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The Applicable Law in the UPC: Some Reflections sparked by the OCR

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The OCR ("Old Combination Room") at Christ College is a lovely, warm and inspiring pine-paneled room located at the heart of one of the most traditional colleges at Cambridge University. For many many decades, like the OCRs of other colleges at Cambridge and at *the other* leading English university, it has been a place for gathering, sparking friendships and reflection. However, at the OCR of Christ College one has to be careful because not everything is what it seems. Hanging on one of the walls there is an old portrait of Historian Laurence Echard (1670-1730), who appears to have freckles and moles on his face. But upon closer inspection, what looks like freckles and moles turns out to be the aftermath of a chocolate war that took place among a group of perhaps overdrunk students a long time ago. Since the chocolate war was never heard about by the Master, the chocolate stains on the face of Laurence Echard seem to be there to stay.

Regulation (EU) No 1257/2012 of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection ("the Unitary Patent Regulation") also has its OCR (here "OCR" stands for "Odd Confusing Rule"). It is Article 5.3. On the face of it, this Article appears to say that "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." This would lead to the application of as many national laws as countries end up being parties to the Agreement on a Unified Patent Court ("AUPC"), which would of course jeopardize the "uniform" protection announced in the wilful title of Article 5.

But we are told that like the portrait of Laurence Echard painted by Godfrey Kneller hanging in the OCR of Christ College, upon closer inspection Article 5.3 is not what it seems either. In reality, it would be a "trompe-l' oeil" (Thomas Bouvet), a "renvoi-surprise" (Hanns Ullrich), a "Janus-faced provision" (Josef Drexl) or a "disguised referral to the AUPC" (Pieter Callens & Sam Granata). The argument is that once the parties to the AUPC have ratified this international treaty, its provisions (in particular, Articles 25-30) will become part of the "national law" to which Article 5.3 refers. So the uniformity sought by the title of Article 5 will allegedly be achieved through the backdoor of the OCR once the parties have ratified the AUPC.

However, for that train to reach that final station first it will have to cross many bridges, the crossing of which may not be taken for granted. Let us pore over three chocolate drops to illustrate our point:

First, in so-called “dualist countries”, even after having been ratified, the AUPC will not be applicable as “national law” unless and until it has been implemented into national law. And guess what? Neither the Unitary Patent Regulation nor the AUPC contain any provision similar to Article XVI:4 of the Agreement establishing the World Trade Organization, Article 1 of TRIPS or Article 25.2 of the Paris Union Convention obliging European Union (“EU”) member states to adapt their national laws to the AUPC. Quite the contrary, according to Recital 26 of the Unitary Patent Regulation, which according to Article 20 of the AUPC trumps the provisions of the AUPC, “this Regulation […] should not replace the participating Member States’ laws on patents.” It is fair to say that Recital 25 also establishes that “It is therefore of paramount importance that the participating Member States ratify the Agreement on a Unified Patent Court in accordance with their national constitutional and parliamentary procedures and take the necessary steps for that Court to become operational as soon as possible.” However, contrary to what Advocate General Bot suggested in his Opinion of 18 November 2014, in the absence of an explicit provision in the Unitary Patent Regulation obliging EU member states to ratify the AUPC or a provision obliging its member states to apply its provisions (such as Article 2 of TRIPS, for example), it remains to be seen whether the EU Commission would dare to take action against a EU member state for having failed to comply with an obligation that simply it is not there. In the absence of such obligation, Article 5.3 may well end up in the same situation as the painting of Laurence Echard hanging in the OCR of Christ College, that is, waiting for years for somebody to wash its face.

Second, even if EU member states do approve national laws implementing the provisions of the AUPC into national law, they might do so in very divergent ways. Countries such as the United Kingdom and France have launched wide consultation procedures aimed at seeking views on how the provisions of the AUPC should be implemented into their national laws. The final product may look very different in each of the countries that end up being parties to the AUPC, as shown by the different ways in which Directive 2004/48/EC of the European Parliament and the Council of 29 April 2004 on the Enforcement of Intellectual Property Rights (“the Enforcement Directive”) was implemented into national law.

Third, pure national law (and not the “nationalized” AUPC provisions) will apply anyway to many important aspects such as provisional protection, damages, competition law, unfair competition, prior use rights, compulsory licenses or accessory liability. Thus the “uniform” protection will be a desideratum rather than a reality. After all, it was the Commission which on page 6 of the “Proposal for a Council Regulation on the Community Patent-COM (2000) 412, of 1 August 2000” wrote that:

“*The form chosen for the instrument – a Regulation – is warranted by a number of considerations. The Member States cannot be left with any discretion either to determine the Community law applicable to the Community patent or to decide on the effects and administration of the patent once it has been granted.*”

The blatant conclusion reached by the Commission was that:

“*The unity of the patent could not be guaranteed by less “binding” measures.*“

All in all, like in the case of those little chocolate drops looking like freckles and moles on the face of the gentleman portrayed in that very old painting hanging on the walls of the OCR of Christ College at Cambridge, *alma mater* of some of the most talented ladies and gentlemen that this author has come across, there will be a lot of confusion as to the meaning of the OCR of the Unitary Patent Regulation. At least unless and until the Master orders the chocolate drops to be washed off to unveil its true face.

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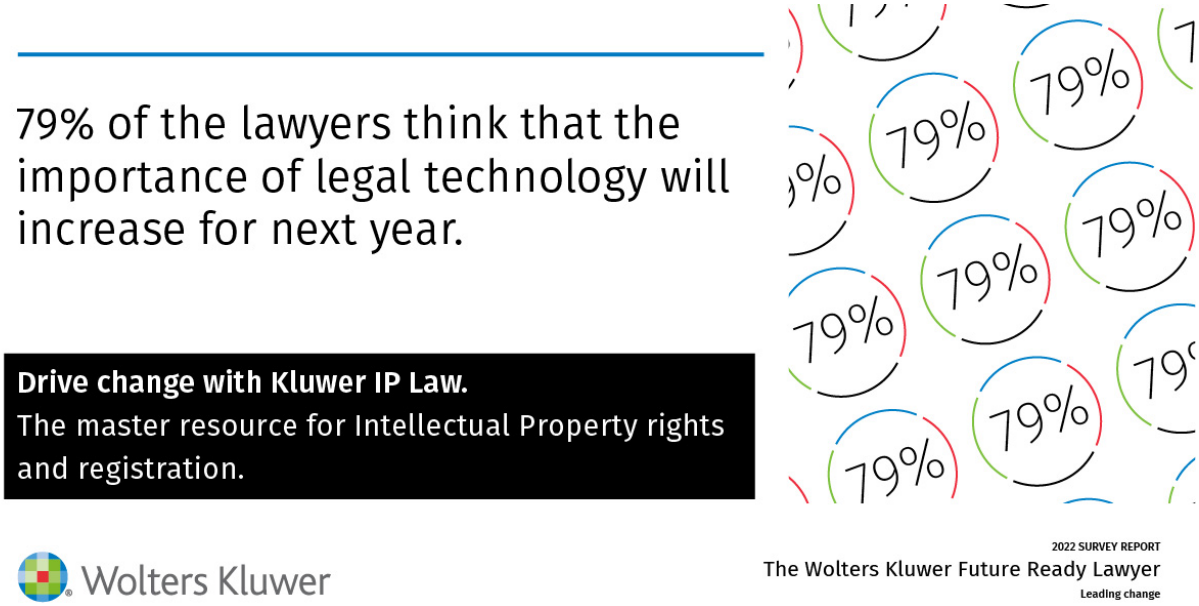

This entry was posted on Monday, April 20th, 2015 at 10:49 am and is filed under UPC
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