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Press and Information

Advocate General's Opinion in Case C-146/13 Spain v Parliament and Council and C-147/13 Spain v Council

Advocate General Yves Bot: Spain's actions against the European regulations implementing enhanced cooperation in the area of the creation of unitary patent protection must be dismissed

The unitary protection conferred provides a genuine benefit in terms of uniformity and integration, whilst the choice of languages reduces translation costs considerably and safeguards better the principle of legal certainty

The current European patent protection system is governed by the Convention on the Grant of European Patents.[1] That convention provides that, in each of the Contracting States for which it is granted, the European patent is to have the effect of and be subject to the same conditions as a national patent granted by that State.

Through the 'unitary patent package',[2] the EU legislature sought to confer unitary protection on the European patent and establish a unified court in this area.

Spain seeks annulment of the two regulations forming part of that package, namely the regulation on the creation of unitary patent protection conferred by a patent and the regulation governing the applicable translation arrangements.

In his Opinion in both cases, **Advocate General Yves Bot proposes that the Court of Justice should dismiss Spain's actions**.

As regards the creation of unitary patent protection conferred by a patent (Regulation No 1257/2012), the Advocate General observes that **the sole purpose of the contested regulation is to incorporate recognition of unitary effect through a European patent already granted under the Convention**. To that end the EU legislature limited itself to stating the nature, conditions for grant and effects of unitary protection, covering only the phase subsequent to the grant of the European patent. **The regulation only attributes to European patents an additional characteristic, namely unitary effect, without affecting the procedure regulated by the Convention. The protection conferred is regulated by the uniform implementation provisions of the regulation**. **That protection brings real benefit in terms of uniformity and hence of integration** compared with the situation resulting from the implementation of the rules laid down by the Convention (rules which, in every one of those Contracting States, guarantee protection whose extent is defined by national law). In fact, under the Convention, the effects of the European patent are determined by the national legislation of each Contracting State in respect of which it is granted. Until the regulation becomes applicable, the proprietor of the European patent

[1] Convention on the Grant of European Patents (European Patent Convention), signed in Munich (Germany) on 5 October 1973 and entered into force on 7 October 1977. The European Patent Organisation is an intergovernmental organisation that was set up on the basis of that convention. The Organisation has two bodies, the European Patent Office and the Administrative Council, which supervises the Office's activities. The European Patent Office is the executive body of the European Patent Organisation. The Office's main task is to examine patent applications and grant European patents.

[2] That 'package' comprises 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 (OJ 2012 L 361, p. 1), Council Regulation (EU) No 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements (OJ 2012 L 361, p. 89) and the Agreement on a Unified Patent Court signed on 29 February 2013 (OJ 2013 C 175, p. 1).

was therefore obliged to apply for registration of his European patent in each State which was a party to the Convention in which he wished to receive protection. This also meant that, for the same offence committed in a number of Member States, there were as many different procedures and laws applicable to the settlement of disputes, which caused considerable legal uncertainty.

The Advocate General explains that the regulation is not an 'empty shell', when the provisions made by it are sufficient and the EU legislature's **competence is shared** with the Member States. **The Advocate General considers that the EU legislature was able to make reference to national law** by providing that the acts against which the European patent provides protection and the applicable limitations will be those defined by the applicable law of the participating Member State. **This does not mean, for all that, that the uniform protection will not be guaranteed. Each European patent will be subject to the national law of a single Member State and that legislation will apply throughout the territory of the Member States participating in the enhanced cooperation**.

The regulation assigns to the participating Member States the power to set the level of renewal fees for European patents with unitary effect and determine the share of distribution of those fees. In the Advocate General's view, **the exercise of that power takes place within a legislative framework established and clarified by the EU legislature which does not need to be implemented under uniform conditions in all the Member States**.

Spain claims that the regulation provides for a specific judicial regime for the European patent with unitary effect which is contained in the Agreement on a Unified Patent Court. It claims that the content of that agreement affects the Union's powers and confers on a third party the power to determine unilaterally the application of the regulation. The Advocate General takes the view that **the Court does not have jurisdiction to review the content of the Agreement on a Unified Patent Court in an action for annulment of the regulation**. The Advocate General observes that the Agreement on a Unified Patent Court does not fall within any of the categories of acts the lawfulness of which is subject to judicial review by the Court. It is an intergovernmental agreement negotiated and signed only by certain Member States on the basis of international law. **Moreover, the regulation** does not approve an international agreement or implement such an agreement, but **is intended to implement enhanced cooperation in the area of creation of unitary patent protection**.

