



NEW PUBLIC CONSULTATION ON THE EUROPEAN PATENT SYSTEM

On January 16, 2006, the European Commission announced a new public consultation on European patent policy. In the European Union, the European Commission initiates and develops legislation that is proposed to and then voted on in the European Parliament. An important part of the European Commission's formation of legislation is its consultation process with industry. And, while the results of the consultation are not binding, the consultation process does allow industry to provide input into the European Commission's process for the formation of legislation.

The driving force behind this new consultation is concern that Europe's patent system, which remains based on national patents and national enforcement, fails to satisfy the commercial needs of today's Europe. Further, that system is cumbersome when compared, for example, to the system in place in the equivalently sized United States. The consultation puts the Community patent back on the agenda, but it involves more than just reawakening the Community patent debate—it encompasses the whole framework

of patent litigation in Europe. So the Community patent needs to be looked at in tandem with the scope of the proposed European Patent Litigation Agreement ("EPLA") for the European patent system and the outline proposals for harmonization of patent law and procedure in the consultation.

Aside from general comments, the new consultation focuses on three main areas: First, the concept of the Community patent. Second, how improvements can be made to the current patent system in the Member States of the European Union. Third, possible areas for harmonization of the application of patent law between the Member States.

THE COMMUNITY PATENT

The concept of the Community patent is simple: One application would be made for a patent that, if granted, would give protection in all the Member States of the European Union. This is not a new

concept, with recent history dating back to the proposed regulation on the Community patent that was tabled by the European Commission in 2000. The proposed regulation, which also provided for a central Community patents court, fell away due to political disagreement, primarily over languages and translations. But the basic idea has remained: one patent for the whole European Union would reduce filing fees and translation costs and eliminate the need for separate enforcement in each Member State.

Despite the European Commission's enthusiasm for the Community patent in the consultation document, the proposal should be treated cautiously, as it is doubtful whether political agreement can be reached on this issue in the near future. The last disagreements were so recent and followed such extensive discussions that, even with industry's support, the Community patent may well be a goal that is realistic only in the medium term.

IMPROVEMENTS TO THE CURRENT EUROPEAN PATENT SYSTEM

This is where the EPLA fits in. The EPLA is an initiative that would apply to the current system of European patents issued by the European Patent Office ("EPO"). The consultation calls for submissions on the EPLA proposals and sets out the potential interaction between the EPLA proposals for European patents and the Community patent, should it become available.

The aim of the EPLA is to establish an integrated judicial system for the litigation of European patents with a uniform procedure and a central European patents court (comprising a central court of appeal, with regional courts of first instance). This would replace the current system, in which the European patent devolves on grant into a national patent in each of the countries chosen by the patentee and is then litigated in national courts. It would mean that a European patent could be litigated centrally, with the decision being effective across all the designated states, effectively replacing the need to bring separate proceedings in each jurisdiction. Under the proposals of the EPLA, national courts would retain the

jurisdiction to order provisional or protective measures provided for by national law, such as interim relief or evidence-gathering measures like the *saisie-contrefaçon*.

So how could the Community patent proposal interact with this? Clearly, European patents will continue to be litigated and applied for, so separate central courts for European patents and the Community patent would seem unrealistic. What is being floated is a proposal to combine the two. If the Community patent becomes a reality, it could be applied for and granted through the EPO and be litigated in the EPLA-proposed European patents court.

In the short term, however, as agreement on the Community patent is likely to be some way off, the EPLA proposals may prove to be the best way forward for providing some form of pan-European enforcement. Allowing for the integration of the EPLA system with the proposed Community patent would be the best way to achieve a long-term move to the Community patent once this becomes politically acceptable.

Further support for the EPLA as the way forward in the short term comes from the patent judiciary in Europe. Recently, a number of patent judges endorsed a proposal to progress an "EPLA-type" system that would allow for pan-European enforcement. For all industry, this has to be the prime objective.

HARMONIZATION

The third aspect of the consultation is harmonization, always a buzzword for the European Commission. Submissions are requested on the proposed harmonization of patent law and procedure across the Member States through European legislation. This legislation would presumably provide for such things as fully harmonized requirements for validity and infringement, as opposed to the national interpretations that are current. Interpretation of any harmonized law would then become a matter for the European Court of Justice ("ECJ"): for example, the ECJ could look at resolving different national interpretations such as the problem/solution approach to obviousness of the EPO and continental Europe and the four-

stage test from case law of the U.K. Would the interpretation of the ECJ then govern the EPO, which already has its own Enlarged Board of Appeal to consider such matters? It is issues such as this that require consideration and will be raised in the consultation process.

Perhaps the most interesting request in the consultation is for submissions on mutual recognition of judgments. If this is introduced into the current national patent framework, the result could be that a successful litigation in one jurisdiction would be effective across all Member States. The pan-European injunction from one action could become a reality. This would make forum shopping even more of a tactical factor when considering where to bring patent proceedings in Europe. A system of mutual enforcement will be acceptable only if industry has faith in all of the European courts. Clearly, the worst result would be to have a decision of an unsophisticated court binding the whole of Europe, and accordingly, any proposal for mutual recognition should be studied very closely.

TIMING

The Commission has requested submissions by March 31, 2006. The consultation questionnaire can be obtained at: http://europa.eu.int/comm/internal_market/indprop/patent/consultation_en.htm. This is an opportunity for industry to

stress the importance of developing the current European patent system into a framework that is suitable for today's European market.

LAWYER CONTACTS

Jones Day has substantial patent litigation knowledge in London and throughout the rest of Europe, notably in Munich (where the Firm's patent prosecution practice for European patents is based), Frankfurt, Paris, and Brussels. With significant experience across a wide range of industry and technology sectors including biotechnology, pharmaceuticals, electronics, oil and gas, chemical, and engineering, Jones Day advises clients at the cutting edge of their fields on patent disputes. For further information, please contact your principal Firm representative or either of the lawyers listed below. General e-mail messages may be sent using our "Contact Us" form, which can be found at www.jonesday.com.

Alastair McCulloch

+44 20 7039 5219

amcculloch@jonesday.com

Neil Coulson

+44 20 7039 5170

ncoulson@jonesday.com

Jones Day Commentaries are a publication of Jones Day and should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at its discretion. The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship.