



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 19 March 2008**

**7728/08**

**PI 14**

**WORKING DOCUMENT**

---

from: Presidency

to: Working Party on Intellectual Property (Patents)

---

No. prev. doc. : 7001/08 PI 10

---

Subject : European Union Patent Jurisdiction - Preliminary Set of Provisions for the future legal instrument

---

Delegations will find in Annex a Presidency working document containing a preliminary set of provisions for the future legal instrument on the EU Patent Jurisdiction for discussion at the meetings of the Intellectual Property (Patents) Working Party on 2 and 8 April 2008.

These provisions aim to transcribe the content of the latest Presidency working document (7001/08) into legal text. They are also based on contributions and comments from Member States and stakeholders on this latest working document.

**EUROPEAN UNION PATENT JURISDICTION –  
PRELIMINARY SET OF PROVISIONS  
FOR THE FUTURE INSTRUMENT**

**PART I – GENERAL AND INSTITUTIONAL PROVISIONS**

**CHAPTER I - GENERAL PROVISIONS**

**Article 1**

**Jurisdictional system** (*Council WD<sup>1</sup>: Point 2, Bullet 2*)

A jurisdictional system for the settlement of litigation related to the infringement and validity of Community patents and European patents is hereby established. To this end, a European Union Patent Court (hereafter: Court) is created.

**Article 2**

**Definitions**

- (1) "Community Patent" means a patent granted in accordance with Regulation (EC) No. ...
- (2) "European Patent" means a patent granted in accordance with the European Patent Convention.
- (3) "European Patent Convention" means the Convention on the Grant of European Patents of 5 October 1973, as last revised on 29 November 2000.

---

<sup>1</sup> Document 7001/08.

(4) "European Patent Office" means the organ carrying out the granting of patents under the European Patent Convention.

(5) "Patent" means a European patent validated in one or more Member States or a Community patent.

(6) "Statute" means [*the Protocol on the Statute of the European Union Patent Court annexed to this instrument*].

### **Article 3**

#### **Scope of Application** (*Council WD: Point 2, Bullet 2*)

This [instrument] shall apply to

- (a) any Community patent,
- (b) any European patent which was valid at the date referred to in Article 60 or was granted after that date without prejudice to Article 58, and
- (c) any application for a patent which is pending at the date referred to in Article 60 or filed after that date.

## **CHAPTER II - ORGANS OF THE COURT**

### **Article 4**

#### **The Court** (*Council WD: Point 2, Bullet 6*)

- (1) The Court shall comprise a Court of First Instance, a Court of Appeal and a Registry.
- (2) The Court shall be assisted by an Advisory Committee.
- (3) The Court shall perform the functions assigned to it by this [*instrument*].

## **Article 5**

### **The Court of First Instance**

- (1) The Court of First Instance shall comprise a central division as well as local and/or regional divisions. *(Council WD: Point 3)*
- (2) A local division shall be set up in a Member State of the European Union (hereafter: Member State) upon its request. *(Council WD: Point 3, Bullet 3)*
- (3) An additional local division shall be set up in a Member State upon its request when more than one hundred patent cases per calendar year have been recorded in that Member State during three successive years prior to or subsequent to the date referred to in Article 60. The maximum number of local divisions per Member State shall be three. *(Council WD: Point 3, Bullet 4)*
- (4) Member States hosting a local division shall designate its seat and provide the facilities necessary for that purpose. *(Council WD: Point 3, Bullet 3)*
- (5) A regional division shall be set up for two or more Member States, not hosting a local division, upon their request. Such Member States shall designate the seat(s) of the division concerned. The regional division may sit at multiple locations. *(Council WD: Point 3, Bullet 5)*
- (6) The central division shall have its seat in [...].
- (7) All divisions shall sit in one or more panels established in accordance with the Statute.
- (8) In case a Member State wishes to discontinue a local division or its participation in a regional division it shall notify the Registry in accordance with the Statute.

## **Article 6**

### **The Court of Appeal**

- (1) The Court of Appeal shall have its seat in [...].
- (2) The Court of Appeal shall sit in one or more panels established in accordance with the Statute.

