Taking National Courts More Seriously? Comment on Opinion 1/09

By

Tobias Lock

*Reprinted from* European Law Review
Issue 4, 2011

*Sweet & Maxwell*
100 Avenue Road
Swiss Cottage
London
NW3 3PF
*(Law Publishers)*
Taking National Courts More Seriously?
Comment on Opinion 1/09

Tobias Lock
University College London

Community patents; EU law; European Court of Justice; European patents; Infringement; Jurisdiction; National courts; References to European Court

Abstract

Opinion 1/09 on the draft agreement for a unified patent litigation system reveals a degree of scepticism and distrust on part of the ECJ when it comes to the European Union’s international co-operation, especially its participation in international frameworks for dispute settlement. The Opinion not only made it far more complicated to achieve the aim of a unified patent litigation system in Europe but is also of great constitutional significance. By placing emphasis on the role that the courts of the Member States play in the Union’s legal order, the Court restricted the Member States’ room for manoeuvre when organising their own court systems. Furthermore, it made it harder for the European Union to subject itself to the jurisdiction of an international court. This article will address the wider constitutional implications of the ECJ’s Opinion and comment on the European Commission’s latest proposal to rescue the agreement at issue.

Introduction and background to the Opinion

By rejecting the draft agreement on the European and Community Patent Court, the Court of Justice of the European Union (ECJ) dealt a blow to a long-hatched plan for a unified system for patent litigation in Europe, which had been on the agenda of the European institutions for more than a decade. The unified system was designed to rectify existing shortcomings of patent protection in Europe. At the moment, a “European Patent” granted by the European Patent Office (EPO) in accordance with the European Patent Convention (EPC), to which 38 states are parties, results only in a so-called “bundle patent”, i.e. a bundle of national patents. As a consequence, where a European patent is infringed, a patent holder must instigate proceedings before the national courts of each EPC Member State in which the infringement has occurred. The same is true for proceedings concerning the validity of patents, which must be brought in each EPC Member State once the nine-month period for opposition to patents has expired. Further complications arise from the internal division of jurisdiction over claims of invalidity and for infringement procedures in some EPC Member States.

1DAAD/Clifford Chance Lecturer at the Faculty of Laws. I would like to thank Dr Matt Fisher, Faculty of Laws, UCL, for his helpful comments. All errors remain, of course, my own.
5Article 99 EPC.
6In Germany, for instance, the Bundespatentgericht has jurisdiction over questions of validity whereas the ordinary courts decide on infringements and cannot review the validity of patents in the course of such procedures.
This makes patent enforcement in Europe a costly and cumbersome affair. Moreover, national courts pursue different approaches in handling patent cases, which can lead to contradictory results regarding the same infringement in different countries. This situation encourages forum shopping and is detrimental to legal certainty. In order to remedy these problems, the European Union plans to accede to the EPC with the aim of integrating a future EU patent with the European Patent. The EU patent would be granted by the EPO and would have equal effect throughout the European Union, thus removing the problems associated with the “bundle patent” as far as the EU Member States are concerned.

One of the steps envisaged towards achieving the centralisation of patent litigation in Europe would have been the conclusion of the draft agreement at issue in Opinion 1/09. The agreement, which would have been a mixed agreement, foresaw the creation of a Patents Court (PC), an international court with exclusive jurisdiction to hear cases relating to both European and EU patents. All EPC Member States would have taken part in the Patents Court. By divesting national courts of their jurisdiction to hear cases relating to the EU patent, patent enforcement in the Member States would have become unified, contradictory decisions would have been avoided and forum shopping would no longer have been an issue. In organisational terms, the PC would have consisted of a Court of First Instance with local and regional divisions in the Member States, as well as a central division and a Court of Appeal. When deciding cases, the PC would have had to respect EU law and base its decisions on inter alia “directly applicable [EU] law”. Similar to national courts of the European Union’s Member States, the Court of First Instance of the PC would have had the opportunity to request a preliminary ruling from the ECJ while the Court of Appeal would have been obliged to do so. The ECJ’s ruling would have been binding on the PC.

The Council of the European Union asked the ECJ for its opinion under art.218(11) TFEU with the following request:

“Is the envisaged agreement creating a Unified Patent Litigation System (currently named European and Community Patents Court) compatible with the provisions of the Treaty establishing the European Community?”

The ECJ’s (negative) answer is significant not only because of its immediate consequences for the future of patent litigation in Europe, but also for its wider constitutional implications.

Following a short summary of the Court’s Opinion, this article makes two preliminary comments on the Court’s admissibility decision and its remarks on art.344 TFEU. The thrust of the article focuses on the Court’s main argument revolving around the role of the Member State courts in the European Union’s judicial system, in which the Court highlighted the indispensable part they play in ensuring a uniform interpretation of EU law through the preliminary reference procedure. Then, the Court’s emphasis on the

---

8 With the Treaty of Lisbon, there is now an explicit legislative competence of the Union for intellectual property rights in art.118 TFEU; on the plans for an EU patent, see Enhancing the patent system in Europe COM(2007) 165 final; the Commission came up with proposals for two regulations in April 2011 regarding an enhanced co-operation in the area of the creation of unitary patent protection, cf. COM(2011) 216 final; and a draft regulation on translation requirements, cf. COM(2011) 215 final.
9 Opinion 1/09 March 8, 2011.
10 Draft Agreement on the European and Community Patents Court art.15.
11 Draft Agreement art.5.
12 Draft Agreement art.4.
13 Draft Agreement art.14a.
14 Draft Agreement art.48.
15 Draft Agreement art.48(2).
The enforceability of the duty to request a preliminary ruling is critically analysed. Finally, the article addresses some of the shortcomings of the draft agreement that became evident in the submissions of the Advocates General, before concluding with a brief outlook on the future of a unified system for patent litigation in Europe.

