The Unified Patent Court – What is the ‘common’ trait about?

ROBERTO BARATTA

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1. Introduction

On 19 February 2013 in Brussels twenty-four EU Member States, including Italy, signed the ‘Agreement on a Unified Patent Court’ (hereinafter, UPC Agreement). Bulgaria signed on 5 March, whilst Poland and Spain rejected the text and are not expected to change their attitude in a foreseeable future. As it is an international treaty open to any Member State of the EU, Croatia may accede as of 1st July 2013. To enter into force the UPC Agreement requires at least thirteen ratifications, Austria so far being the only State that has completed the ratification process. Undoubtedly, in international law a signature of a treaty does not imply an obligation to ratify it. Yet, it is not deprived of any legal significance, since every government has the responsibility under general international law to take all the possible steps for its entry into force unless it declares a clear intention to the contrary.

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1 Article 84(4) UPC Agreement. Nothing suggests that accession will be permitted only to EU Member States which participate in the enhanced cooperation on patent with unitary effect: contra W. TILMANN, Moving towards completing the European Patent System: An Overview of the Draft Agreement on a Unified Patent Court, in ERA Forum, 2012, p. 87, at p. 90 and 92.

2 For details Article 89 UPC Agreement.

1 In accordance with a general principle of treaty law, the signing of an international agreement, pending ratification procedures, entails that states must refrain from acts that
The UPC Agreement is, so to say, an option B for both the EU Member States and, in the background, the Commission. It is indeed a re-adjustment of a previous failed attempt to found a unified patent litigation system. The latter was conceived as a mixed agreement to be concluded by the EU, its Member States and an unknown number of third States, namely those participating in the European Patent Convention which includes 38 parties. The former Draft Agreement on the European and EU Patent Court, as it was then known, has been held inconsistent with the treaties by ECJ Opinion No 1/09.

could undermine its object and purpose, unless their respective intentions not to become party to the agreement itself have been made clear (Article 18 of the Vienna Convention on the law of treaties).

4 The adjective ‘unknown’ relates to the fact that, quite unusually, that Draft was not negotiated with third States at all. Along with the Commission scheme, the EEUPC Agreement was a constituent element of a normative package aimed at completing the internal market. Third States could, if they wanted to, join the Agreement later on. For the general features of the EEUPC Agreement see T. Jaeger, R. Hilty, J. Drexel, H. Ullrich, Comments of the Max Planck Institute for Intellectual Property, Competition and Tax Law on the 2009 Commission Proposal for the Establishment of a Unified European Patent Judiciary, in ICC, 2009, p. 817, at p. 824.

5 Opinion No 1/09 of 8 March 2011. In short, the ECJ argued that the exclusive jurisdiction conferred to that international Patent Court would have deprived the national courts of the EU Member States of their role as EU courts. This institutional divestment would have only been counterbalanced by the conferment of the exclusive competence to make a preliminary reference to the EEUPC in accordance with a mechanism which was similar to the one laid down in Article 267 TFEU. Opinion No 1/09 drew the attention to the link between the planned international jurisdiction and EU law. The central question did not concern the powers of the Patent Court in the field of the classical European patent. It rather related to the administration of the future EU patent (para 59). As the Draft aimed at creating a new judicial body, the Court recalled the ‘fundamental elements of the legal order and judicial system of the European Union’, namely that it is a ‘new legal order’, possessing its ‘own’ institutions. Member States and their nationals are the subjects of that order, its essential features being primacy and direct effect of EU law (paras 64-65). The Court highlighted also that the ‘guardians’ of that legal order and its system of judicial protection are the Court of Justice «and the courts and tribunals of the Member States» (para 66). However, it is for the Court (alone) to ensure respect for the autonomy of the EU legal order created by the treaties (para 67). Subsequently, the focus is back on the Member States and their judges. The ECJ recalled that, pursuant to the principle of sincere cooperation (Article 4(3) TEU), Member States ensure the effective application of EU law. In this context, national courts – along with the ECJ – play a decisive role in the judicial protection of individuals’ rights arising from that law (paras 68-69), stressing again that the EU legal order has established a ‘complete’ system of legal procedures and remedies in order to guarantee the judicial review of the acts of the institutions (a system of direct and indirect remedies). Then the ECJ outlined the main features of the planned international Patent Court. First, by underlining that it is an organization with a distinct legal personality under international law, it noted that the envisaged litigation body was detached from the system provided for in Article 19(1) TEU. Second, it listed the fields of its exclusive jurisdiction, remarking that, according to Article 15 of the Draft, national courts would enjoy no more power to adjudicate in that regard (paras 71 and 72). The ECJ also stressed that, pursuant to Article 14a of the Draft, the Patent Court would interpret and apply EU law.
Given its mere international nature, the second revised instrument raises *inter alia* the issue as to whether Member States retain the power to draw up international agreements among themselves outside the EU legal framework for EU-related matters. It does not concern the scope of this paper and cannot be dealt with here. It suffices to recall that even EU secondary law sets legal limits to the autonomous action of the Member States under international law. In short, the entry into force of the UPC Agreement will require beforehand some necessary amendments of the so-called Brussels I regime, whose application will be affected by the new judicature in several aspects.

