



COUNCIL OF
THE EUROPEAN UNION

Brussels, 21 October 2011

15856/11

DOCUMENT PARTIALLY
ACCESSIBLE TO THE PUBLIC
(14.12.2011)

LIMITE

JUR 519
PI 138
COUR 61

OPINION OF THE LEGAL SERVICE*

Subject : Draft agreement on the European Union Patent Jurisdiction (doc.13751/11)
- compatibility of the draft agreement with the Opinion 1/09.

A) Introduction

1. At the Competitiveness Council on 29 September 2011 the Legal Service was asked about the compatibility with Opinion 1/09¹ of the Court of Justice of the European Union (the "Court of Justice") of a draft agreement on the European Union Patent Jurisdiction (hereinafter "the current draft agreement"), elaborated by the Presidency of the Council in September 2011². This contribution further develops and constitutes a written version, requested by the Council, of the statement made orally at that meeting.

* **This document contains legal advice protected under Article 4(2) of Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, and not released by the Council of the European Union to the public. The Council reserves all its rights in law as regards any unauthorised publication.**

¹ Opinion 1/09, judgment of 8 March 2011, not yet reported.

² Document **13751/11**, circulated by the Presidency on 2 September 2011. Further amendments have been proposed by the Presidency in document 13751/11 COR 1.

2. The Council Legal Service wishes to point out that the present opinion will not tackle the issue of the compatibility of the current draft agreement with the existing *acquis communautaire*. **DELETED**
3. **DELETED**

B) Background

4. In April 2007, the Commission presented a communication to the European Parliament and the Council concerning the creation of a single Community patent and of an integrated jurisdictional system for patents in the single market³.

³ COM (2007)165 final "Enhancing the patent system in Europe".

5. According to the communication, the single Community patent would be granted by the European Patent Office in Munich ("EPO") pursuant to the provisions of the European Patent Convention ("EPC")⁴. It would have a unitary and autonomous character, producing equal effect throughout the European Union, and could be granted, transferred, declared invalid or lapse only in respect of the whole of that territorial area. The provisions of the EPC would apply to the Community patent to the extent that no specific rules would be provided for in the future Union Regulation establishing it⁵.
6. On the basis of that communication, the members of the Council engaged themselves into discussions on the possible establishment of an integrated jurisdictional system covering litigation on the **European patent** delivered by the EPO on the basis of the EPC, as well as on the unitary patent ("**the EU patent**") that would be created in the future.
7. The outcome of those discussions was the drawing up by the Presidency of the Council on 23 March 2009 of a draft international agreement creating a court with jurisdiction to hear actions related to both European and EU patents, and the draft Statute of that court⁶.

⁴ The European Patent Convention, whose official name is "Convention on the Grant of European Patents", was signed in Munich on 5 October 1973. All Member States are parties to the Convention, as well as Switzerland, Croatia, Iceland, Liechtenstein, Monaco, Norway and Turkey. Under the European Patent Convention, a patent is granted in all States which are parties to the Convention and which are designated in the application for a patent. Patents granted by the European Patent Office are merely a bundle of identical national patents conferring national protection (Opinion 1/09, paragraph 3). The disputes relating to the possible infringement of a patent right and/or revocation of a European patent must be judged by national courts, hence the possibility for multiple litigation. Similarly, actions for damages or compensation in respect of the protection conferred by a granted European patent must be submitted to national courts (see also opinion 15487/08 of the Council Legal Service, paragraph 4).

⁵ The Commission adopted a proposal creating a unitary patent on 30 June 2010. That proposal was examined but finally not adopted by the Council. Upon demand of a large majority of Member States for an enhanced cooperation, the Commission adopted a proposal authorising enhanced cooperation in the area of the creation of unitary patent protection. This proposal was adopted by the Council on 10 March 2011 (Council decision 2011/167/EU, OJ L 76, 22.3.2011, p. 53–55) ; further to the adoption by the Council of that decision, the Commission adopted, on 13 April 2011, a proposal for a Regulation of the European Parliament and the Council implementing enhanced cooperation in the area of the creation of unitary patent protection and a proposal for a Council Regulation implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements (Council document 11328/11). Those 2 proposals have not yet been adopted.

⁶ Document **7928/09** of 23 March 2009.

8. At the same time, the Commission presented to the Council a recommendation to authorise the Commission to open negotiations for the adoption of an international agreement "creating a Unified Patent Litigation System"⁷.
9. Before authorising the opening of such negotiations and before further steps towards the negotiations with third countries on this issue were taken, the Council considered it appropriate to request the opinion of the Court of Justice on the compatibility of the envisaged agreement with the Treaties.
10. On 6 July 2009, the Council submitted to the Court, pursuant to article 300 (6) TEC (now Article 218 (11) TFEU), a request for Opinion⁸.

C) The draft agreement submitted to the Court of Justice

11. The main features of that draft agreement were as follows :
 - it was envisaged as a mixed agreement that would have been signed by the EU, its member states and any non-EU countries parties to the EPC.
 - It foresaw the creation of a new jurisdiction, *composed of a court of first instance, comprising a central division and local and regional divisions, and a court of appeal, that court having jurisdiction to hear appeals brought against decisions delivered by the court of first instance*⁹.
 - The court of first instance would have been able to request preliminary rulings from the Court of Justice, while the appeal court would have been obliged to request such rulings.

⁷ Document 7927/09 of 23 March 2009.

⁸ Documents 11125/09 + COR 1 and 11183/09 + ADD 1.

⁹ Opinion 1/09, paragraph 8.

- The envisaged new jurisdiction would have had jurisdiction *rationae materiae* over the future EU patent and the European patent delivered by the EPO on the basis of the EPC.
- The competence of the new jurisdiction would have been exclusive over a number of types of disputes between private parties. The national courts of the contracting states would have kept jurisdiction over actions related to both EU patents and to European patents which would not have come within the exclusive jurisdiction of the new court, as well as over actions related to national patents.
- Finally, that draft agreement would have entered into force once all EU member states had ratified it¹⁰.

D) The Opinion 1/09

12. The Court of Justice delivered its Opinion 1/09 on 8 March 2011.
13. After stating that the request for an opinion was admissible, the Court firstly held that the draft agreement submitted to it was not in conflict with Article 262 TFEU, since the possibility of extending jurisdiction to the Court of Justice over disputes relating to the application of acts of the European Union which create European intellectual property rights is not exclusive.
14. *"Consequently, that article does not establish a monopoly for the Court in the field concerned and does not predetermine the choice of judicial structure which may be established for disputes between individuals relating to intellectual property rights"*¹¹.

¹⁰ According to the Council conclusions of 7 December 2009, only the EU, its member states and parties to the EFTA (namely Norway, Iceland, Liechtenstein and Switzerland) could sign the agreement at the outset (document 17229/09, point 35).

¹¹ Opinion 1/09, paragraph 62.

15. Having said that, the Court of Justice considered however that the aforementioned draft agreement was not compatible with the Treaties : that agreement would have conferred exclusive jurisdiction to interpret and apply EU patent law and to hear a considerable number of actions brought by individuals in that field on an international court which was not common to the Member States, situated, consequently, outside the institutional and judicial framework of the Union.

DELETED FROM THIS POINT UNTIL THE END OF THE DOCUMENT (page 14)
