

**Records of the
Luxembourg Conference
on the
Community patent
1975**

**GENERAL SECRETARIAT OF THE COUNCIL
OF THE EUROPEAN COMMUNITIES**

This publication is also available in:

DE ISBN 92-824-0088-3
FR ISBN 92-824-0090-5

Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 1982

ISBN 92-824-0089-1

Catalogue number: BX-33-81-190-EN-C

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Printed in Luxembourg

Editor's note

These records of the Luxembourg Conference on the Community patent, 1975, contain the documents relating to that Conference which were issued before, during and after it.

The Conference was originally scheduled to be held in May 1974, but was postponed, at the request of the United Kingdom Government, by decision of the Permanent Representatives Committee on 25 April 1974, and in fact took place from 17 November to 15 December 1975.

The preparatory documents for the Conference are subdivided into two series: those drawn up for May 1974 (starting on p. 10) principally consist of observations on and proposed amendments to the draft Convention for the European patent for the Common Market and attached annexes published in 1973, as amended by Preparatory Document No 1, which contained adaptations to take account of the final text of the Convention on the Grant of European Patents (European Patent Convention) signed in Munich on 5 October 1973; those drawn up for November 1975 (starting on p. 98) consist mainly of additional observations on and proposed amendments to the revised draft of the Convention and attached annexes issued in May 1975 as Preparatory Document No 28.

This revised draft, which constituted the basic text for the proceedings of the Conference, corresponds to the 1973 draft as amended by the adaptations contained in Preparatory Document No 1 and a number of amendments and new provisions approved by the Permanent Representatives Committee in April 1975. It appears on pp. 59-93.

The Rules of Procedure of the Conference appear on pp. 149-216.

The Conference documents, bearing the symbol 'LUX' (starting on p. 163), consist of documents issued during the Conference.

The list of participants in the Conference appears on pp. 219-226.

The minutes of the Conference fall into three groups: those of the Plenary of the Conference (starting on p. 229), those of the Committee of the Whole (starting on p. 231) and those of the Credentials Committee (starting on p. 292). They were prepared by the General Secretariat of the Council of the European Communities after the Conference. The drafts of the minutes were communicated to each delegation which participated in the Conference and the text appearing in these records takes into account the suggestions for changes made by the delegations.

On 15 December 1975 the Conference adopted the Convention for the European patent for the Common Market and the Implementing Regulations to the Convention, the Final Act and attached annexes, the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools and a Protocol on the provisional application of the Supplementary Protocol. Later the same day, these texts were signed by the Representatives of the Governments of the Member States meeting within the Council, and the Council of the European Communities adopted the Council Resolution of 15 December 1975 on the Convention for the European patent for the Common Market. These texts are printed on pp. 295-334.

Brussels, September 1981

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Preparatory documents for 1974

List of preparatory documents for 1974 (Nos 1 to 27)

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1	Secretariat	Adaptations to the draft Convention
2	FICPI	Observations on the draft Convention
3	UNION	Observations on the draft Convention
4	EIRMA	Observations on the draft Convention
5	COPRICE	Observations on the draft Convention
6	IFIA	Observations on the draft Convention
6/Rev.	IFIA	Revised version of Preparatory Document No 6
7	WIPO	Observations on the draft Convention
8	ICC	Observations on the draft Convention
9	CNIPA	Observations on the draft Convention
10	UNICE	Observations on the draft Convention
10/Cor.	UNICE	Corrigendum to Preparatory Document No 10
11	United Kingdom	Observations on the draft Convention
12	Secretariat	Draft Rules of Procedure of the Conference
13	CEEP	Observations on the draft Convention
14	Secretariat	Information concerning the organization of the Conference
15	FR of Germany	Observations on the draft Convention
16	Denmark	Observations on the draft Convention
17	France	Observations on the draft Convention
18	Italy	Proposed amendment to Article 35
19	Netherlands	Observations on the draft Convention
20	CPCCI	Observations on the draft Convention
21	Commission	Observations on the draft Convention
22	CIFE	Observations on the draft Convention
23	UNICE and CIFE	Additional observations on the draft Convention
24	Commission	Opinion on the draft Convention and the Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents
25	AIPPI	Infringement of the Community patent
26	France	Observations on Article 33
27	CNIPA	Additional observations on the draft Convention

Text of preparatory documents for 1974

PREPARATORY DOCUMENT No 1

Secretariat
December 1973

ADAPTATIONS TO THE DRAFT CONVENTION

Editor's note: The draft Convention for the European patent for the Common Market was published by the Council of the European Communities in 1973. Preparatory Document No 1 contained adaptations to that draft to take account of the final text of the European Patent Convention signed in Munich on 5 October 1973. In May 1975 an updated text of the draft Convention and attached annexes, incorporating these adaptations, was published as Preparatory Document No 28. This is reproduced under the title 'Basic texts for the Conference, 1975' on pp. 59-93 below.

PREPARATORY DOCUMENT No 2

Fédération Internationale des Conseils en
Propriété Industrielle (FICPI)
January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

Article 1 (1)

1. From the English version it is not clear whether 'common' refers to 'patents for invention' or to 'system of law'. In the German, French, Italian, Dutch and Danish versions it is clear that 'common' refers to 'system of law', and that seems in fact to be correct because the 'system' also extends to certain aspects of national law, see the whole of Part VII of the Convention. The following version is therefore presented for consideration:

Article 1 [English text only]

(1) This Convention hereby establishes a system of law, common to the Contracting States, concerning patents for invention.

Article 1 (2)

2. For the reason explained in connection with Article 1 (1) it is proposed to amend Article 1 (2) as follows:

Article 1

(2) The common system of law shall *particularly* govern . . .

The versions in the other languages should be similarly amended.

Article 2 (2)

3. The equal effect of Community patents throughout the territories is subject to exceptions, particularly in respect of prior national rights (Art. 33) and rights of prior use and personal possession (Art. 34). The following amendment is therefore proposed for consideration:

Article 2(2) between the words 'that' and 'they' in line 2 insert: 'subject to the exceptions provided for'.

Article 2 (3)

4. Similarly there are exceptions to the autonomous character of the Community patents. In this respect reference may again be made to prior national rights and rights of prior use and personal possession, and also to compulsory licences (Arts 46-48), dealing with the Community patent as a national patent (Art. 39), application of national law regarding infringement of the Community patent (Art. 38). The following amendment is therefore presented for consideration:

Article 2 (3), line 3: between 'that' and 'Community' insert 'subject to the exceptions provided for'.

Article 6

5. In its present wording, Article 6 could be interpreted to mean that upon signing the Convention the Contracting States can no longer change their national laws concerning patents. However, it can be said with certainty that all of the Contracting States will have to adjust their national laws to the PCT, the European Patent Convention and the Community Patent Convention and will probably wish to make further changes for the purposes of harmonization. They may also wish to amend their laws for other reasons.

6. Some Contracting States also have laws on utility models or utility certificates which they may wish to maintain, and other Contracting States

might wish to establish these forms of protection. Article 6 is therefore too narrow.

7. On the other hand, the Convention has an impact on national law, see again Part VII of the Convention. The following amended version of Article 6 is therefore proposed:

Article 6

This Convention shall be without prejudice to the right of the Contracting States to maintain or change their national laws concerning patents, utility models and utility certificates, subject only to the provisions of this Convention in respect of national rights.

Article 14 (3)

8. The reference in Article 14 (3) will now be to Article 70 (3) of the European Patent Convention. The question is raised, however, whether Article 14 (3) is not in fact intended also to refer to Article 65 of the European Patent Convention, meaning that a Contracting State may not prescribe the filing of a translation of the whole patent into an official language of the Contracting State in question (German, English or French, as the case may be, Dutch, Danish, Italian and Irish). It is believed that Article 35 is intended to be exhaustive as far as translations of European patents are concerned, but this is not clearly stated neither in Article 35 nor in Article 14.

9. It has been questioned from many quarters whether it is reasonable towards the general public of the Contracting States that the patentee should not be obliged to supply full translations of the Community patent into the national languages of all the Contracting States, seeing that among those who will have the job of studying European patents in order to keep abreast with the technical development and to be able to plan their own activities in such a manner as not to infringe the rights of others, there will no doubt be many who have practically no knowledge of foreign languages. This will particularly apply to people in the medium and smaller industries. It will be a considerable burden to them if they have to have translations made of all the Community patents that may be of interest to them. Whether the general public will be reasonably served by a translation of the claims only is mainly a national matter to be considered by the representatives of each individual country.

10. It is presumed that at any rate no provision of the Convention will preclude the national courts from requiring full translations to be filed in court proceedings in accordance with the normal rules of evidence for such proceedings.

Article 28

11. From Article 28 it is not clear which authority will be competent for deciding on the compensation payable to the new patentee if the parties do not agree. Failing provisions to the contrary it is presumed that the competence for such decisions will lie

with the national courts under Article 69, but confirmation is sought on that point.

Article 29c

12. In respect of the protection of the product obtained directly by a process which is a subject-matter of the invention, the laws of a number of European countries contain provisions on shifting of the burden of proof where the product is new or where the patentee can otherwise make a *prima facie* showing that the product was made by the patented process. In other European countries similar principles have been adopted by court decisions. However, there are also European countries in which shifting of the burden of proof does not exist at all. Harmonization in this respect seems to be desirable, seeing that otherwise the equal effect of a process patent in all the Contracting States would be seriously jeopardized. The general feeling among patent experts seems to be that the right solution would be to adopt in the Convention a positive provision regarding shifting of the burden of proof in the circumstances mentioned. As an example of such a provision reference may be made to Article 67 of the Swiss patent law, which reads:

'1) Si l'invention concerne la fabrication d'un nouveau produit, tout produit de même composition sera présumé, jusqu'à preuve du contraire, fabriqué d'après le procédé breveté.

2) L'alinéa 1 est applicable de façon correspondante dans le cas d'un procédé pour la fabrication d'un produit connu lorsque le titulaire peut rendre vraisemblable une contre-façon de brevet.'

Article 33 (1)

13. It is questioned whether the English expression 'made public' covers with certainty the same as the German expression 'zugänglich gemacht worden ist'. It is important that the expression used should cover the situation where the national patent application is not published in print, but is just open for inspection in the national patent office in question (with the opportunity of obtaining copies). This is, for example, the system in existence in Denmark, and the expression ordinarily used is that the application is 'made available to the public'.

14. In the Danish text the word 'offentliggjort' should be replaced by 'tilgængeliggjort'.

15. It is proposed in Article 33, in analogy with Article 77 (2), to add a new paragraph (1a) as follows:

Article 33 (1a)

The subsequent lapse or revocation of the national patent or patent application shall not affect the provision of paragraph 1.'

Article 35

16. As far as limitation proceedings are concerned, Article 35 (3) prescribes that the translations of the amended claims into the Community languages

should be filed within the period mentioned in Article 54 (2) (b), and Article 35 (6) then prescribes that if the translations are not filed in time the Community patent shall be deemed to be void *ab initio*. This is somewhat peculiar seeing that under Articles 53 and 54 failure of the patentee to observe any other time-limit, or to pay fees, in limitation proceedings only has the effect that the request for limitation is rejected (which would not preclude the patentee from filing a new request), the Community patent as such remaining in force (unaltered).

17. The following amendment is therefore presented for consideration:

At the end of Article 35 (6) add the following: 'except that in case of limitation proceedings only the request for limitation shall be rejected'.

Article 37

18. Article 37 (1) is probably intended to cover revocation in revocation proceedings only, seeing that the same provision is contained in Article 68 of the European Patent Convention as far as revocation in opposition proceedings is concerned. A further reason for this assumption is that the words used in the French and German texts of Article 37 (1) (*annulé, für nichtig erklärt worden ist*) are not the same as those used in the European Patent Convention in connection with opposition proceedings (*révoqué, widerrufen ist*).

19. The question is raised, however, whether there is any reason why Article 37 (2) should not apply to revocation in opposition proceedings. It is very well imaginable that contracts may have been concluded and carried into effect in good faith before an opposition is lodged which may result in revocation. It is therefore proposed to add a new paragraph to Article 37 as follows:

'3. The provisions of paragraph 2 shall also apply to revocation of the European patent in opposition proceedings.'

Article 37 (2)

20. The question is raised whether the expression 'the national provisions' in Article 37 (2) is not too narrow, seeing that exactly issues of the type mentioned in Article 37 (2) are usually governed by national jurisprudence rather than by express national provisions. It is therefore proposed to change 'the national provisions' to 'national law' or 'national rules of law'.

21. Similar amendment should be made in the versions in the other languages.

Article 37 (2) (b)

22. It is questioned whether the word 'performed' in the English text is clear and whether it corresponds to the words used in the other versions, 'erfüllt' in German and 'exécuté' in French. The intention probably is to express that (for example) royalties that have been paid before the patent was revoked

shall not be recoverable by the licensee. It is suggested for consideration whether 'carried into effect' would be a better expression.

23. The question is also raised whether Article 37 (2) (b) should also be applicable to compulsory licences. In this respect it is not seen that the holder of a compulsory licence should have a preferential position as compared with a contractual licensee. It is therefore proposed to add 'or compulsory licences granted' after 'contracts concluded'.

Article 40

24. Here again confirmation is sought that any conflicts under this article come under the jurisdiction of the national courts.

Article 43

25. In accordance with the amendment adopted in Article 73 of the European Patent Convention it is proposed in Article 43 (1), line 1 to insert 'in whole or in part' between 'licensed' and 'for'.

Article 44 (3)

26. The provision in the last line of this paragraph seems to be too narrow, seeing that there are also other circumstances in which a licence of right should be considered a contractual licence, see, for example, Article 37 (2) (b) (effects of revocation of the Community patent). It should be considered whether the last sentence of Article 44 (3) could be reworded as follows:

'Article 44

3... A licence obtained in this manner shall for the purposes of this Convention have the same status as a contractual licence.'

Articles 52-54

27. The question is raised whether these articles could not advantageously be extended so as also to cover the correction of obvious errors, as defined in Rule 88 of the European Patent Convention. A typical example is that where the claim says exactly the opposite of what is intended ('smaller' instead of 'greater', 'above' instead of 'below', 'righthand' instead of 'lefthand', etc.), but where the intended meaning is absolutely clear from the description. A correction of this type could not be called a limitation and is therefore not covered by Articles 52-54.

Article 52 (1)

28. The question is raised whether the patentee should be obliged to mention the reasons for the limitation. If not, it is difficult to see how the European Patent Office could examine whether the patent as limited would be revokable under Article 57 (1) (a) and the limitation procedure might just as well be simplified to the mere determination whether the limitation is in fact a limitation properly based on the original disclosure (Article 57 (1) (c) and (d)).

Article 53 (1)

29. If the examination is not simplified as mentioned in connection with Article 52 (1), it is proposed to revise Article 53 (1) in analogy with Article 102 (3) of the European Patent Convention (opposition proceedings) and Article 59 (3) of the Community Patent Convention (revocation proceedings) so as to read as follows:

'Article 53

1. The Revocation Division shall examine whether the Community patent as amended and the invention to which it relates meet the requirements of the European Patent Convention.'

Article 56 (1)

30. In the second line of Article 56 (1) it is proposed to insert 'the complete or partial' before 'revocation'.

Article 59 (3)

31. In line 5 it is proposed to replace 'of this Convention' by 'of the European Patent Convention'. This will make the provision more easily readable because the place where the requirements are to be found is in fact the European Patent Convention, and the Community Patent Convention does not, and could not, add any further requirements.

Article 64

32. Article 64 provides that Chapters I and III of Part VII of the European Patent Convention shall apply to Community patent procedures with certain modifications and exceptions. These will be dealt with in numerical order.

33. It is not directly seen why Article 114 (1) of the European Patent Convention should not be applicable to procedures before the Administrative Division. If an Administrative Division is aware of a fact that has not been mentioned by the patentee, it is not seen why it should not have the right to bring it into the case.

34. It is not seen why Article 116 (3) of the European Patent Convention should not be applicable to proceedings before the Administrative Divisions.

35. It is not seen why Article 123 (2) should not apply to limitation and revocation proceedings just the same as 123 (3). A European patent may very well be amended in violation of Article 123 (2) without thereby being broadened, namely, by adding limitations which are not properly disclosed in the application as filed.

36. It is presumed that from Article 64 (e) as applied to Article 134 (1) and (2) (a) and (b) of the European Patent Convention it follows that only representatives being nationals of and having their residence in one of the Community patent countries will be entitled to act before the special departments of the European Patent Office, the legal basis for such a provision being found in Article 144 of the European Patent

Convention. If this is the intended meaning, it would be preferable to have an express provision to that effect.

37. It is observed, however, that the justification of such a provision has been questioned within the FICPI. It has been pointed out that representation in proceedings before the special departments of the European Patent Office is not entirely comparable to representation in similar national proceedings, seeing that representatives not having the nationality of and residence in a Community patent country are still officially registered on the same list as those having the said nationality and residence, and have been entered on that list on the same basis of qualifications, and additionally are under the jurisdiction of the same authority, namely, the European Patent Office and the institute of representatives. It is observed, however, that the question has not yet been fully discussed within the FICPI which must therefore reserve its position until the Diplomatic Conference.

38. The Community Patent Convention contains no provision to the effect that the patentee, even if he has no residence or seat in a Contracting State, must be represented before the European Patent Office when there are no proceedings pending before the special departments (Articles 133 and 134 of the European Patent Convention relating to representation in proceedings only). Probably it is not intended that there should be such a requirement. Now, there are situations where communications are to be sent to the patentee in order to start up proceedings. As examples reference may be made to communication of a decision under Article 51 (lapse of patent), communication of an application for revocation to the proprietor of the patent under Rule 19, communications by national authorities to the patentee in respect of compulsory licences under Article 46, the starting-up of proceedings under Article 33 (2) (prior national rights), legal proceedings for a declaratory judgment of non-infringement (Article 38), communications by third parties to the patentee under Rule 9 (1) (licences of right). If no representative is appointed, such communications, when made by the European Patent Office to start up proceedings, must be notified under Rules 78 and 80 of the European Patent Convention. Some patentees may find that communication in this manner is not very safe and may therefore prefer to have a representative of record to whom communications can be addressed in accordance with Rule 81 of the European Patent Convention. The following additional subparagraph to Article 64 is therefore proposed for consideration:

'Article 64

(f) The owner of a Community patent may appoint a professional representative fulfilling the requirements of Art. 134 (1) of the European Patent Convention to represent him in all matters relating to the patent, no matter whether proceedings in respect of the patent are pending or not. A representative thus appointed shall be authorized to receive all communications in respect of the Community patent on behalf of the patentee. However, the national law of any Contracting State may prescribe that in national proceedings

in respect of the Community patent representation shall be governed by national law.'

Article 65

39. This article should be cancelled because the European Patent Convention now prescribes that the inventor shall always be identified.

Article 66

40. It is proposed in the fourth line after 'this Convention' to add 'and the Implementing Regulations'.

41. Moreover, it is proposed to add:

'If found expedient for the general public and for the European Patent Office, the President of the European Patent Office may decide to combine the Register of Community Patents with that of European patents according to Art. 127 of the European Patent Convention'.

Article 67

42. It is proposed in the last line after 'the Convention' to add 'and the Implementing Regulations'.

43. Moreover, it is proposed to add:

'If found expedient for the general public and for the European Patent Office, the President of the European Patent Office may decide to combine the Community Patent Bulletin with the European Patent Bulletin according to Art. 129 (1) of the European Patent Convention.'

44. It is observed that in all probability practically all European patents will also be Community patents. It may therefore be rather confusing if two substantially identical registers are established and two substantially identical bulletins are published. It is not seen that it would cause any harm to enter additional particulars of the Community patents in the Register of European Patents, or to publish such additional entries in a special Community Patents Section of the European Patent Bulletin.

Article 77 (1)

45. The expression 'to the extent that it (the national patent) covers the same invention as the Community patent' is somewhat vague and not as precise as the expression 'protects' (*schützt*) used in the German text. The Danish and French texts suffer from the same drawbacks as the English text, while the Dutch text corresponds to the German text.

46. The question is not entirely a drafting matter. It is observed, for example, that on the face of it the determination of Article 77 (1) might be assumed to be the same as that of Article 33 (1), only the other way round, but that will not at all be the case in countries where collision between national patent applications is governed by the 'whole contents principle'. In such a country, under Article 33, the claims of the Community patent should be compared with the disclosure of the national patent, but under Article 77 (1) the claims of the national patent should be compared with the claims of the Community

patent ('Identitätsprüfung' corresponding to that applied under the 'prior claim principle'). For this reason it is proposed that in the text of Article 77 (1) the word 'protect' should be used in the versions in all the languages. This would be quite natural seeing that the heading of the article in all the languages is 'Prohibition of simultaneous protection'.

Article 77 (3) and (4)

47. In Article 77 (3) it is unclear whether 'ab initio' means 'as from the filing date of the European patent application' or 'as of the date specified in Article 77 (1) (a), (b) or (c)', where the determination takes place at a later date. If the former is the case, a national decision under the last sentence of Article 77 (3) could mean a very great hardship on the patentee. The same would be the case if a Contracting State makes use of the discretion expressed at the end of Article 77 (4).

48. It is therefore believed that Article 77 (3) and (4) leave too much at the discretion of national law and national authorities. It should be remembered that at the time when the Community patent becomes effective the national patent may already have had a long life of its own. The patentee may have obtained a profit for his rights in one way or another or he may have successfully enforced the national patent in infringement proceedings, and third parties may have acquired rights under the national patent.

49. It is therefore suggested to add the following paragraphs at the end of Article 77:

'Article 77

5. However, any decisions by national authorities under paragraphs 3 and 4 shall not affect

- (a) decisions on infringement of the national patent which have acquired the authority of a final decision and have been enforced prior to the date specified in paragraph 1 (a) or (b);
- (b) contracts concluded and compulsory licences granted under the national patent prior to the date specified in paragraph 1 (a) or (b) in so far as they have been carried into effect prior to the said date or have been continued under the Community patent.

6. Any contractual or compulsory licences granted under the national patent shall be continued under the Community patent unless terminated by the licensee. For the purposes of this provision assignment of the national patent shall be deemed to establish a contractual licence.'

50. It is observed that subparagraphs (a) and (b) of paragraph 5 have been substantially copied from Article 37 dealing with the effect of revocation of the Community patent. It is felt that it would not be reasonable if the lapse of a national patent under Article 77 should have more fatal consequences than the revocation of the Community patent seeing that in a way the lapse of the national patent under Article 77 constitutes proof that the national patent was rightly granted.

Article 80 (2)

51. From the English text it is not quite clear who

'a person' is and exactly what he may not do. The French and Italian texts suffer from substantially the same unclarity. The German text seems to say that the owner of the patent (or his successor in right) may not work the invention protected by his patent if the same invention is protected by a utility model having an earlier priority date. The Danish and Dutch texts would appear rather to say that the owner of the patent may not enforce it.

52. Probably, Article 80 (2) is intended to be applicable only to the FR of Germany, seeing that this is at present the only Community country having utility model protection.

53. The German text is therefore presumed to express a principle of German law, and it should be checked whether the above interpretation is correct. It should also be examined whether there are other principles of German law which should also be taken into account in Article 80 (2). For example, it seems probable that under German law the patentee cannot enforce his patent against the owner of the utility model or his successor in right, even after the utility model has lapsed. Otherwise the owner of the utility model who has taken the invention into use during the lifetime of the utility model would be compelled to discontinue the use when his utility model lapses.

54. It would therefore seem to be preferable to leave the whole problem to national law without trying to define the principles of that law (which might on further study prove to be rather intricate and based mainly on case-law). The following version of Article 80 (2) is therefore presented for consideration:

'Article 80

2. Any Contracting State may provide that the national law governing the relationship of a national patent to a national utility model or certificate having an earlier priority date shall also for the territory of that State govern the relationship of a Community patent to a national utility model or certificate having an earlier priority date.'

Rule 9 (3)

55. Where the licensee enjoying a licence of right does not in spite of proper warning pay royalties within the specified time-limit it may, under the present wording of Rule 9 (3), in some countries be necessary for the patentee to conduct and complete legal proceedings to determine the termination of the licence before he can start infringement proceedings. To avoid any such complications it is proposed to reword the last sentence of Rule 9 (3) so as to read:

'the licence shall be deemed to be cancelled and can be renewed only with the consent of the patentee.'

Rule 13 (3)

56. The expression 'the extent to which it intends to limit the patent' is not very clear. It is proposed to substitute 'the text which it intends to accept for the patent as limited'.

57. It is observed that the word 'text' is used in line 7 of paragraph 3 without an antecedent.

Rule 13 (5)

58. It is proposed to replace 'the limited text of the patent' by 'the text of the patent as limited'.

Rule 19 (1)

59. It is proposed to cancel the last sentence in accordance with the amendment that was made to Rule 57 (1) of the European Patent Convention.

Rule 20 (3)

60. At the end of Rule 20 (3) it is proposed to add 'considering also any amendments proposed by the patentee'.

Rule 25 (2)

61. It is proposed to add the following items in Rule 25 (2):

- (g) date and purport of any decisions by national authorities to cancel or limit the effect of the Community patent under Art. 33 (2);
- (h) date and purport of any decisions by national authorities to grant compulsory licences under Art. 46;
- (i) date and purport of any decisions by national authorities to cancel or limit the effect of a national patent under Art. 77 (3);
- (j) name and address of a representative appointed under Art. 64 (f).¹

Rule 28

62. It is not directly seen why only paragraph 2 of Rule 66 of the European Patent Convention, and not the whole of the Rule, shall be applicable.

PREPARATORY DOCUMENT No 3
Union of European patent agents (UNION)
February 1974

**OBSERVATIONS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET**

The Union of European patent agents has noted with satisfaction that the Diplomatic Conference of Munich has taken into account in the final draft many of the suggestions and proposed amendments made during the hearings. This applies also to the present very carefully compiled draft of the Community Patent Convention.

After a study of this draft the UNION submits the following comments and proposed amendments. It is encouraged to do so because the proceedings of the Munich Diplomatic Conference have shown that the government delegations have paid close attention to

¹As proposed above.

the proposals made by the observer organizations from their own practical experience and have quite often adopted them.

The UNION hopes by these proposals to make a constructive contribution to improving the present draft of Convention II.

Article 14

1. It is known that the ruling on the language question provided for in this article, as set out in particular in paragraph 3, is deemed to be a discrimination by the representatives of some Contracting States. However, for purely economic reasons as well, consideration should be given to whether to make obligatory provision for the submission of translations also of the specification of the patent granted in the language of the proceedings into the other official languages of the Contracting States of the European Community in the present agreement, since according to Article 69 of the European Patent Convention the specification is to be used for the interpretation of the patent claims, and in the protocol on the interpretation of Article 69 of the first Agreement, reference is made to the specification and therefore to its contents.

Even when, in a Contracting State, a translation of the patent specification has to be made twice by third parties, for example, by two firms independent of one another, where not all the clerks concerned with the patent document and its protective effect have complete mastery of the language of the patent proceedings in question, the submission of the translation arranged for once only by the patentee would make sense from the point of view of the national economy. Since, however, it must be assumed that a European patent does not only have to be translated into the national language twice in a Contracting State, and in the case of important patents it may certainly be expected that the translation will be required 100 times or even more often, it would be sensible to make provision here for the patentee, when the final version of the patent document is completed (expiry of the time for opposition or legal granting of the Community patent) to be required to provide translations into the other languages within a period of three months.

Article 28 (1)

2. It is not clear what happens to the patent when the person to whom the patent has been awarded wholly or partially does not request, within the period of a year after the commencement of legal validity, the alteration of the entry on the register for Community patents, e.g. because the person in question has died, or, in the case of a firm, the latter has been wound up. Is the patent then legally deemed to be withdrawn?

A further ruling should be provided for here, e.g. the obligation for the court to notify the European Patent Office after the verdict has acquired force of law.

Article 28 (2)

3. Two lines from the end after 'person' insert 'finally'.

Article 29

4. In paragraph (c) delete the subordinate clause:

'insofar as such product is not a plant or animal excluded from protection under Article 51 of the European Patent Convention'.

Reasons

According to Article 53 of the European Patent Convention patents are not granted for plant or animal varieties or essentially biological processes for the production of plants or animals. The provision of Article 29 (c) would also exclude, in contradiction with Article 64 (2) of the European Patent Convention, protection for the products directly obtained in the case where there is no question of an essentially biological process, for example a breeding method.

The fact that the plant or animal varieties *per se* are excluded from protection should not be an impediment to allowing protection of the product in mainly technical processes for their manufacture, which are of course patentable.

5. It is proposed to add to Article 29 a paragraph 2 worded as follows:

'If the patent concerns a process for obtaining a new product, any product having the same constitution is considered, unless proved to the contrary, to be made by the patented process'.

Reasons

During the deliberations of the Diplomatic Conference at Munich on the wording of the European Patent Convention, the inclusion of a ruling on the reversal of the burden of proof was discussed at length. The majority of the government delegations were of the view that this provision, although already contained in the national laws of most EEC countries or used by the courts in infringement proceedings, cannot, for reasons of legal system, be included in the agreement on the granting of European patents.

In the opinion of the UNION these objections can no longer exist in the Community Patent Convention; this Convention is concerned with the protective action of the Community patent after grant. In order to reinforce the protective effect of a process patent against an unauthorized importation from third-party States, the reversal of the onus of proof is generally recognized as reasonable.

Article 32

6. In Article 32, paragraph 2, after 'contractual licensee' add 'according to Art. 43'.

Reasons

In this way it is proposed to make clear that a compulsory licence according to Article 46 is not covered

even if, on the basis of such a licence, contractual obligations relating for example to the amount of the royalties or similar details, have been concluded on the subject between the patentee and the compulsory licensee, since according to Article 46, paragraph 1, item 2, the effect of the compulsory licence is confined to the sovereign territory of the respective Contracting State.

Article 35

7. In paragraph 6, amend 'Articles 1 to 3' to: 'Articles 1 and 2'.

Reasons

The sanction provided for there in the case of the limitation of the patent when the translation of the patent claims is not filed in proper time, is too far-reaching. It suffices here, as already provided for other demands in connection with the limitation procedure, for the request for limitation to be rejected. Article 54, paragraph 3 is to be supplemented accordingly (see item 11).

Articles 38 (1)

8. For the sake of clarification it is proposed that the first sentence be reworded as follows:

'The effects of the Community patent shall be governed by the provisions of this Convention in conjunction with Article 69 of the European Patent Convention'.

Reasons

The version: 'The effects of the Community patent shall be governed *solely* by the provisions of this Convention' could be interpreted as meaning that the references to the European Patent Convention are not to be applicable as regards the 'effects'.

Article 49

9. Paragraph 2 of this article should be reworded as follows:

'When a renewal fee has not been paid on or before the due date, the Patent Office will draw the attention of the patentee to the lapsing of the patent. The fee may be validly paid within six months of such lapsing, provided that the additional fee is paid at the same time'.

Reasons

The official reminder of the lapsing of the patent if the annuity is not paid in the proper time has proved so serviceable in the case of national patents with payment of annual fees that this regulation should also be introduced for the Community patent. In this way the number of requests for reinstatement owing to payment not being made at the proper time, would be greatly reduced.

Article 52

10. The following reference should be included in paragraph 1:

'The provision of Art. 50, para 3, also applies in corresponding manner to the request for limitation'.

Reasons

The assent provided for in Article 50, paragraph 3, or the notification of the holders of rights entered in the register should also be provided for in the limitation procedure as voluntary restriction is equivalent to partial relinquishment of the patent.

Article 54 (2)

11. In connection with point 7 of this statement of position, it is proposed to complete Article 54, paragraph 2 as follows:

'(c) the translation of the modified claims required by Article 35, para. 3, has been lodged'.

Paragraph 3 of the same article should be reworded as follows:

'If the fee for the printing of a new specification (or for a correction sheet) is not paid and the translation of the new claims has not been lodged in due time, the request shall be rejected'.

Article 54 (2) and Article 55

12. For a minor modification of the patent specification it should be possible for the Patent Office to publish only a correction sheet carrying the new claims and the changes in the description.

Article 54, paragraphs 2 and 3; Article 55; Article 59, paragraph 3 and Article 60 should be modified consequentially.

Furthermore, the correction of obvious errors in a patent specification should be envisaged (in the rules) as being made by the publication of a correction sheet.

Article 57

13. In paragraph 2 after the word 'description' the word 'or' should be changed to 'and/or'.

14. The article should also be completed by a reference by which the provisions of Article 37 are equally applicable for the limitation procedure.

Reasons

The decision of nullity or limitation of the patent according to Article 57, paragraph 2, is of *ex tunc* effect. This effect should also hold good in the case of voluntary restriction according to Articles 52 and 55, since otherwise claims for damages arising from the Community patent in the original version might be enforced in spite of limitation. A defendant would then be compelled to file a nullity suit, although the patent has already been limited by a decision, in order to obtain this corresponding effect of limitation *ex tunc*.

Article 63

15. The time allowed in paragraph 4 should be

regulated as laid down in Article 108 of the European Patent Convention.

Article 69

16. It is suggested that the Contracting States – if necessary in the form of a special protocol – should agree that for lawsuits relating to Community patents, special courts should be set up in their State or in their legal districts.

Reasons

In the event of a lawsuit arising from the Community patent, the court in question should consider not only the provisions of this Convention but also the provisions of the European Patent Convention, possibly also with the provisions of the Patent Cooperation Treaty, as well as those of the national patent laws in question.

It would probably be very difficult for the normal courts, which possibly seldom have to deal with such suits, to acquaint themselves sufficiently rapidly with this extensive and complicated international legal material.

The good experience that has already been gained in some of the Contracting States with the special chambers and special senates for patent litigation, make it desirable to provide regulations on these lines for lawsuits arising from the Community patent in Contracting States which have not yet introduced such special courts.

Article 77

17. The second sentence of paragraph 3 should be deleted.

Reasons

It is not clear why the effect of the corresponding national patent or utility model (see Art. 80, para. 1) should be extinguished from the outset. It would for instance not then be possible to make claims for compensation from a previously granted national patent, on the granting of the Community patent. Particularly in the case of legal action pending this retrospective action would be prejudicial to the patentee. After all, the granting of the Community patent confirms that the national patent, which may have been granted many years earlier, related to a patentable invention and was, therefore, legally valid.

Article 78

18. In paragraph 1 after 'put that product on the market in any Contracting State' add: 'where it has corresponding protection'.

Reasons

The lapsing of the right arising from a national patent should only occur when a corresponding right also exists in the other Contracting State in which the

product has been marketed. If no protection is available there, through this marketing there can have been no lapsing of the right that would take effect on the national patent of the other Contracting State.

PREPARATORY DOCUMENT No 4 European Industrial Research Management Association (EIRMA) January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET PUBLISHED IN 1973

Editor's note: The European Industrial Research Management Association subsequently drew up a new submission which replaced this document. The new submission was published as Preparatory Document No 34 and is reproduced on pp. 109–112 below.

PREPARATORY DOCUMENT No 5 Comitato per la protezione della proprietà industriale nella Comunità Economica Europea (COPRICE) January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

Preamble

1. The Patents Committee of COPRICE considers that the present wording of the Preamble is somewhat too ambitious, in the sense that whatever attempts may be made – and this is borne out by a number of the draft articles – it is not possible to totally eliminate fragmentation within the European Economic Community, even if, as is desirable, national laws are harmonized with regard to questions of patentability.

The elimination of fragmentation is only an ideal goal, to which all our efforts must be bent without ever completely attaining it, if only on account of the problem of the infringement patents, which may be judged differently by the various national courts, the question of prior national rights and the matter of compulsory national licences.

COPRICE accordingly proposes that the words 'as far as possible' be inserted in the second paragraph of the preamble, after 'eliminating'.

Article 6

National patent laws

2. The present draft text seems to imply *a contrario* that the Contracting States are entitled to repeal their national laws. This does not seem possible for various reasons, if only because of the question of infringement which, according to the draft Convention itself, is to be judged under national law. COPRICE therefore proposes that Article 6 be amended as follows: 'As the national laws of the Contracting States must be maintained, this Convention does not impose on them the obligation of amending their laws, except as may be necessary in order to comply with its requirements'.

Article 13

Exclusion and objection

3. Paragraph 4 of this Article should be aligned on the corresponding provisions of Article 24, paragraph 4, of the first Convention.

Articles 27 and 28

Claiming the right to the Community patent

4. COPRICE considers that a general definition of the respective rights of the joint proprietors of a Community patent to be of the greatest importance. Does each of them have the right to use it as he wishes, independently of the other joint proprietor? Or do they have a joint right to use the invention?

A distinction should be drawn in Article 27 between a patent for an invention devised jointly but as a whole by two different persons and a patent for two quite distinct parts of an invention which were each devised by a different person. The rights of joint proprietorship be different in these two cases.

Finally, the French text of Article 28, paragraph 2, does not seem quite correct, and its present form should therefore be changed.

Article 35

Translations of the claims into certain official languages of the Contracting States

5. Certain members of COPRICE felt that in the interests of third parties and in order to respect the basic principles of the European Economic Community, not only the claims but also the complete specification of every patent should be translated into the six Community languages. This provision would seem politic from the standpoint of theory, if it were possible to foresee how it could be implemented, but there would be the problem of fees which would have to be greatly increased for the filing of each application.

Other members of COPRICE therefore proposed the following solution with which the majority of the Committee concurred.

As inventors and industrialists in the nine countries of the European Economic Community know at least one of the three official languages of the proceedings, it could reasonably be held that the interests of third parties would be protected in all the countries if the specification – and not only claims – of every patent were published in these three languages. It would seem that this would not give rise to an excessive increase in the amount of fees to be paid by the applicant.