## **Article 7**

### **Composition of Panels**

- (1) Any panel of the Court of First Instance shall have a multinational composition. Without prejudice to Article 15 (5) it shall consist of three Judges. *(Council WD: Point 3, Bullet 6; Point 9, Bullet 4)*
- (2) Any panel of a local division shall consist of two permanent Judges, who shall be nationals from the Member States hosting the division concerned. The third Judge shall be a member of the Pool of Judges referred to in Article 13. *(Council WD: Point 9, Bullet 2)*
- (3) In Member States where during a period of three successive years more than fifty patent cases per calendar year have been recorded at first instance level the third Judge referred to in paragraph (2) shall serve on a permanent basis at the local division. In other Member States the member of the Pool of Judges shall be seconded to the local division on a case by case basis. *(Council WD: partly Point 9, Bullet 2)*
- (4) Any panel of a regional division shall consist of two permanent Judges chosen from a regional list of judges, who shall be nationals of the Member States concerned, and one Judge from the Pool of Judges who shall be of a different nationality. *(Council WD: Point 9, Bullet 3)*
- (5) Any panel of the central division shall consist of two legally qualified Judges and one technically qualified Judge. *(Council WD: Point 11, Bullet 1)*

(6) Any panel of the Court of Appeal shall consist of five Judges having different nationalities: three legally qualified Judges and two technically qualified Judges (*Council WD: Point 11, Bullet 1*)

## **Article 8**

### **The Registry**

(1) A Registry shall be set up at the seat of the central division. It shall be managed by the Registrar and perform the functions assigned to it in accordance with the Statute. (*Council WD: Point 14, Bullet 1*)

(2) A sub-registry shall be set up at any local or regional division.

(3) The Registry shall keep records of all cases before the Court. Upon filing the sub-registry concerned shall notify every case to the Registry. (*Council WD: Point 14, Bullet 1,2*)

(4) The Registry shall keep and administer the lists drawn up in accordance with Articles 13 and 36.

(5) At the request of a local or regional division the Registry shall allocate judges from the Pool of Judges to the division concerned. The allocation of judges shall be based on their technical expertise, linguistic skills and proven experience pursuant to Article 7. (*Council WD: Point 14, Bullet 3*)

(6) The Registry shall keep and publish a list of notifications of opt-outs and withdrawals of opt-outs in accordance with Article 58.

(7) The Registry shall publish annual reports with statistical data.

## **Article 9**

### **Advisory Committee**

- (1) An Advisory Committee shall be set up in accordance with the Statute.
- (2) The composition of the Committee shall ensure the highest standards of competence in the field of patent litigation, a broad range of relevant expertise and the broadest possible geographic distribution within the European Union. *(Council WD: Point 12, Bullet 5)*
- (3) The Advisory Committee shall assist in the preparation of the appointment for judges of the Court. *(Council WD: Point 12, Bullet 4,)*
- (4) The Advisory Committee shall provide advice for the purposes of the training framework referred to in Article 14.
- (5) The Advisory Committee shall assist in the establishment of the Court fees referred to in Article 43.

## **CHAPTER III – JUDGES**

### **Article 10**

#### **Eligibility criteria**

- (1) The Court shall comprise both legally and technically qualified Judges. Legally qualified Judges shall be qualified for judicial functions at the national level. Technically qualified Judges shall have a university degree in a field of technology. *(Council WD: Point 11, Bullet 1, 2)*
- (2) Judges shall ensure the highest standards of competence in the field of patent litigation. They shall have a proven experience in patent litigation. *(Council WD: Point 9, Bullet 1; Point 11, bullet 1)*

(3) Members of Boards of Appeal of a national patent office or of the European Patent Office shall not be eligible to serve as a Judge of the Court until expiry of a period of six months after the termination of their previous function. *(Council WD: Point 12, Bullet 2)*

(4) The exercise of the office of a Judge shall not exclude the exercise of other judicial functions at the national level. *(Council WD: Point 12, Bullet 3)*

## **Article 11**

### **Appointment Procedure**

The Judges shall be appointed by the Council, in accordance with the procedure laid down in the Statute, on the basis of proposals from the Advisory Committee. *(Council WD: Point 12, Bullet 4)*

## **Article 12**

### **Judicial Independence and Impartiality**

(1) The Court, its Judges and the Registrar shall enjoy judicial independence. In their decisions, the Judges shall not be bound by any instructions and shall comply only with the provisions of this *[instrument, the Statute and the Rules of Procedure]*. *(Council WD: Point 12, Bullet 2)*

(2) Judges shall not take part in proceedings concerning patents or patent applications with which they have been connected in any way in a previous function.

