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SUBJECT: Summary of the first proposal for the text of an EPLP

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

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This document ist the summary of the first proposal for an EPLP contained in WPL/SUB 5/01 and has been distributed **in English only.**

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Summary of first proposal for text for an EPLP.

Summary of proposed EPLP.

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Dear Colleagues,

Following to the first index proposal, published on the bulletin board of the working party on 30 October 2000, I can now give you a further detailed proposal.
Annexed is a provisional text proposal for a protocol. On the one hand this provisional proposal is far from complete. On the other hand it is far too detailed to enable a fruitful discussion in a plenary meeting. Therefore I will give you in this summary a global outline of the proposed system and the proposed procedural law and formulate some questions regarding the further work. The annexed provisional text proposal could nevertheless be useful if you want to see how certain points are worked out in detail. To that purpose the text proposal comprises an extensive table of contents and an alphabetical index. Furthermore this provisional text proposal enables you to start already now consultations with your national experts, in order to avoid problems of lack of time when a more definite proposal is being presented, hopefully in the not too far future.
In this context it should be noted that the consequences for this project of the Council Regulation (EC) No 44/2001 of 22 December 2000 (the jurisdiction regulation) are not yet clear.
As regards the proposed procedural law, it should be stressed that it was not intended to stitch together the various systems we have in Europe on this subject matter. Rather the idea was to devise a new system from scratch, trying to realise the three main goals for a procedural system: exchange of arguments between the parties, establishment of the relevant facts and reaching an efficient decision of good quality, by applying the law on these arguments and facts. That is not to say that it was not tried to incorporate certain features from certain national laws which have proven their value.
Therefore this procedural law should not be judged by just comparing it with our own national systems, as that would doubtless lead to the conclusion that it is quite unlike it and, perhaps implicitly, the conclusion that therefore it cannot possibly function. Rather it should be examined from the point of view whether it can lead to an efficient decision of good quality within a reasonable time and at reasonable costs.
Finally: at the moment the procedural law is comprised in the protocol text. It is proposed however that for the sake of flexibility, ultimately the procedural law will be split off the main text and be comprised in an annex to the protocol proper, while it will be stipulated in the protocol that the Annex can be changed by the Administrative Committee on a proposal of the Executive Committee.

Although the proposed text does not seem fit for plenary discussion at the moment, I will of course be happy to try to answer any questions you might have and I would welcome suggestions on all subjects. Questions and suggestions should preferably be sent through the bulletin board in order that the discussion be as transparent as possible.

HARMONISING PROVISIONS.

The first two parts of the protocol will deal with definitions, general provisions and harmonising provisions, copying more or less the provisions given in the articles 25, 26, 27, 28, 32, 35 and 37 CPC.

Moreover it is suggested to harmonise the position of (exclusive) licensees in respect of their ability to sue, which is different among various countries. It could be imagined giving exclusive licensees the right to sue for injunctions and for damages, provided that decisions regarding the validity of the patent (in cases where the patentee himself is not a party) will only have effect inter partes.
Also an article should make sure that the different principles of exhaustion will be respected. Furthermore in view of harmonisation with EU law (including the regulations on jurisdiction and on service of documents) and with the Brussels and Lugano Conventions it is suggested that EPC1 and EPC2 will be designated as the national courts in the sense of these provisions. Finally it is stipulated that the national courts keep jurisdiction as regards interlocutory and protective measures and seizures, provided that proceedings as to the merits will be instigated before the European patent court within six weeks if no such proceedings are pending when the national order is given.

ORGANISATION.

Organisation of EPJ in general.

The next part of the proposal deals with the EPJ. A system is suggested with two separate courts (first and second instance) but to allow judges to be a member of both courts at the same time. It is self evident that the courts and the judges should have the normal immunities as usual for international courts. These immunities should extend also to counsel and patent attorneys speaking in court.

Each court would have its own president, elected by the judges for a period of six years and being once re-eligible. That avoids on the one hand a too big influence of the governments on the functioning of the courts and on the other hand provides for some fresh blood after a certain period. Task of the Presidents: to manage their court, in accordance with the Executive Committee, and especially to assign panels of judges to cases.
Each of the courts will have a presidium, comprising the president and two other judges, elected by their colleagues.

The tasks of the Presidium will be to assist the President of the court in his tasks and more especially:

- to draft the yearly budget of the court and to assist in the work of the Executive Committee to bring this budget into harmony with that of the other court and that of the Registry,
- to take care of the internal organisation of the court, especially timetables and rosters;
- to make proposals to the Executive Committee for practice directions regarding the court concerned;

Of course further tasks could be envisaged.

Both presidents would form together with the Registrar the Executive Committee, having the task to coordinate the management of the registry and the two courts and to put before the Administrative Committee proposals concerning the appointment of judges, practice directions for procedure, court fees, etc.