Article 47

Compulsory licences for lack or insufficiency of exploitation

6. As this question is related to a certain extent to the exhaustion of rights and is of particular importance to small and medium-sized undertakings, COPRICE proposes that the provisions of Article 47 be incorporated in the protocol which provides for a transitional period of five years for the application of the principle of the exhaustion of rights, with a possible extension of at most five years.

Article 49

Renewal fees

7. The words 'at the same time', and their equivalents in all the other languages, should be deleted at the end of paragraph 2, as a delay in the payment of a fee may be due to an unforeseeable or accidental delay in forwarding the normal amount due.

Article 51 (1) (c)

8. An additional paragraph should be written into this Convention in order to bring it into line with the first Convention. This paragraph should provide for the re-establishment in certain cases of rights relating to an application for a Community patent and apply to instances where a patent lapses due to failure to observe a time-limit.

Article 56 (6)

Application for revocation

9. In paragraph 6 the request for a security should not be restricted to cases where the applicant has neither a residence nor his seat within the territory of one of the Contracting States. This requirement should rather be extended to take in all cases where his solvency seems questionable. In addition, the word 'security' could well be replaced by the following phrase: 'deposit a surety or furnish a security'.

General comments

10. It is quite clear that the duality of jurisdiction as regards assessment of the validity of the European patent on the one hand and infringements thereof by third parties on the other gives rise to considerable difficulties with regard to the periods of time involved (especially as concerns the length of legal proceedings,

the non-retrospective effect of the revocation of a Community patent on decisions on infringement delivered by national courts on infringements coming under Article 37, and the definition of the scope of the Community patent.

An examination of a possible solution providing for a single jurisdiction in these two fields would therefore be of great advantage. COPRICE is, however, fully aware of the difficulties attendant upon this question.

11. A further question which should be studied is that of reversing the burden of proof in infringement proceedings concerning a process. Here once again the question is a difficult one, as reversing the burden of proof may have the disadvantage of obliging the defendant to disclose details of a process which he intended to keep secret. Nevertheless, reversing the burden of proof would have the great advantage of making patents for processes more effective; it would be restricted to processes for manufacturing new products.

PREPARATORY DOCUMENT No 6
International Federation of Inventors
Associations (IFIA)
January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET (1973)

[Omitted]

PREPARATORY DOCUMENT No 6 REVISED
International Federation of Inventors
Associations (IFIA)
January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET (1973)

General remarks

IFIA has welcomed the endeavours to obtain, in the interest of the development of the technology and economy of the States of Europe, a common European patent system, which resulted in the European Patent Convention accepted in Munich in 1973. IFIA anticipates that this Convention will encourage inventiveness in Europe by offering effective protection of the inventor's legal rights.

The present draft Convention for the European patent for the Common Market will evidently increase the economic effect of the European patent within the Common Market. However, it seems to have been

drafted more with the aims of achieving a unified market within the European Community and promoting the interests of large industries, than of promoting the growth of small innovation-active industries and providing a favourable environment for inventors.

Thus, the draft envisages in the Introduction and in the Preamble as well as in Articles 1 to 3, a European patent law that should be unitary and autonomous for all States of the European Community. Certainly, it is said in Article 6 that the States shall have the right to maintain their national patent laws, but in the Preamble the desire is particularly stressed to eliminate within the Community the distortion of competition which results from the territorial aspect of national protection rights.

The future of national patents within the European Community, therefore, is uncertain, and it seems possible that sooner or later they will cease to exist. On the other hand, it is a fact that is already today admitted by the initiators of this welcome effort towards a Common Market patent, that the small and middle-sized, mostly very invention-active industries and private inventors, cannot for most of their inventions aspire to a European patent, owing to the fact that it is too expensive.

Neither does the European patent, in the view of IFIA, meet the practical demand of many inventors for an adequate period of confidentiality during which they may develop their inventions with the security of an assured priority date. Therefore, it seems wise to supplement the Common Market Patent Convention to permit it to function as a 'national common market patent law', in the same way as the national patent laws of the other States participating in the European Patent Convention.

The European Economic Community represents a relatively homogeneous group of highly industrialized States in the centre of Europe, and it should be easier for the Community to devise and adopt an efficient national patent law for the Common Market than for the heterogeneous signatories to the European Patent Convention. The European Community could in this way become a forerunner in Europe for a modern and efficient patent system.

If the Common Market Patent Convention is not sufficiently flexible for the many different needs and situations in the development of various kinds of inventions, the regrettable situation could occur that inventors and invention-active industries would prefer to start their patent applications in countries with lower costs and with a more favourable national patent law.

The Common Market Patent Convention should be a versatile tool for the protection of all kinds of inventions and the best possible stimulation of the development of technology in Europe. This means, however, that the Conference in May 1974 must summon up the courage to make these alterations out of its high responsibility. When making the

Common Market Patent Convention function also as a national common market patent law, the following principles from different national patent legislations of Europe should be taken into account.

Verification of the right to the invention

At the Munich Diplomatic Conference the Article about the identification of the inventor has been extended to include a statement indicating the origin of the right to the European patent, if the applicant is not the inventor. IFIA anticipates that the corresponding Article 65 in the present draft Convention for the Common Market will be adjusted accordingly.

However, the present draft Convention also provides, in Article 40, that 'the assignment of a Common Market patent shall be made in writing and shall require the signature of the parties to the contract'. According to Article 45 the provisions in Article 40 shall apply also to a European patent application in which the Common Market is designated. It seems inconsequent – and even unreasonable – that the assignment of the original right to the invention, which is the basis for the patent application and the patent, should not be safeguarded by the same provisions. Such provisions would in fact in most cases be the simplest and most efficient way to 'indicate the origin of the right to the patent'.

In some cases, however, the applicant may have acquired the right to the invention by provisions in the national law, without the consent of the inventor. Even in that case, the inventor usually has no objection against confirming the facts by his signature or, if he disputes the applicability of the law provisions on his situation, to sign an agreement that the applicant shall handle the patent application, leaving questions about the transfer of other rights to the invention for later settlement.

For the extremely rare occasions where the applicant cannot show an assignment or a written consent signed by the inventor, he ought to be asked by the European Patent Office to produce a legal proof of his statement. If he cannot do so within the appropriate time, the right to the European patent, according to the first sentence of Article 60 of the European Patent Convention, belongs to the inventor and the patent application should consequently be transferred to him.

The provisions suggested above are a direct consequence of the United Nations Declaration of Human Rights, No 27 (2) saying:

'Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author.'

Finally, the exceptionally long time-limit for the designation of the inventor and the provision of the statement – 16 months from the date of priority – may keep the inventor out of the picture for more than the whole priority year and should be shortened. There is no reason to connect this provision with the priority date. The relevant date is the day of filing the

patent application designated for the Common Market, and the time-limit from that date should be four months.

Provisional patent applications

Some inventive ideas need a relatively long time for development work before their practical usefulness and economic value can be judged. During this time the inventor needs some kind of simple and cheap protection, enabling him to discuss his idea with experts and to use outside workshops and laboratories. It would be very unwieldy – and often economically impossible – for him to file an ordinary European patent application and to pay the necessary fees for every step in his development work. In order not to hamper the natural development procedure for such inventions, the patent system should be flexible enough to allow a filing date at a very low nominal fee. Such a 'provisional specification' or 'provisional application' should be stored for a suitable period, for 12 or 15 months. Additional provisional specifications could be filed for successive improvements. Within that period mentioned a 'complete specification' or 'complete application' could be filed which should be treated as a normal European patent application.

Such a system has been used for many years in the United Kingdom, and has proved to be a very expedient tool for all inventors. It is a fact that a large number of inventors file provisional applications in the United Kingdom. Such an application is useful as a priority document and has the advantage of being available at a very low cost. The same possibility exists in several Commonwealth States. If this provision in the national patent law of the United Kingdom should be abolished due to the harmonization or cessation of the national patent laws of the States in the Common Market, the inventors could be forced to file provisional applications in countries outside the Common Market, in order to obtain a patent protection at a low cost. Among the advantages of filing this type of application it may be mentioned that this possibility exists in a number of English-speaking countries, and that it is an economical advantage to have a priority application filed in English for the prosecution of corresponding patent applications in other countries.

Patents of addition

For inventions consisting of a series of improvements of a basic idea patents of addition have been the natural way to build up the patent protection. Considering the very high costs for maintaining a corresponding number of independent European patents, an invention based on a series of development steps, could in many cases not be completely protected without the existence of patents of addition.

In order to make a Common Market patent law useful also for this type of invention the system of patents of addition should be inserted. This opinion

is certainly shared by almost all circles interested in the use of the patent system.

Early publication of patent applications

The compulsory publication of patent applications is a recent innovation in some patent systems, originally introduced in connection with the deferred examination of patent applications which was one of the ways to meet the growing balance of unexamined applications in some patent offices. IFIA is of the opinion that it is a highly undesirable feature in any patent system. In any case it should be restricted to applications for which the applicant accepts or asks for deferred examination.

For an inventor with limited resources and an inventive idea for which he needs some years of development work, compulsory publication may put him in a real dilemma. If he must use outside experts or workshops for certain parts of the development work, he is forced to do so without the legal protection which a patent application is intended to give him. His idea will be spread all over the world 18 months after making his application, with the consequence that big companies and research laboratories may put their large resources on the problem and arrive at a practically useful solution ahead of him.

The compulsory early publication, therefore, is detrimental for the development work on inventions for which extended time and outside technical assistance is needed. In the long run, it will also have a negative effect on inventiveness within the Common Market.

The compulsory publication of patent applications after 18 months thus has harmful effects on the two fundamental objectives of the patent system, which are the legal protection of the inventors' intellectual achievements, and society's desire to promote inventiveness. It has brought also other drawbacks, such as increased industrial espionage and the filling of the patent office files with many applications in an unsatisfactory state of preliminary drafting, and a high proportion of which will never lead to a patent. The opposition against early publication therefore, is widespread in many circles active in the patent field.

In IFIA's opinion the principle of compulsory publication of patent applications after 18 months should be abandoned. If this is impossible, it must at least be supplemented with a possibility for an inventor working on an invention needing much development time to apply for and get postponement of the publication of his patent applications.

Costs and languages

If the national patent offices in the States of the Common Market should cease handling patent applications according to the national route, the only alternative left for the protection of inventions in the Common Market would be a European patent for said market. However, the majority of inventions are not big and revolutionary ones. The industrial value of each single invention is often not very

impressive, but taken together they give a steady contribution to technological progress. Yet, many of them could not economically carry the cost of a European patent, and others may be protected by an insufficient number of patents. There would be a striking difference in this respect between the costs for a European patent in the Common Market and a United States patent or an inventor certificate in the Soviet Union. This would certainly not be without influence on the much talked about 'technological gap' between the United States and Western Europe.

Due to the language problem and for other obvious reasons it is in the present situation impossible to bring down the cost for a European patent to the same level as for a patent in the countries mentioned. The only way IFIA can see to reach equality would be to abstain from the principle that the whole cost shall be covered by fees from the applicant and the patent owner. Incidentally, this principle is used neither in the United States nor in the Soviet Union.

Most of the industrialized States spend hundreds of millions on technical research and development, without expecting that every single element in the development work shall pay for itself. Only a small element, somewhere in the middle of the innovation chain is charged individually. This element is the legal protection which enables the practically useful results from research and development work to be marketed. These charges, representing less than a fraction of a percent of the total research and development costs, are fixed by principles having no regard to the question whether they constitute a bottleneck in or a distortion of the steady flow of research and development.

IFIA feels that a completely new attitude concerning the financing of the European patent for the Common Market is necessary if this patent is to be the only one available to an inventor and seeks to further technical progress.

Summary

Summing up, IFIA will put forward the following suggestion. The Contracting States, on signing this Convention, should decide to commence the necessary work, as soon as this Convention enters into force, to enable the text of the Convention to be supplemented in order to make it usable as a 'national patent law' for the Common Market.

PREPARATORY DOCUMENT No 7

World Intellectual Property Organization (WIPO)

January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

1. As was the case with respect to the Convention on the Grant of European Patents (European Patent

Convention), adopted at the Munich Diplomatic Conference on 5 October 1973, the World Intellectual Property Organization (WIPO) has a substantial interest in the Convention for the European patent for the Common Market (hereinafter referred to as the 'Common Market Convention'). By providing for a uniform system of patent protection, this Convention – which is based on the European Patent Convention – constitutes a further development in the patent cooperation between the group of countries concerned. The European Patent Convention has important links with the relevant conventions and treaties administered by WIPO; the solutions to be adopted in the Common Market Convention should take these links into account in order to achieve the same degree of harmonization as that reached between the European Patent Convention and the conventions and treaties administered by WIPO. In this context, the Common Market Convention is primarily relevant to the Patent Cooperation Treaty (PCT).

2. As stated in the Preamble to the draft Convention, the Common Market Convention will constitute a special agreement within the meaning of Article 142 of the European Patent Convention, as well as a regional patent treaty within the meaning of Article 45 (1) of the PCT and a special agreement under Article 19 of the Paris Convention for the Protection of Industrial Property. The question of the application of the PCT will arise in particular in view of the fact that the Common Market Convention (see Article 3 of the draft) will make use of the possibility, under Article 149 of the European Patent Convention, to provide for a joint designation system. In particular this will mean that, where one of the States party to the Common Market Convention 'closes' the national route for the processing of designations under the PCT, the European Patent Office (in accordance with Article 149 (2), second sentence, of the European Patent Convention) will have to act as a designated Office under the PCT, whether or not the applicant has expressed the wish to obtain a European patent. At the same time, Article 3, second sentence, of the draft Common Market Convention, which is in conformity with Article 4 (1) (ii), third sentence, of the PCT, makes sure that in such a case the designation of one State under the PCT is to be treated as a joint designation of the group of States party to the Common Market Convention.

3. This system will function normally if all the Member States of the European Economic Community ratify the PCT simultaneously with the European Patent Convention and the Common Market Convention. A special situation might arise if, at the time when the two European Conventions enter into force in the Member States of the European Economic Community, the PCT has still to be ratified by some of those States – especially, if the use of the national route for the PCT has been 'closed', under

Article 149 (2), second sentence, of the European Patent Convention, with respect to at least one of the Common Market countries.

4. In such a situation, Article 3, second sentence, of the draft Convention should, in the view of WIPO, be interpreted as assuming the automatic joint designation of all the States party to the Common Market Convention where one or more of those States are designated in an international application under the PCT, even if the PCT has not yet been ratified by all those States. The European Patent Office would then grant a European patent on the basis of a PCT application with effect in all common market States, even those which are not – or not yet – party to the PCT. Such a solution seems to be acceptable from the point of view of the States which will not have adhered to the PCT, since it implies only the application of certain procedural aspects of the PCT in an otherwise normal procedure for the grant of a European patent on the basis of the substantive criteria of the European Patent Convention. This solution is also fully compatible with the PCT since, in the case of the designation of a common market State party to the PCT, the European Patent Office will in any case act as a receiving office and as a designated office; moreover, the extension of the designation effect would not have any consequences for the collection of fees (see Rule 15.1 (ii) of the Regulations under the PCT).

5. The situation outlined above can of course be avoided through early and simultaneous action, by all the States party to the Common Market Convention, with respect to the ratification of the PCT. It is appreciated that the draft Declaration on the Ratification of the Patent Cooperation Treaty, which is intended for adoption by the forthcoming Diplomatic Conference in Luxembourg, provides for a coordinated action by all the States party to the Common Market Convention, in particular in order to ensure that the PCT enters into force with respect to all of them on the same date. It is hoped that the final text of the said Declaration will take into account not only the interest in simultaneous action, but also the need for rapid and early ratification of the PCT by all the States party to the Common Market Convention; this is particularly relevant in view of the recent progress with respect to the ratification of the PCT by the United States of America. The preparatory work which is being done in the PCT Interim Committees might help to solve technical problems concerning the implementation of the PCT, both in the European regional patent system and in the patent systems of a number of States outside the European region which are taking an active interest in the rapid implementation of the PCT. For its part, WIPO will continue to make all efforts to facilitate action to be taken by all interested States with a view to an early entry into force of the PCT.

PREPARATORY DOCUMENT No 8
International Chamber of Commerce (ICC)
January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET
PUBLISHED IN 1973

This paper on the proposed Community Patent Convention and its additional documents, prepared by the ICC Working Party on European Patents, has been approved by the ICC Commission on International Protection of Industrial Property at its meeting held in Paris on 13 December 1973 and is now submitted to the Conference of the Member States of the European Communities to be held in Luxembourg from 6-30 May 1974.

I
INTRODUCTION

The comments and proposals set forth in this submission are based on the assumption that during the Brussels meeting of 10-14 December 1973, the 'Community Patent' Working Party of EEC adjusts as appropriate, certain clauses of the published draft Convention to agree with the relevant provisions of the European Patent Convention as signed in Munich on 5 October 1973.

The ICC notes with satisfaction that various suggestions which it and other private organizations jointly supported during the May 1972 hearings in Brussels and which related to the second preliminary draft of the Community Convention, have been taken into account by the official Group of Experts when preparing the published version of the Treaty. The ICC also notes that the unitary and autonomous character of the Community patent, which is based in principle on the 'maximum solution', will not allow for any temporary reservations which may be exercised under Article 167 (2) (a), (b) and (c) of the European Patent Convention. As a result, Community patents may be obtained, transferred, and allowed to lapse only as indivisible titles covering the entire territory of the Contracting States.

Nevertheless, the ICC takes the view that the following issues, and also, possibly, others remain for consideration at the 1974 Luxembourg Conference in which it will participate as an observer delegation.

II
ISSUES

Preamble

1. The ICC recognizes that the Community patent system should *inter alia* contribute to the attainment of the objectives of the Treaty of Rome, in particular by eliminating the distortion of competition which may result from the territorial aspects of national patents granted in EEC States.

The ICC abstains from rediscussing the possible impact of the judgment issued in Case 78/70 (*Deutsche Grammophon v Metro*) by the European Court of Justice on the proposed Protocol relating to the deferred application of the provisions on the exhaustion of rights attached to Community patents and to national patents granted in EEC States.

For the reasons amply given by all private organizations during the 1972 Brussels hearings, the ICC, however, stresses the need for a reasonable transition period allowing industrial undertakings of various sizes to adjust their policy to a situation which will remove the traditional principle of territoriality of parallel national patents, and, in the interest of free circulation of patented goods, restrict their contractual freedom with regard to such patents and future Community patents even in the absence of any special circumstances set forth in Articles 85 and 86 of the Treaty of Rome.

Subject to an amendment proposed later on in regard to Article 2 of the aforementioned draft Protocol, ICC is in favour of the modified text of the Preamble but suggests stating the following in paragraph 2: '... , in particular by *progressively* eliminating within the Community the distortion of competition which *may result* from the territorial aspect of national protection rights.' This wording takes into account the fact that economic integration in the EEC has been, and will be, a step by step development which cannot be made overnight in the particular field of patents.

Article 29

Prohibition of direct use of the invention

2. Whilst in the ICC's view mere purchase, ownership, possession or stocking of a patented product (or of a product directly obtained by a patented process) does not amount to infringement, the words 'for these purposes' will probably make it sufficiently clear that stocking with the intention to use, offer, or sell before a patent expires constitutes a violation of the patentee's rights in the absence of consent. Provided such interpretation is correct, Article 29 (a) and (c) is acceptable.

However, ICC expresses some doubts on the concept of infringement by offering or putting on the market a patented process. Consequently, it is suggested that *Article 29 (b) be restricted to the use of a process* and to leave it to national law or practice as to whether, in conformity with Article 38, further acts are to be considered prohibited.

ICC wishes to *add to this Article a new provision (2) complementary to Article 64 (2) of the European Patent Convention*, which latter states that the protection of a European process patent extends to the products directly obtained by such process.

The additional paragraph 2 might be worded as follows:

'If a Community patent relates to a process for the manufacture of a new product, then the same product, manufactured by a third party, shall be presumed to have been manufactured by that process in the absence of proof to the contrary.'

The proposed shifting of the onus of proof is a prerequisite for achieving – particularly in the chemical field – a meaningful protection for inventions which, for certain reasons, are not amenable to product *per se* patents. The arguments in support of such presumption were amply explained during the Munich Diplomatic Conference. A comparable provision is found in many national laws of European countries.

Article 31

Limitations of the effect of the Community patent

3. It is suggested that the English text of (b) be amended as follows in order to harmonize it with the German and French wording: '... experimental purposes relating to the subject-matter of the patented invention.'

Article 43

Contractual licensing

4. In line with Article 73 of the European Patent Convention, it should be stated that a Community patent may be licensed *in whole or in part* for the whole or part of the territories in which it is effective.

A partial waiver of exclusive rights conferred by a Community patent must be expressly permitted in the interests of legal security and of a reasonable contractual freedom.

Article 48

Compulsory licences in respect of dependent patents

5. It is assumed that in conformity with the general rule of Article 46 the extent of compulsory licences in respect of dependent patents shall be restricted to the territory of the State concerned.

Article 65

Identification of the inventor

6. In view of Article 81 of the European Patent Convention this clause appears to be superfluous.

Article 78

Exhaustion of the rights attached to a national patent

7. The ICC raised the question as to whether the theory of an exhaustion of rights securing the free circulation of goods also applies when a product has been launched in a *patent-free* EEC country during the 1972 Brussels hearings: this was in relation to former Article 99 (3). If a patentee owns no patent in one particular country, his rights logically cannot be exhausted in that country; and since he has

derived no benefit from the invention, the principles of the well-known *Parke Davis* decision of the Luxembourg Court should also prevail in such cases.

Taking into account the wording of (b) referring to a patent and of (c) which mentions the relevant patent licensed to a third party, it appears appropriate to add at the end of (a) the words 'in which he owns a patent'. Thereby, the principle of exhaustion will clearly not apply to products sold in an area where no protection is available or for other reasons does not exist.

Draft protocol on the deferred application of Articles 32 and 78

8. For reasons amply explained during previous hearings in Brussels, it is proposed to *delete subparagraph (a) of Article 2* in order to maintain a minimum transition and adjustment period of five years.

Such minimum period is also required to achieve uniform rules on the relationship between prior national rights and Community patents, to attain harmonized provisions governing the conditions and effects of prior use or personal possession rights, and to introduce common rules on certain compulsory licences in respect of Community patents.

It would be unrealistic to expect that the pertinent draft resolutions could be implemented and put into effect simultaneously with the principles embodied in Articles 32 and 78 of the Community Convention before the expiry of a five-year period, which will, it is hoped lead to an advanced stage of economic integration which will justify fairly radical modifications in the Community patent legislation. The envisaged far-reaching economic and legal changes applicable immediately after the expiration of the transitional period may *inter alia* be described as follows.

The 'extraterritorial' effect attached to the exhaustion of national patent rights granted in EEC States will often prevent European companies, particularly those which do not possess their own wide distribution network, from efficiently protecting local markets licensed to third parties against parallel imports of cheaper patented goods.

A firm which successfully claims a right of prior use or personal possession, or which has been granted a compulsory licence pursuant to Articles 47 and 48 of the Community Convention or possibly pursuant to a drug licence section of national law, will be entitled to distribute directly or indirectly competitive goods throughout the common market in contrast to the extent of similar rights derived from national patents issued in one or more Member States.

In these circumstances, research-based innovators will face, in the interest of free competition and unrestricted circulation of patented goods, a significant dilution of the protection available for their inventions, possibly even before economic integra-

tion has removed many other obstacles and intrazonal distortions affecting European business life.

Consequently, the ICC feels that the five year transitional period should in no way be reduced: paragraph 2 (a) of the Protocol should therefore be dropped.

Draft declaration on the simultaneous entry into force of the European Patent Convention and of the Convention for the European Patent for the Common Market

9. Certain circles within the ICC have expressed concern as to whether it is appropriate that the Member States of EEC should make the proposed declaration being Annex I to the published 1973 draft Convention.

At this stage, the ICC has no comments to offer on the draft Implementing Regulations for the Community Patent Convention.

The ICC concludes that, subject to the above amendments and to adjustments required by the final version of the European Patent Convention signed in Munich, the draft Convention for the Community Patent, together with its additional documents, constitutes the results of outstanding efforts and deserves to be adopted at the forthcoming Luxembourg Conference.

PREPARATORY DOCUMENT No 9
Committee of National Institutes of
Patent Agents (CNIPA)
January 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

1. These comments are presented in accordance with the invitation contained in the letter dated 21 June 1973 from the Council of the European Communities. CNIPA is grateful for the opportunity to attend the Conference in May 1974 and there to express orally further comments and to expand upon these present ones.

CNIPA is a committee representing the professional institutes of patent agents in Austria, Germany, the Netherlands and the United Kingdom, in each of which countries there is examination before qualification of patent agents.

The draft Convention, Implementing Regulations, Protocol, resolutions and declaration to be considered at Luxembourg in May 1974 have been considered by each of these Institutes and their views, coordinated by CNIPA, form the basis of these comments.

Delegates from CNIPA attended the two conferences in Brussels at which the views of the non-governmental organizations were expressed orally.

CNIPA appreciated those opportunities and the opportunities for submitting written comments.

2. The present written comments begin with general expressions of view on three particular subjects:

- (a) Timing;
- (b) Exhaustion of rights; and
- (c) Languages.

There follow comments arranged in the order of the articles to which they refer. Where reference is made in them to articles of the European Patent Convention, these have been numbered as in the text finally signed in Munich on 5 October 1973.

Timing

3. In April 1972, CNIPA gave an opinion upon the simultaneous entry into force of the European Patent Convention and this Convention, concluding that 'for the reasons mentioned above the coming into force of the Community Patent Convention should not coincide with the practical adoption of the PCT and the European Patent Convention'. It is not necessary to repeat here all the arguments mentioned above. Meanwhile, however, some have grown in clarity and importance and it will be useful to mention them, to stress their importance and to set out recent opinions and viewpoints.

A It has already been observed in the CNIPA report referred to above that the introduction of the European Patent Convention will prove to be an enormous task for all concerned, that is, for the personnel of the European patent offices, for the patent practitioners in industry and in the free profession and last but not least for the numerous national courts in Europe who will be equally involved. Further study of the European Patent Convention and especially discussion during the Munich Diplomatic Conference have confirmed that earlier views about the difficulties in the practical adoption of the European Patent Convention have in no respect been exaggerated. On the contrary, patent experts, who have no daily experience with patent offices who conduct a rigorous examination, have more than ever realized that adoption of the European Patent Convention will inevitably mean that they especially will have to adapt themselves to a system for the grant of patents and also to patents granted under that system, with numerous and seemingly insurmountable peculiarities and difficulties.

B By far the most important argument in favour of the Community patent has always been the elimination of unequal conditions of competition within the Community. In 1972 CNIPA had already expressed the opinion 'in view of recent decisions of the Luxembourg Court, it can be said that there is a clear tendency in the present jurisprudence which makes it at least dubious whether there is any need for economic clauses such as those foreseen in the Community patent

proposal.' Now it has become abundantly clear, and is denied by no-one, that, even if there were to be no Community patent, the jurisprudence of the Luxembourg Court and regulations to be expected from the European Commission in Brussels would result in the desired elimination of unequal conditions of competition. The opinion has been expressed in certain interested circles that the Community patent system should be accepted as it includes the possibility of a transitional period with regard to the economic clauses. Such an opinion has a false base when the European Commission has already expressed the opinion that the maintenance of such a transitional period is incompatible with the provisions of the Treaty of Rome in view of the decisions of the Luxembourg Court. If the economic aims can be achieved without the need for a Community patent, the only remaining objective seems to be the European patent systems in the individual Community countries. It is seriously doubted whether this objective alone is of sufficient importance to introduce the Community patent now with all its attendant disadvantages. Adoption of the European Patent Convention must bring harmonization of the individual countries' patent laws. Unification may be important but is not to be achieved successfully by introduction with the greatest possible speed. In the present case, there is no clear need for haste when the harmonization of laws under the European Patent Convention is still only at a very early stage.

- C The Convention on Jurisdiction and Enforcement was signed early in 1972. Indeed it is not in force in all Community countries. The content and effect of this new Convention are not clear in many respects, even to expert jurists in this field. This initial uncertainty can only gradually be reduced as jurisprudence, literature and practice succeed in solving the many present riddles. This uncertainty will bear upon cases in which the new Convention has to be applied in Court decisions concerning Community patents. In these circumstances, patentees are justified in thinking of a Community patent more as a lottery ticket than as an exclusive right with a well defined scope of protection. It is the task of those in the patent profession to advise their industry and clients about the possibility and advisability of protecting their industrial property. It could well be irresponsible to advise industry and clients to rely on the Community patent system to obtain such protection. This would result in a system whose most striking characteristic is that it is not used.

Exhaustion of rights

4. This subject in its broadest sense of restricting the rights attached to patents is covered by Articles 32, 33, 34, 43, 44, 46, 47, 48, 77, 78 and 79, the draft Protocol and Resolutions.

There is a consensus (see Article 36 of the Rome Treaty and the *Parke Davis* decision) that freedom of passage between Member States should not be absolute but that some compromise is necessary whilst industrial property rights are not uniform throughout the common market. This needs discussion on the basis not only of ensuring maximum freedom of passage of goods but also of maintaining justice and not forcing governments to break faith with patentees.

Thus if a patentee has patent rights, whether national or Community, in one State and puts the patented product on the market in another State, where he has no such rights, it cannot be assumed that he has made use of his patent rights, for in that other State he has to compete with third parties without the benefit of patent rights.

It is accordingly submitted that in these circumstances there is not, and should not be, any exhaustion of rights. Both Articles 32 (1) and 78 (1), however, provide for such exhaustion. It is therefore strongly urged that such exhaustion be restricted to the case where the goods are put on the market in a State 'where he has equivalent protection'.

Points of clarification regarding Articles 32, 33, 43 and 78 are referred to below.

The territorial limitation upon the restriction of rights attached to a patent in a Contracting State is happily expressed in the final sentence of Article 46 (1). Consideration should be given to the use of similar wording in Articles 34 and 48.

Languages

5. The authentic text of a European patent application or patent will be in English, French or German. The specification will be published in that language (both before and after examination) and with translated claims in the other two languages. A further requirement of this Convention is for translated claims in Danish, Dutch and Italian. Although this is of advantage to the applicant familiar with the English, French or German language, it raises difficulties for third parties who are not familiar with the particular language of the application or patent. In any industry with a lively interest in patents, it will be more or less necessary to translate the specification of each published European patent application or patent to determine its contents. Whilst this problem may not seem so large in those countries, one of whose official languages is English, French or German, it is much larger in the other Community countries. It has been argued that it is better to require the applicant to translate the specification into the five other languages rather than to place the burden on third parties, who might well duplicate translation work many times over. On the other hand, to add further translations to the work of the applicant could well deter him from using the European patent system, if by designating one of the Community countries, translations were required for countries in which he

was not interested. It has been suggested that, for a short transitional period, Contracting States be given the option of requiring a translation of the abstract, but discouraged from using it unless it is absolutely necessary. CNIPA has no consensus solution to this problem of balance between the applicant and third parties, but would welcome the opportunity of a discussion of this intractable matter.

Article 9 (1)

6. The responsibility of the Revocation Divisions referred to in Article 44 (4) is in respect of licences of right and it is suggested that this be clarified in Article 9 (1) by the addition after the word 'statements' in the last line of: 'under Article 44 (1)'.

Article 29c and Article 70a

Reversal of burden of proof

7. According to this article, a 'process' patent also covers the product obtained directly by that process.

This provision is to be found in the national patent laws or jurisprudence of many countries, including those of the common market. Some of the latter countries have a further provision that, where the directly obtained product is a new product, there is a legal assumption that any such product has been obtained by the patented process until the contrary is proved by an infringer. During discussion at the 1973 Diplomatic Conference in Munich, attempts were made to introduce a similar provision in the European Patent Convention. These failed on the basis that this should be left to national courts and legislation.

The present Convention is intended to create a supra-national patent and patent law and provides an opportunity to harmonize the national provisions in this respect. CNIPA accordingly reserves its right to express its views orally during the forthcoming Conference, should need arise.

Article 29c

8. The final phrase of this paragraph beginning 'in so far as . . .', seems to be superfluous. By Article 2 (3), the binding provisions of the European Patent Convention (including Article 53 (b)) are deemed to be provisions of this Convention. Thus there is no exclusion from protection but rather a refusal to grant a patent, and Article 57 (1) (a) of this Convention allows for correction of mistakes in such grant.

Article 32 (2)

9. To avoid the possible interpretation that a contractual licensee includes a compulsory licensee under Articles 46, 47 or 48, it is suggested that these be added after the words 'contractual licensee' in the last two lines: 'under Article 43'.

Article 33 (1)

10. In order that the patentee or licensee under

an earlier national patent or utility model or certificate (Article 80 (1)) should not be put at risk to a later Community patent, if his national right lapses or is revoked, it is recommended that the following new paragraph be added after paragraph (1):

'The subsequent lapse or revocation of the national patent shall not affect the provision of paragraph 1.'

Article 33 (2)

11. In order that third parties should be readily aware of any revocation or ineffectiveness of a Community patent due to a prior national right, it has been suggested that the Register of Community Patents should contain details of the date and purport of any decisions by the national authorities. To make sure that such entries are made, for example where the same patentee is involved, it is recommended to place the onus for ensuring that such decisions are reported to the Register upon the national authorities making them.

Article 35

12. This article is concerned with the provision of translations of claims in four different situations. The penalty for not filing translations of the claims in Danish, Dutch and Italian is out of proportion to the offence to which it should be related. We suggest that consideration be given separately to each set of circumstances which gives rise to the need for translations.

13. In the first instance, paragraph 1 relates to the grant of a European patent. Under Article 97 (5) and Rule 51 (4) of the European Patent Convention, the applicant must file translations of the claims into the two official languages other than the language of the proceedings within three months. Failure involves the applications being deemed to be withdrawn, but under Article 135 (1) (b), national law could permit conversion to national patent applications. It is understood that the provisions of Article 121 of the European Patent Convention would not enable further processing to take place, but that action under Article 122 would be possible in appropriate circumstances. It is suggested that the Contracting States be allowed by the present Convention to permit conversion to national patent applications in the case where translations of claims have not been filed in due time.

14. In the second instance, paragraph 2 relates to amendment of a European patent consequent upon opposition. Under Article 102 (5) and Rule 58 (5) of the European Patent Convention, the proprietor of the patent must file translations of the claims into the two official languages other than the language of the proceedings within three months. Failure causes the patent to be revoked. It is understood that this enables an appeal to be lodged during the pendency of which the translations may be supplied to overcome the failure. If this indeed is the case, it seems a cumbersome way of obtaining an extension of time,

but the penalty in Article 35 (6) applicable to this case should be revocation rather than deeming to be void, so that a similar appeal is possible. It is suggested however that it would be better if the Contracting States be allowed by the present Convention to permit conversion to national patent applications under Article 135 (1) (b) of the European Patent Convention in these circumstances.

15. In the third instance, paragraph 3 relates to the limitation of the Community patent at the request of the proprietor. Under Article 35 (3), the proprietor must file translations of the amended claims in Danish, Italian and Dutch within three months. Failure causes the patent to be deemed to be void *ab initio*. It is to be noted that there is no requirement for translation of the amended claims into the two official languages other than the language of the proceedings. It is also noted that the only consequence of the proprietor failing to act promptly in other matters during limitation procedure is that the request is deemed to be withdrawn (Article 53 (3)) or the request is rejected (Article 54 (3)). From this, it is concluded that a correct penalty for failure to provide the three extra translations (if they should be provided at all) would be the rejection of the request or its being deemed to be withdrawn.

16. In the fourth instance, paragraph 3 relates to the amendment of the Community patent as a consequence of revocation proceedings. Under Article 35 (3), the proprietor must file translations in the three languages within three months. Failure causes the patent to be void *ab initio*. Here again, translations into two languages seem not to be provided for. The consequence of failure to pay a printing fee within one month (Rule 20 (5)) is revocation (Article 59 (4)). If the proprietor has paid such fee, there is a clear indication that he wishes to maintain the patent and some penalty less than voidance or revocation should be available.

17. It is to be noted in all four instances that Article 14 precludes any text being authentic, other than that in the language of the proceedings. The penalty for an incorrect translation provided for in Article 70 of the European Patent Convention is not available to encourage careful translation of claims. The short period of three months will hardly be enough for accurate translations into five other languages, but it is the position of the representative or proprietor who has overlooked the requirements with which we are chiefly concerned. There should be a warning if translations are not filed in time so that an extension may be bought. It will be recalled that the printing fee for the authentic amended text will have been paid already.

Article 38

18. Article 36 (1) refers directly to Article 69 of the European Patent Convention, which together with the related Protocol should also be referred to in this article.

Article 43 (2)

19. It should be made clear that the provisions of Article 40 (1) also apply to the grant or transfer of a licence. Since such a grant or transfer is registrable it should be in writing. After 'paragraphs' in the first line, it is recommended to add '1,'.

Articles 46, 47 and 48

20. In order that third parties should be readily aware of any compulsory licences granted by any Contracting State under these articles, it has been suggested that the Register of Community Patents should contain details of the date and purport of any decisions by the national authorities. It is recommended to place the onus for ensuring that such decisions are recorded on the Register upon the national authorities making them.

Article 49

21. To take advantage of the provision of Article 141 (2) of the European Patent Convention, it is recommended to add a new paragraph.

'(3) Any renewal fees falling due within three months after publication of the mention of the European patent referred to in Article 97 (4) of the European Patent Convention, shall be deemed to have been validly paid if they are paid within that period. No additional fee provided for in paragraph (2) hereof shall be charged.'

Article 50

22. It is recommended that surrender should not be allowed without the consent of a licensee who has proved a covenant to keep in force.

