited by Article 7

Persons performing the acts referred to in Article 9 (a) to (c) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.

See Art. 26 CPC.

Article 9. Exceptions from scope of protection

The rights conferred by a European patent shall not extend to:

(a) acts done privately and for non-commercial purposes;

(b) acts done for experimental purposes relating to the subject-matter of the patented invention;

(c) the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription nor acts concerning the medicine so prepared;

(d) the use on board vessels of the countries of the Union of Paris for the Protection of Industrial Property, other than the EPJ states, of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of the EPJ states, provided that the invention is used there exclusively for the needs of the vessel;

(e) the use of the patented invention in the construction or operation of aircraft or land vehicles of countries of the Union of Paris for the Protection of Industrial Property, other than the EPJ states, or of accessories of such aircraft or land vehicles, when these temporarily or accidentally enter the territory of the EPJ states;

(f) the acts specified in Article 27 of the Convention on International Civil Aviation of 7 December 1944, where these acts concern the aircraft of a state, other than the EPJ states, benefiting from the provisions of that Article.

See Art. 27 CPC

Article 10. Exhaustion

The rights conferred by a European patent shall not extend to acts concerning a product covered by that patent if these acts are done within the territory of a EPJ state after that product has been put on the market by the patent proprietor or with his consent in that EPJ state.

If the EPJ state is a European Union member state the same shall apply if that product has been put on the market by the patent proprietor or with his consent within the territory of the European Economic Community unless there are legitimate grounds for the proprietor to oppose further commercialisation of the product.

See Art. 28 CPC and Art. 10 of the Proposal for a Council Regulation on the Community Patent [COM (2000) 412 final]. This text respects the Swiss principle of national exhaustion on the one hand and the EU principle of community exhaustion on the other hand.

Article 11. Provisional protection after publication

Compensation reasonable in the circumstances may be claimed from a third party who, in the period between the date of publication of a European patent application in which EPJ states are designated and the date of publication of the mention of the grant of the resulting European patent, has made any use of the invention which, after that period, would be prohibited by virtue of the European patent.

See Art. 32 CPC.

Article 12. Reversal burden of proof

If the subject matter of a European patent is a process for obtaining a new product, the same product when produced by any other person shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.

In the adduction of proof to the contrary, the legitimate interests of the defendant in protecting his manufacturing and business secrets shall be taken into account.

See Art. 35 CPC.

Article 13. Prior use

Any person who, if a national patent had been granted in respect of an invention, would have had, in one of the EPJ states, a right based on prior use of that invention or a right of

personal possession of that invention, shall enjoy, in that state, the same rights in respect of a European patent for the same invention.

The rights conferred by a European patent shall not extend to acts concerning a product covered by that patent which are done within the territory of the state concerned after that product has been on the market in that state by the person referred to in paragraph 1, in so far as the national law of that state makes provision to the same effect in respect of national patents.

See Art. 37 CPC.

Article 14. Position of licensees.

Exclusive licensees under a European patent will be competent to start litigation on matters of infringement and damages before he European Patent Judiciary to the same extent as a patentee. An exclusive licensee in the sense of this provision is a licensee that is, on the basis of a contract with the patentee or with a licensee authorised to conclude such a contract, solely competent to exercise the powers of the patentee for a certain territory and/or time.

Other licensees will be able to sue alleged infringers for damages but not for an injunction unless expressly authorised by the patentee.

If in proceedings conducted by a licensee, in which proceedings the patentee is not taking part, the validity of the patent in suit is attacked, a decision in this respect will only have effect between the parties in those proceedings.

The legal position of licensees and exclusive licensees as regards proceedings for infringement and damages is different throughout Europe, without at first glance compelling reasons.

It might be thought desirable to harmonise this possible minor matter as well.

For instance by granting exclusive licensees the right to sue for both injunctions against and damages for infringement within the scope of their licenses. If a defendant were to invoke as a defence the invalidity of the patent, a decision in that respect would only be valid inter partes.

Another solution would be to make it obligatory for either the alleged infringer or the licensee to join the patentee to the proceedings as soon as the validity of the patent is made an issue but that would cause considerable delay and procedural complications. Of course the patentee who wishes to do so could always intervene like every other third party whose interests are at stake, on the basis of the practice directions in that respect (see ***Error! Reference source not found.****). During the meeting of the subgroup at The Hague in April 2001, there was broad support for the proposition to harmonise the position of the exclusive licensees in this respect.*

Protocol.

Chapter I.2 Relationship to international law.

Section I.1. 1 Relationship to art. 25 EPC

Article 15.

The EPJ states hereby designate EPC1 and EPC2 as national courts in the sense of art. 25 EPC.

During the meeting of the subgroup in April 2001 in the Hague, some delegations expressed the wish that the EPJ courts should have the possibility of asking the advice of the EPO, especially as regards the reformulation of the claims of a patent.

That is not easily to be accomplished because the member states that accept the EPLP, being only a part of the member states to the EPC, cannot of course change the obligations of the Office or the contents of the EPC.

This provision opens nevertheless, within the existing framework of the EPC, the possibility for the EPJ courts to ask for a technical opinion in the sense of art. 25 EPC. It has to be left to the Office and to the way the request for an opinion is worded, whether these opinions of the Office will be of help in reformulating claims. (In this respect there should also be an important role for the technical judges: coming from the Boards of Appeal of different patent offices and from national validity courts, they will have the necessary experience in the formulation of patent claims.)

Section I.1. 2 Relationship to EU law.

Article 16.

Those EPJ-states that are members of the European Union hereby designate, for litigation concerning European patents, EPC1 and EPC2 as national courts, respectively court or tribunal of a member state, against whose decisions there is no judicial remedy under national law, in the sense of Art. 234 (ex Art. 177) of the Treaty establishing the European Community

Thus the European Patent Courts can put preliminary questions to the Court of Justice in Luxembourg if questions of European community law do arise. Of course these questions could only be asked (and the answers be taken into account) for the territories of the EPLP-states that are also member states to the EU.

Section I.1. 3 Relationship to Brussels and Lugano Treaties

Article 17.

Those EPJ-states that are contracting parties to the Brussels and Lugano Conventions, hereby designate, for litigation concerning the validity of European patents, EPC1 and EPC2 as their national courts in the sense of Art.2 and Art. 16 (4) of those conventions.
If and to the extent the provisions of those conventions and the provisions of this Protocol may conflict, the latter shall take precedence.

Other than in the first proposal, the application of the articles 21, 22 and 23 of the Brussels and Lugano Conventions is not excluded. This because of a greater harmonisation

with Regulation 44/2001, that does not give very broad possibilities for deviation. Moreover it is probably not really necessary: as jurisprudence in Belgium and Italy seems to be developing now, the torpedo[1] problem seems to be solved in another way.

Section I.1. 4 Relationship to EU Council Regulation EC Nr. 44/2001 0f 22 December 2000 (Jurisdiction regulation)

Article 18.

Those EPJ-states that are members of the EU, hereby designate, for litigation concerning the validity of European patents, EPC1 and EPC2 as national courts in the sense of Art. 22 (3) and (4) of the EU Regulation on jurisdiction and the recognition of judgments in civil and commercial matters.

Art. 22 of the Regulation is Art. 16 of the Brussels convention. This provision prevents any conflict between the Regulation and this protocol by making EPC1 and EPC2 national courts in the sense of this Regulation without the need to speculate whether this Protocol, as an annex to the existing EPC, is to be considered as a convention to which the member states "are" parties in the sense of Art. 71 of this Regulation.

Nevertheless it would appear necessary to consult the European Commission on their views on this matter, to avoid any possible future differences of opinion.

Section I.1. 5 Relationship to EU Regulation EG Nr. 1348/2000 (Regulation on service of documents)

Article 19.

Those EPJ-states that are members of the EU, hereby designate, for litigation concerning the validity of European patents, EPC1 and EPC2 as national courts in the sense of the Regulation on the service in the member states of the European Union of judicial and extra judicial documents in civil or commercial matters (Regulation EG Nr. 1348/2000, L 160/37).

Accordingly, summonses, communications and other documents from these courts shall be sent directly to the party concerned and shall not be considered as documents sent from one member state to another member state

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As this Regulation did not take into consideration the possibility of supra-national courts, a provision has to be given to avoid uncertainty.

Chapter I.3 Relationship to national law

Article 20. Jurisdiction national courts as regards interlocutory and protective measures

In cases in which the EPJ otherwise has exclusive jurisdiction, the national courts in the EPJ states shall nevertheless remain competent for claims for interlocutory measures and measures to protect or conserve possible evidence.

A party who has applied for such an interlocutory or protective order from a national court shall within 31 calendar days notify the rapporteur if proceedings on the merits are pending

[1] As "torpedo actions" are known proceedings regarding a European patent, e.g. a declaration of non-infringement for all designated countries, that are started in a jurisdiction that is expected to be slow. The envisaged effect of such an action is that other, faster, jurisdictions will be blocked in dealing with proceedings concerning the same patent and/or the same alleged infringement.

before an EPJ court, regarding the same European patent and/or the same alleged infringement. Failing this notification within 31 calendar days, the order of the national court will cease to have effect from the day after this time limit has passed, without prejudice to the right of the party against whom the order was directed to claim damages, caused by that order and/or its execution.

If no proceedings as to the merits are pending before the EPJ and if such proceedings are not brought before the EPJ within 31 calendar days after the date of the order of the national court, or such other term as the national court stipulates, the interlocutory or protective order of the national court will cease to have effect from the day after this time limit has passed, without prejudice to the right of the party against whom the order was directed to claim damages, caused by that order and/or its execution.

See also Art. 24 Brussels and Lugano Treaties. The time limit within which proceedings to the merits have to be instigated is derived from by Art. 50 (6) TRIPS. No reference is made however to working days as mentioned in that TRIPS article, because not all countries in Europe have the same working days and the same public holidays. Because of legal certainty in these cases with possible cross border effect, that term is avoided.

In many cases there has to be some time available to gather evidence or to consult experts. If that seems appropriate the national court can fix another term, as also allowed by TRIPS.

Article 21. Jurisdiction of national courts as regards provisional seizure

In cases in which the EPJ otherwise has exclusive jurisdiction, the national courts in the EPJ states shall nevertheless remain competent for claims for provisional seizure of goods, fit to provide security for damages or other claims for money connected with a dispute regarding a European patent, a European patent application or an alleged infringement thereof.

A party who has applied for such an order from a national court shall within 31 calendar days notify the rapporteur if proceedings on the merits are pending before an EPJ court, regarding the same European patent and/or the same alleged infringement. Failing this notification within 31 calendar days, the order of the national court will cease to have effect from the day after this time limit has passed, without prejudice to the right of the party against whom the order was directed to claim damages, caused by that order and/or its execution.

If no proceedings as to the merits are pending before the EPJ and if such proceedings are not brought before the EPJ within 31 calendar days after the date of the order of the national court, or such other term as the national court stipulates, the interlocutory or protective order of the national court will cease to have effect from the day after this time limit has passed, without prejudice to the right of the party against whom the order was directed to claim damages, caused by that order and/or its execution.

Article 22. No cross border effect.

Decisions by a national court of a EPJ state as meant in Article 20 will have effect only in that EPJ state .

Although this was already discussed earlier, it was erroneously not implemented in the first proposal.

Article 23.

The registry will enter the notifications mentioned in Article 20 and Article 21 in the register of cases, mentioned in **Error! Reference source not found.**.

Part III. EUROPEAN PATENT JUDICIARY

As regards the organisational aspect of the matter, a possible approach would be a model with one court, having two divisions (a trial division and an appeals division), in which judges would be appointed to one of the divisions but would ex officio also be a member of the other division. (Of course judges could never sit on appeal on a case they had been involved with in the first instance.) This is the Canadian model.

The Australian model goes even a step further: their Federal Court does have first instance and appellate jurisdiction but does not even have two different divisions.

A model like this seems attractive in view of the restricted human resources available.

However at the meeting of the subgroup in The Hague in April 2001 there was a clear preference for a system with two separate courts.

If a model is used having two separate courts of first and second instance, a scheme of management and administration has to be devised. In this, each court should be able to manage its own business as much as possible. The more so because the structure of the court of first instance will turn out to be much more complicated than that of the court of second instance. Nevertheless a coordinating body should be created because a number of matters should be decided uniformly for both courts, and also because the Registry will be serving both courts

Because it is not known in what direction future developments, also on other European fronts, will be going, it is not expressly proposed that judges of one court should ex officio always be also judges of the other court; that could cause complications in the future if merging with other judicial structures would have to be considered.

To avoid possible misunderstandings it is however expressly stipulated that judges <u>can</u> be a member of both courts at the same time. In this way it can be left to praxis to appoint judges in both courts as long as that seems necessary and/or desirable (a certain variation between working in first and in second instance can in my view enhance the quality of judicial work).

There were some doubts as regards the desirability of judges being members of both courts at the same time but (taking into account the relatively small number of experienced patent judges in Europe) it does seem unavoidable, in any case for a transitory period. But also in the longer run, it does for instance seem advisable that technical judges be appointed as members of both courts as their expertise will be very much in demand and relatively scarce. It seems rather a pity to reserve a number of the few judges available – and probably the most experienced of them at that – for an appellate court that will have little work at first and in any case always will have less work than the court of first instance. Moreover there other strong arguments in favour of judges more or less freely rotating between the work in first instance and appellate work. Therefore, although certainly unusual for Europeans it should nevertheless be considered very seriously whether we could not learn something to or great advantage from other legal cultures. Certainly it would be more convincing to the users of the appellate court if the judges working there would also have experience in first instance jurisdiction. Also it would avoid a mentality of competition between the first and second instance: the "us-and-them" mentality. A further advantage would be that all judges would have the same status.

And, as said before, it is left to the praxis to decide whether and for how long this possibility will have to be used.

Administrative Committee

An Administrative Committee, connected with the national governments of the EPJ states, should govern the EPJ from an organisational point of view.

The suggestion to make the members of the Administrative Council of the EPO ex officio members of the Administrative Committee met with widespread doubts in the subgroup. It was generally felt to be better to leave it to the member states to appoint the members of the Administrative Committee and, therefore, leave it to the states to decide whether they wanted to have the same persons in both organs.

It was however broadly supported to create the possibility for member states of the EPO who where not (yet) EPJ states to attend the meetings of the Administrative Committee in an observer quality.

For matters concerning the Facultative Advisory Council the Administrative Committee will have to be extended by representatives of FAC states that are not EPJ states.

It has been suggested that the European Patent Judiciary should not be governed by a political body but by judges. Certainly care should be taken that the independence of the courts and the judges is beyond question. It seems however not feasible to create a new court structure without any connections to the governments of the contracting states: that would mean the creation of a powerful body at a supranational level without any checks and balances and without any responsibility towards democratically elected governments. That would also mean that nobody would be politically responsible for future developments or the lack thereof e.g. as regards the productivity. On the other hand: as is proven in most countries, where the government has the ultimate say in organisational and financial matters of the judiciary, it is perfectly possible to have a governing body without endangering the independence of the judiciary.