The UPC is an essential component of the normative package recently adopted with the aim to complete the single market as regards the area of intellectual property rights. As is known, the two Regulations are contentious. Spain and Italy...

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1. Recently in that respect ruling of 27 November 2012, C-370/12 Pringle, paras 68, 69.
3. See infra, next footnote and Sec. 3.4.
4. EU Regulation 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 and Council Regulation No 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the ap-
aly challenged the validity of the ‘fathering’ Decision on the enhanced cooperation adopted by 25 Member States, but the ECJ rejected the application. Spain has coherently claimed also the invalidity of the two implementing Regulations.

Be as it may, there has always been a large consensus among institutions, national governments (including the Spanish and Italian ones), as well as stakeholders on the need to set up a unified and specialized patent court, having competence for both EPO and EU patents. One of the most convincing arguments for creating a unique litigation system in the EU has been explained by an independent economic study undertaken for the Commission: the private costs (local attorneys, experts and court fees) of multiple litigations in Europe ‘would range between 148 and 289 million Euros in 2013’. Thus, the reasoning behind a unified litigation body is hardly disputable in terms of policy – should these costs be saved, they could be partly or totally devoted to innovation and research, and ultimately to improve the competitiveness of the European industry as a whole. This holds true particularly for SMEs. Furthermore, a unified jurisdiction, based on highly qualified judges and efficient procedures, would generally entail more legal certainty for inventors and companies.

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10 Joined cases C-274/11 and C-295/11, Spain and Italy v Council. It is interesting to note that the EP, the Commission and ten Member States intervened in supporting the Council position. It is not possible to address the pleas raised by Spain and Italy: for a complete picture of these pleas see H. ULLRICH, Enhanced Cooperation in the Area of Unitary Patent Protection and European Integration, in ERA Forum, 2013, p. 589, suggesting that ECJ should have retained the plaintiffs’ pleas.

11 At the time of writing, cases C-146/13 and C-147/13 are pending before ECJ.

12 The European Patent Convention has its own inherent drawbacks in terms not only of fragmentation of the patent rules, but also because it lacks a single jurisdiction for litigation. As is known, in the so-called Munich system, disputes on infringements (proceedings seeking to enforce patent rights) and revocations (proceedings challenging the validity of patents granted by the relevant authority) remain the sole responsibility of the domestic courts. Multiple litigation in different States on the same patent issue may occur, accompanied by legal uncertainties, as well as greater litigation costs for companies and Small and Medium Sized Enterprises (SMEs). Suffice it to recall that the fragmentation of the litigation on patents has inevitably led, inter alia, first to a ‘forum shopping’ strategy, the attacking party choosing the most convenient jurisdiction with regard to its own interests, and, second, to ‘torpedo motions’, a delaying strategy based on actions for declaring non-infringements lodged in jurisdictional systems known for dispensing justice slowly.

The current situation as concerns litigations on European bundle patents is far from being satisfactory. At present, the European Patent Convention lays down common rules on the granting of patents only. As a result, the related titles, while covering different territories, imply that infringing acts and exceptions or limitations are governed by the national laws of the contracting States for which those titles have been separately granted (patent territoriality). Since the different exclusive rights are substantially differentiated, the ensuing result is a fragmentation of national decisions. Admittedly, *stricto sensu* there is no risk of contradictory decisions, should infringement proceedings be brought before a number of courts in different contracting States with respect to a European patent granted on each of those States. However, a unified judicial system capable of adjudicating a genuine EU patent based on uniform provisions, *i.e.* laying down a truly supranational patent protection, has always been rightly considered as a remarkable step forward for inventors and industry. In addition, it is worth recalling that the EU package on patents does not replace existing national laws and therefore it just provides users with more choices.

That being said, the rationale for unifying the litigation system such as the legal certainty, the procedural economies among EU Member States, or the risks of fragmented judgments on the same invention, have become increasingly debated by stakeholders and practitioners in some States. Protectionism of the *status quo* has historically prevailed so as to halt any step forward towards an EU patent system. While views differ on the pros and cons as whether to join or reject the Brussels Agreement, the debate should however focus on the general interest and choices of industrial policy for each State.

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14 Articles 2(2) and 64(1) EPC.
17 For an overview of the current debate in Italy *Corriere della sera, Brevetto Ue, l’Italia rischia la marginalità (e 19 milioni)*, 3 January 2013, p. 33.
19 As regards the EPC (bundle) patents granted in 2012, Italy, among the EU Member States, is the third country in the EPO ranking, after Germany and France, but before the United Kingdom and the Netherlands. According to the EPO, *Facts and figures 2013*, Munich, 2013, p. 16, in the scoreboard of European bundle patents granted by country of origin in 2012, that is to say «allocated to the country of residence of the first-named patentee», Germany accounted for 20.3%, France 7.3%, Italy 3.4%, the UK 3.1 % and the Netherlands 2.6%. Arguably, despite the fact that the economic crisis may have affected the capacity to innovate and research, Italy should be keen to enhance the protection of inventors’ and companies’ rights. That seems all the more so if one considers that in Italy GDP and employment shares in all IPR-intensive industry in 2010 was, respectively, 40.8% and 26.8%, whereas with regard to Germany these figures were 45.9% and 27.4% (*EPO and OHIM, Intellectual prop*
This paper addresses a specific topic of the patent package. It aims to assess the ‘common’ nature of the UPC, as it is defined by the Agreement. It is self-evident that it is an international court, given the legal instrument holding it. Yet, it seems worth trying to shed some light on the features of this quite unusual judicial construct (sections 3 and 4), after having briefly recalled its origin which is strictly intertwined with the failure of the previous mentioned attempt to set up an international court for European patents (section 2).

2. The ECJ’s ‘suggestion’ in Opinion No 1/09

First of all, it seems worth recalling that after Opinion No 1/09 there were at least three possible routes whereby to pursue the objective to set up a unified patent litigation system: (i) the trademark judiciary model; (ii) the EU law-based judiciary, by making use of Article 262 TFEU; (iii) the Benelux archetype.

The first two options were swiftly dismissed on a set of grounds. Basically, the trademark judiciary model, albeit consistent with primary law, would have hardly matched the need, reiterated inter alia by the governments, to set up a unified and specialized judge in this domain. As a matter of fact, economic models and the US experience suggest that ensuring a uniform high quality of professional experience is essential in the patent area.

As regards the EU judiciary way out (proposed inter alia by Italy at the outset of the legislative process in 2007), first, the above-mentioned plea was somehow reiterated: some argued that the EU judges are not sufficiently specialized to deal with the inherent peculiarities of patent law. Second, even the ECJ was not enthusiastic with the plan to set up a specialized body, most likely to be attached to the General Court. Quite on the contrary, it did not hide its reluctance to accept new powers in disputes relating to intellectual property rights. In its legal assessment, Article 262 TFEU can be used to confer «on the Court some of the powers which it is proposed to grant to the Patent Court»; it is however just an ‘option’ and «not the only conceivable way of creating a unified patent court»; in any case, that provision «does not establish a monopoly for the Court» as regards individual disputes in the field of intellectual property rights. Third, some Member States, given the current historical context, were not eager to increase the competences of the EU judges. Finally, the veto power inherent in that legal

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21 Opinion No 1/09 cit., para 61.
22 Ibidem, para 62.
basis (given that its decision-making process requires unanimity within the Council) was widely perceived as a huge obstacle suggesting the non pursuit of that model. This holds true in particular if one considers the highly (politically) contentious issue on the linguistic regime of the EU patent, when in 2011 it became clear that many Member States, alongside the Commission, were ready to seek recourse to the enhanced cooperation instrument. Blocking the judiciary volet through a veto mechanism would have implied the failure of the entire normative package on patents.

In the end, it was soon understood that building upon the judicial model of the Benelux Court of Justice for trademarks was the only way forward. After all, it was a solution which appeared as a relatively safe harbor in terms of compatibility with the primary law and the founding principles laid down in the constitutional case law of the ECJ. For Opinion No 1/09 emphasised «that the situation of the PC envisaged by the draft agreement would differ from that of the Benelux Court of Justice which was the subject of Case C-337/95 Parfums Christian Dior [1997] ECR I-6013, paragraphs 21 to 23. Since the Benelux Court is a court common to a number of Member States, situated, consequently, within the judicial system of the European Union, its decisions are subject to mechanisms capable of ensuring the full effectiveness of the rules of the European Union».

In short, the UPC Agreement pursues the goal to set up a judiciary body in line with ECJ Opinion No 1/09, i.e. a judicature ‘common’ to the participating States as suggested by the ECJ and, consequently, capable of ensuring the effectiveness of EU law, notably in terms of respecting the structural principles of the EU judicial system. The new UPC text has ultimately endeavored to align this judicial body with those principles along Opinion No 1/09 footprints.

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23 T. JAEGER, R. HILTY, J. DREXL, H. ULLRICH, Comments of the Max Planck Institute, cit., p. 829, at p. 830 argued that the EU judge solution did not allow «for the establishment of decentralized judicial panels outside Luxembourg». However, pending negotiations Italy and other countries put forward an opposite view.