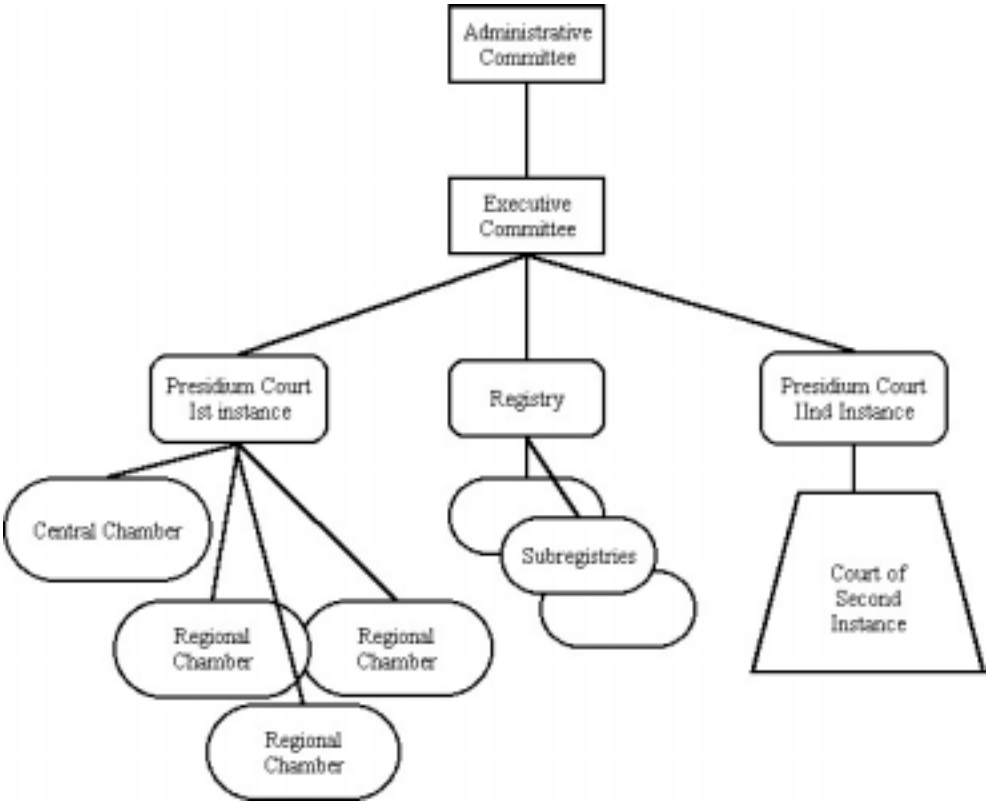
The Administrative Committee would supervise the organisation administratively, without of course having any say in the judicial decisions or policy. In the proposal it is formed by the same persons who are members of the Administrative Council of the European Patent Organisation but is a separate legal entity.
Voting should however be limited to those states that are members of the EPLP (except for voting about matters concerning the Facultative Advisory Council ('common entity').

It would also be possible to create a whole new body but the set-up suggested here has the double advantage of being easier to integrate in the structure of the European Patent Organisation if that would be desired in the future and furthermore keeping also those states involved that at the moment see no possibility of really joining the EPLP. If certain states would become a member of the EPLP in a later stage, there would be no necessity to appoint new representatives on the Administrative Committee and the new member state would automatically be aware of everything that had been going on before. Creating a body with new (other?) national representatives would cause extra bureaucracy and provide extra possibilities for misunderstandings.
Moreover that seems to be more costly; not only in terms of costs of administration but also in terms of travelling- and hotel costs.

It should be stressed that the Administrative Committee and the Administrative Council of the European Patent Organisation are consisting of the same persons but are two separate legal entities: thus no problem can arise as regards the competence of the Administrative Council and/or the role of the President of the European Patent Office etc. Although the members of the Administrative Council should be identical to the members of the Administrative Committee, it would not do to just make the Administrative Committee into a function of the Administrative Council because some rules should not be applicable automatically.

Making the Administrative Council and the Administrative Committee of the EPJ congruous does not have to influence the independence of the courts or the judges, as feared by some delegates. It is important in this respect to note that the (re)appointment of the judges and their possible removal from office is not a discretional power of the Administrative Committee but will only take place on a proposal of the Executive Committee.

Schematically the picture could look like this:



It has been said 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 should not be questionable. It seems however not feasible to create a new court structure without any connections to the governments of the member states: that would mean the creation of a powerful body on 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. 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 very well possible to have a governing body without endangering the independence of the judiciary.

Question 1: Can you agree with a governing body, related to the governments of the member states?

Question 2: Can you agree with the idea of congruency on a personnel level of this body and the Administrative Council of the European patent Organisation?

Question 3: Can you agree with the idea of an executive committee, taking care of the day to day management of the EPJ?

Question 4: Can you agree with a system comprising two separate courts and one common registry?

The Judges.

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.

They will be appointed for a term of six years by Administrative Committee on proposal of the Executive Committee. Reappointment will be the rule, as it would be destruction of capital not to reappoint a judge with at least six years experience in European patent law. Reappointment would however not be obligatory if there was an advice of the Executive Committee not to reappoint a certain judge.
The judges will be appointed either as legal or as technical judges. Judges are allowed to go on functioning as judges in their "old" national courts or national or European patent offices. Technical judges will be appointed as competent for chemical, physical, mechanical, electro technical and/or software cases.
It seems a good idea to mention in the appointment decision for which field of technique a technical judge will be competent. That prevents chemists having to decide upon electronics 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, it is prevented that there will be over-specialization. A too large degree of specialization would tempt the technical judge to start acting as a technical expert instead of as a judge.
It could however be imagined to leave it to the court itself to decide which technical judge should sit on what case.

The European Patent Court will primarily have to consist of national judges experienced in patent law. The legal members of the Boards of Appeal should be considered as such.
The Boards of Appeal, both of the Office and of the national patent offices, could be the best sources of technical judges.
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)
By not requiring a certain nationality this proposal also opens implicitly the possibility of appointing judges who are not nationals of one of the EPJ states, which could not only make available extra human resources but could also be an important factor to spread the idea of the EPJ.

As already stated in WPL 9/99 (p. 16), the system must provide for some way of training judges who have not enough experience of patent law. Therefore the possibility is created to appoint a judge with too little experience in patent cases as an "assessor" to the courts. An assessor will be partaking in sessions and deliberations of the European courts as a supernumerary member of the panel, having only an advisory vote. Also he could assist the rapporteur. The country proposing 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. In the proposal a term of office of six years is mentioned for assessor; the same term as the judges. Having regard to the training aspect of this appointment, it could however be imagined to make the term of office of an assessor shorter; perhaps it should be possible to give him enough training in e.g. three or four years. Of course much depends on the frequency of assessors being designated to panels.
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. Probably the best option would 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.