Article 52

23. This article refers entirely to limitations and not amendment. In the event of an obvious error satisfying Rule 88 of the European Patent Convention, it is not clear that amendment would be permitted which might not have a limiting effect.

Article 57 (1) (b)

24. Further consideration should be given as to whether failure to meet the requirements of Rule 28 of the European Patent Convention is to be a ground of revocation.

Article 64

25. A provision similar to Rule 7 of the United Kingdom Patents Rules is recommended:

'Every person concerned in any proceedings under this Convention and every proprietor, shall furnish to the European Patent Office an address for service in one of the Contracting States and that address may be treated for all purposes connected with such proceedings or patent as the address of the person concerned in the proceedings or the proprietor.'

Article 66 – Rule 25

26. We recommend subparagraphs referring to decisions on revocation or ineffectiveness, and compulsory licences by national authorities.

Articles 69 and 73 (2)

27. In the light of the second paragraph of the Preamble to this Convention and of Article 2, there seem to be some difficulties in the practical application of Article 38, not least in questions of jurisdiction, recognition and enforcement which are addressed in these articles and in the Convention on Jurisdiction and Enforcement.

The Convention on Jurisdiction and Enforcement provides that, subject to other provisions, defendants must be sued in the courts of the country in which they are domiciled (Articles 2 and 3). However, jurisdiction in the case of tort is in the courts for the place where the damage or injury has occurred (Article 5 (3)). This would seem to leave patent infringement proceedings to the national courts of the country where infringement occurred.

This being so Article 73 (2), and Article 21 of the Convention on Jurisdiction and Enforcement, suggest that if an alleged infringement occurs in several Contracting States the patentee may wait for an opportunity to sue in a State whose courts are benevolent to patentees, and the courts of other States will be obliged to declare themselves incompetent.

It is well known that patentees seek to enforce their rights in Courts favourable to patentees, whilst defendants seek to transfer jurisdiction to Courts unfavourable to patentees. Artificial efforts to achieve these results are to be deprecated as leading to results quite contrary to the opening part of the second sentence of Article 2 (2).

There is a further difficulty in that the authentic text of the patent may not be in a language of the State before whose Courts the question of infringement is to be determined.

Whilst it is appreciated that a single patent infringement court for the Community is not yet a feasible proposition, it is thought that the present example of some of the Contracting States could be followed with advantage and that each Contracting State should designate one court or no more than a few courts to hear Community patent infringement suits. In the Federal Republic of Germany, patent suits can only be brought in a restricted number of courts, just as in the United Kingdom they are restricted to the High Courts in Edinburgh and London. It should be appreciated that after such a decision Article 29 of the Convention on Jurisdiction and Enforcement would apply.

Article 16 (4) of the Convention on Jurisdiction and Enforcement refers matters of registration or validity of patents to the courts of the Contracting State in which filing or registration has been applied for. This apparently has no meaning in the context of

an international patent granted under the provisions of Article 142 of the European Patent Convention, bearing in mind Article 64 of that Convention. Presumably also Article 56 of this Convention overrides this provision.

It would be desirable to remove any contradiction between the two Conventions, and preferable to spell out the matter in this Convention, particularly by reason of Article 81.

Article 71

28. It is suggested that the proviso to this Article would be clearer if expressed as:

‘except insofar as invalidity stems from a prior national right, when the provisions of Article 33 apply.’

Article 77

29. We consider that the phrases ‘relates to an invention’ and ‘covers an invention’ need clarification. It is thought that the intention is that the national patent is to be interpreted as including a disclaimer of what is claimed in a narrower European patent.

Article 77 (2)

30. It is to be observed that a Community patent may be revoked for different reasons not applicable to a national patent, unless national laws are harmonized with this Convention.

Article 77 (3)

31. It is recommended that the final sentence of this paragraph be deleted. The provisions of Article 37 (2) are to be compared with this drastic penalty. A national patent may have been granted quickly, litigated and found valid. An injunction legitimately granted under the national patent would give rise to an impossible situation upon the grant of the Community patent for the same invention.

Article 77 (4)

32. There appears to be a total contradiction between the provisions of this paragraph and the proviso beginning ‘unless’. It is recommended to strike out this proviso.

Article 78 (3)

33. In view of what has been said above concerning Article 32 (2), it is recommended to add after ‘contractual licensee’ the words: ‘under Article 43’; and after ‘Licensee of right’ the words: ‘under Article 44’.

Article 80 (2)

34. The meaning of this is not clear and if the recommendation under point 10 regarding Article 33 is accepted, the paragraph seems to be superfluous.

**PREPARATORY DOCUMENT No 10 AND
CORRIGENDUM**

**Union of Industries of the European Communities
(UNICE)**

January 1974

**OBSERVATIONS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET**

Article 28 (2)

1. The definition of good faith is ill-suited to the case of licensees and needs to be clarified.

Furthermore, it might well be asked whether in the situation referred to in Article 28, paragraph 2, it would not be preferable, and indeed more equitable, for good faith to be appraised as of the date when the invention is first used or when preparations are made to do so.

It is therefore proposed that the last few lines of paragraph 2 read as follows:

... without knowing ... at the time when the invention was first used or when the necessary initial preparations were made to do so, he may require ...

In addition, it would seem necessary to amend the French version of the end of paragraph 2. The words 'il peut exiger du titulaire ...' or 'il est en droit d'obtenir du titulaire' could be substituted for 'il peut obtenir du titulaire'.

Article 29c

2. In order to align this paragraph on Article 64, paragraph 2, of the Convention on the Grant of European Patents, the words 'in so far as such product is not a plant or animal excluded from protection under Article 51 of the European Patent Convention' should be deleted. Article 53, subparagraph (b), of the European Patent Convention provides that plant and animal varieties may not be patented, but this does not include the direct products of patented processes.

Article 30 (1) (b)

3. Subparagraph (b) treats in the same way both persons who deliberately supply unauthorized third parties with means (relating to an essential element of the invention) for putting the invention into effect, and any person who 'ought to have known' the purpose of the products which he sells. This wording seems to place on the defendant the onus of proving that he could not reasonably have known, which is scarcely acceptable in business practice.

In addition, the English and German versions of this subparagraph do not seem to turn on the same concept as in the French text,¹ but rather on the

¹ Translator's note: The French text speaks of the third party knowing or being unaware 'without a valid excuse'.

negligence of the seller. It is therefore suggested that in the French text the words 'par sa faute' or 'en raison d'une négligence fautive' ('due to negligence on his part') be substituted for 'sans excuse valable'.

It should also be noted that the term 'the other person' used in the English version is not in line with the terms used in the other languages.

Article 31

4. Subparagraph (a) should be clarified particularly as it stands in English ('acts done privately and for private ends'), as its actual scope seems doubtful.

Likewise, the words 'with a bearing on' in subparagraph (b) of the English version seem somewhat vague: they could be replaced by 'relating to'.

Article 32 (1)

5. A subparagraph on the lines of the following should be inserted at the end of paragraph 1 of this Article:

'This provision shall not apply where the proprietor of the Community patent has put the product on the market in a Contracting State in which his patent has no effect owing to a prior national right or by reason of the terms of accession by that State to this Convention'.

As regards the legal aspect, the principle of the exhaustion of rights implies that the right conferred by the patent has been used once by the proprietor of the patent or by his licensee. The wording as it stands however extends the application of this principle to cases where the product is put on the market in a State where the proprietor of the patent enjoys no protection.

As regards the economic aspect, this wording could, in fact, have the consequence of preventing the patentee (even in cases where no prior right is in force) from selling in a State in which he is not protected, as, if he did sell there, he would only be able to do so in competition with imitators of his invention at a price which would not be commensurate with the efforts in making the invention, and the products sold in this way would then move freely, thereby making it impossible for the patentee to put the same products on the market at a normal price in States in which the Community patent has effect. Paradoxically, the result of the text as it stands at present would be fragmentation within the common market, to the detriment of the proprietor of the patent and the consumers themselves.

The subparagraph proposed above is based on an earlier version of the draft Convention, but it also takes into account Articles 86 and 87 of the current draft, which make provision for the subsequent accession by other States in accordance with detailed rules to be laid down. These detailed rules will probably not (as was seen in Munich in connection with the reservations) allow of extension to an acceding State of the effects of all the Community patents in force at the time of accession. A gap might

therefore appear in the protection of the proprietor of a Community patent, either because he did not consider it necessary to protect himself in the State in question by means of a national or a European patent, or because the law of that State or the application of the reservations contained in Article 167 of the first Convention did not allow him to do so.

Article 32 (2)

6. It would be advisable to add the words 'under that patent' after 'licensee', and the words 'under that same patent' after 'Article 44'.

It is essential to prevent licensees outside the common market from using this provision in order to freely introduce patented products into all the States of the Community by importing them into the State or States in which the proprietor of the patent is not protected.

A new wording for Article 32 in English is proposed in the annex hereto.

Article 43 (1)

7. As in Article 73 of the first Convention it should be stated that:

'1. A Community patent may be licensed in whole or in part for the whole or part of the territories in which it is effective'.

Article 65

8. In view of Article 81 of the first Convention, there is no longer any need to retain this article.

Article 78 (1)

9. For the same reasons as those given concerning Article 32, the following words should be added to the first paragraph: '... in which he is the proprietor of a patent for the same invention'.

Article 78 (3)

10. Any ambiguity of interpretation similar to that referred to above with regard to Article 32, paragraph 2, should, for the same reasons, be obviated by adding the following words to the end of this paragraph:

'... under a national patent granted in a Contracting State for the same invention'.

A new wording for the whole of Article 78 in English will be found in the annex hereto.

ANNEX

Article 32

Exhaustion of the rights attached to a Community patent

Exhaustion of the rights attached to a Community patent shall only arise as follows:

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting

States after the proprietor of the patent has put that product on the market in one of the (these) States to which the effects of the Community patent extend.

2. The provisions of paragraph 1 shall also apply with regard to a product put onto the market in the Community without infringement of the Community patent by a contractual licensee or by a licensee of right under Article 44 under the Community patent but not by a person having a compulsory licence under Article 46.

Article 78

Exhaustion of the rights attached to a national patent

Exhaustion of the rights attached to a national patent shall only arise as follows:

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by patent which are done on the territory of such Contracting States after the proprietor of the patent has put that product on the market under a valid claim of a corresponding subsisting patent in any Contracting State.
2. The provisions of paragraph 1 shall also apply with regard to a product put on the market in the Community without infringement of the relevant patent by a contractual licensee or by a licensee of right under said patent but not by a person having compulsory licence under Article 46.

PREPARATORY DOCUMENT No 11

United Kingdom

February 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

Her Majesty's Government is not yet in a position to present a final view on all aspects of this Convention. It therefore reserves the right to make at a later date such observations and proposals as appear to be necessary. In the meantime, Her Majesty's Government wishes to make the following proposals. Section I is concerned with questions of substance, while Section II relates to drafting points for consideration by the drafting committee at the Luxembourg Conference.

SECTION I

Article 22

1. It is considered that a three-quarters majority should also be required for the approval referred to in Article 25 (a).

Article 29

2. The prohibition, as defined in (b), is believed to be too wide, since it covers the case where, during negotiations for a licence or assignment, the patentee simply offers one of his process patents which cannot

be worked without infringing another patent. We believe (b) should be restricted to 'using a process which is the subject-matter of the patent'.

3. Having regard to Article 64, paragraph 2, of the European Patent Convention, we think the words 'in so far as such product is not a plant or animal variety . . . Convention' should be cancelled from (c).

Article 30

4. We think the words 'within a Contracting State' should be inserted after 'person' in paragraph 1 in order to make it quite clear that a third party when supplying the market outside the EEC is not acting as a contributory infringer. It also seems to us that paragraph 1 of this Article could operate unjustly against suppliers of components. In our view, this paragraph needs amendment so that it is limited to suppliers who set out to induce infringement. We are considering proposals which may be submitted to the Luxembourg Conference.

Article 31

5. We doubt whether (a) corresponds to the intention since it seems to allow a commercial firm to carry out secretly for its own purposes, which are clearly for its commercial benefit, acts which would otherwise infringe a Community patent. We suggest therefore that (a) should read: 'acts done privately and for non-commercial purposes'.

Article 43

6. It seems advisable to make clear that the grant or transfer of a licence under a Community patent must be in writing. This can be done by deleting 'paragraphs 2 and 3' from Article 43, paragraph 2.

Article 46

7. We take the view that 'public interest' in the context of this article includes the interest of the State concerned. If there is general agreement as to this, we shall be content to have it recorded in the minutes of the Conference.

Article 47

8. We think that the relationship between Articles 46 and 47 needs to be clarified in order to avoid an interpretation which would have the result of preventing the grant of a compulsory licence in State A because goods made in State B are being supplied to State A in sufficient quantity, even though these goods are being supplied at unreasonable prices.

We are also doubtful about the reference to 'needs in the territory of such Contracting State'. This may be interpreted as referring exclusively to satisfying the domestic market of the State. In our view, satisfaction of the export market is also necessary in some cases and we consider therefore that it would be advisable to refer to 'the needs of such Contracting State'.

The remarks we have made under Article 46 in respect of 'public interest' apply equally to Article 47. In addition, the words 'on the initiative of the State in question' require deletion, since in the United Kingdom some compulsory licences are obtainable in the public interest, even when applied for by private persons or firms.

We suggest therefore the following re-draft of Article 47, which also takes in some drafting points:

'A compulsory licence may not be granted in respect of a Community patent on the ground of lack or insufficiency of exploitation if the product covered by the patent, which is manufactured in a Contracting State, is put on the market in the territory of any other Contracting State, for which such a licence has been requested, in sufficient quantity to satisfy the needs of such other Contracting State at a reasonable price. This provision shall not apply to compulsory licences granted for reasons of public interest.'

Article 51

9. If the anniversary of the filing date of the application is 3 March 1974, the renewal fee for 'the coming year' (i.e. up to 3 March 1975) is payable on 31 March 1974 (Rule 10). If it is not paid by then, we believe that the patent should be treated as having lapsed on 3 March 1974, unless of course it is paid within the next six months. As worded, however, Article 51, paragraph 3, suggests that the lapse occurs on 31 December 1973. We suggest the following re-draft:

'the lapse . . . at the end of the year in respect of which the last renewal fee was paid.'

Article 69

10. We doubt whether Article 16, paragraph 4, of the 1968 Judgements Convention applies to Community patents. However, it seems safer to disapply this provision explicitly by the following addition:

'(1 bis) Article 16, paragraph 4, of the Convention on Jurisdiction and Enforcement shall not apply to actions relating to Community patents.'

11. The remarks made under Article 46 in respect of 'public interest' apply also to Article 69, paragraph 2.

Article 70a (Preparatory Document No 1)

12. This provision involves an interference with the rules of evidence under which national courts operate which is difficult to justify, and implementation of this provision could lead to hardship and injustice. We strongly prefer to cancel this article.

Rule 25

13. We suggest the following addition to paragraph 2:

'(g) date and purport of any confirmation under the provisions of Article 33, paragraph 2.'

Draft resolution on the appointment of the chairmen of the Revocation Boards

14. We propose cancellation of this resolution as being unnecessary. It should be left to the Administrative Council to appoint whoever is fitted to take on the task of chairman of a Revocation Board.

SECTION II

Article 1

15. The reference in paragraph 2 to the States relates to the fact of their participation in the Convention and not their undertakings in this Convention. Amendment is therefore necessary as follows:

'2. The ... granted for the States parties to this Convention ... designated.'

Article 2

16. For greater clarity, we suggest amendment of paragraphs 2 and 3 as follows:

'2. Community ... from the fact that they shall have equal ... such territories.

3. Community ... character. The autonomous character shall be ensured by virtue of the fact that Community patents shall be subject only ... European Patent Convention which apply compulsorily to every European patent ... this Convention.'

Article 3

17. Amend to read:

'Designation of the States parties to this Convention in ... all of these States.'

This point is elaborated under Article 1.

Articles 5 and 63

18. We suggest amendment of Article 5 to read:

'The Court of Justice of the European Communities shall in respect of this Convention have the ... Convention. The Protocol ... Community and the Rules of Procedure of the Court of Justice of the European Communities, laid down pursuant to the Treaties establishing those Communities, shall apply.'

The reason for the amendment to the first sentence is self-evident. The amendment to the second sentence is suggested because the Rules of Procedure of the Court are provided for in the Treaty of Rome and not in the Statute: consequential upon this amendment, Article 63, paragraph 7, may be deleted.

Article 6

19. This could be read as permitting States to maintain laws which derogate from the provisions of this Convention. We therefore suggest that it be re-drafted so as to read: 'This ... maintain their laws concerning national patents.'

Article 11

20. In paragraphs 1 (a) and 1 (b), substitute 'on a proposal' for 'on the proposal'. This is clearer terminology.

Article 23

21. Amend last sentence to read: 'The term ... meaning the States parties to this Convention.'

This point is elaborated under Article 1.

Article 24

22. Amend the references in paragraphs 1, 2 and 3 to 'Contracting States to this Convention' to 'States parties to this Convention'. This point is elaborated under Article 1.

Articles 27 and 28

23. For consistency with usage elsewhere in the Convention, we suggest that 'pursuant to' in Article 27, paragraph 1, and Article 28, paragraph 2, be amended to 'under'.

24. We also suggest that the opening part of Article 27, paragraph 3, be amended to read:

'The claims provided for in paragraphs 1 and 2 may be invoked in the courts only within ...'

25. For greater clarity, we suggest re-wording Article 28, paragraph 1, to read:

'If ... a person, other than the *registered* proprietor of the patent, is entitled ...'

Article 33

26. We prefer to substitute 'each' for 'every' in paragraph 2.

Article 36

27. We would prefer paragraph 3 to read:

'... of a European patent application in which the Contracting States are designated may prescribe that such application shall not confer ... acts performed in its territory ...'

Article 37

28. The reference to 'unjustified enrichment' in paragraph 2 should be corrected to 'unjust enrichment'.

Article 38

29. We would prefer paragraph 1 to read:

'... in so far as the private international law of that State does not require the court to apply the national law of another Contracting State.'

30. We think paragraph 2 should be cancelled, as being superfluous in view of Article 70.

Article 39 (1) (a), Article 56 (6) and Article 69 (3)

31. These provisions should refer to 'his residence or principal place of business.'

Article 41

32. This article is incomplete in not referring to enforcement. We therefore suggest that the words 'and enforcement' be inserted after 'execution' in the title and the body of the article.

Article 42

33. This article presumably looks forward to common rules. We therefore suggest that 'common' be substituted for 'different' in paragraph 1.

In paragraph 2, substitute 'shall' for 'is to'.

Article 44

34. The last sentence of paragraph 1 is not clear. We suggest that it be replaced by 'The statement may not be withdrawn. It shall be considered to have lapsed on change of proprietorship under Article 28, paragraph 1.'

Article 45

35. We understand the intention of the second sentence of paragraph 1 as being that the entry in the Register of Community Patents *shall be understood as meaning* the entry in the Register of European Patents provided for in the European Patent Convention. We suggest amendment accordingly.

Article 46

36. We think that '*ex officio*' in the second sentence of paragraph 1 should be replaced by 'official'. The latter more closely corresponds to the French and German texts.

37. For greater clarity, we think paragraph 2 should read:

'Each Contracting State shall, at least in respect of compensation under a compulsory licence, provide for a final appeal to a court of law.'

Article 51

38. We suggest amendment of 'provided that' to read 'if' and the insertion of 'relating to the patent in question' between 'proceedings' and 'are pending'.

Article 54

39. Referring to paragraph 1, the examination is 'provided for' in Article 53 rather than 'laid down' there. We suggest amendment accordingly.

Article 57

40. In paragraph 2, substitute 'in part' for 'partially' (see EPC, Article 138, paragraph 2).

Article 63

41. Paragraph 7 should read '... shall be laid down'.

Article 64

42. Amend subparagraph (e) to read: 'the term ...

meaning the States parties to this Convention.' This point is elaborated under Article 1.

Article 68

43. Amend to read: 'The ... meaning the States parties to this Convention.' This point is elaborated under Article 1.

Article 69

44. The full title of the Convention referred to in paragraph 1 should be followed by 'signed at Brussels on 27 September 1968, as from time to time amended.'

45. The words '*ex officio*' should be replaced by 'official' in paragraph 2 and the word 'also' should be deleted from paragraph 3 (a).

Article 71

46. For greater clarity, amend to read:

'A national ... as valid. However, in so far as the patent is ineffective because of a prior national right, the provisions of Article 33 shall apply.'

Article 77

Paragraph 1

47. Substitute 'that' for 'this' in line 4 of the English text.

Paragraph 3

Substitute 'Each' for 'Any'.

Article 80

48. Paragraph 2 seems incomplete. We suggest that 'in that State' be added at the end.

Article 82

49. In (b) amend the last five words to read 'States parties to this Convention.' This point is elaborated under Article 1.

Article 86

50. We suggest that 'The instrument' in paragraph 2 be amended to 'Instruments'.

Article 87

51. We suggest, for reasons of style, that this article be amended to read: '... Negotiations with a view to that State participating in this Convention ...'.

Article 89

52. We suggest that this should be amended to read: '... to take this step; provided, however, that if the European Patent Convention enters into force for the States signatories to this Convention at a later date, this Convention shall enter into force upon that later date.'

Article 92

53. In paragraph 3, 'the State' should read 'that State'.

Rule 2

54. Amend paragraph 2 to read: '... office, who shall be the chairman, the vice-president ...' (see the corresponding expression in Article 10, paragraph 2).

Rule 7

55. We think that the word 'after' in the second sentence is unnecessary and should be deleted.

Rule 9

56. We suggest re-casting of paragraph 4 to read:

'A request for review of the compensation determined by the Revocation Division may be made only after the ... compensation.'

Rule 27

57. We suggest that the word 'conditions' be deleted from the opening phrase (see Article 64).

58. We also suggest that paragraph (d) be amended to read:

'the term ... meaning the States parties to this Convention.' This point is elaborated under Article 1.

Draft declaration on the ratification of the PCT

59. In the second paragraph, the word 'completed' would be better than 'terminated'.

In the last line of the first paragraph, the initials 'PCT' should be replaced by 'Patent Cooperation Treaty' because they have no antecedent.

PREPARATORY DOCUMENT No 12

Secretariat
March 1974

DRAFT RULES OF PROCEDURE OF THE CONFERENCE

Editor's note: The text of the Rules of Procedure contained in this draft, as amended by the amendments proposed in LUX/5, was adopted by the Plenary of the Conference at its opening meeting, and is reproduced on pp. 147-154 below.

PREPARATORY DOCUMENT No 13 European Centre of Public Enterprises (CEEP) February 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

CEEP would like to acknowledge the high quality of the work carried out by the 'Community Patent' Working Party in drawing up the draft Convention at present under examination. It notes with particular satisfaction that certain suggestions made during the discussion of the second preliminary draft have been taken into consideration and that the presentation of the draft is now clearer, more logical and more precise.

CEEP emphasizes its general interest in provisions for settling any form of contentious matter or dispute between parties by means of flexible solutions, not confined simply to the idea of compensation.

CEEP reserves the right to submit comments and proposals on more specific points at the Conference in Luxembourg.

PREPARATORY DOCUMENT No 14 Secretariat March 1974

INFORMATION CONCERNING THE ORGANIZATION OF THE CONFERENCE

An updated version of this document was published in October 1975 as Preparatory Document No 43 and is reproduced on pp. 135-137 below.

PREPARATORY DOCUMENT No 15 Federal Republic of Germany February 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

1. The Government of the Federal Republic of Germany notes with satisfaction that the 'Community Patent' Working Party set up by the Council of the European Communities has concluded its work on the draft Convention for the European patent for the common market. The draft submitted by the Working Party seems to be well-balanced and convincing. The Government of the Federal Republic of Germany is therefore pleased to record that it can

agree in principle with the draft and only considers a few amendments in substance to be desirable.

It would put forward the following proposals:

I

PROVISIONS OF THE CONVENTION

Article 2

2. The second sentence of paragraph 2 of this Article is too restrictive, since it does not expressly cover the case of revocation of the Community patent. It should be specified that the Community patent may be revoked only in respect of all the territories to which the Convention applies. This is not clear under the present text since revocation only constitutes one way in which a patent may lapse (see Article 51).

Article 14

3. This article should be drawn up in a more easily intelligible manner by the Drafting Committee.

Article 28

4. Article 39, which deals with the Community patent as an object of property, also contains sufficiently clear provisions governing rights in respect of the Community patent. There is no need for any special rules in the first sentence of Article 28, paragraph 2, to cover 'other rights'. Besides this, there is the danger that by way of an argument *a contrario*, conclusions leading to undesirable consequences may be drawn from this provision in the case of partial transfer of the Community patent. The first sentence of paragraph 2 should therefore be deleted.

5. Under the second sentence of paragraph 2, the right to the grant of a licence is conditional upon the circumstance that the previously registered proprietor or his licensee was 'unaware, at the time when the patent was granted or the patent or licence was transferred, that the previously registered proprietor was not entitled to the patent. The reference to this point in time is unsatisfactory. Reference should be made to the time when the person in question began to use the invention or made the necessary preparations to do so. The following new version of Article 28, paragraph 2, is therefore proposed:

'2. If the person previously registered as the proprietor of the patent or his licensee has already used the invention in the territory of the Contracting States, or made the necessary preparations to do so, without knowing at the time when he began to use the invention or made the necessary preparations to do so, that the previously registered proprietor was not entitled to the patent he may require the person registered as the proprietor to grant him a non-exclusive licence in return for reasonable compensation.'

Article 41

6. It should be ensured that the jurisdiction of a court or other authority possessing jurisdiction pursuant to Article 41 is not changed in the course of

execution proceedings by the transfer of the Community patent to a third party. It is therefore proposed that the following provision be included in Article 41:

'Any transfer occurring during execution proceedings shall not affect jurisdiction as laid down in paragraph 1.'

Article 61

7. Pursuant to Rule 23 of the Implementing Regulations, Rule 63 of the Implementing Regulations to the European Patent Convention is to be applied *mutatis mutandis*. The latter rule does not however indicate the principles where by the costs are to be apportioned between the parties. These principles are in fact contained in Article 104, paragraph 1, of the European Patent Convention itself. It is therefore proposed that a provision on costs be included in Article 61 along the lines of that contained in Article 104, paragraph 1, of the European Patent Convention. Article 61, paragraph 1, should therefore be worded as follows:

'1. Each party to the revocation proceedings shall meet the costs he has incurred unless a decision of a Revocation Division or Revocation Board, for reasons of equity, orders, in accordance with the Implementing Regulations, a different apportionment of costs incurred during taking of evidence or in oral proceedings.'

Article 63

8. Consideration should be given to whether paragraph 4 should be aligned on the provisions governing time-limits contained in Article 108, paragraph 1, of the European Patent Convention.

Article 69

9. In order to avoid difficulties which might arise due to the fact that the courts which decide on the right to the European patent during the procedure up to grant are not the same as those which decide on that right after the grant of the patent, an endeavour should be made to harmonize jurisdiction under this Convention with that under the Protocol on Recognition to the European Patent Convention. Such conformity should be introduced especially for actions between an employee and an employer relating to the right to the Community patent.

Pursuant to Article 69, paragraph 2, of the present text, Article 16 of the Convention on Jurisdiction and Enforcement is to be supplemented. Such an express amendment to the text of the Convention on Jurisdiction and Enforcement is unnecessary in order to create the exclusive jurisdiction for particular actions aimed at. There are already numerous international conventions governing jurisdiction outside the Convention on Jurisdiction and Enforcement to which the Member States of the European Communities are parties (see the report on the Convention on Jurisdiction and Enforcement, Chapter 9, Article 57). It also seems expedient not to impede the negotiations between the original six EEC States and the newly-acceded States concerning adjustments to the Con-

vention on Jurisdiction and Enforcement by introducing special provisions in the latter for particular fields. The Government of the Federal Republic of Germany would therefore like Article 69 to be re-drafted as follows:

'1. Subject to the provisions of paragraphs 2 and 3, actions relating to Community patents shall be heard before the courts of the Contracting State which have jurisdiction by virtue of the Convention on Jurisdiction and the Enforcement of Judgements in Civil and Commercial Matters, hereinafter termed "Convention on Jurisdiction and Enforcement".'

2. In matters involving compulsory and *ex officio* licences and any right to use patented inventions in the public interest in respect of Community patents, the courts of the Contracting State, the national law of which is applicable to the licence or right, shall have exclusive jurisdiction.

3. Subject to the provisions of paragraph 2, if the subject-matter of a Community patent is an invention by an employee, the courts of the Contracting State, in accordance with the law of which the right to the European patent is determined pursuant to Article 60, paragraph 1, second sentence, of the European Patent Convention, shall have exclusive jurisdiction in respect of actions between the employee and the employer relating to the right to the Community patent. An agreement on jurisdiction shall only be admissible in so far as the national law governing the contract of employment permits such an agreement.

4. As former paragraph 3.

5. Within the Contracting State, whose courts have jurisdiction under the preceding paragraphs,

6. The preceding paragraphs shall apply to actions relating to

Article 76

10. It could be inferred from the present text of paragraph 3, taken in conjunction with paragraph 2, that the national court of the last instance would be obliged to bring a question before the Court of Justice of the European Communities, even if a decision on that question is not necessary to enable the national court to give judgment. Paragraph 3 should therefore be clarified and should read as follows:

'3. Where any such question is raised in a case pending before a national court, against whose decisions there is no judicial remedy under national law, that court shall, if it considers that a decision on the question is necessary to enable it to give judgment, bring the matter before the Court of Justice of the European Communities.'

II

PROVISIONS OF THE IMPLEMENTING REGULATIONS

Rule 17

11. The effects of depositing a security are governed neither in the Convention itself nor by reference to national law. The Convention should specify that the effects of the deposit of a security are determined by the national law of the State in which the financial

or banking establishment has its principal place of business.

Under paragraph 2, the security will also be deposited in favour of the European Patent Office. As this will not be immediately obvious to the parties concerned, since, at least under German law, there is no provision for the simultaneous deposit of a security in favour of a private individual and an authority, difficulties may well arise in implementing paragraph 2. In the interests of legal security the following new text is therefore proposed for Rule 17:

'The security for the costs of the proceedings shall be deposited in a currency in which fees may be paid. It must be deposited with a financial or banking establishment included in the list drawn up by the President of the European Patent Office. The effects of the security shall be determined by the national law of the State in which the financial or banking establishment has its principal place of business.'

Rule 18 and Rule 19

12. Article 56, paragraph 5, provides that the proprietor of the patent shall be a full party to the revocation proceedings. Rule 18 is at variance with this provision since it stipulates that the Revocation Division is initially to examine, without the proprietor of the patent being involved, whether the application for revocation of the Community patent is inadmissible, examination as to admissibility being part of the revocation procedure. Under Article 83, in the case of conflict between the Implementing Regulations and the Convention, the provisions of the Convention shall prevail. It is therefore proposed to supplement Rule 18 to the effect that the proprietor of the patent shall also be a party to the proceedings even at the stage of the examination as to admissibility of the application for revocation. This substantive amendment *vis-à-vis* the provisions of Rule 56, on the opposition procedure, of the Implementing Regulations to the European Patent Convention, also seems to be justified by the circumstances, since the interest of the proprietor of the patent in being informed of the filing of an application for revocation will, as a general rule, be greater than in a corresponding situation under the opposition procedure, because the patent will in the former case already have been in existence for some time and far-reaching economic arrangements may already have been made.

Rule 18 and Rule 19 could be re-worded as follows:

Rule 18

Rejection of the application for revocation as inadmissible

1. The Revocation Division shall communicate the application for revocation to the proprietor of the patent who may, if he so wishes, comment on the admissibility of the application within a period to be fixed by the Revocation Division.

2. If the Revocation Division notes that the application for revocation does not comply with the provisions of Article 56, paragraphs 1 and 3, Rule 16 and Rule 5 of these Implementing Regulations in conjunction with Rule 1, paragraph 1, of the Implementing Regulations to the European Patent Con-

vention, it shall so notify the parties concerned and shall invite the applicant to remedy the deficiencies noted within such period as it may specify. If the application for revocation is not rectified in good time, the Revocation Division shall reject it as inadmissible.

Rule 19

Preparation of the examination of the application for revocation

1. If the application for revocation is admissible, the Revocation Division shall invite the proprietor of the patent to file his observations and to file amendments, where appropriate, to the description, claims and drawings within a period to be fixed by the Revocation Division.

2. The observations and any amendments filed by the proprietor of the patent shall be communicated to the applicant who shall be invited by the Revocation Division, if it considers it expedient, to reply within a period to be fixed by the Revocation Division.

PREPARATORY DOCUMENT No 16

Denmark

February 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

General remarks

The Danish authorities consider the draft Convention with annexed Implementing Regulations and other documents to be suitable for the establishment – in conjunction with the European Patent Convention – of a special Community patent system.

Danish proposals for adoption by the intergovernmental Conference

1. As set out in the Preamble, the Contracting States are anxious to eliminate within the Community the distortion of competition which results from the territorial aspect of national protection rights.

Article 6 of the draft Convention provides, however, that the Convention shall be without prejudice to the right of the Contracting States to maintain their national laws concerning patents.

The aforementioned negative statement of objective imparts, and wrongly so, the impression that national patent rights are in themselves invidious. It should therefore be considered to phrase the objective in positive terms, for example by stating that the Contracting States are anxious to provide within all territories of the common market unitary and overall legal protection based on uniform criteria.

If it is desired to refer to the impact on competition, the present wording could be replaced by a statement to the effect that the Contracting States endeavour through the establishment of a common Community

patent system to provide unitary protection through patents, a system which at the same time considerably limits a split-up of markets through national arrangements having undesirable effects on competition.

Article 29b

2. This provision would probably gain in clarity if worded as follows:

'From offering or putting on the market a process or directions for the use of a process which is the subject-matter of the patent, or using the process.'

Article 33 (1)

3. It is presumed that the term 'made public' covers also cases in which an application for a national patent is generally accessible although the patent authorities have not yet published a statement to that effect.

Article 54

4. The provisions of this article, seen in conjunction with Article 53 and Rule 13, do not offer the general public adequate guarantee that the patent, in regard to form and content, is described with sufficient clarity in the new specification following limitation proceedings. The specification of the limited patent should be presented in such a manner that a patent could be granted on the basis thereof after it had been subjected to the usual examination prescribed in the European Patent Convention.

It is suggested, therefore, that Article 54 (2) be given exactly the same wording as the corresponding provisions in Article 102 (3) of the European Patent Convention and Article 59 (3) (text preceding (a) and (b)) of the Community Patent Convention.

Article 77 (3)

5. The right to determine that the loss of effect of a national patent shall apply *ab initio* should be restricted in the same manner as provided in Article 37 relating to the effect of revocation of a Community patent.

It is therefore suggested to make the following addition at the end of paragraph 3:

- 'However, loss of effect *ab initio* shall not affect:
- (a) decisions on infringement which have acquired the authority of a final decision and have been enforced prior to the decision concerning loss of effect
 - (b) contracts concluded prior to the decision concerning loss of effect, in so far as they have been performed prior to the decision concerning loss of effect.'

Moreover, licensing rights, including compulsory licences and licences of right (Article 44) should be maintained. When the national patent has ceased to be effective, such licences shall – without any change of their content – become licences for the use of the invention which is the subject-matter of the Community patent.

6. Finally, the Danish Government reserves for itself the right to submit to the Conference any additional proposals for amendments that it may deem necessary.

PREPARATORY DOCUMENT No 17

France

February 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

1. The French Government has emphasized on several occasions the importance it attaches to the draft Convention for the European patent for the Common Market which, for the Member States of the European Economic Community, constitutes a natural extension of the European Patent Convention signed in Munich on 5 October 1973. However, the draft in its present form calls for some comments and observations.

I

SIMULTANEOUS ENTRY INTO FORCE OF THE TWO CONVENTIONS

2. As stated in the Preamble to the draft, the Convention on the Community Patent is designed to contribute to the attainment of the objectives of the Treaty of Rome, and therefore the simultaneous entry into force of the Convention on the European Patent and the Community Patent Convention, is important.

The governments of the Member States of the Community must accordingly do their utmost to this end. In this respect, the signing of the Declaration of Intent, the draft of which is included amongst the documents submitted to the Conference, will constitute a positive act, demonstrating the will of the Governments of Member States to achieve this aim, and so the French Government does not doubt that this Declaration will meet with the approval of the other governments.

II

EXHAUSTION OF RIGHTS

A. Protocol on the deferred application of the provisions on the exhaustion of rights

3. Even if the application of the Convention on the Community Patent cannot be deferred, it would be unwise to implement forthwith the provisions concerning the exhaustion of the rights attached to the Community patent and to national patents. Whilst the immediate implementation of these provisions would have only a limited effect in respect of the Community patent, since it will take about ten years for a significant number of such patents to have any

effects, it would nevertheless considerably disrupt the exercise of the rights conferred by comparable national patents taken out in good faith in the Member States of the Community prior to the entry into force of the Convention. For with reference to only the most important factors in the marketing of inventions, as long as a large number of industrial products in the European Community are still not covered by uniform technical standards, public bodies still have their own particular ideas and technical preferences and continue to resort to their national suppliers, there can be no uniform distribution of industrial products where the consumers have different languages, habits and tastes. The enlargement of the common market in 1973 accentuated these differences even more. It was in order to take account of this situation that a very large number of contracts for exclusive licences have been concluded in good faith on the basis of national patents.

It is therefore greatly to be feared that the immediate implementation of the provisions on the exhaustion of the right will not only turn industrialists away from the Community patent but also encourage lawful restrictive practices which would be beneficial neither to consumers nor to patentees.