## **Article 13**

### **Pool of Judges**

(1) A Pool of Judges shall be set up in accordance with the Statute. *(Council WD: Point 10, Bullet 1)*



(2) The Pool shall consist of legally and technically qualified Judges from all divisions. The appointment of technically qualified members of the Pool shall ensure that the Pool disposes of at least one member with qualifications and experience per field of technology. *(Council WD: Point 10, Bullet 2)*

## **Article 14**

### **Training Framework**

(1) A training framework for Judges shall be set up in order to improve and increase available patent litigation expertise and to ensure a broad geographic distribution of such specific knowledge and experience. *(Council WD: Point 11, Bullet 1; Point 19, Bullet 1)*

(2) The training framework shall include in particular internships in patent tribunals having a substantial number of patent litigation cases. *(Council WD: Point 19, Bullet 4)*

(3) The training framework will provide for continuous training once the jurisdictional system has come into operation. Regular meetings will be organized between all Judges of the Court in order to discuss developments in patent law and ensure consistency of jurisprudence. *(Council WD: Point 19, Bullet 2)*

## **CHAPTER IV – JURISDICTION AND EFFECTS OF DECISIONS**

### **Article 15**

#### **Jurisdiction in respect of infringement and validity**

(1) The Court shall have exclusive competence in respect of actions for actual or threatened infringements or for a declaration of non-infringement, actions or counterclaims for revocation, actions for damages or compensation derived from the provisional protection conferred by a published patent application and actions relating to the use of the invention prior to the granting of the patent or to the right based on prior use of the patent. *(Council WD: Point 3, Bullet 8)*

(2) Direct actions for revocation or actions for declaration of non-infringement shall be brought before the central division. Such action can be brought without the plaintiff having to initiate an opposition procedure before the European Patent Office. *(Council WD: Point 4, Bullet 2)*

(3) Actions for actual or threatened infringement, actions for damages and compensation, and actions for interlocutory injunctions shall be brought before

- the local division hosted by the Member State where the actual or threatened infringement occurs or may occur, or the regional division in which this Member state participates, or
- the local division hosted by the Member State where the defendant is domiciled or the regional division in which this Member State participates.

If the Member State concerned does not host a local division and does not participate in a regional division, actions shall be brought before the central division. *(Council WD: Point 4, Bullet 1; Point 5, Bullet 1)*

(4) In any case parties can agree to bring an action before the division of their choice, including the central division. *(Council WD: Point 5, Bullet 5)*

(5) Where a counterclaim for revocation is brought in the case of an action for infringement, the local or regional division concerned shall examine whether the counterclaim is manifestly unfounded in which case it proceeds with the action for infringement. *(Council WD: Point 4, Bullet 3,)*

If it is of the opinion that the counterclaim could be founded and the patent could be revoked it shall either, after having heard the parties, ask the Registry to assign a technically qualified judge in the field of technology concerned from the Pool of Judges, or refer the counterclaim for decision to the central division and stay the infringement proceedings. *(Council WD: Point 4, Bullet 4)*

## **Article 16**

### **Effects of decisions**

(1) Decisions of the Court will have effect, in the case of a Community patent, for the whole territory of the European Union and in the case of a European patent for the territory of those Member States for which the European patent has been validated. *(Council WD: Point 17)*

(2) A Community patent can be revoked, either entirely or partly, in the case of *[Article 28 of Regulation (EC) No. J]*. *(Council WD: Point 17)*

(3) A European patent can be revoked, either entirely or partly, if the grounds for revocation under Article 138 of the European Patent Convention affect the patent only in part. *(Council WD: Point 17)*

(4) In the case of a partial revocation the patent will be limited by a corresponding amendment of the claims. The revocation in total or in part of a patent shall have retroactive effect. *(Council WD: Point 2, Bullet 2)*

(5) If the validity of a patent has been contested in infringement proceedings initiated by the holder of an exclusive licence and the proprietor of the patent did not take part in the proceedings, the decision of the Court shall only take effect between the parties to the proceedings. *(Council WD: Part II, point 3.1, par. 1)*

## **CHAPTER V – Arbitration and Mediation**

### **Article 17**

**Patent arbitration and mediation centre** *(Council WD: Point 16)*

*[to be developed]*

## **PART II – FINANCIAL PROVISIONS**

### **Article 18**

#### **Budget** *(Council WD: Point 18)*

- (1) The budget of the Court shall be balanced.
- (2) The budget shall be based upon the Court's own financial resources and, where necessary, contributions from the Community budget, in accordance with the Statute.
- (3) The Court's own financial resources shall comprise Court fees and penalty payments. *(Council WD: Point 18, bullet 7)*

