



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 15 October 2009**

**14531/09**

**PI        100  
COUR    65**

**NOTE**

---

from:            General Secretariat of the Council  
to:                Working Party on Intellectual Property (Patents)

---

No. prev. doc.: 13705/09 PI 91 COUR 63

---

Subject:         Draft Council Conclusions on an enhanced patent system in Europe  
                     - Comments by the Danish delegation

---

Delegations will find in Annex, for information, comments submitted by the Danish delegation on the draft Council conclusions on an enhanced patent system in Europe contained in 13705/09.

## COUNCIL CONCLUSIONS - AN ENHANCED PATENT SYSTEM IN EUROPE

1. The Council has adopted these conclusions to pave the way towards an overall final agreement on a package of measures for an Enhanced Patent System in Europe comprising the creation of a European and Community Patents Court, a Community patent, an enhanced partnership between the European Patent Office and central industrial property offices of Member States and relevant amendments to the European Patent Convention.
2. The Council takes note of the Draft Agreement on the European and Community Patents Court in document 7928/09 of 23 March 2009 (below the Draft Agreement). Some elements of the envisaged agreement have been under particular discussion. Without prejudice to the clarifications that are pending on some of the issues the Council draws the following provisional conclusions from this discussion.
3. These conclusions are without prejudice to the request for an opinion of the European Court of Justice<sup>1</sup> and are conditional on the opinion of the Court concerning the compatibility of the envisaged European and Community Patents Court (below ECPC) with the EC Treaty.

### I MAIN FEATURES OF THE EUROPEAN AND COMMUNITY PATENTS COURT

#### THE EUROPEAN AND COMMUNITY PATENTS COURT

4. The ECPC shall have exclusive jurisdiction in respect of litigation related to the infringement and validity of Community patents and European patents.<sup>2</sup>
5. As outlined in the Draft Agreement, the ECPC shall comprise a Court of First Instance, a Court of Appeal and a Registry. The Court of First Instance shall comprise a central division as well as local and regional divisions.

---

<sup>1</sup> OPINION 1/09, European Court of Justice.

<sup>2</sup> This would require transference of competence which means that according to the Danish Constitution this would require either a national referendum or a 5/6 majority in the Parliament.

6. The Court of Justice of the European Communities shall ensure the principle of primacy of Community law and its uniform interpretation.

#### THE COMPOSITION OF THE PANELS

7. In order to build up trust and confidence with users of the patent system and to guarantee high quality and efficiency of the ECPC's work, it is vital that the composition of the panels is organised in a way which makes best use of available experience with patent litigation among judges and practitioners at national level through pooling of resources.
8. All panels of the local and regional divisions and the central division of the Court of First Instance shall guarantee the same quality of work and the same legal and technical expertise.
9. Local divisions in a Contracting State where, during a period of three successive years, less than fifty cases per year have been commenced, shall either join a regional division with a critical mass of at least fifty cases per year or sit in a composition whereby one of the legally qualified judges is a national of the Contracting State(s) concerned and two of the legally qualified judges come from the pool of judges to be allocated to the division on a case by case basis.
10. Local divisions in a Contracting State where, during a period of three successive years, more than fifty cases per calendar year have been commenced shall sit in a composition whereby two of the legally qualified judges are nationals of the Contracting State. The third legally qualified judge, who will be of a different nationality, will be allocated from the pool of judges on a yearly basis.<sup>3</sup>

---

<sup>3</sup> Re. Paragraphs 9 and 10: In order to ensure non-discrimination, seek consistent judgements and avoid forum-shopping we would prefer to have similar composition of local and regional panels with always two judges from the pool. Against these fundamental principles the number of cases being commenced is a less important factor.

11. All panels of the local and regional divisions shall comprise an additional technical judge in the case of a counterclaim for revocation or, in the case of an action for infringement, when requested by one of the parties. All panels of the central division shall sit in a composition of two legally qualified judges and one technically qualified judge. The technically qualified judge shall be qualified in the field of technology concerned and be allocated to the panel from the pool of judges on a case by case basis.
12. The allocation of judges shall be based on their legal or technical expertise, linguistic skills and proven experience.

#### JURISDICTION IN RESPECT OF ACTIONS AND COUNTERCLAIMS FOR REVOCATION

13. In order to ensure that local and regional divisions work in an expeditious and most efficient way, it is vital that the divisions have some flexibility on how to proceed with counterclaims for revocation. Direct actions for revocation of patents shall be brought before the central division. A counterclaim for revocation can be brought in the case of an action for infringement before a local or regional division. The local or regional division concerned may proceed with the counterclaim for revocation or refer the counterclaim to the central division and proceed with the infringement action or stay those proceedings. It may also, with the agreement of the parties, refer the case for decision to the central division<sup>4</sup>.

