COUNCIL OF
THE EUROPEAN UNION

Brussels, 24 April 2009

9076/09

LIMITE

PI 34
COUR 31

NOTE

from:	Presidency
to:	Working Party on Intellectual Property (Patents)
No. prev. doc. :	7928/09 PI 23 COUR 29
Subject :	Request for an opinion by the European Court of Justice on the compatibility with the EC Treaty of the envisaged Agreement creating a unified patent litigation system

A. Introduction

Background

In its communication "Enhancing the patent system in Europe" dated 3 April 2007[1], the Commission presented different options regarding the creation of a future unified patent litigation system. Following the communication intensive discussions took place in the Council Working Party on Intellectual Property on the basis of a series of working documents presented by the Portuguese, Slovenian, French and Czech Presidencies. These discussions have resulted in the preparation of a draft Agreement on a unified patent litigation system.

[1] COM(2007) 165 final.

Such agreement has been first outlined in a working document prepared by the Slovenian Presidency in March 2008[2]. A first text of the preliminary draft Agreement was presented by the Slovenian Presidency in May 2008[3]. This text envisaged a mixed agreement to be concluded between the Community and its Member States, open for accession by other Contracting States of the European Patent Convention.

The text of this draft Agreement was subsequently intensively discussed in the working party and continuously further elaborated and revised on the basis of those discussions. Its latest version has been proposed by the Czech Presidency on 23 March 2009[4].

In the course of the discussions and further to requests by various delegations, the French Presidency requested a written opinion of the Council Legal Service on the competence of the Community to conclude such an agreement and on its compatibility with the EC Treaty, inter alia in relation to the role which would be assigned by this Agreement to the European Court of Justice (ECJ).

Regarding the competence of the Community, the Council Legal Service, in its written opinion of 10 November 2008[5], confirmed that "*competence to negotiate and conclude the envisaged agreement would be clearly shared by the Community and its Member States ("mixed agreement")*"[6]. Regarding the compatibility of the draft Agreement with the EC Treaty, the Legal Service recommended that "*the ECJ be consulted on the compatibility of the envisaged Agreement with the EC Treaty, in accordance with Article 300(6) EC, as soon as any recommendation to open negotiations is submitted by the Commission*"[7]. The Council Legal Service pointed out that in the absence of such a recommendation it would be unfeasible for the Council or the Member States to envisage any such Agreement. Consequently there would be a risk that the ECJ might consider the request for an opinion premature and therefore inadmissible.

---

2 Doc. 7728/08, 19 March 2008.
3 Doc. 9124/08, 14 May 2008.
4 Doc. 7928/09.
5 Doc. 15487/08.
6 Doc. 15487/08, paragraph 8.
7 *Ibid* at paragraph 33.

On 1 December 2008 the Competitiveness Council had an exchange of views in the light of the progress made in the discussions in the working party. Various Member States called on the Commission to recommend negotiating directives as a prerequisite for the consultation of the ECJ.

On 20 March 2009 the Commission adopted its Recommendation to the Council with a view to authorising it to open negotiations for the adoption of an Agreement creating a Unified Patent Litigation System[8]. The recommendation and its explanatory memorandum reflect the main features of the latest version of the draft Agreement. On 2 April 2009 the representative of the Commission presented the recommendation to the working party. The representative of the Commission explained that Article 308 EC should be considered as the appropriate legal basis for the Agreement. Moreover the Commission had no intention to consult the ECJ but would leave this for the Council. In the course of the discussion a large majority of Member States reiterated their wish to proceed expeditiously with the consultation of the ECJ.

Consequently the Presidency intends to propose to the Council to adopt a request for an opinion of the ECJ. The Presidency believes that on the basis of the Commission recommendation and of the latest version of the text, the envisaged Agreement is sufficiently elaborated and mature to allow the ECJ to give an opinion. In this context it is of no relevance that there is not yet consensus on some issues which are still under discussion. According to the jurisprudence of the Court such a request may be submitted once the purpose and the content of that Agreement and the matters it must govern is sufficiently described[9]. The Court has also underlined that the fact that negotiations are still ongoing and that a number of alternatives are still open and differences of opinion on the drafting of given clauses persist does not prevent the Court from giving its opinion once the documents submitted to the Court and information provided at the hearing are sufficiently clear[10].

---

8 Doc. 7927/09 of 23 March 2009

9 Opinion 1/75 [1975] ECR 1355; opinion 1/78, [1979] ECR 2871.

10 Opinion 1/78 [1979] ECR 2871 paragraphs 32 et seq. – International Agreement on Natural Rubber.

It should also be recalled that according to standing jurisprudence of the Court the request by the Council does not require prior adoption of the negotiation directives. The Presidency takes the view that negotiating directives should be adopted once the opinion of the Court is known.