### **Article 19**

#### **Financing of the Court** *(Council WD: Point 18)*

- (1) Operating costs of the Court shall be financed from its own financial resources and where necessary co-financed by the European Community.
- (2) Notwithstanding paragraph 1, the operating costs of local divisions which due to an insufficient number of actions brought before them do not dispose of significant own financial resources, shall not be co-financed by the European Community but by the Member State hosting this division.
- (3) The European Community shall in accordance with the Statute:
  - finance the initial costs required for the establishment of all divisions including the setting up of electronic procedures;
  - finance additional costs incurred as a result of the participation of the Judges from the Pool of Judges in local or regional divisions;

- finance all costs of the central division and of the Court of Appeal;
- co-finance operational costs of the regional divisions;
- co-finance additional expenditures such as interpretation to assist the parties at oral procedures and legal aid.

## **Article 20**

### **Financing of the Training Framework for Judges**

The Training Framework for Judges shall be financed by the European Community. (*Council WD: Point 19, Bullet 3*)

## **Article 21**

### **Financing of the Patent arbitration and mediation centre** (*Council WD: Point 16 par. 2*)

*[to be developed]*

## **PART III - PROCEDURAL PROVISIONS<sup>1</sup>**

### **CHAPTER 1 – GENERAL**

## **Article 22**

### **Rules of Procedure**

(1) The Court shall establish its Rules of Procedure. (*Council WD: partly Point 2, Bullet 7; part II, Introduction, par.1, 4*)

(2) Those Rules shall require the approval of the Council, acting by a qualified majority.

---

<sup>1</sup> Procedural provisions are based on the Enforcement Directive, and take account of the work carried out in the context of the preparation of the EPLA, such as the Venice Resolution; they also reflect provisions from the Statute and the Rules of Procedure of the Court of Justice of the European Communities.

## **Article 23**

### **General obligations**

(1) The Court shall deal with litigation in ways which are proportionate to its importance and complexity. *(Council WD: part II, Point 1, par. 1)*

(2) The Court shall ensure that the rules, procedures and remedies are not used in an unfair way and in particular not distort competition. *(Council WD: part II, Point 1, par. 3)*

## **Article 24**

### **Case management** *(Council WD: part II, Point 1, par. 2)*

The Court shall actively manage the cases before it in accordance with the Rules of Procedure.

## **Article 25**

### **Electronic procedures** *(Council WD: part II, Point 3.2, par. 4)*

The Court shall make best use of electronic procedures, such as electronic filing of submissions of the parties and stating of evidence in electronic form, as well as video conferencing for overall communication, in accordance with the Rules of Procedure.

## **Article 26**

### **Public proceedings** *(Council WD: part II, Point 1, par. 4)*

The proceedings shall be open to the public unless the Court decides to make them confidential in the interest of one of the parties or in the general interest of justice or public order.

## **Article 27**

**Parties** (*Council WD: part II, Point 3.1, par. 1*)

(1) Any natural or legal person, or any body equivalent to a legal person, who is proprietor of a patent shall have access to the Court in order to bring actions, to defend itself against actions, or to seek application of the procedures and remedies foreseen in this *[instrument]* or the Rules of Procedure.

(2) The holder of an exclusive licence under a patent shall be able to initiate litigation before the Court in the same way as the proprietor, provided that the patent proprietor is given prior notice, unless the licensing agreement provides otherwise.

(3) The holder of a non-exclusive licence shall be entitled to initiate litigation before the Court in so far as expressly permitted by the license agreement.

(4) In cases initiated by any licence holder, the patent proprietor is entitled to intervene in the procedure.

## **Article 28**

### **Representation**

(1) The parties shall be represented by lawyers authorized to practise before a court of a Member State who may be assisted by a European Patent Attorney, who is a national of a Member State entitled to act as professional representative before the European Patent Office (hereafter: European Patent Attorney). (*Council WD: part II, Point 3.1, par. 2*)

(2) Notwithstanding paragraph 1, European Patent Attorneys who are in possession of a *[EU patent litigation certificate - to be developed]* may represent the parties in actions for revocation of a patent before the central division. (*Council WD: part II, Point 3.1, par. 2*)

(3) Representatives of the parties and their assistants shall enjoy the rights and immunities necessary to the independent exercise of their duties. *(Council WD: part II, Point 3.1, par.3)*

(4) Representatives of the parties and their assistants shall be obliged not to misrepresent cases or facts before the Court either knowingly or with good reasons to know.

