The role of the CJEU in relation to patent disputes, in particular under the UPC

(Roberto Pistolesi, 24 May 2013)

The Court of Justice of the European union (CJEU) was established in 1952 as a unitary institution. The rules governing all aspects of the CJEU are set out in two EU's treaties: the Treaty on European Union (TEU)[1] and the Treaty on the Functioning of the European Union (TFEU)[2].

Introduction

With the growth of the European construction, the caseload of the CJEU grew rapidly, necessitating an internal differentiation. Since 2005, the CJEU has been consisting of three component courts, all located in Luxembourg, each enjoying its own specific jurisdiction.

Generally speaking, the three courts' jurisdictions are defined by the types of cases they hear or by the status of the litigant bringing the action:

- the Court of Justice (CJ), formerly known as the European Court of Justice (ECJ), which is charged with making decisions on the most important controversies of EU law, including all cases in which member states are a party to the proceedings;
- the General Court (GC), formerly known as the Court of First Instance (CFI), which deals with cases of a more routine nature;
- the Civil Service Tribunal (CST), which decides in disputes between EU institutions and their staff.

The three courts stand in clear hierarchical relationship to each other. Under some conditions, rulings by the GC can be appealed to the CJ, and rulings by the CST to the GC. The CJ and the GC each deal with about 500 to 600 new cases per year, the CST with about 100 to 150 cases. The CJ and the CG are the two courts that are normally involved with IP-related cases.

More in details, the CJ has jurisdiction to hear:

- infringement actions against Member States for non-compliance with EU law, potentially leading to fines, brought by either the Commission or other Member States;

[1] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2010:083:0013:0046:en:PDF
[2] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2008:115:0047:0199:en:PDF

- preliminary rulings under Article 267 TFEU, providing interpretative judgments at the request of national courts in order to help them decide a case with an EU law dimension; and
- actions for annulment of EU legislation or to require an institution to act, brought by a Member State or by one of the institutions.

To the contrary, the GC has specific jurisdiction to deal with almost all cases against the institutions and the agencies of the EU. These include:

- actions brought by an individual against an Institution;
- actions seeking compensation or damages brought against an Institution;
- actions brought by an individual for annulment of EU legislation or failure to act;
- actions by Member States against the Council in the fields of State aid, anti-dumping and the Council's use of its implementing powers;
- actions by a Member State against the Commission;
- actions relating to Community Trade Marks i.e. against the decisions of the Office for Harmonisation in the Internal Market (OHIM);
- actions based on contracts entered into by the European Union conferring jurisdiction on the General Court;
- actions brought against decisions of the Community Plant Variety Office (CPVO) or of the European Chemicals Agency (ECHA) or of the European Aviation Safety Agency (EASA).

Past IP-related activities of the CJ and of the GC

In practice, most direct action cases in which activities of a EU institution are at issue, are decided by the GC. The most important types of cases in this respect are intellectual property cases in which decisions of the OHIM on EU trademarks are being challenged (36% of all new GC cases in 2009); for instance:

In case T-122/99 (Procter & Gamble) of 16 February 2000, it was decided that the shape of a bar of soap is accepted as a trade mark since the shape claimed bends inwards along its length and has grooves which do not come about as a result of the nature of the product itself.

In case T-305/04 (Eden) of 27 October 2005, it was decided that the combination of the image of a strawberry and the description "smell of ripe strawberries" does not constitute a

valid graphical representation of the olfactory sign consisting of the smell of ripe strawberries.

In case T-458/05 (Tegometall) of 20 November 2007 it was decided that a trade mark is distinctive when it makes it possible to identify the goods or services in respect of which the trade mark is registered as originating from a particular undertaking, and thus to distinguish these goods and services from those of other undertakings. It therefore enables the consumer purchasing the goods or service subsequently to make the same choice in the event of a positive experience and to make a different choice in the event of a negative experience.

In case T-249/08 (Coin) of 21 April 2010, it was decided that the existence of a likelihood of confusion must be assessed on the part of the public in the territory in which the earlier mark is protected. It follows that, in order to reject an opposition, it is necessary to establish that there is no likelihood of confusion on the part of the public throughout the territory in which the earlier mark/marks is/are protected.

In case T-526/09 (Paki Logistics) of 5 October 2011, it was decided that signs consisting of a term which constitutes a racist insult are contrary, due to their deeply offensive and denigrating character, to public policy or accepted principles of morality, regardless of the goods and services for which registration is sought, all the more so since the fight against all forms of discrimination is a fundamental value of the European Union.

By contrast, the CJ mainly deals with references for a preliminary ruling (54% of new CJ cases in 2009)[3]. In performing this function, the CJ has released several landmark decisions on patent-related matters; most of them relates to interpretation of the Council Regulation (EEC) n. 1768/92 of 18 June 1992[4] concerning the creation of a supplementary protection certificate (SPC) for medicinal products; for instance:

In case C-392-97 of 16 September 1999 (Farmitalia), it was ruled that: *where a product in the form referred to in the marketing authorisation is protected by a basic patent in force, the supplementary protection certificate is capable of covering the product, as a medicinal product, in any of the forms enjoying the protection of the basic patent*.