The tasks of the Administrative Committee would comprise:
the administrative supervision of the EPJ organisation
appointments and re-appointments of judges on a proposal of the Executive Committee
the determination of the yearly budgets of the EPJ, the courts and the registry
laying down, on proposal of the Executive Committee, of practice directions of the courts and of the regulations of the registry
decreeing, on a proposal of the Executive Committee, of the courts fees
controlling financial reports of the Executive Committee and discharging the Executive Committee

It is important to note that the Administrative Committee of the EPJ should not be able to affect the independence of the courts or the judges. An important point in this respect is that the (re)appointment of the judges and their possible removal from office is not a discretionary power of the Administrative Committee but will only take place on a proposal of the Executive Committee.

Executive Committee

While the Administrative Committee is an purely administrative and political body, the Executive Committee is a judicial body, in the sense that it is manned by officers of the courts and the registry: the Executive Committee would comprise both presidents and the Registrar.

Its tasks would comprise:

coordination of the management of the courts and the registry and managing the internal organisation as far as common matters are concerned;
drafting proposals for appointments of judges
consolidating budgets of the courts and registry into a common EPJ budget and proposal of that budget to Administrative Committee
drafting of proposals to the Administrative Committee for practice directions
drafting of proposals to the Administrative Committee for fees
reporting yearly to Administrative Committee on the finances of EPJ.

As regards the appointment of judges a form of consultation of the court concerned should be devised before the Executive Committee drafts its proposal to the Administrative Committee.

Presidium.

The next level in the organisational structure is the presidium of each court. A comparable organ for the Registry seems superfluous.
The Presidium comprises in any case the president of the court and two members to be elected by the members of the court. That seems sufficient for EPC2 but for EPC1, with its more complicated structure, a more extended gremium seems necessary.
When the proposal is followed as regards the structure of EPC1, it is proposed that the presiding judges of the Regional Divisions, indicated as vice-presidents of EPC1, are also members of the Presidium of EPC1.

Structure of EPC1.

As regards EPC1 there would first of all have to be a Central Division, at the seat of the court. Such a Central Division is indispensable to enable the court to become a real court and for its members to function really as a team. Furthermore it seems necessary for the acceptation of the court that there is a central instance of the court visibly present somewhere.
This Central Division could be manned by legal judges permanently domiciled there (for instance judges who are not at the same time judges in a national court) and by judges from the different Regional Divisions of EPC1, to be delegated on a rotational basis.

A strong and understandable wish of interested circles and of a number of delegations is the creation not only of a Central Division but also of Regional Divisions of EPC1. (The term "division" is used henceforward instead of the formerly used term "chamber" to accentuate that they are functionally a part of the central EPC1 court)

In the model as it was developed during the meeting of the subgroup at the Hague in April 2001 broad support seems to have developed for a structural model for EPC1 that uses on the one hand the experience and expertise of the existing national courts and on the other hand safeguards that this experience will be able to spread to other judges and guarantees a development of international harmonisation while it would prevent that extensive damage could be done to an European patent by a not experienced national court.

The basis of the court will be a Central Division of EPC1 somewhere in Europe.

Furthermore every country or group of countries, having enough experienced patent judges at its disposal, can request the creation of a Regional Division of this EPC1, with territorial jurisdiction for those countries on the basis of the rules of the EU Regulation 44/2001, resp. the Brussels and Lugano Conventions.

The request to create a Regional Division will have to specify a national court where the Regional Division would be seated and would have to name at least four judges, to be appointed as permanent members of the Regional Division, having each dealt with in total at least 20 patent cases during the last five years. That would on the one hand make sure that relevant local patent experience is used and maintained and on the other hand prevent the creation of Regional Divisions dealing with European patents that clearly are not equipped to do so. Member states which do not have the required number of judges available could pool with other member states and request the creation of a Regional Division for their combined territories. Or they could simply decide that cases for their territories should be handled by the Central Division of EPC1.

Some member states would probably wish to create more than one regional division because of the amount of patent litigation taking place there. This wish however seems to meet strong resistance in the framework of the creation of a European Community patent, where the European Commission (according to informal oral information) seems to take the view that there should be a maximum of one regional division of the European Intellectual Property Court to be created. To facilitate on the one hand the harmonisation with the future EU system and to create the necessary flexibility on the other hand, a system is proposed here wherein every member state can request the creation of (only) one regional division but where the Administrative Committee can allow the creation of a second regional division if the number of patent cases in a certain member state surpasses a certain number (proposed is the number of 100 cases per year).

To ensure the quality of the jurisdiction of a regional division it does seem desirable to require certain minimal standards of experience. Therefore it is proposed that a regional division shall only be created if the request names at least four judges as future members of this division who have participated in at least 20 patent cases during the last five years. (Of course this number is rather arbitrary but the idea is to require on the one hand a certain minimum experience but on the other hand not to make the creation of a Regional Division too cumbersome; it should be kept in mind here that in a case with international consequences, the panel will anyhow comprise two judges from other divisions.)

As to the allocation of cases, the basic idea behind the proposal is that cases will be assigned to a Regional Division who has territorial jurisdiction but that that assignment will be final without endless disputes about territorial jurisdiction.

If a case assigned to a Regional Division is of a purely "national" nature, the Regional Division – although compelled to use European procedural law - could deal with it on a more or less national basis: the panel could be composed according to the national customs from national judges and the proceedings could be conducted in the national language.

If a case is not strictly "national" then the panel should comprise at least two judges from another country and the language regime should be European instead of national.

Questions to be resolved:

1. the criteria for a case to be "purely national"

2. the composition of the panels of the Regional Divisions

3. the route of assigning cases to the divisions

4. the language regime for international cases

5. conserving the rights of the plaintiff to choose between the forum of the defendant and the forum of the infringement.

Ad 1: Criteria "national cases"

Proposed is that a case will be treated as "national" when it concerns the infringement and/or revocation of a European patent only in the state of the Regional Division concerned and all parties are domiciled within that same state.
An exception should however be a claim for revocation of the patent that is not brought by way of counterclaim but as a separate and independent claim. It seems a good idea to bring those claims all before the Central Division, see infra.
All other cases will be regarded as international.

Ad 2: composition of the panels of the Regional Divisions.

Two subquestions seem to need an answer here:

***I.** The first problem here is that the users of the system seem firmly set on having a technical judge on the panel, also in first instance. Most states do not have technical judges on their "normal" infringement courts. So the choice seems to be: either having to modify the normal panels of the national court as soon as they are sitting as Regional Division and adopt in those cases a technical judge or to accept first instance panels of different compositions in different (regional) divisions.*
***II.** A second problem is that not in all states the court of first instance is sitting with a plurality of judges and, if they do, with the same number of judges. Again we are faced with the choice: either to modify the composition of the normal national courts when they are sitting as Regional Division or to accept panels of different composition.*

Taking into consideration that all divisions will have to apply the same European procedural rules and that moreover a case can change its character from national to international (e.g. when the defendant files a counterclaim for revocation of the patent in more than one country or, in a later stage, when a third or further party is added to the proceedings), it seems self evident that the best solution would be to accept the necessity of deviating from the normal "national" composition of a court and to stipulate that a court, when sitting as Regional Division of EPC1, will have to be composed of three judges, of whom one will have to be a technical judge. (That leaves of course open the possibility of taking a national technician as the technical judge, in order to safeguard the possibility of dealing with the case in the national language as long as the case is "national".)
That therefore will be the solution of this proposal.

Ad 3: Assignment of cases to the divisions.

Two possible options were discussed:
I. either all cases are brought before the Central Division and allocated by that Division to the competent (Regional) Division
II. or a case is brought by the plaintiff directly before the division that has, in his opinion, territorial jurisdiction and that division has to decide over its jurisdiction and possibly to refer the case to another division.

Whatever solution is chosen, it should be a solution in which there is no place for extensive debates just on the territorial jurisdiction of a certain division of EPC1: the energy

of the parties and the court should go into the debate about the real dispute between the parties and not in squabbles about territorial jurisdiction. Therefore the decision which division is to handle the case should be taken just on the basis of the facts mentioned in the statement of claim, without debate and without a separate appeal[2], just on the basis of the (widely accepted) rules as incorporated in EU Regulation 44/2001 and the Brussels and Lugano Conventions. If the facts mentioned in the statement of claim should turn out to be fabricated so as to manipulate the assignment of the case, there could be a sanction of costs to be awarded to the defendant that is forced to litigate before the "wrong" division in first instance and there could be redress in the appeal phase too.

Therefore the decision of the Central Division in the first option or that of a Regional Division in the second option should be final and binding, both on the parties and on the division designated for the case.

That taken into consideration this proposal opts for option I:

- *it facilitates the central administration of cases and therefore*
- *the check whether associated proceedings about the same patent are perhaps already pending (which is important for two reasons:*

A. to prevent double litigation and

B. to enable the consolidated treatment of connected proceedings as meant in art. 28-2 of Regulation 44/2001, resp. art. 22-2 of the Brussels and Lugano Conventions;

- *it facilitates the homogeneous application of the rules about jurisdiction, which will need harmonisation because it seems only right to maintain the choice of forum given to the plaintiff by artt. 5 and 6 of Regulation 44/2001[3] and the conventions of Brussels and Lugano, see infra;*
- *it will probably be more acceptable for a Regional Division to be bound by a decision about its jurisdiction if that decision comes from a central instance, composed of different nationalities, than when it comes from a Regional Division which could be suspected of trying to send difficult cases away, especially if that Regional Division should comprise only national judges[4].*
- *it will be easier to implement one uniform way of filing procedures and to check the formalities thereof,*
- *it can alleviate fears of one Regional Division that another Regional Division is taking too much or too little jurisdiction;*
- *it creates a uniform way of filing cases and does not make it necessary to have some cases filed at a central level and others at a regional level.*

A possible setback in this option could be that it would take longer to get a case before the competent division. That could be reduced however by setting a strict time limit: there is no reason why the Central Division should not be able to allocate a new case within e.g. seven working days. A possible sanction here could be an obligation of the EPJ to restitute the court fee if the time limit on this point is not respected.

Another problem in this option could be the language problem if the plaintiff wants to start a case with a "national" character before a Regional Division: in order to enable the

[2] An appeal could be possible together with the appeal against the final decision at first instance.

[3] Every deviation of the formal rules of Regulation 44/2001 enlarges the risk that the protocol will be decided to be in conflict with the AETR-jurisprudence of the Court of Justice.

[4] This disadvantage could possibly be taken care of if, in the second option, a Regional Division, that is of the opinion that another Division is competent, should send the case not to that other Regional Division but to the Central Division and have that Central Division decide what Division should handle the case.
A third option in this case could be that, in all cases where a Regional Division has decided it has no territorial competence, the case automatically should fall to the Central Division and remain there.

Central Division to allocate the case the statement of claim – if worded in a national language not being a official language of the EPO, should have to be accompanied by a translation in one of the official languages of the EPO.

For provisional injunctions, having special urgency, a separate rule could be created. It is imaginable that an exception could be made for provisional injunctions, allowing the plaintiff e.g. to bring such a case directly before the Regional Division if he sends a copy to the central registry.

In any case it seems recommendable that there should be a central register of cases that is easily (electronically) accessible for all divisions of the court. It should be possible to mention in this register for every case to what division it is allocated and on the basis of which rule. (domicile of defendant, place of infringement, choice of all parties, etc.) That register should also be created when the member states should decide to opt for possibility II.

ad 4: the language regime.

The basic idea as laid down in the EPC, to which treaty this protocol forms an annex, is that a patent should be dealt with in its authentic text and in the language in which it is granted. That system has proven itself to be quite workable, also before the Opposition Divisions and the Boards of Appeal of the Office, and has not met with serious problems during the past twenty years.

Therefore that idea should also be applied in the EPJ.

An exception could and should be made in the model as now developed, if a case is regarded as purely "national": it is in the interests of all parties concerned not to be compelled to conduct proceedings in a foreign language. So a "national" case before the Regional Division in Sweden could be dealt with in Swedish and a "national" case before the Regional Division in Germany in German, also if the patent had been granted in English.

Three practical problems however have to be solved:

A. the decisions of a Regional Division should be accessible not only for the parties but also for the other divisions of EPC and for the general public.

B. If a case starts out as a "national" case but changes its character, e.g. because of a counterclaim for revocation of the patent in more than one member state, the language question has to be reconsidered.

C. If the case goes in appeal to EPC2 the basic principle should be returned to.

Ad A: This problem can be solved rather easily by requiring that the decisions in "national" cases should be translated, preferably into the authentic language of the patent. Translation could be done on instigation of the Division concerned; the costs of such translations could be taken into account when setting the level of the court fees, so ultimately they would be paid for by the users of the system. Nevertheless these costs seem relatively unimportant as compared with the other costs of litigation. A further question to be answered is then which text should be regarded as the authentic text: the text in the national language or the text in the authentic language of the patent. Proposed is to make the translation the authentic text: that will be the text which in appeal will have to be judged upon as it is not very well imaginable that the five judges of the appeal panel should all understand e.g. Dutch or Swedish.

In the system as it is developed now, this problem seems of relatively small importance for those countries that have one of the official languages of the European Patent Convention as a national language: if a "national" case is litigated before the Regional Division in that country, it will very often be about a patent granted in that language, as a

patentee, domiciled in such a country, will be inclined to apply for his patents in the language of that country.

Ad B: For the same reason it seems unavoidable to change the language into the authentic language of the patent as soon as the panel has to be extended with two judges of other nationalities. It will be difficult enough to find judges who understand the three official languages of the EPO but that problem will probably disappear in a number of years. It does however seem impossible to find enough judges of foreign nationality who understand e.g. Finnish or Danish and it is not to be expected that that will change in a number of year: the number of languages is too large.

Ad C: Therefore it does hardly seem questionable that in appeal the language regime of the EPC should be applied. That however is not the whole problem: if proceedings in first instance have been conducted in a non-EPC language, e.g. in Dutch, and if the language of the patent is English, then the file, or at last part of it, will have to be translated in appeal. Who is going to pay for these translations?

Proposed is to refer the rules on this subject to the Rules of Procedure, so as to conserve the necessary flexibility in case the needs of daily practice make it desirable to change the rules on this subject.

The best solution seems to be that EPC2 or the Registry should take care of all translations. That would cause extra work for the Registry and could make it necessary to ask for a payment into court as security for the translation costs. But on the other hand it would give the court influence on the quality of the translation and could avoid disputes about the question whether certain pleadings of a party and/or statements of witnesses or experts were translated correctly. Experience with translation of patents in national languages, which in the EPC are left to the patentee, do not encourage trust in the quality of the translations provided.

Another option could be that the appellant will have to provide translation of the pleadings, of the statements of witnesses and experts in first instance and of those other parts of the file that EPC2 wishes to have translated. The costs of these translations should be part of the costs of the proceedings to be paid ultimately by the losing party.

Still another option could be to have each party translate his own pleadings but that could cause administrative red tape for the Registry that could be avoided.

ad 5: Choice of plaintiff between domicile of defendant and place of infringement.

To avoid as much as possible conflicts with the contents of Regulation 44/2001 and the Brussels and Lugano conventions, we should realise that the plaintiff has at present a right of choice of forum on the basis of art. 5-3 of the Regulation, resp. the Conventions. It is in the interest of harmonisation not to take away that right of the plaintiff. For the same reason the choice given to the plaintiff by art. 6 of the Regulation and the conventions should be respected, as well as the right of the parties to choose their common forum (art. 23/2 Regulation 44/2001 and art. 17/18 Conventions of Brussels and Lugano).

This could be easily realised: the rules of procedure will foresee in the obligation of the plaintiff to use a certain form when filing a case. That form could easily contain a box in which the plaintiff should state what division he wants the case decided and on the basis of what provision that division does, in his view, have territorial competence.