## **CHAPTER II – LANGUAGES OF PROCEEDINGS**

### **Article 29**

#### **Language of proceedings at the Court of First Instance**

(1) The language of proceedings before any local or regional division is (are) the official language(s) of the Member State hosting the relevant division or the language(s) designated by Member States sharing a regional division. *(Council WD: Point 6, Bullet 1)*

(2) Parties shall be entitled to agree on the use of the language in which the patent was granted as language of proceedings subject to approval by the relevant division. If the division concerned does not approve their choice, the parties can request that the case is referred to the central division. *(Council WD: Point 6, Bullet 3)*

(3) At the request of one of the parties and after having heard the other partie(s) the relevant local or regional division can, on grounds of convenience and fairness, decide on the use of the language in which the patent is granted as language of proceedings. *(Council WD: Point 6, Bullet 2)*

(4) The language of proceedings at the central division is the language in which the patent concerned was granted. *(Council WD: Point 6, Bullet 4)*



## **Article 30**

**Language of proceedings at the Court of Appeal and for review procedures** (*Council WD: Point 7, Bullet 5*)

- (1) The language of proceedings before the Court of Appeal shall be the language of proceedings before the Court of First Instance.
- (2) Parties shall be entitled to agree on the use of the language in which the patent is granted as language of proceedings.
- (3) In exceptional cases and to the extent deemed appropriate, the Court may decide on another European Union official language as the language of proceedings for the whole or part of the proceedings, subject to agreement by the parties.
- (4) The language of proceedings for the review procedure shall be the language of proceedings before the Court of Appeal.

## **Article 31**

**Other language arrangements**

- (1) Any division concerned and the Court of Appeal are entitled, to the extent deemed appropriate, to dispense with translation requirements for the patent and supporting documents. (*Council WD: Point 6, Bullet 2*)
- (2) At the request of one of the parties, and to the extent deemed appropriate, any division and the Court of Appeal shall provide interpretation facilities to assist the partie(s) concerned at oral proceedings. (*Council WD: Point 6, Bullet 5*)

## CHAPTER III – PROCEDURE BEFORE THE COURT

### Article 32

#### Oral, interim and written procedures

(1) The procedure before the Court shall consist of a written, interim and oral part, in accordance with the Rules of Procedure. All parts shall be organized in a flexible and balanced manner *Council WD: part II, Point 3.2, par.1)*

(2) In the interim part, after the written procedure and if appropriate, the Judge acting as Rapporteur, designated in accordance with the Rules of Procedure, will be responsible for convening an interim hearing. He shall in particular explore the possibility for a settlement. *(Council WD: part II, Point 3.2, par 2)*

(3) The oral procedure shall give parties the opportunity to explain properly their arguments. The Court may, on the agreement of the parties, dispense with the oral procedure. *(Council WD: part II, Point 3.2, par 3)*

### Article 33

#### Means of evidence

(1) In proceedings before the Court, the means of giving or obtaining evidence shall include in particular the following:

- hearing the parties,
- requests for information,
- production of documents,
- hearing witnesses,
- opinions by experts,
- inspection,
- comparative tests or experiments,
- sworn statements in writing (affidavits).

(2) The Rules of Procedure shall govern the procedure for taking such evidence. Questioning of witnesses and experts shall be under the control of the Court and be limited to what is strictly necessary.

### **Article 33**

#### **Burden of proof** (*Council WD: part II, Point 3.3, par 1*)

The onus of the proof of facts shall be on the party relying to those facts, unless the Court decides otherwise.

### **Article 34**

#### **Reversal of burden of proof** (*Council WD: part II, Point 3.3, par 2, 3*)

(1) If the subject-matter of a patent is a process for obtaining a new product, the same product when produced without the consent of the proprietor shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.

(2) The same shall apply if there is a strong likelihood that the same product was obtained by the process and the proprietor of the patent has not been able, despite reasonable efforts, to determine what procedure has actually been used.