The Opinion of the Court

The ECJ first pronounced on the admissibility of the request, which had been challenged by the Parliament and some Member States. The Court pointed out that it had sufficient information about the content of the agreement since it had been supplied with a copy of the draft agreement and some background information.\(^\text{16}\) It went on to reaffirm its well-known case law,\(^\text{17}\) which provides that its Opinion may be sought even before international negotiations have commenced. It further held that the lack of unanimous support for related measures, such as a regulation on an EU patent, cannot affect the admissibility of the request.\(^\text{18}\) Finally, the Court did not consider it necessary for the institutions of the Union already to have reached a consensus as to the content of the agreement before one of them submits a request for an Opinion. The right to make such a request constitutes an individual right of the institution concerned so that no co-ordination was required.\(^\text{19}\)

The Court then addressed the substantive questions, focusing on the PC’s jurisdiction over a future EU patent. The Court first refuted the arguments advanced by some Member States that art.262 TFEU stood in the way of conferring jurisdiction over the Community patent on the PC. While that provision allows for a conferral of jurisdiction on the ECJ for disputes over European intellectual property rights, it does not create a monopoly for the ECJ in that field.\(^\text{20}\) Furthermore, the Court held that the PC’s jurisdiction would not be in conflict with the ECJ’s own exclusive jurisdiction laid down in art.344 TFEU. Given that the PC would only decide cases between individuals, art.344 TFEU would not be contravened as it only prohibits Member States from submitting a dispute to another forum.

Having clarified these points, the Court set the scene for rejecting the draft agreement, recalling the autonomy of the European Union’s legal order,\(^\text{21}\) the role of the ECJ and the Member State courts as guardians of the EU legal order ensuring the full application of EU law,\(^\text{22}\) and the resulting completeness of the European Union’s system of legal remedies.\(^\text{23}\) Central to the ECJ’s reasoning was the effect that the draft agreement would have on the judicial system of the European Union. The ECJ highlighted that the PC would be a court outside the European Union’s institutional and judicial framework, and would constitute an organisation under international law with a distinct personality.\(^\text{24}\) The Court considered that it was compatible with EU law for the European Union to subject itself to the jurisdiction of an international court with jurisdiction to interpret an international agreement.\(^\text{25}\) But compared with dispute resolution mechanisms established by previous Union agreements,\(^\text{26}\) the ECJ considered that the distinctive feature of the PC was that it was to be vested with an exclusive jurisdiction to decide disputes over the EU patent.

---

\(^{16}\) Opinion 1/09 March 8, 2011 at [49]–[52].


\(^{18}\) Opinion 1/09 March 8, 2011 at [53]–[54].

\(^{19}\) Opinion 1/09 March 8, 2011 at [55]–[56].

\(^{20}\) Opinion 1/09 March 8, 2011 at [61].

\(^{21}\) Opinion 1/09 March 8, 2011 at [67].

\(^{22}\) Opinion 1/09 March 8, 2011 at [66] and [68]–[69]

\(^{23}\) Opinion 1/09 March 8, 2011 at [70].

\(^{24}\) Opinion 1/09 March 8, 2011 at [71].

\(^{25}\) Opinion 1/09 March 8, 2011 at [74].

\(^{26}\) E.g. the Joint Committee under the agreement on the establishment of a European Common Aviation Area, which was the subject of Opinion 1/00 [2002] E.C.R. I-3493; [2002] C.M.L.R. 35.
on the basis of EU law. In contrast to these other courts, the PC’s jurisdiction would not, therefore, be confined to interpreting the international agreement concluded, but it would extend to the interpretation of EU law and might even lead the PC to consider the validity of an act of EU law dealing with intellectual property.

The ECJ observed that the establishment of the PC would divest national courts of their jurisdiction to deal with patent law cases and, consequently, of their capacity to file requests for a preliminary ruling by the ECJ. However, they cannot be deprived of their character as “ordinary” courts within the EU legal order by force of an agreement conferring jurisdiction on an international court. The ECJ recalled the purpose of the preliminary reference procedure, which is “to ensure that, in all circumstances, [EU] law has the same effect in all Member States”. The direct co-operation between the ECJ and the national courts resulting from the procedure was deemed “indispensable to the preservation of the very nature of the law established by the Treaties”.

The fact that the draft agreement would confer essentially the same powers to make a preliminary reference on the PC and would place the Court of Appeal under the same duty to make a reference as courts of last instance at the domestic level were not considered to amount to sufficient compensation for this impact on the role of national courts. The replacement of the courts of the Member States by the PC could not guarantee the involvement of the ECJ since there was no possibility of enforcing the PC’s duty to make a reference. Where a court of a Member State fails to refer a case to the ECJ, an applicant can hold the Member State liable and the European Commission can instigate infringement proceedings under art.258 TFEU. Neither possibility would exist where the PC violates its duty. Thus the draft agreement deprived both the national courts and the ECJ of their indispensable powers. This led the ECJ to conclude that the draft agreement was not compatible with the Treaties.