For these various reasons the French Government is firmly convinced that the Protocol on the deferred application of the provisions on the exhaustion of rights should be retained in the Convention.

B. Articles 32 and 78 on the exhaustion of rights

4. It should be borne in mind that the wording of Articles 32 and 78 of the draft Convention was intended to establish parallelism between the exercise of rights conferred by Community patents and the exercise of rights conferred by comparable national patents, on the grounds that there should be equivalent rules governing the exhaustion of the rights attached to a Community patent and the exhaustion of the rights derived from comparable national patents. Otherwise the latter would be made more attractive for applicants, with the ensuing danger of jeopardizing the success of the Community patent. If therefore such parallel provisions on exhaustion seem to be logical and necessary, another requirement is not to emasculate the system and to consider only the (rare) situations arising or likely to arise from the use of nine similar national patents for the same invention. The effects of Articles 32 and 78 as now worded go beyond the principle of analogous treatment on which these articles are based, and they exceed the application, pure and simple, of the theory of exhaustion of the right.

This theory, which is mainly derived from German law, was enshrined in a famous judgment passed by the Reichsgericht on 26 March 1902, from which the following passage may be cited.

'The effect of a patent (for a process) is that no-one, except the proprietor (or the persons whom he has authorized) may manufacture a product by the said process and put it on the

domestic market. By this act, however, the effect of the protection conferred by the patent is exhausted. The proprietor who has manufactured the product and has put it on the market under this protection which excludes competition from other parties, has enjoyed advantages which the patent confers upon him and has thus exhausted his right'.

If the rights of the patentee are to be exhausted, a product has to be manufactured or imported and sold or used under the protection conferred by the patent. In the case of a product imported from a country where protection has not been granted or has not been possible to obtain, the right has not been exhausted; the result is that the right may be exercised in the country of import.

But this is not the situation described in Articles 32 and 78 of the draft, since they provide for the free movement of a patented product, even if it is put on the market by the patentee or by his licensee on the territory of a State in which no protection exists.

Such an eventuality may arise in the case of the Community patent if there is in one of the Contracting States a previous national right which has expired or been forfeited. This will certainly happen if a new State accedes to the common market and if a patentee in that country has not considered it worthwhile protecting himself by a national or European patent, or has been unable to do so under the law of that State or because of the reservations in Article 167 of the first Convention.

In the case of national patents it will be exceptional, as pointed out above, for a patentee to be protected in the nine Member States of the European Communities, particularly where applications for patents were filed before the entry into force of the second Convention, and bearing in mind the high cost of obtaining and maintaining in force nine comparable patents.

The consequences of such a situation become clear in the case of an imitator of the patentee who freely manufactures in any country, whether or not a common market country, and sells, directly or indirectly, in one of the Contracting States in which the patentee is not protected. If the patentee wishes to compete with his imitator in this State, he will have to take into account the price at which his competitor sells the product, and his profit will not recompense him for his inventive step. But more than anything he incurs the risk of the product's being sold at the same price in the other Member States of the Community: this would be tantamount to cancelling out or diminishing the effects of the protection obtained in these States. Such considerations will perforce induce the patentee to refrain from selling his product in the State in question, and this in turn will result in the market being sealed off – a situation which the provisions of the draft are intended to avoid.

A strict application of the principle of the exhaustion of the right should therefore be maintained in Articles 32 and 78 by amending the wording as follows:

Article 32

Exhaustion of the rights attached to a Community patent

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting States after the proprietor of the patent has put that product on the market *in any of these States in which that patent is effective.*
2. The provisions of paragraph 1 shall also apply with regard to a product put on the market *in one of the Contracting States* without infringement of the Community patent by a contractual licensee *referred to in Article 43* or by a licensee *of the same patent* under Article 44.

Article 78

Exhaustion of the rights attached to a national patent

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting State after the proprietor of the patent has put that product on the market in any Contracting State *in which he is the proprietor of a patent for the same invention.*
2. Unchanged.
3. The provisions of paragraphs 1 and 2 shall also apply with regard to a product put on the market *in any Contracting State* without infringement of the relevant national patent by a contractual licensee *of that patent* or by a licensee *of the same patent.*

III

OTHER PROVISIONS OF THE DRAFT CONVENTION

5. In addition to the amendments proposed for Articles 32 and 78, the French Government considers it desirable to make amendments to certain provisions in the draft Convention. These amendments are given below:

Article 28, title

6. Only concerns the French text.

Article 28 (2)

7. The provisions of paragraph 2 apply where the proprietorship of a Community patent is transferred by a decision in law and where the previous proprietor of the patent or his licensee has already used the invention or made the necessary preparations to do so. The previous proprietor or his licensee is then entitled to obtain a licence for the patent on reasonable terms, provided that he had acted in good faith when obtaining the right: that is to say, in the case of the previous proprietor, when the patent was granted or transferred, or, in the case of his licensee, when the licence was granted.

However, the wording of the second sentence of this paragraph is unclear, at least as far as the French version is concerned, and is insufficiently detailed in the case of the licensee.

In addition, it would appear more logical to make an appraisal of the good faith of the previous proprietor or of his licensee when the invention is first used, and not when the right to the patent is enforced, as this latter date is of no consequence in the case in point owing to the fact that the basic aim of this measure is to allow further use to be made of the patent under certain conditions. It should further be noted that the invention may already have been used before the right is enforced, where such right is conferred by the granting of the patent.

It should be added that the provisions of Article 28 apply only to proceedings concerning the right to patents where the registered proprietor of the right may be assumed as being of good faith as long as no decision has been delivered.

To take into account these various comments, the following wording is proposed for Article 28, paragraph 2:

'The person previously registered as the proprietor of the patent or his licensee may require the newly registered proprietor to grant him a non-exclusive licence in return for reasonable compensation if he or his licensee has already begun to use the invention in good faith in the territory of the Contracting States, or made the necessary preparations to do so, without knowing that the person previously registered as the proprietor was not entitled to the patent.'

Article 29c

8. The end of this subparagraph starting from 'in so far as such product . . .' should be deleted in order to take into account Article 64, paragraph 2, of the First Convention and Article 53, subparagraph (b), which provides that plant and animal varieties may not be patented as such, but that they may be patented as products obtained directly by a process.

Article 30 (1)b

9. Only concerns the French text.

Article 37 (1)

10. Only concerns the French text.

Article 37 (2)

11. Article 37, paragraph 2, as it now stands provides that the revocation of a patent shall not have retrospective effect on decisions on infringement already enforced nor on contracts concluded prior to the revocation decision, while making certain exceptions to this rule where there has been negligence or lack of good faith on the part of the proprietor of the patent or unjustified enrichment, and referring such matters to national law.

These exceptions are based on different principles: on the one hand there is the authority of a final decision and on the other the interests of 'fair play', which would not seem to be easily reconcilable. In addition, the concept of enrichment in question varies according to national law, a fact which may well bring about discrepancies in the way it is applied in the various Contracting States. Moreover, the present wording, which lays down that the retrospective effect shall not affect contracts concluded or performed prior to the decision, does not seem wholly satisfactory.

Accordingly, it would seem preferable to restrict the purview of national law to cover negligence or lack of good faith on the part of the proprietor of the patent. It may transpire that the proprietor knew or ought to have known that his patent had been revoked when he obtained a decision adverse to the other party or when he concluded a contract.

However, reference to the concept of unjustified enrichment could be obviated by stipulating that any sums paid by the assignee or the licensee for the purposes of performing the contract would be refunded to them in full or in part if a reasonable return for these payments were not offered by the right to continue using the patent which had been revoked. If applied in a standard manner in all the Contracting States this measure would have the advantage of obviating the untoward differences of interpretation referred to above.

To this end the following wording is proposed for the second paragraph of Article 37:

'Subject to the national provisions relating to claims for compensation for damage caused by negligence or lack of good faith on the part of the proprietor of the patent, the retrospective effect of the revocation of the patent shall not affect:

- (a) decisions on infringement which have acquired the authority of a final decision and have been enforced prior to the revocation decision;
- (b) the performance of contracts concluded prior to the revocation decision.

The assignee or the licensee may, however, require the proprietor of the patent which has been revoked to refund in full or in part any sums paid if they prove that no reasonable return for these payments is offered by the right to continue using the patent which has been revoked and from which they benefited pursuant to the contract.'

Article 48

12. In order to avoid any ambiguity, the same rider as that contained in Article 46, paragraph 1, should be added to the end of this article: 'The extent of such licences shall be restricted to the territory of the State concerned.'

Article 70a

13. The significance of this provision has already been emphasized. It is, however, proposed that it be supplemented by a second paragraph calling upon the Contracting States to take measures, where they do not already exist, to attenuate the disadvantages inherent in the disclosure by the defendant of his manufacturing secrets. This invitation is of the same type as that provided for in Article 46, paragraph 2, but could be contained in a protocol annexed to the Convention.

It is further suggested that the wording of paragraph 1 be amended to avoid any ambiguity in the term 'characteristic', which has a specific meaning in industrial property.

1. If the subject-matter of the Community patent is a process for obtaining a new product, any product having the same character which is produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.
2. *The Contracting States shall lay down rules of procedure enabling the defendant to adduce proof to the contrary without disclosing to the plaintiff his manufacturing or business secrets.*

Article 71

14. Only concerns the French text.

Article 80 (2)

15. This provision, which without doubt refers to the rules governing overlapping between utility models and patents which are embodied in certain national laws (see Article 6 of the German law on utility models), cannot apply to French utility models which are subject to the same treatment in law as patents. Accordingly, the words 'or certificate' should quite simply be deleted from paragraph 2, or be replaced by the words 'or other protection right' if there is a general wish to keep this possibility open.

16. Apart from these various comments the French Government intends to submit other proposals during the Conference, particularly with regard to Articles 33 and 77. The new wording of Article 33 may well give rise to certain difficulties of interpretation.¹ Although the effects of Community law on the various bodies of national law should be as uniform as possible, paragraph 3, second sentence, and paragraph 4 of Article 77 may well bring about excessive variation in the legal situations in the States.

¹ A supplementary note on the matter will be provided in due course.

PREPARATORY DOCUMENT No 18

Italy
February 1974

PROPOSED AMENDMENT TO THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

Article 35

Translation of the claims into certain official languages of the Contracting States

This article provides for the publication of the Community patent in one of the languages for proceedings (English, French and German) with translations of the claims only in all the official languages of the Contracting States.

This creates a discrepancy not only *vis-à-vis* countries outside the Community, which, pursuant to Article 65 of the first Convention, may ask for the whole text of the patent to be translated into one of their official languages, but also within the Community, where some of the Member States will have a certain proportion of Community patents published entirely in their own language if the latter happens to be one of the languages for proceedings.

It should also be noted that approval of the text of this article as it now stands would, in some countries, lead to the creation of patent rights based on descriptions written in a foreign language for all Community patents and, in others, for a certain number of patents.

Since it is very often not possible to discover the entire scope of a patented invention by examining the claims only, it would become difficult for commercial operators to determine precisely the limits within which they could work.

Thus they would frequently have to avail themselves of the services of translators so as to be certain of respecting the scope of protection of a Community patent, which would give rise to uncertainties and to considerable expense.

The Italian view is that Article 35 should be amended so that the applicant would be under an obligation to produce, not only the translation of the claims, but also the entire translation of the description, in all the official languages of the Communities.

This proposal is made in full awareness of the fact that to increase the expenses involved for the applicant, both in preparing the translations in the various languages and in printing the corresponding specifications, may well lessen his interest in the European as against the present national systems.

In spite of this, the advantage of adopting the proposed system would be twofold: in the first place, applicants would enjoy greater security of their own patent rights and, in the second, economic operators

in all the Community Member States would be spared the duplicated work and expense involved in each one preparing a large number of translations of the descriptions of Community patents on its own account.

PREPARATORY DOCUMENT No 19

Netherlands

March 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

The Netherlands Government expresses its satisfaction with the results of the preparatory work as embodied in the draft Convention for the European patent for the Common Market. It conveys its thanks to all those who, in a spirit of genuine cooperation, have been able over the space of a few years to devise regulations so thoroughly and systematically for such a difficult subject.

The following comments do not in any way detract from such a thoroughly prepared design but are intended only to amend certain points of detail.

Article 2

1. Paragraph 2 deals with the unitary character of the European patent. This principle is applied in Articles 39 *et seq.* The question arises as to whether Article 2, paragraph 2, ought not also to refer to patent applications in which the Community countries are designated. Article 148 of the European Patent Convention should then obviously also take effect.

Article 13

2. The last sentence of paragraph 4 (new text) contains the term 'objected to', which can relate only to the case referred to in paragraph 3. This term should be replaced by 'The member who excluded himself or is objected to'. It is to be noted in this connection that Article 24, paragraph 4, of the European Patent Convention also contains the same anomaly. This need not give rise to any objections to correcting the text of the Convention in question.

Article 28 (2)

3. The French and German texts differ from the English text, which appears to be correct. The French text should read: 'Si la personne . . . sans avoir eu connaissance du fait que la personne inscrite antérieurement n'avait pas droit au brevet *au moment de la délivrance ou de l'acquisition du brevet*, il peut obtenir . . .'. The German text should read: 'Haben der bisher als Patentinhaber Eingetragene . . . Vorkerhungen getroffen, ohne Kenntnis davon gehabt zu haben, dass der als Patentinhaber Eingetragene

bei der Erteilung oder dem Erwerb kein Recht auf das Patent hätte, . . .'.

Article 29

4. The German and English texts speak of 'anzubieten' and 'offering'. The French text which says 'offrir en vente' (offering for sale) is more restrictive. The Netherlands delegation takes the view that the meaning of the term used also has to be such as to cover any offer, even for leasing.

5. As regards the provision under (b), it is necessary to reconsider what is meant by 'offering or putting on the market a process or the use of the process'. 'Offering a process or the use of the process' seems to relate to an offer to transfer the 'know-how' required to use the process; 'putting on the market a process or the use of the process' should mean transferring that 'know-how' to a third party.

It should be noted that every Community patent should disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art (Article 57, paragraph 1 (b)). This implies that the skill required for applying a process is already afforded and put on the market by the patent specification itself.

In practice, a third party often develops some special 'know-how' which is not disclosed to the public by the patent but which is of importance in actually using the invention. This special 'know-how', which has a certain sales value and for which others inside or outside the common market may have a certain interest, does not come under the protection of the Community patent. This special 'know-how' is free and unrestrained and should remain so, especially where the proprietor wishes to offer such 'know-how' for sale and to sell it to a party outside the common market (exporting 'know-how'). It is feared that with the present wording of Article 29 (b) such a freedom of action would be unfairly restricted. In order to forestall such a conclusion, it is proposed that the following text be adopted for Article 29 (b):

'(b) from using the process which is the subject-matter of the patent;'

Finally, attention should be drawn to the fact that the above proposal does not affect the application of Article 30.

Article 33

6. Under this article, the effect of the Community patent does not extend to the territory of a State in which the prior rights defined in this article exist. The question is which judge or court should give a ruling in any contingent dispute.

The solution chosen in the draft is presented in Article 33, paragraph 2: national judges give rulings in such disputes, and also on the same grounds and pursuant to the same procedure as if the Community patent were a national patent.

A solution going beyond this was discussed by the Working Party: the European Patent Office should give rulings on the basis of the whole contents approach. It was not possible, however, to obtain a majority decision in favour of this solution within the Working Party, but that solution is contained in a draft resolution so that it can be more closely studied after the conclusion of the Convention.

7. The Netherlands Government proposes that this centralized treatment be included in the Convention forthwith. It considers that rulings on disputes given by the European Patent Office on the basis of the whole contents approach are preferable by far to the approach laid down in Article 33, since only in this way can a uniform approach to disputes, which serves the interests of secure protection in law, be obtained for all the participant countries. Furthermore, the Netherlands Government has the impression that the objections to the centralized treatment raised by certain countries within the Working Party are not insurmountable. In any event, it would also like to hear the views of the interested circles on this question.

Consequently, the following proposal is made for amending:

Article 33

1. If a national patent granted, or an application for a national patent published, on or after the priority date of a Community patent has, in a Contracting State, a priority date earlier than that of the Community patent, the effects of the Community patent shall not extend to the territory of the State in question, in so far as that patent would be revoked if the national patent or the national application were a published European patent application in which the Contracting States were designated.

2. The procedure confirming that, pursuant to paragraph 1, the Community patent is ineffective in a Contracting State shall be carried out by the *European Patent Office*. The provisions of Article 56 (with the exception of paragraph 2), Article 57, paragraph 2, Articles 58 to 61 inclusive, and Rules 16 to 23 inclusive shall apply *mutatis mutandis*.

3. Unchanged.

Reference should be made in Articles 9, paragraph 1, 14, paragraph 1 (b), 37, 52, paragraphs 2 and 3, 72, paragraph 2, and in Rules 5, paragraph 2, 14 and 27 (b) to the confirmation pursuant to Article 33. Two new points, (g) and (h), relating to the confirmation procedure pursuant to Article 33 should be added to Rule 25, paragraph 2.

8. In the event of its not being possible for the Conference to accept implementation of the centralized treatment in accordance with the above proposal, the Netherlands Government proposes that the Contracting States should in any case be able to choose between the solution as laid down in Article 33, paragraph 2, of the draft (confirmation by national judges) and the centralized solution. This could be achieved in the following way:

Article 33

Insert a new paragraph 2a between paragraphs 2 and 3, to read as follows:

'2a. Any Contracting State may provide, under the conditions referred to in the first paragraph, that the effects of the Community patent shall not extend to its territory, in so far as that patent would be revoked if the national patent or the national application were a published European patent application in which the Contracting States were designated. In such event, the procedure confirming that the Community patent is ineffective in such Contracting State shall be carried out by the European Patent Office. The provisions of Article 56 (with the exception of paragraph 2), Article 57, paragraph 2, Articles 58 to 61 inclusive and Rules 16 to 23 inclusive shall apply *mutatis mutandis* to this procedure.'

Under this solution too reference should be made in Articles 9, paragraph 1, 14, paragraph 1 (b), 37, 52, paragraphs 2 and 3 and in Rules 5, paragraph 2, 14 and 27 (b) to the confirmation procedure pursuant to Article 33, while two new points, (g) and (h), should be added to Rule 25, paragraph 2.

9. If the Conference accepts the above proposal for 'optional centralization', the following problem will nevertheless remain as regards those States preferring the national approach pursuant to Article 33, paragraph 2.

It is not clear which court should be competent to give a decision on whether the Community patent should extend to the territory of a State in which a prior right exists. Let it be assumed for instance that an action for infringement of a Community patent in several States is brought before a German court and the defendant then claims that in France – where there would also have been infringement – a prior national right exists.

Under the terms of Article 33, paragraph 2, confirmation that the effects of the Community patent do not extend to France has to be made in accordance with the procedure that would have been implemented if the Community patent had been a national one. In the example cited above, it is not clear whether it is the German court that has to apply this (i.e. French) procedure or whether the court in question has to stay the infringement proceedings – at least so far as the French claim is concerned – and refer the decision in the matter of the effects specified under Article 33 to the French court. In the light of the application of specific national law, it is undoubtedly the latter course which has been intended and which would also be in conformity with Article 16, No 4 of the Convention on Jurisdiction and Enforcement. No express provision therefor has been made in the draft, however. It is accordingly proposed that a provision to such effect be made – under Article 69 – granting exclusive jurisdiction in the matter to the court of that State in which a prior national right exists and also – in Article 72 – regarding the stay of proceedings (so far as infringement in the State in question is concerned) until a decision is given on the limitation of the effects of the Community patent.

Article 34

10. This article implies a limitation of the rights deriving from the Community patent on behalf of the prior user or personal proprietor. If the national law should – as in the Netherlands – so stipulate, such limitation should at the same time extend to all acts regarding the product concerned performed in the territory of the State in question, after the prior user or the personal proprietor has put the said product on the market in that State.

Article 36

11. It may well be asked whether this article is not contrary to Article 67 of the European Patent Convention, in so far as the EEC States provide more extensive protection for their patent applications than that provided for in Article 36.

Article 50

12. It is possible that a party may surrender a patent with the intention of defeating the claim of a third party to the right to the Community patent on the basis of Article 27. It is, therefore, advisable to specify that only after a certain time, for example three months, following the publication of its having been entered in the Register, will the surrender of a patent operate against third parties.

Article 52 (3)

13. The French text speaks of 'décision finale'. The question arises as to whether this ought not be: 'décision passée en force de chose jugée'.

Article 56

14. The application for revocation may also be filed by a person entitled to be entered in the Register as the joint proprietor of the patent. Such a provision does not seem justified, for in the case where there are two (or more) claimants for example, the one who wishes to enforce the revocation may impose his will on the others. It is more fitting that the possibility of the joint proprietor revoking the patent should be eliminated.

Article 57 (1)

15. The reference under (e) to Article 60 should read: 'Article 60, paragraph 1', in accordance with Article 138 of the European Patent Convention.

Article 61 (2)

16. The question arises as to whether the words 'sur requête' etc. in the French text ought not to be read as relating to 'ont été fixés par le greffe', instead of 'peut être réformé'.

Article 69

17. The question as to which court is empowered to give a decision in procedures concerning infringement of the Community patent is settled in Article 69 by

referring the matter to the national court. Accordingly, within each State several courts could be so empowered, thereby creating the possibility of a wide variety of legal application, a matter which is not in the interests of secure protection under the law. The question thus arises as to whether it might not be possible, within the context of the Convention on Jurisdiction and Enforcement, to limit the number of courts in question. That would be possible if, in each Contracting State, the decision in the matter of infringement of a Community patent were referred to a centralized court. To that end, the Netherlands Government has prepared a draft resolution to the following effect:

'Draft Resolution on the institution in each of the Contracting States of a centralized jurisdiction in proceedings for infringement relating to Community patents

THE GOVERNMENTS ...

ON SIGNING the Convention for the European patent for the Common Market;

DESIRING to promote as far as possible a single jurisdiction in proceedings for infringement relating to Community patents;

WHEREAS the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters only partially meets this requirement;

WHEREAS also the need for judges specializing and experienced in this field has long been felt in practice;

HAVE DECIDED to commence the necessary work at the earliest opportunity to arrive at the centralization in their respective territories of jurisdiction in regard to the infringement of Community patents so as thereby to guarantee that such matters will be dealt with by judges specializing and experienced in this field.'

18. With reference to comment No 9 on Article 33, if the proposal for 'centralized treatment' is not adopted, the following addition should be made to Article 69, paragraph 2:

'7. In matters involving confirmation, as referred to in Article 33, paragraph 2, of the Convention for the European patent for the common market, that a Community patent is ineffective in a Contracting State, the courts of the Contracting State in question.'

Article 72 (3)

19. With reference to comment No 9 on Article 33, if the proposal for 'centralized treatment' is not adopted, a paragraph 3 reading as follows should be added to Article 72:

'3. If the existence of prior national rights in one or more Contracting States influences the decision in an action relating to infringement of a Community patent, the appropriate national court shall, at the request of the defendant and after hearing the other parties, stay proceedings in so far as such proceedings relate to an infringement in the territory of the Contracting State or States concerned until such time as it is confirmed, in accordance with Article 33, paragraph

2 or 2 (a), to what extent the effects of the Community patent extend to the territory of the Contracting State or States in question.'

Article 78 (2)

20. The criterion of one person being in a position to exert a decisive influence on the other is too broad. It is not important whether there is a possibility of one person's influencing the other, in theory, but rather whether such influence is apparent in practice. On the other hand, it is difficult for a defendant to prove the latter-mentioned case in legal proceedings. An attempt is made below to do justice to both these aspects.

In the second sentence of paragraph 2, substitute 'exerts' for 'in a position to exert' in both cases.

Add a third sentence reading as follows:

'Saving proof to the contrary, such influence shall be assumed to be exerted where one person, by directly or indirectly holding a majority of the shares or the right to appoint or designate the majority of the management, has a generally decisive influence on another person, or where a third party has such an influence on both persons.'

Article 88 (1)

21. 'The European territory of the Kingdom of the Netherlands' should be substituted here for 'the Kingdom of the Netherlands'.

Rule 8

22. It is assumed that the seizure and any legal means of execution of the Community patent will also be recorded in the Register in accordance with paragraph 1 of the above rule.

PREPARATORY DOCUMENT No 20
Standing Conference of the Chambers of Commerce
and Industry of the European Economic
Community (CPCCI)
April 1974

COMMENTS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET

Editor's note: The Standing Conference subsequently submitted new comments replacing this document. The new comments were published as Conference Document LUX/23 and are reproduced on pp. 174-177 below.

PREPARATORY DOCUMENT No 21
Commission of the European Communities
April 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET

1. The Commission considers that the Protocol annexed to the draft Convention which lays down a transitional period for exhaustion of rights cannot be adopted by the Member States as it is in conflict with Community law. The Commission formulated its attitude to this problem in an opinion which it sent to the Member States and which will also be sent to the General Secretariat of the Council.
2. It follows that not only should the said Protocol not be adopted but also every reference to that Protocol should be expunged from the three draft resolutions annexed to the Convention.
3. Furthermore, it is proper that due respect be paid in the text of one of the draft resolutions, to the role attributed by the Treaty to the Community institutions in the field of harmonization of national laws when differences between these laws have a direct impact on the development of the common market.
4. The Commission therefore requests the following modifications:

Draft Resolution on the uniform treatment of prior national rights in respect of the Community patent

Paragraph 3

Delete the words between commas which mention the transitional period set out in the Protocol on exhaustion of rights.

Draft Resolution on the harmonization of the national provisions governing the rights based on prior use and the rights of personal possession

Paragraph 6

- (a) Delete the beginning of the paragraph and replace it with the following text: 'Have taken note that the Commission of the European Communities will commence the necessary work, as soon as this Convention enters into force, to harmonize, in the framework of the Treaty setting up the European Economic Community ...'
- (b) Delete the words between commas which mentioned the transitional period set out in the Protocol on exhaustion of rights.

Draft Resolution on joint rules on the granting of compulsory licences in respect of a Community patent

Paragraph 6

Delete the words between commas which mention the transitional period set out in the Protocol on exhaustion of rights.

PREPARATORY DOCUMENT No 22
Council of European Industrial Federations
(CIFE)
April 1974

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE
EUROPEAN PATENT FOR THE COMMON MARKET

Article 28 (2)

1. The definition of good faith is ill-suited to the case of licensees and needs to be clarified.

Furthermore, it might well be asked whether in the situation referred to in Article 28, paragraph 2, it would not be preferable, and indeed more equitable, for good faith to be appraised as of the date when the invention is first used or when preparations are made to do so.

It is therefore proposed that the last few lines of paragraph 2 read as follows:

... without knowing ... at the time when the invention was first used or when the necessary initial preparations were made to do so, he may require ...

In addition, it would seem necessary to amend the French version of the end of paragraph 2. The words 'il peut exiger du titulaire ...' or 'il est en droit d'obtenir du titulaire' could be substituted for 'il peut obtenir du titulaire'.

Article 29c

2. In order to align this paragraph on Article 64, paragraph 2, of the Convention on the Grant of European Patents, the words 'in so far as such product is not a plant or animal excluded from protection under Article 51 of the European Patent Convention' should be deleted. Article 53, subparagraph (b), of the European Patent Convention provides that plant and animal varieties may not be patented, but this does not include the direct products of patented processes.

Article 30 (1) (b)

3. Subparagraph (b) treats in the same way both persons who deliberately supply unauthorized third parties with means (relating to an essential element of the invention) for putting the invention into effect, and any person who 'ought to have known' the purpose of the products which he sells. This wording seems to place on the defendant the onus of proving that he could not reasonably have known, which is scarcely acceptable in business practice.

In addition, the English and German versions of this subparagraph do not seem to turn on the same concepts as in the French text,¹ but rather on the negligence of the seller. It is therefore suggested that in the French text the words 'par sa faute' or 'en raison d'une négligence fautive' ('due to negligence on his part') be substituted for 'sans excuse valable'.

It should also be noted that the term 'the other person' used in the English version is not in line with the terms used in the other languages.

Article 31

4. Subparagraph (a) should be clarified particularly as it stands in English ('acts done privately and for private ends'), as its actual scope seems doubtful.

Likewise, the words 'with a bearing on' in subparagraph (b) of the English version seem somewhat vague: they could be replaced by 'relating to'.

Article 32 (1)

5. A subparagraph on the lines of the following should be inserted at the end of paragraph 1 of this article:

'This provision shall not apply where the proprietor of the Community patent has put the product on the market in a Contracting State in which his patent has no effect owing to a prior national right or by reason of the terms of accession by that State to this Convention'.

As regards the legal aspect, the principle of the exhaustion of rights implies that the right conferred by the patent has been used once by the proprietor of the patent or by his licensee. The wording as it stands however extends the application of this principle to cases where the product is put on the market in a State where the proprietor of the patent enjoys no protection.

As regards the economic aspect, this wording could, in fact, have the consequence of preventing the patentee (even in cases where no prior right is in force) from selling in a State in which he is not protected, as, if he did sell there, he would only be able to do so in competition with imitators of his invention at a price which would not be commensurate with the efforts in making the invention, and the products sold in this way would then move freely, thereby making it impossible for the patentee to put the same products on the market at a normal price in States in which the Community patent has effect. Paradoxically, the result of the text as it stands at present would be fragmentation within the common market, to the detriment of the proprietor of the patent and the consumers themselves.

The subparagraph proposed above is based on an earlier version of the draft Convention, but it also

¹ Translator's note: The French text speaks of the third party knowing or being unaware 'without a valid excuse'.

takes into account Articles 86 and 87 of the current draft, which make provision for the subsequent accession by other States in accordance with detailed rules to be laid down. These detailed rules will probably not (as was seen in Munich in connection with the reservations) allow of extension to an acceding State of the effects of all the Community patents in force at the time of accession. A gap might therefore appear in the protection of the proprietor of a Community patent, either because he did not consider it necessary to protect himself in the State in question by means of a national or a European patent, or because the law of that State or the application of the reservations contained in Article 167 of the First Convention did not allow him to do so.

Article 32 (2)

6. It would be advisable to add the words 'under that patent' after 'licensee', and the words 'under that same patent' after 'Article 44'.

It is essential to prevent licensees outside the common market from using this provision in order to freely introduce patented products into all the States of the Community by importing them into the State or States in which the proprietor of the patent is not protected.

A new wording for Article 32 in English is proposed in the annex hereto.

Article 43 (1)

7. As in Article 73 of the first Convention it should be stated that:

'1. A Community patent may be licensed in whole or in part for the whole or part of the territories in which it is effective'.

Article 65

8. In view of Article 81 of the first Convention, there is no longer any need to retain this article.

Article 78 (1)

9. For the same reasons as those given concerning Article 32, the following words should be added to the first paragraph: '... in which he is the proprietor of a patent for the same invention'.

Article 78 (3)

10. Any ambiguity of interpretation similar to that referred to above with regard to Article 32, paragraph 2, should, for the same reasons, be obviated by adding the following words to the end of this paragraph:

'... under a national patent granted in a Contracting State for the same invention'.

A new wording for the whole of Article 78 in English will be found in the annex hereto.

ANNEX

Article 32

Exhaustion of the rights attached to a Community patent

Exhaustion of the rights attached to a Community patent shall only arise as follows:

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting States after the proprietor of the patent has put that product on the market in one of the (these) States to which the effects of the Community patent extend.

2. The provisions of paragraph 1 shall also apply with regard to a product put onto the market in the Community without infringement of the Community patent by a contractual licensee or by a licensee of right under Article 44 under the Community patent but not by a person having a compulsory licence under Article 46.

Article 78

Exhaustion of the rights attached to a national patent

Exhaustion of the rights attached to a national patent shall only arise as follows:

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting States after the proprietor of the patent has put that product on the market under a valid claim of a corresponding subsisting patent in any Contracting State.

2. The provisions of paragraph 1 shall also apply with regard to a product put on the market in the Community without infringement of the relevant patent by a contractual licensee or by a licensee of right under said patent but not by a person having compulsory licence under Article 46.

PREPARATORY DOCUMENT No 23 Union of Industries of the European Communities (UNICE) and Council of European Industrial Federations (CIFE)

April 1974

ADDITIONAL OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

Since 1 January 1974 two new questions which are very important were dealt with in discussions as much among official experts as in the interested circles.

UNICE and CIFE feel it would be useful to inform the experts as from now of their position, with a view to facilitating the study of these two questions at the Conference of Community Member States in Luxembourg, and of the possible adoption of new dispositions.

Proceedings for infringement

1. According to the last draft, infringement comes under the jurisdiction of the appropriate national courts which, at the request of one party, can stay proceedings should the validity of the Community patent be contested and wait until the competent departments on revocation of the EPO have given their decision.

In the unanimous opinion of the Federations of UNICE and CIFE this procedure is unsatisfactory. It represents, among other things, the gross inconvenience of leaving each competent court free to state the scope of the claims of the European patent in relation to the object deemed infringed.

Considering that it has not been possible to adopt a precise rule on this question and it has only been possible to formulate a recommendation (ref. interpretative protocol to Article 69 of the first Convention), it would seem inevitable to UNICE and to CIFE and extremely harmful for the holders of Community patents that based on a central decision on revocation of a Community patent, different and if necessary varying judgments would be rendered, depending on the court referred to.

Consequently, and where the Conference of Community Member States would esteem it neither opportune nor possible to amend the second Convention on this item, the UNICE and CIFE Federations unanimously express the wish that the Conference adopt a resolution designed to undertake the necessary work from the moment of application of the Convention. This so that the re-drafting of the Convention on a European patent for the Common Market would take place between now and the end of the transitory period indicated in the protocol concerning the deferred implementation of provisions on the exhaustion of the right connected with a European patent and national patents.

Moreover, the Federations of UNICE and CIFE unanimously expressed the wish that civil or penal sanctions for a conviction for infringement remain in any case within the jurisdiction of national courts, but that, on the other hand, the establishment of the infringement in itself should be subject of a centralized European proceeding, analogous to the centralized proceeding concerning revocation of a Community patent and that to this end competent central European departments should be created in order to deal with all requests to establish an infringement of a Community patent.

It appears to UNICE and CIFE that the Convention relating to the jurisdiction and carrying out of decisions in civil and commercial matters has the effect of giving power to a court in one State in the Community to rule on acts of infringement committed in several States of the Community.

In order to ensure uniform interpretation of Article 69 of the first Convention and to facilitate the control of this interpretation by the Court of Justice of the

European Communities, UNICE and CIFE considered that a centralized proceeding constitutes the goal.

The majority of the members of UNICE and CIFE, while acknowledging that such a centralization would pose various problems of application, express the wish that experts endeavour to set it up in Luxembourg, since uniform appreciation of the scope of the claims of a European patent *vis-à-vis* objects deemed infringed is of extreme importance for the success of a Community patent. The majority suggests that such a task should devolve upon an appropriate centralized jurisdiction for a Community patent (at two levels) to rule on the scope of claims, the materiality of the infringement and possibly the revocation of a Community patent, if requested. The composition of said jurisdiction will be reconsidered consequent to the extension of this task.

Should this last request not be adopted, the Federations of UNICE and CIFE unanimously approve the spirit of the proposals of the Netherlands, designed to reduce in each Contracting State the number of competent courts dealing with infringement.

Reversal of burden of proof in the case of proceedings for infringement concerning operating process

2. UNICE and CIFE noted Article 70a of Preparatory Document No 1 dated 18 December 1973.

In the opinion of UNICE and CIFE this text in its present form, raises two objections, one concerning the expression 'new product' being imprecise, the other on the risk of abusive proceedings being started in order to have access to manufacturing secrets of competitors. If Article 70a is adopted, it would be necessary to amend it and so refute these objections.

In order to illustrate this point of view, UNICE and CIFE experts have drawn up the following text:

'Article 70a (amended)

1. If the subject-matter of the Community patent is a process for obtaining a new substance or composition, any substance or composition of essentially the same nature shall, until proved otherwise be deemed to have been obtained by the patented process.
2. The Contracting States must provide rules of procedure permitting a defendant to bring proof to the contrary without revealing to the plaintiff his business or manufacturing secrets.

PREPARATORY DOCUMENT No 24
Commission of the European Communities
April 1974

COMMISSION OPINION CONCERNING THE DRAFT
CONVENTION FOR THE EUROPEAN PATENT FOR THE
COMMON MARKET AND THE PROTOCOL ANNEXED
THERETO RELATING TO THE DEFERRED APPLICATION
OF THE PROVISIONS ON THE EXHAUSTION OF RIGHTS
ATTACHED TO COMMUNITY PATENTS AND NATIONAL
PATENTS

The future European patent will be governed by two conventions. The first Convention¹ shall regulate the procedure for the grant of patents. This Convention was signed in Munich on 5 October 1973 by the plenipotentiaries of the nine Member States of the European Communities and several other European States. The effects of a patent thus granted will be defined in a second Convention which will be applicable only in the common market as a whole. The draft of this second Convention² will be submitted to an intergovernmental conference which will be held in Luxembourg from the 6-28 May 1974. It will be initialled during this conference and the draft will then be signed during the course of a conference of government representatives of the Member States meeting in the Council. The text of the draft has been submitted to the Member States and to the Commission so that they may give their opinions on it.

I

1. The European patent may be granted in respect of States which are parties to the first Convention, and not in respect of others, according to the wish of the applicant, and this patent will have similar effects in each State to those of a national patent. An important exception has been provided in regard to this principle, concerning the Member States of the European Communities: the patent can only be granted in respect of all the States together and not for some of them only. The Community patent will have the same effect in the territories of all the Member States as it will be governed by a unified and independent law, which is the object of the draft Convention to be submitted to the Intergovernmental Conference in Luxembourg. National patents will continue to be granted in the Member States of the Community. Community legislation will coexist with national legislation on the subject.