24 Opinion No 1/09 cit., para 82.

25 However, the final construction of the UPC Agreement does not overlap the Benelux Court’s features which limited its competence to preliminary references made by national judges and so working jointly with them. However on 12 October 2012 Belgium, Luxembourg and the Netherlands signed a Protocol aimed at amending the Benelux Court Treaty: it will have the possibility to rule in specific civil and commercial matters. It is to be noted that the Benelux Court on trademarks and design relies on a common substantive law, given that national laws no longer exist in Benelux countries, while the UPC will have to apply national law to the EU patent with unitary effect.

3. The ‘common’ judicature features

The structure of the UPC is relatively simple since it has been construed to adjudicate effectively, with effectiveness implying the ability to deliver high quality judgments within a fair period of time and at a reasonable cost for inventors and companies. Overall the Agreement sets out to create better legal framework conditions for all parties involved in patent litigation – whether as patent owner, competitor or third party – due to simplified, swifter and more efficient judicial procedures, as well as an option for alternative dispute resolution. It comprises a Court of First Instance, a Court of Appeal and a Registry – a simplified structure given that its jurisdiction is expected to cover in principle the EU Member States or most of them. The Court of First Instance is composed of a central division with an office in Paris and two thematic sections in London (concerning mainly chemistry and pharmaceutical cases, as well as human necessities) and Munich (roughly, mechanical engineering cases). The contracting Member States have the ability to set up a number of local and regional divisions subject to certain conditions being met. The Court of Appeal and the Registry are located in Luxembourg. A patent mediation and arbitration Centre is provided for, with a double premise, in Ljubljana and Lisbon. Finally, a ‘training framework’ for judges is set up, whose facilities are in Budapest 27. One may wonder whether the fragmentation of premises – due to a political decision made by the European Council in July 2012 at the very end of negotiation – can have an adverse impact on the effectiveness of the UPC functions.

As is usual for any international judicature, the ‘multinational composition’ of both the panels of the Court of First Instance 28 and the Court of Appeal 29, is mostly ensured. Judges are appointed by a common administrative body. Furthermore, the UPC Agreement is an international treaty that intentionally has not been equipped with a withdrawal clause 30. All EU Member States may participate 31, and unlike its predecessor it is not open to the EU and third States 32.

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27 Article 19(1) UPC Agreement.  
28 Article 8(1) UPC Agreement.  
29 Article 9(1) UPC Agreement.  
30 It is useful to mention that the UPC Agreement does not provide for a withdrawal clause. Pending negotiations the proposal to provide for such a clause was made in Warsaw. Member States accepted the Commission’s rejection: since the envisaged agreement was an essential part of the patent package strictly related to the EU legal framework, there was no room to include such a clause. As a result, the termination of the UPC Agreement pursuant to Article 56 of the Vienna Convention on the law of treaties is hardly applicable. Yet, termination would still be possible by consent of all the parties (Articles 55 and 57 of that Convention), and in particular due to a fundamental change of circumstances (Article 62 of the same Convention).  
31 Arguing from Articles 2(a) and 84(4) UPC Agreement.
According to Article 1(2), first sentence of the UPC Agreement: «The Unified Patent Court shall be a court common to the Contracting Member States ...»

But what is the ‘common’ feature precisely about? It seems important to notice that the ‘common nature’ of the UPC is not just a label added to the wording of the Agreement in order to artfully circumvent the outcome of Opinion No 1/09. It is laid down in a number of varied features which have been shaped in order to meet the ECJ concerns on the former structure. These features are examined severally and put in context with the aim to give a complete picture of this ‘common’ trait.

3.1. The UPC as a unique judicature built into the Member States’ judicial system. – The UPC is to be conceived as a judicature inherently integrated in each of the contracting Member States’ judicial system. The Agreement involves a transferral or, if one prefers, a delegation of the power to adjudicate from the contracting States to the new judicature. Justice for individual litigations is consequently delivered as a joint function, though, definitively, within the limits of the judicial competences attributed to the UPC. In that respect, it is worth noting that the UPC enjoys ratiōnem materiāe an exclusive power to adjudicate as regards a set of European patent disputes, i.e, the European patents which benefit from unitary effect in accordance with Regulation No 1257/2012, and the classical European bundle patents granted under the provisions of the 1973 European Patent Convention and subsequent amendments. The UPC has no competence with regard to national patents. Thus, instead of being sued in a national judicature under the Brussels I Regulation, a defendant will be brought before a local, regional or central division of the UPC. As a necessary corollary of the exclusivity character, national courts of participating States are accordingly divested of the

32 Being outside the legal sources of the EU framework, it cannot be subject to a preliminary opinion of the ECJ pursuant to Article 218(11) TFEU. Were it accessible at least to the EU, the possibility to enlighten the issue of its compatibility with the treaties beforehand would exist. However, a preliminary ruling or other actions could be a way to have access to the ECJ.