There is created a system of excusal and challenge on grounds of possible lack of impartiality and also a system of depriving judges of office if they do not comply any more with the criteria for their office. This deprivation of office should be done by the courts themselves with a majority of 75% on the initiative of the Executive Committee. The Administrative Committee should only be informed about a decision to deprive a judge of office.

Question 5: Can you agree with the possibility of judges being members of both courts at the same time?

Question 6: Can you agree with the judges not necessarily being nationals of member states to the EPJ?

Question 7: Can you agree with a training system comprising assessors proposed as such by the member states?

The organisation of the European Patent Court of First Instance.

EPC1 as a whole clearly will not be able to function without the hard core of a Central Chamber at the seat of the court. This Central Chamber, in order to be able to function as a real court, has to have its judges on the spot. Therefore these judges will have to have residence at the seat of the court: a number of judges living everywhere in Europe will never grow together and form a team.

A strong and understandable wish of interested circles and of a number of delegations is the creation not only of a central chamber but also of regional chambers in EPC1.

Although this wish is very understandable, it causes big organisational problems and therefore perhaps should be re-evaluated. In any case it should be made clearer what exactly is meant by regional chambers, an aspect that remained underexposed in the discussions up till now.

It should be stressed that these regional chambers <u>cannot</u> just be local national courts, acting as chambers of the European Patent Court of First Instance for that would introduce the national courts as such in the system. Taking into account their divergence in experience and quality that would be a reason for industry not to use the system and to go back to the national patents. Therefore this should be avoided.
The regional chambers are either to be just a reservoir for manpower and local knowledge for EPC1 and not to sit as such on cases or – if they have to sit on cases - they have to be units composed of judges of different nationalities. Only in that way there is some guarantee of quality.

That being said, there are in principle two alternative ways to devise these regional chambers:

A. Regional chambers only consisting of judges also functioning as members of national courts; only providing EPC with men on the spot.
B. Regional chambers as deciding bodies in regions (probably not coinciding with countries) where is enough workload.

<u>ad A:</u>

In this option the regional chambers cannot be anything else than organisational units, not as such sitting on cases. It can of course have advantages for the court to have its own people on the spot in all member states.
These regional chambers consist in this option in principle of the national judges of the national courts who will be functioning both as national judges AND (part time) as European judges. (Again: these regional chambers are not the panels sitting on certain cases)
It should be avoided that the Central Chamber and the Regional Chambers are total strangers to each other. On the contrary: there should be as much exchange of ideas as possible.
Therefore if this option should be followed, it is suggested that the Central Chamber should not only comprise judges who are committed to this Chamber on a permanent basis but also judges of the regional chambers, who thereto should be rotating between the regional chambers and the central chamber. Every national legal judge willing to be appointed as a judge of the European Patent Court should therefore realize that he will be assigned some time to a foreign domicile for some six months. Six months does seem a minimum term for a meaningful functioning of a judge who first has to get accustomed to new surroundings etc. Six months also seem to be a period that can be acceptable for someone to be away from home if (and only if) the future seat of the court is at a place that can be easily reached from everywhere in Europe so that it at least remains possible to spend the weekends at home Otherwise these judges could be confronted with possible matrimonial and other family problems, which risk could prohibit them from taking part in this court.
Therefore it has to be stressed again that it is of vital importance for the success of the system that the seat of the court is at a place that can easily be reached. (It could be said that not all places where international institutions are seated comply with that requirement.)
In this way there will be a twofold exchange of ideas between the Central Chamber and the Regional Chambers: on the one hand members of the Central Chamber will be functioning on panels together with members of the Regional Chambers and on the other hand members of Regional Chambers will be taking part in the work of the Central Chamber for a period of at least six months and will afterwards be able to report at home about the way the Central Chamber is functioning.

Technical judges on the other hand will be partaking in the work of the court on a less frequent basis, because they will only be appointed on a panel when their specific technical field is concerned. It seems therefore not necessary to require from them that they reside at the seat of the court. It also does not seem worthwhile to have them rotating to the central seat of the court for a certain time.

Advantage of this option:
a regional chamber in every member state, able to provide the court with “men on the spot” and better coordination with regional sub registries; could be easier in case the court or the rapporteur would want to organise hearing in a certain member state.
Disadvantage:
complicated organisational structure; necessity of rotation of judges between central and regional chambers.

ad B:
In this alternative it would be left to the court itself to set up regional chambers in those regions (not necessarily coinciding with states) where there would be enough work to keep such a chamber employed. This would mean creating a kind of “sub-courts”, having their owns seats, judges and other personnel. Nevertheless the central chamber would have to be

totally free to assign cases to a certain regional chamber or not, so as to avoid the re-introduction of forum shopping. This option could create discrepancies in jurisprudence, creating a larger need for appeals to unify this jurisprudence.

Advantage of this option:
simpler organisation, better local presence as the court would have a tangible presence locally in the form of its own seat etc., lesser need for rotation of judges.
Disadvantage:
possible divergence of jurisprudence (to be unified on the level of EPC2) and a risk of re-introduction of forum shopping, lesser involvement and commitment of "national" judges of EPC1. No local presence in every country.

The provisional text proposal is based on option A but option B could be an acceptable alternative.

Question 8: How do you see regional chambers and their function: according to option A, according to option B or perhaps still otherwise?

Question 9: In case you prefer option A: do you agree with a periodic rotation of "national" judges?

Question 10: In case you prefer option B: do you agree that the central chamber should be totally free to assign certain cases to certain regional chambers?

Organisation of the European Patent Appeals Court.

This court does not need to have regional chambers, so its organisation can be much simpler. Of course it needs a central chamber, but that can be its only chamber. It does not seem necessary to oblige judges who are member of EPC2 to have their factual domicile at the seat of the court but only if its is seated in a place that can be reached easily. It does seem sufficient in that case that only a core, comprising the president of EPC2 and some judges, is domiciled at the seat of the court.
Furthermore this court will at the same time function as the Facultative Advisory Council ("common entity") It does not seem necessary to enlarge the court for this purpose with judges from non-EPLP states, the less so because it is not a requirement for office of a judge that he has the nationality of an EPLP state; so judges from all countries could in principle be members of the court and the FAC. It also does not seem to bring very much if a judge from a national patent court that is asking for an opinion would be part of the advisory body: he would be asking his own advice.

Organisation of the Registry.

For reasons of efficiency there should be one registry, serving both courts and administrating a case from its very beginning to its very end. The Registrar will be one of the three members of the Executive Committee.
In every member state there should be a sub-registry. Filing of documents should be possible at the central registry and at every sub-registry. If proposal A is followed, these sub registries could co-incide with the regional chambers.
The registry will manage the buildings and other assets of the EPJ, will take care of the payment and administration of court fees and keep registers of the cases pending before the

courts and of legal representatives admitted to the courts. Furthermore it will provide secretarial assistance to the courts (and the FAC)

JURISDICTION.

The EPJ will be given exclusive jurisdiction over cases concerning the validity of European patents if and in so far as EPLP states are designated therein.
There will also be exclusive competent for infringement cases as regards alleged infringers domiciled in an EPLP state.
In cases where the alleged infringer is domiciled in a non-EPJ state the EPJ will also have jurisdiction[1] but it will not be possible to assert exclusive jurisdiction, because that would mean taking away the normal competence of the national court of the infringer. That would contravene the provisions of the Brussels and Lugano conventions and of probably all national laws.
Furthermore the EPJ would have to have jurisdiction if all parties do agree to bring the case before the EPJ, even if the case concerns, too, infringement in non-EPJ states and/or parallel national patents (as long as a European patent and a designation in an EPJ state are involved).

EPC2 will moreover have jurisdiction for revision in exceptional circumstances regarding decisions of EPC1 or EPC2 and, as said before, will moreover act as the Facultative Advisory Council ("common entity").

It is made clear in the text proposal 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.
Also taking into account the diversity on this subject between the various states, 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

Question 11: Do you agree with this general outline of jurisdiction, especially with jurisdiction of the EPJ in cases where both parties agree to that?

Question 12: Can you agree with the proposal that national limitation proceedings should remain national, regardless whether these proceedings take place before the

[1] This would not be a deviation of the Brussels and Lugano Conventions: an infringement of an patent in a EPLP state can only take place in that EPLP state, so article 5 (3) of these conventions resp. of the Jurisdiction regulation of the EU give jurisdiction.

national patent office or the national courts and to leave it to the EPJ court to stay its proceedings or not in that case?

POWERS OF THE COURTS.

The powers of the courts will have to have a clear basis in the protocol because there is no national law in this regard.

Proposed powers are:
allowing damages in case of infringement
ordering injunctions
ordering forfeiture of infringing goods
orders for information
allowing damages for defendants that are unjustly bothered
orders for disclosure of certain documents
orders to put up securities for costs or damages
orders for inspection of property ("Saisie contrefaçon" or local inspection)
protective orders regarding evidence
ordering astreintes to sanction other orders
ordering fines for witnesses or parties in case of e.g. refusal to appear before the court or to answer questions, or refusal to act according to instructions of the court.

Question 13: Can you agree with the proposed powers of the courts?

Question 14: Are there other powers you would like to assign to the courts?

Damages:
It is proposed that damages should be aiming at putting the plaintiff in the position he would have been in when no infringement had occurred. Damages do not only have to consist of money but can also be effectuated by ordering the defendant to do something (e.g. certain publications or letters of rectification to his customers) or not to do something (e.g. keep off a certain market during a certain time).

Question 15: Can you agree with this concept of damages?

Question 16: If not, would you prefer to leave this subject to the court to develop or would you prefer to delete this subject totally from the protocol?

Astreinte:
The European Patent Courts do not have their own police force, let alone their own jails. Measures 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[2], 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

[2] 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.

astreinte it is proposed that the payment should be made to the other party, as in the Benelux countries. The only alternative to paying to the plaintiff would be to make the 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.

Question 17: Can you agree with an astreinte as proposed as a sanction on the orders of the courts?

Question 18: If not, what kind of sanction would you propose?

COMMON ENTITY.

Part IV of the protocol deals with the Facultative Advisory Council (formerly called: common entity).
The task of the Faculty Advisory Council (FAC) is to give opinions on questions referred to it by national courts in regards to EPC and European patents.
It was decided to merge the European Patent Court and the FAC under the same agreement. Furthermore, the WPL decided that the States could optionally accede to one or two of the alternatives. EPC2 will be functioning as the FAC and its structures and organs will in principle be those of EPC2. The articles about the Administrative Committee will be analogously applicable. The Executive Committee however plays no role as regards the FAC: it is a separate legal structure and any coordination with the courts is not necessary.
The FAC should make its opinions in panels of, like EPC2, five members, of whom one should be a technical member.

It is only logical that the seat of the FAC should be the seat of EPC2.

The FAC will function by way of referral as an advisory board for national courts of the FAC-States. All referrals must have some relation to a particular case; abstract legal questions are not admissible.
It was discussed in the working party that referrals to the FAC would be free of charge Costs incurred by the Secretariat should be taken over by the European Patent Organization (see new Art. 149a (2) EPC.
This matter has to be studied in more detail however: 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 the EPC would be signing the EPLP, at least the part on the Facultative Advisory Council as the costs of the Organisation are to be decided on by all member states to the EPC. As it does not seem probable that all EPC members will accede to the EPLP, the EPLP could only provide the statement that the Facultative Advisory Council would request the EPO for financial support. 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 to languages: Article 14 EPC and Rule 6 of the Implementing Regulations of EPC will apply to proceedings before the Facultative Advisory Council. The referring court should

therefore send its referral and the accompanying documents in one of the three official languages.