[3] It however also handles the appeals against the decisions issued by the GC with respect to EU trademark applications; see for instance the famous decisions C-383/99 of 20 September 2001 (Procter & Gamble “Baby dry”) and C-299/99 of 18 June 2002 (Philips/Remington)

[4] Now replaced by the Regulation (EC) n. 469/2009 of the European Parliament and of the Council of 6 May 2009

In case C-431/04 of 4 May 2006 (MIT), it was ruled that *Article 1(b) …. must be interpreted so as not to include in the concept of 'combination of active ingredients of a medicinal product' a combination of two substances, only one of which has therapeutic effects of its own for a specific indication, the other rendering possible a pharmaceutical form of the medicinal product which is necessary for the therapeutic efficacy of the first substance for that indication*.

In case C-322/10 of 24 November 2011 (Medeva), it was ruled that *Article 3(a) …. must be interpreted as precluding the competent industrial property office of a Member State from granting a supplementary protection certificate relating to active ingredients which are not specified in the wording of the claims of the basic patent relied on in support of the application for such a certificate*.

In case C-422/11 of 9 February 2012 (Novartis/Actavis), it was ruled that *Articles 4 and 5 …. must be interpreted as meaning that, where a 'product' consisting of an active ingredient was protected by a basic patent and the holder of that patent was able to rely on the protection conferred by that patent for that 'product' in order to oppose the marketing of a medicinal product containing that active ingredient in combination with one or more other active ingredients, a supplementary protection certificate granted for that 'product' enables its holder, after the basic patent has expired, to oppose the marketing by a third party of a medicinal product containing that product for a use of the 'product', as a medicinal product, which was authorised before that certificate expired*.

Very important decisions were however released by the CJ also in connection to the Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions:

In case C-428/08 of 6 July 2010 (Monsanto), it was ruled that *Article 9 …. is to be interpreted as not conferring patent right protection in circumstances such as those of the case in the main proceedings, in which the patented product is contained in the soy meal, where it does not perform the function for which it is patented, but did perform that function previously in the soy plant, of which the meal is a processed product, or would possibly again be able to perform that function after it had been extracted from the soy meal and inserted into the cell of a living organism*.

And in case C-34/10 of 18 October 2011 (Brüstle/Greenpeace) the court essentially ruled that the term "human embryo" must be widely interpreted. It considered in particular that all human ovules, must be considered as "human embryos" from the moment of their

fertilisation, falling therefore under the ban on the patentability provided for by the Directive. Secondly, the court also ruled that the ban on the patentability of “human embryos for industrial and commercial purposes” also covers the use of embryos for scientific research.

Lastly, landmark decisions were also issued with respect to the jurisdiction of national courts in cross-border infringement cases.

For instance, in case C-4/03 of 13 July 2006 (GAT/Luk) it was essentially established that a court having international jurisdiction is not competent to decide on the validity of an allegedly infringed patent valid in another member state regardless of whether the patent is attacked directly or indirectly.

Whereas case C-616/10 of 12 July 2012 (Solvay/Honeywell) cleared the path for cross-border preliminary measures (*Article 6(1) of Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, must be interpreted as meaning that a situation where two or more companies established in different Member States, in proceedings pending before a court of one of those Member States, are each separately accused of committing an infringement of the same national part of a European patent which is in force in yet another Member State by virtue of their performance of reserved actions with regard to the same product, is capable of leading to ‘irreconcilable judgments’ resulting from separate proceedings as referred to in that provision. It is for the referring court to assess whether such a risk exists, taking into account all the relevant information in the file*).

Past and present attempts to create a EU patent system

The first attempt to create a “Community patent” dates back to 1975, when the "Luxembourg Conference on the Community Patent" took place and the Community Patent Convention was signed by the 9 member states of the European Economic Community at that time. However, the Community Patent Convention never entered into force, since it was not ratified by enough states.

Fourteen years later, i.e. on 15 December 1989, the Agreement relating to Community patents was signed by twelve states at Luxembourg and consisted of an amended version of the original Community Patent Convention. All of the twelve states should have ratified the Agreement to cause it to enter into force, but only seven did so. Consequently, the attempt to create a Community patent failed again.

In 2000, renewed efforts from the European Union resulted into a Community Patent Regulation proposal. It provided that the patent, once granted by the European Patent Office (EPO) in one of its procedural languages[5] and published in that language, with a translation of the claims into the two other procedural languages, would have been be valid within the Union without any further translation. The proposed Regulation should have also established a court, holding exclusive jurisdiction to invalidate issued patents; it should have been a specialized court attached to the GC[6] called Community Patent Court and comprising both legal and technical members, with a unitary centralised judicial body at the GC and one or several regional chambers, in case of a significant case load.

However, also this attempt to create a Community patent failed in March 2004 because no agreement could be reached as regards the translation of the claims and the authentic text to be taken into account in case of infringement.

