

Exploring Different Concepts of Judicial Coherence in the Patent Context: The Future Role of the (New) Unified Patent Court and its Interaction with other (Old) Actors of the European Patent System

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Abstract

The creation of a centralised and highly specialised patent jurisdiction in Europe, the Unified Patent Court (UPC), is close to becoming a reality. One of the main goals of UPC is to ensure consistency and legal certainty in the European patent system. However, in practice the creation of an additional layer of jurisdiction will likely add rather more complexity to the already fragmented European patent litigation system. The objective of the paper is to analyse the current and the future roles of the judicial and quasi-judicial actors of the European patent system from the perspective of judicial coherence. This analysis is based on the legal-philosophical literature on (judicial) coherence and draws distinctions between different types of coherence tailoring these to the particularities of the European patent system.

‘Different results in different countries based on different cases is, of course, explicable. It is an unfortunate state of affairs, curable only by a single European Patent Court’

Leo Pharma A/S and Leo Laboratories Ltd. v. Sandoz Ltd., EWCA Civ. 118, 2009.

I Introduction

In August 2015, the District Court of the Hague decided to invalidate, in a preliminary injunction procedure, the ‘Dutch national fraction’

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of Coloplast's European patent protecting a medical device, for lack of inventiveness.¹ With this judgement, the Dutch court distanced itself from a recent decision of the Opposition Division of the European Patent Office (EPO),² which upheld the patent. Cases regarding the same patent are also pending in three other jurisdictions. However, two national courts (the Patent Court in the UK and the Landgericht Düsseldorf in Germany) decided to stay proceedings in order to await the EPO decision on the validity of the patent.³ The Dutch court not only decided to continue the procedure without waiting for the EPO's judgement, but also supported its reasoning by stressing that there is a non-negligible chance that the patent will be revoked in the appeal proceeding currently pending at the EPO.⁴

Divergent decisions on the validity of patents between national courts or between a national court and the EPO are not uncommon in the multi-level European patent system. What is atypical of the above-mentioned Dutch judgement is its forecast on the decision that would eventually be taken by the EPO, since national courts and the EPO are not bound by each other's jurisprudence.

Patent jurisdiction in Europe is spread over various levels (national v. European), over different 'pillars' (EU v. European Patent Organisation (EPOrg))

¹ *Coloplast A/S v. Medical4you B.V.*, Rechtbank Den Haag, ECLI NL:RBDHA:2015:9655.

² Decision of the EPO Opposition division on the European patent n. 1145729 dated 12 May 2015. In order to establish a single centralised patent examination system, Member States created the EPO, the executive organ of the European Patent Organisation (EPOrg) with its primary office in Munich, Germany. The EPO is in charge of issuing patents on behalf of one or more Member States depending on the number of designated countries. The EPO Opposition Divisions are responsible for oppositions filed against any European patent (Art. 19 EPC). The opposition procedure has often been represented as a potential threat to judicial coherence in the European patent system because often the opposition procedure runs in parallel with national procedures. See, for instance, P. England, 'Parallel patent proceedings between the European Patent Office and UK courts' [2015/10] *J. Intell. Prop. L. & Pract.* 509-517, acknowledging the situation in the UK, where a party can seek the revocation of a European patent at the same time that an opposition is already underway at the EPO, therefore carrying the risk of inconsistent decisions. However, this issue is marginally dealt within the current paper, due to the focus of the analysis on judicial and quasi-judicial actors.

³ *Coloplast A/S v. Medical4you B.V.*, Rechtbank Den Haag, ECLI NL:RBDHA:2015:9655, para. 2.16.

⁴ *Coloplast A/S v. Medical4you B.V.*, Rechtbank Den Haag, ECLI NL:RBDHA:2015:9655, para. 4.33: 'Nu hiervoor voorshands is geoordeeld dat het Nederlandse deel van EP 729 zoals gewijzigd in stand gehouden nietig is vanwege gebrek aan uitvindingshoogte, althans er een gerede kans bestaat dat aldus in een bodemprocedure of in beroep in oppositie zal worden geoordeeld, worden de inbreukvorderingen reeds hierop afgewezen. Aan bespreking van de overige verweren van Medical4You behoeft derhalve niet meer te worden toegekommen.' The appeal on the opposition decision is pending with the BoA in Case T1477/15.

and over judicial and quasi-judicial actors.⁵ This fragmentation has had a negative impact on judicial coherence.⁶ The lack of judicial coherence and the potential for inconsistent decisions has often encouraged an abuse of litigation, via various strategies i.e. parallel proceedings, forum shopping and torpedo motions. For several decades many attempts have been made to foster the development of a coherent patent system, but most of these efforts have failed. Finally, in December 2012, the EU institutions adopted a compromise solution by way of the so-called 'Patent Package'. This will create a new 'layer' of patent protection that has unitary effects in all the participating Member States (so-called 'unitary patent') and establish a centralized, specialised patent litigation system, the Unified Patent Court (UPC).⁷ One of the goals of the UPC is to ensure 'consistency of case-law and hence legal certainty'.⁸

Yet, the creation of an additional layer of jurisdiction seems to add complexity to an already fragmented system. In fact, through the creation of the UPC, the Patent Package also adds a new layer to the judicial governance of the European patent system. Within the new system, a large variety of actors, including national judges, the EPO, the Boards of Appeal of the EPO, the UPC and the Court of Justice of the EU (CJEU) will be issuing patent decisions and thus creating patent doctrine. Therefore, one may wonder whether the outcome will not result in an even more complex system or conversely, whether the new dynamics, due to the UPC's establishment, and tools available may actually contribute to a higher degree of uniformity in the interpretation of patent law, thus fostering judicial coherence.

The *central research question* of the current paper is to what extent the establishment of the UPC might contribute to a dialogue between judicial and quasi-

⁵ K. Murray & E. van Zimmeren, 'Dynamic patent governance in Europe and the United States: the Myriad example' [2011/19] *Cardozo J. Int'l & Comp. L.* 287-342.

⁶ E.g. A. Bakardjieva Engelbrekt, 'Dilemmas of Governance in a Multilevel European Patent System', in: H.H. Lidgard & P. Cramér (eds), *National Developments in the intersection of IPR and Competition Law: from Maglite to Pirate Bay* (Oxford 2011) 37-62; S. Luginbuehl, *European Patent Law: Towards a Uniform Interpretation* (Cheltenham 2011); A. Plomer, 'Towards Systemic Legal Conflict: Article 6(2)(c) of the EU Directive on Biotechnological Inventions', in: A. Plomer & P. Torremans (eds), *Embryonic Stem Cell Patents European Patent Law and Ethics* (Oxford 2009) 173-202.

⁷ The Patent Package is composed of two EU regulations (European Parliament and Council, Regulation (EU) No. 1257/2012 of the European Parliament and of the Council of the EU of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection [2012] *OJ EU L* 361/1 (hereinafter UPR), Council of the EU, Council Regulation (EU) No. 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements [2012] *OJ EU L* 361/89) and an international agreement between EU Member States (Agreement on a Unified Patent Court [2013] *OJ EU C* 175/1 (hereinafter AUPC)).

⁸ Recital 25 UPR.

judicial actors of the European patent system to enhance judicial coherence. Section 2 explains the conceptual framework based on the legal philosophical literature on coherence. Then Section 3 illustrates the main actors in the current European patent system and, in particular, focuses on their roles. The Patent Package including its new actors and their roles, is defined in Section 4, while Section 5 describes how different types of judicial coherence are currently enhanced in the patent system and how they could be potentially improved after the establishment of the UPC.

2 Conceptual Framework

2.1 The Notion of Judicial Coherence

This paper focuses on the roles of the judicial and quasi-judicial actors of the European patent system in building a coherent patent jurisprudence. Judicial coherence, in the sense of the interpretation and application of law by judges as speaking with a uniform voice, has a fundamental value in legal systems; as it is responsible for guiding judges towards the ‘correct’ legal interpretation. Far from being merely a philosophical abstraction, the concept of judicial coherence is deeply rooted in the practice of contemporary legal systems. Coherence plays a key role in the resolution of conflicts of law, the integration of discordant legal cultures and the justification of legal reasoning in difficult cases. In this light, national courts often invoke harmonisation, general principles, analogy and precedents as arguments for coherence. In particular, judicial coherence has attracted increasing interest when considering the hierarchical relationship between courts within the same legal system (e.g. national trial and appeal courts), the relationship between courts within a multi-level legal system (e.g. national courts and the CJEU) and the relationship between overlapping courts or ‘competing’ jurisdictions (e.g. International Court of Justice and The Law of the Sea Tribunal in Hamburg or the European Court of Human Rights (ECtHR) and the CJEU).

Despite the increasing recognition of the importance of judicial coherence in fragmented legal systems, there is no agreement on the definition of what is meant by ‘judicial coherence’. As a matter of fact, coherence has been defined by scholars as an elusive⁹, difficult¹⁰, and even mystical concept¹¹. Considering

⁹ N. MacCormick, ‘Coherence in legal justification’, in: A. Peczenik (ed.) *Theory of legal science* (Reidel 1984) 235-251, at 235.

¹⁰ K. Kress, ‘Coherence’, in: D. Patterson (ed.), *A Companion to Philosophy of Law and Legal Theory* (Oxford 1996) 521-539, at 537.