2. The Preamble to the draft draws attention to the Member States' wish to establish a patent regime which shall contribute to a realization of the objec-

¹ *Convention on the grant of European patents and annexed documents*, published by the Government of the Federal Republic of Germany. München, Wila Verlag, 1973, 343 pp.

² *Draft Convention for the European patent for the Common Market*, published by the Council of the European Communities, Luxembourg, Office for Official Publications of the European Communities, 1973, 303 pp.

tives of the Treaty setting up the European Economic Community. The aim of the draft, in fact, is to bring about free movement of patented goods in the common market and also to bring about equalization of competitive conditions in that sector. These twin purposes shall be achieved by eliminating the restrictions resulting from territoriality of national rights of protection.

3. In this connection Article 32 of the draft forbids division of the common market into nine national markets by means of the rights attached to the Community Patent. Protected products must be able to move freely after the owner of the patent has put them on the market in any part of the Community. This rule applies also to products marketed by the holder of a contractual licence or a licence of right.

4. Furthermore, in order to ensure free movement of patented goods, Article 78 applies the same principle in cases where the right to protection does not arise from a Community patent but from one or several national patents belonging to one owner or persons who are tied to him economically. Under this article, marketing a patented product in one of the Member States has the consequence of exhausting the rights attached to national patents granted in other Member States. The owner of two national patents protecting one invention in the FR of Germany and in France, for example, may not prevent importation of protected products which have been marketed in France, by himself or by a third party with his consent, in order to protect his German patent. The content of this article in any case only re-states the present legal situation as set out under III below.

5. Thus, the European law as set out in the Convention will establish in the common market conditions similar to those which exist in a national market in regard to the acquisition and exploitation of patents. Industry will be able to adopt a production and sales policy for the Community as a whole. Intra-Community commerce will be facilitated and expanded due to the free movement of patented products or processes and equal conditions of competition.

II

6. This favourable situation would be put at risk by adoption of the draft 'Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents'. This Protocol, which is annexed to the Convention and which is to be an integral part thereof, provides that Articles 32 and 78 forbidding division of markets shall not be applicable during a transitional period of five to ten years maximum.

7. Adoption of this Protocol will allow the holder of the European patent during a transitional period to forbid importation of products put on the market in another Member State by himself or his licensee. In this way, he would be able to control the marketing of his products inside the common market, and by bringing an action for breach of patent rights, separ-

ate national markets one from the other and maintain different prices in each Member State.

8. Taking into account the fact that the Convention for the European Community Patent will not come into force until 1976 at the earliest – given the time needed for parliamentary ratification – the Protocol could delay until 1981, or even 1986, application of the provisions forbidding division of the common market.

III

9. Such a limitation of the principle of free movement of goods applied to patented products is contrary to the provisions of the Treaty of Rome. It is clear from Articles 2, 3, 30 to 37, 85 and 86, that one of the essential aims of the Community consists of creating a common market in which products move freely and competition is not distorted. Free movement of goods is such a fundamental part of the realization of the common market that it can be modified only in the exceptional circumstances defined very strictly by the Treaty. The Protocol, however, introduces such an exception for a period of time which may come to an end approximately 30 years after the EEC Treaty has come into force and some 15 years after the expiration of the transitional period laid down by the Treaty for the creation of the customs union.

10. The Commission's opinion is supported by the decisions of the Court of Justice of the European Communities, in particular by the decision of the 8 July 1971 in the case of *Deutsche Grammophon v Metro* (Case 78/70).¹ In this decision the Court in particular states:

'Amongst the prohibitions or restrictions on the free movement of goods which it concedes Article 36 refers to industrial and commercial property. On the assumption that those provisions may be relevant to a right related to copyright, it is nevertheless clear from that article that, although the Treaty does not affect the existence of rights recognized by the legislation of a Member State with regard to industrial and commercial property, the exercise of such rights may nevertheless fall within the prohibitions laid down by the Treaty. Although it permits prohibitions or restrictions on the free movement of products, which are justified for the purpose of protecting industrial and commercial property, Article 36 only admits derogations from that freedom to the extent to which they are justified for the purpose of safeguarding rights which constitute the specific subject-matter of such property.

If a right related to copyright is relied upon to prevent the marketing in a Member State of products distributed by the holder of the right or with his consent on the territory of another Member State on the sole ground that such distribution did not take place on the national territory, such a prohibition, which would legitimize the isolation of national markets, would be repugnant to the essential purpose of the Treaty, which is to unite national markets into a single market.

¹ Reports of the European Court of Justice [1971] 487 *et seq.*

That purpose could not be attained if, under the various legal systems of the Member States, nationals of those States were able to partition the market and bring about arbitrary discrimination or disguised restrictions on trade between Member States.

Consequently, it would be in conflict with the provisions prescribing the free movement of products within the common market for a manufacturer of sound recordings to exercise the exclusive right to distribute the protected articles, conferred upon him by the legislation of a Member State, in such a way as to prohibit the sale in that State of products placed on the market by him or with his consent in another Member State solely because such distribution did not occur within the territory of the first Member State.'

11. The decision in question is concerned with (this is not in doubt) over and above the exclusive right of a producer of recordings which was the basis of the litigation, all exclusive rights attached to protection of industrial and commercial property.

The decision appears to argue that such a right (the right accruing to a producer of recordings), analogous to author's copyright, could not come within the exception in Article 36 unless it could be considered to be a right of industrial or commercial property (which it wasn't). The Court pointed out, however, that this right could not, in any case, be exercised in such a way as to divide up the common market without being in breach of the rules on free movement of goods.

It clearly follows, that the Court, in the case submitted to it, wished to enlarge the scope of the litigation and interpret Article 36 in a way that was valid not only for rights analogous to author's copyright but also for all rights of industrial and commercial property.

The Commission concludes that the interpretation given by the Court definitely applies to patent rights, without having to ask itself if a patentee's rights are of the same nature or not as those belonging to a producer of recordings.

On this interpretation of the decision in the *Deutsche Gramophon* case, Community law forbids a patentee to exercise his exclusive right to oppose importation of a protected product into a Member State when that product has already been sold, by him or with his consent, in another Member State.

12. Having regard to that, signature of the Protocol on exhaustion of rights, a protocol which attempts to legitimate, if only temporarily, exercise of the rights of industrial property in a manner contrary to Community law, as authoritatively interpreted by the Court of Justice, would obviously not be compatible with the fundamental obligation of Member States contained in Article 5 of the Treaty, to abstain from 'any measure which could jeopardize the attainment of the objective of this Treaty', and would, consequently, be a breach of this provision.

13. A protocol of this sort would therefore set out to amend the Treaty, an amendment however, whose

effect would be to restrict freedom of movement of goods as laid down at present by Community law, could not be carried out by a Convention between Member States outside the procedures expressly laid down by the Treaty (Article 236). The legal validity of the Protocol itself would, for the same reason, be in serious doubt, and the Commission believes that the transitional arrangement it contains cannot prevail over Community law in case of conflict.

IV

14. Finally, the Commission, in accordance with the views set out above and relying on Article 155 of the EEC Treaty, is on the one hand in favour of signature of the Convention for the European patent for the Common Market by the Member States and on the other hand is against adoption of the Protocol, annexed to the said Convention, concerning the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents.

15. This opinion is addressed to all Member States

Done at Brussels, 4 April 1974

For the Commission
The President

François-Xavier ORTOLI

PREPARATORY DOCUMENT No 25
International Association for the Protection
of Industrial Property (AIPPI)
April 1974

INFRINGEMENT OF THE COMMUNITY PATENT

I JURISDICTION

Article 69 (1) of the Community Patent Convention

Article 69, paragraph 1, specifies the courts which have jurisdiction in actions relating to Community patents, and in particular in actions for infringement.

1. The courts which have jurisdiction are the national courts as laid down in the Brussels Convention of 27 September 1968.

Under Articles 2 and 5 (3) of the Brussels Convention, applicants may resort to the jurisdiction of:

- the courts for the place where the defendant is domiciled; or
- the courts for the place where the tort occurred, which in this case would be the place of the infringement.

2. There is the question of what powers courts having such jurisdiction will have in cases of infringement of Community patents.

Will the courts which have jurisdiction be only able to deal with acts of infringement committed within the territory of the State in which they are situated?

Or will the courts which have jurisdiction be able to deal with all acts of infringement of Community patents committed throughout the Community?

It would seem that, in view of the unitary character of the Community patent, the courts with jurisdiction will be able to deal with all acts of infringement committed within Community territory.

3. The following hypothetical situation could therefore arise.

A German national is the proprietor of a Community patent. A Belgian manufacturer, who has manufactured goods in Belgium and sold them in France, the FR of Germany and accidentally in Italy, is accused of infringement of the patent. The German proprietor of the Community patent may choose to sue the Belgian manufacturer in the Italian courts, which could deal with all acts of infringement, and specifically those committed in Belgium.

Drawbacks

The drawbacks attendant upon the situation outlined above are quite serious.

1. Firstly, the defendant may be sued in a court which is not a domestic court of his own country and which is chosen by the plaintiff.

2. This system is acceptable under the Brussels Convention, as the court for the place where the tort has occurred only deals with offences committed within its own territory.

The situation is, however, completely different in cases where a Community patent has been infringed.

In view of the unitary character of the Community patent and the economic unity of the common market, acts of infringement will in most cases occur throughout the territory of the Community. If the courts enjoy the extensive powers referred to above, they would then have to deal with not only those acts of infringement committed within the territory in which they were located, but also those committed within the territory of the other Member States of the Community.

This is an extremely serious situation requiring close attention.

Proposed solution

1. Article 69 should not refer to the Brussels Convention.

This is certainly feasible: Article 57 of the Brussels Convention expressly states that conventions on particular matters may introduce different arrangements. The Community Patent Convention is a case in point.

Moreover, to date not all the Member States of the Community have acceded to the Brussels Convention.

2. The Protocol on Recognition signed at Munich should also be borne in mind.

It is important that the rules on jurisdiction adopted under the Community Patent Convention be consonant with those adopted under the European Patent Convention.

3. The system of jurisdiction could therefore be as follows:

- (a) Where the defendant is a national of a Member State of the Communities, the domestic courts, i.e. the courts of the State within whose territory he has his residence, would have jurisdiction.
- (b) Where the defendant is not a national of a Member State of the Communities, either the courts for the place where the Community plaintiff has his residence or the courts for the place where the infringement was committed would have jurisdiction.
- (c) Jurisdiction in other cases could be conferred upon the courts of the Federal Republic of Germany.

4. Finally, Article 69, paragraphs 1 to 3, of the present draft could be amended as follows:

1. Actions relating to Community patents shall be heard before the courts of the Contracting State within whose territory the defendant has his residence, principal place of business, or an effective office.
2. If the defendant has neither a residence, nor his principal place of business nor an effective office within the territory of one of the Contracting States, actions relating to Community patents shall be heard:
 - either before the courts of the Contracting State within whose territory the plaintiff has his residence, principal place of business or an effective office;
 - or before the courts of the Contracting State within whose territory the acts of infringement have been committed.
3. In other cases, actions relating to Community patents may be heard before the courts of the Federal Republic of Germany.

II

CIVIL SANCTIONS FOR INFRINGEMENT

Article 38 of the Community Patent Convention

1. Article 38 lays down the general rule that the effects of the Community patent are to be governed by European law.

It then immediately makes an exception to this general rule by stipulating that infringement of a Community patent shall be governed by the national law of the State where the court hearing the action is located.

2. This part of Article 38 calls for careful analysis.

It is quite clear that the court hearing the action for infringement has to carry out two different tasks:

- firstly, it must examine the substance of the infringement, i.e. decide whether the subject-matter of the action falls within the extent of protection conferred by the patents;
- secondly, it must decide on civil sanctions in reparation of the infringement of the patent.

(a) The examination of the substance of the infringement is governed by European law.

The extent of protection conferred by a Community patent is determined by the claims, and the Protocol on the Interpretation of Article 69 of the European Patent Convention lays down guidelines for the interpretation of the claims.

By defining the rights conferred by a Community patent, Articles 29 and 30 of the Community Patent Convention by the same token define possible acts of infringement.

Accordingly, in examining the substance of the infringement, the national court having jurisdiction will do so in accordance with the relevant provisions of European law.

(b) This does not, however, apply to civil sanctions, which are determined by the national law of the court hearing the action.

Drawbacks

The system outlined above gives rise to extremely serious shortcomings as regards equality under the law.

1. This is attributable to the fact that the national laws of the various Member States of the Community differ with regard to the civil sanctions applicable to infringement.

2. The severity of the sanctions will therefore depend on the court hearing the action.

At least under the present system, the plaintiff may decide which court will have jurisdiction.

It is therefore quite clear that very close attention should be given to this situation.

Proposed solution

The above disadvantages could be removed by introducing a European rule on sanctions for infringement.

1. This is certainly feasible.

(a) A rule already exists under European law (Articles 29 and 30 of the draft), which defines the rights of the Community patentee, thereby indicating how these rights may be infringed.

(b) Article 36, paragraph 1, of the draft Convention (rights conferred by a patent application after its publication) lays down a European rule on the payment of compensation to the patentee where the invention described in the application has been infringed.

The provisions applying to the application could

also be applied without difficulty to the patent itself.

2. The following civil sanctions are normally applied in the event of infringement:

(a) Firstly, the infringer is prohibited from continuing the acts of infringement of which he has been found guilty.

A fine may be imposed at the same time as the prohibition.

(b) In addition, the infringer is ordered to pay compensation by way of reparation for the loss suffered by the patentee or by those exploiting the invention on his behalf as a result of the infringement.

3. Article 38 of the draft Convention could therefore be amended as follows:

1. The effects of the Community patent shall be governed solely by the provisions of this Convention.

2. Reparation for infringement of a Community patent shall be made by:

(a) prohibiting the infringer from continuing the acts of infringement of which he has been found guilty. Where appropriate, a fine may be imposed at the same time as the prohibition;

(b) the payment of compensation commensurate with the loss suffered directly by the proprietor of the patent or by his successors in title as a result of the infringement.

3. The rules of procedure applicable are laid down in Article 70.

Comment on penal sanctions

The above remarks apply only to civil sanctions for infringement.

The rules on penal sanctions are embodied in Article 75 of the draft Convention.

It would seem that national courts may apply the penal sanctions provided for under their respective national law, but only in respect of those acts of infringement committed within the territory of the State where they are located.

III

PROPOSAL FOR A RESOLUTION

The proposals set out above may perhaps seem inadequate.

Accordingly, the Luxembourg Conference could adopt a resolution embodying a decision by the Contracting States to prepare European legislation on infringement in the period of time before the Convention is implemented.

This legislation could incorporate measures for standardizing the manner in which the law is applied, either by ensuring that all acts of infringement are

dealt with by the Munich courts, or by providing for a remedy before a European court, thereby ensuring uniformity in the judgments given.

PREPARATORY DOCUMENT No 26

France

April 1974

OBSERVATIONS ON ARTICLE 33

Article 33 (1)

Prior national rights

1. In its comments distributed as Preparatory Document No 17, the French Government indicated that it would submit a supplementary note on Article 33, paragraph 1, as it now stands following adoption by the 'Community Patent' Working Party (see Preparatory Document No 1).

The additional comments in question will be found below.

2. The new wording of Article 33, paragraph 1, means that:

- a national patent which has a priority date earlier than that of a Community patent may be invoked, once granted, against that Community patent without having been published;
- on the other hand, an application for a national patent which also has a priority date earlier than that of a Community patent may be invoked against that Community patent only if it has been published beforehand.

In the earlier text, the national patent and the application for a national patent received the same treatment: they could not be invoked against a Community patent unless they had been published beforehand. The amendment made provides a disguised solution for German patents granted and kept secret in the interests of the State which may be invoked within German territory against a Community patent. This provision does, however, have one serious shortcoming: it can apply to any national patent which has been granted but not yet published. This across the board effect is regrettable as there are no grounds for introducing it.

The amendments were, in fact, made to Article 33 to ensure that inventions for which a national patent application had been filed and which had been kept secret in the interests of the State - irrespective of whether such applications led to the grant of an unpublished national patent following a secret procedure (as would be the case under German law) or whether they were left as they stood (as would be the case under French law) - could be invoked against a Community patent covering the same subject-matter.

In the event of a Community patent disclosing an invention which has been kept secret, there would quite clearly be no further point in maintaining secrecy and the application for a national patent covering the secret invention could therefore be published, as could the original patent which has been kept secret in countries following such a procedure – as is the case in the Federal Republic of Germany.

If, however, the subject-matter of an invention covered by an application for a national patent which has been kept secret extends beyond that of an invention covered by a Community patent, it is clear that stipulating publication of such a patent application as a *conditio sine qua non* for invoking it against the Community patent would *ipso facto* prevent it from being invoked, as publication would entail violating national defence secrets, whereas the unpublished patent application could be brought as evidence before the courts in States where, as is the case in France, special precautions have been laid down by law and by regulation for the maintenance of secrecy in the course of legal proceedings of this type.

It therefore seems advisable for the same arrangements to apply to national patents and to applications for national patents kept secret in the interests of the State, and for these arrangements to be indicated clearly as an exception to the rule contained in Article 33, paragraph 1.

3. In view of the above comments, Article 33, paragraph 1, could be worded as follows:

'If a national patent or an application for a national patent made public on or after the priority date of a Community patent has in a Contracting State, a priority date earlier than that of the Community patent, the effects of the Community patent shall not extend to the territory of the State in question, in so far as it might, if it were a national patent, be revoked or ineffective for that reason in that State. *The same effects shall attach to a national patent or to an application for a national patent which has not been made public owing to the fact that the invention to which it relates has been kept secret in the interests of the State in question.*'

PREPARATORY DOCUMENT No 27
Committee of National Institutes of
Patent Agents (CNIPA)
April 1974

ADDITIONAL OBSERVATIONS ON THE DRAFT
CONVENTION

1. These comments are presented to supplement those contained in Preparatory Document No 9.

Article 30 (1)

2. This article could, as drafted, operate unjustly against suppliers of known materials and components. One of the details requiring clarification is the exact meaning of 'an essential element'. Apart from this, it is recommended that the following proviso be added to the paragraph (1) of this article:

'provided that the mere supply of materials or components well known for other purposes shall not be regarded as an infringement, unless accompanied by instructions or other inducement to infringe the patent.'

Article 66

3. To give effect to CNIPA's points 11 and 20 in Preparatory Document No 9, it is recommended to add a second paragraph as follows:

2. The relevant national authorities shall communicate to the European Patent Office the date and purport of:

- (a) any decision under Article 33 concerning the effectiveness of a Community patent having regard to prior national rights; and
- (b) any order made for the grant of a compulsory licence under Article 46.'

Basic texts for the Conference 1975

PREPARATORY DOCUMENT NO 28

Draft Convention for the European patent for the Common Market

PREAMBLE

THE HIGH CONTRACTING PARTIES to the Treaty establishing the European Economic Community;

DESIRING to give unitary and autonomous effect to European patents granted in respect of their territories under the Convention on the Grant of European Patents of 5 October 1973;

ANXIOUS to establish a Community patent system which contributes to the attainment of the objectives of the Treaty establishing the European Economic Community, in particular by eliminating within the Community the restriction of competition which results from the territorial aspect of national protection rights;

CONSIDERING that it is necessary for this purpose to conclude a Convention which constitutes a special agreement within the meaning of Article 142 of the Convention on the Grant of European Patents, a regional patent treaty within the meaning of Article 45, paragraph 1, of the Patent Cooperation Treaty of 19 June 1970, and a special agreement within the meaning of Article 19 of the Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883 and last revised on 14 July 1967;

HAVE DECIDED to conclude this Convention and to this end have designated as their Plenipotentiaries: . . . WHO, meeting in the Council of the European Communities, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

PART I

GENERAL AND INSTITUTIONAL PROVISIONS

CHAPTER I

GENERAL PROVISIONS

Article 1

Common system of law for patents

1. A system of law, common to the Contracting States, concerning patents for invention is hereby established.
2. The common system of law shall govern the European patents granted for the Contracting States to this Convention in accordance with the Convention on the Grant of European Patents, hereinafter referred to as the 'European Patent Convention', and

the European patent applications in which such States are designated.

Article 2

Community patent

1. European patents granted for the Contracting States shall be called Community patents.
2. Community patents shall have a unitary character. The unitary aspect arises from the fact that they are to have equal effect throughout the territories to which this Convention applies and may only be transferred or allowed to lapse in respect of the whole of such territories.

3. Community patents shall have an autonomous character. The autonomous character is ensured by virtue of the fact that Community patents are subject only to the provisions of this Convention and those provisions of the European Patent Convention which are binding upon every European patent and which shall consequently be deemed to be provisions of this Convention.

Article 3

Joint designation

Designation of the Contracting States to this Convention in accordance with the provisions of Article 79 of the European Patent Convention shall be effected jointly. Designation of one or some only of these States shall be deemed to be designation of all of these States.

Article 4

Setting up of special departments

For implementing the procedures laid down in this Convention, special departments common to the Contracting States shall be set up within the European Patent Office. The work of these departments shall be supervised by a Select Committee of the Administrative Council of the European Patent Organization.

Article 5

Jurisdiction of the Court of Justice of the European Communities

The Court of Justice of the European Communities shall have the jurisdiction conferred on it by this Convention. The Protocol on the Statute of the Court of Justice of the European Economic Community shall apply.

Article 6

National patent laws

This Convention shall be without prejudice to the right of the Contracting States to maintain their national laws concerning patents.

CHAPTER II

SPECIAL DEPARTMENTS OF THE EUROPEAN PATENT OFFICE

Article 7

The special departments

The special departments within the meaning of Article 4 shall be as follows:

- (a) a Patent Administration Division;
- (b) one or more Revocation Divisions;
- (c) one or more Revocation Boards.

Article 8

Patent Administration Division

1. The Patent Administration Division shall be responsible for all acts of the European Patent Office relating to Community patents, in so far as these acts are not the responsibility of other departments of the office.
2. Decisions of the Patent Administration Division shall be taken by one legally qualified member.
3. The members of the Patent Administration Division may not be members of the Boards of Appeal or the Enlarged Board of Appeal set up under the European Patent Convention, nor of the Revocation Boards.

Article 9

Revocation Divisions

1. The Revocation Divisions shall be responsible for the examination of requests for the limitation of and applications for the revocation of Community patents, and for determining appropriate compensation in respect of statements of preparedness to issue licences.
2. A Revocation Division shall consist of one legally qualified member who shall be the chairman, and two technically qualified members. Prior to the taking of a final decision on the request or the application, the Revocation Division may entrust the examination of the request or the application to one of its members. Oral proceedings shall be before the Revocation Division itself.

Article 10

Revocation Boards

1. The Revocation Boards shall be responsible for the examination of appeals from the decisions of

the Revocation Divisions and the Patent Administration Division.

2. For appeals from a decision of a Revocation Division, a Revocation Board shall consist of two legally qualified members, one of whom shall be the chairman, and three technically qualified members.

3. For appeals from a decision of the Patent Administration Division, a Revocation Board shall consist of three legally qualified members.

Article 11

Appointment of members of the Revocation Boards

1. The Select Committee of the Administrative Council shall appoint:

(a) the chairmen of the Revocation Boards on the proposal of a member of that Committee, after the President of the European Patent Office has been consulted, or on his proposal;

(b) the other members of the Revocation Boards on the proposal of the President of the European Patent Office.

2. The members of a Board may be reappointed by decision of the Select Committee after the President of the European Patent Office has been consulted.

3. Subject to the provisions of Article 12, paragraph 1, the Select Committee shall exercise disciplinary authority over the employees referred to in paragraph 1.

Article 12

Independence of the members of the Revocation Boards

1. The members of the Revocation Boards shall be appointed for a term of five years and may not be removed from office during this term, except if there are serious grounds for such removal and if the Court of Justice of the European Communities, before which the matter shall be brought by the President of the European Patent Office, takes a decision to this effect.

2. The members of the Boards may not be members of the Receiving Section, Examining Divisions, Opposition Divisions, or Legal Division set up under the European Patent Convention, nor of the Patent Administration Division or Revocation Divisions.

3. In their decisions the members of the Boards shall not be bound by any instructions and shall comply only with the provisions of this Convention.

4. The Rules of Procedure of the Revocation Boards shall be adopted in accordance with the provisions of the Implementing Regulations. They shall be subject to the approval of the Select Committee of the Administrative Council.

Article 13

Exclusion and objection

1. Members of the Revocation Divisions and the Revocation Boards may not take part in any proceeding if they have any personal interest therein, if they have previously been involved as representatives of one of the parties, or if they have participated in the final decision on the case in the proceedings for grant or opposition proceedings. Furthermore, members of the Revocation Boards may not take part in appeal proceedings if they participated in the decision under appeal.

2. If, for one of the reasons mentioned in paragraph 1 or for any other reason, a member of a Revocation Division or a Revocation Board considers that he should not take part in any proceeding, he shall inform the Division or Board accordingly.

3. Members of a Revocation Division or of a Revocation Board may be objected to by any party for one of the reasons mentioned in paragraph 1, or if suspected of partiality. An objection shall not be admissible if, while being aware of a reason for objection, the party has taken a procedural step. No objection may be based upon the nationality of members.

4. The Revocation Divisions and the Revocation Boards shall decide as to the action to be taken in the cases specified in paragraphs 2 and 3 without the participation of the member concerned. For the purposes of taking this decision the member objected to shall be replaced by his alternate.

Article 14

Languages for proceedings and publications

1. The provisions of Article 14 of the European Patent Convention shall apply *mutatis mutandis* to the proceedings and publications provided for in this Convention as follows:

(a) paragraphs 1, 2, second part of the second sentence, and 3 to 5 to proceedings before the special departments;

(b) paragraph 7 to the new specification of the Community patent published following limitation or revocation proceedings;

(c) paragraph 8 to the Community Patent Bulletin;

(d) paragraph 9 to entries in the Register of Community Patents.

2. The term 'Contracting State' appearing in Article 14 of the European Patent Convention shall be understood as meaning a Contracting State to this Convention.

3. No Contracting State may avail itself of the authorizations given in Article 65, Article 67, paragraph 3, and Article 70, paragraph 3, of the European Patent Convention.

CHAPTER III

THE SELECT COMMITTEE OF THE ADMINISTRATIVE COUNCIL

Article 15

Membership

1. The Select Committee of the Administrative Council shall be composed of the representatives of the Contracting States, the representative of the Commission of the European Communities and their alternate representatives. Each Contracting State and the Commission shall be entitled to appoint one representative and one alternate representative to the Select Committee. The same members shall represent the Contracting States on the Administrative Council and on the Select Committee.

2. The members of the Select Committee may, subject to the provisions of its Rules of Procedure, be assisted by advisers or experts.

Article 16

Chairmanship

1. The Select Committee of the Administrative Council shall elect a chairman and a deputy chairman from among the representatives and alternate representatives of the Contracting States. The deputy chairman shall *ex officio* replace the chairman in the event of his being prevented from attending to his duties.

2. The duration of the terms of office of the chairman and the deputy chairman shall be three years. The terms of office shall be renewable.

Article 17

Board

1. The Select Committee of the Administrative Council may set up a board composed of five of its members.

2. The chairman and the deputy chairman of the Select Committee shall be members of the board *ex officio*; the other three members shall be elected by the Select Committee.

3. The term of office of the members elected by the Select Committee shall be three years. This term of office shall not be renewable.

4. The board shall perform the duties given to it by the Select Committee in accordance with the Rules of Procedure.

Article 18

Meetings

1. Meetings of the Select Committee of the Administrative Council shall be convened by its chairman.

2. The President of the European Patent Office shall take part in the deliberations of the Select Committee.

3. The Select Committee shall hold an ordinary meeting once each year. In addition, it shall meet on the initiative of its chairman or at the request of one-third of the Contracting States.

4. The deliberations of the Select Committee shall be based on an agenda, and shall be held in accordance with its Rules of Procedure.

5. The provisional agenda shall contain any question whose inclusion is requested by any Contracting State in accordance with the Rules of Procedure.

Article 19

Languages of the Select Committee

1. The languages in use in the deliberations of the Select Committee of the Administrative Council shall be English, French and German.

2. Documents submitted to the Select Committee, and the minutes of its deliberations, shall be drawn up in the three languages mentioned in paragraph 1.

Article 20

Competence of the Select Committee in certain cases

1. The Select Committee of the Administrative Council shall be competent to amend the following provisions of this Convention:

(a) the time-limits laid down in this Convention which are to be observed *vis-à-vis* the European Patent Office;

(b) the Implementing Regulations.

2. The Select Committee shall be competent, in conformity with this Convention, to adopt or amend the following provisions:

(a) the financial regulations;

(b) the rules relating to fees;

(c) its Rules of Procedure.

Article 21

Voting rights

1. The right to vote in the Select Committee of

the Administrative Council shall be restricted to the Contracting States.

2. Each Contracting State shall have one vote, subject to the application of the provisions of Article 23.

Article 22

Voting rules

1. The Select Committee of the Administrative Council shall take its decisions other than those referred to in paragraph 2 by a simple majority of the Contracting States represented and voting.

2. A majority of three-quarters of the votes of the Contracting States represented and voting shall be required for the decisions which the Select Committee is empowered to take under Article 20.

3. Abstentions shall not be considered as votes.

Article 23

Weighting of votes

In respect of the adoption or amendment of the rules relating to fees and, if the financial contribution to be made by the Contracting States would thereby be increased, the approval referred to in Article 25, subparagraph (a), the ballot shall be conducted according to the provisions of Article 36 of the European Patent Convention. The term 'Contracting States' in that article shall be understood as meaning the Contracting States to this Convention.

CHAPTER IV

FINANCIAL PROVISIONS

Article 24

Financial obligations and benefits

1. The amount payable by the Contracting States to this Convention pursuant to Article 146 of the European Patent Convention shall be covered by financial contributions determined in respect of each State in accordance with the scale laid down in Article 40, paragraph 3, of that Convention.

2. Both the revenue derived from fees paid in accordance with the rules relating to fees, less the payments to the European Patent Organization pursuant to Articles 39 and 147 of the European Patent Convention, and all other receipts of the European

Patent Organization obtained in implementation of this Convention shall be distributed among the Contracting States to this Convention in accordance with the scale mentioned in paragraph 1 of this Article.

3. Upon entry into force of this Convention the necessary work shall be commenced in order to examine under what conditions and at what date the system of financing provided for in paragraphs 1 and 2 may be replaced by a system to be defined, taking into account developments in the European Communities and the alternative of Community financing. This system may include the amounts payable by the Contracting States to this Convention pursuant to the European Patent Convention and the amounts accruing to these States pursuant to that Convention. When this work has been concluded, this article and, if appropriate, Article 23 may be amended by a decision of the Council of the European Communities acting unanimously on a proposal from the Commission.

Article 25

Powers of the Select Committee of the Administrative Council in budgetary matters

The Select Committee of the Administrative Council shall:

- (a) approve annually the forecasts of expenditure and revenue relating to the implementation of this Convention and any amendments or additions made to these forecasts submitted to it by the President of the European Patent Office, and supervise the implementation thereof;
- (b) grant the authorization provided for in Article 47, paragraph 2, of the European Patent Convention, in so far as the expenditure involved relates to the implementation of this Convention;
- (c) approve the annual accounts of the European Patent Organization which relate to the implementation of this Convention and that part of the report of the auditors appointed under Article 49, paragraph 1, of the European Patent Convention which relates to these accounts, and shall give the President of the European Patent Office a discharge.

Article 26

Rules relating to fees

The rules relating to fees shall determine in particular the amounts of the fees and the ways in which they are to be paid.

PART II

SUBSTANTIVE PATENT LAW

CHAPTER I

RIGHT TO THE COMMUNITY PATENT

Article 27

Claiming the right to the Community patent

1. If a Community patent has been granted to a person who is not entitled to it pursuant to Article 60, paragraph 1, of the European Patent Convention, the person entitled to it under that provision may, without prejudice to any other remedy which may be open to him, claim to have the patent transferred to him.
2. Where a person is entitled to only part of the Community patent, that person may, in accordance with paragraph 1, claim to be made a joint proprietor.
3. The claims referred to in paragraphs 1 and 2 may only be invoked in the courts within a period of not more than two years after the date on which the European Patent Bulletin mentions the grant of the European patent. This provision shall not apply if the proprietor of the patent was, at the time when the patent was granted or transferred to him, aware that he was not entitled to the patent.

Article 28

Enforcement of the right to the Community patent

1. If it is adjudged by a decision which has to be recognized in all the Contracting States that a person, other than the proprietor of the patent, is entitled to the Community patent in whole or in part, that person may, within a period of one year after the decision has become final, request that he be entered in the Register of Community Patents as the sole or joint proprietor of the patent.
2. Where there is a complete change of proprietorship of the Community patent pursuant to paragraph 1, licences and other rights shall lapse upon the registration of the person entitled to the patent in the Register of Community Patents. If the person previously registered as the proprietor of the patent or his licensee has already used the invention in the territory of the Contracting States, or made the necessary preparations to do so, without knowing that the previously-registered proprietor was not entitled to the patent at the time when it was granted or transferred to him, he may require the person registered as the proprietor to grant him a non-exclusive licence in return for reasonable compensation.

CHAPTER II

EFFECTS OF THE COMMUNITY PATENT

Article 29

Prohibition of direct use of the invention

By the grant of a Community patent, all third parties not having the consent of the proprietor of the patent shall be prohibited:

- (a) from making, offering, putting on the market or using a product which is the subject-matter of the patent, or either importing or stocking such product for these purposes;
- (b) from offering or putting on the market a process which is the subject-matter of the patent or the use of the process, or using the process;
- (c) from offering, putting on the market, using, or either importing or stocking for these purposes the product obtained directly by a process which is the subject-matter of the patent, in so far as such product is not a plant or animal variety excluded from protection under Article 53 of the European Patent Convention.

Article 30

Prohibition of indirect use of the invention

1. By the grant of a Community patent, all third parties not having the consent of the proprietor of the patent shall be prohibited from supplying or offering to supply within the territory of a Contracting State a person other than the party entitled to exploit the invention with means, relating to an essential element of the invention, for putting the patented invention into effect, when the third party knows, or it is obvious in the circumstances, that these means are suitable and intended for putting the patented invention into effect.
2. The provisions of paragraph 1 shall not apply when the means are staple commercial products, except when the third party induces the person supplied to commit acts prohibited by Article 29.
3. Persons performing the acts referred to in Article 31, subparagraphs (a) to (c) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.

Article 31

Limitation of the effects of a Community patent

The effects of a Community patent shall not extend to:

- (a) acts done privately and for private ends;
- (b) acts done for experimental purposes with a bearing on the subject-matter of the patented invention;
- (c) the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription nor acts concerning the medicine so prepared;
- (d) the use on board vessels of the countries of the Union of Paris for the Protection of Industrial Property, other than the Contracting States, of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of Contracting States, provided that the invention is used there exclusively for the needs of the vessel;
- (e) the use of the patented invention in the construction or operation of aircraft or land vehicles of countries of the Union of Paris for the Protection of Industrial Property, other than the Contracting States, or of accessories to such aircraft or land vehicles, when these temporarily or accidentally enter the territory of Contracting States;
- (f) the acts specified by Article 27 of the Convention on International Civil Aviation of 7 December 1944, where these acts concern the aircraft of a State, other than the Contracting States, benefiting from the provisions of that article.

Article 32

Exhaustion of the rights attached to a Community patent

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting States after the proprietor of the patent has put that product on the market in one of these States.
2. The provisions of paragraph 1 shall also apply with regard to a product put on the market in any Contracting State without infringement of the Community patent by a contractual licensee or by a licensee under Article 44.

Article 33

Prior national rights

1. If a national patent granted, or an application for a national patent published, on or after the

priority date of a Community patent has, in a Contracting State, a priority date earlier than that of the Community patent, the effects of the Community patent shall not extend to the territory of the State in question, in so far as it might, if it were a national patent, be revoked or ineffective for that reason in that State.

2. The procedure confirming that, pursuant to paragraph 1, the Community patent is ineffective in a Contracting State shall, in every Contracting State, follow the procedure that would have been implemented if the Community patent had been a national one.

3. If, in the course of proceedings for infringement of a Community patent, the defendant proves that the effects of the Community patent depend, under paragraph 1, on the grant of a national patent, the court shall stay the proceedings, on request, in so far as the Community patent covers the same subject-matter as the application for a national patent and the infringement has occurred in the territory of the Contracting State concerned.

Article 34

Right based on prior use and right of personal possession

Any person who, if a national patent had been granted in respect of an invention, would have had, in one of the Contracting States, a right based on prior use of that invention or a right of personal possession of that invention, shall enjoy, in that State, the same rights in respect of a Community patent for the same invention.

Article 35

Translation of the claims in examination or opposition proceedings

1. The applicant shall file at the European Patent Office within the time-limit prescribed in the Implementing Regulations a translation of the claims on which the grant of the European patent is to be based in one of the official languages of each of the Contracting States which does not have English, French or German as an official language.
2. The provisions of paragraph 1 shall apply *mutatis mutandis* if the claims are amended during opposition proceedings.
3. Delete.
4. The translations of the claims shall be published by the European Patent Office.
5. The applicant for or proprietor of the patent shall pay the fee for the publication of the translated claims within the time-limits prescribed in the Implementing Regulations.

6. If the translations prescribed in paragraphs 1 and 2 are not filed in due time or if the fee for the publication of the translated claims is not paid in due time, the Community patent shall be deemed to be void *ab initio*, unless these acts are done and the additional fee is paid within a further period as prescribed in the Implementing Regulations.

