



1st October 2013

**Comments of the French group of AIPPI
on the Preliminary set of provisions
for the Rules of Procedure
of the Unified Patent Court
15th draft of 31 May 2013**

Rule 5 – Opt out

1.

The French group of AIPPI suggests adding another note to Rule 5 indicating that in Articles 83(3) and 83(4) of the Agreement, the expression “*Unless an action has already been brought before [the Court / a national court]*” means “*Unless an action has already been brought (...) **and is still pending***”.

This clarification is necessary to confirm that the right to opt-out or the right to withdraw the opt-out is open if an action has been brought before the UPC, alternatively the national court, but that this action has ended. An alternative understanding of Articles 83(3) and 83(4) could enable to “lock-in” or “lock-out” the patent holder by simply starting an action and immediately withdrawing it.

2.

The French group of AIPPI suggests adding another note to Rule 5 to confirm that the substantive law of Articles 25 to 29 and the provisions of Article 72 on the period of limitation of the Agreement apply to Patents, irrespective of any Opt-out and irrespective of the Court before which proceedings are initiated.

This clarification is necessary to confirm that the same substantive law provisions will apply to a given patent as of the entry into force of the Agreement, irrespective whether the patent holder decides to opt-out and irrespective whether, during the transitional period, an action is brought before the UPC or a National Court.

For example, if during the transitional period, the patent holder which has not exercised an opt-out decides to initiate an action before two different alleged infringers, one before the UPC and another before a National Court, the same “limitations of the effect of the patent” (article 27 of the Agreement) or the same “period of limitation” (Article 72 of the Agreement) shall apply before the UPC and the National Courts. Similarly, the “limitations of the effect of the patent” (article 27 of the Agreement), say the clinical trial exemption, should be the same in (i) an infringement action initiated by the patent holder before a national court and in (ii) an action for a declaration of non-infringement initiated by the same alleged infringer before the UPC.

3.

The French group of AIPPI suggests adding yet another note to Rule 5 to confirm that the reference in Article 83 (1) of the Agreement to "*actions for infringement or invalidity (...)*" should be interpreted as covering all the actions referred to in Article 32-1-a) to i).

The purpose of this clarification is to make it clear, for example, that actions for a declaration of non-infringement may be brought before national courts during the transitional period.

4.

Rule 5 does not set a maximum processing time between the request and the entry of the opt out in the register. Rule 5 (4) only says "*as soon as possible*".

A delay in processing the application may thus render the opt out ineffective under Rule 5 (5).

The French group of AIPPI thus suggests adding, in Rule 5 (4), after the sentence "*as soon as possible*" the sentence "*and at the latest within 10 days of the application*".

Rule 7 - Language of written pleadings and written evidence

The French group of AIPPI believes that:

- written evidence should be submitted (in original or in copy) in their original language. Yet Rule 7 (1), as it is currently understood, does not seem to require that written evidence be submitted in their original language;
- if the language of the evidence adduced is not the language of the proceedings, then a translation of all or extracts should be filed in the language of the proceedings.

The French group of AIPPI suggests:

- deleting in Rule 7(1) the sentence "*... and other evidence, including written evidence*";
- adding the following sentence "*Other documents, including written evidence, shall be lodged in their original language, with a translation (in part or of the whole document) in the language of the proceedings*".

Rule 11 (2) - Settlement

Rule 11 (2) currently provides: "*Pursuant to Rule 365 the Court shall by decision confirm the terms of any settlement, including a term which obliges the patent owner to limit, surrender or agree to the revocation of a patent or not to assert it against the other party and/or third parties*".

Rule 11 (2) could be interpreted as being in contradiction with Article 79 of the Agreement, which provides that "*A patent may not be revoked or limited by way of settlement*". The preparatory committee should clarify this issue.

Rule 13 - Contents of the Statement of claim; identification of the claimant and defendant.

The French group of AIPPI believes that the identification of the claimant in the statement of claim, as provided by Rule 13 is insufficient.

As it currently stands, Rule 13 only requires that the statement of claims contains the name of the claimant and the claimant's representative and postal and electronic addresses for service. This is not sufficient to identify precisely the claimant. For example, when the claimant is part of a group, the indication of the name of the claimant and claimant's representative may not suffice to identify which company of the group is acting.