¹¹ J. Sinclair, *Curpus, Concordance, Collocation* (Oxford 1991), at 102.

the difficulties in identifying a clear meaning for judicial coherence, it has been easier for legal theorists to describe it in negative terms, as a lack of inconsistencies¹², rather than in a positive light. Another way to describe coherence has been by way of examples and categorisations.¹³ Thus, for instance, MacCormick has distinguished between *narrative coherence*, the kind used in ‘drawing inferences of fact from evidentiary facts’, and *normative coherence*, the kind used in relation to norms.¹⁴ Berteau has developed the notions of *epistemic coherence*, related to a conviction that is considered to be justified and coheres better than other convictions with a system of belief, and *constitutive coherence*, referring to what makes decisions right or propositions true.¹⁵ Furthermore, coherence of the legal system has been distinguished from coherence of the legal reasoning. It has been argued that, in the case of *coherence of the legal reasoning*, a ‘modest’ notion is appropriate, as an indeterminate criterion of rightness which is not able to provide an ultimate answer for every case, but allows one to decide by simultaneously taking account of values, principles and rules.¹⁶ The lack of consensus on the definition of coherence has led to ‘worries about the proliferation of kinds of coherence’ and the consequent question: ‘Just how many are there?’¹⁷

The conceptual framework of the present paper is based on four different types of judicial coherence, considered to be appropriate to describe the evolving dialogue between the European patent system actors. The types of judicial coherence focused on are horizontal and vertical coherence (actor-based), on the one hand, and local and global coherence (content-based), on the other hand.

2.1.1 Horizontal Coherence

Horizontal coherence in legal systems has primarily been used to explain the coordination of the policies of the different Community pillars.¹⁸ In that context, coherence entails ‘an obligation for all actors in the European [...] policy to coordinate their policies to produce coherent outputs’.¹⁹

¹² Id., at 156.

¹³ For instance, Olsson affirmed: ‘[...] defining coherence is logically impossible, that there is no formula or statement, however long, which could do the job adequately [...] the best we can do is restrict ourselves to examples’. E. Olsson, *Against Coherence: Truth, Probability and Justification* (Oxford 2005), at 137.

¹⁴ N. MacCormick (1984).

¹⁵ S. Berteau, ‘Looking for Coherence within the European Community’ [2005/11] *ELJ* 154-172.

¹⁶ L.M. Soriano, ‘A Modest Notion of Coherence in Legal Reasoning. A Model for the European Court of Justice’ [2003/16] *Ratio Juris* 296-323.

¹⁷ P. Thagard, *Coherence in Thought and Action* (Cambridge 2000).

¹⁸ C. Portela & K. Raube, ‘The EU Polity and Foreign Policy Coherence’ [2012/8] *JCER* 3-20.

¹⁹ C. Portela & K. Raube [2012], at 5.

The concept of horizontal judicial coherence is applied to the European patent system to consider the decisions taken by actors which are located (more or less) on an equal governance level. These actors may be part of the same judicial system (e.g. a national trial court and an appeal court in the same country), but may also belong to different countries (e.g. the relationship between a Dutch and a German patent court). Moreover, this paper recognises the importance of the role of the quasi-judicial actors in the EPOrg, i.e. its Boards of Appeal (BoAs). Their relationship with the national courts of the EPC Contracting States is also considered as horizontal, since these two different types of actors are not bound by each other's case-law (see Section 5.1.2).

2.1.2 Vertical Coherence

The concept of vertical coherence has been employed to describe the need for consistency between policies of the EU Member States and the EU.²⁰ A 'vertically coherent' EU, for example, entails complementarity between the policies at the Member State level and at the EU level.²¹ The concept of vertical coherence is applied in the European patent system, by referring to actors which are bound by each other's jurisprudence. In this sense, vertical coherence is to be achieved in Europe in the relationship between national courts and the UPC, and between the UPC and the CJEU (see Section 5.2).

2.1.3 Global Coherence

It has been held that justified decisions are those which best cohere with the law as a whole.²² In this sense, coherence plays a general and pervasive role and is closely related to the concept of integrity: a coherent legal system is, therefore, a system which safeguards fundamental values.²³ Coherent interpretation and adjudication requires judges to not distinguish between branches and sub-branches of law, but rather to take into consideration also broader values and fundamental principles derived from different legal fields.²⁴ Thus, for instance, global coherence has been applied in the CJEU's rulings,

²⁰ C. Portela & K. Raube [2012] at 5; B. Tonra, 'Setting the Agenda of the European Crisis Management – the Challenge of Coherence', in: A. Missiroli (ed.), *Coherence for Security Policy: Debates-Cases-Assessments* (Paris 2001) 36-41, at 38.

²¹ C. Hillion & R. Wessel, 'Restraining External Competences of EU Member States under CFSP', in: M. Cremona & B. De Witte (eds), *Developments in EU External Relations Law* (Oxford 2008) 79-121.

²² R. Dworkin, *Law's Empire*, Fontana Press (London 1986).

²³ Id.

²⁴ See also G. Pino, 'Coerenza e verità nell'argomentazione giuridica. Alcune riflessioni' [1998/1] *Rivista Internazionale di Filosofia del Diritto* 84-126.

which are ‘framed to achieve coherence with the system in its entirety, and with the general principles, embracing the whole Community law’.²⁵

When applied to the European patent system, the principle of global coherence assumes particular relevance in the relationship between patent law and human rights law. The literature and case-law on the interface between patent law and human rights has mainly focused on the impact of patents on particularly sensitive moral and ethical issues, which seem to appear especially in the biomedical field and in agriculture. It is in this field that patent judges need to take into consideration ethical values and fundamental rights such as human dignity, the right to food, the right of access to public health, the right to informed consent, the right of access to information and the right to education and research.²⁶

2.1.4 Local Coherence

Local coherence, on the other hand, focuses on whether decisions are supported by principles that are special to a specific legal field.²⁷ The judicial decision which maximizes consistency within a particular branch of the law will not necessarily lead to more coherence in the entire legal system.

Nonetheless, global and local coherence are not mutually exclusive principles in the European patent system, rather they are able to coexist. Global coherence is to be considered as a kind of guarantee that interpretation by specialised patent judges will take due account of fundamental values and general legal principles. This does not minimise the importance that adjudication is pursued by accurately considering the rules which are specific to a certain branch of law. ‘Sometimes the legally justified decision is one supported by principles that are special to a branch of law in this sense: these principles bear little resemblance to, and are inconsistent with, principles in other branches of law’ and ‘legal justification may sometimes be relative to the area of law in question’.²⁸

2.2 Judicial Coherence and other Legal Principles

Judicial coherence is closely connected to other legal principles that play essential roles in patent systems, such as legal certainty. In fact, a ‘judicially coherent’ patent system is based on a consistent interpretation and ap-

²⁵ S. Berteia [2005], at 167.

²⁶ P. Torremans, *Intellectual property and human rights* (Alphen aan den Rijn 2008).

²⁷ B. Levenbook, ‘The role of coherence in legal reasoning’ [1983/3] *Law and Philosophy* 355-374.

²⁸ *Id.*, at 367-368.

plication of patent legislation, thus fostering predictability of decisions and, therefore, legal certainty. For example, in patent litigation, settlement agreements between parties are very common. In many cases patent holders sue alleged infringers, but instead of waiting for the conclusion of the proceeding and the decision of the court, parties decide to reach an amicable agreement between themselves, which often involves a patent licence in exchange of royalties. This happens because, during the proceeding, the parties develop certain expectations about the decision of the court and, instead of continuing with costly and long litigation, they decide to settle. Such expectations are ‘nourished’ by legal certainty, in other words, by the fact that court cases with similar characteristics established a coherent jurisprudence with consistent conclusions. On the contrary, lack of consistency by judicial actors deciding on particular matters causes legal uncertainty, in which case, parties have no incentive to settle and they will have no other option other than pursuing long and costly litigation.

2.3 The Importance of a Coherent European Patent System

The European patent system entails the co-existence of various heterogeneous actors operating as legislative, executive and judicial ‘powers’. Although, a more detailed description of the different heterogeneous actors follows in Section 3, at this instance some of the intricacies of the European patent system are mentioned to underline the importance of systematic research to optimise coherence in the system. Regarding the legislative power, both individual EU Member States and the EU itself (only on limited specific issues, such as biotechnological inventions²⁹ and patent enforcement³⁰) have issued patent legislation. Moreover, the EPORG Member States have adopted an international patent law convention, the European Patent Convention (EPC),³¹ and at the international level various patent treaties have been adopted within the context of the World Intellectual Property Organization (WIPO)³² and the World

²⁹ Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions [1998] *OJ L* 213/13.

³⁰ Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights [2004] *OJ L* 195/16.

³¹ The EPC represents the first step for the creation of a coherent patent system. It dates back to the ‘70s and aims to harmonise and partially unify patent law. Moreover, through the EPC, a legal framework for the granting of European patents through a single, harmonised procedure before the EPO was provided. The EPC was founded by 16 Contracting States, while at the moment of writing the EPC has 38 members, including all the EU Members States. Convention on the Grant of European Patents (EPC), signed in Munich 1973, available at URL www.epo.org/law-practice/legal-texts/html/epc/2013/e/index.html (last visited 30 September 2015).

³² Paris Convention for the Protection of Industrial Property signed in Paris, France, on March 20, 1883 (available at www.wipo.int/treaties/en/text.jsp?file_id=288514, last visited 30 September 2015), Patent Cooperation Treaty done at Washington, US, on June 19, 1970 (available at URL www.wipo.int/pct/en/texts/articles/atoc.htm, last visited 30 September 2015).

Trade Organization (WTO).³³ With regards to the executive power, national patents are granted by the national patent offices and the EPO is responsible for the examination of European patents, which afterwards evolve into a 'bundle of national patents' that need to be validated at the national level. As to the judicial power, the current European patent system includes several different actors entitled to make patent law decisions. The Opposition Divisions and the BoAs at the EPO level decide on European patents, national judges decide on both national and European patents and the CJEU has a limited competence to give preliminary rulings on the interpretation of EU patent legislation. Often, the outcomes of litigation on similar issues lead to divergent decisions, encouraging parties to misuse the system, for example through forum shopping, parallel proceedings and torpedo motions. For decades the solution to the fragmentation of the patent system has been identified in the creation of a centralised and specialised jurisdiction. The 2012 UPC Agreement (AUPC), however, does not replace the existing actors, but rather adds another layer of jurisdiction to an already complex system. The UPC is expected to be operational in 2016 or, at the latest, 2017. However, concerns of whether it will enhance judicial coherence in the system or aggravate the already existing problems surround its establishment.