As regards proceedings for revocation of a patent neither the Regulation nor the conventions give the plaintiff any choice. It could be imagined to assign proceedings for revocation that are not brought by way of counterclaim and that concern only one state to

the Regional Division for that state. Taking into account how relatively seldom it will occur that revocation proceedings are filed outside an infringement dispute and taking into account the fear of industry for revocations by a "national" court it seems better however to assign all cases for revocation of the patent – other than brought by way of counterclaim – to the Central Division. As EPC1 is designated as a national court in the sense of art.22-4 Regulation resp. art. 16-4 f the Conventions, there is no formal conflict with these provisions.

Although it seems the better solution to bring unconnected revocation actions before the Central Division, it does not seem strictly necessary: if a claim for revocation concerns only one country then a revocation by a EPC1- panel on a "national" basis would only have effect for that country (like is the case with decisions of national courts nowadays) and if a claim or revocation concerns more than one country the case will be decided by an internationally composed panel. Moreover, in contrast to the present situation, the "nationally" composed panels of EPC1 will be composed of relatively experienced patent judges because it will be a requirement for the creation of a Regional Division that the national court in question will have to have patent experience. Although, weighing both alternatives, this proposal opts for adjudication of these unconnected revocation actions by the Central Division, much importance should be given here to the ideas of the users of the system. This because the fear of revocation by "national" courts was one of the stumbling blocks of the CPC and fears – even if not completely rational – can have a negative effect on the system.

Summary:

The proposed structure for EPC1 in a nutshell therefore can be described as:

The plaintiff brings every new case before the Central Division, indicating which division in his view has jurisdiction and – in as far as he has a choice – which division should sit on the case.

If the claim is only for the revocation of a patent the case will be assigned to the Central Division.

Otherwise the case will be assigned to the division chosen by the plaintiff in as far as he has a choice according to the territorial rules. If no choice is made or if the plaintiff does not have a (free) choice, the case is assigned to that Regional Division that has territorial competence over the domicile of the (main) defendant.

If no Regional Division has territorial jurisdiction the case will be assigned to the Central Division.

The decision to assign a case to a certain division will be made strictly according to the jurisdiction rules but, once taken, will be undisputable in first instance and not be subject to a separate appeal, so as to prevent loss of time, costs and energy. Probably it would be a good idea for the Presidium of EPC1 to review from time to time how the assignment rules are being implemented by the Central Division. If this should not be satisfactory, the Executive Committee could be triggered to put before the Administrative Committee a proposal for a change in the Rules of Procedure.

To avoid any misunderstandings: in those cases where there is no competent Regional Division and the case is handled by the Central Division, the Rules of Procedure will contain the rule – already present in the first proposal – that the sessions of the Central Division will be held in the country of domicile of the (main) defendant. So those countries who are not requesting the creation of a Regional Division do not have to fear that they put their nationals at a disadvantage in that these nationals should have to travel abroad for their litigation: also these defendants will be able to do their oral proceedings etc. "at home".

Structure EPC2

As regards EPC2, this court would not have Regional Divisions; all its judges therefore would belong to the Central, and only, Division. As it is not clear how much work the EPC2 will have, it seems not a good idea to oblige all members of EPC2 to be domiciled at the seat of the court: the judges of EPC2 should be able to go on functioning on other courts, national courts and/or divisions of EPC1. Nevertheless it seems that at last the President of EPC2 should be domiciled at the seat of the court,

Chapter I.4 General provisions

Subsection I. 1. 1. 2 Organisational aspects

Article 24. Organs of the EPJ

The European Patent Judiciary will comprise:

- an Administrative Committee
- an Executive Committee
- the European Patent Court of First Instance (EPC1)
- the European Patent Appeals Court (EPC2)
- a Registry.

Article 25. Legal personality of the EPJ

The EPJ, EPC1 and EPC2 will have legal personality in the broadest sense in all EPJ states. The EPJ will be represented by the President of EPC2 and the Registrar together, unless the Administrative Committee has empowered one of them to bind the EPJ on certain subject matters. The courts will be represented by their respective presidents.

Article 26. National courts designated.

Every EPJ-state will designate at least one of its national courts to provide the EPJ with facilities in case a EPJ court wishes to conduct parts of proceedings in that state.

The registry of the designated national courts will function as regional sub registries of the EPJ.

The designated courts at the time of signing of this protocol will be mentioned in Appendix 3 to this protocol. Any change in this designation will be communicated by the Ministry of Justice of the EPJ state concerned to the Registry of the EPJ, stating the date from which the change will take effect. This communication will have to be done at least three months before the change is taking effect.

It is felt that there should be sub registries also in countries that do not have a Regional Division of EPC1; the Registry is not a part of EPJ1 but f the EPJ as such and there should be possibilities for filing documents in every member state.

Subsection I. 1. 1. 3 Administrative Committee

Article 27. Composition and voting rights

The Administrative Committee will be the highest administrative organ of the EPJ and it will be formed by the representatives and alternate representatives of the EPJ states. It will abstain from influencing the jurisprudence and/or the independency of the courts and its judges.

Every EPJ state will have the right to appoint one representative and one alternate representative.

Every EPJ state will have one vote.

Representatives of member states to the European Patent Convention, not being EPJ states, will on their request be admitted as observers.

See the general introduction at the head of this part and see art. 26 EPC.

Article 28. Chair

The Administrative Committee shall elect a Chairman and Deputy Chairman from among the representatives and alternate representatives of the EPJ states. The Deputy Chairman shall ex officio replace the chairman in the event of his being prevented to attend to his duties.

The duration of the terms of office of the Chairman and the Deputy Chairman shall be three years. The terms of office shall be renewable.

See art. 27 EPC.

Article 29. Meetings

Meetings of the Administrative Committee shall be convened by its chairman.

The members of the Executive Committee or their representatives shall be invited and will have the right to be present and, without having voting rights, to take part in the deliberations.

Meetings shall take place at least once a year. The Committee shall also convene on the initiative of the Chairman or if at least three member states or the Executive Committee request a meeting.

Deliberations shall be based on an agenda and shall be held according to the practice directions of the Administrative Committee.

The provisional agenda shall contain any question whose inclusion is requested by any member state in accordance with the practice directions of the Administrative Committee.

The practice directions may allow the attendance of other observers than mentioned in Article 27 at some or all meetings of the Administrative Committee.

See Art. 29 and 30 EPC.

Article 30. Practice directions.

The Administrative Committee shall adopt its own practice directions.

Article 31. Languages.

The languages in use in the deliberations of and communications from the Administrative Committee shall be English, French and/or German.

Documents submitted to the Administrative Committee and the minutes of its deliberations shall be drawn up in one of the three languages mentioned in paragraph 1 unless the Administrative Committee or the practice directions determine otherwise.

See Art. 31 EPC, but the possibility is created to diverge from this rule and, for instance, to use for certain ends or certain documents only one language. Furthermore it would seem sufficient if the papers are drawn up in just one of the official languages.

The term "and/or" is meant to make clear that all three languages can be used but that no translation can be required in the two other languages

Article 32. Tasks

The Administrative Committee will:

- determine the annual budget of the EPJ, the Courts and the Registry;
- determine a separate statute on service regulations the remuneration of the judges, both of those functioning full time and those functioning part of their time in the EPJ, of the Registrar and of the different classes of personnel working for the EPJ;
- execute the surveillance and control of the financial annual report of the Executive Committee and the discharge of the Executive Committee in this respect;

and, on a proposal of the Executive Committee:

- appoint and reappoint the judges and the registrar of the courts
- determine the practice directions of EPC1 and EPC2 and the regulations of the Registry as mentioned in Article 43;
- set the fees to be levied by the courts of the EPJ.

Furthermore the Administrative Committee shall on a request of a EPJ state or a group of EPJ states, complying with the requirements of this protocol, create a Regional Division of EPC1 and appoint and designate as far as necessary the first judges of that Division.

Finally it will perform other tasks assigned or left to it in this protocol or its implementing regulations.

Article 33. Quorum and required majority

Valid decisions by the Administrative Committee can be taken when more than three quarters of all possible votes are present.

Decisions on fees and on financial contributions from member states to the EPJ must be taken unanimously, other decisions will be taken with a majority of two thirds of the possible valid votes present.

The combination of these two requirements make sure that any decision is supported by at least more than 50% of the total of possible votes: 76% x 66% = 50,2%.

Protocol.

Subsection I. 1. 1. 4 Executive Committee

Article 34. Composition

The Executive Committee will be formed by the President of EPC2, the President of EPC1 and the Registrar, or their substitutes.

Members of the presidium of each court can partake in the deliberations of the EC without having voting rights.

The EC should be a small and flexibly operating body. To bring in extra expertise and to avoid the idea of a too closed shop, it is suggested to give members of a presidium the right to attend if they wish to do so. If members of a presidium are regularly present it could facilitate them functioning as a representative of "their" president when he is unable to attend a meeting in person.

Article 35. Quorum and majority voting

Valid decisions can be taken only when all three members are present or represented.

Decisions will be taken by a majority of votes.

With a three member committee it should not cause any problems for all three to be present, at least by their substitutes. It would be possible to stipulate that two members who are in agreement could take a decision, as they form the majority anyhow but it does not seem a good idea as the discussion aspect is missed and a discussion could turn the opinion of one of the members.

Article 36. Tasks

The tasks of the Executive Committee are:

- conducting the management of the courts and of the Registry in so far as this protocol or the Executive Committee itself does not delegate this management to the Presidium of the court concerned and/or to the Registrar;
- drawing up proposals to the Administrative Committee, having heard the Presidium of the court(s) concerned, concerning the number of judges, the fees of the courts and practice directions for the courts;
- drawing up of proposals, having heard the presidium of the court concerned about the opinion of the members of that court, for the appointment or non reappointment of judges;
- the issuing of rules for the Registry as mentioned in Article 43;
- the consolidation of the budget proposals of EPC2, EPC1 and the Registry and the presentation of this budget to the Administrative Committee;
- the issuing of an annual report and an annual financial report to the Administrative Committee.

Article 37. Proposals for appointment of judges.

A proposal for a judicial appointment will contain a minimum of one and a maximum of three candidates for every vacancy.

Article 38. Practice directions.

The Executive Committee will set up its own practice directions.

Article 39. Delegation of tasks

The Executive Committee can delegate certain tasks to one of its members or to one or more judges of the courts, for such a time and under such conditions as it sees fit.

Especially as the management of the courts and the registry include many tasks that do not need the constant attention and cooperation of three high ranking members, it should be possible to delegate certain tasks. It is felt that the Executive Committee itself could best decide what and when to delegate.

Article 40. Languages.

Article 31 is applicable to the meetings of the EC

Protocol.

Chapter I.5 Registry

Article 41.

The Registry will comprise a Central Registry at the seat of the EPJ and regional sub registries, having their seats at the registries of the national courts as mentioned in Article 26.

The bulk of the work of the Registry will be done at the Central Registry, at the seat of the courts. Nevertheless there should be a sub registry in every EPJ state able to provide people with the necessary forms, give them information and receive applications and other documents to be filed. The sub registries will also play an important role in organisational matters if the rapporteur or the whole panel want to sit in that particular country. Moreover the sub-registries could do a lot of the practical work in the cases that are assigned to the Regional Divisions of EPC1.

Article 42. Function

The tasks of the Registry will be:
to provide administrative and secretarial assistance to both courts;
to send communications of the courts to the parties and third persons;
to keep a register of cases brought and pending before the courts;
to keep a register of European patent counsel registered with the courts;
to receive the fees payable to the courts and administer the courts' funds;
to manage the buildings and other material assets of the EPJ,
to keep and safeguard the files of the cases pending or having ended before the courts.
The registers of the Registry should be electronically accessible for the sub-registries, the courts and its divisions.

Article 43. Regulations and rules.

The Registry will work according to regulations set up by the Administrative Committee on the proposal of the Executive Committee. The regulations will regulate the division of work between the central and regional sub-registries in cases allocated to Regional Divisions of EPC1.The regulations can leave certain subjects to be regulated in more detail in rules, to be made by the Executive Committee on a proposal of the Registrar.

The main organisation should be set up by the Executive and Administrative Committees but details could be left to the people on the spot, who should be able to react in a flexible way to all kinds of practical needs.

Article 44. Appointment of Registrar.

The registrar will be appointed by the Administrative Committee on a joint proposal of the Presidents of EPC1 and EPC2, containing at least one and at most three names of candidates. His term of office will be six years, after which term he will be reappointed unless he does not want to be reappointed or there is a joint opinion of the presidents of EPC1 and EPC2 that reappointment should not be considered.
He can be removed from office by the Administrative Committee if both presidents of EPC1 and EPC2, having heard their presidiums, put a proposal for his removal before the Administrative Committee. In the event of the removal from office of the Registrar the

Administrative Committee will take such intermediary measures are necessary until a new Registrar is appointed.

It would also be possible to have the registrar appointed (and dismissed) by the courts or their presidents. In that case he would be just a salaried employee of the courts like every other. That would weaken his position in the Executive Committee where he should have a position more or less comparable with both presidents as in possible conflicts between these presidents he should have a decisive voice. On the other hand if the registrar is clearly not functioning or cannot function together with both his two presidents he should go and it should be possible to get rid of him. The voice of the other judges should however be heard in the form of a consultation of the presidiums. Otherwise the position of the presidents would be too strong in this respect.

Article 45. Tasks of the Registrar.

The registrar will be responsible for:

- the appointment and dismissal of employees of the central registry
- the further management of the registry, in as far as the Executive Committee has not drawn this management to itself, and the coordination of the work with the sub registries;
- the budgeting of the registry
- the keeping of the registers prescribed by or under this protocol.
- in general the due and efficient discharge of the tasks of the Registry.

Protocol.

Chapter I.6 the Courts.

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Section I.1. 6 The Courts in general

Article 46. Two courts

The EPJ shall have two courts: the European Patent Court of First Instance (EPC1) and the European Patent Appeals Court (EPC2).

Article 47. The Presidents.

The President of each court and his substitute will be elected by the judges of each court for a term of three years from among the legal judges of that court. The President can be re-elected once. He will be presiding the court and its Presidium. If the votes in the Presidium should be tied, his will be the casting vote.

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As in most international courts the Presidency is left to the choice of the judges and is made rotational. That prevents too much political influence from the governments on the courts and thereby enhances the independence of the courts.

It seems necessary to have a legal judge as president but there is of course no reason to restrict the voting rights to the legal judges: although it could be argued that many technical judges will be functioning only sporadically and therefore will not be able to know their colleagues well enough, that does not seem decisive as that could also be true for some legal judges. Moreover it is felt that a judge who feels he does not know enough of the candidates will simply abstain from voting. As the number of the Presidium, especially that of EPC1, will not necessarily be an odd number, there should be a rule for cases where the votes should tie. In that case the President in this proposal will have the casting vote. Another option could be to stipulate that in such a case the proposal would be deemed to be rejected.

See also Article 153 for the first appointments.

Article 48. Presidium

Each court shall have a presidium, consisting of its president, its vice-presidents and two members, elected by the judges of the court. The elected members of a presidium will be elected for a period of four years and can be re-elected once. One of the first elected members, to de designated by the drawing of lots, shall be elected for a period of two years.