Analysis and comment

Admissibility of the request

The Court’s decision on the admissibility of the request is convincing. The draft agreement is clearly an “envisaged” agreement as required by art.218(11) TFEU. In light of Opinion 2/94, where there was not a single draft provision for the Court to consider, the ECJ’s conclusion in Opinion 1/09 that it had sufficient information on the content of the agreement in order to come to a decision is not surprising. More interesting are the ECJ’s comments on the European Parliament’s claim that it would have to be consulted before an opinion on a draft agreement could be delivered since, otherwise, the principle of institutional balance would be compromised. The ECJ was right in not following this argument. There is nothing to prevent Parliament from influencing an agreement drafted after an Opinion by the ECJ has been delivered or indeed to have it reviewed again by the Court. Moreover, it is more efficient to allow a request for an Opinion at a relatively early stage of the genesis of an agreement than to wait until the last minute. If the negotiators are made aware of the legal limits under which they must operate early on in the drafting

28 Opinion 1/09 March 8, 2011 at [77]–[78].
29 Opinion 1/09 March 8, 2011 at [79].
30 Opinion 1/09 March 8, 2011 at [80].
31 Opinion 1/09 March 8, 2011 at [83].
32 Opinion 1/09 March 8, 2011 at [85].
33 Opinion 1/09 March 8, 2011 at [86]–[87].
34 Opinion 1/09 March 8, 2011 at [17].
process, the risk of having a laboriously negotiated agreement struck down by the ECJ is reduced and a repetition of lengthy negotiations can be avoided. Thus the ECJ’s decision on admissibility chimes with the overall purpose of art.218(11) TFEU.

The exclusive jurisdiction of the ECJ

The Court very briefly addressed whether the agreement would violate art.344 TFEU, which confers exclusive jurisdiction on the ECJ. It is evident from the provision’s wording that it only covers disputes between Member States. Since the PC would have had no jurisdiction over such disputes, art.344 TFEU was clearly not relevant. It is remarkable, however, that the ECJ did not address its exclusive jurisdiction in a more comprehensive manner. It is recalled that in Opinion 1/91, the ECJ held that its exclusive jurisdiction to assure respect for the autonomy of the European Union’s legal order flowed from art.19 TEU (ex art.164 EEC Treaty) and that art.344 TFEU only confirmed that exclusive jurisdiction. This suggested that the Court’s exclusive jurisdiction was not limited to disputes between Member States, but included all disputes arising from the autonomy of EU law. This view was certainly reflected in the comments submitted by the Member States. The ECJ’s response to these submissions could be read as limiting its exclusive jurisdiction to disputes between Member States and therefore as an implicit reversal of the findings in Opinion 1/91. But it is unlikely that this was intended by the Court. The remarks on art.344 TFEU were made in passing and are not central to the decision. Furthermore, the Court’s conclusion that its exclusive jurisdiction would not be violated by the agreement is certainly correct. After all, the PC would only have had jurisdiction over disputes between individuals, which the ECJ does not have. Where it has no jurisdiction to hear a case, the ECJ cannot possibly claim to have exclusive jurisdiction.

Emphasis on the courts of the Member States

The novelty of Opinion 1/09 lies in the ECJ’s emphasis on the role of the Member State courts in the Union’s legal order. By referring to them as guardians of the EU legal order alongside the ECJ, the Court, without explicitly saying it, extended the autonomy of that legal order to courts of the Member States. The external aspect of that autonomy was first expounded in Opinion 1/91. The ECJ offered a brief summary of its case law in Opinion 1/00 by stating:

“Preservation of the autonomy of the Community legal order requires … first, that the essential character of the powers of the Community and its institutions as conceived in the Treaty remain unaltered. Second, it requires that the procedures for ensuring uniform interpretation of the rules of

35 As was the case in, e.g., Commission v Ireland (Mox Plant case) (C-459/03) [2006] E.C.R. I-4635; [2006] 2 C.M.L.R. 59.
37 Opinion 1/09, report for the hearing, at [31]; [41]–[46]; [65]; this report has not been officially published, but can be found at [Accessed July 6, 2011].
38 Cf. T. Lock, Das Verhältnis zwischen dem EuGH und internationalen Gerichten (Tübingen: Mohr Siebeck, 2010), p.161. The Court’s conclusions on this point are also in line with its decision in Reynolds where it had held that an interpretation of EU law by an outside court, in that case a US District Court, would not be in conflict with art.344 TFEU and the autonomy of the EU legal order if the decision by that court was not internally binding for the European Union; cf. Reynolds v Commission (C-131/03 P) [2006] E.C.R. I-7795; [2007] 1 C.M.L.R. 1 at [102]. Furthermore, as the Advocate General in that case had suggested, the ECJ would not have had jurisdiction to rule on the matter since the case was brought by the Commission against a private undertaking; see Opinion of A.G. Sharpston at [89].
[an agreement] and for resolving disputes will not have the effect of binding the Community and its institutions, in the exercise of their internal powers, to a particular interpretation of the rules of Community law referred to in that agreement.’’