Rule 13 (a) should be supplemented to require at least, in addition, an indication of:

- *"the structure of the company, the address of the registered office, the place and country of incorporation or, in the absence of incorporation, the principal place of business"*.

The same comments apply to Rule 24 to identify the defendant.

Rules 26– Fee for the Counterclaim for revocation

The French group of AIPPI suggests deleting the fee to be paid by the defendant raising a counterclaim for revocation of the patent.

In view of the French group, such fee is not appropriate because such counterclaim is raised as a defence to an infringement action and because the defendant is not at the origin of the dispute.

Rule 30 (2) – Application to amend the patent

Rule 30(2) is currently drafted as follows: *"Any subsequent request to amend the patent may only be admitted into the proceedings with the permission of the Court."*

The French group of AIPPI suggests formulating this rule differently in order to make such request possible, under the control of the Court to prevent an abuse, rather than subordinating the admission of such request to the authorisation of the Court.

Rule 30(2) should thus be drafted as follows: *"any subsequent request to amend the patent may be refused by the Court if it is considered to be abusive"*.

Rule 67 - Reply to Defence to the Statement for a declaration of non-infringement and Defence to Counterclaim and Rejoinder to the Reply

Title of Rule 67 currently reads as follows: *"Reply to Defence to the Statement for a declaration of non-infringement and Defence to Counterclaim and Rejoinder to the Reply"*

This title thus suggests that it could be possible to file a "Defence to Counterclaim" thus consequently that a counterclaim (for patent infringement) would be possible in an action for a declaration of non-infringement. But neither Rule 67, nor others Rules of Procedure nor the Agreement provide that the defendant to an action for a declaration of non-infringement can raise a counterclaim for infringement.

The French group of AIPPI is of the opinion that the Rules of Procedure should provide that the defendant to an action for a declaration of non-infringement be able to raise a counterclaim for infringement. In particular, the French group does not understand why the Rules of Procedure do not provide such a counterclaim for infringement when such counterclaim for infringement is possible in a patent revocation action. What is the rationale of accepting such counterclaim in one case and not in the other?

Rule 116 - Absence of a party from the oral hearing

Rule 116 (3) currently reads as follows: *"A party absent from the oral hearing shall be treated as relying only on its written case and not wishing to contest any new submission that the other party may be allowed to make at the oral hearing."*

The French group of AIPPI thinks that the expression *"any new submission"* is unclear as it could possibly include new arguments and new facts (for instance new evidence). It asks the drafting committee to reformulate this clause.

The French group of AIPPI thinks that no submission of new arguments or facts should be possible at the oral hearing. However, the absence of a party shall not preclude the audition of experts or witnesses.

The French group of AIPPI therefore suggests to delete the sentence *"and not wishing to contest any new submission ... at the oral hearing"*.

Rule 118 – Decision on the merits

The French group of AIPPI is of the opinion that the wording in paragraph 2 is appropriate since the three conditions set by the Rules of Procedure (*"acted unintentionally [...]"*, *"if execution [...] disproportionate harm"* and *"damages and/or compensation [...] reasonably satisfactory"*) should be understood cumulatively, not alternatively.

The French group disagrees with some comments already sent to the drafting committee to make it more easy for the court not to grant an injunction.

The French group would like to remind that the AIPPI studied the question of availability of injunction in Q219 (resolution 4) in 2011, and resolved that:

"As a general rule, an IPR holder should be entitled to a permanent injunction in cases where infringement of a valid IPR is found on the merits. However, in making its decision on whether to grant the injunction, the court may consider exceptional circumstances which would make the granting of the injunction inappropriate, such as issues of public health or safety or issues arising under the doctrine of abuse of rights or in cases of conflict with other laws".

Rule 119 on Interim award of damages

Rule 119 provides that the interim award of damages shall at least cover costs of procedure:

"The Court may order an interim award of damages to the successful party in the decision on the merits, subject to any conditions that the Court may order. Such award shall at least cover the expected costs of the procedure for the award of damages and compensation on the part of the successful party."

This rule mixes up two separate issues, *i.e.* costs of the procedure and damages.

The French group suggests separating the two issues by:

- deleting the second sentence of Rule 119;
- adding a separate rule allowing the Court to issue an interim award on the costs of procedure.

Rule 172 - Duty to produce evidence

The French group approves the proposed wording of this Rule.