Article 36

Rights conferred by a European patent application after publication

1. The provisions of Articles 29 to 34 and 38 shall apply *mutatis mutandis* to a published European patent application in which the Contracting States are designated only to the extent that the applicant may, from the date of its publication, claim compensation reasonable in the circumstances.

2. Delete.

3. Any Contracting State which does not have as an official language the language of the proceedings of the European patent application, may prescribe that the European patent application in which the Contracting States are designated shall not confer upon the applicant, in respect of acts performed on its territory, the right referred to in paragraph 1 until such time as the applicant, at his option, has:

- (a) supplied a translation of the claims in one of its official languages to the competent authority of that State and the translated claims have been published, or
- (b) communicated such a translation to the person using the invention in the said State.

Article 37

Effect of revocation of the Community patent

1. A European patent application in which the Contracting States have been designated and the resulting Community patent shall be deemed not to have had, as from the outset, the effects specified in this Chapter, to the extent that the patent has been revoked.

2. Subject to the national provisions relating either to claims for compensation for damage caused by negligence or lack of good faith on the part of the proprietor of the patent, or to unjustified enrichment, the retrospective effect of the revocation of the patent as a result of opposition or revocation proceedings shall not affect:

- (a) decisions on infringement which have acquired the authority of a final decision and have been enforced prior to the revocation decision;

- (b) contracts concluded prior to the revocation decision, in so far as they have been performed prior to that decision.

Article 38

Complementary application of national law regarding infringement of the Community patent

1. The effects of the Community patent shall be governed solely by the provisions of this Convention. In other respects infringement of a Community patent shall be governed by the national law relating to infringement of a national patent in the Contracting State where the court hearing the action is located, in so far as the private international law of that State does not refer to the national law of another Contracting State.

2. The rules of procedure applicable are laid down in Article 70.

CHAPTER III

THE COMMUNITY PATENT AS AN OBJECT OF PROPERTY

Article 39

Dealing with the Community patent as a national patent

1. Unless otherwise specified in this Convention, the Community patent as an object of property shall be dealt with in its entirety and for the whole of the territories in which it is effective as a national patent of the Contracting State in which, according to the Register of Community Patents:

- (a) the proprietor of the patent has a residence or his principal place of business,
- (b) where the provision of (a) does not apply, the proprietor of the patent has a place of business, or
- (c) where the provisions of neither (a) nor (b) apply, the representative appointed in accordance with Article 64 or Article 82 has his place of business.

2. Where the provisions of (a), (b) and (c) of paragraph 1 do not apply, the Contracting State referred to in that paragraph shall be the Federal Republic of Germany.

3. If two or more persons are entered in the Register of Community Patents as joint proprietors of a patent, the provisions of paragraph 1 or 2, as the case may be, shall apply to the joint proprietor first mentioned.

4. If under the national law of the State referred to in paragraphs 1 to 3 a right under a national patent has legal effect only after entry in the national patent

register, such a right under a Community patent shall have legal effect only as from entry in the Register of Community Patents.

Article 40

Transfer

1. An assignment of a Community patent shall be made in writing and shall require the signature of the parties to the contract.
2. Subject to the provisions of Article 28, paragraph 2, a transfer shall not affect rights acquired by third parties before the date of transfer.
3. A transfer shall, to the extent to which it is verified by the papers referred to in the Implementing Regulations, only have effect *vis-à-vis* third parties after entry in the Register of Community Patents. Nevertheless, a transfer, even before it is so entered, shall have effect *vis-à-vis* third parties who have acquired rights after the date of the transfer but who were aware of the transfer at the date on which the rights were acquired.

Article 41

Execution proceedings

The courts and other authorities of the Contracting State determined in accordance with Article 39 shall have exclusive jurisdiction in respect of execution proceedings involving the Community patent.

Article 42

Bankruptcy or like proceedings

1. Until such time as different rules for the Contracting States in this field enter into force, a Community patent shall become the subject of bankruptcy or like proceedings only in the Contracting State in which such proceedings were opened first.
2. Paragraph 1 is to be applied *mutatis mutandis* in the case of joint proprietorship of a Community patent to the share of the joint proprietor.

Article 43

Contractual licensing

1. A Community patent may be licensed in whole or in part for the whole or part of the territories in which it is effective.
2. The provisions of Article 40, paragraphs 2 and 3, shall apply to the grant or transfer of a licence in respect of a Community patent.

Article 44

Licences of right

1. Where the person entered in the Register of Community Patents as the proprietor of the patent files a written statement to the European Patent Office that he is prepared to allow any person to use the invention as a licensee in return for appropriate compensation, the renewal fees for the Community patent which fall due after receipt of the statement shall be reduced; the amount of the reduction and the period for which it is granted shall be fixed in the rules relating to fees. The statement may only be withdrawn by a proprietor who is entered in the Register of Community Patents under Article 28, paragraph 1, after the statement has been filed.
2. The statement may not be filed in so far as an exclusive licence is recorded in the Register of Community Patents or a request for the recording of such a licence is before the European Patent Office.
3. On the basis of the statement, any person shall be entitled to use the invention as a licensee under the conditions laid down in the Implementing Regulations. The provisions of Article 43, paragraph 1, shall apply.
4. On written request by one of the parties, a Revocation Division shall determine the appropriate compensation or review it if circumstances have arisen or become known which render the compensation determined obviously inappropriate. For these proceedings the provisions governing the revocation proceedings shall apply *mutatis mutandis*, in so far as these are not irrelevant as a result of the particular nature of revocation proceedings. The request shall not be deemed to have been made until such time as an administrative fee has been paid.
5. No request for recording an exclusive licence in the Register of Community Patents shall be admissible after the statement has been filed.

Article 45

The European patent application as an object of property

1. The provisions of Articles 39 to 43 shall apply *mutatis mutandis* to a European patent application in which the Contracting States are designated. For such application of these articles, the entry in the Register of Community Patents shall be replaced by the entry in the Register of European Patents provided for in the European Patent Convention.
2. The rights acquired by third parties in respect of a European patent application referred to in paragraph 1 shall continue to be effective with regard to the Community patent granted upon such application.

CHAPTER IV

COMPULSORY LICENCES IN RESPECT OF A COMMUNITY PATENT

Article 46

Compulsory licences

1. Any provision in the laws of a Contracting State which enables the grant of compulsory licences in respect of national patents shall be applicable to Community patents. The term 'compulsory licences' shall be construed as including *ex officio* licences and any right to use patented inventions in the public interest. The extent of such licences shall be restricted to the territory of the State concerned.

2. The Contracting States shall provide for appeal to a court of law, at least in respect of compensation under a compulsory licence and in the last resort.

Article 47

Compulsory licences for lack or insufficiency of exploitation

Compulsory licences for lack or insufficiency of exploitation of Community patents may not be

granted if the product covered by the patent, which is manufactured in a Contracting State, is put on the market in the territory of another Contracting State, for which such licences have been requested, in sufficient quantity to satisfy needs in the territory of such Contracting State. This provision shall not apply to compulsory licences granted for reasons of public interest, on the initiative of the State in question.

Article 48

Compulsory licences in respect of dependent patents

Any provision in the laws of a Contracting State which enables the grant of compulsory licences in respect of earlier patents in favour of subsequent dependent patents, shall be applicable to the relationship between Community patents and national patents and to the relationship between Community patents themselves.

PART III

RENEWAL, LAPSE, LIMITATION AND REVOCATION OF THE COMMUNITY PATENT

CHAPTER I

RENEWAL AND LAPSE

Article 49

Renewal fees

1. Renewal fees shall be paid to the European Patent Office in accordance with the Implementing Regulations in respect of Community patents. These fees shall be due in respect of the years following the year referred to in Article 86, paragraph 4, of the European Patent Convention, provided that no renewal fees shall be due in respect of the first two years, calculated from the date of filing of the application.

2. When a renewal fee has not been paid on or before the due date, the fee may be validly paid within six months of the said date, provided that the additional fee is paid at the same time.

3. Any renewal fee in respect of a Community patent falling due within two months after the publication of the mention of the grant of the European patent shall be deemed to have been validly paid if it is

paid within that period. An additional fee shall not be charged.

Article 50

Surrender

1. A Community patent may only be surrendered in its entirety.

2. The surrender must be declared in writing to the European Patent Office by the proprietor entered in the Register of Community Patents. It shall not have effect until it is entered in the Register.

3. If an exclusive licence or a right *in rem* is recorded in the Register of Community Patents, surrender will only be entered with the agreement of the holder of the licence or the right *in rem*. If any other licence is recorded in the Register, surrender will only be entered if the proprietor of a patent proves that he has previously informed the licensee of his intention to surrender.

Article 51

Lapse

1. A Community patent shall lapse:
 - (a) at the end of the term laid down in Article 63 of the European Patent Convention;
 - (b) if the proprietor of the patent surrenders it in accordance with Article 50;
 - (c) if a renewal fee and any additional fee have not been paid in due time.
2. The Community patent shall lapse at the time laid down in Article 54, paragraph 4, to the extent that it is not maintained.
3. The lapse of a patent for failure to pay a renewal fee and any additional fee within the due period shall be deemed to have occurred at the end of the year preceding that in respect of which the renewal fee fell due.
4. The lapse of a patent shall, if necessary, be decided by the Patent Administration Division or, provided that proceedings are pending before them, the Revocation Divisions or the Revocation Boards.

CHAPTER II

LIMITATION PROCEDURE

Article 52

Request for limitation

1. At the request of the proprietor, the Community patent may be limited in the form of an amendment to the claims, the description or the drawings. The request shall be filed in writing at the European Patent Office. It shall not be deemed to have been filed until the fee for limitation has been paid.
2. The request may not be filed during the period within which an opposition may be filed or while opposition proceedings or revocation proceedings are pending.
3. Where an application for revocation of the Community patent is filed during limitation proceedings, the Revocation Division shall stay the limitation proceedings until a final decision is given in respect of the application for revocation.

Article 53

Examination of the request

1. The Revocation Division shall examine whether the grounds for revocation laid down in Article 57,

paragraph 1(a) to (d) would prejudice the maintenance of the Community patent as amended.

2. In the examination of the request, which shall be conducted in accordance with the provisions of the Implementing Regulations, the Revocation Division shall invite the proprietor of the patent, as often as necessary, to file observations, within a period to be fixed by the Revocation Division, on communications issued by itself.

3. If the proprietor of the patent fails to reply in due time to any invitation under paragraph 2, the request shall be deemed to be withdrawn.

Article 54

Rejection of the request or limitation of the Community patent

1. If, following the examination laid down in Article 53, the Revocation Division is of the opinion that the amendments are not acceptable, it shall reject the request.

2. If the Revocation Division is of the opinion that the amendments are acceptable, it shall decide to limit the Community patent accordingly, provided that:

- (a) it is established, in accordance with the provisions of the Implementing Regulations, that the proprietor of the patent approves the text in which the Revocation Division intends to limit the patent;

- (b) a translation of any amended claims in one of the official languages of each of the Contracting States which do not have as an official language the language of the proceedings is filed within the time-limit prescribed in the Implementing Regulations;

- (c) the fee for the printing of a new specification is paid within the time-limit prescribed in the Implementing Regulations.

3. If the translations prescribed in paragraph 2(b) are not filed in due time or if the fee for the printing of a new specification is not paid in due time, the request shall be deemed to be withdrawn, unless these acts are done and the additional fee is paid within a further period as prescribed in the Implementing Regulations.

4. The decision to limit a Community patent shall not take effect until the date on which the Community Patent Bulletin mentions the limitation.

Article 55

Publication of a new specification following limitation proceedings

If a Community patent is limited under Article 54, paragraph 2, the European Patent Office shall, at the

same time as it publishes the mention of the decision to limit, publish a new specification of the Community patent containing the description, the claims and any drawings, in the amended form.

CHAPTER III

REVOCATION PROCEDURE

Article 56

Application for revocation

1. Any person may file with the European Patent Office an application for revocation of a Community patent; however, in the case specified in Article 57, paragraph 1(e), it may be filed only by a person entitled to be entered in the Register of Community Patents as the sole or joint proprietor of the patent pursuant to Article 28.
2. The application may not be filed in the cases specified in Article 57, paragraph 1(a) to (d), during the period within which an opposition may be filed or while opposition proceedings are pending.
3. The application shall be filed in a written reasoned statement. It shall not be deemed to have been filed until the revocation fee has been paid.
4. An application may be filed even if the Community patent has lapsed.
5. Applicants shall be parties to the revocation proceedings as well as the proprietor of the patent.
6. If the applicant has neither a residence nor his principal place of business within the territory of one of the Contracting States, he shall, at the request of the proprietor of the patent, furnish security for the cost of the proceedings. The Revocation Division shall fix at a reasonable figure the amount of the security and the period within which it must be deposited. If such security is not deposited within the period specified, the application shall be deemed to be withdrawn.

Article 57

Grounds for revocation

1. An application for revocation of a Community patent may only be filed on the grounds that:
 - (a) the subject-matter of the patent is not patentable within the terms of Articles 52 to 57 of the European Patent Convention;
 - (b) the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;
 - (c) the subject-matter of the patent extends beyond

the content of the European patent application as filed, or, if the patent was granted on a European divisional application or on a new European application filed in accordance with Article 61 of the European Patent Convention, beyond the content of the earlier application as filed;

- (d) the protection conferred by the patent has been extended;
- (e) the proprietor of the patent is not, having regard to a decision which has to be recognized in all the Contracting States, entitled under Article 60 of the European Patent Convention.

2. If the grounds for revocation only affect the patent partially, revocation shall be pronounced in the form of a corresponding limitation of the said patent. The limitation may be effected in the form of an amendment to the claims, the description or the drawings.

Article 58

Examination of the application

1. If the application for revocation of the Community patent is admissible, the Revocation Division shall examine whether the grounds for revocation laid down in Article 57 prejudice the maintenance of the patent.
2. In the examination of the application, which shall be conducted in accordance with the provisions of the Implementing Regulations, the Revocation Division shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Revocation Division, on communications from another party or issued by itself.

Article 59

Revocation or maintenance of the Community patent

1. If the Revocation Division is of the opinion that the grounds for revocation mentioned in Article 57 prejudice the maintenance of the Community patent, it shall revoke the patent.
2. If the Revocation Division is of the opinion that the grounds for revocation mentioned in Article 57 do not prejudice the maintenance of the patent unamended, it shall reject the application.
3. If the Revocation Division is of the opinion that, taking into consideration the amendments made by the proprietor of the patent during the revocation proceedings, the patent and the invention to which it relates meet the requirements of this Convention, it shall decide to maintain the patent as amended, provided that:
 - (a) it is established, in accordance with the provisions of the Implementing Regulations, that the pro-

prietor of the patent approves the text in which the Revocation Division intends to maintain the patent;

- (b) a translation of any amended claims in one of the official languages of each of the Contracting States which do not have as an official language the language of the proceedings is filed within the time-limit prescribed in the Implementing Regulations;
 - (c) the fee for the printing of a new specification is paid within the time-limit prescribed in the Implementing Regulations.
4. If the translations prescribed in paragraph 3(b) are not filed in due time or if the fee for the printing of a new specification is not paid in due time, the patent shall be revoked, unless these acts are done and the additional fee is paid within a further period as prescribed in the Implementing Regulations.

Article 60

Publication of a new specification following revocation proceedings

If a Community patent is amended under Article 59, paragraph 3, the European Patent Office shall, at the

same time as it publishes the mention of the decision on the application for revocation, publish a new specification of the Community patent containing the description, the claims and any drawings, in the amended form.

Article 61

Costs

1. The Revocation Division shall determine the apportionment of the costs between the parties in accordance with the Implementing Regulations. A decision on the apportionment of the costs may also be taken on request when the application for revocation is withdrawn or when the Community patent lapses.
2. On request, the registry of the Revocation Division shall fix the amount of the costs to be paid under a decision apportioning them. The fixing of the costs by the registry may be reviewed by a decision of the Revocation Division on a request filed within the period laid down in the Implementing Regulations.
3. The provisions of Article 104, paragraph 3, of the European Patent Convention shall apply *mutatis mutandis*.

PART IV

APPEALS PROCEDURE

Article 62

Appeal

1. An appeal shall lie from decisions of the Revocation Divisions and the Patent Administration Division. It shall have suspensive effect.
2. The provisions of Articles 106 to 111 of the European Patent Convention shall apply *mutatis mutandis* to this appeals procedure.
3. The provisions of Article 61 shall apply to the costs of appeal proceedings against the decisions of the Revocation Divisions; the costs shall be fixed by the registry of the Revocation Division.

Article 63

Further appeal

1. A further appeal to the Court of Justice of the European Communities shall lie from decisions of the Revocation Boards on appeals. Such further appeal shall have suspensive effect.

2. The further appeal may be lodged on the grounds of infringement of an essential procedural requirement and for infringement of this Convention or any rule of law relating to its application, in so far as such provision is not a national provision.
3. The further appeal shall be open to the parties to the proceedings before a Revocation Board in so far as they are adversely affected by its decision.
4. The further appeal must be brought in writing before the Court of Justice of the European Communities within a period of two months from the date of notification of the decision of the Revocation Board; it must set out the grounds on which it is based.
5. The further appeal may be made even if the Community patent has lapsed.
6. The fees to be paid in respect of the further appeal proceedings before the Court of Justice of the European Communities shall be those laid down by the rules relating to fees adopted pursuant to this Convention.
7. The procedure for further appeal proceedings before the Court of Justice of the European Communities is laid down in the Rules of Procedure of the Court of Justice.

PART V
COMMON PROVISIONS

Article 64

Common provisions governing procedure and representation

The provisions of Part VII, Chapters I and III, of the European Patent Convention, other than Articles 121 and 124, shall apply *mutatis mutandis* to this Convention, subject to the following:

- (a) Article 114, paragraph 1, shall apply only to the Revocation Divisions and the Revocation Boards;
- (b) Article 116, paragraphs 2 and 3, shall apply only to the Patent Administration Division, and paragraph 4 shall apply only to the Revocation Divisions and the Revocation Boards;
- (c) Article 122 shall also apply to all other parties to proceedings before the special departments;
- (d) Article 123, paragraph 3, shall apply to limitation and revocation proceedings;
- (e) the term 'Contracting States' shall be understood as meaning the Contracting States to this Convention.

Article 65

Identification of the inventor

[Deleted]

Article 66

Register of Community Patents

The European Patent Office shall keep a register, to be known as the Register of Community Patents, which shall contain those particulars the registration of which is provided for by this Convention. The Register shall be open to public inspection.

Article 67

Community Patent Bulletin

The European Patent Office shall periodically publish a Community Patent Bulletin containing entries made in the Register of Community Patents, as well as other particulars, the publication of which is prescribed by this Convention.

Article 68

Information to the public or official authorities

The provisions of Article 128, paragraph 4, and Articles 130 to 132 of the European Patent Convention shall apply *mutatis mutandis*, the term 'Contracting States' being understood as meaning the Contracting States to this Convention.

PART VI

JURISDICTION AND PROCEDURE IN ACTIONS RELATING TO COMMUNITY PATENTS

Article 69

Jurisdiction of national courts concerning actions relating to Community patents

1. Subject to the provisions of paragraph 3, actions relating to Community patents shall be heard before the courts of the Contracting State which have jurisdiction by virtue of the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, hereinafter termed 'Convention on Jurisdiction and Enforcement'.
2. Article 16 of the Convention on Jurisdiction and Enforcement shall be supplemented by the following provision:
 6. in matters involving compulsory and *ex officio* licences and any right to use patented inventions in the public

interest in respect of Community patents under the Convention for the European patent for the common market, the courts of the Contracting State the national law of which is applicable to the licence or right.'

3. If the defendant has neither a residence nor his principal place of business within the territory of one of the Contracting States:
 - (a) actions for infringement of a Community patent may also be heard before the courts of the Contracting State in which the patent has been infringed;
 - (b) other actions relating to Community patents shall be heard before the courts of the Federal Republic of Germany, in so far as the courts of no other Contracting State have jurisdiction.

4. Within the Contracting State whose courts have jurisdiction under paragraph 1, 2 or 3, those courts shall have jurisdiction which would have jurisdiction *ratione loci* and *ratione materiae* in the case of actions relating to a national patent granted in that State.

5. Paragraphs 1 to 4 shall apply to actions relating to European patent applications in which the Contracting States are designated, except in so far as the right to the grant of a European patent is claimed.

Article 70

Procedure

Unless otherwise specified in this Convention, the actions referred to in Article 69 shall be subject to the rules of procedure under national law governing actions relating to national patents.

Article 70a

Burden of proof

If the subject-matter of the Community patent is a process for obtaining a new product, any product having the same characteristics which is produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.

Article 71

Obligations of the national court

A national court which is dealing with an action relating to a Community patent shall treat the patent as valid; the provisions of Article 33 shall not be affected.

Article 72

Stay of proceedings

1. If the decision in an action before a national court relating to a European patent application in which the Contracting States are designated depends upon the patentability of the invention, such decision may only be given after the European Patent Office has granted a European patent or refused the European patent application. Paragraph 2 shall apply after the grant of the European patent.

2. If a European patent has been opposed, or if a request for the limitation or an application for the revocation of a Community patent has been made, the

national court may, at the request of one of the parties and after hearing the other parties, stay proceedings relating to the Community patent, in so far as its decision depends upon validity. At the request of one of the parties the court shall instruct that the documentary evidence of the opposition, limitation or revocation proceedings be communicated to it, in order to give a ruling on the request for a stay of proceedings.

3. *1st alternative:* When infringement proceedings before the national court are stayed, the European Patent Office shall, if it decides to maintain the Community patent unamended or as amended, express in its decision an opinion as regards the extent of protection conferred by the patent. Such opinion shall take into account the product or process which, in accordance with the findings of the national court, is alleged to infringe. Article 116, paragraph 1, of the European Patent Convention shall apply.

2nd alternative: When infringement proceedings before the national court are stayed, the European Patent Office shall, if it decides to maintain the Community patent unamended or as amended, express an opinion as regards the extent of protection conferred by the patent. The opinion shall be given by a Revocation Division or a Revocation Board, as the case may be, and shall take into account the product or process which, in accordance with the findings of the national court, is alleged to infringe. Article 116, paragraph 1, of the European Patent Convention shall apply.

4. For the purposes of receiving the opinion provided for in paragraph 3 the national court shall transmit to the European Patent Office in one of the three official languages of the European Patent Office the findings and questions of the court as well as any other documents considered useful by it.

Article 73

Recognition and enforcement

1. The decisions of the courts of the Contracting States on actions relating to Community patents shall be recognized and enforced in accordance with the Convention on Jurisdiction and Enforcement.

2. Nevertheless, Article 27, No 3 and No 4 of the Convention on Jurisdiction and Enforcement shall not apply to decisions relating to the right to the Community patent. In the case of contradictory decisions, only the decision of the court first seized of the matter shall be recognized. Neither party may invoke the other decision even in the Contracting State in which it was given.

3. Paragraph 1 shall also apply to decisions relating to European patent applications in which the Contracting States are designated, except in so far as the decisions concern the right to the grant of a European patent.

Article 74

National authorities

For actions relating to the right to the Community patent or to compulsory licences in respect of a Community patent, the term 'courts' in this Convention and the Convention on Jurisdiction and Enforcement shall include authorities which, under the national law of a Contracting State, have jurisdiction to decide such actions relating to a national patent granted in that State. Any Contracting State shall notify the European Patent Office of any authority on which such jurisdiction is conferred and the European Patent Office shall inform the other Contracting States accordingly.

Article 75

Penal sanctions for infringement

The national penal provisions in the matter of infringement shall be applicable in the case of infringement of a Community patent, to the extent that like acts of infringement would be punishable if they similarly affected a national patent.

Article 76

Preliminary ruling by the Court of Justice of the European Communities

1. In proceedings relating to Community patents which are brought before a national court, the Court of Justice of the European Communities shall have jurisdiction to give preliminary rulings concerning:

- (a) interpretation of this Convention and of the provisions of the European Patent Convention which are binding upon every Community patent in accordance with Article 2, paragraph 3;
- (b) the validity and interpretation of provisions enacted in implementation of this Convention, to the extent to which they are not national provisions.

2. Where such a question is raised before a national court, that court may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court of Justice of the European Communities to give a ruling thereon.

3. Where any such question is raised in a case pending before a national court, against whose decisions there is no judicial remedy under national law, that court shall bring the matter before the Court of Justice of the European Communities.

PART VII

IMPACT ON NATIONAL LAW

Article 77

Prohibition of simultaneous protection

1. Where a national patent granted in a Contracting State relates to an invention for which a Community patent has been granted to the same inventor or to his successor in title with the same date of priority, this national patent shall be ineffective to the extent that it covers the same invention as the Community patent, as from the date on which:

- (a) the period for filing opposition to the Community patent has expired without any opposition being filed,
- (b) the opposition proceedings are concluded with a decision to maintain the Community patent, or
- (c) the national patent is granted, where this date is subsequent to the date referred to in (a) or (b), as the case may be.

2. The subsequent lapse or revocation of the Community patent shall not affect the provision of paragraph 1.

3. Any Contracting State may prescribe the procedure whereby the loss of effect of the national patent is determined. It may also prescribe that the loss of effect shall apply *ab initio*.

4. Prior to the date applicable under paragraph 1, simultaneous protection by a Community patent or a European patent application and a national patent or a national patent application shall exist unless any Contracting States provides otherwise.

Article 78

Exhaustion of the rights attached to a national patent

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting State after the proprietor of the patent has put that product on the market in any Contracting State.

2. The provisions of paragraph 1 shall also apply with regard to a product put on the market by the proprietor of a national patent, granted for the same invention in another Contracting State, who has

economic connections with the proprietor of the patent referred to in paragraph 1. For the purpose of this paragraph, two persons shall be deemed to have economic connections where one of them is in a position to exert a decisive influence on the other, directly or indirectly, with regard to the exploitation of a patent, or where a third party is in a position to exercise such an influence on both persons.

3. The provisions of paragraphs 1 and 2 shall also apply with regard to a product put on the market without infringement of the relevant patent by a contractual licensee or by a licensee of right.

Article 79

Compulsory licences in respect of national patents

Article 47 shall apply to compulsory licences for lack or insufficiency of exploitation of a national patent.

Article 80

National utility models and utility certificates

1. Articles 33, 77 and 78 shall apply to utility models and utility certificates and to applications for utility models and utility certificates registered or deposited in the Contracting States whose laws make provision for such models or certificates.

2. If the laws of a Contracting State provide that a person may not take advantage of a patent based on a later priority date if there is in existence a utility model or certificate with an earlier priority date, these provisions shall apply also to the Community patent.

PART VIII

TRANSITIONAL AND FINAL PROVISIONS

Article 81

Application of the Convention on Jurisdiction and Enforcement

The provisions of the Convention on Jurisdiction and Enforcement rendered applicable by the foregoing articles shall not have effect in respect of any Contracting State for which that Convention has not yet entered into force until such entry into force.

Article 82

Other transitional provisions

The provisions of Article 159, Article 160, paragraph 2, Article 161 and Article 163 of the European Patent Convention shall apply *mutatis mutandis*, subject to the following:

- (a) the first meeting of the Select Committee of the Administrative Council shall be on the invitation of the Secretary-General of the Council of the European Communities;
- (b) the term 'Contracting States' shall be understood as meaning the Contracting States to this Convention.

Article 83

Implementing Regulations and Protocol

1. The Implementing Regulations and the Protocol

on the exhaustion of rights shall be integral parts of this Convention.

2. In the case of conflict between the provisions of this Convention and those of the Implementing Regulations, the provisions of this Convention shall prevail.

Article 84

Precedence of the provisions of the Treaty establishing the European Economic Community

No provision of this Convention may be invoked against the application of any provision of the Treaty establishing the European Economic Community.

Article 84a

Option between a Community patent and a European patent

1. The provisions of this Convention shall, subject to paragraph 2, not apply to a European patent application filed during a transitional period nor any resulting European patent, provided that the request for grant contains a statement that the applicant does not wish to obtain a Community patent. Such statement may not be withdrawn.

2. Articles 77 to 80 shall apply to a European patent as referred to in paragraph 1; the references in Articles 77 and 80 to a Community patent and the

references in Articles 78 and 79 to a national patent being understood as references to such a European patent.

3. The transitional period referred to in paragraph 1 may be terminated by decision of the Council of the European Communities, acting on a proposal from the Commission of the European Communities or a Contracting State.

4. The decisions referred to in paragraph 3 shall require:

- (a) unanimity during the first 10 years from the date of entry into force of this Convention;
- (b) a qualified majority after that date. This majority shall be that specified in paragraph 2, second subparagraph, second indent, of Article 148 of the Treaty establishing the European Economic Community.

Article 84b

Reservations

1. Notwithstanding the provisions of Article 71, any Contracting State whose national law makes provision for a decision to be taken in infringement proceedings as to the validity of national patents may make a reservation at the time of signature or of deposit of its instrument of ratification of this Convention to the effect that its courts dealing with infringement relating to a Community patent may, at the request of the defendant and after hearing the other parties, decide upon the effect of the Community patent in the territory of the State in which the court is located. However,

- (a) the court shall, in so far as the facts are the same, be bound by a prior decision of the European Patent Office concerning the validity of the Community patent;
- (b) the court shall be limited to the grounds of revocation as specified in Article 57 and be governed by the other provisions of this Convention.

2. The Community patent shall not have effect in the territory of a Contracting State which has made a reservation pursuant to paragraph 1, to the extent to which a court in that State has decided that the patent is ineffective.

3. The procedure for determining the effect of the Community patent in a Contracting State which has made a reservation pursuant to paragraph 1 shall follow the procedure that would have been implemented if the Community patent had been a national patent.

4. Subject to paragraphs 5 and 6, any reservation made by a Contracting State under paragraph 1 shall have effect for a period of not more than 10 years from the entry into force of this Convention. However, the Council of the European Communities may, acting by a qualified majority on a proposal from a

Contracting State, extend the period in respect of a Contracting State making such a reservation by not more than five years. This majority shall be that specified in Article 84a, paragraph 4(b).

5. Any reservation made under paragraph 1 shall cease to apply when special arrangements for future litigation of Community patents have become operative.

6. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.

Article 85

Ratification

This Convention shall be subject to ratification by the signatory States; instruments of ratification shall be deposited with the Secretary-General of the Council of the European Communities.

Article 86

Accession

1. This Convention shall be open to accession by States becoming Member States of the European Economic Community.

2. The instrument of accession to this Convention shall be deposited with the Secretary-General of the Council of the European Communities. Accession shall take effect on the first day of the third month following the deposit of the instrument of accession, provided that the ratification by the State concerned of the European Patent Convention or its accession thereto has become effective.

3. The Contracting States hereby recognize that any State which becomes a member of the European Economic Community must accede to this Convention.

4. A special agreement may be concluded between the Contracting States and the acceding State, to determine the details of application of this Convention necessitated by the accession of such State.

Article 87

Participation of third States

The Council of the European Communities may, acting by a unanimous decision, invite a Contracting State to the European Patent Convention which forms a customs union or a free-trade area with the European Economic Community to enter into negotiations for such third State to participate in this

Convention on the basis of a special agreement, to be concluded between the Contracting States to this Convention and the third State concerned, determining the conditions and details for applying this Convention to such State.

Article 88

Territorial field of application

1. This Convention shall apply to the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the European territories of the French Republic as well as the French overseas departments and the French overseas territories, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland.

2. For the purposes of this Convention, the territory of the United Kingdom of Great Britain and Northern Ireland means England and Wales, Scotland and Northern Ireland.

3. This Convention shall not apply to the Faroe Islands. Further to a declaration by the Danish Government pursuant to Articles 25, 26 and 27 of the Act of Accession to the European Communities or pursuant to Article 3 of Protocol No 2 to the Act of Accession, a decision on the situation of the Faroe Islands in relation to this Convention shall be taken by mutual agreement between the Contracting States, unless the Danish Government gives the notification provided for in the next sentence. Further to a declaration by the Danish Government pursuant to Articles 25, 26 and 27 of the Act of Accession, the Danish Government may give notice by a declaration addressed to the Secretary-General of the Council of the European Communities that this Convention shall apply to the Faroe Islands.

4. The Kingdom of the Netherlands may declare in its instrument of ratification, or may inform the Secretary-General of the Council of the European Communities by written notification at any time thereafter, that this Convention shall be applicable to Surinam and the Netherlands Antilles.

5. The United Kingdom may declare in its instrument of ratification, or may inform the Secretary-General of the Council of the European Communities by written notification at any time thereafter, that this Convention shall be applicable to one or more of the European territories for the external relations of which it is responsible.

6. If a declaration referred to in paragraph 3, 4 or 5 is contained in the instrument of ratification, it shall take effect on the same date as the ratification; if the declaration is made in a notification after the deposit of the instrument of ratification, such notification shall take effect six months after the date of its

receipt by the Secretary-General of the Council of the European Communities.

7. The States referred to in paragraphs 4 and 5 may, at any time, declare that the Convention shall cease to apply to some or all of the territories in respect of which they have made a declaration pursuant to paragraph 4 or 5. Such declarations of termination shall take effect one year after the date on which the Secretary-General of the Council of the European Communities received notification thereof.

8. For the purposes of implementing this Convention, that part of the Continental Shelf adjacent to a territory referred to in paragraph 1, 3, 4 or 5, shall be deemed to be included in this territory, within the limits of the sovereign rights of coastal States as laid down in the Geneva Convention on the Continental Shelf of 29 April 1958.

Article 89

Entry into force

This Convention shall enter into force three months after the deposit of the instrument of ratification by the last signatory State to take this step; however, the entry into force shall be dependent on that of the European Patent Convention with respect to the signatory States to this Convention.

Article 90

Duration of the Convention

This Convention is concluded for an unlimited period.

Article 91

Revision

If a majority of the Contracting States requests the revision of this Convention, a revision conference shall be convened by the President of the Council of the European Communities. The conference shall be prepared by the Select Committee of the Administrative Council.

Article 92

Disputes between Contracting States

1. Any dispute between Contracting States concerning the interpretation or application of this Convention which is not settled by negotiation shall be submitted, at the request of one of the States concerned, to the Select Committee of the Administrative Council, which shall endeavour to bring about agreement between the States concerned.

2. If such agreement is not reached within six months from the date when the Select Committee was seized of the dispute, any one of the States concerned may submit the dispute to the Court of Justice of the European Communities.

3. If the Court of Justice finds that a Contracting State has failed to fulfil an obligation under this Convention, the State shall be required to take the necessary measures to comply with the judgment of the Court of Justice.

Article 93

Original of the Convention

This Convention, drawn up in a single original in the Danish, Dutch, English, French, German, Irish and Italian languages, all seven texts being equally authentic, shall be deposited in the archives of the

Secretariat of the Council of the European Communities. The Secretary-General shall transmit a certified copy to the Government of each signatory State.

Article 94

Notification

The Secretary-General of the Council of the European Communities shall notify the signatory States of:

- (a) the deposit of each instrument of ratification and accession;
- (b) any reservation or withdrawal of reservation pursuant to the provisions of Article 84b;
- (c) the date of entry into force of this Convention;
- (d) any declaration or notification received pursuant to the provisions of Article 88.

Draft Implementing Regulations to the Convention for the European patent for the Common Market

PART I

IMPLEMENTING REGULATIONS TO PART I OF THE CONVENTION

CHAPTER I

ORGANIZATION OF THE SPECIAL DEPARTMENTS

Rule 1

Allocation of duties to the departments of the first instance

1. The President of the European Patent Office shall determine the number of Revocation Divisions. He shall allocate duties to these departments by reference to the international classification.
2. In addition to the responsibilities vested in them under the Convention, the President of the European Patent Office may allocate further duties to the Patent Administration Division and the Revocation Divisions.
3. The President of the European Patent Office may entrust to employees who are not technically or legally qualified members the execution of individual duties falling to the Patent Administration Division or the Revocation Divisions, and involving no technical or legal difficulties.

Rule 2

Allocation of duties to the departments of the second instance and designation of their members

1. Duties shall be allocated to the Revocation Boards and the regular and alternate members of the various Revocation Boards shall be designated before the beginning of each working year. Any member of a Revocation Board may be designated as a member of more than one Revocation Board. These measures may, where necessary, be amended during the course of the working year in question.
2. The measures referred to in paragraph 1 shall be taken by an authority consisting of the President of

the European Patent Office, who shall act as chairman, the vice-president responsible for Revocation Boards, the chairmen of the Revocation Boards, and one other member of the Revocation Boards, the latter being elected by the full membership of these Boards for the working year in question. This authority may only take a decision if at least three of its members are present; these must include the President or a Vice-President of the European Patent Office and the Chairman of a Revocation Board. Decisions shall be taken by a majority vote; in the event of parity of votes, the vote of the chairman shall be decisive.

3. The authority referred to in paragraph 2 shall decide on conflicts regarding the allocation of duties between two or more Revocation Boards.

Rule 3

Rules of Procedure of the Revocation Boards

The authority referred to in Rule 2, paragraph 2, shall adopt the Rules of Procedure of the Revocation Boards.

Rule 4

Administrative structure of the special departments

1. The Revocation Divisions may be grouped together administratively with the Examining Divisions and Opposition Divisions so as to form directorates, or may form a directorate together with the Patent Administration Division.
2. The special departments may be grouped together administratively with other departments of the European Patent Office so as to form directorates-general or may form a separate directorate-general; in the latter case, Rule 12, paragraph 3, of the Implementing Regulations to the European Patent Convention shall apply with the proviso that the appointment of a vice-president to the directorate-

general shall be decided upon by the Select Committee of the Administrative Council.

CHAPTER II

LANGUAGES OF THE SPECIAL DEPARTMENTS

Rule 5

Language of the proceedings

1. Rules 1 to 3, Rule 5, Rule 6, paragraph 2, and Rule 7 of the Implementing Regulations to the

European Patent Convention shall apply *mutatis mutandis* to proceedings before the special departments.