The term of office of 4 years is of course rather arbitrary. The main purpose of a term here should be to prevent the changes in the presidency being in sync with those in the presidium. By avoiding such a synchronisation loss of experience in the presidium should be kept to a minimum.

Article 49. Tasks

The tasks of a Presidium will be:

- to assist the President of the court in his tasks and more especially: the yearly budget of the court and
- to assist in the work of the Executive Committee to unify this budget with those of the other court and that of the Registry,

- to present its opinion to the Executive committee about possible proposals for the courts' practice directions.
- to advise the Executive Committee on the opinion of the court concerned as regards appointments of judges to that court;
- to conduct the management of the court in so far as delegated to it by this protocol or the Executive Committee, more especially the internal organisation of the court, especially timetables and rosters; the Presidium can delegate the daily management wholly or in part to the President or, in so far as it concerns the management of a Regional Division of EPC1, to the Vice President of that Regional Division.

The presidium of EPC1 shall moreover have to coordinate the work of the different divisions of EPC1.

Section I.1. 7 The Judges

Article 50.

EPC2 and EPC1 shall consist of a number of legal judges and a number of technical judges. Judges can be member of both courts at the same time.

See also Article 65 and Article 87 as regards the number of judges.

Article 51. Appointing authority

The judges will be appointed by the Administrative Committee on a proposal from the Executive Committee, having heard Presidium of the court or courts concerned about the opinion of the members of those courts according to the practice directions of the courts..

Apart from the first appointments as meant in Article 153 or from reappointments, the Executive Committee will for every vacancy publicly invite applications in the Official Journal of the EPO and such other ways as determined by its own practice directions.

See Article 153 for the first appointments.

It is not usual in all states that vacancies for judicial offices are publicly announced. It is felt however that nowadays the procedure for appointing judges should be as open and transparent as possible.

Article 52. Term of office

The judges will be appointed for a term of six years, save that half of the first judges appointed, to be determined by the drawing of lots, will have a first term of office of three years.

The ideal situation would be to have the judges appointed for life, as is the case in all or most European states. To avoid problems of uncertainty regarding future work load and/or problems when member states would be leaving the EPLP, the example of most international courts is followed, where judges have a term of office of a number of years.

Article 53. Immunity.

The judges shall be immune from legal proceedings. After they have ceased to hold office, they shall continue to enjoy immunity in respect of acts performed by them in their official capacity, including words spoken or written.

The court of which they are a member, sitting in plenary session, may waive the immunity.

In case a judge is a member of both the EPC1 and the EPC2, the waver proceedings will fall to the EPC2.

Where immunity has been waived and criminal proceedings are instituted against a judge, he shall be tried, in any of the Member States, only by the court competent to judge the members of the highest national judiciary.

See art. 3 Statute of the European Court of Justice.

Article 54. Distribution among nationalities

The Administrative Committee and the Executive Committee will, without endangering the standard of quality and experience of the judiciary, ensure an equitable representation of the nationalities and legal cultures of the EPJ-states among the judges of the courts.

Article 55. Reappointment as a rule.

Judges whose term of office has expired will be reappointed unless the Executive Committee proposes not to reappoint them, in which case the Administrative Committee will be free to reappoint such a judge or not.

The Protocol on Privileges and Immunities of European Patent Judiciary shall give rules for a redundancy payment scheme for judges who are not reappointed.

Given the necessity of specialization of the judges of the European Patent Court, it would be a waste of human resources not to reappoint a judge who has been dealing with patent law for the past six years. On the other hand there should be some possibility to get rid of a judge who did not come up to expectations without cumbersome dismissal proceedings by simply not reappointing him. To avoid a judge from not being reappointed just because he is not popular with his colleagues, the final decision NOT to reappoint should rest with the Administrative Committee . To avoid preponderance of political influence the Administrative Committee should however have to reappoint a judge if his colleagues do think him fit to function. Therefore a decision not to reappoint a certain judge should always have to have its basis in a proposal of the Executive Committee .

Some redundancy payment scheme seems necessary, especially for judges working full time for EPJ and especially if they had to move their domicile because of their appointment. Otherwise it could be very unattractive to participate as a judge in EPJ.

Article 56. Requirements for office.

Any person, having the nationality of one of the member states to the European Patent Convention, may be appointed a judge of the court who

a. is or has been a judge in one of the EPJ-states and has sufficient experience in patent law

b. is or has been a member of a Board of Appeal of the Office or a national Patent Office of one of the EPJ-states and has sufficient experience in patent law

c. has otherwise, in the view of the Executive Committee, enough experience in patent and in procedural law to be able to perform the function of a judge of the court.

The European Patent Court will primarily have to consist of national judges experienced in patent law. The legal members of the Boards of Appeal can be considered as such.

The Boards of Appeal, both of the Office and of the national patent offices, could be the best source of technical judges. The technical judges employed there have of course also the necessary experience in patent law.

Finally it should be possible to appoint as judges people who are not a judge in their own country but would doubtless qualify for that function if they would choose to do so (e.g. professors of patent law or experienced patent counsel, wishing to leave their practice and to opt for the bench) This provision also opens implicitly the possibility of appointing judges who – while being nationals of an EPC state - are not nationals of one of the EPJ states. This could not only make extra human resources available but could also be an important factor to spread the idea of the EPJ in non-EPJ states.

Article 57. Assessors

Any person who has insufficient experience in patent law but otherwise complies with the criteria set forth in Article 56 can be appointed as an assessor to the court.

Article 52 is applicable to assessors, be it that his appointment as an assessor will terminate automatically on the date that his appointment as a judge of the EPJ will come into effect.

An assessor can be appointed as a supernumerary member of a panel sitting on a case before the court. He will partake in discussions and can assist the judge-rapporteur. He will have no vote as regards the decision in the case and he will not divulge the discussions during the deliberations in which he has taken part.

See the paper WPL 9/99 p. 16: "Problems could arise if any of the states find that they are unable to provide judges with sufficient experience of patent law. The system must provide for some way of training in such cases. One possibility could be that such a state would appoint a judge as an "assessor" to the common courts. An assessor will be partaking in sessions and deliberations of the European courts as an extra member of the panel, having only an advisory vote. Also he could assist the rapporteur. The country nominating a judge as an assessor would have to enable him to acquire as much experience as possible in dealing with patent cases before national courts. After this training period, he could be appointed as a full EPJ judge."

Left open for the moment is the question who should decide whether a certain person does not qualify as a judge but could qualify as an assessor. Also left open is the question whether the appointment of an assessor should also take place only on a proposal of the Executive Committee. Nevertheless these are matters to be thought about. The best option seems to be to have the assessors appointed on a proposal of the national governments as they seem to be in relatively the best position to assess the experience of a candidate in patent law matters. The question whether a certain assessor will be appointed as a full judge remains subject to the assessment of the Executive Committee who has to propose him for appointment as a judge. Also the moment of appointment as a judge is left to the Executive Committee, that clearly can be before the term of office of an assessor has been completed: an assessor that is assigned often to a panel will need far less than six years to gather the necessary experience.

Article 58. Legal judges and technical judges.

Judges will be appointed as legal judges or as technical judges. Technical judges will be appointed as competent for chemical, biotechnical, physical, mechanical, electro technical and/or software cases or for such other technical categories as the Administrative Committee decides. The decision in which a judge is appointed will state the court or courts he is appointed on and the date on which the appointment will take effect. The term of office and the seniority of a judge will be calculated from that date.

It seems a good idea to mention in the appointment decision for which field a technical judge will be competent. That prevents chemists having to decide upon electronic cases, in which case their technical background would not bring very much. On the other hand by restricting the number of categories to four or five over-specialization is prevented. Too large a degree of specialization would tempt the technical judge to start acting as a technical expert instead of as a judge. The function of a technical judge would definitely not be to act as an expert but – apart of course from partaking in the decision – to translate technical matters to his colleagues and to point out possible technical pitfalls.

Article 59. Seniority.

Judges shall rank in precedence according to their seniority in office in the court concerned. Where there is equal seniority in office, precedence shall be determined by age. Judges who are reappointed shall retain their former precedence.

See art. 6 Rules of Procedure of the European Court of Justice.

Article 60. Incompatibility of other functions.

Judges of the EPJ will, apart from being a member of a national or European court, a national patent office or the Office, not hold any other gainful occupation unless authorised by the Executive Committee . Neither will they occupy any political or administrative office.

See Art. 3 Protocol on the Statute of the Common Appeal Court. It is left possible however that judges function at the same time at both their national court and one or both of the European Patent Courts. In deviation of the first proposal the authorisation is shifted from the Administrative Committee to the Executive Committee. It has more to do with judicial independency than with administrative problems, so the Administrative Committee is less well equipped to deal with this matter than is the Executive Committee.

Article 61. Oath

Before taking up his office each judge shall, in open court, take an oath to perform his duties impartially and conscientiously.

See Art. 3 Protocol on the Statute of the Common Appeal Court .This COPAC protocol also mentions the preserving of the secrecy of the deliberations: that however seems hardly reconcilable with the possibility of dissenting and concurring opinions as opened by Article 130.

Article 62. End of office

Apart from expiration of the time limit for which he is appointed or from death, the office of a judge ends when he resigns , on the last day of the month in which he reaches his 70th birthday or when he is deprived of his office.

The retirement age can be changed by decision of the Administrative Committee but such a change will only affect judges first appointed after that decision.

See Art. 4 Protocol on the Statute of the Common Appeal Court. The proposed retirement age is rather arbitrary. Some countries do not know a formal retirement age, others fix retirement at 70 or 65. Also in view of the scarceness of human resources 70 seems to be a reasonable compromise. Nevertheless it is possible that opinions in society change on this subject and in that case it should be possible to alter the retirement age, without

however endangering the legal position of judges who have accepted an appointment in the expectation to be able to function till a certain age.

Article 63. Deprivation of office

A judge may be deprived of his office if, in the opinion of a three quarters majority of his court, he no longer fulfils the requisite conditions or meets the obligations arising from his office.

The initiative in respect of proceedings to that end, further to be detailed in the practice directions of the courts, shall lie with the Executive Committee and the Administrative Committee will be notified of any decision of a court to deprive a judge of his office.

In case of a decision depriving a judge of his office, a vacancy shall arise on the bench upon the notification of this decision to the Administrative Committee.

See Art 5 Protocol on the Statute of the Common Appeal Court. It does not seem the ideal solution to have colleagues deciding about the deprivation of office. There seems however no authority in existence with enough impartiality towards the judiciary on the one hand and enough know how about the behaviour of certain judges on the other hand. As deprivation of office is thought of as an ultimum remedium, necessary in case a judge cannot even be maintained until his next (non)reappointment, this inherent flaw seems unavoidable.

Article 64. Replacement appointments

A judge who is to replace a member of a court whose term of office has not expired shall be appointed for a full term of six years, regardless of the remaining term of office of his predecessor.

See Art 6 Protocol On The Statute Of The Common Appeal Court, regulating this matter differently. However, in a court with as many members as the EPJ will probably need, there will hardly be a problem of disturbance of the rotational reappointment schedule. On the other hand it could be difficult to find a judge willing to accept an appointment for a relatively short term, especially if that appointment would possibly necessitate moving his domicile.

Section I.1. 8 The European Patent Court of First Instance.

See the general explanatory notes on page 13 as regards the matter of the Regional Divisions of the court of first instance. This provisional text is based on the ideas as developed during the meeting of the subgroup at The Hague in April 2001 as further discussed in the general explanatory notes on page 13.

Subsection I. 1. 1. 5 Organisation, Central and Regional Divisions.

Article 65. Number of judges.

The number of legal and technical judges to be appointed on EPC1 shall be determined by the Administrative Committee. The Executive Committee may make proposals on this subject.

Article 66.

EPC1 shall comprise a Central Division and may comprise one or more Regional Divisions.

Article 67. Central Division

There will be a Central Division at the seat of EPC1.

Article 68. Regional Divisions.

Every EPJ state or group of EPJ states can request, in accordance with this protocol, the creation of a Regional Division of EPC1 for their territory or territories.

The request for the creation of a regional division is to be directed to the Administrative Committee and will have to state the seat of a national court that will be the seat of the Regional Division and the names of at least four judges of that court, experienced in patent law, who can be appointed – in as far as that is not already done – as legal judges of EPC1 and can be assigned as permanent members to the Regional Division to be created. It will moreover state that the registry of that court is instructed to act as sub-registry of EPJ and will name the person responsible for the work of the sub-registry.

Judges will be deemed to are experienced in patent law in the sense of this article if they have actively taken part in at least a total of 20 patent cases concerning European patents in the course of the last five years.

The request for the creation of a Regional Division will be accompanied by written statements of the judges concerned, stating that they comply with this requirement and that they are willing to accept an appointment as legal judge of EPC1 and a designation as permanent member of the Regional Division requested.

As the world of patent law is relatively small and most participants know each other more or less, it seems sufficient to require a statement of the judge concerned that he has dealt with the required number of cases.

Article 69. Second regional division.

If, during three successive years, the courts or a Regional Division in a EPJ state or a group of EPJ states have dealt with more than 100 cases concerning European patents a year, the Administrative Committee may on request of such a state or group of states create a second Regional Division of EPJ1 for that state or group of states.

Article 68 will be analogously applicable to such a request, that will moreover have to state the number of patent cases as meant in paragraph 1 of this article during each of the past three years. Moreover this request will have to state the territorial jurisdiction of the Regional Divisions in that state or group of states, which may be overlapping or not.

Article 70. Number of judges.

The decision to create a Regional Division will specify the number of legal judges who will be permanently designated to that chamber.

The Presidium of EPC1 can change this number, in case of a diminution however only with the assent of the Administrative Committee.

If a division needs more judges, it can be left to the presidium to allocate the available judges, the total number of whom is decided upon by the Administrative Committee. It seems however desirable to have a decision of the presidium to diminish a certain division checked by the Administrative Committee.

Article 71. Discontinuance of a regional division.

The Administrative Committee may decide to discontinue a Regional Division of EPC1 if this Regional Division has dealt with fewer than 20 new cases a year during the last three years.

The decision to discontinue a Regional Division will state after which date no new cases will be assigned to the Regional Division concerned and at which date the Regional Division will cease to exist.

From this latter date on the judges designated as permanent members to the Regional Division concerned will be designated as members of the Central Division and cases still pending before the Regional Division concerned will be transferred, without a change in the appointed panel, to the Central Division.

Although it is not very probable that a Regional Division, once created, will become superfluous, nevertheless for the sake of completeness there should be a possibility to discontinue regional divisions for which there is no need. On the one hand there is given a certain, rather arbitrary, criterion but on the other hand it is left to the discretion of the Administrative Committee. It could be imagined to build in another threshold by stipulating that the Administrative Committee should have to await a proposal of the Executive Committee.

Article 72. Designation of judges.

The Presidium of EPC1 can designate legal judges as permanent members of a Regional Division. The designation will only be perfect after it has been accepted by the judge concerned.

A judge who, notwithstanding his request, is not designated to a certain Regional Division, can apply for redress to the Executive Committee, who will decide after having heard the judge and a representative of the Presidium of EPC1.

Permanently assigned to the Central Division are all technical judges and those legal judges that are not permanently assigned to a Regional Division.

Judges can be assigned as a permanent member to only one division but shall be ex officio temporary member of all other divisions.