#### LANGUAGES OF PROCEEDINGS

14. The Draft Agreement, the Statute and the Rules of procedure shall provide for arrangements which will guarantee fairness and predictability of the language regime for the parties. Furthermore, any division of the ECPC shall provide translation and interpretation facilities in oral proceedings to assist the parties concerned to the extent deemed appropriate.

---

<sup>4</sup> We prefer the option which is set out in Paragraph 20(2).

15. The language of proceedings of the local and regional divisions shall in general be the language(s) of the Contracting State(s) where they will be established. Contracting States may however designate one or more of the official languages of the European Patent Office as language of proceedings of the local or regional division they host. The language of proceedings of the central division shall be the language of the patent. The language of proceedings of the Court of Appeal shall be the language of the proceedings at the First Instance<sup>5</sup>. It shall however be possible, for reasons of convenience and fairness to the parties, for the panels in local and regional divisions to, under particular circumstances, decide on the language of the patent as the language of proceedings at the request of one party, after having heard the other parties. Such circumstances could for instance be when one of the parties is a small or medium sized enterprise or a private party that has no establishment or domicile in the Contracting State where the relevant division is situated. Such an order may always be appealed separately.

#### THE TRANSITIONAL PERIOD

16. The transitional period shall not last longer than five years after the entry into force of the Agreement on the ECPC.
17. During the transitional period, proceedings for infringement or for revocation of a European patent may still be initiated before the national courts or other competent authorities of a Contracting State having jurisdiction under national law. Any proceedings pending before a national court at the end of the transitional period shall continue to be subject to the transitional regime.
18. Unless proceedings have already been initiated before the ECPC, holders of European patents or patent applications granted or applied for prior to the entry into force of the Agreement on the ECPC shall have the possibility to opt out of the exclusive jurisdiction of the ECPC, if the opt out is notified to the Registry no later than one month before the end of the transitional period.

---

<sup>5</sup> It remains unanswered what language of proceedings should be used in the Court of Appeal if different languages have been used in the proceedings at the First Instance. This must be clarified or the sentence deleted.

REVISION CLAUSE CONCERNING THE COMPOSITION OF PANELS AND COUNTERCLAIMS  
FOR REVOCATION

19. The Commission of the European Communities shall closely monitor the functioning, the efficiency and the implications of the provisions regarding the composition of the panels of the First Instance and the jurisdiction in respect of actions and counterclaims for revocation, see points 9, 10 and 13 above. Five years after the entry into force of the agreement on the ECPC and on the basis of a broad consultation with users and an opinion of the ECPC, it shall draw up a report with recommendations concerning the continuation or termination of the relevant provisions which shall be decided by the Mixed Committee.<sup>6</sup>
20. If the Mixed Committee decides to terminate the relevant provisions, the following provisions shall apply;<sup>7</sup>
- (1) All panels of the local and regional divisions shall sit in a multinational composition of three legally qualified judges, of which two of the judges shall be permanent.
- (2) A counterclaim for revocation can be brought in the case of an action for infringement before a local or regional division. The local or regional division concerned may proceed with the counterclaim for revocation or refer the counterclaim to the central division, with the agreement of the parties, and proceed with the infringement action or stay those proceedings. It may also, with the agreement of the parties, refer the case for decision to the central division<sup>8</sup>.

---

<sup>6</sup> It is unclear to us why a revision should commence at the same time as the transitional period ends? The system should be allowed to work in full for at least some years before a revision is carried out. Furthermore and from a Better Regulation point of view it would be appropriate to undertake a review of the system as such including all provisions with the view to making necessary adjustments in order to ensure a better functioning court.

<sup>7</sup> It is premature already before a review has been carried out and findings analysed to propose the exact amendments to be adopted. The Mixed Committee should not be bound to accept either the existing provisions or these alternatives but be fully authorised to consider further options based on the outcome of the review.

<sup>8</sup> This option is preferred to the option in Paragraph 13.

## PRINCIPLES ON THE FINANCING OF THE ECPC

21. The ECPC shall be financed by the ECPC's own financial revenues consisting of the court fees, and at least in the initial stages as necessary by contributions from the European Community and from the Contracting States which are not Member States.<sup>9</sup>
22. A Contracting State setting up a local division shall provide the facilities necessary for that purpose.<sup>10</sup>
23. The court fees shall be fixed by the Mixed Committee on a proposal by the Commission of the European Communities. The court fees shall be fixed at such a level as to ensure a right balance between the principle of fair access to justice and an adequate contribution of the parties for the costs incurred by the ECPC, recognising the economic benefits to the parties involved.
24. The ECPC should be organised in the most efficient and cost effective manner and shall ensure equitable access to justice.
25. The level of the court fees shall be reviewed every five years. .

---

<sup>9</sup> Further analysis is currently being carried out and should at least be made available to Member States and discussed before conclusions can be made on the financing of the Court.