2. A reduction in the limitation fee, revocation fee or appeal fee shall be allowed the proprietor of a patent or an applicant for revocation, as the case may be, who avails himself of the options provided in Article 14, paragraph 4, of the European Patent Convention. The reduction shall be fixed in the rules relating to fees at a percentage of the total of the fees.

PART II

IMPLEMENTING REGULATIONS TO PART II OF THE CONVENTION

Rule 6

Limitation of surrender and suspension of proceedings

1. If a third party proves to the European Patent Office that he has brought an action for the transfer of the Community patent, surrender of the patent will only be entered in the Register of Community Patents with the agreement of the third party.
2. The provisions of Rule 13 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to limitation proceedings and revocation proceedings.

Rule 6a

Request to file translations of the claims in examination or opposition proceedings

1. The European Patent Office shall request the applicant for or proprietor of the patent to file, within three months, the translations prescribed in Article 35, paragraphs 1 and 2, and to pay the fee for the publication of the translated claims.
2. The request provided for in paragraph 1 shall be sent at the same time as:
 - (a) in the case of examination proceedings, the request referred to in Rule 51, paragraph 4, of the Implementing Regulations to the European Patent Convention;
 - (b) in the case of opposition proceedings, the request referred to in Rule 58, paragraph 5, of the Implementing Regulations to the European Patent Convention.
3. The period referred to in Article 35, paragraph 6, shall be two months.

Rule 7

Correction of the translation

1. Where Article 35, paragraphs 1 and 2, apply, the applicant for or proprietor of the patent may file at the European Patent Office a corrected translation for the purposes of publication. Such correction shall not be deemed to have been filed until after the fee for the publication of the correction has been paid.
2. Where a Contracting State has adopted a provision pursuant to Article 36, paragraph 3, the applicant whose translation of the claims has been published, may file with the competent authority of that State a corrected translation for the purposes of publication.

Rule 8

Registering transfers, licences and other rights

1. The provisions of Rules 20 to 22 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to the recording of transfers, licences and other rights in respect of a Community patent in the Register of Community Patents.
2. Where a Community patent is involved in bankruptcy or like proceedings against the proprietor of that patent, an entry to this effect shall be made in the Register of Community Patents on request of the competent national authority. The entry shall not incur a fee.
3. The entry referred to in paragraph 2 shall lapse at the request of the competent national authority. The request shall not incur a fee.
4. Where a European patent application in which the Contracting States are designated is involved in

bankruptcy or like proceedings against the applicant, paragraphs 2 and 3 shall apply *mutatis mutandis* with the proviso that the entry in the Register of Community Patents shall be replaced by the entry in the Register of European Patents provided for in the European Patent Convention.

Rule 9

Licences of right

1. Any person who wishes to use the invention after a statement provided for in Article 44, paragraph 1, has been filed shall declare his intention to the proprietor of the patent by registered letter. The declaration shall be deemed to have been made one week after posting of the registered letter.

2. The declaration shall state how the invention is to be used. After the declaration has been made, the person making it shall be entitled to use the invention in the way he has stated.

3. The licensee shall be obliged at the end of every quarter of a calendar year to report to the proprietor of the patent on the use made thereof and to pay the compensation therefor. If this obligation is not complied with, the proprietor of the patent may lay down a further suitable time-limit for this purpose and, on expiry of this time-limit if it is not complied with, forbid him to continue to use the invention.

4. A request for the compensation determined by the Revocation Division to be reviewed may only be made after the expiry of one year as from the last determination of compensation.

PART III

IMPLEMENTING REGULATIONS TO PART III OF THE CONVENTION

CHAPTER I

RENEWAL FEES

Rule 10

Payment of renewal fees

The provisions of Rule 37, paragraphs 1 and 2, of the Implementing Regulations to the European Patent Convention shall apply to the payment of renewal fees for Community patents.

CHAPTER II

LIMITATION PROCEDURE

Rule 11

Form of the request for limitation

The request for limitation of a Community patent shall contain:

- (a) the number of the Community patent which it is sought to limit, and the name of the proprietor and title of the invention;
- (b) the amendments sought;
- (c) if the proprietor of the patent has appointed a representative, his name and the address of his place of business in accordance with the provisions of Rule 26, paragraph 2(c), of the Implementing Regulations to the European Patent Convention.

Rule 12

Rejection of the request for limitation as inadmissible

If the Revocation Division notes that the request for limitation of a Community patent does not comply with the provisions of Article 52, paragraph 1 and Rule 11, it shall communicate this to the proprietor of the patent and shall invite him to remedy the deficiencies noted within such a period as it may specify. If the request for limitation is not corrected in good time, the Revocation Division shall reject it as inadmissible.

Rule 13

Examination of the request for limitation

1. If the request for limitation of the Community patent is admissible, the proprietor of the patent shall, in any communication pursuant to Article 53, paragraph 2, where appropriate, be invited to file, where necessary, the description, claims and drawings in amended form.

2. Where necessary, any communication pursuant to Article 53, paragraph 2, shall contain a reasoned statement. Where appropriate, this statement shall cover all the grounds against the limitation of the patent.

3. Before the Revocation Division decides on the limitation of the patent, it shall inform the proprietor of the extent to which it intends to limit the patent, and shall request him to pay within three months the fee for printing a new patent specification and to file the translations prescribed in Article 54, paragraph

2(b). If the proprietor has communicated his disapproval of the patent being limited on the basis of this text within that period, the communication of the Revocation Division shall be deemed not to have been made, and the limitation proceedings shall be resumed.

4. The period referred to in Article 54, paragraph 3, shall be two months.

5. The decision to limit the patent shall state the limited text of the patent.

Rule 14

Resumption of limitation proceedings

Where limitation proceedings have been stayed because of revocation proceedings which result in a decision under Article 59, paragraph 2 or 3, the Revocation Division, after the publication of the mention of such decision, shall communicate to the proprietor of the patent that the proceedings shall be resumed after notification of such communication to the proprietor. Rule 13, paragraph 5, of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis*.

Rule 15

Form of the new specification following limitation proceedings

The President of the European Patent Office shall prescribe the form of the publication of the new specification of the Community patent and the data which are to be included.

CHAPTER III

REVOCATION PROCEDURE

Rule 16

Form of the application for revocation

The application for revocation of a Community patent shall contain:

- (a) the name and address of the applicant for revocation and the State in which his residence or principal place of business is located, in accordance with the provisions of Rule 26, paragraph 2(c), of the Implementing Regulations to the European Patent Convention;
- (b) the number of the patent revocation of which is applied for, and the name of the proprietor and title of the invention;
- (c) a statement of the extent to which revocation is applied for and of the grounds on which the

application is based as well as an indication of the facts, evidence and arguments presented in support of these grounds;

- (d) if the applicant has appointed a representative, his name and the address of his place of business, in accordance with the provisions of Rule 26, paragraph 2(c), of the Implementing Regulations to the European Patent Convention.

Rule 17

Security for the costs of proceedings

1. The security for the costs of the proceedings shall be deposited in a currency in which fees may be paid. It must be deposited with a financial or banking establishment included in the list drawn up by the President of the European Patent Office.
2. The European Patent Office may use all or part of the security to enforce a decision fixing the costs of the proceedings.

Rule 18

Rejection of the application for revocation as inadmissible

1. If the Revocation Division notes that the application for revocation does not comply with the provisions of Article 56, paragraphs 1 and 3, Rule 16 and Rule 5 of these Implementing Regulations in conjunction with Rule 1, paragraph 1, of the Implementing Regulations to the European Patent Convention, it shall so notify the applicant and shall invite him to remedy the deficiencies noted within such period as it may specify. If the application for revocation is not rectified in good time, the Revocation Division shall reject it as inadmissible.
2. Any decision to reject an application for revocation as inadmissible shall be communicated to the proprietor of the patent, together with a copy of the application.

Rule 19

Preparation of the examination of the application for revocation

1. If the application for revocation is admissible, the Revocation Division shall communicate the application to the proprietor of the patent and shall invite him to file his observations and to file amendments, where appropriate, to the description, claims and drawings within a period to be fixed by the Revocation Division.
2. The observations and any amendments filed by the proprietor of the patent shall be communicated to the applicant who shall be invited by the Revoca-

tion Division, if it considers it expedient, to reply within a period to be fixed by the Revocation Division.

Rule 20

Examination of the application for revocation

1. All communications issued pursuant to Article 58, paragraph 2, and all replies thereto shall be communicated to all parties.
2. In any communication to the proprietor of the patent pursuant to Article 58, paragraph 2, he shall, where appropriate, be invited to file, where necessary, the description, claims and drawings in amended form.
3. Where necessary, any communication to the proprietor of the patent pursuant to Article 58, paragraph 2, shall contain a reasoned statement. Where appropriate, this statement shall cover all the grounds against the maintenance of the Community patent.
4. Before the Revocation Division decides on the maintenance of the patent in the amended form, it shall inform the parties that it intends to maintain the patent as amended and shall invite them to state their observations within a period of one month if they disapprove of the text in which it is intended to maintain the patent.
5. If disapproval of the text communicated by the Revocation Division is expressed, examination of the revocation may be continued; otherwise, the Revocation Division shall, on expiry of the period referred to in paragraph 4, request the proprietor of the patent to pay within three months the fee for the printing of a new specification and, if the claims are amended, to file the translations prescribed in Article 59, paragraph 3(b).

6. The period referred to in Article 59, paragraph 4, shall be two months.

7. The decision to maintain the patent as amended shall state which text of the patent forms the basis for the maintenance thereof.

Rule 21

Joint processing of applications for revocation

1. The Revocation Division may order that two or more applications for revocation pending before it and relating to the same Community patent, be dealt with jointly in order to carry out a joint investigation and take a joint decision.
2. The Revocation Division may rescind an order given pursuant to paragraph 1.

Rule 22

Form of the new specification following revocation proceedings

Rule 15 shall apply to the new specification of the Community patent referred to in Article 60.

Rule 23

Other provisions applicable to revocation proceedings

With regard to requests for documents, continuation of revocation proceedings by the European Patent Office of its own motion and costs in revocation proceedings, the provisions of Rules 59, 60 and 63 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis*.

PART IV

IMPLEMENTING REGULATIONS TO PART IV OF THE CONVENTION

Rule 24

Appeal proceedings

Rules 64 to 67 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to appeal proceedings.

PART V

**IMPLEMENTING REGULATIONS TO PART V
OF THE CONVENTION**

Rule 25

Entries in the Register of Community Patents

1. The provisions of Rule 92, paragraphs 1(a) to (1), (o), (q) to (u) and (w), 2 and 3, of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to the Register of Community Patents.

2. The Register of Community Patents shall also contain the following entries:

- (a) date of lapse of the Community patent in the cases provided for in Article 51, paragraph 1(b) and (c);
- (b) date of filing of the statement provided for in Article 44;
- (c) date of receipt of a request for limitation of the Community patent;
- (d) date and purport of the decision on the request for limitation of the Community patent;
- (e) date of receipt of an application for revocation of the Community patent;
- (f) date and purport of the decision on the application for revocation of the Community patent.

3. At the request of a proprietor of a Community patent who has neither a residence nor his principal place of business within the territory of one of the Contracting States, a place of business in a Contracting State shall also be entered in the Register of Community Patents.

Rule 26

**Additional publications by the European
Patent Office**

The President of the European Patent Office shall determine in what form the translations of claims filed pursuant to this Convention by the applicant for or proprietor of a patent and, where appropriate, corrections made thereto, shall be published and whether particulars of such translations and corrections should be entered in the Community Patent Bulletin.

Rule 27

Other common provisions

Rules 36 and 106 and the provisions of Part VII of the Implementing Regulations to the European Patent Convention, with the exception of Rules 85, paragraph 3, 86, 87, 92 and 96 shall apply *mutatis mutandis* subject to the following conditions:

- (a) deleted;
- (b) Rule 69 shall not apply to decisions on requests for limitation or on applications for revocation of the Community patent;
- (c) the Select Committee of the Administrative Council shall determine the details of the application of Rule 74, paragraphs 2 and 3;
- (d) the term 'Contracting States' shall be understood as meaning the Contracting States to this Convention.

Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents

PROTOCOL ON THE EXHAUSTION OF RIGHTS

Article 1

1. During a transitional period, the relevant provisions of national law shall apply to the Community patent instead of the provisions of Article 32 of the Convention; for that purpose, the Community patent shall be deemed, in each Contracting State, to be a national patent.
2. During the transitional period referred to in paragraph 1, the relevant provisions of national law shall apply to national patents instead of the provisions of Article 78 of the Convention.

Article 2

The transitional period referred to in Article 1 shall be five years from the date of entry into force of the Convention. On the proposal of the Commission of the European Communities or of a Contracting State, this period may be:

- (a) reduced by unanimous decision of the Council of the European Communities;
- (b) extended once or more than once, provided that the total length of the extension does not exceed five years, by a decision of the Council of the European Communities taken by qualified majority. This majority shall be that specified in paragraph 2, second subparagraph, second alternative, of Article 148 of the Treaty establishing the European Economic Community.

Resolution on the appointment of the chairmen of the Revocation Boards

THE GOVERNMENTS . . .

ON SIGNING the Convention for the European patent for the Common Market;

DECLARE that, as a general rule, a person appointed as chairman of a Revocation Board as provided for in Article 11 of the Convention, should be a person possessing several years' experience in industrial property, as a member of an ordinary court or tribunal or of a court specialized in this field in a Contracting State, or as a member of any national patent office of a Contracting State who is empowered to decide in revocation or appeal proceedings, or as a member of a Revocation Board or a Board of Appeal of the European Patent Office.

Resolution on the uniform treatment of prior national rights in respect of the Community patent

THE GOVERNMENTS . . .

ON SIGNING the Convention for the European patent for the Common Market;

DESIRING to ensure, if possible before the end of the period laid down in the Protocol on the exhaustion of rights, that a prior national patent or patent application shall in the State concerned affect the Community patent in the same manner, whatever the State, and desiring to centralize the procedure for resolving the conflict by adopting the principle embodied in Article 54, paragraph 3, of the European Patent Convention;

RECOGNIZING that these desires cannot be satisfied without a revision of this Convention, in particular Article 33;

HAVE DECIDED to commence in good time the procedure for revising this Convention to ensure the necessary unification of law and if possible to enable the European Patent Office to resolve the conflict in accordance with the above-mentioned principle.

Resolution on the harmonization of the national provisions governing the rights based on prior use and the rights of personal possession

THE GOVERNMENTS . . .

ON SIGNING the Convention for the European patent for the Common Market;

DESIRING to enable those who have acquired a right based on a prior use of an invention protected by a Community patent, or a right of personal possession of that invention, to avail themselves of this right throughout the Contracting States;

RECOGNIZING nevertheless that this objective cannot be realised without a harmonization of the provisions governing the right based on a prior use of the invention protected by a patent and the right of personal possession of that invention;

RECOGNIZING furthermore that such harmonization must be accompanied by a revision of Article 34 of this Convention;

HAVE DECIDED to commence the necessary work, as soon as this Convention enters into force, to harmonize, if possible before the end of the period laid down in the Protocol on the exhaustion of rights, the provisions governing the right based on a prior use of the invention protected by a patent and the right of personal possession of that invention;

HAVE DECIDED furthermore to commence in good time the procedure for revising this Convention in order to extend to all the Contracting States the effects of such a right existing in respect of the Community patent.

Resolution on joint rules on the granting of compulsory licences in respect of a Community patent

THE GOVERNMENTS . . .

ON SIGNING the Convention for the European patent for the Common Market;

DESIRING to supplement the unitary character of the Community patent by rules providing that compulsory licences in respect of that patent may, on the basis of criteria laid down in the said rules, be granted by common authorities;

RECOGNIZING nevertheless that it is in the interests of Contracting States to be able to grant compulsory licences in respect of a Community patent within the meaning of Article 46, paragraph 1, of the Convention on the basis of their national laws for reasons of public interest, for example in the interest of national defence;

WHEREAS, with this proviso, the maintenance of the competence of the national authorities to grant compulsory licences in respect of the Community patent may only be envisaged for a short transitional period as a result of fundamental legislative differences affecting the establishment of free movement of patented products and the introduction of undistorted competition;

HAVE DECIDED to commence the necessary work, as soon as this Convention enters into force, to enable the text of the Convention to be supplemented, if possible before the end of the period laid down in the Protocol on the exhaustion of rights, by joint rules on the granting of compulsory licences in respect of a Community patent.

Resolution on future litigation of of Community patents

THE GOVERNMENTS . . .

ON SIGNING the Convention for the European patent for the Common Market;

CONSCIOUS of the problem of dealing effectively with actions relating to Community patents;

CONSCIOUS also of the problems arising from a separation of jurisdiction of infringement and validity of Community patents;

HAVING REGARD to Article 84b, paragraph 5, of the Convention;

HAVE DECIDED to commence, as soon as possible after signature of the Convention, the necessary work to provide a solution to the above problems, such a solution to be embodied if possible in a Protocol which should be concluded before any litigation on Community patents takes place and at the latest within 10 years from the date of signing of the Convention.

Declaration on the ratification of the Patent Cooperation Treaty

On signing the Convention for the European patent for the Common Market, the Governments of the signatory States declare their intention of depositing their instruments of ratification of the Patent Cooperation Treaty in such a way that the latter enters into force with respect to all of them on the same date, which shall not be prior to that of the entry into force of the Convention on the Grant of European Patents and the Convention for the European patent for the Common Market. They shall consult each other on the content of any declarations and reservations to be made by them when depositing their instruments of ratification of the PCT.

Nevertheless, in the event of one or more of the signatory States not having terminated in due time the internal procedures for ratification of the Treaty and of the two European Conventions, the Governments of the signatory States shall hold consultations on the measures to be taken.

Declaration on the simultaneous entry into force of the European Patent Convention and of the Convention for the European patent for the Common Market¹

ON SIGNING the Convention for the European patent for the Common Market, the Governments of the Member States of the European Communities state their intention of depositing their instruments of ratification of this Convention in such a way that its entry into force will be simultaneous with the entry into force with respect to them of the Convention on the Grant of European Patents.

¹ At its meeting held on 18 December 1974 the Permanent Representatives Committee adopted the following conclusions concerning the problem of maintaining the link between the procedures for ratifying the two Conventions.

- (a) The Permanent Representatives Committee should recommend that the link be maintained by the Governments of those Member States of the EEC which consider that, in view of the present prospects with regard to the time when the Community Patent Convention can be concluded, the national procedures for approving the two Conventions could be so arranged as to allow both instruments of ratification to be deposited by 31 December 1976 at the latest.
- (b) However, those States which, because of the length of their ratification procedures, would not be able to meet this deadline in respect of the European Patent Convention if they were to deposit both instruments of ratification together, should be free to ratify that Convention separately by 31 December 1976 in order to enable the European Patent Office to open in accordance with the timetable now envisaged.
- (c) Subsequent ratification of the Community Patent Convention should then be effected as soon as possible so as to minimize the interval between entry into force of the two Conventions.

Decision on preparations for the commencement of the activities of the special departments of the European Patent Office

THE CONFERENCE ON THE COMMUNITY PATENT, meeting in Luxembourg
on . . . 1974,

DESIRING to take all appropriate measures to enable the special departments of the
European Patent Office, in the interests of the establishment of a Community patent system,
to begin their activities in due time,

HAS ADOPTED the following decision:

1. After the conclusion of this Conference a Select Committee of the Interim Committee of the European Patent Organization, comprising representatives of all the Member States and of the Commission of the European Communities, shall be set up; Articles 15, 16, 19, 21 and 22, paragraphs 1 and 3, of the Convention for the European patent for the Common Market shall apply *mutatis mutandis* to this Select Committee. The Select Committee may draw up Rules of Procedure to supplement these provisions. The Select Committee shall be disbanded together with the Interim Committee.
2. It shall be the duty of the Select Committee of the Interim Committee to take all preparatory measures to enable the special departments of the European Patent Office to begin their activities in due time.
3. The preparations for the commencement of the activities of the special departments of the European Patent Office may be carried out by working parties.
4. The Select Committee of the Interim Committee may invite intergovernmental and international non-governmental organizations to attend its meetings and those of the working parties as observers.
5. The Secretary-General of the Council of the European Communities shall issue the invitations to the inaugural meeting of the Select Committee of the Interim Committee.

**Additional preparatory documents
for 1975**

List of additional preparatory documents for 1975 (Nos 29 to 45)

Document number	Submitted by	Subject
29	FR of Germany	Additional observations on the draft Convention
30	CEEP	Additional observations on the draft Convention
31	UNICE	Additional observations on the draft Convention
32	CIFE	Additional observations on the draft Convention
33	FICPI	Additional observations on the draft Convention
34	EIRMA	Observations on the draft Convention
35	United Kingdom	Additional observations on the draft Convention
36	Commission	Opinion on the draft Convention
37	Austria	Observations on the draft Convention
38	Denmark	Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents
39	Commission	Comments and proposals
40	Netherlands	Centralization of opinions on the extent of protection conferred by Community patents
40 Cor	Netherlands	Corrigendum to Preparatory Document No 40
41	CNIPA	Additional observations on the draft Convention
42	FEMIP	Observations on the draft Convention
42 Rev	FEMIP	Revised version of Preparatory Document No 42
43	Secretariat	Information concerning the organization and work programme of the Conference
44	IFIA	Additional observations on the draft Convention
45	UNION	Additional observations on the draft Convention

Text of additional preparatory documents for 1975

PREPARATORY DOCUMENT No 29

Federal Republic of Germany

August 1975

ADDITIONAL OBSERVATIONS ON THE DRAFT CONVENTION

1. As a supplement to its comments in Preparatory Document No 15, the Government of the Federal Republic of Germany hereby submits the following proposals, which are in the main textual amendments to the draft Convention.

The following is proposed:

I

PROVISIONS OF THE CONVENTION

Preamble

2. In accordance with proposals made by international organizations, it is suggested that paragraph 3 of the preamble be amended to read as follows:

'ANXIOUS to establish a Community patent system which contributes to the attainment of the objectives of the Treaty establishing the European Economic Community, and to the elimination within the Community of the restriction of competition which results from the territorial aspect of national protection rights;'

Article 2

3. Further to the proposal made under point 2 of Preparatory Document No 15, it is suggested that Article 2, paragraph 2, second sentence be amended as follows:

'The unitary aspect arises from the fact that they are to have equal effect throughout the territories to which this Convention applies and may only be transferred, *revoked* or allowed to lapse in respect of the whole of such territories.'

Article 14

4. Further to the proposal made under point 3 of Preparatory Document No 15, it is suggested that Article 14 read as follows:

'Article 14

Languages for proceedings and publications

1. The official languages of the European Patent Office shall also be the official languages of the special departments referred to in Article 4.

2. The text of a Community patent based on a translation filed in accordance with Article 14, paragraph 2, second sentence, of the European Patent Convention may be brought into conformity with the original text of the European patent application throughout the proceedings before the special departments.

3. The official language of the European Patent Office in which the Community patent is granted shall be used as the language of the proceedings in all proceedings before the special departments concerning the Community patent, unless otherwise provided in the Implementing Regulations.

4. Natural or legal persons having their residence or principal place of business within the territory of a Contracting State having a language other than one of the official languages of the European Patent Office as an official language, and nationals of that State who are resident abroad, may file documents which have to be filed within a time-limit in an official language of the Contracting State concerned. They must however file a translation in the language of the proceedings within the time limit prescribed in the Implementing Regulations; in the cases provided for in the Implementing Regulations, they may file a translation in a different official language of the European Patent Office.

5. If any document is not filed in the language prescribed by this Convention, or if any translation required by virtue of this Convention is not filed in due time, the document shall be deemed not to have been received.

6. New specifications of Community patents published following limitation or revocation proceedings shall be published in the language of the proceedings; they shall include a translation of the claims in the two other official languages of the European Patent Office.

7. The Community Patent Bulletin shall be published in the three official languages of the European Patent Office.

8. Entries in the Register of Community Patents shall be made in the three official languages of the European Patent Office. In cases of doubt, the entry in the language of the proceedings shall be authentic.

9. Former paragraph 3 of Article 14.'

Article 22

5. We agree with the proposal by the United Kingdom delegation concerning Article 22 as contained in

Preparatory Document No 11 Article 25, subparagraph (a), is equivalent in content to Article 46, paragraph 2, of the European Patent Convention. Provision should therefore be made in this case for a three-quarters majority along the lines of Article 35, paragraph 2, of the European Patent Convention.

Article 22, paragraph 2, should therefore read as follows:

'A majority of three-quarters of the votes of the Contracting States represented and voting shall be required for the decisions which the Select Committee is empowered to take under Articles 20 and 25, subparagraph (a).'

Article 33

6. We agreed with the Danish delegation's views on the matter as stated in Preparatory Document No 16. The amendment made to the text of the draft Convention as published in 1973 is clearly a drafting error. Article 33, paragraph 1, should read as follows:

'If a national patent granted, or an application for a national patent *made public* on or after the priority date of a Community patent has, in a Contracting State ...'

Article 36 (concerns the German text only)

7. The German version of Article 36, paragraph 3, should read as follows:

'Jeder Vertragsstaat kann für den Fall, dass die *Verfahrenssprache nicht eine seiner Amtssprachen ist*, vorsehen, ...'

Article 49 (concerns the German text only)

8. Article 49, paragraph 2, should be aligned on Article 86, paragraph 2, of the European Patent Convention as follows:

'Erfolgt die Zahlung einer Jahresgebühr nicht bis zum *Fälligkeitstag*, so kann die Jahresgebühr noch innerhalb von sechs Monaten nach Fälligkeit wirksam entrichtet werden, sofern *gleichzeitig die Zuschlagsgebühr entrichtet wird*.'

Articles 54 and 59

9. The German delegation concurs with the Danish view (Preparatory Document No 16) that Article 54, paragraph 2, and Article 59, paragraph 3, should be given the same wording.

The wording of Article 59, paragraph 3, is imprecise. The examination under Article 59, paragraph 3, is solely concerned with establishing whether the grounds for revocation mentioned in Article 57 prejudice the intended maintenance of the Community patent. This should be stated in the text, with the result that Article 59, paragraph 3, should be worded as follows:

'If the Revocation Division is of the opinion that, taking into consideration the amendments made by the proprietor to the patent during the revocation proceedings, *the grounds for revocation mentioned in Article 57 do not prejudice the maintenance of the Community patent*, it shall decide to maintain the patent as amended, provided that ...'

Article 54, paragraph 2, should then be aligned as follows:

'If the Revocation Division is of the opinion that, *taking into consideration the amendments made by the proprietor to the patent during the limitation proceedings, the grounds for revocation mentioned in Article 57 do not prejudice the maintenance of the Community patent*, it shall decide to limit the Community patent accordingly, provided that ...'

Article 63

10. The proposal for the alignment made by the German delegation in Preparatory Document No 15 should refer to *Article 108*, and not to Article 108, paragraph 1, of the European Patent Convention, as this article consists of a single paragraph.

Article 77

11. Under the terms of paragraph 1, a national patent may continue to produce its effects to the extent that it covers more than the subject-matter of the Community patent. Paragraph 3, first sentence, should therefore read as follows:

'Any Contracting State may prescribe the procedures whereby *and where appropriate to what extent*, the loss of effect of the national patent is determined.'

Article 84a bis (new)

12. Under the terms of the draft, a European patent application filed prior to entry into force of the Convention could not result in a Community patent, even after entry into force of the Convention. This situation is unsatisfactory. In such cases, the applicant should still have the option of obtaining a Community patent. It is therefore proposed that the following new Article 84a bis be incorporated:

Article 84a bis

Subsequent choice of a Community patent

A European patent which shall be subject to the provisions of this Convention shall be granted in respect of a European patent application filed prior to the entry into force of this Convention and designating all the Contracting States to the Convention, provided that prior to the expiry of the time-limit laid down in Article 97, paragraph 2 (b), of the European Patent Convention, the applicant submits to the European Patent Office a written statement that he wishes to obtain a Community patent.'

II

IMPLEMENTING REGULATIONS

Rule 5

13. If the new version of Article 14 is adopted, this would entail deleting the words 'of the European Patent Convention' from Rule 5, paragraph 2, which would then read as follows:

'... the proprietor of a patent or an applicant for revocation, as the case may be, who avails himself of the options provided for in Article 14, paragraph 4.'

PREPARATORY DOCUMENT No 30
European Centre of Public Enterprises (CEEP)
September 1975

ADDITIONAL OBSERVATIONS ON THE DRAFT
CONVENTION

A. Draft Convention

Article 13

1. The word 'esclusione' in the Italian title should be replaced by 'astensione'.¹

Article 13 (1)

2. 'The final decision' should be replaced by 'decisions'.

Article 13 (4)

3. In the last sentence, insert 'or who abstains' between 'objected to' and 'shall be'.

4. This paragraph ends with the word 'alternate'. The concept of alternate should therefore be defined earlier, e.g. in Articles 9 and 10.

Article 14 (1)(a)

5. The reference to Article 14, paragraph 2, second part of the second sentence, of the European Patent Convention is not clear, for this second part makes sense only by reference to the whole paragraph.

Article 27 (3)

6. Applies to the French text only.

Article 28

7. The word 'enforcement' in the title should be replaced by 'assignment'.

Article 28 (2)

8. The second sentence should be replaced by the following: 'If the person previously registered as the proprietor of the patent or his licensee has already used the invention in the territory of the Contracting States, or made the necessary preparations to do so, without knowing at the time when the patent was granted or transferred to him or at the time when the licence was ceded, that his previous registration was unwarranted, that person or his licensee may require the person registered as the proprietor to grant him a non-exclusive licence in return for reasonable compensation.'

¹ *Note from the Secretariat:* This comment refers to the text as published in 1973. The Italian title in the version contained in Preparatory Document No 28 is 'ricusazione'.

Article 29 (b)

9. The wording of this subparagraph will probably have to be reviewed.

Article 30 (1)

10. Applies to the French text only.¹

Article 30 (1)(b)

11. Applies to the French text only.¹

Article 32 (1)

12. The sentence should be supplemented as follows: '... in one of these States on whose territory the effects of the patent extend'.

Article 32 (2)

13. The last two lines should be amended to read: 'by a contractual licensee of the patent under Article 43 or under Article 44'.

Article 37 (2)(b)

14. The wording should be reviewed, to state whether or not the contracts are performed in full.

Article 48

15. By analogy with Article 46, the following sentence should be added: 'The extent of such licences shall be restricted to the territory of the State concerned.'

Article 49 (3)

16. The working of this paragraph could do with being tidied up.

Article 51

17. The lapse of a Community patent should be added in the event of revocation.

Articles 52 to 58

18. In the English version, it is hard to see the difference between 'request' (Articles 52 to 55) and 'application' (Articles 56 to 58) used to translate the French word 'demande'.

Article 78 (1)

19. This paragraph should be supplemented as follows: '... in any Contracting State where a corresponding national patent exists'.

B. Draft Implementing Regulations

Rule 10

20. It would be desirable for the European Patent

¹ *Note from the Secretariat:* This comment refers to the text as published in 1973. Preparatory Document No 28 contains a new version of Article 30.

Office to advise the patent proprietor when renewal fees become due.

Rule 27

21. The provisions of Rule 92 of the European Patent Convention apply pursuant to Rule 25 of the Community Patent Convention.

PREPARATORY DOCUMENT No 31
Union of Industries of the European
Communities (UNICE)
September 1975

ADDITIONAL OBSERVATIONS ON THE DRAFT
CONVENTION FOR THE EUROPEAN PATENT FOR THE
COMMON MARKET

The following observations reproduce or complete those which UNICE had presented on the basis of former projects.

I
INTRODUCTION

UNICE watched the efforts of experts closely, after the adjournment of the Luxembourg Conference originally planned in May 1974, and welcomes the fact that compromises were reached permitting a final conference to take place from 17 November next.

It is obvious that in the light of the jurisprudence of the Court of Justice of the European Communities in cases concerning national industrial property rights, it is more and more indispensable to industry, in a certain number of cases, to have at its disposal an instrument granting uniform protection to patentable inventions in the whole of the Common Market.

UNICE observes however that the draft as it appears in document No 28 contains, on two essential points, provisions which weaken the uniform effects of the Community patent.

The first of these provisions which is the subject-matter of Article 84a, has the effect of having national patents granted according to national law, national patents granted pursuant to the European Patent Convention and Community patents granted pursuant to the Community Patent Convention which is the subject of the present observations, coexisting in each Contracting State.

Such a situation in UNICE's opinion implies that on the ratification of the European Conventions the Contracting States must align their internal law with these two European Conventions at least in respect of the principal elements of substantive law and the effects of protection.

The second of these provisions which is the object of Articles 69 to 76 and 84b and deals with rules of jurisdiction in relation to Community patents, is not very satisfactory.

UNICE understands the need, in order that the Convention can be signed soon, to accept an imperfect provisional system; while reserving the possibility of proposing amendments to this system, UNICE not questioning fundamentally the compromises of which these imperfect provisions are the fruit, approves the resolution concerning the future system for disputes involving Community patents, proposed by the experts, and attaches very great importance to the fact that everything should be done to ensure that a satisfactory system enters into force before the provisional system referred to above has had to be applied.

II
DISCUSSION ARTICLE BY ARTICLE

2.1. **Articles 4, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23**

The setting up of special departments

Nothing indicates that the personnel of the special departments must be exclusively chosen among the nationals of the Member States.

For the above reason and in view of the importance and the difficulty of the legal problems which the Revocation Division or Boards will have to meet, UNICE is of the opinion that it would be necessary to specify that:

- (a) the personnel of the Revocation Divisions and Boards must be nationals of the contracting Community States.
- (b) the personnel of the Revocation Divisions who, contrary to those of the Revocation Boards are not independent persons, should not depend hierarchically on an official, who is himself not a Community member,
- (c) that the personnel of the Revocation Boards have a more independent status.

2.2. **Article 28 (2)**

Registration in the Register of Community Patents

As UNICE has pointed out the definition of good faith is not suited to the case of the licensee: it requires clarification.

Moreover one might wonder if, in the situation referred to in Article 28 (2), it would not be preferable and fairer to evaluate good faith when exploitation starts or when preparations are being made.

Consequently, we propose that the last lines of paragraph 2 should read as follows:

... without, at the moment when exploitation starts or the first necessary preparations to do so are made, being aware of the fact that ...

Furthermore, at the end of this same paragraph 2, the French version appears to require amendment. The words 'il peut obtenir du titulaire' could be replaced by 'il peut exiger du titulaire ...' or 'il est en droit d'obtenir du titulaire'.

2.3. Article 29

Prohibition of direct use of the invention

ARTICLE 29b

In UNICE's opinion the drafting of this paragraph can lead to different interpretations. To avoid all ambiguity, it would be preferable to draft it in such a way that the offer of sale of a process outside of the territory of the European Economic Community cannot be considered as an infringement. To achieve this, the paragraph could be drafted as follows:

'(b) to use the process which is the subject-matter of the patent or to offer for sale or put on the market the said process with a view to its use on the territory of one of the Contracting States.'

ARTICLE 29c

As UNICE already observed previously, to align this paragraph with Article 64 (2) of the European Patent Convention, it is necessary to suppress the phrase 'in so far as such product is not a plant or animal excluded from protection under Article 53 of the European Patent Convention'. In fact, Article 53 (b) of the European Patent Convention prohibits the patentability of plants or animals of themselves and not as products obtained directly by a patented process.

2.4. Article 31

Limitation of the effects of the Community patent (Observations already put forward by UNICE)

It would be useful to clarify paragraph (a), particularly the English version ('acts done privately and for private ends') which gives rise to doubts as to its actual scope.

In the same way in the English version of paragraph (b) the terms 'with a bearing on' appear rather vague; they could be replaced by the words 'relating to'.

2.5. Articles 32 and 78 – Exhaustion of rights and Article 46 – Compulsory licences

UNICE included in its comments on the draft Convention – Preparatory Document No 10

of 11 January 1974 – a proposed amendment to the text of Articles 32 and 78. CIFE put forward an amendment to the same articles on similar lines in Preparatory Document No 22 of 22 April 1974. Finally the French Government proposed amendments to the same articles in Preparatory Document No 17 of 26 February 1974. The purpose of all these amendments was the same, namely, to ensure a strict interpretation of the doctrine of exhaustion of rights; *the effect of Articles 32 and 78 should be limited to the situation when the first sale is in an EEC Member State where the patentee has protection.*

The purpose of these comments is to reaffirm the view of UNICE on the economic clauses of the Community Patent Convention and to take the opportunity of revising them in the light of developments in the last 18 months.

UNICE reaffirms its strong support for the principle of a strict interpretation of the doctrine of exhaustion of rights contained in Articles 32 and 78. Support for this principle has also been expressed by the British Government in its observations in Document R/2173/74 of 5 August 1974¹ as well as by the French Government in Preparatory Document No 17 and by EIRMA in its submission. There should be no exhaustion of rights

- when the product has been put on sale outside the EEC
- or in a Member State of the EEC where there is no patent protection for the product in question.
- Furthermore it should also be made clear that there should be no exhaustion of rights in the case of products first sold under a compulsory licence in a Member State.

The text proposed by UNICE is as follows:

Article 32

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting States after the proprietor of the patent has put that product on the market *in any of those States in which the patent is effective.*
2. The provisions of paragraph 1 shall also apply with regard to a product put on the market *in one of the Contracting States* without infringement of the Community patent by a contractual licensee *referred to in Article 43* or by a licensee of right under Article 44 under the Community patent *but not by a person having a compulsory licence under Article 46.*

¹ Editor's note: The document referred to is an internal document of the Council of the European Communities.