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

## CHAPTER IV – POWERS OF THE COURT

### Article 35

#### Order to produce evidence

(1) Where a party has presented reasonably available evidence sufficient to support its claims and has, in substantiating those claims, specified evidence which lies in the control of the opposing party or a third party, the Court may order that party to produce such evidence. Such order shall not result in an obligation of self-incrimination. The Court may consider that a reasonable sample of a substantial number of copies of a protected object constitutes reasonable evidence. *(Council WD: part II, Point 2.3, par 4)*

(2) The Court shall take due account of the interest of the other party and shall, before making such order, give that party an opportunity to present its interests unless this is incompatible with an effective enforcement of such order. At the inspection of the premises the requesting party shall not be present itself but may be represented by an independent professional practitioner, whose name has to be specified in the Court's order. Practitioners qualified to carry out the inspections referred shall be notified to the Registry by the Member States. *(Council WD: part II, Point 2.3, par 6)*

(4) The Court may order a party to refrain from removing from its jurisdiction any assets located there, or from dealing in any assets, whether located within its jurisdiction or not. *(Council WD: part II, Point 2.2, par 2)*

(5) Orders may be taken, if necessary, without the other party having been heard (*inaudita altera parte*), in particular where any delay is likely to cause irreparable harm to the right holder or where there is a demonstrable risk of evidence being destroyed. *(Council WD: part II, Point 2.2, par 3)*

## **Article 36**

**Power to appoint experts** (*Council WD: part II, Point 2.1, par 8; Point 12, Bullet 6; Point 11, Bullet 1*)

- (1) Without prejudice to the possibility for the parties to produce expert evidence, the Court may at any time appoint experts in order to provide expertise for specified technical aspects of the case.
- (2) To this end, a list of technical experts covering all fields of technology shall be drawn up by the Advisory Committee and kept by the Registry.
- (3) The technical experts shall guarantee independence and impartiality.
- (4) Expert advice given to the Court shall be made available to the parties who shall have the possibility to comment on the advice given.

## **Article 37**

**Provisional and protective measures** (*Council WD: part II, Point 2.2*)

- (1) The Court may grant injunctions against an alleged infringer or against a third party whose intermediary services are used by the alleged infringer, on a provisional basis, intended to prevent any impending infringement, to forbid the continuation of the alleged infringement or to make such continuation subject to the lodging of guarantees.
- (2) The Court shall have discretion to weigh up the interests of the parties and in particular to take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction.
- (3) The Court may in particular also order the seizure or delivery up of the goods suspected of infringing a patent right so as to prevent their entry into or movement within the channels of commerce. If the injured party demonstrates circumstances likely to endanger the recovery of damages, the Court may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his/her bank accounts and other assets.

(4) The Court shall, upon request of the defendant, revoke the provisional injunction if the plaintiff does not institute, within a reasonable period, proceedings leading to a decision on the merits of the case.

(5) Notwithstanding Article 56 the provisional injunction order shall only be enforceable subject to the lodging of appropriate guarantees, pending the decision on the merits of the case pursuant to the previous paragraph.

## **Article 38**

### **Decision on merits**

(1) Without prejudice to any damages due to the injured party by reason of the infringement, and without compensation of any sort, the Court may order, at the request of the applicant, that appropriate measures be taken with regard to goods found to be infringing patent rights and, in appropriate cases, with regard to materials and implements principally used in the creation or manufacture of those goods.

(2) Such measures shall include:

- (a) recall from the channels of commerce;
- (b) definitive removal from the channels of commerce; or
- (c) destruction.

(3) The Court shall order that those measures be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

(4) In considering a request for corrective measures, the need for proportionality between the seriousness of the infringement and the remedies ordered; the willingness of the party concerned to convert the materials into a non-infringing state, as well as the interests of third parties shall be taken into account.

## **Article 39**

### **Power to order the communication of information**

(1) The Court may, in response to a justified and proportionate request of the claimant and in accordance with the Rules of Procedure, order a party (allegedly) infringing the European patent to inform the claimant of:

- (a) the origin and distribution channels of the infringing goods or processes;
- (b) the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods in question, and
- (c) the identity of any third person involved in the production or distribution of infringing goods or in the use of an infringing process.

(2) The Court may, in accordance with the Rules of Procedure, also order any other person who:

- (a) was found in the possession of infringing goods or in the use of an infringing process, or
- (b) was found to be providing services used in infringing activities, or
- (c) who was indicated by the person referred to in (a) or (b) as being involved in the production, manufacture or distribution of the goods or processes or in the provision of the services,

to provide the injured party with the information referred to in paragraph 1 (a) and (b).

## **Article 40**

### **Protection of confidential information**

To safeguard a party's or a third party's trade secrets or other confidential information, or to prevent an abuse of evidence, the Court may order that the use of evidence in proceedings before it be restricted or prohibited or that access to such evidence be restricted to certain persons.

## **Article 41**

### **Award of damages** (*Council WD: part II, Point 2.3*)

(1) The Court may, on the application of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in a patent infringing activity, to pay the injured party damages appropriate to the prejudice actually suffered as a result of the infringement.