What is sure is that the introduction of the UPC will reshape the European patent system, by adding several more actors to the complex multilevel governance structure. In fact, the specialised UPC, both at the trial and appellate levels, and the 'generalist' CJEU will need to cooperate in deciding on unitary and European patent issues. However, national judges will still be able to decide on European patent litigation in those states which are not part of the AUPC. Additionally, unitary patents will be administered by the EPO, which is not an EU agency, but has been set up through an international convention including all EU Member States and several other countries (e.g. Switzerland, Turkey, Norway). The EPO also plays a key role in the decision making process regarding unitary patents and European bundle patents. The EPO Opposition Boards will decide on the revocation of granted patents and their decisions will be subject to an appeal to the quasi-judicial branch of the EPORG, the BoAs. Therefore, a variety of heterogeneous actors will be able to interpret and apply patent law in Europe. It is still dubious whether the UPC, the CJEU and the national courts, on the one hand, and the EPO, on the other hand, will become involved in a dialogue to foster a common interpretation of patent law. This raises concerns in terms of judicial coherence and legal certainty, but also issues of checks and

³³ Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco, on April 15, 1994 (available at URL www.wto.org/english/tratop_e/trips_e/t_agmo_e.htm, last visited 30 September 2015).

balances between different powers: the judiciary (UPC, national courts and the CJEU), the quasi-judiciary (the BoAs) and the executive (the EPORG Examination and Opposition Divisions) powers.

2.4 Judicial Dialogue in the European Patent System

The main feature of a dialogue is an exchange of ideas between the courts involved; otherwise it would be described as a monologue.³⁴ Scholars have distinguished between many different types of dialogue. For instance, a dialogue can be described as the influence exercised by an interlocutor on another or as a reaction of one interlocutor to the claims of another. A different type of dialogue, described as 'global judicial dialogue' takes the form of 'direct interactions' and informal networking among judges.³⁵ Moreover, the notion of 'transnational judicial dialogue' is used to describe the interaction between judges who are part of different legal systems. This type of dialogue is becoming more and more important in modern legal systems, where judges increasingly support their reasoning by referring to the decisions of foreign courts. In such cases, there is no direct 'exchange of opinions' between the judges; judges are rather applying the logic of their foreign colleagues into their own rulings and they refer directly to the decisions and the law applied by foreign judges. Thanks to transnational judicial dialogue, courts increasingly align their interpretations³⁶ or refer to the decision of another judge with an explicit motivation as to why they do not follow that decision of the other court.

Judicial dialogue gains significant importance in multi-level governance and fragmented legal systems, where a dialogue develops between courts belonging to different jurisdictions or the same legal order, as well as between judicial and quasi-judicial actors (either at the national, international or supra-national levels).³⁷ At this point of time, exploring the potential for judicial dialogue in the European patent system is essential, since the establishment of the UPC will soon create new degrees of judicial interaction between the actors

³⁴ A. Tzanakopoulos, 'Judicial Dialogue in Multi-level Governance: The impact of the Solange Argument', in: O.K. Fauchald & A. Nollkaemper (eds), *The Practice of International and National Courts and the (de-)fragmentation of International Law* (Oxford 2012) 185-215, at 191.

³⁵ D.S. Law & W. Chang, 'The Limits of Global Judicial Dialogue' [2011/86] *WLR* 523-577, at 526.

³⁶ K. Littlepage, 'Transnational Judicial Dialogue and Evolving Jurisprudence in the Process of European Legal Integration', European Union Studies Association Twelfth Biennial International Conference March 3-5, 2011 Boston, Massachusetts. On transnational judicial dialogue, see also M. Claes & M. de Visser, 'Are You Networked Yet? On Dialogues in European Judicial Networks' [2012/8] *Utrecht L Rev.* 100-114; The hon. Justice M. Kirby, 'Transnational Judicial Dialogue, Internationalisation of Law and Australian Judges' [2008/9] *MJIL* 171-189; R.B. Abdieh, 'Between Dialogue and Decree: International Review of National Courts' [2004/79] *N.Y.U.L. Rev.* 2029-2163.

³⁷ See A. Tzanakopoulos [2012].

and new dynamics in terms of checks and balances. In this context, formal and informal dialogue can represent a strong tool to ensure consistent interpretation and application of patent law.

3 The Main Actors of the European Patent System

This chapter aims at describing the quasi-judicial (BoAs) and judicial actors (national judges, CJEU and UPC) of the European patent system in more detail, focusing on their current and future roles in making decisions on granted patents.

3.1 Quasi-judicial BoAs

The quasi-judicial function of the EPORG pillar is exercised by the BoAs. The BoAs decide appeals concerning decisions on granting European patents, by interpreting the EPC. In order to establish a single granting system, the EPC created the EPO, the executive organ of the EPORG located in Munich, Germany. The EPO is in charge of issuing patents on behalf of one or more Member States. However, patent grants and examination are only marginally covered in the current paper, due to the focus of the analysis being on judicial and quasi-judicial actors.

EPO decisions on the grant of a patent and decisions of Opposition Divisions are subject to appeal to the BoAs (Art. 21 EPC). Referrals on points of law may be submitted to the Enlarged BoA (EBoA), whose decision is binding, thus fostering a uniform interpretation of patent law (Art. 22 EPC). Additionally, the President of the EPO may refer a point of law to the Enlarged BoA in case of conflicting decisions between two BoAs (Art. 112(b) EPC).³⁸

The BoAs are integrated in the organisational structure of the EPO. However, the EPC (Art. 23) stresses their independence from the executive power in their decisions, emphasising that they are bound only by the EPC. Notwithstanding this formal statement, heated debates concerning the actual degree of independence of the BoAs have been ongoing for many years. Finally, recent developments taking place at the EPO triggered an organisational reform of the BoA to enhance their independence from the EPORG executive branch.³⁹

³⁸ Notwithstanding the importance of the President referral for a consistent interpretation of patent law, this tool has been used rarely (e.g. see decision G3/08, ECLI EP:BA:2009:G000308.20091016).

³⁹ In particular, organisational and managerial reforms for a separation of the judiciary from the executive branches of the EPORG were required following decision R 19/12 of the Enlarged Board of Appeal (EBoA) of 25 April 2014 (ECLI EP:BA:2014:R001912.20140425). A proposal for reform is currently being reviewed by the EPORG Administrative Council and is expected to

The BoAs are quasi-judicial and operate in a way similar to courts: by creating case-law with respect to the EPC provisions, they gradually develop patent doctrine. However, even if the BoA decides to uphold a patent, the possibility still exists to file a revocation action with the competent courts of the Member States in which the European patent has effect.

3.2 National Judges

As mentioned in the previous paragraphs, national judges have not only jurisdiction regarding national patents but also with respect to European patents. Notwithstanding their name, European patents do not ensure unitary protection throughout the territory of the Contracting States. Rather, they must be validated in each State in which protection is being sought, hence they act like a 'bundle of national patent rights' (Section 2.3). The competence regarding disputes arising from European patents is accorded to the national courts of the Member States who apply both domestic law and the EPC.⁴⁰

Patent litigation procedures in European national courts diverge significantly. Some jurisdictions have adopted specialised national courts (e.g. the United Kingdom Patents Court), others have established specialised sections within national or district courts (e.g. the Dutch Rechtbank) and other countries have set up sections dealing with intellectual property (IP) issues more in general (e.g. the Italian Sezioni Specializzate in Materia di Impresa). Moreover, there are European countries where no specialised or semi-specialised courts have

be operational from the beginning of 2016. The reform aims at the re-organisation of the BoAs as a separate entity within the EPO, the appointment of a President who will be excluded from any EPO management-related duty and the set-up of a committee tasked to monitor the independence and efficiency of the judiciary. CA/16/15, 6 March 2015, 'Proposal for a structural reform of the EPO Boards of Appeal (BOA)', at 1, available at URL www.epo.org/modules/epoweb/acdocument/epoweb2/164/en/CA-16-15_en.pdf (last visited 30 September 2015). However, this proposal is not uncontroversial, see for instance the opinion of the Association of the Members of the Boards of Appeal (an organisation independent from the EPO which represents members of the BoAs), claiming that the administrative functions assigned to the BoA committee 'are numerous and sufficiently clear to give rise to severe reservations as to their compatibility with the principle of self-governance which is a pre-requisite for independence' (AMBA Position on CA/16/15, available at <http://amba-epo.info/page/get/ca1615>, last visited 30 September 2015).

⁴⁰ Art. 22(4) Council Regulation (EC) No. 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters (Brussels I Regulation) and Art. 24(4) of Regulation (EU) No. 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters, *OJ L* 351/1 (Brussels I Regulation recast) in force from 10 January 2015. Artt. 2(2) and 64 EPC. See V. Di Cataldo, 'From the European patent to a Community patent' [2002/8] *CJEL* 19-35.

been established, as a result patent cases in those countries are dealt with by courts of general jurisdiction (e.g. Ireland and Latvia).⁴¹

Another fundamental difference in institutional settings is 'bifurcation' of patent cases. A minority of European countries (e.g. Germany) have set up different courts dealing with infringement and validity issues separately. This may lead to the unfortunate situation that one court decides that a patent has been infringed whereas the other court later invalidates that same patent.

Diversity in institutional settings, court practices and fees have led to a proliferation of litigation tactics and strategies.⁴² For example, Italian and Belgian jurisdictions have been renown for years for the so-called 'torpedo motions', an instrument that is generally available to defendants in Europe looking to gain time in legal disputes. As in most countries, Italian and Belgian courts can issue declaratory judgements of non-infringement. However, if the court is slow in issuing its judgement, then the filing of a request for a declaration of non-infringement can pre-empt any infringement action from being filed in Europe until the declaratory judgement is made (Art. 21 Brussels Regulation). Due to their workload and their slow decision making process, courts in Italy and Belgium have been flooded with such defensive actions. While in Belgium torpedo motions have been declared abusive in the past,⁴³ in Italy this strategy has been used for a longer period of time. However, the Recast of the Brussels I Regulation is expected to definitively put an end to this abusive tactic, including in Italy.⁴⁴

⁴¹ See Council of the EU, 'Towards an Enhanced Patent Litigation System and a Community Patent – How to Take Discussions Further', 11622/07.