34 As explicitly stated in Article 32 UPC Agreement, the Court shall have exclusive competence with respect to action for actual or threatened infringements of patents (and supplementary protection certificates), as well as for revocation of patents (and for the declaration of invalidity of supplementary protection certificates). It is noteworthy that, unlike the previous EEUPC, the UPC competence includes the administrative disputes concerning the issuing of patents by EPO. That is to say, actions concerning decisions of the EPO in carrying out the tasks provided for in Article 9 of EU Regulation No 1257/2012 (Article 32(1)(i)). As regards the jurisdiction of the Court, see M. BRANDI-DOHRN, Some Critical Observations on Competence and Procedure of the Unified Patent Court, in IIC, 2012, p. 372, at p. 375.
judicial power conferred to the UPC. Judicial authorities, which are used to residing within the exclusive remit of the national systems, become a common task carried out by a unique and mutually integrated judicature.

3.2. The UPC enjoys a power to adjudicate governed by uniform provisions. – A relevant feature of this construct, taking also into account the Brussels I regime and its undergoing revision, is that the UPC enjoys an international, as well as an internal (ratio loci) power to adjudicate both governed by uniform provisions. Indeed, its international jurisdiction is determined by the Brussels I Regulation. However, the latter no longer concerns the coordination of different national judicatures, but a single judicial structure. The ratio loci competence – i.e. its allocation between the UPC local, regional and central divisions – is governed by the UPC Agreement itself: on the whole, the territorial distribution of the power to adjudicate among the different participating States is construed as if it were a uniform and a common matter. In other words, by envisaging a common judiciary for both infringement actions and actions for revocation of patents (as well as for the invalidity of supplementary protection certificates), the Agreement aims at allocating the territorial power to adjudicate in accordance with its own provisions. It is intended to supersede, as a means of improving the current legal framework, the Brussels I regime, while respecting its rules of international jurisdiction. This is not without problems since it raises a question of coordination between the UPC Agreement and a relevant piece of the acquis. The need seems likely to re-assess the objectives pursued by the Brussels I Regulation, namely the rationale for the connection between the proceedings and the territories of different EU Member States, the predictability of its rules on jurisdiction, the link between the national court and the action in order to facilitate the sound administration of justice, and the objective pursued by the rules on exclusive jurisdiction in proceedings related to the registration or validity of patents. The ECJ held for instance that the jurisdiction of the national court in which the deposit or registration has been applied for or made aims to insure the rulings of a court which is in the best position to adjudicate owing to the fact that the register is kept in its territory, and it is deemed to apply its own national law on the validity and effects of the patent which has been granted in that State. This jurisprudence might be

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In this respect, the transitional regime (under Article 83, during a period of seven years after the entry into force of the UPC Agreement actions may be brought before national courts or authorities) does not affect per se the exclusivity principle enshrined in the UPC Agreement.

Or, where applicable, on the basis of the Lugano Convention (Article 31 UPC Agreement).

Article 33 UPC Agreement.

revisited because of the new scenario: a unified judicial entity which, first, absorbs national jurisdictions, second, is deemed to rule on a European title that is granted and registered by a common body (the EPO) and, third, that title is based on a ‘unitary effect’ (EU law) principle. Against this new background, the ECJ will have the last word pursuant to Article 19 TEU, when assessing the overall coherence of the UPC provisions with the EU legal framework.

3.3 Consequences in terms of recognition and enforcement of rulings. – The judicial activity, being mutually integrated, entails no minor consequences in terms of recognition and enforcement of judgments either. A basic distinction should be made between the classical European bundle patent granted under the Munich Convention, on the one hand, and the European patent with unitary effect (i.e. delivered under Regulations No 1257/2012 and 1260/2012), on the other hand. As regards the latter, «decisions and orders» of the UPC are considered as if they were national rulings. However, in that regard the only question the Agreement addresses is that of UPC judgments being enforced in the different contracting States. So it does not lay down any uniform provisions concerning their enforceability in the territories of the contracting States – it just provides for the application of national laws\(^39\). This is quite logical because the Agreement does not pursue the objective of harmonizing national enforcement procedures. Moreover, UPC judgments on European patents with unitary effect will cover only the territories of Member States which participate both in the new judicature and in the enhanced cooperation. Although a State non participating in the enhanced cooperation may ratify the UPC Agreement only, its local division would not enjoy any judicial power over patents with unitary effect, but over disputes concerning the Munich bundle patents\(^40\). That would be the case if for instance Italy decided to embrace this hybrid form of participation in the EU patent package\(^41\).

\(^39\) Actually, UPC decisions and orders are enforceable in any contracting Member State in accordance with the law applicable where the enforcement takes place, Article 82(1) and (3) UPC Agreement.