In December 2010, the use of the enhanced cooperation procedure, under which Articles 326-334 of the Treaty on the Functioning of the European Union provides that a group of member states of the European Union can choose to cooperate on a specific topic, was proposed by twelve Member States in order to set up a unitary patent applicable in all participating EU[7].

The enhanced cooperation was authorized by the EU Council on 10 March 2011. But Spain and Italy brought actions before the CJ for annulment of such a Council's Decision to authorise the enhanced cooperation[8]. These actions were however dismissed by the CJ on April 16, 2013[9]. Nevertheless, on March 27, 2013 two new actions[10] were brought by Spain before the CJ against the two regulations themselves.

In the meanwhile, on 11 December 2012, the European Parliament eventually voted in favour of the two EU regulations, namely the EU Regulation 1257/2012 implementing

[5] English, German or French
[6] CFI at that time
[7] The use of this procedure was only used once in the past, for harmonizing rules regarding the applicable law in divorce across several EU Member States
[8] Spain and Italy essentially argued that the enhanced cooperation in this area would "undermine the internal market" as well as "economic, social and territorial cohesion" and that it would create a barrier to trade and distort competition "to the detriment" of businesses in their countries. They also argued that it would be unfair that the predominant languages to be used for documents outlining details of unitary patents would be English, French and German only.
[9] http://curia.europa.eu/juris/document/document.jsf;jsessionid=9ea7d2dc30dbe38c8855173c4e34b52886e7cf836f53.e34KaxiLc3qMb40Rch0SaxuLax50?text=&docid=136302&pageIndex=0&doclang=EN&mode=req&dir=&occ=first&part=1&cid=892031
[10] C-146/13 and C-147/13

enhanced cooperation in the area of the creation of unitary patent (UP) protection[11] and the EU Regulation 1260/20121 implementing enhanced cooperation in the area of the creation of UP protection with regard to the applicable translation arrangements[12].

Such two Regulations would have been however useless without a properly working patent court system with exclusive jurisdiction for infringement and validity issues relating to both UP and traditional European patents.

A first International agreement on such a court system was thus adopted by the EU Council in 2009. This agreement was however considered as incompatible with the EU Treaties by the by the CJ on 8 March 2011 (Opinion 1/09)[13]. A new agreement on a Unified Patent Court restricting the Court Agreement to EU Member States was therefore adopted in 2011. The final agreement on a Unified Patent Court (UPC)[14] was signed on 19 February 2013 by 25 EU member states, i.e. with the exclusion of Poland and Spain.

The legal instruments for creating a unitary patent and litigation system are thus now available.

The future UP/UPC system

The future UP will have effect in 25 out of the 27 present EU member states; that is, in all EU member states but Italy and Spain, which may however enter the agreement at any time. It will enter into force from January 1, 2014[15], or from the date of the entry into force of the UPC agreement, whichever is the later. On its turn, the UPC agreement will enter into force once ratified by 13 EU member states, including France, Germany and UK. For practical reasons, it is not expected to enter into force at least before 2015.

The Unitary patent will be granted by the EPO under the provisions of the European patent Convention to which unitary effect for the territory of the 25 participating states is given after grant, at the patentee's request. In practice, the request for UP shall be filed with the EPO within 1 month from the grant of a European patent; once entered into force, it may therefore be requested also on the basis of already pending EP applications.

After grant of the UP, no further human translations will be required, although high quality machine translations will be available for free in all EU official languages for information only

[11] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:361:0001:0008:EN:PDF
[12] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:361:0089:0092:EN:PDF
[13] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:62009CV0001:EN:HTML
[14] http://documents.epo.org/projects/babylon/eponet.nsf/0/A1080B83447CB9DDC1257B36005AAAB8/$File/upc_agreement_en.pdf
[15] Subject to the CJ decision on the actions brought by Spain against the two Regulations

(i.e. without any legal effect): the UP will thus provide legal protection in the 25 EU member states in the language of the procedure before the EPO.

The UP will co-exist with national patents and with the classical European patent with which it shares the legal basis and the procedure for grant, and from which it differs in the post-grant phase only. Applicants for an EP application will have therefore the option to obtain protection:

- in the 25 participating EU member states either by requesting the UP or on the basis of the EPC traditional procedure;
- in Italy, Spain and in the remaining EPC non-EU contracting states on the basis of the EPC traditional procedure.

The jurisdiction of the UPC will not however be limited to UPs. As a matter of fact, based on the UPC agreement, it will have exclusive jurisdiction in respect of actions for infringement of UPs, European patents or SPCs, declarations of non-infringement of UPs, European patents or SPCs, revocation of UPs and European patents, declaration of invalidity of SPCs and injunctions.

The UPC will be composed by a Court of First Instance, with a central division located in Paris, London and Munich[16] and with local and/or regional divisions in all contracting states which wish to have such divisions on their territory and which will provide the necessary facilities; and by a Court of Appeal, located in Luxembourg.

In particular, the local and regional divisions will have jurisdiction in respect of actions for infringement. The central division will have jurisdiction in respect of direct actions concerning the revocation of European patents, UPs and SPCs; actions for declaration of non-infringement of European patents, UPs and SPCs; appeals against decisions of the EPO. Where a contracting member state neither hosts a local division nor participates in a regional division, it will also have jurisdiction in respect of any action that would have been brought to a local or regional division set up in that state.