Before Opinion 1/09 was handed down, autonomy was perceived to be a source of the ECJ’s own exclusive jurisdiction to interpret EU law in a binding manner. By bringing the courts of the Member States into the equation, the ECJ considerably widened the applicability of the autonomy concept with implications for the freedom of the Member States to organise their own court systems. In Simmenthal, the Court referred to national courts as organs of the Member States, suggesting that they are part of a distinct legal order, which is obliged to grant primacy to EU law. Opinion 1/09 appears to go further by mentioning national courts alongside the ECJ as guardians of the EU legal order. The ECJ’s basic argument is consistent with the rationale behind its autonomy case law, one aspect of which is to ensure uniform interpretation of EU law by the Court of Justice. After all, references by national courts amount to more than half of the Court’s case load, thereby enabling the Court to ensure such interpretation in a wide range of cases. From the point of view of EU law, the ECJ’s holistic view of the European Union’s system of judicial protection is therefore fully comprehensible. The remarks on the role of the national courts are reminiscent of the ECJ’s case law on the completeness of the European Union’s judicial system, which also comprised the courts of the Member States. Two cases may serve as an example. In UPA, the Court highlighted the importance of the preliminary reference procedure for the European Union’s “complete system of legal remedies”. And in the more recent Melki and Abdeli judgment, the ECJ ruled that a provision of national constitutional law could not “undermine the essential characteristics of the system of cooperation between the Court of Justice and the national courts, established by art. 267 TFEU”.

The novelty of Opinion 1/09 is that the ECJ expressly regarded this “complete system” to be protected by the autonomy of the European Union’s legal order, which means that it may only be altered by way of a Treaty amendment following the procedure laid down in art.48 TEU. This became evident in the ECJ’s remark that the Member States could not deprive their own courts of their function as “ordinary” courts of the EU legal order. Thus the ECJ’s ruling might have significant repercussions for the legal systems of the Member States. While the ECJ explicitly acknowledged that its Opinion had nothing to do with the powers of the PC relating to the European Patent, which falls fully within the competence of the EPC Member States, the Opinion makes far-reaching remarks regarding the interpretation of EU law. This may have extensive ramifications. One example might be the permissibility of arbitration in the Member States. The legal orders of some Member States allow the parties to a private law dispute to opt out of the court system by agreeing to arbitration. As a consequence of such an opt-out, a case then brought before the

44 Opinion 1/09 March 8, 2011 at [66].
46 Unión de Pequeños Agricultores v Council (C-50/00 P) [2002] E.C.R. I-6677; [2002] 3 C.M.L.R. 1 at [40].
47 Melki and Abdeli (C-188/10 & 189/10) June 22, 2010.
48 Opinion 1/09 March 8, 2011 at [80].
courts is deemed inadmissible in some of the Member States. Where such a case necessitates the arbitrator to interpret EU law, the ECJ made it clear in Nordsee that an arbitral tribunal is not eligible to request a reference under art.267 TFEU. The arbitral tribunal would thus have to interpret EU law on its own devices and, in extreme cases, might not apply it at all because it considers the relevant EU measure to be invalid. If Opinion 1/09 is read strictly, Member States might have to reconsider whether allowing arbitration on matters touching on EU law is still compatible with the Treaties. Of course, one could adopt a less stringent approach that might see a fundamental difference between cases where the parties may opt for arbitration outside the EU legal order and cases, such as in Opinion 1/09, where the Member State courts are entirely divested of their jurisdiction. However, given that Opinion 1/09 is not at all accommodating to the Member States by refusing to accept the duty to make a preliminary reference resting on the Court of Appeal of the PC as compensation, a strict reading may be appropriate.

**Lack of enforcement of the PC’s duty to make a preliminary reference**

The Court set the bar high for the Member States when it pointed to its direct co-operation with the national courts, which it regards as indispensable to the preservation of EU law. The ECJ’s main criticism of the envisaged PC is that there is no means of enforcing the PC’s duty to make a reference under art.48 of the draft agreement. Neither would the European Commission be able to bring enforcement proceedings nor would an individual have a claim against a Member State under the ECJ’s state liability case law. It is clear from this reasoning that the ECJ is opposed to granting jurisdiction on the interpretation of EU law to a court outside the European Union’s legal order. The Court is determined to ensure that it retains the last say on questions of both interpretation and validity of EU law. In the eyes of this author, the arguments made by the ECJ provoke three comments, in light of which they become less convincing. The first point is whether the ECJ’s reasoning can be squared with its own finding in Opinion 1/92. That Opinion concerned the revised EEA Agreement, which allows both the national courts of the EFTA states and the parties to proceedings before the EEA Joint Committee to make requests for a preliminary ruling to the ECJ where provisions of the EEA Agreement are concerned which are identical in substance to corresponding rules of EU law. In Opinion 1/92, the ECJ did not object to the fact that these references were not mandatory but only optional. According to the ECJ, the agreement in Opinion 1/09 differed from the EEA Agreement because the PC would not only interpret the rules laid down in the draft agreement but also provisions of EU law. This observation would be convincing if the rules in the EEA Agreement replicating EU law were provisions which could be interpreted independently. True, the mere fact that they are modelled on rules contained in another legal system does not mean that they have the same meaning. Even where provisions have the same wording, they need to be interpreted in the context of the agreement into which they have been transplanted, which may lead to different interpretative outcomes. However, the EEA Agreement explicitly requires a homogenous interpretation of these rules with EU