\(^40\) Less flexibility is instead available for the twenty-five Member States that have already joined the enhanced cooperation, since there is a strong interaction between the two EU Regulations and the UPC Agreement. The two EU Regulations on the unitary patent protection shall apply from the date of the entry into force of the Agreement, and a European patent for which unitary effect is registered has unitary effect only in those participating Member States in which the Unified Patent Court has exclusive jurisdiction (Article 18(2) second subpara Regulation No 1257/2012).

\(^41\) This perspective would recognize the key importance of the UPC, though an asymmetric participation is deemed to raise legal uncertainties which cannot be addressed here. Another option would be to stay outside the UPC, as suggested by some commentators (for instance V. Cerulli Irelli, Il Tribunale unificato, cit.). However, the least one can point out is that, even in that case, nothing would preserve Italian companies from the adjudication power of the
It is worth recalling that the same provision (on enforcement of judgments in any contracting Member State in accordance with the law applicable where the enforcement takes place) applies to the European bundle patent too. However, as far as this title is concerned the UPC «decisions and orders» will cover the territories of those contracting States for which the European patent has effect. The underlying rationale is that the classical European bundle patent is usually granted for a limited number of States which may not all be part of the UPC Agreement. As a result, in practice, if all the concerned States do participate in it, decisions and orders would embrace all the corresponding territories; if, on the contrary, the Munich patent were to cover among others the territory of a non-contracting State (for instance, Poland or Spain), the relevant decision or order would not be per se applicable in that State, though it could be relevant there on a different legal basis as indicated infra.

3.4 The UPC as a body benefiting from the Brussels I regime. – Since the UPC has been construed as a Court inherently embedded within the national judicial systems of the contracting EU Member States, it necessarily benefits from the provisions of the Brussels I regime: its decisions and orders are recognized and enforced in the EU Member States which will choose not to be part to the UPC Agreement itself. Indeed, a recent Commission proposal aims at including a new Article 71d in the revised Regulation so that the Brussels I regime «shall apply to the recognition and enforcement of judgments given by the Unified Patent Court … which need to be recognized and enforced in Member States which are not Contracting Parties to the UPC» and vice versa. A more recent version of this provision does not modify that essential normative character: the UPC, a com-

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42 Article 34 UPC Agreement.
44 The updated version of Article 71d (1) reads as follows: «The rules of this Regulation shall apply to the recognition and enforcement of: (a) judgments given by a common court which are to be recognised and enforced in a Member State not party to the agreement establishing the common court; and (b) judgments given by the courts of a Member State not party to the agreement establishing the common court which are to be recognised and enforced in a Member State party to that agreement». In addition, Article 71(2) provides that the Brussels I Regulation does not apply to the recognition and enforcement judgments given by the common court and states parties to the agreement establishing the common court. The latter provision is necessary in order to a priori avoid inconsistencies between the international agreement and the acquis which enjoys primacy over the former.
mon judicature equated to national judicial bodies, will deliver judgments which are to be recognized and enforced throughout the EU, even in Member States not ratifying the UPC Agreement. In the event of a ruling holding the invalidity of a European bundle patent, it seems however, as noted above, that such ruling cannot embrace the territory of an EU Member State which is not party to the UPC Agreement. But would the economic value of a patent not be affected, should it meanwhile be declared invalid in all States where it was validated apart from the one of the Member States staying outside the UPC system? One may wonder whether the territoriality principle of patents in the EU area will start to fade out, if and when the EU patent package enters into force.

3.5 The UPC as body placed under the ‘ex-ante Supervisory Judicial Model’ of the ECJ. – Built-into the national judicatures, the unified judicial body is placed under the ‘ex-ante Supervisory Judicial Model’ stemming from the classic referral to the ECJ. Consequently, the fundamental role of the ECJ in protecting individual rights under the preliminary ruling procedure, is preserved. The scope of the ECJ supervisory power seems even wider than it appears prima facie. First, the preliminary ruling mechanism under the UPC Agreement needs to be interpreted broadly because the supervisory role of the ECJ is a founding mechanism of the EU legal order. Second, and more specifically, the UPC will be called upon to interpret and apply the two Regulations, as well as other legal acts of EU law, which will be necessarily be read in conjunction with the treaty rules concerning the internal market and competition law. Furthermore, the dispute pending before the UPC may well imply the interpretation and application of the fundamental rights and the general principles of EU law, or even require touching upon the validity of an EU provision. In these situations, the ECJ’s role cannot be challenged.

Third, Regulation No 1257/2012 enshrines the principle of uniform protection, by stating that an EU patent «shall confer on its proprietor the right to prevent any third party from committing acts against which the patent provides protection throughout the territories of the participating Member States in which it has unitary effect, subject to applicable limitations»; besides, «the scope of that

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45 In accordance with Article 21 UPC Agreement «… the Court shall cooperate with the Court of Justice of the European Union to ensure the correct application and uniform interpretation of Union law, as any national court, in accordance with Article 267 TFEU in particular. Decisions of the Court of Justice of the European Union shall be binding on the Court».