Rule 175 (2) - Written witness statement

Rule 175 (2) currently provides that:

"A written witness statement shall be signed by the witness and shall include a statement of the witness that he is aware of his obligation to tell the truth and of his liability under applicable national law in the event of any breach of this obligation. The statement shall set out the language in which the witness shall give oral evidence, if necessary."

The French group of AIPPI suggest adding the following sentence: *"the applicable national law is that of the contracting member state on the territory of which the witness is domiciled or that of the contracting member state on the territory of which the Central Division of the Court is located"*.

Rule 176 - Application for the hearing of a witness in person

Rule 176 currently provides that:

"Where a party seeking to offer witness evidence cannot obtain a written witness statement, it shall make an Application for the hearing of a witness in person which shall set out

a) ...

b) ...

c) the language in which the witness shall give evidence"

Paragraph c) should be amended because the party who asks for the hearing of a witness does not always know in which language the witness will be heard.

The French group of AIPPI suggests the following wording: *"c) the language in which it is likely that the witness will give evidence"*.

Rule 178 (1 and 2) - Hearing of witnesses

Rule 178 (1) currently reads as follows:

"1. After the identity of the witness has been established and before hearing his evidence, the presiding judge shall ask the witness to make the following declaration:

"I solemnly, sincerely and truly declare and affirm that the evidence I shall give shall be the truth, the whole truth and nothing but the truth."

Rule 178 (1) should be supplemented to add that the witness shall also declare *"I am aware of my obligation to tell the truth and of my liability under the applicable national law in the event of any breach of this obligation"*.

The French group of AIPPI is of the opinion that the witness shall have the same obligations and the same liability whether he/she gives a written statement or oral evidence during a hearing. This is why the French group of AIPPI suggest that Rules 175 and 178 contain similar language in this respect.

Rule 178(2) should also be supplemented (in bold hereafter) to read as follows: "*The witness shall give his evidence to the Court, **starting with an indication of his relations with the parties***".

Rule 192 (2) (b) - Application for preserving evidence

Rule 192 (2) (b) provides that the Application for preserving evidence "*shall contain a clear indication of the measures requested including the exact location of the evidence to be preserved*".

The French group of AIPPI suggests that this Rule refer to the "*location(s) of the evidence*" for the cases where the evidence is likely to be found in different places.

Rules 192 (2) (c), 194 (2) (a) and 194 (4) - Application for preserving evidence and Examination of the Application for preserving evidence

According to Rule 192 (2) (c), the Application for preserving evidence shall contain "*the reasons why **prompt** measures are needed to preserve relevant evidence*". Article 60 of the Agreement does not provide any condition of urgency or prompt action for a measure to preserve evidence. This condition is not relevant for such measure: for example, a measure for preserving evidence or an inspection may be necessary to evidence the reproduction of a claimed method absent any urgency.

The same applies to Rule 194 (2) (a) according which the Court shall take "*the **urgency** of the action*" into account in exercising its discretion to decide on the Application for preserving evidence. The grant of such measure or of a measure of inspection pursuant to Rule 199 should not be subject to a condition of urgency.

The French group of AIPPI therefore suggests that Rule 192 (2) (b) and Rule 194 (2) (a) be deleted.

Rule 192(2)(d) – Application for preserving evidence

According to Article 60(1), a person filing an application for preserving evidence will present "*reasonably available evidence*" to support the infringement claim.

The French group of AIPPI thus suggests:

- to modify Rule 192(2) as follows:

"(d) *the reasonably available facts and evidence relied on support of the Application*" and

- to delete the last paragraph of Rule 192: "*where main proceedings ... support*".

Rule 192 (3) - Application for preserving evidence

Rule 192 (3) reads as follows: "*Where the applicant requests that measures to preserve evidence be ordered without hearing the other party (hereinafter "the defendant"), the Application for preserving evidence shall in addition set out the reasons for not hearing the defendant having regard in particular to Rule 197. The applicant shall be under a duty to disclose any material fact known to it which might influence the court in deciding whether to make an order without hearing the defendant. The application shall not be entered on the register until notice has been given to the defendant pursuant to Rule 197.2.*"

The French group of AIPPI is of the opinion that the duty to disclose "*any fact which might influence the court*" which lies on the applicant is too vague and will be extensively disputed. The facts which may influence the Court's decision will be mentioned in the protective letter to be filed by the defendant pursuant to Rule 207. The second sentence of Rule 192 (3) should therefore be deleted.