---

49. e.g. §1032 of the German Zivilprozessordnung; art.1448 French Code de procédure civile; in contrast, art.4 of the English Arbitration Act 1950 gives the judge discretion whether stay proceedings where a party relies on an arbitration agreement.
50. **Nordsee v Mond** (102/81) [1982] E.C.R. 1095; [1982] Com. L.R. 154; confirmed inter alia in **Eco Swiss v Benetton** (C-126/97) [1999] E.C.R. I-3055; [2000] 5 C.M.L.R. 816. In **Nordsee**, the ECJ gave a ruling in an application for annulment of an arbitral award, which was brought before a national court. The only reason the ECJ was called upon to decide on the interpretation of EU law was that the provision at issue (art.101 TFEU) was considered a matter of public policy, which was a ground for annulment. Other provisions of EU law, which may have been decisive for an arbitral award, may not be matters of public policy and thus out of the reach of the ECJ.
52. Cf. art.107 (with Protocol 34) and art.111 EEA Agreement.
53. Opinion 1/09 March 8, 2011 at [78].
law.\textsuperscript{54} It is submitted that the danger of either the EEA Joint Committee or the courts of the EFTA states refusing to give these rules the same meaning as the ECJ might therefore undermine the uniform interpretation of EU law in the same way as a refusal on part of the PC. The case for such uniform interpretation is admittedly less strong as regards the EEA Agreement compared with the draft agreement at issue, because the EEA Joint Committee does not have to interpret EU law as such. However, the Court’s strict stance regarding the jurisdiction of the PC to interpret EU law comes as a surprise.

A second point of criticism is that the ECJ overemphasised the danger of the PC not submitting a case to it. Admittedly, if one accepts the ECJ’s premise that it must without any exception and under all circumstances be the ultimate guardian of EU law, its decision is consistent. However, it should be borne in mind that the both the Court of First Instance and the Court of Appeal of the PC would be under a duty to make a reference according to art.267 TFEU where the validity of EU law is at stake. Furthermore, the Court of Appeal would be under such a duty for any case in which an interpretation of EU law is necessary. This author does not see a palpable danger of the PC holding an act of Union law to be invalid without having consulted the ECJ via the preliminary reference procedure. For if this were to occur, it would be obvious to everyone that the decision of the PC would have no legal effect since it is well established that the ECJ has a monopoly on deciding on the validity of acts of EU law.\textsuperscript{55} As regards the ECJ’s argument on ensuring a uniform interpretation of EU law, it should be noted that, as Gaster has pointed out, some Member States do not entrust their courts with proceedings on the validity of a patent. Rather, such proceedings are dealt with by boards of appeal pertaining to national patent offices, which have no right to request a reference from the ECJ.\textsuperscript{56} If the EU patent became a reality, these boards would have to interpret and apply EU law as well. Thus the dangers pointed out by the ECJ are already inherent in some national patent laws. In fact, divesting such boards of their jurisdiction and replacing them with the PC would improve the situation in this respect since the PC would at least have a right to make references to the ECJ. A further point became evident in a journal article by the ECJ’s President Skouris.\textsuperscript{57} He stressed that the question of whether to make a preliminary reference or not was the decision of the national judge, which would not be reviewed by the ECJ. He thus emphasised the ECJ’s role as a facilitator, providing the national judge with an interpretation of EU law where s/he determined this to be necessary. In addition, there are the exceptions to the duty to make a reference laid down in CILFIT.\textsuperscript{58} Departing from what Opinion 1/09 appears to suggest, this confirms that the ECJ’s role of providing a uniform interpretation of EU law is not based on a rock solid hierarchy, which inevitably leads to a decision of the ECJ on every question of EU law. Rather, the ECJ’s role largely depends on the willingness of national courts to co-operate with it and to seek its advice. Thus, in light of this analysis, the ECJ seems to have overreacted.

The third and final point relates to the question of enforcing the PC’s duty to request a reference from the ECJ for an interpretation of Union law. Indeed, there would be no way of doing so. But it is submitted that the means of enforcement available under EU law at present—infringement actions under arts 258 or 259 TFEU and state liability claims—are not efficient. For one, they would only operate after the national court has already decided the case, normally with res judicata effect. The ECJ itself made it clear

\textsuperscript{54} Article 105 EEA Agreement.