<sup>10</sup> There should be no discrimination against Member States wanting to set up a local division. Therefore the same should apply to local divisions and regional divisions.

## II THE COMMUNITY PATENT

### COUNCIL CONCLUSION ON THE RENEWAL FEES

26. The renewal fees for Community patents shall be progressive throughout the life of the patent and together with the fees due to be paid during the application phase cover the costs associated with the granting and administration of the Community patent including additional liabilities of the European Patent Organisation. The renewal fees will be payable to the European Patent Office, which will retain 50 percent of the renewal fees and distribute the remaining amount among the Member States in accordance with a distribution key.
27. A Select Committee of the Administrative Council of the European Patent Organisation shall, once the Community Patent Regulation enters into force, fix both the exact level of the renewal fees and the distribution key for their allocation.<sup>11</sup> The level of the renewal fees shall in addition to the above mentioned principles be fixed with the aim of facilitating innovation and fostering the competitiveness of European business. It should also reflect the size of the market covered by the Community patent and correlate to the level of the renewal fees for an average European Patent.<sup>12</sup>
28. The distribution key shall be fixed taking into account a basket of fair, equitable and relevant criteria such as the level of patent activity and the size of the market. The distribution key shall provide compensation for having an official language other than one of the official languages of the European Patent Office, and shall maintain the proportions in the current distribution.
29. The Select Committee shall review its decisions every five years.

---

<sup>11</sup> The exact level of the application fees and the renewal fees as well as the exact distribution key must be decided at the same time as the Community Patent Regulation is adopted.

<sup>12</sup> It remains unanswered what is meant by 'an average European patent'. This must be clarified so that Ministers are aware of the implications on the patent system.



## THE ENHANCED PARTNERSHIP

The aim of such enhanced partnerships is to promote innovation by enhancing the efficiency of the patent granting process through less duplication of work, with the goal of reduced costs for business and for public research budgets, and more rapid delivery of patents which will increase speed of access to market for innovative products and services.

30. Under the Enhanced Partnership scheme, central industrial property offices of Member States shall have the right to conduct novelty searches on the European Patent Office's behalf. Enhanced Partnerships shall make it feasible for the European Patent Office to make regular use, where appropriate, of the work carried out by central industrial property offices of Member States of the European Patent Organisation<sup>13</sup>.
- 31.
32. Enhanced partnership shall fully respect the central role of the European Patent Office in granting and administering European patents. The EPO shall not be obliged to make use of the work provided by participating offices and the examiner shall remain free to carry out further work. Applicants shall always remain free to file their application directly at the EPO.

---

<sup>13</sup> Document 12342/09 PI 78, non-paper by the Danish, Finnish and United Kingdom delegations, sets out different options for enhanced partnership that are applicable for central industrial property offices in all Member States.

33. The enhanced partnership agreements shall be based on a European Standard for Searches (ESS), containing criteria for ensuring quality. The ESS shall in addition to searches include standards on inter alia training, tools, feedback and assessment.
34. The ESS shall be implemented within the context of the European Patent Network (EPN)<sup>14</sup>, in particular, the Utilization Project<sup>15</sup> and the European Quality System,<sup>16</sup> within the policy of the European Patent Organisation.
35. Enhanced partnership will be subject to periodic reviews, carried out by an independent audit committee ensuring the active participation of the European Patent Office, central industrial property offices and the users.
36. The participation of central industrial property offices in an *enhanced partnership* shall be voluntary but open to all. In the spirit of facilitating the utilization and pooling of all available resources, regional cooperation shall be encouraged. In addition the possibility of limiting the participation of a central industrial property office in an enhanced partnership to a specific technical field shall be further analysed, tested and evaluated.
- 36a. All national patent offices have an essential role advising potential applicants including SMEs, disseminating patent information and receiving applications. National patent offices can also play a vital role fostering innovation.
37. The steps now taken shall be without prejudice to any future development of the enhanced partnership. Against this background, an independent audit committee, shall give comprehensive evaluation of the functioning and the further development of the Enhanced Partnership, in close cooperation with the European Patent Office, the Member States and users, based on experience gained through the implementation and the performance achieved by central industrial property offices in meeting the ESS.

---

<sup>14</sup> EPO documents CA/120/06 and CA/PL 8/09.

<sup>15</sup> EPO document CA/147/08 Rev. 1.

<sup>16</sup> EPO document CA/122/06 and CA/PL 8/09.

AMENDMENTS TO THE EUROPEAN PATENT CONVENTION AND ACCESSION OF THE  
COMMUNITY TO THE EUROPEAN PATENT CONVENTION

38. In order for the Community patent to become operational, amendments will have to be made to the European Patent Convention (EPC). The Community and its Member States shall take the necessary measures in order to make these amendments and put them into force, including those for the accession of the Community to the EPC as outlined in the annexes to 13707/09.

---