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Advocate General proposes CJEU to dismiss Spain's actions against the Unitary Patent Regulations

Pieter Callens (Eubelius) · Wednesday, November 19th, 2014

The first actions of Spain and Italy against the decision of 25 EU member states to use the system of "enhanced cooperation" for the unitary patent package were rejected by the Court of Justice of the European Union (CJEU) on 16 April 2013. One month earlier, Spain had launched on 22 March 2013 two new actions (C-146/13 and C-147/13) against the Unitary Patent Regulation (1257/2012) and the Translation Regulation (1260/2012).

On 18 November 2014, the two Opinions of the Advocate General Yves Bot regarding the actions of Spain were published. In his Opinions the Advocate General proposes the CJEU to dismiss the respective actions against the Unitary Patent Regulations.

In the Opinion regarding the action against the Unitary Patent Regulation, the Advocate General analyses the seven pleas of Spain. We can summarize the opinion on the most important pleas as following:

• The Advocate General is of the opinion that the Unitary Patent Regulation does not breach the rule of law by establishing a Unitary Patent on the basis of a right granted by the European Patent Office (whose acts are not subject to judicial review). According to the AG the Regulation merely creates a framework for the acknowledgement of unitary effect of a European patent that has been granted pursuant to the European Patent Convention. Only the nature, conditions and effects of the unitary protection are determined by the Unitary Patent Regulation. Therefore, the Regulation merely adds an additional characteristic to an existing European patent, without affecting the procedure regulated by the EPC.

• Spain argued that article 118 TFEU is not the correct legal basis for the Unitary Patent Regulation. The Regulation would not provide a unitary patent protection because it does not determine against which acts the Unitary Patent offers protection. The AG considers that article 118 TFEU does not require that all aspects of unitary protection need to be fully harmonized. The system of the Unitary Patent Regulation by which one national law (which includes the provisions of the Unified Patent Court Agreement) governs the Unitary Patent for the entire territory of the participating member states, guarantees sufficiently a uniform protection.

• The AG does not agree with Spain that the Unitary Patent Regulation would infringe article 291(2) TFEU (and the Meroni case-law of the CJEU) by letting the Select Committee of the Administrative Council of the European Patent Office set the renewal fees and determine the

distribution key of those fees and by delegating certain administrative tasks to the European Patent Office. According to the AG, not paragraph 2, but paragraph 1 of article 291 TFEU ("Member States shall adopt all measures of national law necessary to implement legally binding Union acts") applies to the unitary patent situation. The exercise of the aforementioned powers of the member states takes place within a legislative framework established and clarified by the Unitary Patent Regulation, which does not need to be implemented under uniform conditions in all the Member States.

• In the AG's view, the fact that the application of the Regulation is dependent on the entry into force of the Agreement on a Unified Patent Court does not undermine the competences of the Union. On the contrary, the Unitary Patent Regulation considers that the establishment of a unified jurisdiction is essential in order to ensure the proper functioning of the Unitary Patent, consistency of case-law and hence legal certainty. It would be contrary to such principles to apply the Regulation when the Unified Patent Court has not yet been established.

In the Opinion regarding the action against the Translation Regulation, the Advocate General proposes to dismiss the five pleas of Spain. For three of the five pleas the AG refers to its motivation in the Opinion regarding the action against the Unitary Patent Regulation. The opinion regarding the remaining pleas can be summarized as following:

• The AG considers that the language regime does not breach the principle of non-discrimination by introducing a regime to the detriment of persons whose mother tongue is not English, French or German. Although there is discrimination in languages, the AG recalls that there is no principle of equality of languages. The choice of only three languages pursues a legitimate objective of reducing translation costs. Furthermore, the difference in treatment is appropriate because it ensures unitary patent protection throughout the territory of the participating member states whilst enabling a significant reduction in translation costs to be achieved. If the translation costs need to be limited, there is no other choice than to limit the number of translations, as the member states cannot e.g. limit the number of pages of a patent. Moreover, the language regime is proportionate as it will only apply during a transitional period and financial compensation is provided for certain patentees (SMEs, universities, natural persons, non-profit organizations and public research organizations).

• Spain argued that the principle of legal certainty would be breached because the access to information for market players would be limited because of the use of only three languages as a possible authentic language. According to the AG the principle of legal certainty is better safeguarded by using only one authentic language compared to more languages.

If the CJEU follows the Opinion of the Advocate-General, the Spanish "war against the unitary patent package" shall be finally settled. As the participating member states of the UPC plan to make in 2015 the final preparations for the entry into force of the Unitary Patent package in 2016, the rejection of the actions of Spain by the CJEU shall be an important incentive for the member states to move forward.

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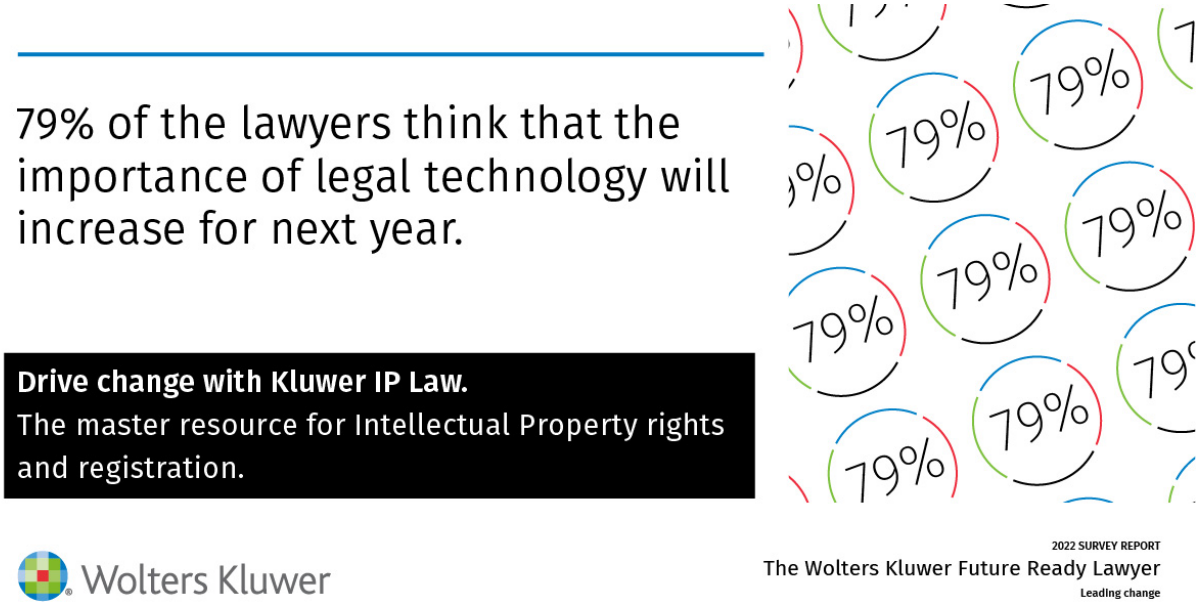

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