\textsuperscript{57} V. Skouris, “Stellung und Bedeutung des Vorabentscheidungsverfahrens im europäischen Rechtsschutzsystem” (2008) Europäische Grundrechtezeitschrift 343, 344; this view is echoed in, for example, Pedro IV Servicios SL v Total España (C-260/07) [2009] E.C.R. 1-2437; [2009] 5 C.M.L.R. 1 at [28].

in Kühne & Heitz that EU law honours legal certainty and that final decisions of a national court generally need not be repealed even if they were based on an erroneous application of EU law. That decision formulated very narrow conditions under which a national authority may be obliged to reopen proceedings. But at the same time, the Court ruled that the interests of third parties must not be affected. Thus even today the Member States need not repeal a decision which is res judicata where private law disputes are concerned. The same would be true for infringement disputes before the PC as they would also be conducted between private parties. Therefore neither a successful claim for state liability nor a finding that a Member State has violated the Treaty would in itself lead to a reversal of the national court’s decision not to refer. These remedies would only constitute a sanction applied after the violation has happened, the chief purpose of which would be to warn the national court not to repeat the violation in the future. Moreover, all Member States have independent judiciaries so that the executive, which would represent the Member State in court and would thus have to accept the blame, could not force the judiciary to change its rulings. In addition to this, a practical point can be made. The Commission has never instituted such proceedings. In fact, there is evidence to suggest that this reluctance on part of the Commission reflects its policy on the matter.

In respect of enforcement through a claim for damages, it must be borne in mind that such a claim would normally be difficult to prove. In the Court’s own words,

“state liability in such a case is not unlimited. [It] can be incurred only in the exceptional case where the national court … has manifestly infringed the applicable law.”

Moreover, the mere fact that a national court violated its obligation under art.267(3) TFEU would not in itself constitute a sufficiently serious breach. Rather, there would also have to be a manifest misapplication of EU law by that court. This shows that enforcement of the duty to make a reference is not only very unlikely, but also of limited effect. Like any transnational legal system, the EU judicial system depends largely on a willingness on the part of the national courts to co-operate. The situation would not be very different with regard to the PC. It seems inappropriate on the part of the ECJ to assume that the PC would not comply with its duty under the draft agreement. There is no reason to suggest that this would be the case given that the courts of the Member States generally comply with their identical duties. Moreover, if the PC persistently refused to make references to the ECJ, there would be the possibility for the EU of denouncing the agreement. This would not provide a remedy for past violations, as discussed above with respect to national courts, but might constitute enough of a threat to keep the PC disciplined.

In light of these points, it seems that the ECJ was overly positive regarding the efficiency of the preliminary reference procedure for ensuring a uniform interpretation of EU law. In this sense the ECJ’s Opinion can be understood to be rather parochial and wary of integrating the European Union further into

---

60 Kühne & Heitz (C-453/00) [2004] E.C.R. I-837 at [27].
62 B. Wegener, “Art. 267 AEUV” in Calliess and Ruffert (eds), EUV/AEU V, 4th edn (Munich: Beck-Verlag, 2011), para.34; the Commission’s reluctance became evident in Commission v Spain (C-154/08) November 12, 2009, where the Commission expressly did not base its case on an alleged violation of art.267 TFEU: at [64]–[67].
63 Cf. the Commission’s answer to a written request, according to which “infringement proceedings … can only be considered when a judgment by a court of last instance shows clearly that that court is systematically and deliberately unprepared to comply with [art.267] of the Treaty”: [1983] OJ C268/25.
64 Traghetto del Mediterraneo SpA (In Liquidation) v Italy (C-173/03) [2006] E.C.R. I-5177; [2006] 3 C.M.L.R. 19 at [32].
the international legal order. This is most remarkable given that the ECJ itself is the product of a treaty concluded by its Member States.

**Questions that the Court did not address**

The final part of this case comment is dedicated to points raised by the Advocates General, which the Court unfortunately chose not to address even though these arguments would have implications for the compatibility of a revised agreement with EU law. They concern the language regime before the central division of the PC, the question of applicable (EU) law before the PC and the lack of a reference to the primacy of EU law in the draft agreement. Exceptionally, the Court heard the case and the submissions of the Advocates General in closed session, which is why their Opinions were not published. Furthermore, the Advocates General heard delivered a collective submission.66

Given that the Advocates General concluded that the language regime envisaged by the draft agreement would be incompatible with the right to a fair trial, it is surprising that the Court did not make a pronouncement on this question. The criticism concerns a party’s right to fair proceedings, which includes the right to defend oneself in one’s own language. The draft agreement provides that the parties to it may establish local or regional divisions of the Court of First Instance.67 The language of proceedings before these forums would be the official language(s) of the state that set up the local division or of the states that set up the regional division. Presumably, there would be no problem with actions for infringements brought before the local or regional division hosted by the state in which the defendant is domiciled, since a defendant must be deemed to be able to communicate in the language of their domicile. Equally unproblematic are cases where the action is brought before the local or regional division hosted by the state in which the infringement took place. While the defendant may not be able to communicate in the official language of that state, it is a typical risk taken by everyone conducting business in another Member State that they may be subjected to court proceedings there, which are held in that state’s official language(s). The problematic case identified by the Advocates General is a situation where the state in which the defendant is domiciled has not set up a local or regional division of the Court of First Instance. In such a case, proceedings would take place before the central division of the Court of First Instance. The language before that division would be that in which the patent was granted.68 According to art.14 and art.70 EPC, the authentic text of a patent can only be in German, English or French. This means that a defendant in proceedings before the central division who is not competent in the language of the patent would face a linguistic problem. The Advocates General argued that this would not be in accordance with the rights of defence, which demand that parties to proceedings must have an opportunity to access, examine and comment on documents on which a judicial decision is based.69 Of course, even in proceedings before a local or regional division, the patent at issue would have been issued in one of the three languages of the EPC. But the main problem with cases before the central division is that defendants may be summoned to court in the language of proceedings which they cannot understand. They would thus either ignore the summons and risk a default judgment70 or they would have to obtain a translation. There is no guarantee that the PC would provide for such translation since art.31 of the draft agreement provides that the question of translation would be fully within the discretion of the court. It is unfortunate that the ECJ