⁴² The analysis of the economic outcomes of the present European patent system together with an impact assessment of the establishment of a unified jurisdiction is object of a study commissioned by the European Commission. See D. Harhoff, 'Economic Cost-Benefit Analysis of a Unified and Integrated European Patent Litigation System', Tender No. MARKT/2008/06/D, URL ec.europa.eu/internal_market/indprop/docs/patent/studies/litigation_system_en.pdf (last visited 30 September 2015).

⁴³ See *Roche v. Glaxo Wellcome*, Brussels Court of Appeal, Feb. 20, 2001.

⁴⁴ S. Graham & N. Van Zeebroek [2014], at 679-680. With a view to limit the strategic use of torpedo motions, the Recast of the Brussels I Regulation introduces major changes to the existing legislation. The new rule specifies that *lis pendens* is explicitly 'without prejudice' to agreements conferring exclusive jurisdiction to a court of a given Member State (see Recital 22 and Art 31(2)). Therefore, if parties have agreed to confer exclusive jurisdiction on the court of a Member State, that Member State will have jurisdiction to determine whether it (as a matter of law) has jurisdiction to hear a case irrespective of whether proceedings have already been issued in a different Member State. The new legislation applies in relation to all proceedings commenced on or after 10 January 2015 and is expected to significantly limit the abuse of litigation. See also D. Kenny & R. Hennigan, 'Choice of Court Agreements, the Italian Torpedo, and the Recast of the Brussels I Regulation' (2015/64) *Int'l & Comp. L.Q.* 197-209.

Another litigation strategy, common in the current European patent system, is forum shopping. The fragmentation of the European patent system has encouraged such a tactic, whereby the claimant may file a case in a court strategically selected for his/her benefit.⁴⁵ For instance, the Dutch litigation system has been ‘shopped’ in the past, thanks to the misuse of the preliminary relief proceeding for urgent cases (*Kort Geding*). The particularity of the Dutch system is that the time frame to justify the urgency of a requested interim relief is not as strict as in other jurisdictions. As a result, Dutch courts can at any time find urgency and award a preliminary injunction, as well as an order to the accused infringer to pay a penalty sum.⁴⁶ Most importantly, Dutch courts used to assume competence for jurisdiction outside the Netherlands and grant cross-border injunctions. In combination with the low criteria for starting a *Kort Geding*, cross-border injunctions constituted a very powerful weapon for patent holders.⁴⁷ This practice had been used for a decade, until in 2006 the CJEU expressed its disfavour and limited the use of preliminary relief to infringement cases (excluding validity cases) where the defendant is located in the Netherlands.⁴⁸

3.3 CJEU

Even though patents are widely recognised as one of the key areas of IP law, harmonisation of patent law in the EU has been far from comprehensive. Moreover, harmonisation has focused on very specific albeit quite political and morally sensitive fields, such as medical products and plant protection.⁴⁹

Only one truly substantive patent law instrument, the so-called ‘Biotech Directive’, has been enacted at the EU level.⁵⁰ The Directive aims to harmonise national laws concerning issues of patentability, the scope of protection, cross-licensing and the deposit of biotechnological inventions. Since many patents in the field covered by the Directive are not granted by national patent offices, but by the EPO, which is not part of the EU framework, synchronization between the two systems was needed. This was achieved by adapting the provisions of

⁴⁵ D. Harhoff [2008].

⁴⁶ Artt. 254-260 of the Dutch Code of Civil Procedure.

⁴⁷ See S. Graham & N. Van Zeebroek [2014] at 673-674; M. Scuffi, ‘Il brevetto europeo con effetto unitario e l’Unified Patent Court’ [2013/2] *Dir. Ind.* 156-167, at 161.

⁴⁸ Case C-4/03 *Gat v. Luk*, ECLI:EU:C:2006:457 and C-539/03 *Roche v. Primus*, ECLI:EU:C:2006:458.

⁴⁹ Regulation (EC) No 469/2009 of the European Parliament and of the Council of 6 May 2009 concerning the supplementary protection certificate for medicinal products (Codified version) (Text with EEA relevance) [2009] *OJ L* 152/01.

⁵⁰ Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions [1998] *OJ L* 213/13.

both the Biotech Directive and the EPC.⁵¹ Moreover, in 2004, the Enforcement Directive⁵² was adopted and aimed to harmonise the remedies available in Member States in cases of IP infringement,⁵³ as a result a certain level of procedural harmonisation was achieved.⁵⁴

Due to the limited EU harmonisation in the patent field, the CJEU has played a minor role in interpreting patent law through the preliminary ruling procedure and it has mainly dealt with patent law issues at the interface with other areas of EU law. The very first cases concerned the relationship between IP law and EU internal market law in parallel import cases and between IP and competition law. Regarding parallel import cases the Court, following the approach established in its trademarks jurisprudence,⁵⁵ stressed already in its early cases that the lack of harmonised IP rules, in the Member States, can create obstacles to both the freedom of movement and to free competition. However, the CJEU also recognised that only in the case of abuse of such rights, Community law was applicable.⁵⁶ This interpretation was confirmed in the following case-law, where the Court underlined its power to regulate the exercise of patent rights granted under national regimes only in cases where the legal conditions for EU law to be applied were found.⁵⁷

The more recent CJEU jurisprudence on IP law also relates to its interface with fundamental values. Human rights are playing a growing role within the

⁵¹ On the one hand, the provisions on the exclusions of Art. 53 (a) and (b) EPC were restated in the Biotech Directive. On the other hand, the core provisions of the Directive were incorporated into the Rules 26-29, complemented by Rules 30-34 of the Implementing Regulations of the EPC. This was an important (symbolic) development as no formal obligations exist between the EU and EPOrg to align their regulations.

⁵² Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, *OJ L* 195/16.

⁵³ Art. 2(1) of the Directive specifies that its provisions apply to 'any infringement of intellectual property rights as provided for by Community law and/or by the national law of the Member States concerned'. With the intent of clarifying the scope of the intellectual property rights included in this vague provision, the Commission has stated that it covers also patent rights. (Statement of the Commission concerning Art. 2 of Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights 92005/295/EC [2005] *OJ L* 94/37).

⁵⁴ EU Commission, Report on the 'Application of Directive 2004/48/EC of the European Parliament and the Council of 29 April 2004 on the enforcement of intellectual property rights', COM(2010) 779, acknowledging that '[...] due to late transposition of the Directive in many Member States (the transposition process was not completed until 2009) experience in applying the Directive is limited and only few court cases have been reported.'

⁵⁵ In particular, the landmark Cases C-56/64 and C-58/64 *Établissement Consten and Grundig v. Commission of the EEC*, ECLI EU:C:1966:41.

⁵⁶ Case C-24/67 *Parke, Davis & Co. v. Probel, Reese, Beintema-Interpharm and Centrafarm*, ECLI EU:C:1968:11, paras 4 and 11.

⁵⁷ See for instance Case C-15/74 *Centrafarm BV v. Sterling Drug Inc*, ECLI EU:C:1974:114, para. 7.

context of IP rights, in particular within the context of copyright law.⁵⁸ This is because the development of IP protection has encountered some ethical questions, thus calling for fundamental societal choices by policy makers. At the same time, the exclusive rights conferred by IP protection are sometimes considered by the general public as potentially interfering with the free enjoyment of human rights and fundamental freedoms. The question on how to better ensure a good balance between these different interests has been the object of a growing debate in the IP literature.⁵⁹

The *Brüstle* case⁶⁰ and the *ISCC* case⁶¹, which dealt with stem cell patents, represent two of the rare occasions when the CJEU has expressed its view on patent law issues through the interpretation of the EU Biotech Directive. These cases have generated a lot of controversy amongst scientists, patent experts and companies active in the field.⁶² However, a thorough discussion of that controversy goes beyond the scope of the current article.

4 The Future European Patent System: New Actors and New Roles Introduced by the Unitary Patent Package

The European patent system, as described in the previous chapter, will be reshaped by the introduction of a new actor (the UPC) and the existing actors (the BoAs, national courts and the CJEU) will also be affected by the UPC's introduction as it will become part of a modified structure with different levels of interaction with existing actors. After giving a brief overview of the Unitary Patent Package in Section 4.1, Section 4.2 describes the structure

⁵⁸ See, for instance, Case C-70/10 *Scarlet Extended v. SABAM*, ECLI:EU:C:2011:771 and C-360/10 *SABAM v. Netlog NV*, ECLI EU:C:2012:85.

⁵⁹ In particular Professor Christoph Geiger is a strong supporter of the inclusion of human rights in the IP field. Geiger deems that the fundamental rights reasoning in the IP law context is 'highly desirable' and that it should be 'encouraged and developed in Europe and internationally'. C. Geiger, 'Fundamental rights as common principles of European intellectual property law', in: A. Ohly (ed.), *Common principles of European intellectual property law* (Tübingen 2012), at 223.

⁶⁰ Case C-34/10 *Brüstle v. Greenpeace*, ECLI EU:C:2011:669.

⁶¹ C-364/13, *International Stem Cell Corporation (ISCC) v. Comptroller General of Patents*, ECLI EU:C:2014:2451.

⁶² See, for instance, S.H.E. Harmon & G. Laurie, 'Dignity, plurality and patentability: the unfinished story of *Brüstle v Greenpeace*' [2013/38] *E.L. Rev.* 92-106; A. Plomer, 'After *Brüstle*: EU accession to the ECHR and the future of European patent law' [2/2012] *QMJIPL* 110-35; T. Minssen & A. Nordberg, 'The evolution of the CJEU's case-law on stem cell patents: context, outcome and implications of case C-364/13 *International Stem Cell Corporation*' [2015/5] *NIR* forthcoming.

and role of the UPC and the respective tasks of the other actors within the modified structure.