(2) The injured party shall, to the extent possible, be restored in the position he would have been in if no infringement had taken place. The party infringing the patent shall not benefit from the infringement. However, damages shall not be punitive.

(3) When the Court sets the damages:

(a) it shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the injured party by the infringement;

(b) as an alternative to (a), it may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of the royalties or fees which would have been due if the infringer had requested authorisation to use the patent in question.

(4) Where the infringers did not knowingly, or with reasonable grounds to know, engage in infringing activity, the Court may order the recovery of profits or the payment of damages, which may be pre-established.

## **Article 42**

### **Legal costs** (*Council WD: part II, Point 2.3, par 4*)

(1) Reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless equity requires otherwise.



(2) Where a party succeeds only in part or in exceptional circumstances, the Court may order that costs be apportioned equitably or that the parties bear their own costs.

(3) A party should bear any unnecessary costs it has caused the Court or another party.

### **Article 43**

#### **Court fees** (*Council WD: part II, Point 2.3*)

(1) Parties to proceedings before the Court shall pay court fees, to be established and reviewed periodically in accordance with the Statute

(2) The amount of the court fees shall ensure a right balance between the principle of fair access to justice and an adequate contribution of the parties for the services rendered by the Court.

(3) Court fees shall be paid in advance. Any party which has not paid a prescribed court fee may be excluded from further participation in the proceedings.

### **Article 44**

#### **Legal aid** (*Council WD: part II, Point 2.3, par 4*)

(1) A party who is wholly or in part unable to meet the costs of the proceedings may at any time apply for legal aid. The application shall be accompanied by evidence of the applicant's need of assistance, and in particular by a document from the competent authority in the Member State where the party is domiciled. The Member States shall notify to the Registry their competent authorities.

(2) The Court shall decide whether legal aid should be granted in full or in part, or whether it should be refused, in accordance with the Rules of Procedure.

## **CHAPTER V – APPEAL AND REVIEW**

### **Article 45**

#### **Appeal**

(1) An appeal shall lie to the Court of Appeal from decisions of the Court of First Instance. (*Council WD: Point 2, Bullet 6; Point 7, bullet 1*)

(2) Appeals of decisions of the Court of First Instance may be based on points of law and matters of fact.

(3) New facts and new evidence may only be introduced if their submission by the party concerned could not reasonably have been expected during proceedings at first instance, in accordance with the Rules of Procedure.

(4) An appeal against a final decision of the first instance division may be brought before the second instance division within three months of the notification of the decision appealed against.

### **Article 46**

#### **Effects of an appeal** (*Council WD: Point 7, Bullet 4*)

(1) An appeal shall have suspensive effect unless the Court of Appeal decides otherwise at the motivated request of one of the parties.

(2) The relevant decision shall be taken within one month by the Court of Appeal.

(3) The Court of Appeal shall be entitled to repeal the suspensive effect subject to the provision of a security by the party concerned.

## **Article 47**

### **Decision in appeal and referral back**

(1) If the appeal is well-founded, the second instance court shall revoke the decision of the first instance court and give final judgement. The Court of Appeal may in exceptional cases and in accordance with the Rules of Procedure refer the case back to the first instance court for decision.

(2) Where a case is referred back to the Court of First Instance it shall be bound by the decision of the second instance court on points of law.

## **Article 48**

### **Petition for Review (cassation)** (*Council WD: Point 2, Bullet 8; Point 8*)

(1) Decisions given by the Court of Appeal under Article 45 may be subject to further review by the Court of Justice of the European Communities on points of law only, in accordance with the Statute.

(2) A petition for review shall have no suspensive effect.

## **CHAPTER VI - DECISIONS**

## **Article 49**

### **Basis for decisions** (*Council WD: part II, Point 4, par 1*)

(1) The Court shall decide in accordance with the requests submitted by the parties on the basis of applicable substantive patent law. The Court shall not award more than is requested.

(2) The decisions on the merits may only be based on arguments or evidence on which the parties have had an opportunity to present their comments.

(3) Apart from well-known facts, decisions on the merits may only be based on the grounds, facts and evidence put forward by the parties or introduced into the procedure by the order of the Court.

(4) The Court shall evaluate evidence freely and independently.

## **Article 50**

### **Formal requirements** (*Council WD: part II, Point 4, par 1*)

(1) The decision of the Court shall be reasoned and will be given in writing within three months of the end of the oral/written procedure.