Parties should have the opportunity to give their written comment on the referred questions to the FAC. For the sake of efficiency it should be the referring national court that would have to collect these party opinions and to include these with the documents sent to the FAC.

The FAC should have the possibility but not the obligation to ask further questions to the referring court and/or the parties. It should however not collect or re-evaluate evidence.
As to opinion finding: the rapporteur should write a first draft on the basis of which the discussion could start. As with the EPJ dissenting and concurring opinions would have to be allowed.
It is up to the member states to decide how to treat the opinions of the FAC. Possibly these should be treated as expert evidence.

In the interest of harmonization, it is appropriate that the referral and the corresponding opinion of the FAC are going to be published on the Internet and/or in the EPO‘s Official Journal. The Rapporteur could be responsible for the publication.

Question 19: Can you agree with the proposed functioning of the FAC?

Question 20: What provision should the EPLP contain regarding the financing of the FAC and the costs of its opinions?

TRANSITIONAL 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 probably 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.
Part V of the protocol ends up with a number of transitional provisions, suggesting that during a number of years the jurisdiction of the EPJ will not be exclusive but the plaintiff will have, for infringement cases, the choice between the national court of the infringer (in which case the decision will only have effect in the country concerned) or the EPJ in which case the decision will have effect in all EPLP states. The fact that jurisdiction cannot be totally exclusive (in cases where defendants are concerned not domiciled in an EPLP-state) should make this time limited divergence from the wished exclusivity more acceptable.

I would like to propose, as a start for the discussion, as a 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 placate 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.
Moreover: if plaintiffs could approach the national courts of defendants, that could as a side effect make it easier to accept a system with fewer regional chambers or no regional chambers at all. For it will generally be in the smaller cases, i.e. in most cases against smaller defendants, that a plaintiff would opt for the national route. And it is especially with a view to smaller defendants that the aspect of regional presence is of importance.

As a provision like this contains a deviation from the Jurisdiction Regulation, the EU will have to give its consent.

Question 21: Can you agree with a parallel system of jurisdiction as (one of the) transitional provisions?

Question 22: What should be the criterion for the entry into force of Part II and Part IV f the EPLP?

PROCEDURAL LAW.

Proceedings in general.

As regards procedural law a procedure is envisaged that will be strictly managed by the court and that has in principle a written phase, an instruction phase and an oral phase. The written phase will consist of the strictly structured exchange of a limited number of documents, the instruction phase consists of a first conference of the parties with the rapporteur, the gathering of evidence and generally getting the case ready for oral proceedings. The oral proceedings should in principle lead to a final decision in the case and consists of the hearing of the parties and their patent attorneys and the possible hearing of further witnesses and/or experts.
After the filing of a claim a panel will be appointed to handle and decide the case, one of its members acting as judge rapporteur and one acting as chairman. At first instance there will be one technical judge, on appeal (where the panel comprises five judges) there will be at least one technical judge.

An important characteristic of the proposed proceedings is that the court will have the obligation and the powers for strict case management.
Although the responsibility bears on the whole panel, case management will be the prime concern of the judge rapporteur during the written phase and the instruction phase of the proceedings and after that of the chairman of the panel.

The written phase comprises the filing of a statement of claim, and, within strict time limits, a statement of intended defence, a statement of defence (and possibly also of counterclaim),

possibly a statement of defence against the counterclaim. That concludes in principle the written phase unless the rapporteur thinks some points should be cleared, in which case he invites the parties to file another statement within a certain time limit.

The instruction phase starts with a first conference of the parties with the rapporteur, who can have the technical judge present. The conference will have as its aim to clarify possible dubious points in the pleadings, to consider the possibility of settlement of the case, discussing the gathering of evidence and, where possible, fixing a date and place for the oral hearing of the parties. It can also lead to the hearing of witnesses and/or experts by the rapporteur or the performance of experiments. This conference can be adjourned and can take more than one session.
As soon as the positions the parties want to take are clear, it is ascertained that a settlement is not possible and the necessary evidence seems to be collected, the rapporteur closes the instruction phase. The case is then turned over to the presiding judge who will manage the case from then on.
As soon as the instruction is closed by the rapporteur ("closure of the debate"), the presiding judge will, in consultation with the other judges and with the parties, determine a time and place for the oral proceedings, if that has not already be done during the first conference. If necessary he can discuss the case with the other members of the panel, e.g. to decide whether the parties should be invited to bring certain witnesses and/or experts to the oral proceedings.
At the oral proceedings the parties can plead their cases and the court can decide to hear more witnesses or experts.
As soon as possible after the closure of the oral proceedings the decision will be given in writing. It will have to be reasoned and dissenting opinions should be possible.

Question 23: Can you agree with strictly structured proceedings and with extensive case management by the courts?

Question 24: Can you agree with the rapporteur having extensive powers to et the case ready for oral proceedings?

PARTIES

Rules are given about who can be parties, what is to be done in case of plurality of plaintiffs and/or defendants, and in what way third parties can take part in the proceedings.

The ability to take part in judicial proceedings of a person or group of persons should be decided according to his national law.

A plurality of plaintiffs will be able to sue the same defendant(s) if they take the same position or at least their claims are sufficiently related to justify a common decision. A plurality of defendants is possible if the claims against them are sufficiently related to justify a common decision.
If the court is of the opinion that that requirement is not met, that will not automatically lead to a non admissibility but the court can split the proceedings into two or more separate proceedings.
Pluralities of parties will only pay one court fee, as long as they take the same position and are represented by one European patent counsel.