Although it should be superfluous in a normally functioning court, this provision makes sure that a judge cannot be assigned as a permanent member to a certain regional division without his consent: such an assignment would imply that he had to sit on a lot of cases in that Division and it would not do, for instance, to assign a member of the Regional Division at Stockholm to the Division at Zürich, without his consent. A legal judge not accepting an assignment to a Regional Division would automatically be a permanent member of the Central Division and could be employed everywhere. Some kind of redress of designation decisions of the Presidium of EPC1 is provided for but it should be realised that in the Executive Committee the President of EPC1, also presiding the Presidium of EPC1, has one of the votes. Therefore probably only very unreasonable decisions of EPC1 will be set aside: it will need unanimity of the two other members of the Executive Committee. Nevertheless that seems at first sight preferable to having the Administrative Committee decide such a matter, directly influencing the allocation of a certain judge and, therefore, possibly his impartiality.

Article 73. Vice presidents.

The Presidium of EPC1 will, having heard the permanent members of that Regional Division, appoint one of the members of the Regional Division to preside that division and

his substitute. This member will have the title of vice-president of EPC1 and will ex officio be a member of the Presidium of EPC1 except when that presidium has to deliberate and decide about the re-appointment or cancellation of the appointment of this vice-president.
An appointment as vice president or his substitute will take place for a term of six years, barring an earlier cancellation of this appointment by unanimous decision of the presidium of EPC1 or earlier retirment. Reappointment will be possible.
His substitute will be referred to as acting vice-president of EPC1 and will ex officio represent him in case he is not able to fulfil his duties.

Article 74. Function of vice president.

The vice president of EPC1 will perform the functions of the president of EPC1 as far as it concerns the Regional Division he is presiding and the cases assigned to that chamber.

Article 75. Assignment of cases.

The President of EPC1 or his substitute will assign cases filed with the court to one of the Divisions of the Court.
This assignment, which will be binding both to the Division concerned and to the parties, will take place on the basis of the facts as stated in the statement of claim and according to the following rules:

- if the claim is solely for the revocation of one or more parts of a European patent or a declaration of right in that respect: to the Central Division;
- if the plaintiff has rightly requested the adjudication by a certain division on the basis of art. 5, art 6, art. 23 or art. 24 of the Jurisdiction Regulation and/or the articles 5, 6, 17 or 18 of the Conventions of Brussels and Lugano: to the Division requested;
- otherwise to the Regional Division in whose territory the (main) defendant is domiciled;
- if there is no such Regional Division: to the Central Division.

The assignment decision of the President can only be challenged in appeal but only together with the appeal against the final decision in first instance. If EPC2 finds that the assignment decision has been wrong it has discretion to order a retrial of the case or not.
If the Division concerned finds that the facts in the statement of claim, on the basis of which the case was assigned, have been stated incorrectly or misleadingly, the Division can, after having heard him on this subject, order the plaintiff to pay those costs of the defendant(s) caused by that miss-assignment of the case, irrespective of the outcome of the case.

As EPC1 is one undivided court, although having regional divisions, this is in principle not a matter of jurisdiction but rather one of distribution of work. Therefore it is dealt with at this place and not in the subsection dealing with jurisdiction.
It could also be imagined to allocate this decision with some other organ, e.g. the Registry, as these decisions do not seem too complicated generally. Nevertheless in his proposal it is left to the President or his substitute, because after all it is a judicial decision. Therefore there should be some possibility of correction in second instance. It should however be prevented that the question about the jurisdiction of one of the divisions should develop into an extensive dispute as that would constitute a waste of time and energy.

It can be imagined that, even when the allocation decision of the President of EPC1 has been wrong, it will not often be a reason for a retrial. Nevertheless there should be such a possibility as an ultimum remedium if the President of EPC1 should constantly refuse to take

into account the decisions of EPC2 about e.g. the application of the articles 5 and 6 of the Jurisdiction Regulation and the Conventions of Brussels and Lugano.

On the other hand, as the assignment decision has to be taken quickly and just on the basis of the facts stated in the statement of claim, there has to be a possibility to bring the extra costs, caused by a wrong assignment decision because of a misstatement of the facts, to the account of the plaintiff.

Article 76. Subregistry.

The practice directions of EPC1 can determine that and in how far a case, assigned to a Regional Division will be administrated and registered at the sub-registry in the country of the seat of that Regional Division.

Article 77. Rotation of legal judges

Legal judges of the Regional Divisions can be assigned to the Central Division for a period of at least six months.

The schedule of rotation will be determined by the Presidium of EPC1, having heard the judges of the Regional Divisions concerned and the national courts they belong to, at least a year before the schedule coming into effect. Short term alterations in this schedule because of unforeseen circumstances can only be adopted with the consent of the judges and the national courts concerned.

Otherwise than in the first proposal the rotation of the judges is not proposed as obligatory any more but it is left to the discussion between the judges, the national courts and EPC1. It is trusted that the importance of the communication between the Central Division and the Regional to maintain EPC1 as a coherent organisation will be realisd by all parties concerned.

The schedule of rotation seems also to be a subject for discussion among the interested parties concerned. It is predictable that deviations from the fixed schedule will prove necessary because of e.g. illness etc. In that case it would not be reasonable to force such short term changes on people or organizations who are not prepared to accept them.

Article 78. Residence

The legal judges that are permanent members of a Regional Division will reside at the seat of that Division if they are not exempted from this obligation by the Executive Committee .

Legal judges that are designated as permanent members of the Central Division will only be obliged to reside at the seat of that Division if the decision in which hey are appointed so states and the Executive Committee has not exempted them from this obligation.

Article 79. Technical judges

Technical judges will not have to take residence at the seat of the court.

Article 80. Panels.

Divisions of EPC1 will sit (apart from cases of clear non admissibility) in panels comprising an odd number of judges, among whom one technical judge. One of the members of the panel will be appointed as chairman and at least one member will be appointed as rapporteur.

It has been suggested to open the possibility of having a case decided by a single judge if the parties so wish. Although this certainly could be efficient it could also be detrimental to the harmonisation process. Therefore this suggestion has not been implemented in this proposal. Nevertheless the suggestion is mentioned here for consideration by the delegations.

Article 81. Composition of panels

The chairman and, if there is only one rapporteur, the rapporteur must be a legal judge. The chairman of the panel can, in any stage of the proceedings, appoint another member as co-rapporteur if the nature of the case so requires according to his opinion and/or that of the first rapporteur or if the parties so request.

If a provisional hearing of witnesses has already taken place on the basis of **Error! Reference source not found.**, the judge(s) having heard the witnesses shall be appointed on the panel as far as possible with regard to an efficient distribution of cases.

Without prejudice to the former two paragraphs of this article, each division of EPC1 shall compose the panels according to its own rules, approved by the Presidium.

If cases are clearly non admissible there should be a possibility of dealing without the appointment of a panel because it would be a waste of time and money to first have to appoint a complete panel and to have this panel to convene and decide. It is suggested in ***Error! Reference source not found.*** *and* ***Error! Reference source not found.*** *to have the Registry checking for cases of clear inadmissibility but giving the party concerned a direct appeal to the full panel.*

It was already stated, for obvious reasons, in the paper WPL 9/99 that the chairman should be a lawyer. As regards the rapporteur also being a lawyer, that proposal is based on the very legal tasks the rapporteur will have to perform according to this proposal. Especially in the instruction phase of the proceedings, there will be a heavy responsibility of the rapporteur. That is a result of the need to have the case in principle ready for decision at the end of the oral proceedings. That means that evidence will have to be gathered before the oral proceedings. See for a further elaboration of these ideas ***Error! Reference source not found.****. Thus the rapporteur should be a lawyer. It should however remain possible to appoint more than one rapporteur: in some cases it would be undoubtedly advisable to have a technical judge as co-rapporteur. The proposed text of this article leaves that possibility open.*

Furthermore it is stated hat each division of the court shall compose the panels according to its own rules, be it that these rules should have the approval of the Presidium. The idea behind this provision is that there are important national differences as regards the allocation of certain cases to certain judges, varying from a total freedom of e.g. the president to allocate cases according to existing workload and special experience of certain judges, to fixed schemes, exactly stating what cases will be going to which judges and even who will be their substitute if such judges should not be available.

As Regional Divisions will operate locally, there is no compelling reason not to leave room for these local differences. A certain minimal harmonisation can be reached by requiring the approval of the Presidium for the local rules. In the very long term this gremium could be the place where there could develop some harmonisation.

Subsection I. 1. 1. 6 Jurisdiction

Article 82. Exclusive jurisdiction on validity

Without prejudice to proceedings before the national or European patent offices regarding limitation of European patents, EPC1 will have exclusive jurisdiction to decide at first instance, for the territories of the EPJ-states, cases concerning the validity of European patents in which one or more EPJ-states are designated, comprising cases in which a declaration of right is asked in that respect.

It could be questioned whether a claim for a declaration of right, that a certain patent is not valid, is a decision as mentioned in Art. 16 (4) of the Brussels and Lugano conventions. Although this seems at least questionable and although giving the EPJ an exclusive jurisdiction in this respect might be seen by judges of non-EPLP states as non binding on them, it seems nevertheless worthwhile to make sure that it is understood that in the view of the EPLP states these cases should be brought before the EPJ.

It is made clear in this text that limitation proceedings before the national patent offices in those member states who have such proceedings and limitation proceedings before the European patent office according to the revised text of EPC will not be affected by this protocol.

*A matter that not has been discussed so far is whether national limitation proceedings before national **courts** will have to remain there (the difference with partial revocation can be very small) or that such proceedings should also be created before the EPJ. Such very technical proceedings are perhaps better left to technical bodies, but if that would be the reason for not giving jurisdiction to the EPJ in this respect, the question could be put why national courts should have jurisdiction in this regard. Complications could arise if national limitation proceedings before a national court would coincide with revocation proceedings before the EPJ. On the other hand: the same kind of complications could be expected in case of revocation proceedings before patent offices. Perhaps the best solution would be to leave limitation proceedings untouched, regardless whether they are brought before a patent office or before a national court and just to stipulate that the patentee has to inform the EPJ of any pending limitation proceedings in any proceedings before the EPJ in which he might be involved. It could then be left to the EPJ to gather further information and/or to stay its proceedings or not.*

Article 83. National limitation procedures.

Without prejudice to the right of the patentee to defend his patent before the EPJ only in a restricted form, in those member states where limitation proceedings regarding European patents are possible before the national courts, the national courts will retain that jurisdiction.

In all cases where national limitation proceedings are pending and the patentee is a party to proceedings before the EPJ, the patentee is obliged to inform the court about these limitation proceedings.

Article 84. Exclusive jurisdiction re infringers domiciled in EPJ state

EPC1 will moreover have exclusive jurisdiction to decide at first instance, cases concerning the infringement or possible infringement of a European patent (comprising cases concerning the provisional protection afforded by a European patent application under article 67 EPC). in which one or more EPJ-states are designated as far as those states are concerned, if the alleged infringer is domiciled within an EPJ-state.

Article 85. Jurisdiction re infringers domiciled elsewhere.

EPC1 will also have jurisdiction to decide such cases at first instance if the alleged infringer is not domiciled within an EPJ-state.

In cases where the alleged infringer is domiciled in a non-EPJ state it will not be possible to assert exclusive jurisdiction for the court, because that would mean taking away the normal competence of his national court. That would contravene the provisions of the Brussels and Lugano conventions and probably of all national laws.

Article 86. Jurisdiction if parties agree.

EPC1 will moreover have exclusive jurisdiction to decide at first instance, cases concerning the infringement or possible infringement of a European patent (including cases concerning the provisional protection afforded by a European patent application under Article 67 EPC) in which one or more EPJ-states are designated as far as those states are concerned, if all parties have expressly agreed in writing to bring the case before the EPJ.

Such an agreement may also extend to cases as mentioned in paragraph 1 concerning designated states that are non EPJ states or national patents, directly connected with the European patent in dispute as long as that European patent is object of the proceedings.

An agreement to bring the case before the EPJ can only create jurisdiction if the agreement is concluded after the dispute has arisen.

There is no reason to refuse a case in which both parties expressly wish the case decided by the EPJ. (See also e.g. Art. 17 Brussels and Lugano Conventions). It dos not seem necessary to give the EPJ the discretion to refuse jurisdiction because of a forum non conveniens rule: as long as it is required that the litigation is about a European patent in which one or more EPJ states are designated, there will always be sufficient relation with the legal sphere of the EPJ.

It could also be imagined to add a counterpart to Art. 18 of the Brussels and Lugano Treaties, creating jurisdiction in all cases in which the defendant does not raise an objection in his first statement. That is at this moment not part of this proposal because it could seem too" imperialistic" to non-EPJ states. On the other hand there seems to be no good reason to forbid parties to make an infringement of a national parallel patent or a European patent in non EPJ states part of their dispute as long as a European patent for one or more EPJ states is also in dispute. It seems wise however to limit this possibility to agreements concluded after the dispute has arisen. This to prevent such a clause becoming "standard" in e.g. license agreements.[5]

Section I.1. 9 The European Patent Appeals Court

Subsection I. 1. 1. 7 Organisation.

[5] License agreements themselves are outside the jurisdiction of the EPJ. Use of an invention fter the ending of a license agreement could however be regarded as a simple infringement and then the jurisdiction lause could take effect.

Article 87. Number of judges.

The number of legal and technical judges to be appointed on EPC2 shall be determined by the Administrative Committee. The Executive Committee may make proposals on this subject.

Article 88. Composition of panels

EPC2 will decide cases in panels, to be composed by the President of EPC2 or his substitute, consisting of five judges of whom at least one will be a technical judge and at least three will be legal judges. The chairman and – in cases where there is only one rapporteur - the rapporteur will have to be a legal judge. The chairman of the panel can appoint another member as co-rapporteur if the nature of the case does so require according to his opinion and/or that of the rapporteur or if the parties so request.

The Presidium of EPC2 will constitute the rules according to which the panels will be composed.

This proposals mentions panels of five judges because that was discussed at an earlier stage. Nevertheless it could be reconsidered whether it should not be panels of three judges with the option to extending it to five if the case was of a complex character according to either the President or one of the members of the 3-panel. Comments of the delegations are invited on this subject.

The formulation of this article leaves open the possibility of appointing more than one technical judge to a certain panel. It can however be doubted whether that will occur often as the work of the Court of Appeal will mainly consist of legal matters.

It is not expressly repeated that assessors can be appointed as supernumerary members of a panel because that is stated quite generally in Article 57.

Section I.1. 10

Subsection I. 1. 1. 8 Jurisdiction

Article 89. Exclusive jurisdiction on appeal and revision

EPC2 will have exclusive jurisdiction to decide on appeal decisions taken by EPC1.
It will also have exclusive jurisdiction to decide on revision decisions taken by EPC1 or EPC2.

The first sentence does seem self explanatory if not superfluous. As regards revision it would also be possible to have the revision decided by the court that did give the decision under revision. It seems better however to concentrate these, probably relatively few, cases at one court.

Chapter I.7 Powers of the courts.

Section I.1. 11 General

Article 90. General provision

EPC1 and EPC2 will have the power to impose measures, sanctions and fines as laid down in this protocol.

Article 91. Security

When the court makes an order, it may :

(a) make it subject to conditions, including a condition to pay a sum of money into court or to give such securities as specified by the court order; and

(b) specify the consequences of failure to comply with such order or a condition.

