

Interpretative note - Consequences of the application of Article 83 UPCA

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1. Both within the Preparatory Committee as in public debates the question has arisen whether the Agreement on the unified patent court (hereafter: 'the Agreement' or "UPCA") will apply to patents that are opted out.
2. Formally the question will become relevant once the UPCA has entered into force and national courts have to rule on European patents for which no unitary effect has been registered. For patent holders thinking over their patent strategies the question may become a current affair long before that date. Although it will be the responsibility of each national court to determine its position, it would be very unfavourable if national courts would take different views on this issue.
3. Further, contracting states might find the issue relevant for their ratification processes. For these reasons the Preparatory Committee finds it useful to give its opinion on this matter.

Applicability of the Agreement on the Unified Patent Court on opted-out patents

4. Some take the view that the consequence of opting out (or from bringing a case to a national court during the transitional period) is that while the Unified Patent Court is no longer competent in that specific case, the Agreement itself remains applicable. The competent national court would therefore be obliged to apply the provisions of the Agreement, in particular the provisions with regard to substantive patent law (Chapter V). In other words, national law would be superseded by the Agreement, even if a patent is opted out or the case is brought before a national court.
5. Another view is that, if a patent is opted out (or if during the transitional period the case is brought before the national court), the agreement no longer applies to the patent concerned and the competent national court has to apply the applicable national law only.

Legal background

6. The applicability of the Agreement to European patents and patent applications is dealt with in article 3 of the Agreement. According to Article 3 the UPCA applies to:
 - European patents with unitary effect;
 - Supplementary protection certificates issued for a product protected by a European patent;
 - European patents;
 - European patent applications.

The agreement does not apply to applications for Supplementary protection certificates. It is only once a certificate has been issued that the Agreement becomes applicable to it. This can be explained by the fact that, unlike the application for a patent (cf Article 67 EPC) there is no provisional protection resulting from the application for a supplementary protection certificate which could be the subject of a court action.

7. Under article 83(1) UPCA it shall, during a transitional period be possible to bring cases with regard to European patents for which no unitary effect has been registered, to national courts. Further, article 83(3) of the Agreement provides applicants or holders of such patents during a transitional period the possibility to opt out from the exclusive jurisdiction of the Unified Patent Court.

8. Article 3 UPCA makes a reference to article 83 UPCA, with regard to European patents that have not yet lapsed and pending applications for European patents, by stating that the applicability of the Agreement shall be without prejudice to article 83. The impact of that reference however is ambiguous and does not give a clear answer on this matter. Further, the reference is partial since it only refers to applications for European patents and European patents and not to supplementary protection certificates that have been issued.

9. It is therefore necessary to further interpret how these provisions should be read. According to article 31 of the Vienna Convention on the law of treaties, a treaty shall be interpreted in good faith in accordance with ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose.

10. Article 32 of the Vienna Convention of the law of treaties states that supplementary means of interpretation, including the preparatory work of the treaty and the circumstances of its conclusion may be used in order to confirm the meaning resulting from the application of article 31, or to determine the meaning when the interpretation according to article 31 (a) leaves the meaning ambiguous or obscure, or (b) leads to a result which is manifestly absurd or unreasonably.

Analysis

11. From the recitals and article 1 of the Agreement, it can be deduced that it was the wish of the Contracting States to improve the enforcement of patents and the defence against unfounded claims and patents which should be revoked and to enhance legal certainty by setting up a unified patent court. The court should be devised to ensure expeditious and high quality decisions, striking a fair balance between the interests of right holders and other parties and taking into account the need for proportionality and flexibility.

12. It was the choice of the Contracting States that these goals could best be achieved by setting up a court common to those contracting states that would have exclusive competence in respect of European patents and European patents with unitary effect. This is reflected in the title of the instrument that was used: Agreement on a **Unified** Patent Court.

13. The underlying idea is that by attributing competence with regard to patent cases to one court exclusively, a uniform interpretation of the applicable law is best guaranteed. Although composed of different divisions, the Unified Patent Court is a single court with a single appeal body that safeguards the uniform interpretation of the applicable rules (most notably the agreement itself, its Rules of Procedure, the applicable European Union law and the European Patent Convention). This is in contrast with the current situation where different national courts are interpreting substantial patent law. As far as EU law is concerned, EU-legislation has been provided for in the area of supplementary protection certificates for medicinal and plant products and the directive on legal protection of biotechnological inventions, for which a uniform interpretation can today be achieved by referring interpretative questions to the European Court

of Justice. However, large areas of law remain for which the uniform interpretation is not guaranteed by a single court.

14. The legislator has clearly not chosen to achieve a uniform application of substantive patent law through obligatory harmonisation of national patent law. There is no provision in the Agreement that obliges the contracting states to do so. In this regard, the Agreement differs from the EU trade mark system, where the regulation establishing the EU trade mark is accompanied by an EU-directive harmonizing national trade mark systems and preliminary questions can be posed to the European Court of Justice.

15. There is no possibility for national judges to refer interpretative questions to the Unified Patent Court. As a consequence, application of the substantive patent law that is contained in the Agreement by national courts would seriously bear the risk of diverging interpretations, which is would be contradictory to the goals of the Agreement.

16. From this it can be concluded that it was the purpose of the contracting states to create a new jurisdiction in order for substantive patent law, to be interpreted by a court common to the contracting states exclusively (i.e. the Unified Patent Court). It was not intended to be obligatory to harmonise national patent law, nor was it intended that national courts would have jurisdiction with regard to the agreement itself.

17. As far as the transitional regime is concerned, it should be concluded that this aims at allowing parties for a limited period of time to continue the current practice whereby national courts have jurisdiction with regard to applications for European patents and European patents, thereby applying national law.

18. Mutatis mutandis the above would apply to Supplementary Protection Certificates that have been issued. The transitional regime that is contained in article 83 treats applications for European patents, European patents and Supplementary Protection Certificates that have been issued for a product protected by a European Patent alike. These can be brought before a national court and can be opted out. Although it must be acknowledged that article 3 of the Agreement has been formulated differently with regard to Supplementary Protection Certificates there is no reason why this would lead to a different conclusion.

Conclusion

19. It is the Preparatory Committee's view that if an application for a European patent, a European patent or a Supplementary Protection Certificate that has been issued for a product protected by a European Patent is opted out (or during the transitional period the case is brought before a national court), the Agreement no longer applies to the application for a European patent, the European patent or the Supplementary Protection Certificate concerned. As a consequence the competent national court would have to apply the applicable national law.