B. The scope of the request

With its request the Council should ask the ECJ to provide its opinion on whether the envisaged Agreement, as set out in the latest version of the Presidency working document and the Commission's recommendation is compatible with the provisions of the EC Treaty. These documents shall be attached to the request. However, in the memorandum it shall be explained that some important issues are still under discussion (see below under C.).

On the basis of established jurisprudence of the Court the request may refer to whether the envisaged Agreement is compatible with the provisions of the Treaty and in particular the system of legal supervision provided for therein and/or whether the Community has the competence to enter into the envisaged Agreement[11]. The Presidency believes that in the present case it is not necessary to request an opinion from the Court on the question of competence.

The Council Legal Service has outlined in its opinion that the Community has exclusive competence to negotiate a number of matters which are affected by the draft Agreement[12], whereas other matters fall within the competence of Member States. According to this opinion the competence is thus clearly shared between the Community and its Member States. This seems to be generally accepted by Member States. Consequently, the Presidency does not see a need for requesting the Court to deliver an opinion in that regard.

---

[11] See Opinions 1/91 [1991] ECR I-6079 and 1/92 [1992] ECR I-2821 - EEA Agreement, as well as opinion 1/00 [2002] ECR I-3493 - European Common Aviation Area.

[12] Doc. 15487/08, paragraphs 7 et seq. Moreover see also opinion 1/03 [2006] ECR I-1145 – Lugano Convention.

By contrast some delegations have clearly expressed legal doubts as to the compatibility of the envisaged Agreement with the EC Treaty. These doubts concern the choice of the legal instrument, its legal basis and the future role of the ECJ. Under those circumstances the request to the Court should relate in particular to the compatibility of the envisaged agreement with Articles 220 et seq. of the EC Treaty. Consequently the request should be formulated as follows:

"Is the envisaged Agreement creating a Unified Patent Litigation System, as outlined in points xxxx of the present memorandum and in the Commission recommendation of 20 March 2009 compatible with the EC Treaty and in particular Articles 220 et seq. thereof?"

C. Issues to be addressed in the memorandum

The description of the envisaged Agreement in the memorandum should first of all stress that there is not yet consensus on the choice of the legal instrument, its legal basis and on some substantive issues, including the role of the ECJ.

Furthermore, the legal doubts of certain Member States will have to be properly reflected in the memorandum. These concern in particular the following:

(1) Choice of legal instrument and legal basis

Certain delegations would prefer to use a Community instrument based on Article 229a EC in order to attribute patent litigation cases to the European ECJ and to create judicial panels under Article 225a EC.

According to the opinion of the Council Legal Service the Treaty does not create an obligation to submit disputes relating to the application of acts which create Community industrial property rights to the ECJ, but allows the Council to confer jurisdiction "*to the extent that it shall determine*". Furthermore, the Council Legal Service also stressed that Article 229a of the Treaty does neither confer nor allow to confer jurisdiction on the ECJ to interpret and apply national law on disputes concerning European patents[13].

The Commission proposes to use Article 308 EC as a legal basis. One delegation, however, feels that Articles 229a and 308 EC could be used as joint legal bases for creating a patent litigation system covering both Community and European patents. Under those circumstances the legal basis, which also determines the choice of the legal instrument, is one of the main issues to be addressed and elaborated on in the memorandum. This should properly reflect the position of Member States.

(2) Role of the ECJ

Some delegations suggest that the ECJ should be entrusted with the task of ruling on further appeal on all points of law ("*cassation"*) against decisions of the envisaged Court of Appeal. In its opinion the Legal Service of the Council noted that such new responsibility might be considered to alter the essential character of the function of the Court as conceived by the EC Treaty[14]. This view is shared by a large majority of Member States. Those Member States believe that it is more appropriate for the ECJ to decide on questions concerning the validity or interpretation of Community law referred to it by the Court of First Instance and the Court of Appeal as envisaged under the draft Agreement. However, the possibility of a *cassation* is of crucial importance for the former delegations and therefore needs to be properly reflected in the memorandum in order to enable the ECJ to form an opinion on this issue.

---

13 Doc. 15487/08, paragraph 25.
14 Doc. 15487/08, paragraph 32.

D. Procedure

According to the Rules of Procedure of the ECJ, when a request for an opinion has been submitted by the Council, this request will be served on the Commission and the European Parliament who will be invited to present their observations within a time limit prescribed by the President of the Court.

Although the request is not served on Member States nothing prevents the Court from inviting Member States to make observations[15]. This practice should be observed in the present case. To this end the Presidency proposes that the Council explicitly asks the Court in its request for an opinion to invite Member States to present observations.

E. Conclusion

In the light of the above, delegations are invited to consider recommending to the Competitiveness Council on 28/29 May 2009 to agree that a request for an Opinion under Article 300(6) TEC on the compatibility of the draft Agreement with the EC Treaty be submitted to the European Court of Justice by the Council on the basis of a memorandum along the lines of the present Note, to be drawn up to this effect by the Council's Legal Service.

---

[15] See opinion 2/94 [1996] ECR I-1763 at p. 1765.