A further comment relates to the last sentence of Rule 192 (3), which provides that "*the application shall not be entered on the register until notice has been given to the defendant pursuant to Rule 197.2.*" The same provision preventing the publication in the register should apply to the order granting or dismissing a measure to preserve evidence or an order for inspection. See in this respect the comment on Rule 197 (2) below.

Rule 194 (4) – Examination of the Application for preserving evidence

This rule refers to cases of "extreme urgency" in which the applicant may apply without formality for an order to preserve evidence to the standing judge designated in Rule 345 (5) which refers to "urgent actions".

If the urgency requirement is deleted from Rule 192 and 194 as suggested by the French group of AIPPI, Rule 194 (4) could refer to "urgency" to be consistent with Rule 345 (5) it refers to.

Rule 196 (1) – Decision on the application for preserving evidence

Rule 196 (1) (a) provides that the Court may order that evidence be preserved by detailed description "*with or without the taking of samples*".

In addition, the word "samples" is unclear when compared to the "infringing goods" referred to in paragraph (b).

Paragraph (a) should preferably read "*preserving evidence by detailed description of the allegedly infringing goods or process, with or without the taking of samples of the allegedly infringing goods or from the allegedly infringing process*".

Rule 196 (1) (c) refers to the "*physical seizure of the materials and implements used in the production and/or distribution of these goods and any related documents*".

The French group of AIPPI suggests that the physical seizure of documents relating to the infringing goods or process be subject to a separate paragraph (d), to make clear that they can be seized independently from any materials and implements.

Rule 196 (2) - Decision on the Application for preserving evidence

Rule 196 (2) currently provides that:

"An order to preserve evidence shall specify that, unless otherwise ordered by the Court, the outcome of the measures to preserve evidence may only be used in the proceedings on the merits of the case."

This rule must be amended in two respects.

First, the French group of AIPPI does not understand why the outcome of measures to preserve evidence may be used only in the proceedings on the merits of the case. No such limitation is provided for other measures to obtain evidence, for example for orders to produce evidence under Rule 190. The French group of AIPPI sees no reason to limit the use of orders to preserve evidence as compared to other orders.

The French group of AIPPI thus recommends deleting Rule 196 (2).

Secondly, should the use of the outcome of measures to preserve evidence be limited, it shall not be limited to *"the proceedings on the merits of the case"*. The evidence should for example be available for provisional measures of Rule 206.

Alternatively, if Rule 196 (2) is not deleted, the French group of AIPPI suggests redrafting said rule so that it reads as follows: *"An order to preserve evidence shall specify that, unless otherwise ordered by the Court, the outcome of the measures to preserve evidence may only be used in the proceedings **relating to the same case** ~~on the merits of the case~~"*.

Rule 196 (5) - Decision on the Application for preserving evidence

The last sentence of Rule 196 (5) provides: *"In no circumstances may an employee or director of the applicant be present at the execution of the measures"*.

The French group of AIPPI recommends that this sentence be subject to a separate paragraph (6) to make clear that the applicant's employees can neither be the representative pursuant to Rule 196 (3) (a) nor the person who shall carry out the measure pursuant to Rule 196 (4) and (5).

Rule 197 (2) – Order to preserve evidence without hearing the defendant

Rule 197 (2) reads: *"Where measures to preserve evidence are ordered without the defendant having been heard, Rule 195 shall apply mutatis mutandis to the oral hearing without the presence of the defendant. In such cases, the defendant shall be given notice, without delay and at the latest immediately after the time of the execution of the measures."*

If the "defendant" in this rule is the party against which the measure is executed, it shall be given notice thereof **before** or **in the same time as** the measure is executed.

In addition, the French group of AIPPI suggests that a paragraph be inserted in Rule 197, after paragraph (2), which provides that the Order for preserving evidence should not be entered on the register until notice has been given to the defendant or, alternatively, until an action on the merits has been started before the Court. This additional paragraph would be consistent with the last sentence of Rule 192 (3) and would ensure that the party against which the measure is to be executed does not become aware of it before it is executed.