Section I.1. 12 Injunctions

Article 92. Order to desist from infringement

The courts shall have the authority to order a defendant to desist from an infringement, and inter alia to prevent the entry into the channels of commerce in the EPLP-states of imported goods that involve infringement of a European patent.

See Art. 44 TRIPS.

Section I.1. 13 Damages in case of infringement

Article 93. Damages

In the event of a proven infringement, which has taken place when the infringer knew or had reasonable grounds to know that there was an infringement, the courts can order the infringer to pay the plaintiff reasonable damages sufficient to compensate for the injury he has suffered. The courts have the same power as regards a party that has caused or tolerated this infringement on the basis of his relationship with the infringer while it was in his power to stop it.

The basic principles underlying the assessment and awarding of damages are that the plaintiff will be put, as far as possible, in the same financial and economical position as if the infringement had not taken place and that the infringer should not profit from his infringement. Damages should however be a compensation and should not have a punitive character. Damages that were not reasonably foreseeable at the time of the infringement will only bear on the infringer if there are strong reasons of equity for computing those damages to the risk of the infringer.

At the request of a number of delegations there is incorporated a "European" article about damages, although it could be imagined to leave it to the courts to develop this matter in a harmonising way. The criterion of "knowingly or with reasonable grounds to know" stems from Art. 45 (1) TRIPS.

The last sentence of the first paragraph aims at companies using men of straw or subsidiary but could also apply to wholesalers or retailers over which the defendant has the power to stop them from selling the infringing goods.

The second paragraph aims at making sure that damages will not only be a reasonable substitute for license fees; because such a system would de facto mean a general compulsory license, anyway up to the moment the patentee gets a first injunction with an astreinte from the court. At the meeting of the subgroup in the Hague in April 2001, it was stressed by a number of delegations that it should be expressed as one of the underlying principles of damage assessment that an infringer should not profit from his infringement, without the damages becoming punitive of character. This proposal tries to express that principle.

Article 94. Kinds of damages

Damages may consist in a recovery of the losses suffered by the plaintiff (including but not necessarily confined to the profits he would have made if no infringement had taken place) or in a transfer to the plaintiff of the profits or estimated profits made by the infringer.

The plaintiff will only have to choose between these two possibilities after the amount of both has been ascertained. The courts will have the power to order the infringer to lay open his books to the plaintiff or to such an expert as the court may decide.

Damages may also be otherwise assessed by the court in such a way that the requirement of Article 93 (second paragraph) is met if proof of the real damages is impossible or disproportionally difficult or costly, e.g. by an equitable estimation of the amount, which should however always surpass the amount of a possible license fee.

Damages may not only comprise the payment of money but may also comprise orders to the defendant to perform or to refrain from certain acts.

Damages may also include costs for expert assistance reasonably made by the party concerned.

See art 45 TRIPS. The appropriate attorneys fees mentioned in 45 TRIPS are dealt with in a separate provision on the costs of proceedings.

Article 95. Indemnification of the defendant.

The courts shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse and to pay his expenses.

Article 94 will be analogously applicable.

Section I.1. 14 Other measures in case of infringement.

Article 96. Forfeiture of infringing goods etc.

The courts shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, destroyed or otherwise disposed of outside the channels of commerce in such a manner as to avoid any harm to the plaintiff.

The courts shall also have the authority to order that materials and implements, the predominant use of which has been in the creation of infringing goods or to performing of an infringing process be, without compensation of any sort, destroyed or otherwise disposed of outside the channels of commerce in such a manner as to avoid any harm to the plaintiff.

In considering such requests the need for proportionality between the seriousness of the infringement and the remedies ordered, the willingness of the defendant to change the

materials into a non infringing state as well as the interests of third parties will be taken into account.

See Art. 46 TRIPS. Added is in the second paragraph the goods used to perform an infringing process.

Article 97. Information in case of infringement.

The courts shall have the authority to order the infringer to inform the plaintiff of the identity of third persons involved in the production and distribution of the infringing goods or services or the use of an infringing process and of their channels of distribution.

See art 47 TRIPS, again the infringing process is added here. This provision enables the patentee to get informed about the persons "upstream" of the infringer, so as to enable him to stop the infringement at the source. It also enables him to get informed about the persons "downstream" of the infringer, so as to enable him to check whether the infringer has recalled all infringing products if so ordered or to verify the amount of his damages.

Section I.1. 15 Powers as regards parties

Article 98. Conclusions drawn from behaviour of a party.

In cases in which a party to proceedings voluntarily and without good reason refuses access to information, or otherwise does not provide necessary information within a reasonable period, or significantly impedes a procedure relating to an enforcement action, the courts have the authority to make preliminary and final determinations, affirmative or negative, on the basis of the information presented to them, including the complaint or the allegation presented by the party adversely affected by the act or mission in question, subject to the parties having an opportunity to be heard on the allegations or evidence.

Art. 43 (2) TRIPS The placement of this article is somewhat arbitrary: it could be imagined to place it in the section about evidence in the rules of procedure.

Article 99. Payment into court as security for costs.

The court may order a party to pay a sum of money into court if that party has, without good reason, failed to comply with a rule, practice direction or a procedural request of the court.
When exercising this power the court must have regard to:
(a) the amount in dispute; and
(b) the costs which the parties have incurred or which they may incur.
Where a party pays money into court following such an order, the money shall be security for any sum payable by that party to any other party in the proceedings.

See par. 3.1 of the English Civil Rules of Procedure.

Section I.1. 16 Powers as regards evidence.

Article 100. Production of evidence.

The courts shall have the authority, where a party has presented reasonably available evidence to support its claims and has specified articles or documents (in printed or in digital form), relevant to substantiation of its claims, which lie in the control of the opposing party, to order that such latter evidence be produced by that opposing party, subject in appropriate cases to a protective order as defined in Article 103.

The court shall have the authority to order a third party to produce articles or documents as mentioned in the first paragraph, taking into due account the interests of that third party, if it appears probable that that third party is in possession of this evidence due to its relationship to the opposing party mentioned before. The third party will be given an opportunity o present its interests as soon as is compatible with an effective application of such an order or possible order.

See Art. 43 (1) TRIPS. It is felt that in exceptional circumstances the court should also have the power to order third parties to provide evidence that is essential to a certain dispute. Especially if such a third party has certain evidence at its disposal because of its relationship to one of the parties, be it e.g. as a licensee or as a customer. This could e.g. be of great importance in the case of software source codes if the opposing party is not domiciled within an EPJ state but one or more of his customers are domiciled there; in that case the evidence of possible infringement is within reach of the courts. See ***Error! Reference source not found.*** *for an implementation of this provision. A third party will have to be heard but not necessarily before the order is issued.*

It could be imagined to adapt the text of this article thus that also evidence in the possession of police or customs authorities should be made available to the court. This seems however not without problems as possible conflicts could arise between an order of the court to produce such evidence and the desire of the authorities concerned to keep the evidence at their own disposal.

Article 101. Freezing orders.

The courts shall have the authority to grant an order

- restraining a party from removing from their jurisdiction assets located there; or
- restraining a party from dealing with any assets whether located within the jurisdiction or not.

See Rule 25.1 of the English Civil Procedure Rules, enacting the so called Mareva-injunctions.

Article 102. Orders for inspection etc. of property (Saisie contrefaçon)

The courts shall have the authority to make, on the request of a person who is, or appears to the court likely to be, a party to proceedings in the court, an order for the purpose of inspection and securing the preservation of evidence that is or may be relevant in those proceedings.

Such an order may direct any person to permit any person described in the order, or secure that any person so described (further: “the executing person”) is permitted:

(a) to enter premises, not being a private home, in any EPJ state, and

(b) while on the premises, to take in accordance with the terms of the order any of the following steps, specified in that order of the court:

Those steps are-

(a) to carry out a search for or inspection of anything described in the order, and

(b) to make or obtain a copy, photograph, sample or other record of anything so described.

The order may also direct the person concerned:

(a) to provide the executing person, or secure that the executing person is provided, with any information or article described in the order, and

(b) to allow the executing person, or secure that the executing person is allowed, to retain for safe keeping anything described in the order.

An order under this section is to have effect subject to such conditions as are specified in the order, e.g. that the party applying for the order may not be present himself at the execution of the order.

If proceedings are not pending before the court at the moment the order is given, the order shall cease to have effect – and the applicant will be liable for damages caused by its enforcement – if such proceedings are not brought before the court within 31 calendar days after the date of the order or within such a reasonable time limit as fixed by the court when issuing the order.

The practice directions can detail the requirements for a request as mentioned in this article and the modalities under which such orders will or can be granted.

It is generally felt that some measure like the French saisie contrefaçon would be very useful on a European level. Paragraph 7 of the recent English Civil Procedure Act 1997 seems to give a somewhat more detailed regulation than the only article, L.615-5, of the French Code de Propriété Industrielle. It seems better to restrict this possibility however to premises not being private homes so as to avoid possible constitutional objections in member states. According to oral information in France the saisie is in practice never granted for execution in private homes.

The practice directions should give further details about these orders. See also ***Error! Reference source not found.*** *of this protocol. As an equivalent of the French" huissier" or German "Gerichtsvollzieher" is not known in all European countries, it seems a better idea to have this order executed, by a European patent counsel, not being the counsel of the applicant, to be paid by the applicant, as it is done in England by a solicitor*[6]*. In this proposal he is called "the executing person". In general it might be desirable that the requesting party himself is not present at the search of the premises of his opponent. His legal representative and/or patent attorney should however always have access, subject to a possible restriction on their freedom to divulge certain matters to the applying party as meant in the next article.*

If no proceedings are pending at the date the order is requested or given, these proceedings should start in short term. A term of 15 days as required by French law after a saisie contrefaçon seems a little short in case of European proceedings with possible language barriers and necessary translations of the report of the search. On the other hand legal certainty requires that this period be not too long. Proposed is a term of 31 calendar days as in art. 50-6 TRIPS.

Subsection I. 1. 1. 9 Protection of commercial secrets etc.

[6] It could however be an idea to fix or maximize the hourly fee for this executing party in the Practice Directions or otherwise, so that the parties know what they let themselves in for when they want to use this saisie.

Article 103. Protective orders.

In order to maintain commercial secrets of a party or a third person or in order to prevent an abuse of evidence, the court may, ex officio or on the request of an interested person, make an order restricting or prohibiting the use of certain evidence to the proceedings before it and/or that the cognisance of that evidence will be restricted to certain persons. All evidence will be open to inspection to European patent counsel representing the parties but the courts shall have the power to enjoin counsel and people assisting him from communicating certain evidence to their clients and/or other persons.

Orders according to this article will be sanctioned by an astreinte, to be determined in the order and of sufficient deterrence, payable to the other party, without prejudice to his claim for damages.

The court may make later orders to amend such an order or to revoke it wholly or in part.

See Art. 42 last sentence TRIPS.

In patent infringement cases it does happen, especially with method claims for making known products in a novel way, that the party accused of infringement denies having used the patented process and states that he has used his own process, that he however has not patented because it would betray his secrets without a reasonable possibility of detecting infringement or simply because he has preferred confidentiality as the only means of protection. In such cases the evidence will concentrate on the process used by the alleged infringer, who then is between a rock and a hard place: if it is proved that he uses another process, he will win the proceedings but lose his commercial secret. Therefore the possibility of a protective order, as known for instance in the USA and in the UK, should be established. The idea behind it is that evidence can be brought and examined by the opposing counsel and/or his experts but is not necessarily disclosed to the opposing party. See also ***Error! Reference source not found.*** *of this protocol.*

<u>Subsection I. 1. 1. 10</u> Witnesses

Article 104. Witnesses.

Without prejudice to the possibility to ask national courts to hear certain witnesses, the courts shall have the power to order a witness who, duly summoned, without good cause refuses to appear before the court or, having appeared, refuses to answer to certain questions, to pay an appropriate fine, not exceeding an amount to be determined in the practice directions.

This fine will have to be paid into court. At the end of the proceedings the court will distribute the received fines evenly among the parties concerned.

The problem is of course, to whom is the fine going to be paid? It could not be the court itself because that would give the court a financial interest in the question whether a fine should be paid or not. A reasonable solution could be to have the fine paid into court and at the end of the proceedings be divided among all the parties. All parties will have been inconvenienced by the non appearance of the witness. That is however not of main importance: the main idea is not to compensate the parties but to deter an unwilling witness from not complying with his civic duty of giving evidence.

Article 106. Hearing by national courts

The courts may order that a witness or expert be heard by the judicial authority of his place of permanent residence.

The order shall be sent for implementation to the competent judicial authority by letters rogatory under conditions laid down in the practice directions. The documents drawn up in compliance with the letters rogatory shall be returned to the court under the same conditions.

The court shall defray the expenses, without prejudice to the right to charge them to the parties or to one of them. The court can order the party who wants to hear the witness to pay an amount in court as security for the costs to be defrayed by the court and may stipulate that the letters rogatory shall only be sent to the national court concerned after the receipt of this amount.

See Art. 20 Protocol On The Statute Of The Common Appeal Court. The national court should not have to worry where the money for the costs of the hearing and for the witness is going to come from. On the other hand there is no reason why these costs in the end should not be paid by the party who is losing the proceedings or who has unnecessarily called the witness.

Article 107. Perjury.

Any EPJ state shall treat any violation of an oath or other procedural requirement of truthfulness by a witness, a party or an expert in the same manner as if the offence had been committed before one of its courts with jurisdiction in civil proceedings. At the instance of the court, the member state concerned shall prosecute the offender before its competent court. Prosecution shall only take place in one state at a time and shall not (longer) take place after there has been a judicial decision about the complaint in one of the EPJ states.

See Art. 21 Protocol On The Statute Of The Common Appeal Court
Added is here that also a party, violating a duty of truthfulness, can be prosecuted. There seems to be no valid reason to allow perjury by a party.

Section I.1. 17 Astreinte

The European Patent Courts do not have their own police force, let alone their own jails. Measures such as contempt of court and the like therefore seem hardly feasible. Nevertheless the courts need means to provide their decisions with teeth. Because of this and because enforcement of amounts of money is possible in every jurisdiction, the adoption is proposed of the Benelux idea of an astreinte[7], payable to the plaintiff without diminishing his claims for damages. In practice this has proven to be a useful instrument as its height can be very deterring to further infringement. As to the question who would be the beneficiary of the astreinte, it is proposed that the payment has to be made to the other party as in the Benelux countries. The only alternative to paying to the plaintiff would be to make the

[7] On an application of a party in the proceedings the court may order the other party to pay to the former a certain amount f money if the principal order of the court – not being the payment of money – is not complied with, without prejudice to the right to damages.

European Patent Organisation the beneficiary. That would on the one hand create a possible impression of partiality of the courts, being linked to this organization and on the other hand raise questions of efficiency as in that case the EPO would have to be the watchdog to be on guard against further infringements. That does not necessarily seem the most efficient solution. In most cases the patentee will be much more on the alert for further infringements.

The few next articles reflect the Benelux provisions and practices on astreintes.

Article 108. General provision

The courts will have the power to order a defendant to pay an astreinte to the plaintiff, without prejudice to his claims for damages, for each future infringement and/or infringing article and/or infringing act contravening an injunction or other order and/or every period of time that such an infringement continues.

So the astreinte cannot only be forfeited in case of an infringement but also in case of violation of e.g. an order as mentioned in Article 94.

Article 109. Modalities

The courts will also have the power to decide that a defendant should forfeit an astreinte if he does not perform an act ordered by the court, other than the payment of a sum of money, or for each day he does not do so.