Spain claims that the application of the regulation is absolutely dependent on the entry into force of the Agreement on a Unified Patent Court, and that the effectiveness of the power exercised by the European Union through the contested regulation thus depends on the will of the Member States which are party to the Agreement on a Unified Patent Court. The Advocate General states that the EU legislature provided for the establishment of a court having jurisdiction in respect of European patents with unitary effect, to be governed by an instrument setting up a unified patent litigation system for European patents and European patents with unitary effect. The EU legislature considered that the establishment of such jurisdiction was essential in order to ensure the proper functioning of the European patent with unitary effect, consistency of case-law and hence legal certainty. **In the Advocate General's view, the objective of the regulation is to ensure such proper functioning. It would be contrary to such principles to apply the contested regulation when the Unified Patent Court has not yet been established**.

The **principle of sincere cooperation** requires the participating Member States to take all appropriate measures to implement enhanced cooperation, including ratification of the Agreement on a Unified Patent Court, as such ratification is necessary for its implementation. **By refraining from ratifying the Agreement on a Unified Patent Court, the participating Member States would infringe the principle of sincere cooperation in that they would be jeopardising the attainment of the Union's harmonisation and uniform protection objectives**. Moreover, the link between the regulation and the Agreement on a Unified Patent Court is such that it would have been inconsistent not to make the application of the contested regulation conditional on the entry into force of that agreement.

As regards the language arrangements, (Regulation no 1260/2012) the Advocate General recalls that EU law has no principle of equality of languages. He acknowledges that persons who do not know one of the official languages of the European Patent Office (German, French and English) will be discriminated against and that the EU legislature has thus put in place a difference of treatment. Nevertheless, the Advocate General takes the view that **that choice of languages pursues a legitimate objective and is appropriate and proportionate** to the guarantees and aspects which attenuate its discriminatory effect.

Currently the system of protection under the European patent is characterised by very high costs, which impede patent protection in the European Union. **The system introduced is aimed at ensuring unitary patent protection throughout the territory of the participating Member States whilst avoiding excessively high costs by establishing the language arrangements**. This will avoid a situation where economic operators must lodge multiple applications for national validation, with the associated translation costs. The Advocate General highlights the difference in this regard between the European patent with unitary effect and another intellectual property right, the Community trade mark. The patent involves the translation of documents which are more technical, lengthy and complicated to translate. **The language arrangements chosen** do certainly entail a curtailment of the use of languages, but they **pursue a legitimate objective of reducing translation costs**.

The Advocate General explains that to limit the number of languages for the European patent with unitary effect 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. The Advocate General adds that, if those costs are to be kept down, the EU legislature has no choice but to restrict the number of languages in which the patent must be translated. Since the languages in question are the official languages of the European Patent Office, that choice ensures a certain **stability for economic operators and professionals in the patent sector**, who are already accustomed to working in those three languages. Moreover, **the choice of languages acknowledges the linguistic realities of the patent sector**: (i) most scientific papers are published in German, English or French; and (ii) those languages are spoken in the Member States from which most of the patent applications in the EU originate.

The Advocate General takes the view that **that choice also complies with the principle of proportionality**. During the transitional period, all European patents with unitary effect will be available in English. After that time, the European Patent Office will have a high-quality automatic translation system. A **compensation scheme to reimburse translation costs** up to a certain ceiling is planned for people who have not filed their application for a European patent in one of the official languages of the European Patent Office.[3]

The Advocate General observes that **the principle of legal certainty is undeniably better safeguarded when one language is authentic** (in the case of the European patent with unitary effect, it will be the language of the case). If all translations were authentic, there would be a risk of discrepancies between the different language versions, which would give rise to legal uncertainty.

NOTE: The Advocate General's Opinion is not binding on the Court of Justice. It is the role of the Advocates General to propose to the Court, in complete independence, a legal solution to the cases for which they are responsible. The Judges of the Court are now beginning their deliberations in this case. Judgment will be given at a later date.

NOTE: A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of EU law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is

[3] Recipients under that compensation system are expressly referred to as being SMEs, natural persons, non-profit organisations, universities and public research organisations having their residence or principal place of business within a Member State. The EU legislature thus wished to protect the most vulnerable persons and entities as compared to more powerful structures, who have greater means at their disposal and have specialised staff to draw up European patent applications in one of the official languages of the European Patent Office.

for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

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The full text C-146/13 and C-147/13 of the Opinion is published on the CURIA website on the day of delivery.

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