46 The foundational premise of the preliminary ruling procedure under the EU judicial system, as progressively construed by the ECJ jurisprudence, has been described in R. BARATTA, Accession of the EU to the ECHR. The rationale for the ECJ’s prior involvement mechanism, in CML Rev., 2013, p. 1305, at p. 1323.

47 Opinion No 1/09 cit., para 78.

48 Article 5(1) Regulation No 1257/2012.
right and its limitations shall be uniform in all participating Member States in which the patent has unitary effect. The patent is supposed to be granted with the same set of claims for all the participating Member States to the enhanced cooperation instrument.

The principle of uniform protection is complemented by the UPC Agreement to which the EU is not a party. As is known, some provisions (namely, former Articles 6 to 8 of a previous text of the Regulation) were deleted at the very end of negotiation by the three institutions in the framework of the enhanced cooperation, on a clear impulse of the European Council held in June 2012. Articles 25 to 27 of the UPC Agreement would apply instead. Yet, this devise hardly excludes the competence of the ECJ. On the one hand, no doubt any limitation of the effect of a unitary patent based on EU secondary law instruments by virtue of explicit references to these instruments enshrined in Article 27 of the UPC Agreement, entails the ECJ preliminary ruling competence. On the other hand and most importantly, the ‘uniform protection’ is an EU law principle pursuant to Article 5 Regulation No 1257/2012: it must be applied consistently throughout the EU participating States. In other words, the exclusivity principle – that is to say, the right to prevent both the direct or indirect use of the invention, within the limitations and exceptions which may regard the effect of a patent – is defined by that Regulation and is to be interpreted and applied as a uniform concept, though it is actually defined by Articles 25 to 27 of the UPC Agreement. To this extent, the ECJ ‘supervisory role’ should be maintained.

Therefore, the Regulation and the UPC Agreement contain a set of cross-references which entail a relevance for EU law. The former fulfills the normative task to substantiate the unitary effect protection throughout the Union as foreseen by Article 118 TFEU. Since it can be presumed that Regulation No 1257/2012 has complied with that primary law requirement, it would hardly be denying this sort of attractive function of the UPC provisions under EU law, regardless that these provisions have been artificially placed outside. Should a different approach be pursued – asserting in particular that the international law provisions are outside the scope of ECJ preliminary jurisdiction – one might cast doubts on the consistency of Regulation No 1257/2012 with primary law and, most likely, with the ECJ jurisprudence on the founding role of its ‘supervisory’ function within the EU legal system.

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49 Article 5(2) Regulation No 1257/2012. For different perspectives of the unitary character of the patent protection under the EU Regulations see W. Tilmann, Moving towards completing the European Patent System, cit., p. 93, while H. Ullrich, Enhanced Cooperation, cit., p. 597, rightly suggests that the deletion of Article 6 to 8 will have limited practical impact, and that the unitary effect is essentially a matter of EU law.

50 See in particular Article 6 concerning the exhaustion of the rights conferred by a European patent with unitary effect.
3.6 The primacy of EU law over the UPC Agreement. – All the above mentioned features of the UPC system explain, on the one hand, why it has to ensure the full application and respect of Union law, as well as the judicial protection of individuals’ rights laid down in the EU legal order. This consequence precisely stems from the assumption that the UPC is subject to the same obligations under Union law as any national court of the Contracting Member States. On the other hand, these features elucidate the primacy of EU law over the Agreement which is anyhow explicitly laid down. Somehow ironically, it retains a notion of primacy so wide in scope that it is unprecedented with respect to the EU legal system.

3.7 Individual and joint responsibility in the event that the UPC infringes EU law. – In the context of this integrated judicial construct it comes as no surprise that the activities of the UPC organs are directly attributed to the contracting States.

The wording of Article 23 of the UPC Agreement concerning the infringement procedure is worthy of note: actions of the UPC are attributed to each State «individually … and to all Contracting Member States collectively». That implies two consequences in terms of States’ responsibility whenever the UPC infringes EU law, including the obligation to request preliminary rulings by the ECJ. On the one hand, the contracting Member States may be sued for violation of EU law according to the usual infringement procedures pursuant to Articles 258, 259 and 260 TFEU. On the other hand, as the EU States are liable for damages caused to individuals by infringements of EU law according to the Köbler ruling, likewise the UPC States are «jointly and severally liable for damages» caused by the Court of Appeal. Restricting the scope of this provision to the Court of Appeal activity only appears reasonable. Applicants for non-contractual liability have to exhaust the internal remedy before suing the contracting States for damages. Subsequent provisions aim at defining the national judge competent to rule in these cases, the applicable law and the contracting Member State