4.1 The Unitary Patent Package

The history of the Community patent has been long and arduous. Since the '70s, several attempts have been made to create a uniform patent protection and a centralised patent jurisdiction, but all attempts failed, mainly due to the disagreement between European countries on the translation regime and the creation of a common system of litigation.⁶³ Eventually, in 2012 the obstacles to the establishment of a true EU patent were bypassed through the use of the enhanced cooperation procedure leading to the adoption of two Regulations: one on the creation of the unitary patent and the other on the translation arrangements.⁶⁴

The Unitary Patent Regulation (UPR) offers unitary patent protection within the territory of all the participating Member States to patent applicants as an alternative to the classical European bundle patent. The procedure for applying for a patent with unitary effect is the same as for a classical European patent: applicants file an application for a European patent with the EPO and, once the European patent is granted, the patent owner may file a request at the EPO to register the unitary effect in the European Patent Register (Art. 3 UPR). This means that no separate patent office will be created for the grant and administration of the unitary patent. Instead, the EPO will be responsible for the main executive tasks, such as administering the request for unitary effect, keeping a register for unitary patent protection as part of the European Patent Register and collecting and distributing the renewal fees (Art. 9 UPR). Therefore, close collaboration between the European Commission and the EPO is required for the proper functioning of the new system (Art. 14 UPR).

With regards to the litigation system, the Council needed to adjust its 2009 proposal to the directions of the CJEU in Opinion 1/09.⁶⁵ The aim of the new

⁶³ The initiatives for creating a common European patent court date back several decades. In fact, the need to have a European common judiciary was felt even before the EEC's creation. A. Ohly & J. Pila, *The Europeanization of Intellectual Property Law – Towards a European Legal Methodology* (Oxford 2013), at 199-200.

⁶⁴ The fact that the enhanced cooperation procedure was used only for the second time for the adoption of the Unitary Patent Package since its inclusion in the EU treaties, underlines the controversy and challenges in getting the agreement of all the Member States on the package. Ultimately, Spain and Italy could not support the compromise solution.

⁶⁵ In 2009 the Council agreed to set up a specialised and unified jurisdiction by way of a mixed agreement between the EU, its Member States and an indefinite number of the EPC Member States ('Draft Agreement on the European and Community Patents Court and Draft Statute – Revised Presidency text', Council of the EU, 23 March 2009, 7928/09). The so-called European and EU Patents Court Agreement (EEUPC Agreement) would have conferred to the EEUPC the exclusive jurisdiction for both classical European patents and EU patents for disputes on

proposal was to establish not just an international court, but a court common to the Member States. After the controversies regarding the location of the Central Division of the UPC and the competence of the CJEU were settled in fall 2012, the AUPC was signed on 19 February 2013 as part of the Unitary Patent Package by all the EU Member States with the exception of Spain and Poland.⁶⁶ The process of ratification is continuing slowly but at a steady pace. At the time of finalising this article (end of September 2015), eight countries (Austria, Belgium, Denmark, France, Luxembourg, Malta, Portugal and Sweden) have ratified the AUPC. A total of thirteen Member States, which must include France, Germany and the UK, need to ratify the Agreement for it to enter into force.⁶⁷

The entry into force of the Agreement is vital for the functioning of the entire Package. In fact, the Regulations will only be applicable once the Agreement

infringement and revocation cases. However, as objections were raised in some Member States regarding the legal construction of the EEUPC, the Council requested a legal opinion from the CJEU under Art. 218 TFEU. In Opinion 1/09, the CJEU concluded that the draft Agreement was not compatible with the Treaties. The main reason was that the EEUPC would not have been fully integrated into the legal structure of the EU, as it resulted from an international agreement including non-EU Members. In its argumentation the CJEU explicitly stressed the importance of the contribution of the national courts and their cooperation with the CJEU in ensuring the uniformity of the EU legal system, also within the context of patent law (Opinion 1/09 of the Court, ECLI EU:C:2011:123, paras 79-81).

⁶⁶ Out of the three instruments part of the Patent Package, Italy only signed the AUPC and did not support the use of the enhanced cooperation procedure. However, soon after the CJEU dismissed Spain's challenges to the legality of the enhanced cooperation (C-146/13, *Spain v. Parliament and Council* and C-147/13, *Spain v. Council*), Italy opened up to the adhesion to the enhanced cooperation. Finally, on 30 September 2015, Italy decided to join the unitary patent, becoming the 26th Member of the enhanced cooperation regime. EU Commission, 'Italy joins the unitary patent', ULR http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8481&lang=en&tpa_id=0&title=Italy-joins-the-unitary-patent (last visited 30 September 2015).

⁶⁷ Art. 89 AUPC specifies that the 13 ratifications shall include 'the three Member States in which the highest number of European patents had effect in the year preceding the year in which the signature of the Agreement takes place or on the first day of the fourth month after the date of entry into force of the amendments to Regulation (EU) No 1215/2012 concerning its relationship with this Agreement, whichever is the latest'. Since the three Member States in which the highest number of European patents are currently Germany, France and the UK, the AUPC will enter into force only if all these three States ratify the Agreement. Germany will probably withhold its ratification to prevent reaching the minimum required number of ratifications before court preparations are completed (see Fish & Richardson PC, 'Update on EU unitary patent and Unified Patent Court developments', URL www.fr.com/news/eu-unitary-patent-upc-update-2015/, last visited 30 September 2015). Strong concerns surrounded the future of the entire Package, due to the risk that the UK quits the EU after the 2017 referendum, thus blocking the ratification process. However, such concerns seem to be overcome, since very recently the UK government announced where the seat of the UPC in London will be located, thus showing its commitment to join the system (UK Intellectual Property Office, 'UPC London location', URL www.gov.uk/government/news/upc-london-location, last visited 30 September 2015). The status of the ratification is available on European Council of the European Union, 'Agreement, Ratification details', URL www.consilium.europa.eu/en/documents-publications/agreements-conventions/agreement/?aid=2013001.

on the litigation system enters into force, as the two regulations and the international agreement are part of one regulatory package (Art. 18 UPR, distinguishes between the entry into force, dating back to January 2013, and the applicability of the Regulations).

4.2 New Actors and New Roles in the European Patent System

4.2.1 New Actors: The UPC with its Different Levels and Divisions

The establishment of the UPC will redefine the European patent system. The UPC will not only bring a new layer of patent jurisdiction, but it will also create new levels of interaction with the existing actors in the EU and the EPOrg pillars. This action may bring the two patent pillars closer, as it aims to foster a coherent interpretation of patent law. However, the set-up of the UPC has also led to some criticism. Some fear that the multi-layered structure of the UPC and the fact that it adds another level of jurisdiction instead of replacing the existing ones, will in fact add more fragmentation and, thus, incoherence to the patent system.⁶⁸

The UPC will be comprised of two judicial instances, a Court of First Instance and a Court of Appeal. The Court of First Instance will be sub-divided into a central division, regional divisions and local divisions (Art. 7 AUPC). The central division will have its seat in Paris, with sections in London and Munich (Art. 7(2) AUPC). Cases will be distributed among the sections of the Central Division according to the subject matter.⁶⁹ The Court of Appeal will be based in Luxembourg (Art. 9(5) AUPC).

The UPC will have exclusive jurisdiction in the court proceedings listed under Art. 32 AUPC (i.e. patent infringement proceedings, actions for revocation of patents and provisional injunctions for both unitary patents and classical European patents). All other proceedings (i.e. concerning licence agreements or patent transfers) will be dealt with by national courts (Art. 32(2) AUPC). As mentioned, the UPC jurisdiction will also cover the actions related to European patents. However, for a transitional period of seven years, patent owners of

⁶⁸ See R.H. Hilty et al., 'The Unitary Patent Package: twelve reasons for concern' [12/2012] *Max Planck Institute for Intellectual Property & Competition Law Research Paper*, at 1-2. See also M. Mejer & B. Van Pottelsberghe De La Potterie, 'Economic Incongruities in the European Patent System' [2012/34] *Eur J Law Econ* 215-234, in particular at 233, when affirming that the economic incongruities due to the fragmentation of the current European patent system can be overcome by 'designing the processes for an effective EU centralized patent court and suppressing the two "old" patent layers'.

⁶⁹ Annex II AUPC.

classical European bundle patents will be able to opt-out of the jurisdiction of the UPC (Art. 83 AUPC).

Commentators and stakeholders are divided on the potential impact of the UPC.⁷⁰ Its claimed advantages include easier and cost effective proceedings and the development of uniform case-law with reduced risk of diverging decisions. In fact, the new system will allow the claimant to file one single, centralised infringement or revocation action with the specialised court, the UPC, instead of various proceedings in the different competent national courts. This will most likely reduce court costs and attorney fees. Moreover, in the future effective patent protection will also be possible in the territories of those States which currently lack a specialised and effective enforcement system.

Yet, at present many companies are considering using the opt-out option for classical European patents. Meanwhile some stakeholders are doubting whether they should apply for unitary patent protection at all, as it is still uncertain whether the UPC will be able to realise all its presumed advantages. Moreover, some vital issues that will influence the quality of the UPC's patent case-law are still outstanding, including the hiring of judges, setting the fees and the adoption of the Rules of Procedure.⁷¹

Some commentators claim that, instead of fostering judicial coherence, the new system will encourage further abuse of litigation strategies.⁷² One of the fears connected to the establishment of the UPC is the increase of forum shopping instead of the presumed decrease of forum shopping. Parties will be able to choose to start infringement proceedings in different UPC divisions (Art. 33 AUPC). It is possible that, due to minimum workload requirements (Arts. 7(3)-(4) and 8(2)-(3) AUPC), local divisions will likely develop their own practice (e.g. pro-patentee) in order to attract cases.⁷³ Moreover, due to its flexible

⁷⁰ See, for example, J. Pilaw & C. Wadlow, *The Unitary EU Patent System* (Oxford 2015); H. Ullrich, 'The European Patent and Its Courts: An Uncertain Prospect and an Unfinished Agenda' [2015/46] *IIC* 1-9; T. Jaeger, 'What's in the Unitary Patent Package?' [2014/14] *Max Planck Institute for Innovation & Competition Research Paper*; House of Commons, European Scrutiny Committee, 'The Unified Patent Court: help or hindrance?', 65th Report of session [2012/1].

⁷¹ At the moment of writing this paper (end of September 2015), the Preparatory Committee is discussing the 18th version of the Rules of Procedure and its final decision is expected in fall 2015.

⁷² For instance, it has been held that the UPC's current 'dysfunctional' design carries the risk to 'impair the development of a homogeneous body of patent law in Europe, fail to establish a fair balance in the rights and remedies available to patent holders and third parties respectively, and open the system to continued forum shopping by plaintiffs.' R.H. Hilty et al. [2012], at 3.

⁷³ H. Ullrich [2015/46], at 3. See also D. Xenos, 'The European Unified Patent Court: Assessment and Implications of the Federalisation of the Patent System in Europe' [2013/10] *SCRIPTed – Journal of Law, Technology & Society* 246-277.

rules on bifurcation (Art. 33(3)(b) AUPC) and the possibility to obtain pan-European injunctions (Art. 62 AUPC), the UPC system has frequently been defined as a pro-patentee system. In particular, bifurcation allows patent infringement actions and validity counter-claims to be heard separately by different courts, independently from one another and even consecutively. The main fear is that owners of 'weak' patents will be able to obtain injunctions well before defendants have had an opportunity to revoke the patent in suit.⁷⁴

Moreover, another risk for incoherence relates to the three separate locations of the central division of the Court of First Instance and the fact that cases will be allocated to a location depending upon the particular category of the case (Art. 7(2) and Annex II AUPC). Therefore, it is possible that these locations may develop different strands of patent doctrine for particular sectors/technologies.

4.2.2 A New Role for the BoAs?

The EPOrg pillar will be concerned by the Package reform mainly with regards to the EPO's administrative tasks regarding the grant of the unitary patent and the duty of collaboration between the EPO and the EU Commission (see Section 3.1). As mentioned above, the current system allows substantive examination at the EPO to run in parallel with revocation proceedings at the national level. This situation will not change within the future patent system. In fact, the UPC will have the power to decide on patent validity on the basis of an action for revocation or a counterclaim for revocation (Art. 65(1) AUPC) and the EPO will keep its role in deciding on patent validity. This notwithstanding, the AUPC includes some mechanisms aimed at preventing the occurrence of inconsistent decisions on validity at the EPO and the UPC. First, parties to UPC litigation will be required to inform the Court of any 'revocation, limitation or opposition proceedings' at the EPO concerning the same patent and of accelerated proceedings at the EPO (Art. 33(10) AUPC), thus allowing the UPC to 'stay its proceedings when a rapid decision may be expected from the European Patent Office'. Second, when the UPC revokes a patent, either entirely or partially, it shall send a copy of the decision to the EPO and, in case the decision refers to a European patent, to the national patent office of any Contracting State concerned (Art. 65(5) AUPC).

With regard to the quasi-judicial BoAs, their role will remain the same after the entry into operation of the UPC. However, it is likely and desirable that the

⁷⁴ For instance, the concerns about the abuse of bifurcation by parties have been expressed by patent practitioners, see House of Commons, European Scrutiny Committee [2012/1], at paras 81 et seq.

UPC will refer to BoAs' case-law on the interpretation of the EPC. In fact, the EPC is listed among the sources of law applicable by the UPC (Art. 24(c) AUPC). As the EPC contains the rules on basic requirements for patentability and the patentable inventions and exceptions, its interpretation by the BoAs will represent an essential means for the UPC to inform its decisions.

4.2.3 A New Role for National Judges?

As mentioned, the Package does not replace the existing levels of patent protection (national and European patents) and of jurisdiction, rather it adds new ones. In the new system, national judges will have jurisdiction a) on the enforcement of national patents; b) on the enforcement of European patents in those countries which did not ratify the AUPC, or for those European patents which have been opted out from the UPC jurisdiction (Art. 83 AUPC) and in the EPC countries which are not EU Members and c) on all the other proceedings (i.e. concerning license agreements) which are outside the UPC competence (Art. 32(2) AUPC).

4.2.4 A New Role for the CJEU?

Defining the role played by the CJEU in the new European patent system has triggered intense institutional debates. The CJEU will be engaged in the future European patent system more than in the current one. However, the actual extent of its participation will likely be relatively limited due to extreme resistance by the patent community against a strong role for the CJEU, but it remains to be seen whether the CJEU will not make an attempt to interpret its jurisdiction more broadly.

The importance of establishing a dialogue between the 'specialist' UPC and the 'generalist' CJEU has been recognised also in previous attempts to create a specialised jurisdiction.⁷⁵ The involvement of the CJEU in the patent system is desirable in order to avoid the isolation of patent law and to safeguard global coherence. In fact, the tunnel vision often associated with specialisation is

⁷⁵ Already the first and second versions of the Community Patent Convention included the CJEU as an actor of the patent system. See Convention for the European Patent for the Common Market (Community Patent Convention) (76/76/EEC), *OJ L* 17/1 and (89/695/EEC), *OJ L* 401/1. The integration in the system of the CJEU was designed in all the following proposals: European Patent Litigation Agreement (Draft 'European Patent Litigation Agreement' of 20 April 2004, EPO, Working Party 'Litigation'), the Community Patent Regulation ('Proposal for a Council regulation on the Community Patent' COM (2000) 412 final, *OJ C* 337 E) and the European and EU Patents Court Agreement ('Draft Agreement on the European and Community Patents Court and Draft Statute – Revised Presidency text' Council of the EU, 23 March 2009, 7928/09).

generally the reason for assuming the emergence of a so-called ‘pro-patent bias’, as has been experienced in other jurisdictions. For instance, this has happened in the US patent system, where the case-law developed by the US Federal Circuit has been criticized for considering only patent-related issues, while marginalising other interests at stake (e.g. competition law, human rights).⁷⁶

However, the participation of the CJEU in the system has been contested by the patent community, objecting that the benefits connected to the establishment of the specialised UPC would be undermined if parties had to engage in long and costly proceedings at the CJEU. The UK has been the fiercest opponent of an intense role for the CJEU in the patent system, reflecting worries of patent practitioners about the possible delays and the lack of expertise of the CJEU on patent issues.⁷⁷ Patent practitioners opposed the inclusion of substantive rules on patent infringement and defences in the UPR, which would have automatically created a basis for the competence of the CJEU.⁷⁸ As a consequence, it was decided to transfer these topics to the AUPC, over which the CJEU has no jurisdiction. However, we do not exclude that the CJEU will extend its competence and give its interpretation also on substantive patent law provisions. In fact, it has been held that, since unitary patents have a unitary effect as a matter of EU law, it is possible that the CJEU will assume an ‘activist’ approach and extend its interpretation also on matters of infringement and defences.⁷⁹

The Agreement states that the UPC will have the duty to collaborate with the CJEU to ensure the correct application and uniform interpretation of EU law by relying on the CJEU’s case-law and by requesting preliminary rulings in accordance with Art. 267 TFEU. The CJEU could therefore be asked to provide its interpretation on issues on biotechnological inventions, supplementary protection certificates, exhaustion of patent rights and matters of enforcement. Violating this duty of collaboration results in liability for the Member States for the failure of the UPC to request preliminary rulings to the CJEU (8th and 9th Considering and Art. 14 AUPC). In particular, it will be the UPC Court of Appeal

⁷⁶ See, for example, R. Dreyfuss, ‘Percolation, Uniformity, and Coherent Adjudication: The Federal Circuit Experience’ [2013/13] *New York University School of Law Public Law Research Paper*; ‘What the Federal Circuit can Learn from the Supreme Court and vice versa’ [2010/59] *American University Law Review* 787-807; ‘In search for institutional identity: the Federal Circuit comes of age’ [2008/23] *Berkeley Technology Law Journal* 765-806. See also Allen and Duffy [2007], at 1619-1630.

⁷⁷ House of Commons European Scrutiny Committee, ‘The Unified Patent Court: help or hindrance?’, Sixty-fifth report of session 2010-12, available at URL www.publications.parliament.uk/pa/cm201012/cmselect/cmeuleg/1799/1799.pdf (last visited 30 September 2015)

⁷⁸ See, for instance, the opinions reported in House of Commons European Scrutiny Committee, paras 68-80.

⁷⁹ W. Tillman, ‘The compromise on the uniform protection for EU patents’ [2013/8] *J. Intell. Prop. L. & Pract.* 78-81.

deciding which matters to submit to the interpretation of the CJEU since it is for the Court of Appeal to ask for a preliminary ruling. Moreover, at the moment it is uncertain to what extent the UPC will apply the *acte clair* doctrine.⁸⁰ Therefore, the actual involvement of the CJEU will mainly depend on the choice of the cases by the UPC Court of Appeal.

5 A More Coherent European Patent System?

The previous sections describe the roles of the judicial and quasi-judicial actors within the current and the future European patent system. This section focuses on the changing dynamic of interaction in terms of coherence between those actors as a consequence of the establishment of the UPC. In particular, the analysis aims at describing how the dialogue between the different actors will have an impact on the different categories of judicial coherence as identified in the conceptual framework (see Section 2.1).