Rule 198 (1) – Revocation of an order to preserve evidence

This Rule is not fully consistent with Article 60 (8) of the Agreement:

Art 60 (8)	Rule 198 (1)
<i>The Court shall ensure that the measures to preserve evidence are revoked or otherwise cease to have effect, at the defendant's request, without prejudice to the damages which may be claimed, if the applicant does not bring, with-in a period not exceeding 31 calendar days or 20 working days, whichever is the longer, action leading to a decision on the merits of the case before the Court.</i>	<i>The Court shall ensure that an order to preserve evidence is revoked or otherwise cease to have effect, upon request of the defendant, without prejudice to the damages which may be claimed, if, within a time period not exceeding 31 calendar days or 20 working days from the date of the order, whichever is the longer, the applicant does not start proceedings on the merits of the case before the Court.</i>

The French group of AIPPI suggests that Rule 198 (1) be amended to state that the time period to start proceedings on the merits starts from the date of execution of the measures, as does Article 60 (8) of the Agreement:

*"The Court shall ensure that **the measures** to preserve evidence **are** revoked or otherwise cease to have effect, upon request of the defendant, without prejudice to the damages which may be claimed, if, within a time period not exceeding 31 calendar days or 20 working days from the date **of the measures**, whichever is the longer, the applicant does not start proceedings on the merits of the case before the Court."*

Rule 199 – Order for inspection

This rule provides that the Court may order an inspection of products, devices, methods, premises or local situations under the same conditions as the order to preserve evidence. According to Rule 199 (2), "*Rules 192 to 197 apply mutatis mutandis*" to the order for inspection.

The French group of AIPPI does not understand the difference between orders to preserve evidence and orders for inspection. The two measures seem to apply in the same conditions, to allow the same measures to be made and to be performed in the same conditions. The Rules of procedure should make it more clear what is the difference between the two measures.

The only noticeable different between the two measures seems to be that Rule 199(2) mentions that Rule 198(2) shall apply *mutatis mutandis* to order for inspection, hence that Rule 198(1) shall not apply to orders for inspection.

The French group of AIPPI suggests to modify Rule 199(2) in order to refer to Rule 198 as a whole as it does not understand why Rule 198(1) should not apply to orders for inspection.

Rules 287(1) - Legal privilege

The French group of AIPPI is of the opinion that Rule 287(1) must be amended so that all exchanges between counsel and client (be it confidential or not) are covered by the attorney-client privilege, not just the "*confidential communication*".

The French group of AIPPI thus suggests amending Rule 287 (1) as follows :

1. Where a client seeks advice from a lawyer he has instructed in a professional capacity, whether in connection with proceedings before the Court or otherwise, then any ~~confidential~~ communication (whether written or oral) between them relating to the seeking or the provision of that advice is privileged from disclosure, whilst it remains confidential, in any proceedings before the Court or in arbitration or mediation proceedings before the Centre.

Rule 292 – Patent attorney’s right of audience

Article 48-4 states that representatives may be assisted by patent attorneys, who shall be allowed to speak before the Court.

Rule 292(2) prescribes that patent attorneys should be authorized by the Court to speak. This limitation of their right seems excessive and has no base.

The French group thus suggests to amend Rule 292(2) by deleting the sentence “*at the discretion of the Court and*”.

Rule 320 (7) – Re-establishment of rights

Rule 320 (7) currently provides that: “*There shall be no right to appeal from an order rejecting an Application for Re-establishment of rights.*”

The French group of AIPPI is of the opinion that such appeals shall be possible and thus suggests deleting Rule 320(7).

Rule 334 (h) – Case management powers

Rule 334 currently provides that:

*“(...) the judge-rapporteur, the presiding judge or the panel may: (...)
(f) exclude an issue from consideration; (...)
(h) dismiss a pleading summarily if it has no prospect of succeeding,*

The French group of AIPPI is of the opinion that Rules 334 (f) and (h) should be deleted.

Such cases are in practice so rare taking into account that experienced attorneys and in addition patent attorneys will prepare the cases that an exclusion from consideration or an immediate dismissal without sufficient attention to the case is a great risk.

As a measure of the case management it is, moreover, not clear whether such a decision on the merits is appealable at all. According to Rule 220.2 it is disputed whether the Court of Appeal has the competence to allow the appeal on such a measure. In any case, rejecting a pleading on the merits does not seem to be a case management measure.

The litigation should be at the parties’ disposal under the control of the Court.