The court may, either on its own initiative or on the application of either an existing party or a person who wishes to become a party, order a person to be added as a new party, to cease to be a party or to be substituted for an existing party.

As regards third parties: there are three aspects under which third parties can become involved in proceedings between two parties:

1. a third party wants to support one of the parties
2. a third party wants to defend his own interests in a case
3. the defendant (main defendant or defendant against a counterclaim) is of the opinion that, if he loses, a third party will have to indemnify him.

Most continental systems give quite detailed regulations about these situations, thereby making a distinction between these situations.. See e.g. artt. 66, 325-338 and 555 of the French Nouveau Code de Procédure Civile and §§ 64 –77 of the German Zivilprozessordnung. The English Civil Procedure Rules seem to prefer a more general regulation of third parties partaking in the battle: Part 19 and 20 of the Civil Procedure Rules and the Practice Directions pertaining to these rules.

It is felt that this more flexible approach should be followed in this proposal, also because intervention of third parties in patent cases is rather exceptional and probably can best be dealt with on more or less a case by case basis.

Question 25: Can you agree with the courts having the possibility to deal in a flexible manner with adding, removing and substituting parties in pending proceedings?

Representation.

It is felt that a new system will not be able to function well without obligatory representation of the parties by European patent counsel. (A European patent counsel is defined as a lawyer who can represent clients in his national civil courts and who has requested the registry to register him as a European patent counsel).

It would not be fair to the parties if one of them had experienced counsel, while the system had made the other party believe he could handle his own case in court or have that done by his patent attorney.

Although it is felt that European patent attorneys should not be legal representatives in proceedings before the court – as for the plurality of them conducting proceedings is not their daily work but something that only exceptionally occupies them – they can certainly not be missed in patent proceedings, be it infringement or validity proceedings. Therefore their role as technical advisers, assisting the European patent counsel, is expressly stipulated and they are given the right to address the court.

Question 26: Can you agree with compulsory legal representation?

Question 27: Can you agree with the idea of a European patent counsel as developed here?

Question 28: Can you agree with patent attorneys having the right to address the courts?

EVIDENCE.

A special chapter is dedicated to the matter of evidence.

Evidence is an important but difficult matter, not only in terms of legal theory but also from a practical point of view.

It is an accepted principle that a party who states a fact on which he is relying normally has to prove that fact if it is disputed. Under exceptional circumstances, e.g. a very large discrepancy in the availability of certain evidence to the parties, the court should be able to invert the onus of proof in a reasoned decision.

Witnesses.

In a system where a party is obliged to collect all possible evidence before the proceedings do start, so as to be in a position to prove his points if necessary, a lot of unnecessary work and costs is wasted (especially in case of evidence by witnesses and/or experts) because it will normally turn out that only part of the facts are disputed and are in need of proof.
On the other hand there are the systems where first a debate between the parties takes place, whereupon the judge decides which points are both relevant and not proven and who has to prove them. That involves a judicial decision, involving: a) time and b) normally implicitly or explicitly, the decision about the onus of proof, i.e. the decision that if the party in question does not succeed in proving the point in question, that point will be decided against him.
So both systems have their disadvantages: in the first system there is a waste of time, energy and money and in the second system often an interlocutory decision is necessary, prolonging the proceedings.
In the European patent courts normally a case should be ripe for final decision after the oral proceedings. That means that normally there should not be first an interim decision of the court about (the onus of) proof and evidence but if possible immediately a decision about the dispute itself.
The wish to have the case ready for decision at the end of the oral proceedings would mean delegating to the judge rapporteur the gathering of evidence, and therefore the decision about the question which party is going to have to bring witnesses etc. It could however be difficult to delegate this decision about the onus of proof to the judge rapporteur as unus iudex. Especially because the question who has the onus of proof can be de facto decisive for the outcome of the whole proceedings. That could be estimated delegating too large a part of the decision to the rapporteur.
On the other hand: in the majority of cases there can be hardly any dispute about the question which party has to prove a certain point. In those cases it would be a waste of time and energy to have the whole panel forcibly deciding about that point.
Therefore a compromise has to be found, by creating the possibility to detach the question about the bringing of evidence from that of the onus of proof.
The proposal is that witnesses, being the most time- and cost consuming kind of evidence, will only be heard after leave has been given by the court and only on points formulated by the court.
The court can give its leave in two forms:

- either through a decision of the rapporteur, in which case the costs for hearing the witness will normally not be deemed to have been made unnecessarily but there is no decision about the onus of proof, i.e. if a party does not succeed in proving his point in this way, the court is still free in its decision about the outcome of the case and the full panel could later on come to the conclusion that the point was not that relevant after all.
- or through a decision of the full panel, in which case this decision comprises also a decision about the onus of proof and the point will be decided against the party who had to bring witnesses if the evidence would not be convincing the court.

This system means that in a plurality of cases the rapporteur can have the case ready for decision at the time of the oral proceedings, as normally it will be known what evidence there is (or is not) available about the relevant disputed points. Nevertheless the full panel remains free to hear the witnesses again and/or hear other witnesses. Moreover recordings can be made to enable the other members of a panel not only to read the written summary of the statement of the witness but also to hear (and possibly see on video) the whole statement and the way in which it was presented.

The question about who has to give leave to bring witnesses has to be distinguished from the question who is going to hear the witnesses and who is mainly formulating the questions.

In my view it should be left to the court to decide in every individual case whether the witnesses will be heard by the full panel or by one of its members, possibly the rapporteur or the technical judge. As it is foreseeable that in many cases the panel will want to avoid unnecessary travelling and will be tempted to delegate the hearing of witnesses, it seems a good idea to require that audio recordings will always be made and that video recordings can be ordered by the court. It should also be possible that one or two of the members of the panel take part in the hearing of witnesses by way of video-conferencing. (That would put upon the EPLP-states the burden to have the facilities for video conferencing at the disposal of the European patent courts in at least one court building)

Question 29: Can you agree with the proposal that witnesses will only be heard after leave of the courts?