5.1 Horizontal Judicial Coherence

Horizontal judicial coherence in the European patent system refers to the consistency of decisions made by judicial and quasi-judicial actors located more or less on the same governance level and not bound by each other's case-law. National judges in different countries, the UPC and the BoAs are interrelated in this horizontal, transnational and cross-pillar relationship. In the following sections we distinguish between intra-pillar and inter-pillar horizontal judicial coherence by illustrating the current and the future patent system scenarios. First, we describe coherence of interpretation between actors of the same pillar, i.e. between judges of different jurisdictions and between national judges and the UPC (Section 5.1.1). Second, we describe judicial coherence between actors located at the EU and EPORG pillars, by illustrating how coherence has been achieved between the national judges and the BoAs and between the CJEU and the BoAs up to this point and how it might be enhanced with the UPC establishment (Section 5.1.2).

⁸⁰ According to the *acte clair* doctrine, national courts do not have to refer questions when the issue is so clear that no reference to the CJEU is required. C-283/81 *CILFIT v. Ministero della Sanità*, ECLI EU:C:1982:335. On the possible application of *acte clair* by the UPC, see House of Commons, European Scrutiny Committee [2012/1], at paras 64 et seq. See also M.J. Crowley, 'Restoring order in European patent law: a proposal for the reintroduction of the substantive patent provisions of the unitary patent package into EU law' [2015/4] *JIPPEL* 197-225, at 221-222.

5.1.1 Intra-pillar Horizontal Judicial Coherence

‘10 years ago if someone told me there was a relevant English decision I said “thank you” and put it on one side. Now I read it’. The words of Judge Steinacker of the Oberlandesgericht Düsseldorf illustrate the tendency which has been developing in the European patent system in the past decades.⁸¹ Judges have increasingly taken into consideration the patent jurisprudence developed by their foreign colleagues. It has been suggested that judges sharing a common role in their national legal systems are more likely to relate better to their brethren in other countries than to other domestic bodies or institutions, which they do not want to allow to intrude in their ‘judicial business’.⁸² According to this view, dialogue within the transnational judicial patent community is encouraged by a common interest in the value of certain legal concepts and in the quality of legal argumentation.⁸³ This ‘Europeanisation’ of the interpretation of patent law should receive a warm welcome, due to the wide and sometimes unclear terms which characterise patent law.

A more coherent interpretation of patent law by national judges might be fostered by the entry into force of the AUPC and with the establishment of the UPC. As a result of the debate on the inclusion of substantive patent law provisions in the UPR (see above, Section 4.5), the rules on scope of patent rights and limitations have been included in the AUPC (Artt. 25-30). In this way, these topics will be harmonised at least amongst the participating Member States by way of the UPC case-law. Horizontal judicial coherence will therefore be enhanced by way of international patent regulation.

Moreover, horizontal coherence between judges will most likely be further fostered once the UPC will be operational in a slightly more indirect way. The Agreement allows UPC judges to exercise other judicial functions at the national level (Art. 17(3) AUPC). It will depend on national provisions if judges will be able to sit both at the UPC and in national courts. With all probability, especially in the first period, part-time judges will sit in local divisions with lower workload. Thanks to this ‘double role’ of the judges, the interpretation developed at the UPC level will probably also influence cases that take place at the national level even for purely national cases.

⁸¹ This statement has been reported by Rt. Hon. Justice Jacob, ‘The national judge’s point of view – A paper for the Future Patent Policy’ Conference, Brussels, 3/11/10.

⁸² M. Claes & M. de Visser [2012], at 100.

⁸³ *Id.*

5.1.2 Inter-pillar Horizontal Judicial Coherence

Up to this point inter-pillar horizontal judicial coherence has been partially achieved by way of the interpretation of patent law by national judges and by the BoAs. Even though national judges are not formally bound by the BoAs' jurisprudence, in practice they have increasingly taken into account the interpretation of patent law as developed in the EPORG pillar. Due to the high degree of specialisation and technical expertise of the BoAs, their interpretation of the EPC is quite authoritative.

National judges have pursued horizontal judicial coherence in different ways in line with their different legal cultures. For example, in the UK, it has been held that '[...] while national courts should normally follow the established jurisprudence of the EPO, that does not mean that we should regard the reasoning in each decision of the Board as effectively binding on us. [...] Nevertheless, where the Board has adopted a consistent approach to an issue in a number of decisions, it would require very unusual facts to justify a national court not following that approach.'⁸⁴ A more narrow approach has been developed in France, where it has been affirmed: '[...]les juridictions nationales françaises ne sont pas tenues par les décisions de l'OEB qui n'est pas une juridiction (et ce, contrairement aux décisions des juridictions communautaires qui s'imposent aux juridictions nationales) de sorte que ces décisions même rendues par la Grande Chambre de Recours ne sont que des indications de ce que l'OEB fait comme analyse pour délivrer les brevets européens.'⁸⁵ Notwithstanding the mentioned differences of approach, the BoAs' jurisprudence tends not to be ignored by national courts and, even if it is not considered as binding, it is deemed to be strongly persuasive.

On the other hand, also the BoAs have increasingly recognised the importance of an interpretation which is compatible with the interpretation by national courts, for example by affirming that '[the] establishment of harmonised patent legislation in the Contracting States must necessarily be accompanied by harmonised interpretation. For this reason, it is incumbent upon the European Patent Office, and particularly its Boards of Appeal, to take into consideration the decisions and expressions of opinion of courts and industrial property offices in the Contracting States'.⁸⁶ National jurisprudence has also been taken into

⁸⁴ Lord Neuberger statement in *Humane Genome Sciences v. Eli Lilly*, UKSC, 2 November 2011, para. 87.

⁸⁵ *Actavis v. Merck*, Tribunal de grande instance de Paris, 3eme chambre 1re section, Jugement du 28 septembre 2010, 07/16296, p. 7.

⁸⁶ G 5/85, ECLI EP:BA:1984:G000583.19841205, para. 41.

consideration by BoAs when interpreting general principles of law (e.g. the principle of separation of powers).⁸⁷

As mentioned above (see Section 3.3), the CJEU has rarely been involved in patent law issues due to the limited EU harmonisation in this field. The WARF case confirms that the BoAs nor the CJEU are bound by each other's jurisprudence. In that decision, the EBoA refused to request a preliminary ruling from the CJEU for the interpretation of EPC provisions as asked by the appellant, by specifying that '[whereas] EPO Boards of Appeal have been recognized as being courts or tribunals, they are not courts or tribunals of an EU member state but of an international organization whose contracting states are not all members of the EU'.⁸⁸

Notwithstanding their independence, both the CJEU and the BoAs do not ignore each other's interpretation of patent law. For example, the CJEU referred to the BoAs' case-law on matters of patentability of stem cells again taking due account of the BoAs' technical expertise.⁸⁹ The BoAs also recognised the importance of considering CJEU decisions in order to harmonise patent law in several recent decisions.⁹⁰

Therefore, we believe that the establishment of the UPC creates a number of opportunities to strengthen horizontal judicial coherence. First, because the EPC and the BoAs jurisprudence will represent an essential means for the UPC interpretation of patent law (see also section 4.3). The BoAs are composed of highly specialised members, and hence their decisions will be especially relevant for the UPC. Moreover, it is likely that the CJEU will be further involved in the interpretation of patent law through the preliminary ruling procedure. Considering its openness to refer to the BoAs' jurisprudence in the past, probably the CJEU will continue on this road towards a more coherent patent system. By referring to the BoAs' case-law, the UPC and the CJEU will not only increase horizontal judicial coherence, but also build a 'bridge' between the two patent pillars.

⁸⁷ R 19/12, ECLI EP:BA:2014:Ro01912.20140425, Reasons, para. 9.

⁸⁸ G 2/06, *Stem cells v. WARF*, ECLI EP:BA:2008:Go00206.20081125.

⁸⁹ *Brüstle v. Greenpeace*, ECLI EU:C:2011:669, para. 45. In its reasoning, the CJEU stressed that its interpretation of the Biotech provisions is '[...] in any event, identical to that adopted by the Enlarged Board of Appeal of the European Patent Office regarding Rule 28(c) of the Implementing Regulations to the CGEP, which uses precisely the same wording as Article 6(2)(c) of the Directive' and makes explicit referral to the WARF case.

⁹⁰ E.g. G2/02, *Priorities from India/ASTRAZENECA*, EP:BA:2004:Go00202.20040426, para. 8.6 and T2221/10, *Culturing stem cells/TECHNION*, EP:BA:2014:T222110.20140204.

5.2 Vertical Judicial Coherence

The notion of vertical coherence applied to the European patent system refers to the consistency of jurisprudence between actors at different levels, where one actor is bound by the decisions of the other actor(s). In the future European patent system, vertical judicial coherence should be enhanced in the relationship between the UPC Court of First Instance and the Court of Appeal. As mentioned in Section 4.2.1, local and regional divisions of the UPC might develop different practices in order to attract more cases. Moreover, the three locations of the central division of the Court of First Instance may develop different strands of patent doctrine for particular sectors/technologies. The UPC Court of Appeal will therefore play a key role fostering uniformity of interpretation of patent law.

Vertical coherence will also be fostered between the CJEU and the UPC provided the UPC will appropriately apply the preliminary ruling procedure. Also here, the approach taken by the UPC Court of Appeal will be determinant. This is quite fascinating, as until now most of the attention in the implementation process has been focused on the Court of First Instance with its local, regional and central divisions. In addition, the interpretation of patent law by the CJEU will also be binding on the national courts of the EU Member States who have jurisdiction with respect to national patents and classical European bundle patents but which are excluded from the UPC jurisdiction.

However, the extent of the actual involvement of the CJEU in patent law cases remains to be seen, since it will depend to a large extent on the question whether the UPC Court of Appeal trusts the CJEU's ability to decide on substantive patent law issues. Otherwise, it may be inclined to try to circumvent having to use the preliminary ruling procedure. The debate in the patent community regarding the CJEU's competence does not bode well for the future. In this respect, the liability of the Member States may be used as a means to force the UPC to comply, but it is still uncertain to what extent this tool will actually have enough 'teeth'.