The courts will be able to decide that the astreinte should only be payable after a certain period of time after the decision. They will also have the power to decide that the astreinte will not be forfeited above a certain maximum amount or below a certain minimum amount.

This provision applies to cases in which the court makes orders, other than relating directly to infringement, e.g. orders to freeze certain assets or to produce certain documents.

Article 110. Service of (a translation of) the decision

Astreintes will not be forfeited before the plaintiff has caused the decision providing therefore to be served on the defendant according to the national law of his country of domicile, together with a translation in an official language of that country.

The court can nevertheless in extremely urgent cases order that such a translation may b served on the defendant at a later time, set by the court, provided that the defendant is given notice about the contents of the decision in that language otherwise.

There should be no doubt at all from which date onwards the astreinte is due. The serving of the decision on the defendant seems the best way to make sure of that date.

In extremely urgent cases however the plaintiff should be able to make the defendant aware in the defendants language of the contents of the decision of the court and nt have to wait fist for an authentic translation of the decision.

Article 111. Cancelling of astreinte, bankruptcy, death.

The court which has ordered an astreinte can, at the request of the defendant, cancel the astreinte, suspend it for a period of time or reduce its amount in the case of a permanent or temporary, total or partial impossibility of the defendant to comply with the injunction. Cancellation, suspension or reduction of the astreinte shall not relate to the period of time before the impossibility arose.

Astreintes will not be forfeited during the bankruptcy of a defendant. National law of a defendant's country of domicile will determine the fate of astreintes forfeited before a bankruptcy.
Astreintes will not be forfeited after the death of a natural person. Astreintes already forfeited before his death will however remain due.

The ratio of an astreinte is to compel the defendant to comply with an order of the court. It does not make sense to forfeit an astreinte during a period of time when the defendant is not able to comply with the order of the court or his debts are not going to be paid by him but will be the burden of his creditors. In case a defendant gos bankrupt after having forfeited astreintes, his national law will have to decide whether these astreintes will be admitted as debts in his bankruptcy proceedings.

Chapter I.8 Proceedings.

Article 112. Nature of proceedings

The court shall decide according to the law upon the facts put in evidence by the parties. Apart from generally well known facts the court will take account of facts not put in evidence only if it suspects abuse of procedure.
It shall apply the law as laid down in EPC, in this protocol and, as far as applicable, in the national laws of the EPJ-states concerned. If these sources of law should differ, they will take precedence in that order.
The court may also apply provisions of law not cited by the parties.

This provision makes sure that the court will, according to its discretion, only take into account facts of its own motion in very exceptional circumstances. There is of course no reason to prevent the court taking into account general knowledge: Paris is the capital of France and water freezes at 0 degrees Celsius.
On the other hand the court should be free to apply the right legal provisions, even in cases where the parties have not cited them or have based themselves on wrong legal provisions.

Article 113. Proceedings public.

Proceedings before the court shall be public unless and in so far as the court decides otherwise for consideration of public order or the necessary protection of trade secrets of a party or another interested person.
Decisions in this respect of EPC1 shall only be subject to appeal together with the appeal against the final decision in first instance.

In this text the public character is not limited to oral proceedings, including hearings with the parties and the hearings of witnesses. There seems to be no valid reason for such a limitation, as it will often be a matter of coincidence whether certain facts come to light in the written pleadings or in oral discussion and/or hearings. This means of course that every member of the public should have the possibility of inspection of the pleadings in the file. To avoid unnecessary delays this decision should only be appealable together with other decisions.

Article 114. Language.

Unless otherwise agreed between the parties and the court, the official language of the European Patent Office in which the European patent or application has been granted or filed shall in principle be used as the language of the proceedings before the court. Article 14 (4) and (5) of EPC and Rules 1 and 2 of the Implementing Regulations to EPC are applicable to proceedings before the courts.

The Rules of Procedure shall give rules for the language in which the proceedings will be conducted before the Regional Divisions of EPC1 in those cases that are of only national importance.

The Rules of Procedure shall also give rules for the translation of the file, or part of it, in case of appeal proceedings in these cases.

See Art. 14 EPC, Rules 1 and 2 EPC and Art. 10 CPC. See also Art. I.7.1.1.3. of the First Poposal. The text has been extended with a new paragraph to open the possibility of "national" cases before EPC1 being dealt with in the national language. By placing this item, and also the determination when a case is of only national importance, in the Rules of Procedure, there is introduced some flexibility to adapt to practical needs and developments.

Article 115. Parties.

The competence of a person or a collectivity of persons to act as a party in proceedings before the court is regulated by his national law.

The Rules of Procedure will give rules for cases where a plurality of parties are taking part in the proceedings, for changes in the identity of parties, for removal or addition of parties from proceedings and for cases in which parties case to exit or go bankrupt.

It does seem clear that legal persons will be able to act as a party in proceedings. In some countries certain collectivities of persons do act as such and are able to be a party in proceedings without having legal personality (e.g. the "Offene Handelsgesellschaft" in Germany and the "vennootschap onder firma" in the Netherlands). There seems to be no good reason to refuse a locus standi to such a group of persons having party status under its national laws.

It is felt that a system in which parties could handle their own proceedings would unnecessarily burden the new system and would moreover not be fair to the parties.

The new court will have to apply a newly designed procedural law. Apart from problems of language and different legal cultures, that will be difficult enough without having to deal with parties who do not understand procedural matters. In creating a new procedural system, much will depend not only on the contents of the procedural rules but also on the way they will be applied: a new legal culture will have to develop. That is difficult enough with professional legal representatives but would be impossible if the court had to deal with litigants in person, many of whom would be taking part in legal proceedings once in a lifetime.

It would not only be a problem for the courts but also would be unfair to those parties themselves: parties who only incidentally appear before the courts would be at a disadvantage compared to companies that are litigating frequently and therefore know all the possibilities and impossibilities of the game.

As compulsory legal representation is the standard in most European countries, especially in patent infringement cases, it is felt that the same standard should without

difficulty be applicable in the new supranational courts. The more so because the European Court of Human Rights has decided[8] *that art. 6 ECHR obliges the member states to the Rome convention to provide legal aid for those proceedings that a party generally is not able to conduct itself, even if formally there is no compulsory legal representation. Patent cases certainly fall into he category of cases that a party is not able to conduct himself. Where on the one hand the only possibility to conduct a case in person clearly is held not to be sufficient to safeguard the principle of free access to the court and on the other hand the Governments of the member states are obliged to provide legal aid for those parties who are not able to conduct their case themselves, the arguments in favour of compulsory legal representation seem to have the most weight.*

Article 116. European patent counsel.

Parties must be represented before the court by a lawyer registered by the Registrar as a European patent counsel.

The Registrar shall register as a European patent counsel any lawyer who is entitled to practise and represent parties in normal civil proceedings before a civil court of an EPJ- state and who applies in writing for such registration, according to the rules given in the Rules of Procedure.

The Administrative Committee can levy an annual contribution in the costs of administration for the maintenance of the registration.

Article 117. Obligation of truthfulness.

European patent counsel shall have an obligation to the courts not to knowingly (or with good reason to know) misrepresent cases or facts before the courts.

See Art. 12 Protocol on the Statute of the Common Appeal Court.

Article 118. Technical adviser

The representing patent counsel may be assisted by a technical adviser who is a professional representative whose name appears on the list maintained by the Office and who is entitled to act before the Office. The technical adviser will be allowed to speak at hearings of the court under the conditions laid down in the practice directions.

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[8] ECHR 9 October 1979, Airey vs. Ireland, Publ. ECHR Series A, vol. 32 (1980) pp. 11-16:
"The [Irish] Government contend that the applicant does enjoy access to the [Irish] High Court since she is free to go before that court without the assistance of a lawyer. The Convention is intended to guarantee not rights that are theoretical or illusory but rights that are practical and effective. This is particularly so of the right of access to the courts in view of the prominent place held in a democratic society by the right to a fair trial … it is not realistic, in the Courts opinion, to suppose that, in litigation of this nature, the applicant could effectively conduct her own case, despite the assistance which, it was stressed by the Government, the judge affords to parties acting in person. … The court concludes...that the possibility to appear in person before the High Court does not provide the applicant with an effective right of access. ... There has accordingly been a breach of Article 6 sec. 1 [guaranteeing all civil litigants a fair hearing]."

Although litigation is not the day to day routine of most patent attorneys, their technical assistance cannot be missed in patent proceedings, be it on validity or on infringement. They should therefore not only be able to accompany the European patent counsel but also have the right to address the courts. The legal responsibility of course remains that of the European patent counsel as the official representative of the party.

In theory it could be possible to allow not only European patent attorneys the right to address the courts but to allow that right to all patent attorneys. As the cases before the EPJ however will deal always with European patents and moreover the European patent attorneys form one coherent body with their own organisation and their own disciplinary supervision, it was preferred to restrict this possibility to only European patent attorneys.

Article 119. Rights of representatives

European patent counsel and technical advisers shall, when they appear before the court, enjoy the rights and immunities necessary for the independent exercise of their duties, under conditions laid down in the practice directions.

Article 120. Powers as regards representatives

As regards European patent counsel and technical advisers who appear before it, the court shall have the powers normally accorded to courts of law, under conditions laid down in the practice directions.

In particular they will have the power to report the counsel and/or adviser to his professional organisation in the event of misbehaviour.

It does not seem necessary at this moment to create a separate disciplinary body for European patent counsel and European patent attorneys. All European patent counsel will be member of their national bar organisations and for European patent attorneys there exists the disciplinary regime of the EPI.

Article 121.

The Rules of Procedure will further regulate the registration of European patent counsel and their functioning before the courts.

Article 122. Delegation of tasks

Without prejudice to the principle of collegiate decision-making, the courts and their panels can delegate certain functions to one or more of their members for such time and under such conditions as the court or the panel sees fit.

It may turn out to be practical that not every step in proceedings has to be performed by all members of a panel, so here the possibility of delegation of tasks is opened. Nevertheless the first part of the sentence should make it clear – as far as that would be necessary – that judgements should be reached collegially and of course cannot be delegated to one member of the panel.

A major field of application could be the field of the gathering of evidence. It will in principle be the whole panel that will be deciding about evidence issues but it could be practical to delegate certain tasks to the rapporteur and/or the technical judge.

Article 123. Case managing task

The courts have an obligation actively to manage the cases before them. The Rules of Procedure will further detail this obligation and the power necessary for its fulfilment.

Article 124. Evidence.

The Rules of Procedure shall give rules about the onus of proof and the gathering of evidence, including expert evidence.

Article 125. - Decisions by majority.

The decisions of the court shall be taken by majority of the panel.

Article 126. Reasoned decisions in writing.

They shall be reasoned and be given in writing and be available, at least to the parties, without undue delay.

Article 127. Language of the decision.

If the language of the proceedings was not the language in which the patent was granted, the Registry shall, under the responsibility of the panel that issued the decision, take care of a translation of the decision in that language.

If a decision is available in more than one language, the text in the language of the patent will be the authentic text.

It is held important in the EPC that the language in which the patent was dealt with during the granting procedure, during opposition and during appeal before the Boards of Appeal of the Office, should be the same. That same principle should be extrapolated to the proceedings before the EPJ, especially because these proceedings could coincide in time with e.g. opposition proceedings. Thus, also in those cases in which the court and the parties have agreed for practical reasons to use another language, nevertheless it should be ensured that the decision is available in the language of the patent.

The same should apply in cases where a Regional Division of EPC1 has dealt with a case in a national language possibly not even a language of the EPC. Also in those cases there should be available the text of the decision to the public (and to the other divisions of the court) in the authentic language of the patent. That the translated decision should be the authentic decision finds its justification in the fact that in appeal proceedings EPC2 will have to look at the translated text, probably not being able to understand the national language, and will have to deal with it in the language of the patent.

Article 128. Publication of decisions. Copyright.

The Registry will send a copy of every final decision to the European Patent Office to enable publication in its Official Journal.

The Executive Committee can decide to publish in an official periodical of the EPJ all or some decisions of EPC1 or the EPJ2 if the Administrative Committee agrees to the publication of such a periodical.

The Executive Committee can publish all or certain decisions of the EPJ1 or the EPJ2 on the internet.

There will be no copyright on decisions of the EPJ.

Article 129. Right to be heard.

Decisions on the merits of the case shall be based only on evidence and arguments in respect of which parties have had the opportunity of being heard.

A party who, although duly summoned, is not present at oral proceedings will be considered to have had the opportunity to be heard about the arguments presented there.

See Art. 41 (3) TRIPS. Added is that the decisions shall only be taken on arguments that the parties were offered the opportunity of being heard; it is a generally accepted judicial principle that judgments should not contain surprise-reasons out of the blue that were not discussed with them or by them during the case. A party who does not appear at oral proceedings runs voluntarily the risk that his opponent will come up with a new argument that convinces the court or that in the course of the discussion with that opponent a new view on the case develops..

Article 130. Dissenting opinions

Any member of the panel deciding the case will be allowed to express his opinion separately in the decision, be it a concurring or a dissenting opinion.

There are a lot of things to be said in favour of dissenting opinions and there are things to be said against them. It is felt that for a new court developing a harmonised jurisprudence for patent law in Europe, the advantages outweigh the disadvantages. It seems important for the development of jurisprudence that diverging thoughts get the attention they deserve, so that in future disputes parties can help to develop thoughts further. It could however be considered, for instance from a point of view of efficiency, to restrict these dissenting opinions to decisions in second instance or to final decisions.

Article 131. Appeal.

As far as no expressly stated otherwise in this protocol, all decisions of EPC1 will be subject to an appeal on EPC2, at the latest when the final decision in the case is given.

From decisions in which the EPJ has assumed jurisdiction over a case and from interlocutory injunctions an immediate appeal will always be possible.

The Rules of Procedure shall give further detailed rules about the moment the different kinds of decisions are subject to appeal and the way in which appeals shall be filed and dealt with.

Article 132. Effect of appeal.

If a decision is appealed the effect of the decision will be suspended and, if it is not a final decision, the proceedings at first instance will be stayed until the decision of EPC2 is given.

However both EPC1 and EPC2 can, on request of a party or of its own motion, decide that an appeal against that decision will not have suspensive effect. The court giving that decision can make its effect dependent from the putting up of securities by a party or from other conditions it thinks fit.

If both courts have given contradictory decisions in this respect, the decision of EPC2 prevails.

Although in general it seems best in case of an appeal to wait for the decision of the second instance, there nevertheless are cases where efficient proceedings require that the appeal shall not have a suspensive effect. Especially interlocutory injunctions would hardly be effective if they could be blocked by just appealing. Therefore there is given a general power to the court to decide that a decision shall not have a suspensive effect. The court of appeal can correct this decision and set it aside if the judges of EPC2 feel that it should not have been taken (which is not necessarily be connected with their expectation about the outcome of the appeal but could also be founded upon a balance of possible inconveniences).

Article 133. Nature of appeal proceedings

The appeal proceedings will not be a new trial of the case but will give a decision on the grounds of appeal formulated by the appellant.

EPC2 will only decide, on the basis of the detailed grounds of appeal of the appellant or appellants, whether EPC1 has correctly established the facts alleged by the parties at first instance and whether it has correctly applied the law to these facts.