---

67 Article 5 of the Draft Statute.
68 Article 29(5) of the Draft Statute.
70 Article 36 of the Draft Statute.
did not pronounce on these obvious procedural shortcomings in the draft. Should the drafters not remedy this potential violation of procedural rights, e.g. by introducing a mandatory requirement for translation, a revised draft agreement would risk being rejected by the ECJ for a second time.

A further point of criticism raised by the Advocates General is the alleged ambiguity of the EU law applicable in the PC.\textsuperscript{71} According to art.14(a) of the draft, the PC would base its decisions on “directly applicable Community law”. The Advocates General criticised this reference as being too restrictive since the PC should also be obliged to take other rules into account, e.g. EU primary law. It is clear that the drafters aimed to substitute the PC for the national courts. Since only directly applicable EU law can be invoked before national courts, the restriction contained in art.14(a) makes sense. Moreover, the term “directly applicable Community law” encompasses primary law, so that the criticism seems hard to understand. However, the French version of the draft, on which the Advocate Generals’ submissions appear to be based, speaks of “la législation communautaire directement applicable”, which is clearly a reference to secondary law.\textsuperscript{72} Against this background, the arguments of the Advocates General make more sense. They are correct in their assessment that the basis of the PC’s decisions should be broader than just EU legislation, i.e. secondary law, since patent litigation may, for instance, have an ethical dimension and would have to be assessed in light of the wider framework of EU law.\textsuperscript{73} Thus the Advocates General rightly asked for the removal of this ambivalence, which could be easily accomplished. Again, it is regrettable that the Court did not point to this problem.

The final point addressed by the Advocates General, which the Court again chose to ignore, is that the agreement allegedly lacks an unambiguous reference to the primacy of EU law over national law and of EU primary law over international agreements concluded by the law.\textsuperscript{74} This is indeed a problem since the draft juxtaposes national law and EU law as if they were of equal rank in the hierarchy of norms. In cases of a conflict between a provision of national law and of EU law, the PC might not, therefore, always solve this conflict in favour of EU law. Thus the drafters should include a clarification to this effect.

\textbf{Conclusion: what next?}

The immediate question following this Opinion is whether, and if so how, the project of a unified patent litigation system could be rescued in light of Opinion 1/09. One possibility would be to copy the solution found for trade mark infringements, i.e. entrust the national courts with jurisdiction to deal with such claims. However, this would be widely opposed by practitioners.\textsuperscript{75} For the same reason, it would be unrealistic to entrust the ECJ alone with patent litigation.

The other conceivable solutions would be limited to amending the draft agreement. It is recalled that the ECJ mainly criticised the fact that the duty of the Court of Appeal of the PC to make a preliminary reference to the ECJ would not be enforceable. In order to ensure that the ECJ has the final say on the interpretation of EU law, one could allow an appeal to the ECJ in such cases.\textsuperscript{76} Article 262 TFEU gives the Council a great deal of discretion in conferring jurisdiction on the ECJ over disputes relating to intellectual property rights. This discretion would certainly encompass endowing the ECJ with appellate

\textsuperscript{71} Submissions by the Advocates General, July 2, 2010, at [83].
\textsuperscript{72} The German and Italian versions speak of “das unmittelbar anwendbare Gemeinschaftsrecht” and “diritto comunitario direttamente applicabile”, which are the equivalents to “directly applicable Community law”.
\textsuperscript{73} Submissions by the Advocates General, July 2, 2010, at [85].
\textsuperscript{74} Submissions by the Advocates General, July 2, 2010, at [91].
\textsuperscript{76} This was suggested by the French Government, (unpublished) Report for the Hearing of Opinion 1/09 at para.81, at http://epla.wdfiles.com/local--files/forum%3Athread/hearing.pdf [Accessed July 6, 2011]; the Advocates General also refer to this possibility in their submissions, July 2, 2010 at [113].
jurisdiction. But such a proposal would have problematic implications. First, it would grant the ECJ considerable power in deciding cases on patent law, which might meet with the opposition of patent practitioners. Secondly, if an appeal to the ECJ were introduced, one would have to ask whether the PC should still be allowed to request preliminary rulings from the ECJ. Such rulings would only be of limited benefit if the losing party were eventually to avail of its right to appeal the PC’s decision to the ECJ, which might, in effect, have to rule again on the same question. Furthermore, as Müller has pointed out, a possibility of appeal to the ECJ would create a relationship of subordination between the PC and the ECJ, which would contradict the co-operative relationship on which the preliminary reference procedure is based. But even if the preliminary reference procedure were replaced by an appeal procedure, there is no guarantee that the ECJ would be satisfied, since the decision on whether an appeal is made and whether the ECJ is involved would be entirely in the hands of the parties. Thus there would be no automatism that would lead to a decision by the ECJ. On the other hand, of course, such automatism does not exist under EU law either: the duty to make a reference rests only on courts of last resort. If the losing party decides not to appeal a case, the duty never materialises. Therefore an appeal might satisfy the ECJ. But it would raise serious practical problems since an appeal procedure would add an additional layer of complexity to the envisaged system of patent litigation, which should only be possible where an EU patent is concerned. Where a plain European patent is concerned, there would have to be an appeal within the PC. Were such a split in proceedings to happen, the aim of a unified patent system would be defeated.