5.3 Global Judicial Coherence

Up to this point, the various actors of the European patent system have dealt with the interface between patent law and other fields of the law in different ways. For example, national courts have actively ruled on matters involving the interface between patent law and competition law and patent law and contract law. The CJEU has also dealt with the interface between patent law and other fields of law, for instance when deciding on parallel import cases in the European internal market. Moreover, the BoAs have considered non-patent related interests in their decisions as well. For instance, they included

human rights concerns, by referring to the Universal Declaration of Human Rights⁹¹, the European Convention of Human Rights⁹² and also the EU Charter of Fundamental Rights.⁹³

Global judicial coherence will represent a very important guiding principle for the future European patent system. In fact, the highly specialised composition of the UPC entails the risk of creating an isolated body of patent jurisprudence, where little room is left for non-patent related issues. This is why building a coherent jurisprudence which finds the right balance between universality of legal principles and exceptionalism of patent law is very important.⁹⁴ In this sense, the collaboration between the UPC, and in particular its Court of Appeal, and the CJEU is highly desirable. Global coherence would be fostered thanks to the CJEU 'generalist' approach which will try to fit patent doctrine within the broader European legal system. Through its preliminary rulings the CJEU has the potential to develop a balanced approach of utilitarian (as originating by economic interests) and ethical (as deriving from fundamental values) sources.⁹⁵ Therefore, by identifying and weighing different legal arguments, the CJEU will avoid the compartmentalisation and isolation of patent law.

⁹¹ UN General Assembly, Universal Declaration of Human Rights, 10 December 1948, 217 A (III), URL www.un.org/en/documents/udhr/, last visited 30 September 2015. In a decision regarding the possible application by the EPO of the TRIPs, the EBoA started analysing several issues of international law. Namely, it stated that human rights, as part of *jus cogens*, are applicable to EPO decisions and then made reference to Art. 27 of the UDHR. See, for instance, Cases G 2/02, ECLI EP:BA:2004:G000202.20040426 and G 3/02, ECLI EP:BA:2004:G000302.20040426.

⁹² Council of Europe, Convention for the Protection of Human Rights and Fundamental Freedoms Rome, 4 November 1950, URL www.echr.coe.int/Documents/Convention_ENG.pdf, last visited 30 September 2015. In particular, the BoAs have been referring to Art. 6(1) and the ECtHR's jurisprudence on the right of a fair hearing in several decisions. Significantly, in a decision issued in 2008, the Technical Board of Appeal stated that 'the European Convention on Human Rights cannot be applied directly to the European Patent Office because the European Patent Organisation is not a signatory'. However, it pointed out that 'the Convention has been recognised in the case law of the Boards of Appeal as relevant for the purposes of the EPC'. Case T 1465/07, ECLI EP:BA:2008:T146507.20080509.

⁹³ European Union, Charter of Fundamental Rights of the European Union, 26 October 2012, 2012/C 326/02, URL eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012P/TXT, last visited 30 September 2015. E.g. T 0149/11, ECLI EP:BA:2013:T014911.20130124. For example, in Case T 0149/11, the moral exclusions from patentability of inventions (Art. 53(a)EPC) represented the gateway for human rights such as the prohibition of slavery and the right to liberty to enter into the patent system. Here the BoA referred to Artt. 3 and 6 of the Charter.

⁹⁴ See P. Lee, 'The Supreme Assimilation of Patent Law' (2016/114 forthcoming) *Mich. L. Rev.*, available at URL ssrn.com/abstract=2616412, at 8, acknowledging the difficulties of striking the balance between general principles of law and patent law: 'This drive toward general coherence, however, frequently clashes with the sprawling, technical nature of law and a countervailing pull toward tailoring domains of law to their unique subject matter.'

⁹⁵ See C. Geiger, 'The construction of intellectual property in the European Union: searching for coherence', in: C. Geiger (ed.), *Constructing European Intellectual Property – Achievements and New Perspectives* (Cheltenham 2013) 5-23, at 16.

5.4 Local Judicial Coherence

As argued above, a coherent European patent system entails the coexistence of global and local judicial coherence in an effort to strike an appropriate balance between universalism and exceptionalism. The key for the development of a locally coherent jurisprudence lies in the high degree of specialisation at the UPC. The UPC will include both legally and technically qualified judges ensuring ‘the highest standards of competence’ and ‘proven experience in the field of patent litigation’ (Art. 15(1) AUPC). In particular, due to the importance of in-depth understanding of technical and scientific aspects involved in patent cases, it is possible for parties or the court to request the participation of technically qualified judges in the local and regional divisions (which are normally only composed of legally qualified judges) (Art. 8(5) AUPC).

Moreover a continuous training framework has been designed, to ‘improve and increase available patent litigation expertise and to ensure a broad geographic distribution of such specific knowledge and experience’ (Art. 19 AUPC). Additionally, expertise will be fostered by the participation of judges in courses, conferences, seminars, workshops and symposia, the cooperation with international organisations and education institutes in the IP field and the promotion and support of further vocational training (Art. 11 Statute of the UPC, Annex I AUPC).

Local judicial coherence will also be fostered by the UPC Court of Appeal. Its rulings will overcome the possible divergent interpretations of substantive patent law given by local, regional and central divisions (see Section 4.2.1). Furthermore, it will be able to harmonise any ‘disturbing’ procedural differences that might emerge in the litigation practices of the local, regional and central divisions.

6 Concluding Remarks

Even though the establishment of the UPC will soon become a reality, many uncertainties still exist regarding the claimed benefits. In particular, there is a risk that the new governance structure of the European patent system will hinder judicial coherence, rather than enhancing it.

The coexistence of the UPC with the other actors and the structure of the UPC itself raise concerns about the potential for strategic litigation, legal uncertainty and increased incoherence. Prominent IP scholars believe that the ‘dysfunctional’ design of the UPC carries the risk that the development of a homogeneous body of patent law in Europe will be impaired, that no fair balance of

rights and remedies will be available for patent holders and third parties, and that the system will be open to continued forum shopping by plaintiffs.⁹⁶

We acknowledge the risks connected to the multi-layered structure of the future European patent system. However, with this paper we aim to take a more forward-looking constructive approach focusing on the potential of the system to avoid those risks and rather to fulfil the original objectives of the designers of the system.⁹⁷ In particular, we emphasise the importance of formal and informal judicial dialogue as a powerful mechanism for the enhancement of a consistent interpretation and application of patent law. The roots of the term 'dialogue' come from the ancient Greek *dia*, meaning 'through', and *logos*, meaning 'the word' and imply a sense of 'meaning flowing through a group of individuals allowing them to discover insights not attainable individually'.⁹⁸

Different types of dialogues can be established by judicial actors. In the current patent system, judicial and quasi-judicial actors are involved in what can be defined as a 'dialogue based on persuasiveness'.⁹⁹ Although not bound by their respective interpretations of patent law, they are increasingly taking into consideration the work of colleagues in other countries and they are continuously learning from each other in order to avoid (as much as reasonably possible) inconsistencies. Moreover, national judges that take due account of the BoAs' jurisprudence tend to recognise the higher degree of specialisation at the EPORG pillar. These phenomena help judges 'to discover insights not attainable individually'. Coherence in its various expressions (horizontal, vertical, global and local) seems therefore sustained by the consciousness of the judges that they are part of a bigger, transnational patent system.

However, sometimes the judges will prefer not to engage in a dialogue, but to pursue a more 'individualistic' approach. We refer, for example, to national judges that do not want to wait for the decision of the BoAs on patent validity. Some judges choose to engage in a 'monologue'. This seems to be the case of the District Court of the Hague in *Coloplast* (see Section 1): instead of staying the proceeding, the Dutch Court tries to predict the decision of the BoA. In this way, it takes the risk that the BoA would come to a different conclusion leading

⁹⁶ See R.H. Hilty et al. [12/2012], at 3.

⁹⁷ In particular, Recital 25 UPR: 'Establishing a Unified Patent Court to hear cases concerning the European patent with unitary effect is essential in order to ensure the proper functioning of that patent, consistency of case-law and hence legal certainty, and cost-effectiveness for patent proprietors.'

⁹⁸ R. Stacey, *Complex Responsive Processes in Organizations: Learning and Knowledge Creation* (Routledge 2003), at 163, referring to David Bohm's interpretation of dialogue.

⁹⁹ See also the concept of 'harmonisation by persuasiveness' as described in A. Ohly & J. Pila (2013), at 207.

to inconsistent decisions, legal uncertainty and frustration of the expectations of the parties.

We truly hope that the UPC will be able to overcome many of the criticisms and fears and will rather further encourage a dialogue between actors of the patent system. The patchwork of judicial and quasi-judicial actors calls for stability, consistency and predictability. In this sense, formal and informal judicial dialogue represents a promising way to bring the EU and EPOrg patent pillars closer. As illustrated in our analysis, some of the potential to enhance judicial coherence is already part of the AUPC. The harmonisation of substantive patent law provisions through the case-law of the UPC¹⁰⁰, the possibility for judges to sit both at the UPC and national courts, the inclusion of the EPC as a source of law for the UPC and the CJEU's involvement through the preliminary ruling procedure are all elements that will likely encourage a dialogue between the actors of the future patent system. Of course, the actual level of 'interaction' is to a large degree at the discretion of the judges. Therefore, in particular the individual judges bear considerable responsibility in safeguarding the stability, coherence and sustainability of the European patent litigation system.

¹⁰⁰ The inclusion of substantive patent law provisions in Artt. 25-30 AUPC is the result of a compromise to limit the CJEU's jurisdiction on patent law. By excluding the CJEU competence in interpreting these rules, the potential dialogue between the UPC and the CJEU has been limited. However, the inclusion of substantive rules in the Agreement also resulted in the harmonisation of patent law in the territory of the ratifying Members, thus enhancing intra-pillar horizontal judicial coherence between national judges. See Sections 4.2 and 5.1.1.