New facts and/or evidence will only in exceptional cases be admitted on appeal proceedings, e.g. when facts or evidence were not available at the time of the proceedings at first instance or when it could not have reasonable been required from the party concerned to provide them.

The appeal proceedings will not try again the case as such but will only deal with the concrete objections of the appellant(s) against the decision in first instance. That does not mean that the appellant cannot contest the assessment of facts by the first instance, but he will have to formulate a clear objection in that respect, after which the second instance will deal with it and will have to decide whether the assessment of EPC1 was right. The appellant will however have problems if he wants to introduce new facts or wants to take another legal position than at first instance: this will only exceptionally be allowed.

Article 134. Revision.

Revision of a decision of EPC1 or EPC2, from which appeal is not or not any more possible, by EPC2, can be requested by a party adversely affected by that decision but only on the ground of either a criminal offence that may have influenced the decision or – if it concerns a decision of EPC2 – the violation of a fundamental procedural principle of law.

Revision on the basis of a criminal offence may only be requested if that criminal offence is established in a final judicial judgment.

The Rules of Procedure will further detail the revision proceedings and the time limits concerned.

Revision is to be seen as an extraordinary legal remedy. What fundamental procedural principle of law is fundamental enough can be left to the court or could possibly be detailed in some measure in the Rules of Procedure.

If revision is requested on the basis of a criminal offence, it is suggested that that should only be possible if the criminal offence was established by a (final) judicial decision. That on the one hand could give a date as a starting point for a time limit and on the other hand would prevent evidence-problems of a criminal nature: a patent court should not have to deal with laws of criminal evidence. (Not to speak of the problems if they would come to another conclusion about the existence of a certain offence than the court in the state concerned: a party could be condemned and be acquitted at the same time).

There was one suggestion to leave the revision with the court that has given the decision under revision, such because of reasons of efficiency. That argument does not seem to outweigh the argument of greater specialisation and a more consequent development of jurisprudence if all the (few) cases of revision go to EPC2.

Article 135. Effect of decisions

Decisions of the court will in all EPJ-states be regarded as decisions of a national court of that state.

Decisions revoking a European patent wholly or in part shall take effect in all EPJ-states designated in that patent for which the revocation has been claimed and awarded.

The effect of EPJ decisions about validity should take effect EPLP-wide, as was discussed in the working party in an earlier stage. nevertheless we still have to deal with a bundle-patent and with the basic principle of civil proceedings that the parties determine the extent of their dispute. So the party claiming the revocation of the patent will have to specify whether he wants the patent revoked in all designated (EPJ) states or only in one or more of them. It could e.g. be imagined that a defendant in his counterclaim restricts his claim for revocation to just the country where the Regional Division is sitting, so as to avoid the case becoming an "international" one and thereby becoming more costly to litigate.

Article 136. Loser pays costs

A party who is ruled against shall be convicted to pay the costs incurred by his opponent(s) according to the rules given in the Rules of Procedure. If both parties are ruled against in part the court can divide the costs in an equitable way.

Left aside the outcome of a case, the court can always decide that certain costs, as unnecessarily made, will be left with the party that made them.

Article 137. Rules of Procedure.

The Rules of Procedure as contained in **Error! Reference source not found.**of this Protocol, will further regulate proceedings before the courts.

The Rules of Procedure can be changed by the Administrative Committee on a proposal of the Executive Committee.

Part IV. FACULTATIVE ADVISORY COUNCIL

Article 138. Definitions

Article 1 of this protocol will also be applicable to this part of the protocol.

As some states will only be adhering to this part of the protocol it does seem advisable to have the definitions expressly incorporated in this part.

Article 139.

There is established a Facultative Advisory Council.

The task of the Facultative Advisory Council is to advise, on a non obligatory basis, national courts of the member states who have acceded to Part IV of this protocol on questions of European patent law that those national courts think relevant for the decision of cases before them.

Cosmetically it would be nicer to place this article in part I, for instance after Article 4, but that would create the difficulty that Facultative Advisory Council states would have to accede also to part I, which they probably would not like in so far as they have principal objections to the creation of a system of law as mentioned in Article 2.

Article 140. Administrative Committee

The Administrative Committee will be the highest administrative organ of the FAC and it will be formed by the representatives and alternate representatives of the FAC states. It will abstain from influencing the opinions of the FAC or the independence of its members.
Every FAC state will have the right to appoint one representative and one alternate representative.
Every FAC state will have one vote.
Representatives of member states to the European Patent Convention, not being FAC states, will on their request be admitted as observers.
Articles Article 28, Article 29, Article 31 and Article 33 will be applicable analogously.

Theoretically it would be possible for EPJ states to appoint other representatives on the Administrative Committee of the EPJ and of that of the FAC. The expectation however is that the Administrative Committee of the FAC will be that of the EPJ, extended with the representatives of those states that have only acceded to Part IV of the Protocol.

Article 141. Tasks Administrative Committee

The Administrative Committee will:
- determine the annual budget of the FAC;
- determine the remuneration of the members, both of those functioning full time and those functioning part of their time in the FAC,
- survey and control the financial annual report of the Presidium of the FAC and the discharge of the Presidium in this respect;
- determine on a proposal of the Presidium the Rules of Procedure and the practice directions the FAC;

Finally it will perform other tasks assigned to it in this protocol or its implementing regulations.

Article 142. Composition

The Facultative Advisory Council shall be formed by EPC2.
It shall have a presidium, being the presidium of EPC2.

Article 143. Task of the Presidium.

The tasks of the Presidium of the FAC are:
- conducting the management of the FAC;
- drawing up proposals to the Administrative Committee concerning the rules of procedure and practice directions for the FAC;
- issuing rules for the Registry as mentioned in Article 43;
- budgeting the FAC and presenting this budget to the Administrative Committee;
- issuing an annual report and an annual financial report to the Administrative Committee.

Article 144. Delegation of tasks

The Presidium can delegate certain tasks to one of its members or to one or more judges of the courts, for such a time and under such conditions as it sees fit.

Article 145. Task of the FAC

The task of the Facultative Advisory Council is to provide national courts on their request with opinions, in specific cases, on questions of law concerning the interpretation of the European Patent Convention or concerning the validity or infringement of a European patent.
The Facultative Advisory Council will base its opinion in a specific case on the facts as stated or assumed by the referring national court and not take or evaluate evidence by itself.

See WPL/10/00 e sub 4.It seems useful to explicitly state that the Facultative Advisory Council will not be hearing witnesses and/or experts. That would make the proceedings before the Facultative Advisory Council unnecessary complex and costly in time and money. Unnecessarily because there is no need to harmonise fact finding but only to harmonise the application of European patent law.

Article 146. Optional character

It is understood that the national courts will under no circumstances be obliged to refer a question to the Facultative Advisory Council.
It is also understood that the national courts will not be bound by the contents of the opinions delivered by the Facultative Advisory Council.

Every FAC state will determine what weight is to be attached to the opinions of the Facultative Advisory Council and what will be its role in national proceedings in that state.

Article 147. Financing.

The FAC states will endeavour to attain that the costs of the asking of an advice of the FAC by a national court will not have to be born by the litigating parties.

This matter has to be studied in more detail: WPL/10/00 e states on page 6 that the referrals to the Facultative Advisory Council would be free of charge and that the costs would be born by the European patent Organisation. Such a rule could only be established here if all member states to EPC would be signing the EPLP, at least the part on the Facultative Advisory Council. As that does not seem to be the case, the EPLP could only provide the statement that the Facultative Advisory Council would request the EPO for financial support. It is then further up to the Administrative Council of the European Patent Organisation to decide whether and in how far to allow subventions to the FAC on the basis of Art. 149a of the revised EPC.
The only other way to prevent parties paying for referrals would be just to state that there would be no costs for the parties concerned and that the costs of a referral should be born by the referring court or its government. As no concrete proposals regarding the costs of the FAC have come forward, for the moment there is only this "statement of intent" of the FAC states.

Article 148. Language.

Article 14 EPC and Rule 6 of the Implementing Regulations of EPC will apply to proceedings before the Facultative Advisory Council.

Article 149. Proceedings

Proceedings before the Facultative Advisory Council are governed by the procedural law as laid down in **Error! Reference source not found.** to this Protocol and will in any case comprise a possibility for the parties concerned in the case to present directly or indirectly to the Facultative Advisory Council in writing their opinion on the question referred to the Facultative Advisory Council.

It is important that parties have the opportunity to present their views on the referred questions. It will however probably be best and administratively least cumbersome to delegate the collecting of these party opinions to the referring court and to have these courts send in the party opinions together with the referred questions. Therefore this provision mentions the words "directly or indirectly", indirectly being the case when the national court invites the parties to send in their written views to that court, which court will include these views in the file to be sent to the FAC.

Article 150.

Annex II can be changed by decision of the Administrative Committee on a proposal of the presidium of the Facultative Advisory Council.

Protocol.

Part V. TRANSITIONAL AND FINAL PROVISIONS

In theory it would be possible to give the EPJ exclusive jurisdiction for all litigation about European patents from the day the EPLP comes into force. That would possibly drown the new court in a flood of new cases. It seems wise to dam this flood and give the EPJ the opportunity to adjust itself.

Different schemes (or combinations of them) are possible, for instance to restrict the jurisdiction to patents granted after the date of coming into force of the EPLP or to start with certain fields of technology and add each year a new field of technology.

As up till now no specific proposals have been suggested, this proposal gives a possible set of criteria for the entering into force and for the start of the jurisdiction of the courts. These items clearly need discussion.

The entry into force of Part IV has been made dependent of the entry into force of Parts I, II and III because before that there will be no EPC2 to play the role of FAC.

Article 151. Entry into force

Part I, Part II and Part III of this protocol will enter into force in all EPJ states after at least 5 member states, together representing (according to the figures of the year 2000) at least ….. applications for a European patent, will have ratified this protocol.

Part IV of this protocol will enter into force in all Facultative Advisory Council-states after at last 5 member states have ratified this protocol and part I, II and II of this protocol have entered into force.

Article 152. Start jurisdiction

This protocol shall apply to all European patents, granted after 1 January 2000 or such other date as decided upon by the Administrative Committees of the EPJ and the FAC before the relevant parts of this protocol enter into force.

Article 153. First appointments

For the first time the judges will be appointed by the Administrative Committee on a proposal of the governments of the EPJ-states.

The first appointed judges will take the oath meant in Article 61 in a public meeting of he Administrative Committee.

The Administrative Committee of the EPJ will also appoint from among these judges a provisional committee and its chairman, in which all EPJ states will be represented. The provisional committee will speedily organise the election of the first presidents of the courts and their substitutes and of the first elected members of the Presidium of the courts. Untill these elections have taken place, the provisional committee will fulfil the functions of the Executive Committee and of the Presidiums.

The first judges appointed shall include at least one legal judge or (during a transitional period of 5 years after this protocol came into force) assessor and one technical judge from every EPJ-state for each of the courts.

Before the first Registrar shall be appointed according to Article 44, the Administrative Committee will appoint a Registrar at interim who will fulfil the duties of he Registrar until the first Registrar is appointed and has taken up his function.

Although the nationality of the individual judges should not be overemphasized, the EPJ should as a whole be a really European body. Therefore this provision ensures that at least one national judge is appointed from every state.

It could be argued that it does not make much sense to have at last two technical judges from every country at the start, as the number of technical fields is at least five. Nevertheless it is felt that a minimum participation of every member state is necessary to give the court a good start and for a fruitful exchange of ideas. That should not be too big an obstacle for member states as they all have their national patent offices as a reservoir to draw from.

The proposal contains, as a further transitional measure, to have for a certain time the European and the national routes parallel to each other and to give the plaintiff in infringement cases the choice. If the plaintiff chooses the national route it will have to be the court of the domicile of the defendant, thus no forum shopping. On such a case the EPLP would not be applicable, neither in first nor in second instance and decisions would only have effect in the country concerned (also in case of a counterclaim for revocation).

Proceedings for revocation (other than by way of counterclaim) and proceedings for declarations of non-infringement should always go to the European Patent Court.

Such a transitional system would not only give the EPJ time to get accustomed to its task but also provides a safety valve just in case the EPJ would have to get rid of starting problems. If cases before the EPJ would take too long, the users of the system could fall back onto the national systems. Moreover it could set at ease countries who are unwilling to give up their national system without knowing exactly what they are getting in its place and countries who fear that regional presence would still be in want. That fear might be reduced after the European court has been functioning some time or, on the other hand, it could be that a majority of member states would prefer to change this transitional rule into a definitive set-up.

For a schematic overview of the effect of this transitory rule see the following table:

Infringement proceedings regarding EPC-patent.	*Competence of EPJ?*	*Other courts competent?*	
1 defendant in EPJ state	*Yes, domicile of defendant*	*Yes, if plaintiff opts for national court of defendant.*	*On basis of transitory rule!*
1 defendant in non EPJ state	*Yes, place of infringement*	*Yes, the national court in the non-EPJ-state.*	*On basis of "external" law: Regulation 44/2001; Conventions of Brussels and Lugano.*
More defendants in same EPJ state	*Yes, domicile of defendants*	*Yes, if the plaintiff opts for the national court of these defendants.*	*On basis of transitory rule!*
More defendants in same non EPJ state	*Yes, place of infringement.*	*Yes, the national court in the non-EPJ state.*	*On basis of "external" law.*

More defendants in different EPJ states	*Yes, domicile of defendants*	*No. If the plaintiff should want that he has to split up the proceedings*	
More defendants in different non EPJ states	*Yes, place of infringement.*	*Yes, courts of the states where the defendants are domiciled or, if art. 6 Regulation 44/2001 is applicable: one of those courts.*	*On basis of "external" law.*
More defendants, partly in EPJ partly outside EPJ	*Yes, partly because of domicile of defendant, in all cases because of place of infringement.*	*The court in the non-EPJ state if art. 6 of Regulation 44/2001 is applicable.*	*On basis of "external"*

The cases where there is no other court competent, neither with the proposed rule nor without it, is dark grey.

The cases where there would be an alternative competence on the basis of the proposed transitory rule are coloured a lighter grey.

In all other cases, left white, there will be an alternative competence anyhow.

Article 154. Transitory provision for parallel systems.

During the first seven calendar years after this protocol has entered into force, a plaintiff wishing to bring infringement proceedings will, in deviation of Subsection I. 1. 1. 6, have the possibility to bring those infringement proceedings not before EPC1 but before the national court of the defendant.

In that case this protocol will not be applicable to such proceedings neither at first instance nor in further instances and neither for the infringement proceedings nor for possible counterclaims raised in those proceedings.

Contrary to the original proposal it is, with a view to optimal harmonisation with Regulation 44/2001, no longer proposed to exclude the applicability of article 6() of the Brussels and Lugano Conventions and of the Regulation 44/2001.

More or less the same effect can be reached by the provision that this option for the plaintiff exists only concerning cases in which all defendants are domiciled in the same state.

Article 155. Only effect in chosen country.

Decisions of the national courts in these cases, also decisions taken on counterclaims for revocation of the European patent, will have effect only in the member state of that court.

Article 156. Evaluation.

Five years after this protocol has entered into force, the EPJ states will evaluate the situation and decide whether, and if so: for what period of time, this transitory provision has to be continued.

If no decision in that respect is taken before the end of the seven years period as mentioned in the first paragraph, this transitory provision will cease to take effect at the end of he seventh calendar year. Cases pending before national courts on that moment will continue to be decided according to this provision.

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