In a recent “non-paper”, the European Commission proposed a different and more limited solution. The Member States alone should conclude the agreement, which would mean that neither the EU nor third countries would participate in it. The PC would be given jurisdiction to decide on both the validity and the infringement of both European and EU patents, so that the courts of the Member States would also be divested of their jurisdiction. As in the draft agreement subject to Opinion 1/09, the PC would have a right to request preliminary rulings from the ECJ. It is evident that this would not in itself remedy the main problem that the ECJ identified, i.e. the lack of enforceability. The Commission therefore suggests that it should be given the possibility to instigate infringement proceedings against all Member States where the unified Patent Court violates EU law. Furthermore, individuals should be able to hold the Member States jointly responsible by way of state liability claims. It appears that this proposal draws inspiration from the Benelux Court, which the ECJ explicitly contrasted to the PC by considering it to be within the EU legal system and thus in conformity with EU law. But in contrast to the PC, the Benelux Court only decides on requests for preliminary rulings by the national courts. This means that it does not divest the national courts of their jurisdiction and, therefore, there is no difference in the enforcement of the Benelux Court’s duty to make request a reference from the ECJ compared with that of a domestic court. The question is whether the same would be true for the PC in the guise envisaged by the European Commission. The main difference from the Benelux Court would be that the proceedings before the PC would not be connected to proceedings before national courts. Thus it is crucial whether the enforcement envisaged by the Commission would be as effective as the enforcement with regard to failures by national courts to comply with EU law. As has been pointed out above, the possibilities for enforcing the duty to make a preliminary reference are only of limited effect. The means of enforcement referred to by the ECJ only operate after an infringement has happened and normally after the national court’s decision has become res judicata. Thus a later finding by the ECJ does not normally affect the legal effect of the wrong decision.


The non-paper is annexed to a note from the Presidency of the Council of the European Union, No.10630/11; the Commission also proposed legislation under enhanced co-operation to effectuate unitary patent protection in 25 Member States, cf. COM(2011) 216 final.

Opinion 1/09 March 8, 2011 at [82].

Article 6 of the Treaty setting up the Benelux Court.
In light of these shortcomings, the solution found by the Commission should pacify the ECJ since it largely matches the possibilities of enforcement currently in place. Under the proposal, the Member States could be held collectively responsible, which would ensure a decision by the ECJ on the matter. If the ECJ finds that the PC applied EU law incorrectly, this would serve as a clarification and as a warning for its future decisions. The same would be true for state liability proceedings. Thus the Commission’s non-paper contains a viable proposal. Its weakness, however, is that it would give up on a unified patent litigation system which would include non-EU Member States so that only some of the deficiencies of the current system would be remedied.

Finally, when reformulating the agreement, the drafters should bear in mind the additional criticism voiced by the Advocates General since it is likely that a remodelled agreement will be subjected to proceedings before the Court again. This means that the language regime would have to provide for mandatory translations before the central division of the PC and that an explicit reference to the primacy of EU law would be included. Both recommendations could be accomplished without great difficulty.

As regards the broader constitutional implications of this Opinion, it has once more become clear that the European Union is a difficult partner to deal with internationally. The ECJ is strongly protectionist of the European Union’s legal order. By bringing national courts within the scope of the autonomy of the EU legal order, the Court has reached significantly into the Member States’ sphere by limiting room for manoeuvre as far as their national court systems are concerned. The Opinion makes it clear that Member States cannot divest their national courts, which have jurisdiction to interpret and apply EU law, of their role in this respect. This case comment aimed to demonstrate that the approach taken by the ECJ was not, however, the only route open to it. There are good arguments why the agreement could have been considered to be compatible with the Treaties. But by taking a conservative approach, the ECJ has sent a strong signal to the drafters of other EU agreements to be extremely cautious. The most prominent agreement being negotiated at the moment concerns, of course, the European Union’s accession to the ECHR.

81 In its non-paper, the Commission states, however, that the rules on languages should remain unchanged; this might meet with fierce opposition from some Member States given that Spain and Italy have recently instigated proceedings against the envisaged enhanced co-operation for creating an EU patent (Enhancing the patent system in Europe COM(2007) 165 final); cf. report in the EU Observer, at http://euobserver.com/894/32434 [Accessed July 6, 2011] and a press release by the Italian Foreign Office, at http://www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Comunicati/2011/05/20110531_RicorsoItalia.htm?LANG=EN[Accessed July 6, 2011].

82 A draft agreement has recently been published by the “informal working group” on accession which met under the auspices of the Council of Europe, document number CDDH-UE(2011)10, at http://www.coe.int/t/dghl/standardsetting/hrpolicy/cddh-ue/CDDH-UE_MeetingReports/CDDH-UE_2011_10_RAP_en.pdf[Accessed July 6, 2011].