In case of counterclaims for revocation, it will be under the discretion of the local and regional divisions to either proceed with both the infringement action and counterclaim for revocation; refer the counterclaim for decision to the central division and suspend or

[16] The technical competence of the central division will be based on the WIPO classification: London will be competent for patents concerning human necessities, chemistry and metallurgy; Munich for patents concerning mechanical engineering, lighting, heating, weapons; and Paris for all other classifications.

proceed with the infringement proceedings; or with agreement of the parties, refer the whole case for decision to the central division.

The role of the CJEU in the future UP/UPC system

Article 24(1) of the UPC agreement stipulates that, when hearing a case brought before it under the agreement itself, the UPC shall base its decisions on:

> *(a) Union law, including Regulation (EU) No 1257/2012 and Regulation (EU) No 1260/20121;*
>
> *(b) this Agreement;*
>
> *(c) the EPC;*
>
> *(d) other international agreements applicable to patents and binding on all the Contracting Member States; and*
>
> *(e) national law*.

However, the UPC is neither an institution nor an agency of the EU: it is a court that has been established by the UPC agreement, namely by an International agreement independently signed by sovereign states which, incidentally, are also member of the EU.

Consequently, although it has been agreed that the UPC may base its decisions on Union law, including the UP Regulation itself, a decision issued by the UPC and based on Union law could not be appealed to the GC (as to the contrary happens in case of decisions issued by the OHIM). Otherwise stated, the CJEU cannot act as a third level judicial body of the UPC.

Nevertheless, Article 21 of the UPC agreement stipulates that *as a court common to the Contracting Member States and as part of their judicial system, the Court shall cooperate with the Court of Justice of the European Union to ensure the correct application and uniform interpretation of Union law, as any national court, in accordance with Article 267 TFEU in particular. Decisions of the Court of Justice of the European Union shall be binding on the Court*.

Consequently, the UPC is fully entitled to request the CJ for preliminary rulings concerning the interpretation of a law of the EU which might for instance affect the validity of a UP, a European patent or a SPC. This could be the case of a preliminary ruling concerning the interpretation of Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions or the interpretation of the

Council Regulation (EEC) n. 1768/92 of 18 June 1992[17] concerning the creation of a SPC for medicinal products.

The main interrogative that is currently under discussion within IP practitioners[18] is however whether, under the future UP/UPC system, the CJEU would also have jurisdiction over substantive patent law.

In this connection, the draft of the EU Regulation 1257/2012 implementing enhanced cooperation in the area of the creation of UP protection has been amended and changed several times, before being eventually voted on 11 December 2012. All versions of the draft Regulation included infringement provisions in Articles 6 to 8; the latest version of the draft, as sent by the Presidency of the EU Council to the Permanent Representatives Committee on December 1, 2011, is attached hereto (Annex I).

The presence of such infringement provisions in the draft Regulation has been however strongly criticized, since considered both unnecessary and potentially very harmful, by many stakeholders and, in particular, by the UK government, industry and law associations.

This because rules with almost identical wording could be found as Articles 14f, 14g and 14h[19] of the draft UPC Agreement. Consequently, having the definition of infringement in two different pieces of legislation, would have risked creating potentially divergent jurisprudence in Europe between UP protection and traditional European patents, both granted through exactly the same process by the EPO.

Secondly, the inclusion of these substantive rules into the Regulation, would have made them a matter of EU law, with the result that an unpredictable number of referrals to the CJEU should have been expected in an area which often is the core of a patent case. And this would have not been desirable for several reasons, including:

- the fact that CJEU decisions are frequently considered to be very ambiguous;
- the length and the cost of procedures before the CJEU;
- but also the concern about how the CJEU, whose Judges are not technically qualified, would have been able to deal with questions which, according to Art. 10 of

[17] Now replaced by the Regulation (EC) n. 469/2009 of the European Parliament and of the Council of 6 May 2009

[18] http://www.managingip.com;
http://www.lexology.com;
http://blog.ksnh.eu;
http://www.lw.com;

[19] Corresponding to Articles 25 to 27 of the signed version of the agreement

the draft UPC Agreement[20], not only require the "highest *standards of competence and proven experience in the field of patent litigation"* but also an understanding of often highly technical facts.

Such a concern has been witnessed by several papers which may easily be found on the Internet; see for instance:

- The Resolution of the European Patent Lawyers Association of 27 September 2011[21].
- The opinion of Prof. Krasser (Munich Institute of Technology and the Max Planck Institute for Intellectual Property and Competition Law) of 18 October 2011.
- The Resolution of the Intellectual Property Judges Association of 2 November 2011[22].
- The opinion of Rt. Hon. Prof. Sir Robin Jacob (Institute of Brand and Innovation Law, UCL Faculty of Laws) of 2 November 2011[23].
- The letter of the International Chamber of Commerce of 14 November 2011[24].
- The letter written on 16 November 2011 by Baroness Wilcox, the UK IP minister, to the Polish Presidency.
- The Policy Paper of the IP Federation of 25 November 2011[25].
- The position paper of the Chartered Institute of Patent Attorneys of 30 November 2011[26].