Question 30: Can you agree with the proposal to have this leave given by either the full panel or the rapporteur?

Written evidence.

Written evidence on the other hand is much less a problem: written evidence consumes relatively small amounts of money, time and energy. Therefore written evidence should be filed as soon as reasonably to be expected from a party. I.e. as soon as a statement is contested or, when a party should reasonably have expected such a contestation, at the time of making the statement for the first time. Furthermore the court should always have the possibility of requesting certain documents.
It is felt that the courts should have the same power as regards third parties who have evidence in their possession as a result of their relationship with the party concerned (e.g. affiliate companies, licensees, customers).

Disclosure/discovery.

The only problem here is the matter of disclosure, formerly also called discovery. This proposal does not propose anything like the disclosure/discovery as it is known in the UK (see Civil Procedure Rules part 31) or other common law countries as it seems generally to be thought too cumbersome and too costly. Nevertheless it seems generally to be felt among practitioners that there should be a possibility to force a party to bring into the proceedings certain documents whose existence is known but that are in the possession of the other party. Therefore a system is proposed, in which the court may, on the request of a party, order the other party to bring certain documents into the proceedings and/or allow inspection of the

(original) documents. The courts should have the same powers regarding third parties who have documents at their disposition because of their relationship to the other party. In case of a party domiciled outside the EPJ states it could be important to have evidence produced by a customer of his in one of the EPJ states.
It could be imagined 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.

To avoid confusion the term ´disclosure´ is not used. Instead the proposal uses the term ´production of documents´.

Question 31: Can you agree with the idea of an order for production of documents by the court: a) as regards the other party and b) as regards third parties?

Experts.

In technical proceedings as patent cases often are, the technical evidence of experts and experiments can be very important.
As to experts it is possible to leave it to the parties to produce expert evidence. The advantage of that solution is that it mostly will be quick as parties will keep the expert under pressure to deliver his report in time. The big disadvantage is of course that a party will tend to choose an expert he thinks will confirm his point of view. Moreover a party will, in a system were there is no obligatory discovery, not file in court expert reports that he received but that turned out to be contrary to his standpoint.
So the court, getting expert evidence from the parties will
a) never know how many expert reports were acquired by that party before he got one that was favourable for him and
b) tend to get contradictory expert evidence from both parties, leaving the court as uncertain as it was before the expert evidence was produced.
Therefore it is felt that this way can only function in a system where there is cross examination, as the experts will then know that they are going to be cross examined in open court by counsel assisted by equivalent expertise no the other side and therefore will be more cautious in writing biased reports. Cross examination is not – as a rule – foreseen in the proposed text.

The other solution, preferred here, is that the court itself appoints experts, of course after consulting the parties about the person of the expert to be appointed and about the questions to be put to him. That way of appointing experts avoids the disadvantages pointed out before. A possible disadvantage of this option to be aware of however, is the time factor. In some countries experience seems to learn that court appointed experts tend to take longer to produce results. Experience in other countries however teaches us also that this is not an unavoidable phenomenon: much depends on the case management by the court. Differences in that respect lead to not unimportant differences, even between courts in the same country. It is felt that in a system with a very active case management as is envisaged in this protocol this possible disadvantage could easily be prevented from occurring.
Envisaged here is a system in which the rapporteur (or the panel) will discuss with the parties the desirability of expert evidence. Parties can make suggestions about the identity, necessary technical background and number of the expert(s) and about the questions being put to them.

After having heard the parties – but not necessarily following (both) their opinions, the judge will informally contact the contemplated expert and discuss with him whether he thinks he is competent to answer the questions, an estimate of the necessary period of time and the probable costs. If these informal answers are satisfactory the judge will make an order, appointing the expert, stating the questions to be answered and stipulating the date before which the expert will have to produce his report. The expert will have to accept his appointment, using a form set up in the practice directions, also confirming the date before which he undertakes to send in his report. That form can also ask for an estimation of the costs involved. It will be the responsibility of the rapporteur to guard over the time limit set and to remind the expert if necessary.

Often parties in a dispute will be very well informed about the matter in discussion; their participation in the work of the expert can enhance the quality of his report. Moreover: if parties are troubled about certain points, it is better to give them the opportunity to voice their concerns to the expert and enabling him to deal with these points in his report then only to have the parties criticise the report of the expert afterwards.

Question 32: Can you agree with the proposed idea to have the court appoint experts?

Experiments

If a party wants to prove its point by experiments, he should ask the court for leave to do so, describing exactly what he wants to prove and producing a protocol of the proposed experiment. The court can allow the experiment, if necessary appointing an expert to perform the experiment. The experiments, if allowed, should be done in the presence of the other party or its experts and the expert performing the experiment should file a detailed report with the court.
This should do away with parties producing reports about experiments performed by them but without much legal value because of missing protocols and/or because the other party was in no way involved to control the conditions of the experiment.

Question 33: Can you agree with the proposed idea to have court-controlled experiments as possible evidence?

Local inspection.

The court could also, ex officio or on the application of a party, order local inspection of certain situations and/or application of certain methods.

Question 34: Can you agree with the proposed idea to have court controlled local inspections as possible evidence?

Protective orders.

With evidence in general there should furthermore be the possibility of the court giving an order and restricting the cognisance or the use of the evidence.
Cognisance could e.g. possibly be restricted to the legal representative, without giving him the authority to communicate it to his client.

Use of the evidence could e.g. be restricted to the proceedings at hand. The sanction would have to be an astreinte.

Question 35: Can you agree with the possibility to restrict the use of certain evidence to the proceedings at hand?