(2) The decision of the Court will be delivered in the language of proceedings.

## **Article 51**

### **Concurring or dissenting opinions** (*Council WD: part II, Point 4, par 1*)

(1) Decisions of the Court shall be taken by a majority of the panel. In case of equal votes the vote of the presiding Judge shall prevail.

(2) In exceptional circumstances any member of the division may express his opinion separately from the majority decision, whether that opinion be concurring or dissenting.

## **Article 52**

### **Settlement**

The parties may, at any time in the course of proceedings, conclude their case by way of settlement confirmed by a decision of the Court. The settlement cannot affect the validity of a patent.

## **Article 53**

### **Stay of proceedings**

(1) A party shall inform the Court when it has requested the European Patent Office accelerated processing in opposition procedures or before the boards of appeal. The Court may stay proceedings when the European Patent Office will apply the accelerated procedure and a rapid decision may be expected. (*Council WD: part II, Point 4, par 2*)

(2) The Rules of Procedure shall provide details on the stay of proceedings in connected cases.

## **Article 54**

### **Publication of decisions**

The Court may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part.

## **Article 55**

### **Rehearing**

(1) A petition for rehearing after a final decision may exceptionally be made to the Court of Appeal on discovery of a fact which is of such a nature as to be a decisive factor and which, when the judgment was given, was unknown to the party claiming the revision and only on grounds of a fundamental procedural defect or of an act which was held, by a final court decision, to constitute a criminal offence.

(2) A request for a rehearing should be filed within *[time]* and should not have suspensive effect unless the Court of Appeal decides otherwise.

(3) If the request for a rehearing is founded the Court of Appeal may set aside, in whole or in part, the decision under review and re-open the proceedings for a new trial and decision.

(4) Persons using patents which are the subject-matter of a decision and who are acting in good faith should be allowed to continue the use.

## **Article 56**

### **Enforcement of decisions**

(1) Decisions of the Court shall be enforceable if they are no longer subject to appeal or where the Court declares a decision enforceable while, if necessary, subject enforcement to the provision of security. (*Council WD: part II, Point 4, par 3*)

(2) The order for its enforcement is appended to the decision by the Court. Decisions shall be enforceable on the territories of the Member States according to the national procedures concerned.

(3) If a party does not comply with the terms of an order of the Court, then this could be sanctioned with a periodic penalty payment payable to the Court. The individual fine should be proportionate to the importance of the order to be enforced. The periodic penalty payment should be ordered without prejudice to the party's right to claim damages.

## **PART IV – TRANSITIONAL AND FINAL PROVISIONS**

## **Article 57**

### **Accession**

This [*instrument*] shall be open to accession by [*Member States of the European Economic Area and to other Contracting States of the European Patent Convention*].

## **Article 58**

### **Transitional Period**

(1) During a transitional period of [*three years*] proceedings for infringement or validity of a European patent may still be initiated before the national courts or other competent authority of a Member State having jurisdiction under national law which for that purpose shall continue to apply to European patents effective in the Member States. (*Council WD: Point 20, Bullet 1*)

(2) Any proceedings pending before a national court at the end of the transitional period shall continue to be subject to the transitional regime. *(Council WD: Point 20, Bullet 2)*

(3) In order to ensure that experience is being built up in all Member States and without prejudice to paragraph 3 Article 7, panels of local divisions in those Member States, where *[within 10 years]* after the period referred to in Article 60 during a period of three successive years less than fifty patent cases per calendar year have been recorded, shall consist of one member from the Member State concerned and two members from the Pool of Judges having a different nationality.

*[Alternative: In order to ensure that experience is being built up in all Member States and without prejudice to Article 5, those Member States, where [within 10 years] after the period referred to in Article 60 during a period of three successive years less than fifty patent cases per calendar year have been recorded, shall join a regional division. Such regional divisions shall comprise a sufficient number of Member States in order to ensure that they will dispose of a critical mass of at least fifty cases per year].*

(4) Holders of European patents granted prior to the date referred to in Article 60 shall have the possibility to opt out from the application of Article 3. To this end they shall notify their opt-out to the Registry by the latest one month before expiry of the transitional period.

(5) Holders of European patents having made use of the opt-out foreseen by paragraph 4 shall be entitled to withdraw their opt-out at any moment. In this event they shall notify the Registry accordingly.

## **Article 59**

### **Entry into force**

*[to be developed]*

## **Article 60**

### **Entry into operation**

*[to be developed]*