During the EU Council summer meeting of 28 to 29 June 2012 (driven by the UK prime minister David Cameron), the deletion of Articles 6 to 8 of the draft Regulation was thus negotiated and decided. Later, the deletion was transformed into a replacement, i.e. by Article 5 of the final version of the Regulation as voted by the European Parliament on 11 December 2012, which recites as follows:

> *1. The European patent with unitary effect shall confer on its proprietor the right to prevent any third party from committing acts against which that patent provides protection throughout the territories of the participating Member States in which it has unitary effect, subject to applicable limitations.*

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[20] Corresponding to Article 10 of the signed version of the agreement
[21] http://www.ipeg.eu/wp-content/uploads/EPLAW-Resolution-on-United-Patent-Court-27.92.pdf
[22] http://www.ipeg.eu/wp-content/uploads/Venice-Judges-Resolution-2011.pdf
[23] http://www.eplawpatentblog.com/2011/November/Robin%2020Jacob%2020Opinion%2020re%2020Arts.pdf
[24] http://www.iccwbo.org/about-icc/policy-commissions/
[25] http://www.ipfederation.com/policy_papers.php?searchtxt=Article%206%20and%208
[26] http://www.cipa.org.uk/pages/news/Article?5CBE0D61-C05A-4F50-8A62-A42EBE86CD00

2. The scope of that right and its limitations shall be uniform in all participating Member States in which the patent has unitary effect.

3. The acts against which the patent provides protection referred to in paragraph 1 and the applicable limitations shall be those defined by the law applied to European patents with unitary effect in the participating Member State whose national law is applicable to the European patent with unitary effect as an object of property in accordance with Article 7.

4. In its report referred to in Article16(1), the Commission shall evaluate the functioning of the applicable limitations and shall, where necessary, make appropriate proposals.

But the point is whether such a new wording would be enough to keep the CJEU out of the games…

As a matter of fact, Article 5(3) of the Regulation defines the acts against which the UP provides protection by referring to a specific national law as determined by Article 7 of the Regulation itself, which is reported below.

1. A European patent with unitary effect as an object of property shall be treated in its entirety and in all the participating Member States as a national patent of the participating Member State in which that patent has unitary effect and in which, according to the European Patent Register:

(a) the applicant had his residence or principal place of business on the date of filing of the application for the European patent; or

(b) where point (a) does not apply, the applicant had a place of business on the date of filing of the application for the European patent.

2. Where two or more persons are entered in the European Patent Register as joint applicants, point (a) of paragraph 1 shall apply to the joint applicant indicated first. Where this is not possible, point (a) of paragraph 1 shall apply to the next joint applicant indicated in the order of entry. Where point (a) of paragraph 1 does not apply to any of the joint applicants, point (b) of paragraph 1 shall apply accordingly.

3. Where no applicant had his residence, principal place of business or place of business in a participating Member State in which that patent has unitary effect for the purposes of paragraphs 1 or 2, the European patent with unitary effect as an object of property shall be treated in its entirety and in all the participating Member States as a

national patent of the State where the European Patent Organisation has its headquarters in accordance with Article 6(1) of the EPC.

But the national law referred to in Article 5(3) of the Regulation by reference to Article 7, is precisely the same substantive patent law defined in Articles 25 to 27[27] of the UPC agreement, which will be implemented as national law in each particular member state that ratifies the agreement itself.

This would mean that the substantive law the UP is based on, and which the UPC would have to apply and interpret, has not substantially changed by moving the substance of Articles 6 to 8 of the draft Regulation into Articles 25 to 27 of the UPC agreement.

What actually has changed is that, without the amendment decided during the 2012 EU Council summer meeting, Articles 6 to 8 of the draft Regulation would have entered the complete body of EU law and would have been thus subjected to possible preliminary rulings by the CJ. To the contrary, at least if a formal approach is adopted, the substantive patent law as defined by Articles 25 to 27 of the UPC agreement should not be subject to preliminary rulings by the CJ, because there simply does not exist any EU law in the light of which theses national provisions could possibly be interpreted by the CJ[28].

At least, this would be the case if Articles 6 to 8 of the draft Regulation would not have been replaced by Article 5, but just moved to the UPC agreement without replacement.

The question is thus whether Article 5 of the UP Regulation forms such a sufficiently strong link between the UP Regulation and the UPC agreement to draw the substance of Articles 25 to 27 back into the regulation, thus ensuring the competency of the CJEU on European substantive patent law.

However, it is currently not possible to give a clear and straightforward answer to such a question: the ball would seem to be now within the hands of the CJEU itself; and the answer will depend on the CJEU's own interpretation of Article 5 of the UP Regulation and its understanding of the nature of the UPC Agreement.