Question 36: Can you agree with the possibility to restrict the cognisance of certain evidence, provided that the legal representatives will always know all evidence?

DECISIONS

Decisions will have to be given in writing on the basis of a majority of the votes of the panel. Dissenting and/or concurring opinions should be allowed as they are thought to be favourable towards a further development of the law. These opinions would be of special interest in this system where judges from different legal cultures have to reach a decision.

Decisions shall only be given on the basis of facts and arguments on which the parties have had the opportunity to give their views: 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 however 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.

All decisions at first instance should be subject to appeal but unnecessary delay should be avoided. Therefore only final decisions will be immediately appealable; other decisions will normally only be appealable together with the final decision. The court of first instance or the court of second instance can however give leave to appeal from these decisions immediately after they have been given. This can be important if points of principle have been decided in the decision. If immediate appeal is filed, there should of course not be another possibility of appeal later on.

If a decision is appealed the effect of the decision will in principle 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. It could be imagined such decisions becoming routine. 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.

Decisions of the courts 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.

Decisions will not only be recognised but also be immediately and directly enforceable in every EPLP state. Separate exaequatur proceedings, as in the system of the Brussels and Lugano conventions will not be necessary. As it goes further than these treaties and the jurisdiction regulation of the EU, it should not be in conflict with these provisions.

Question 37: Can you agree with the possibility of dissenting/concurring opinions?

Question 38: Can you agree with the proposed system of appealability?

Question 39: Can you agree with the decisions of the courts being directly enforceable without exaequatur proceedings?

COSTS

Costs play a role in two aspects: as regards the court fee to be paid by the parties and as regards the costs the losing party has to reimburse to the winning party.

To deal with both aspects in an efficient way every case should be classified according to a table representing its financial importance. This classification can be used to determine the court fee. It can also be used to determine the amount of costs to be reimbursed to the winner for each point, the number of points being dependent from the activities during the proceedings. In that way a more or less realistic correlation can be realized between the costs to be reimbursed and the activities of a party during the proceedings and their financial importance. The consequence of that system is that the amount to be reimbursed will not be exactly the amount spent by the winning party but it is felt that that divergence should be accepted in view of the fact that this system makes redundant a special debate and separate decision about the amount of costs, causing not only loss of time but also more costs. Much depends of course from the reality content of the table used to determine the costs. Such a table should be devised in dialogue with the interested circles, especially the legal representatives, as they know best what kind of amounts the parties in reality have to pay.

The coupling of court fees and cost reimbursement to the same table ascertains (as seems to be confirmed by the German court practice) that the parties do not have much interest in stating the financial importance of a case too low: they would thereby save on court fees but would have to pay for that by getting a smaller reimbursement when they win (as nearly every party is certain at the beginning that he will!).
The costs for the hearing of witnesses, for expert evidence and for experiments should be first paid by the party indicated by the court giving the leave for this evidence. In the final decision these costs should come to bear on the party losing the case.

Question 40: Can you agree with the principle that the losing party should reimburse the winning party for its costs, including fees for counsel and patent attorneys, court fees, costs of witnesses etc.?

Question 41: Can you agree with the proposal that the court should have discretion to fix these courts, using a table as proposed?

PROVISIONAL INJUNCTIONS.

In all cases where there is need for an immediate provisional measure a party can file an application through his European patent counsel. As stipulated in the provisions regarding the relationship with national law, national courts remain competent for provisional and protective measures. But the protocol has also to deal with the possibilities for these measures taken by the European courts.
These applications have to filed at the central registry and have to be addressed to the President of the court.
The President can allow a European patent counsel to file an application by telephone or other electronic device, providing a written application, using a form to be determined by the practice directions, will be filed within a time limit to be determined by the President.

The application will be non admissible unless it demonstrates that the applicant has acted immediately after the need for a provisional measure became clear, taking into account reasonable delay for the collection of proof and/or the ascertaining of the identity of his opponent. This delay will under no circumstance surpass a period of six months after the applicant knows or should have known the need for a provisional measure.
Immediately after the receipt of the written or oral application the President will, unless he wants to deal with the application himself, appoint an experienced member of the court as unus iudex to decide upon the application.
If there is already pending a case before the court about the same dispute the requested provision is dealing with, the iudex[3] will not be one of the members of the panel sitting on that case.
The iudex will handle the case management of the application and will have all the authority necessary to ensure a fair, orderly and efficient conduct f the proceedings.

Question 42: Can you agree with the proposed system of provisional measures?

PROCEEDINGS ON APPEAL.

Proceedings on appeal will resemble as much as possible those at first instance.
The possibility of a cross appeal is opened. Appeal proceedings will not be a retrial of the case at first instance but will decide on concrete objections of the appellant against the decisions at first instance. New facts and/or evidence will only exceptionally be admitted on appeal proceedings.

Question 43: Can you agree with the proposed character of the appeal proceedings and the restricted admissibility of new facts and new evidence?

Question 44: Can you agree with the possibility of cross appeal?

PROCEEDINGS ON REVISION.

Procedural law ends with a section about revision of decisions on the basis of discovered criminal offences which possibly have affected a decision or on the basis of violation of essential procedural rules (only for decisions of EPC2)
The jurisdiction over these proceedings is best given to EPC2, so as to concentrate experience with these rather exceptional proceedings as much as possible.

Question 45: Can you agree with the proposed possibility of revision?

Question 46: Can you agree with the assignment of the revision proceedings exclusively to EPC2?

[3] The term “iudex” is used here because of lack of a better title. The use of a separate title envisages to stress that the provisional measures are not a part of the normal proceedings. Furthermore it should express that the normal rules (about evidence etc.) do not apply and that no judicial decision in the strict sense is given but only judicial first aid. This title could be substituted for any better one.

Summary of proposed EPLP.

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