51 Article 1(2), second sentence, UPC Agreement.
52 Article 20 states that «The Court shall apply Union law in its entirety and shall respect its primacy».
53 As the preamble of the UPC Agreement points out, «the primacy of Union law includes the TEU, the TFEU, the Charter of Fundamental Rights of the European Union, the general principles of Union law as developed by the Court of Justice of the European Union, and in particular the right to an effective remedy before a tribunal and a fair and public hearing within a reasonable time by an independent and impartial tribunal, the case law of the Court of Justice of the European Union and secondary Union law».
54 ECJ, 30 September 2003, case C-224/01, Köbler v. Republik Österreich.
55 Article 22(1) UPC Agreement.
56 Article 22(2), first sentence UPC Agreement.
which is deemed liable for the entire amount of damages awarded in a given case and, finally, the right to obtain a proportional restitution from the other contracting States, though further implementing provisions in this regard are expected to be taken by the UPC Administrative Committee.

3.8 The mere internal capacity of the UPC. – Unlike its predecessor, the UPC does not enjoy international personality. First, such a conclusion would be against a construction inherently built into Member State judiciaries. Second, it must be remembered that Opinion No 1/09 rejected the previous model of a unified patent court arguing inter alia that that body was outside the institutional framework of the EU: it was not part of the judicial system provided for in Article 19(1) TEU, being instead «an organization with a distinct legal personality under international law» an element which the ECJ rejected in toto. Since it should be presumed that contracting Member States did not intend to surreptitiously circumvent the ECJ findings, that feature has been dismissed by the UPC Agreement. Article 2 shows a corresponding will among contracting States because it just imposes the obligation to recognize that the UPC enjoys the «most extensive legal capacity» accorded to legal persons under the domestic law of each contracting State. It clearly refers to internal personality which appears necessary to fulfill its tasks within the contracting States’legal order. Such a provision must be presumptively considered as contrary to the UPC international personality being acquired.

4. Conclusions

The UPC judicial system has an immediate double purpose: to reduce legal costs for patent holders and industry, and to achieve ‘procedural economies’ for the contracting States. Meanwhile, the design of the UPC as a ‘common’ body shows quite a unique construct in the landscape of judiciaries stemming from international treaties. The power to adjudicate, which usually resides within the exclusive remit of the national systems, becomes a common task carried out by a mutually integrated judicature. The national authorities are divested from the contracting States and transferred to the new judicature. International and internal (i.e. the ratione loci competence) power to adjudicate are governed by uniform provisions. It follows that the adjudication is not only internationally coordinated, but it is also conceived as a joint function, and is construed as if it were,

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57 Article 22(2), second sentence UPC Agreement.
58 Article 22(3) UPC Agreement.
59 Opinion No 1/09 cit., para 71.
and indeed is, a uniform and common matter either. If justice for individual litigations is delivered as a joint function, that entails relevant consequences in terms of recognition and enforcement of judgments, as highlighted above. In the long run, it would come as no surprise if this unified judicial system, alongside a genuine patent with unitary effect, affects the traditional territoriality of patents.

The specificity of this judiciary construction is even showed by its composition: judges are not separately appointed by each government, but by a common body. They should be considered as totally independent from governments, representing instead, at least ideally, a common idea of justice based on quality, independence and efficiency as key components of an effective judicial system.

Overall, this peculiar construct is easier to understand and rationalize bearing in mind the purpose for which it was enacted and the reasons that led to it. Quite revealing are its origin and the primary need to reshape a previous failed attempt to found a unified jurisdiction, in order to comply with a number of requirements set out by the ECJ in Opinion No 1/09. Even assuming that the UPC Agreement pertains to the exclusive competence of the Member States, arguing that it concerns how to settle individual litigations in a specific field of civil law, nonetheless the States’ autonomous capacity to act does encounter limits, notably when that activity concerns matters already governed by the EU legal framework. The judicial regime of patent is all the more strictly intertwined with the EU legal system. The UPC will eventually be absorbed into the EU framework by virtue of Article 19(1), second sub para, TEU, Member States having to provide «remedies sufficient to ensure effective legal protection in the fields covered by Union law». Like national judges, the UPC becomes a unitary and constituent part of the legal system protecting individual rights, i.e. an essential part of the EU legal order. The UPC Agreement offers a truly peculiar design of judiciary, perhaps not always perfect, but ultimately containing several elements of a closely integrated judiciary which is not so far from a federal concept of justice.

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60 No doubt inefficiencies in the UPC judicial system may impact the whole EU single market negatively. If ‘the unitary court takes a lax attitude’, that would be detrimental for the EU law patent system, as has been rightly pointed out (T. Jäger, The EU Patent, cit., p. 78), but also for the judicial system of EU law as a whole.

THE UNIFIED PATENT COURT – WHAT IS THE ‘COMMON’ TRAIT ABOUT?