As a matter of fact, there cannot be much doubt that, one day or another, the competency of the CJEU will be tested by the UPC with a request for a preliminary ruling on a substantive patent issue, as for instance the doctrine of equivalence. And based on the above-sketched

[27] Formerly articles 14f to 14h
[28] As required by Art.267 TFEU

options to interpret Article 5 of the UP Regulation, the request might then be considered inadmissible *per se* by the CJEU, since it relates to an international treaty and thus lies outside the scope of Article 267 TFEU; or it might be considered admissible since it is strongly linked by Article 5 of the UP Regulation to secondary EU law, as required by Article 267 TFEU.

Conclusions

The CJEU has been since now faced with IP-related issues from two main perspectives: appeals filed with the GC against decisions of the OHIM on EU trademarks[29]; and requests for preliminary rulings filed with the CJ, by national courts, with respect to the interpretation of EU Regulations or Directives somehow connected to the validity or enforceability of patent or patent-related rights, such as SPCs.

The future UP/UPC system will open the way for new involvements by the CJEU, which might be faced with possible requests for preliminary rulings filed by the UPC itself with respect to the interpretation of a law of the EU which might somehow affect a UP, a European patent or a SPC.

Reasonable doubts however exist about whether Article 5 of the UP Regulation could be used to argue in favour or against the possible CJEU involvement with respect to substantive patent law. But it will be the CJEU itself that will have to decide, one day, which of those two interpretations is in line with EU law.

[29] And related appeals filed with the CJ

Annex I

	Commission proposal	***Council general approach***	***Parliament draft report***	***Compromise proposals***
	Chapter II Effects of the European patent with unitary effect ***Right to prevent the direct use of the invention***	***Chapter II Effects of the European patent with unitary effect*** ***Right to prevent the direct use of the invention***	***Chapter II Effects of the European patent with unitary effect*** ***Right to prevent the direct use of the invention***	***Chapter II Effects of the European patent with unitary effect*** ***Right to prevent the direct use of the invention***
Art 6 introd. phrase	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from the following:*	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from the following:*	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from the following:*	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from the following:*
Art 6 point a	*making, offering, placing on the market or using a product which is the subject matter of the patent, or importing or storing the product for those purposes;*	*making, offering, placing on the market or using a product which is the subject matter of the patent, or importing or storing the product for those purposes;*	*making, offering, placing on the market or using a product which is the subject matter of the patent, or importing or storing the product for those purposes;*	*making, offering, placing on the market or using a product which is the subject matter of the patent, or importing or storing the product for those purposes;*
Art 6 point b ***Am. 12***	*using a process which is the subject matter of the patent or, where the third party knows, or should have known, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use within the* ***participating*** *Member States;*	*using a process which is the subject matter of the patent or, where the third party knows, or should have known, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use within the Member States;*	*using a process which is the subject matter of the patent or, where the third party knows, or should have known, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use within the* ***territory of the participating*** *Member States;*	*using a process which is the subject matter of the patent or, where the third party knows, or should have known, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use within the* ***territory of the participating*** *Member States* ***in which that patent has unitary effect;***
Art 6 point c	*offering, placing on the market, using, importing or storing for those purposes a product obtained directly by a process which is the subject matter of the patent.*	*offering, placing on the market, using, importing or storing for those purposes a product obtained directly by a process which is the subject matter of the patent.*	*offering, placing on the market, using, importing or storing for those purposes a product obtained directly by a process which is the subject matter of the patent.*	*offering, placing on the market, using, importing or storing for those purposes a product obtained directly by a process which is the subject matter of the patent.*
	Article 7 ***Right to prevent the indirect use of the invention***	***Article 7*** ***Right to prevent the indirect use of the invention***	***Article 7*** ***Right to prevent the indirect use of the invention***	***Article 7*** ***Right to prevent the indirect use of the invention***
Art 7(1) ***Am. 13***	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party from supplying or offering to supply within the participating Member States any person* ***without the proprietor's consent,*** *other than* ***a party*** *entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or should have known, that those means are suitable and intended for putting that invention into effect.*	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party from supplying or offering to supply within the participating Member States any person* ***without the proprietor's consent,*** *other than* ***a party*** *entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or should have known, that those means are suitable and intended for putting that invention into effect.*	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party* ***not having the proprietor's consent*** *from supplying or offering to supply, within the participating Member States, any person other than* ***the one*** *entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or should have known, that those means are suitable and intended for putting that invention into effect.*	*The European patent with unitary effect shall confer on its proprietor the right to prevent any third party* ***not having the proprietor's consent*** *from supplying or offering to supply, within the participating Member States* ***in which that patent has unitary effect,*** *any person other than* ***a party*** *entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or should have known, that those means are suitable and intended for putting that invention into effect.*
Art 7(2)	*Paragraph 1 shall not apply when the means are staple commercial products, except where the third party induces the person supplied to perform any of the acts prohibited by Article 6.*	*Paragraph 1 shall not apply when the means are staple commercial products, except where the third party induces the person supplied to perform any of the acts prohibited by Article 6.*	*Paragraph 1 shall not apply when the means are staple commercial products, except where the third party induces the person supplied to perform any of the acts prohibited by Article 6.*	*Paragraph 1 shall not apply when the means are staple commercial products, except where the third party induces the person supplied to perform any of the acts prohibited by Article 6.*
Art 7(3)	*Persons performing the acts referred to in Article 8(a) to (d) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.*	*Persons performing the acts referred to in Article 8(a) to (d) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.*	*Persons performing the acts referred to in Article 8(a) to (d) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.*	*Persons performing the acts referred to in Article 8(a) to (d) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.*
Art 8a ***Am. 14***			***Article 8a Damages*** ***1. In the event of unlawful direct use, the patent proprietor shall have the right in accordance with Article 6 to claim damages from the third party.*** ***2. He may at his discretion claim from the third party:*** ***a) compensation for lost profit and other damages,*** ***b) a reasonable royalty, or*** ***c) surrender of the profit derived from the patent infringement.*** ***3. The royalty referred to in paragraph 2(b) shall be such as would have been set by reasonable parties to a licence agreement at the time the patent was first infringed, but in full knowledge of all the circumstances of the patent***	

			infringement, including the unauthorised use. ***4. Interest shall be charged on the sum to be paid in compensation at 5% over the ECB rate for each year of use. The claim shall lapse five years after the patent proprietor first learns of the patent infringement.*** ***5. The patent proprietor's*** ***entitlement to information and other entitlements shall be determined under the national law of the participating Member States adopted pursuant to Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.*** ***6. Paragraphs 1 to 5 shall apply in cases of indirect use of a patent in accordance with Article 5 only where the act leads to a direct infringement of the patent.***	
	Article 8 ***Limitation of the effects of the European patent with unitary effect***	***Article 8*** ***Limitation of the effects of the European patent with unitary effect***	***Article 8*** ***Limitation of the effects of the European patent with unitary effect***	***Article 8*** ***Limitation of the effects of the European patent with unitary effect***
Art 8	*The rights conferred by the European patent with unitary effect shall not extend to any of the following:*	*The rights conferred by the European patent with unitary effect shall not extend to any of the following:*	*The rights conferred by the European patent with unitary effect shall not extend to any of the following:*	*The rights conferred by the European patent with unitary effect shall not extend to any of the following:*
Art 8 *point a*	*acts done privately and for non-commercial purposes;*	*acts done privately and for non-commercial purposes;*	*acts done privately and for non-commercial purposes;*	*acts done privately and for non-commercial purposes;*
Art 8 *point b*	*acts done for experimental purposes relating to the subject matter of the patented invention;*	*acts done for experimental purposes relating to the subject matter of the patented invention;*	*acts done for experimental purposes relating to the subject matter of the patented invention;*	*acts done for experimental purposes relating to the subject matter of the patented invention;*
Art 8 point ba Am. 15			***acts relating to the use of the invention prior to the granting of the patent or to the right based on prior use of the patent.***	
Art 8 *point c*	*acts carried out solely for the purpose of conducting the necessary tests and trials in accordance with Article 13(6) of Directive 2001/82/EC or Article 10(6) of Directive 2001/83/EC in respect of any patent covering the product within the meaning of either of those Directives.*	*acts carried out solely for the purpose of conducting the necessary tests and trials in accordance with Article 13(6) of Directive 2001/82/EC or Article 10(6) of Directive 2001/83/EC in respect of any patent covering the product within the meaning of either of those Directives.*	*acts carried out solely for the purpose of conducting the necessary tests and trials in accordance with Article 13(6) of Directive 2001/82/EC or Article 10(6) of Directive 2001/83/EC in respect of any patent covering the product within the meaning of either of those Directives.*	*acts carried out solely for the purpose of conducting the necessary tests and trials in accordance with Article 13(6) of Directive 2001/82/EC or Article 10(6) of Directive 2001/83/EC in respect of any patent covering the product within the meaning of either of those Directives.*
Art 8 *point d*	*the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription nor acts concerning the medicine so prepared;*	*the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription nor acts concerning the medicine so prepared;*	*the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription nor acts concerning the medicine so prepared;*	*the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription nor acts concerning the medicine so prepared;*
Art 8 *point e*	*the use on board vessels of countries other than participating Member States of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of participating Member States, provided that the invention is used there exclusively for the needs of the vessel;*	*the use on board vessels of countries other than participating Member States of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of participating Member States, provided that the invention is used there exclusively for the needs of the vessel;*	*the use on board vessels of countries other than participating Member States of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of participating Member States, provided that the invention is used there exclusively for the needs of the vessel;*	*the use on board vessels of countries other than participating Member States* ***in which that patent has unitary effect*** *of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of articipating Member States* ***in which that patent has unitary effect,*** *provided that the invention is used there exclusively for the needs of the vessel;*
Art 8 *point f* ***Am. 16***	*the use of the patented invention in the construction or operation of aircraft or land vehicles or other means of transport of States other than participating Member States, or of accessories to such aircraft or land vehicles, when these temporarily or accidentally enter participating Member States;*	*the use of the patented invention in the construction or operation of aircraft or land vehicles or other means of transport of States other than participating Member States, or of accessories to such aircraft or land vehicles, when these temporarily or accidentally enter participating Member States;*	*the use of the patented invention in the construction or operation of aircraft or land vehicles or other means of transport of States other than participating Member States, or of accessories to such aircraft or land vehicles, when these temporarily or accidentally enter* ***the territory of the*** *participating Member States;*	*the use of the patented invention in the construction or operation of aircraft or land vehicles or other means of transport of States other than participating Member States* ***in which that patent has unitary effect,*** *or of accessories to such aircraft or land vehicles, when these temporarily or accidentally enter* ***the territory of the*** *participating Member States* ***in which that patent has unitary effect;***
Art 8 *point g*	*the acts specified in Article 27 of the Convention on International Civil Aviation of 7 December 1944, where*	*the acts specified in Article 27 of the Convention on International Civil Aviation of 7 December 1944, where*	*the acts specified in Article 27 of the Convention on International Civil Aviation of 7 December 1944, where*	*the acts specified in Article 27 of the Convention on International Civil Aviation of 7 December 1944, where*

	these acts concern the aircraft of a country other than a participating Member State;	*these acts concern the aircraft of a country other than a participating Member State;*	*these acts concern the aircraft of a country other than a participating Member State;*	*these acts concern the aircraft of a country other than a participating Member State* ***in which that patent has unitary effect;***
Art 8 *point h* ***Am. 17***	***acts as covered by the farmers privilege pursuant to*** *Article 14 of Regulation (EC) No. 2100/94* ***which applies mutatis mutandis;***	***the use by a farmer of the product of his crop for propagation or multiplication on his own holding, provided that the reproductive vegetable material was sold or otherwise commercialized by the patent proprietor or with his consent to the farmer, for agricultural purposes. The scope and the detailed methods of this use are laid down in*** *Article 14 of Regulation (EC) No. 2100/94;*	***the use by a farmer of the product of his crop for propagation or multiplication on his own holding, provided that the reproductive vegetable material was sold or otherwise commercialized by the patent proprietor or with his consent to the farmer, for agricultural purposes. The scope and the detailed methods of such use are laid down in*** *Article 14 of Regulation (EC) No. 2100/94;*	***the use by a farmer of the product of his crop for propagation or multiplication on his own holding, provided that the reproductive vegetable material was sold or otherwise commercialized by the patent proprietor or with his consent to the farmer, for agricultural purposes. The scope and the detailed methods of this use are laid down in*** *Article 14 of Regulation (EC) No. 2100/94;*
Art 8 *point i*	*the use by a farmer of protected livestock for farming purposes, on condition that the breeding animals or other animal reproductive material were sold or otherwise commercialised to the farmer by the patent proprietor or with his/her consent. Such use includes the provision of the animal or other animal reproductive material for the purposes of his/her agricultural activity, but not the sale in the framework of or for the purpose of commercial reproductive activity;*	*the use by a farmer of protected livestock for farming purposes, on condition that the breeding animals or other animal reproductive material were sold or otherwise commercialised to the farmer by the patent proprietor or with his/her consent. Such use includes the provision of the animal or other animal reproductive material for the purposes of his/her agricultural activity, but not the sale in the framework of or for the purpose of commercial reproductive activity;*	*the use by a farmer of protected livestock for farming purposes, on condition that the breeding animals or other animal reproductive material were sold or otherwise commercialised to the farmer by the patent proprietor or with his/her consent. Such use includes the provision of the animal or other animal reproductive material for the purposes of his/her agricultural activity, but not the sale in the framework of or for the purpose of commercial reproductive activity;*	*the use by a farmer of protected livestock for farming purposes, on condition that the breeding animals or other animal reproductive material were sold or otherwise commercialised to the farmer by the patent proprietor or with his/her consent. Such use includes the provision of the animal or other animal reproductive material for the purposes of his/her agricultural activity, but not the sale in the framework of or for the purpose of commercial reproductive activity;*
Art 8 *point j* ***Am. 18***	*the acts and the use of the obtained information as allowed under Articles 5 and 6 of* ***Council Directive 91/250/EEC,*** *in particular, by its provisions on decompilation and interoperability; and*	*the acts and the use of the obtained information as allowed under Articles 5 and 6 of* ***Council Directive 91/250/EEC,*** *in particular, by its provisions on decompilation and interoperability; and*	*the acts and the use of the obtained information as allowed under Articles 5 and 6 of* ***Directive 2009/24/EC,*** *in particular, by its provisions on decompilation and interoperability; and*	*the acts and the use of the obtained information as allowed under Articles 5 and 6 of* ***Directive 2009/24/EC,*** *in particular, by its provisions on decompilation and interoperability; and*
Art 8 *point k*	*the acts allowed pursuant to Article 10 of Directive 98/44/EC of the European Parliament and of the Council.*	*the acts allowed pursuant to Article 10 of Directive 98/44/EC of the European Parliament and of the Council.*	*the acts allowed pursuant to Article 10 of Directive 98/44/EC of the European Parliament and of the Council.*	*the acts allowed pursuant to Article 10 of Directive 98/44/EC of the European Parliament and of the Council.*