Article 78

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting States after the proprietor of the patent has put that product on the market in any Contracting State in which he is the proprietor of a patent for the same invention.

2. Unchanged.

3. The provisions of paragraphs 1 and 2 shall also apply with regard to a product put on the market in any Contracting State without infringement of the relevant national patent by a contractual licensee of that patent or by a licensee of right under Article 44 of the same patent but not by a person having a compulsory licence under Article 46.'

For reasons of consistency it is also proposed to make corresponding amendments of Article 46, paragraph 1. The wording suggested would be the following:

Article 46

1. Any provision in the laws of a Contracting State which enables the grant of compulsory licences in respect of national patents shall be applicable to Community patents. The term "compulsory licences" shall be construed as including *ex officio* licences and any right to use patented inventions in the public interest resulting from a judicial or administrative decision, including licences resulting from the compulsory application of a regime of licences of right. The effects and extent of such licences shall be restricted to the territory of the State concerned.

2. Unchanged.'

2.6. Article 33 and Resolution on the uniform treatment of a prior national right in respect of the Community patent and Article 34 (effects of a prior personal possession or prior right of usage)

If different prior parallel national rights granted in various Contracting States exist, the national judge, by virtue of the Convention on Enforcement, might possibly have to rule successively on the effects of the Community patent, in terms of each of the prior national rights and of the corresponding applicable national law.

UNICE fully approves the resolutions on the harmonization of the national provisions regulating the rights based on a prior use and the rights based on a personal possession, and insists on the need to achieve uniform settlement rapidly.

2.7. Article 37

Effects of revocation

In order to avoid a disturbance of legal peace, a provision inspired by Dutch law seems desirable. Thus if an infringer is condemned on the basis of a Community patent which has

just been revoked following a revocation action introduced by a third party, it does not appear desirable to question infringement decisions which have already been taken and enforced. However if the revocation action is undecided when the infringement action is pending, it may appear improper that the revocation decision cannot be retroactive. Article 37 (2) should be amended.

A drafting along the following lines might meet the desired objective:

'37 (2)(a): . . . except in the case of a decision made when an action for revocation of the Community patent was pending.'

2.8. Article 43

Contractual licensing

There is considerable legal uncertainty on the extent to which Article 85 of the Treaty of Rome applies to contractual licences. This uncertainty will remain until the Commission has developed a comprehensive policy for patent licence agreements. In the meantime European industry must depend on judgments of the European Court and decisions of the Commission in individual cases. Such case-law as at present exists is an unsatisfactory and uncertain basis on which European industry can plan for the future.

UNICE believes that the Diplomatic Conference in Luxembourg presents an opportunity to reduce in a small measure this legal uncertainty. UNICE therefore proposes two amendments to the text of Article 43, each concerning matters of considerable practical importance to European industry.

The first amendment – new paragraph 2 – expressly recognizes that licences granted under Community patents may be exclusive or non-exclusive. This amendment merely states *expressis verbis* what is implicit in the rest of the draft convention, see for example Articles 44 and 50.

The second amendment – new paragraph 3 concerns the right to assert a patent in territories not covered by the licence. Once again this amendment merely states *expressis verbis* what is implicit in paragraph 1 of Article 43. A licence limited to part only of the Community would be practically meaningless if the contractual licensee were able to export the goods covered by the licence directly to that part of the Community not covered by the licence. The owner of the Community patent must be able to prevent the direct import of infringing products into parts of the Community not covered by the licence. This falls within the scope of the patent in the same way as does a restriction in the field of use.

The proposed amendment in no way hinders the free circulation of goods in all Member States once the product in question is put on the market in the licensed territory.

The following text is proposed:

Article 43.

Contractual licensing

1. Unchanged.
2. (New) Licences under a Community patent may be exclusive or non-exclusive.
3. (New) Where a licence is granted under a Community patent for part of the territories in which the patent is effective, the rights attached to that patent shall be enforceable against the direct unauthorized export of products made under the licence to other parts of the territories in which the patent is effective.
4. Unchanged.

In presenting these amendments to Article 43 and to Articles 32, 78 and 46, UNICE is aware of the intention of the Contracting States, expressed in Article 84, to avoid collisions with provisions contained in the Treaty of Rome. It believes that these amendments are in no way contradictory to either principles established by the Treaty of Rome or to interpretations of such principles as they result from the jurisprudence of the European Court of Justice. In this respect of course special reference must be made to the jurisprudence of the Court of Justice on the principle of the free flow of goods (in particular to Case 15/74 *Centrafarm v Sterling*). This is the last judgment of the Court in this matter and has specific reference to patent law.

This judgment dealt only with a case where the product was lawfully put on the market by the patentee himself or with his consent under another parallel patent in another Member State. The judgment expressly declares that an obstacle to the free movement of goods may be justified on the grounds of protection of industrial property where such protection is invoked against a product coming from a Member State where it was not patentable and has been manufactured by third parties without the consent of the patentee and also in cases where there exist patents the original proprietors of which are legally and economically independent. The judgment does not deal with the issue that the patented products were put on the market in other parts than those licensed nor with the situation that patent protection does not exist in spite of its availability in the area where the product was marketed. In view of the limited scope of the judgment it is therefore desirable that no opportunity should be missed to introduce more legal certainty into what is for industry a very difficult situation.

The proposed amendments are in line with the distinction that the principles of the Treaty of Rome shall not affect the existence of industrial property rights. In this respect the exclusive licence is to be interpreted as property and the assertion of patent rights against direct imports into an unlicensed territory is interpreted as part of the right of first sale. Both are part of the specific object of the property and fall under the existence of the right.

As to the proposals of the non-applicability of the exhaustion theory under circumstances of compulsory licensing it should be pointed out that compulsory licences are granted under national law in order to remedy specific national situations such as for example insufficient availability on the market or high pricing. Since this reasoning for the grant of a compulsory licence is purely based on national economic policy, the strict application of the national character of exhaustion only seems justified.

2.9. **Article 46**

Compulsory licences

See, in this respect, the observations and the proposed amendments concerning Article 46 which are indicated under point 2.5 of the present paper.

2.10. **Article 59 (3)(b) and (c) and Rule 20 (5)**

Revocation or maintenance of the Community patent

According to Rule 20 (5), it appears that the agreement of both parties is necessary to limit claims of the Community patent whereas Article 59 (3) only requires the agreement of the proprietor of the patent.

By virtue of Rule 20 (5), it appears that a translation of the amended claims into one of the official languages of each contracting State for which the language of the proceeding is not official language, and the printing fee, can be required, even in the case where one of the parties appeals after the Revocation Division, informed of the patentee's agreement on the amended text, has decided to maintain the patent in its limited form.

Therefore one might wonder if it were really useful to proceed to such a publication and to make the patentee bear such an expense in addition to the appeal costs. Would it not be more prudent to await the expiration of the appeal period thus obliging him, only if he does not appeal, to undertake these formalities and expenses?

2.11. Article 69 (1)

Jurisdiction in infringement actions

The reference to the Convention on Jurisdiction and Enforcement must take account of the specific nature of the Community patent which, as arises from Article 2, is a unitary and autonomous right. Moreover it would seem that the Protocol on Jurisdiction and the Recognition of Decisions signed together with the European Patent Convention would be better adapted to patents specifically, particularly with regard to the enforcement of decisions.

Article 69 (1) could be drafted as follows by keeping to the letter of the Convention on Jurisdiction and Enforcement:

'Subject to paragraph 3, if the defendant has his residence or principal place of business within one of the Contracting States, actions concerning Community patents shall be heard:

- (a) before the courts of this State,
- (b) in torts before the courts of the place where the tortious act took place.

The other provisions of the Convention on Jurisdiction and Enforcement apply as and when necessary.'

2.12. Article 70

Procedure before national courts

Since the civil procedure of the Contracting States is very different as regards the possibility of a joinder between infringement and a revocation action either as a result of an express provision of patent law, or because of connexity, it seems necessary, in order to preserve for the Revocation Division and the Revocation Boards exclusive jurisdiction where the validity of the Community patent is concerned, to introduce the following provision:

'2. The actions on revocation of the Community patent can only be entered on as a principal consideration and before the European Patent Office.'

2.13. Article 70a

Reversal of the onus of proof

Subject to the provisions of Article 70, the majority of UNICE's members approve the drafting of this article but stress that it calls on the provisions of national law for a correct application and poses the problem of its compatibility with the procedure of 'saisie-contrefaçon' which exists in certain States. On this matter UNICE refers back to its former proposals.

2.14. New Article 70b

Forum shopping

- (a) It appears necessary to avoid the disagreeable consequences of so-called 'forum shopping', that is the choice by the patentee of the court before which he would bring an alleged infringer according to the sanctions usually decided on by this court. In this spirit, a new Article 70b (1) might read as follows:

'1. The national court to which an action for infringement noted in several States is submitted must apply the law of each of these States for the sanctions against the infringements noted.'

The drafting implies a modification of Article 38 (1), to which should be added 'subject to Article 70b (new).'

- (b) The jurisdiction of the court must also be limited in order to avoid all 'forum shopping'. In this way the court of the State, in which the defendant has his residence could take cognisance of all the infringements of the defendant, subject to the provisions contained in article 70b (1), whereas the jurisdiction of the court of the place where a tort was committed would be limited territorially, according to the following *new* provision:

'2. The national court other than that of the State in which the defendant has his residence takes cognisance only of torts committed within its jurisdiction'.

2.15. Article 71

Validity of the Community patent

It must be clearly understood and expressed that, save where there are express provisions to the contrary in the Convention (Article 84b), the revocation action of a Community patent is the *exclusive* province of the Revocation Divisions and Boards. Consequently, it appears necessary:

- (a) to draft the French version of Article 71 in less ambiguous terms and more closely in conformity with the English and German versions, by saying for example:

'... doit tenir le brevet communautaire pour valide'.

- (b) to amend Articles 9 and 10 by saying:

'... shall, subject to the provisions of Article 84b be exclusively responsible ...'

as well as Article 52 (Request for limitation) by stating in paragraph (1):

'... the request shall be filed in writing at the European Patent Office exclusively ...'

(c) to complete Article 56 (1) by saying:

'Subject to the provisions of Article 84 (b) an application for revocation may only be filed with the European Patent Office; however ...'

2.16. Article 72

Stay of proceedings

A thorough study of the procedure applicable in the case of an action on revocation when there is an infringement action, has been carried out in different circles and particularly in the framework of university symposia. UNICE taking the side of jurisprudence thinks that it is necessary primarily to obtain a simple procedure without ambiguity; for this reason UNICE proposes some amendments to the draft Convention.

Article 72 (2) could read:

'If a European patent has been opposed, or if a request for the limitation or an application for the revocation of a Community patent has been made, the national court, at the request of one of the parties and after hearing the other parties, shall stay proceedings relating to the Community patent, in so far as its decision depends upon validity, unless it considers that the said opposition or the said application for limitation or revocation have no obvious basis. The request to stay proceedings can be presented at any stage of the process, even in the event of an appeal.'

Where Article 72 (3) is concerned, first or second variant, UNICE approves the principle of an opinion concerning the scope of the protection conferred by the patent. This opinion should be given by the European Patent Office each time that the Community patent is upheld as it stands or is amended by the specialized departments of the European Patent Office, whereas a national court to which an infringement has been submitted stays proceedings.

However, the scope of the protection could not be usefully evaluated without reference to the asserted object of infringement. In these conditions the facts resulting from the findings of the national court are called on to play a considerable role. However national infringement proceedings differ greatly from one country to another. Thus in France for example at the moment a court took a decision not to proceed with the case, it would have carried out no measure of investigation. At this stage the file would only contain the record of 'seizure on infringement' and generally summary and provisional conclusions of the parties.

It therefore appears necessary that opinion on this scope of the protection to be given by the European Patent Office should only be taken after a hearing of the parties themselves

should they wish, i.e. that Article 116, paragraph 1, of the European Patent Convention should apply as laid down.

UNICE considers it indispensable that the legal members of each of the special departments be recruited among professional judges of Contracting States who are competent and experienced in infringement matters.

Consequently UNICE rejects the first variant of paragraph 3 and expresses the wish that paragraph 3, second variant, be amended as follows:

'When infringement proceedings before the national court are stayed, the Revocation Division shall, if it decides to maintain the Community patent unamended or as amended, express an opinion *in concreto* as to the extent of protection conferred by the patent. Such opinion, like the rest of the decision, is subject to appeal. It takes into consideration the product or process which is the subject matter of the dispute, as it appears from the items of the file transmitted by the national court and the statements of the parties. Article 116, paragraph 1 of the European Patent Convention applies.'

2.17. Article 78

Exhaustion of the rights attached to a national patent

See in this respect the observations and the proposed amendments concerning Article 78 which are indicated under point 2.5 of the present paper.

2.18. Article 84a (new)

Option between a Community patent and a European patent

UNICE approves the proposal of the German Government in respect of a retroactive choice of a Community patent if the nine States of the European Economic Community have been designated by the applicant during the transitory period resulting from the ratification processes of European conventions in the sphere of patents.

2.19. Article 84b

Reservations

UNICE would have preferred that no exception be made to the exclusive jurisdiction of the Revocation Divisions and Boards in matters of revocation of the Community patent.

It notes however that in terms of procedure the planned exception:

- on the one hand, gives the national court to which an infringement action has been submitted the possibility of declaring itself competent to evaluate the effects, and there-

fore the validity of a Community patent, at the request of the sole defendant and in spite of the possible opposition of the holder of the patent;

- on the other hand, can lead, without this being justified by the respect of prior national rights, to a dismemberment of the Community patent, which could be invalidated in a contracting State and remain valid in the rest of the Community.

Thus UNICE is unanimous in requesting that the said exception be arranged as follows:

- (a) A national court, as a general rule, must be incompetent to rule on the revocation of a Community patent, both incidentally or as a counter claim, as well as principally. However, in the case where an infringement action has been submitted to a national court, this court must have the option of declaring itself competent to evaluate, on this occasion and incidentally, the validity of the Community patent, if all the parties concerned request it to do so and thus agree to extend its competence.
- (b) If the national court declares itself, under these conditions, competent to evaluate the validity of a Community patent it must be able to take a decision determining the effects of the patent in each of the territories of the States in which the actions referred to by the infringement action have taken place.

It is the only solution of exception which permits a court of the State in which the defendant has his residence (empowered by application of the Brussels Convention, or as it is called 'Enforcement' Convention) to rule without contradiction on all the infringement acts carried out in several States of the Community. It is moreover a solution which is perfectly acceptable from the moment that the patentee and the defendant have agreed to accept, in this matter, the competence of the Court.

Consequently UNICE suggests the following amendments to Article 84b:

1. . . . to the effect that its courts dealing with an infringement action relating to a Community patent might, at the request of all parties, take a decision concerning the effects of the Community patent. However

- (a) Unchanged.
 - (b) Ibid.
2. Deleted.

3. The procedure aimed at determining the effects produced by a Community patent, under the conditions foreseen in paragraph 1 is in conformity with the provisions of the procedure which would be applicable if the Community patent were a national patent of the State in which the court is situated.

4. Unchanged.
5. Ibid.
6. Ibid.

PREPARATORY DOCUMENT No 32
Council of European Industrial Federations (CIFE)
September 1975

ADDITIONAL OBSERVATIONS ON THE DRAFT
CONVENTION ON THE EUROPEAN PATENT FOR THE
COMMON MARKET

CIFE having received and noted the additional observations of UNICE on the draft Convention on the European patent for the common market, approves them fully and without reservations.

CIFE notes the importance of problems of legal actions involving European patents for the common market and hopes that by concentrating disputes with the European Patent Office it will be possible to rapidly constitute a body of jurisprudence allowing the national courts of Community States a constant reference in their decisions in order to avoid divergences of jurisprudence in the evaluation of the validity of European patents.

CIFE hopes in the same spirit that the possibility will be opened up to the national courts of non-contracting States to the Convention for the Community patent, but which are for example linked by special agreements with the common market, to obtain legal opinions from specialized bodies of the European Patent Office which would permit greater unity of jurisprudence.

PREPARATORY DOCUMENT No 33
Fédération internationale des conseils en
propriété industrielle (FICPI)
September 1975

ADDITIONAL OBSERVATIONS ON THE
DRAFT CONVENTION

The observations and suggestions made by the FICPI in Preparatory Document No 2 are maintained subject to the cancellations, modifications and supplements mentioned in the following.

Preamble, paragraph 3 (Anxious . . .)

The last sentence of this paragraph could be construed as being hostile to national patent systems, even if improved as proposed by the German Government in Preparatory Document No 29. Besides, the con-

tinued existence of national patent systems is expressly recognized in Article 36 of the Rome Treaty, and their effect in respect of competition within the Community is governed by that Treaty. It is therefore proposed to cancel the last sentence of paragraph 3 of the preamble.

Any expression of hostility to national patent systems would be regrettable because these will form a valuable instrument also in the economy of the EEC, when existing side by side with the Community patent system. For medium and small-sized industries the national patent systems are to-day the most efficient means of asserting themselves in competition, particularly in relation to financially stronger enterprises. Frequently such industries have, at least in the initial phase, a limited market on which their further existence and possibility of growth depends – in the interest not only of themselves, but also of competition within the Community – and it would in many respects – financially and otherwise – be an unnecessary burden on them if they were forced to seek protection beyond the limited market which they find to be within their power of exploitation of the invention. In all other Community countries exploitation of the invention would be free, so the national patent or patents would by no means restrict competition, as compared with a Community patent – on the contrary.

Much of what has been said also applies to some of the activities of larger industries who always have to consider whether a particular invention is worthy of or ripe for patenting in a larger geographical area.

It is therefore believed that national patent systems will still have a purpose in the time to come. They will by no means prevent inventions of sufficient importance from finding their way to the Community patent system – on the contrary, many Community patents will probably grow from industrial development taking its first steps under the shelter of national patent systems.

Should a time come when applicants no longer feel any need for national patent systems, these will die a natural death.

Article 1 (1)

The previous proposal is cancelled because a similar amendment has been adopted in Preparatory Document No 28.

Article 29c

The previous proposal is transferred to Article 70a, (see below).

Article 30

In Article 30 (1), line 4, English version, it is proposed to replace 'the party' by 'a party', because there may be more such parties.

On the other hand it should be made clear that 'a party entitled to exploit the invention' does not in-

clude any person who has, for example, lawfully bought a patented machine and has thereby acquired a right to use the invention as long as he does so by operating that particular machine. Maybe this is clear from the word 'exploitation' used in the English and French wordings, but the German expression 'Benutzung der Erfindung' might be interpreted to include the mere use of a particular specimen of a patented machine (which the user has bought from the patentee or otherwise legally acquired). Maybe greater clarity could be obtained by replacing the word 'Benutzung' in the German version by 'Ausnützung'.

Article 32

The scope of this article may still give rise to considerable discussion, in which the FICPI may also wish to express opinions. However, it is believed that everybody concerned agrees that at least there must be a limit to exhaustion circumstances, which could be formulated in a third paragraph to be added to Article 32 as follows:

Article 32

3. The provisions of paragraphs 1 and 2 shall not apply to acts concerning a product put on the market in one of the Contracting States by a third party without the consent of the patentee.'

Examples of situations where this paragraph would be useful to remove doubt are:

- (a) A product is put on the market by a third party in a Contracting State where the Community patent is ineffective by virtue of Article 33 (or 84b).
- (b) A product is put on the market by a prior user under Article 34.
- (c) A product is put on the market by the holder of a compulsory licence under Articles 46 to 48.
- (d) A product is put on the market by an infringer in one Contracting State, but the patentee takes no action in that State, but later takes action in another Contracting State where the product subsequently arrives.

Article 35

The previous observation and proposal are cancelled because a similar amendment has been made in Preparatory Document No 28.

Article 37

The first observation and proposal (paragraphs 18 and 19 of Preparatory Document No 2) are cancelled because a similar amendment has been made in Preparatory Document No 28.

Article 37 (2)(b)

The last observation (paragraph 23 of Preparatory Document No 2) is maintained, and additionally a reference to licences of right should be included

(unless the proposed addition to Article 44 is adopted).

Article 43 (1)

It is proposed to add that exclusive or non-exclusive licences may be granted.

Article 53 (1)

The previous proposal is cancelled in favour of the amendment to Article 59 (3) proposed by the German Government in Preparatory Document No 29.

Article 59 (3)

The previous proposal is cancelled in favour of that made by the German Government in Preparatory Document No 29.

Article 64

Since the presentation of Preparatory Document No 2 the doubts expressed at the end of paragraph 37 of that document have been overcome, and it is therefore proposed to rewrite Article 64 (e) as follows:

Article 64

(e) With the exception of Article 134 the term "Contracting State" shall be understood as meaning a Contracting State to this Convention.'

The proposal for an added Article 64 (f) is maintained.

Article 70a

Based on the observations to Article 29 (c) in Preparatory Document No 2, it is proposed to add a second paragraph to Article 70 (a) as follows:

Article 70a

2. The provision of paragraph (1) shall also apply to a Community patent relating to a process for obtaining a known product if the patentee can show good reasons for assuming that the product was made by the patented process.'

Article 78

For the reasons explained with reference to Article 32 it is proposed to add a fourth paragraph to Article 78 as follows:

Article 78

4. The provisions of paragraphs 1 to 3 shall not apply with regard to a product put on the market in one of the Contracting States by a third party without the consent of the patentee.'

It is observed that some points of the Community Patent Convention have not yet been finally discussed within the Executive Committee of the FICPI, which may therefore wish to make additional observations and proposals at the Conference.

PREPARATORY DOCUMENT No 34

European Industrial Research Management Association (EIRMA)

September 1975

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

This submission, drawn up by an EIRMA working group and filed on behalf of EIRMA, replaces Preparatory Document No 4. It constitutes, therefore, an updated paper relating to the 1975 drafts of the Community Patent Convention and the attached annexes adjusted to the 1973 European Patent Convention signed in Munich. Consequently, the present submission takes into account observations set forth in various other Preparatory Documents as well as the additional amendments and new provisions included in Document No 28.

I INTRODUCTION

EIRMA notes with satisfaction that various proposals which it and other private organizations jointly supported during the May 1972 hearings in Brussels, as well as further suggestions contained in the subsequent 1974 submissions of governments and private bodies, have been incorporated into the final draft version of the Treaty to be discussed and signed during the Diplomatic Conference in Luxembourg from 17 November–15 December 1975.

EIRMA wishes to state that the 1975 draft for the Community Patent Convention, together with annexed documents, is the result of outstanding cooperative efforts and deserves to be adopted in Luxembourg, subject *inter alia* to some clarifications and amendment proposals submitted below. Whilst EIRMA concurs with the 1975 statement issued by the Danish Government, namely that, subject to Article 84 of the Convention draft, the Protocol on the exhaustion of rights attached to Community and national patents should be maintained, its proposals on certain clauses take into account the risk that this Protocol may be set aside in compliance with the request of the EEC Commission based on the interpretation of various recent judgments which have been handed down by the EEC Court.

II ISSUES

Preamble

1. EIRMA is aware that the Community patent system should, *inter alia*, contribute to the attainment of the objectives of the Treaty of Rome, in particular by eliminating the distortion of competition

which may result from the territorial aspects of national patents granted in EEC States.

However, for the reasons amply given by all private organizations during the 1972 Brussels hearings, EIRMA stresses the need for a reasonable transition period so as to allow industrial concerns of various size to adjust their policy to a situation which will abolish the traditional principle of the territoriality of parallel national patents and, in the interest of the free circulation of patented goods, will restrict the exclusivity and contractual freedom with regard to such patents and future Community patents, even in the absence of special circumstances set forth in Articles 85 and 86 of the Treaty of Rome.

Subject to an amendment proposed later on in regard to Article 2 of the aforementioned draft Protocol, EIRMA approves the modified text of the Preamble, but suggests stating the following in paragraph 2: '... , in particular by progressively eliminating within the Community the distortion of competition which may result from the territorial aspect of national protective rights'.

This wording takes into account that economic integration in the EEC has been, and will be, a step by step development which cannot be hastened in the particular field of patents.

Article 6

National patent laws

2. In accordance with this provision, there is no doubt that the Contracting States are entitled either to maintain their laws governing national patents or to adjust them to the provisions of this and any other international Convention so as to avoid any duality in the standards of patents being effective in their territories.

It is, however, equally clear that, in order to ratify this and any other Convention which impinges on national law, the Contracting States are bound to take legislative measures which will enable them to fulfill their contractual obligations.

The proposed wording for Article 6 therefore appears to be too narrow and should read as follows:

'This Convention shall be without prejudice to the right of the Contracting States to maintain their laws concerning national patents.'

Article 29

Prohibition of direct use of the invention

3. EIRMA expresses some doubts on the concept of infringement as expressed in paragraph (b) by offering or putting on the market a patented process. The provision seems to refer either to 'know-how' or to a patented process the use of which may infringe another patent.

In the interest of legal certainty it is therefore sug-

gested that paragraph (b) of this article be restricted to 'using a process which is the subject-matter of the patent'.

In view of Article 64, paragraph (2), of the European Patent Convention, it is recommended that the words 'in so far as . . . Convention' be cancelled from paragraph (c) of this article. In conformity with Article 53 of the European Patent Convention, patents are not to be granted for plant or animal varieties or essentially biological processes for the production of plants or animals, whereas other methods and their resulting products are patentable.

Article 31

Limitation of the effects of a Community patent

4. The English version of paragraph (b) should say 'acts done for experimental purposes relating to the subject matter of the patented invention'.

Articles 32 and 78

Exhaustion of the rights attached to a Community patent or to a national patent

5. For the reasons fully explained by the French Government in Preparatory Document No 17, EIRMA takes the view that a strict application of the parallel provisions on the exhaustion of rights should be maintained. Therefore, in the case of a product imported from an EEC country in which protection through a Community or a national patent has not been requested or granted or could not be obtained, no right has been exhausted and a patent may consequently be enforced in the EEC country of import.

In line with the French proposal supported by the UK Delegation, Articles 32 and 78 should therefore be amended as follows:

Article 32

Exhaustion of the rights attached to a Community patent

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting States after the proprietor of the patent has put that product on the market *in any of those States in which that patent is effective*.

2. The provisions of paragraph 1 shall also apply to a product put on the market *in one of the Contracting States* without infringement of the Community patent by a contractual licensee referred to in Article 43 or by a licensee of the same patent under Article 44.

Article 78

Exhaustion of the rights attached to a national patent

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting State after the proprietor of the patent has put that product on the market in any Contracting State *in which he is the proprietor of a patent for the same invention*.

2. Unchanged.

3. The provisions of paragraphs 1 and 2 shall also apply to a product put on the market in any Contracting State without infringement of the relevant national patent by a contractual licensee of that patent or by a licensee of right under Article 44 of the same patent.'

Article 43

Contractual licensing

6. In order to favour legal security and encourage technological cooperation among research-based companies in Europe, EIRMA supports the idea to define more amply in this Article the extent and effects of permissible licensing rights under Community and national patents in the context of Article 85 of the Treaty of Rome.

In view of the complexity of the problem, EIRMA wishes to restrict its observations and complementary proposals on Article 43 to two matters of practical importance, namely territorial limitations and/or exclusivity in patent licence agreements relating to EEC countries.

EIRMA recognizes that, under the exhaustion doctrine as confirmed in the draft Convention, and subject to a possible period of transition, patented goods purchased from a contractual licensee within the licensed territory may freely circulate in the EEC, irrespective of a Community patent or parallel national patents owned by the same or related persons. This principle accords with well-known judgments of the European Court of Justice.

However, a licence which, in accordance with paragraph 1 of Article 43, is limited to part of the territory in which a Community patent is effective (or a licence granted under one only of various parallel national patents) would practically be meaningless if the contractual licensee were able to export the patented goods directly to non-licensed EEC countries in breach of his agreement. In other words, the owner of a Community patent, or of parallel patents, must in such cases remain entitled to prevent infringing imports into non-licensed EEC countries. The original exhaustion of rights cannot have extra-territorial effects, because the patentee's exclusive right of first sale includes the authorization to define the limits of the licensee's exploitation, so that the legitimate interests of the patentee or other licensees in their respective territories can be safeguarded.

Exclusive licences also deserve recognition as a legitimate means of encouraging contractual cooperation and productive investments. The effects of market division, if any, are largely eliminated by the exhaustion doctrine applicable to the first domestic sale of exclusively licensed goods. Moreover, a patentee is anyhow entitled to refrain from licensing or to assign fully his rights to third parties. Exclusive patent licences for manufacture and/or sale should thus be considered unobjectionable under Article 85 (1) of the Treaty of Rome. Finally, it should be mentioned that the draft Convention refers to exclusive licences in its Articles 44 and 50.

Under these circumstances, EIRMA proposes to draft Article 43 as follows in order to secure external effects of a minimum contractual freedom:

1. A community patent may be licensed fully or in part on an exclusive or a non-exclusive basis for the whole, or a part, of the territories in which it is valid.
2. Unchanged.
3. Where a licence is granted under a Community patent for a part of the territory in which that patent is valid, nothing shall prevent the owner of that patent from enforcing it against direct imports of products made under the licence into other parts of the territories covered by the patent.
4. The provisions of paragraphs 1 and 3 of this article are applicable *mutatis mutandis* to parallel national patents granted for the same invention in the Contracting States.'

Articles 46 and 48

Compulsory licences

7. It is assumed that under Article 46 the extent and effect of compulsory licences will be restricted to the territory of the State concerned, subject to future Community rules as outlined in the relevant draft Resolution reproduced on p. 142 of Preparatory Document No 28. Therefore, EIRMA points out that national compulsory licences should – subject to the aforementioned draft Resolution – never imply the right to overflow the whole EEC with imitation products particularly when originating from non EEC countries.

The territorial limitation of compulsory licences should be equally applicable to licences granted under Article 48 particularly when a dominant or dependent national patent is involved. It is consequently suggested that in this article a sentence be added as follows: 'the extent and effect of such compulsory licences shall be restricted to the territory of the State concerned.'

Article 49

Renewal fees

8. EIRMA supports proposals which aim at an adequate system of written warnings when renewal fees become due, similar to the rules applied in the FR of Germany.

Article 70a

Burden of proof

9. Various contracting States have provisions in their laws on national patents which are identical or similar to Article 70a. Therefore, EIRMA fully supports the proposed new clause on the reversal of the burden of proof for reasons amply stated by many delegations during the 1973 Munich Conference.

In accordance with Article 38 of the draft Community

Convention the Contracting States may retain or introduce procedures enabling a defendant to adduce proof to the contrary without disclosing manufacturing secrets to the plaintiff. Objections raised against the provision are thus hardly justified.

Article 70 (a) as drafted would secure the unitary character and the enforceability of Community patents restricted to manufacturing processes. Moreover, the suggested clause should be considered in conjunction with Article 64 (2) of the European Patent Convention above all with respect to the protection of certain chemical inventions.

Article 72

Stay of proceedings

10. EIRMA approves the second alternative of paragraph 3 which is aimed at mitigating, at least to some extent, the interim duality of jurisdiction on issues of infringement and validity of Community patents. EIRMA also accepts the proposed resolution in the future litigation of Community patents.

Article 84b

Reservations

11. If Article 84b has to be accepted at all then EIRMA concurs with the amendment proposals submitted by UNICE.

Draft Protocol on the deferred application of Articles 32 and 78 of the Convention

12. For reasons amply explained during previous hearings in Brussels, it is proposed to *delete subparagraph (a) of Article 2* in order to maintain a minimum transition and adjustment period of five years.

Such a minimum period is required in any case to achieve uniform rules on the relationship between prior national rights and Community patents, to attain harmonized provisions governing the conditions and effects of prior use or personal possession right and to introduce common rules on certain compulsory licences under Community patents. It is unrealistic to expect that these draft Resolutions can be implemented and put into effect simultaneously with the principles embodied in Articles 32 and 78 of the Community Convention before a five-year period has expired; it is hoped that this transition period will lead to an advanced stage of economic integration which may justify significant modifications of patent legislation involving for innovators, in the interest of free competition and the unrestricted circulation of patented goods, a considerable dilution of the protection available for their inventions in the EEC.

Draft Implementing Regulations

13. At this stage, EIRMA refrains from submitting comments on the draft rules for the Convention.

PREPARATORY DOCUMENT No 35

United Kingdom

September 1975

ADDITIONAL OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

1. The final draft (Preparatory Document No 28) includes several amendments made earlier this year as a result of proposals made by Her Majesty's Government in R/3283/74.¹ In R/3283/74 we also proposed an amendment of Articles 32 and 78, as suggested by the French Government in Preparatory Document No 17. The Working Party deferred discussion of this matter pending a detailed examination of the judgment of the European Court of Justice in the *Centrafarm* case. This proposal is maintained. Preparatory Document No 11 also contains proposals by Her Majesty's Government. The proposals made in connection with Article 30 have now been met. Except as mentioned below, the other proposals in the document are maintained. In addition, we make the following proposals.

2. Article 41

The reference to 'execution proceedings involving the Community patent' does not clearly define the nature of the proceedings with which the Article is concerned. We suggest that the Article should be re-drafted as follows:

'... shall have exclusive jurisdiction to entertain proceedings by which it is sought to exercise against a Community patent any remedy for the purpose of satisfying a debt, whether in execution of a judgment given against the proprietor of the Community patent or otherwise'.

The words 'or otherwise' are intended to cover cases in which the creditor does not have a judgment in his favour but bases his claim on a right conferred upon him, for example by a contract enabling him to proceed to enforcement without first having obtained a court judgment. The proposal at point 52 of Preparatory Document No 11 is now withdrawn.

3. Article 42

After further reflection we withdraw the proposal at point 33 of Preparatory Document No 11. Instead, we propose that Article 42 should be deleted. Our reasons are the following:

(1) The article is unnecessary. There is not likely to be a substantial interval of time between the coming into operation of this Convention and of the Bankruptcy Convention which will supersede

¹*Editor's note:* The document referred to is an internal document of the Council of the European Communities.

it on all bankruptcy points. In any event, in the great majority of cases the result during this transitional period would be the same if Article 42 were omitted.

The trustee in bankruptcy of the bankrupt owner of the patent acquires his right to the patent in accordance with the national law determined by Article 39 and will register his title under Article 28. The trustee will then obtain a proprietor's interest which takes priority over subsequent claims and can be sold or otherwise disposed of. The provisions of Article 42 will only affect this result in the exceptional case where bankruptcy proceedings are brought concurrently in two or more Member States and where the trustee of a later bankruptcy seeks registration first. The small number of cases likely to be involved does not justify special provision.

(2) Article 42 is capable of producing inequitable results. The article gives preference to the proceedings which are begun first. If, however, one set of bankruptcy proceedings were begun in State A and later another set were instituted in State B, the trustee in State B might be unaware of the earlier proceedings in State A. If notice were given of his interest, an appropriate entry would be made on the Community Patent Register. When, however, notice of the title or interest of the trustee in State A was subsequently given to the Register, he would be able to claim that, as the Community patent could, according to Article 42, only become the subject of bankruptcy proceedings in the State in which such proceedings were opened first, the European Patent Office ought not to have registered the trustee in State B as proprietor and ought to enter the name of the trustee in State A instead. Problems could then arise over rectification of the Register; the rights of creditors could be seriously affected and, where a third party had in the meantime bought the patent from the trustee in State B, he could suffer grave loss. To avoid wrong registrations the Community Patent Register would in every case of an application for registration by a trustee in bankruptcy have to make enquiries whether bankruptcy proceedings against the existing proprietor had been started at an earlier date in any other Member State; such enquiries would take time and might involve the resolution of difficult legal points. Moreover, where the Register in investigating the claim of the trustee in State B discovered that proceedings were pending in State A which had been started first, it would have to defer registration, perhaps for many months, while awaiting the outcome of the proceedings in State A.

We suggest that for the purely transitional period when Article 42 could operate it would be better simply to have the results which would follow from the Convention in the absence of the article. The first trustee in bankruptcy to establish his

claim with the EPO should get a good title. Article 42 should therefore be deleted.

4. Article 43

We suggest the insertion of a new paragraph as follows:

'Licences under a Community patent may be exclusive or non-exclusive'.

It is considered important that the Convention should expressly confirm the right of a patentee to grant exclusive licences.

5. Article 46

(1) When drawing up the text of this article the Working Party agreed that the reference to 'any right to use patented inventions in the public interest' included the right for a government to use, and authorize the use of a patented invention for governmental purposes. We think that this agreement as regards the definition of a compulsory licence should be recorded in the minutes of the Conference. This applies also to Articles 47, 69 (2) and the Resolution on compulsory licences.

(2) The Working Party has also agreed that the patent right is not exhausted in respect of goods marketed under a 'compulsory licence' as defined in Article 46. We think that this agreement should also be recorded in the Conference minutes. To avoid any doubt on this matter, we also believe it advisable to amend the third sentence of Article 46 (1) so as to refer to 'the extent and effect of such licences. . . .'

(3) In the UK a compulsory licence involves an agreement between the patentee and the compulsory licensee. In order to remove any doubt as to the scope of Articles 32 (2) and 78 (3), we think a new paragraph should be added to Article 46 as follows:
'A compulsory licence, whether or not it is the subject of an agreement, is not deemed to be a contractual licence for the purpose of Articles 32 and 78'.

6. Article 84b

Since the patentee has a vital interest in the validity of his Community patent and all parties to an action should be treated on the same basis, we suggest substitution of the phrase 'at the request of the defendant and after hearing the other parties' by the words 'with the agreement of the parties'.

7. Resolution on future litigation of Community patents

We are anxious that the necessary work to resolve the problems referred to in this Resolution should commence at the earliest opportunity after the Convention has been signed. We suggest the

addition of a further paragraph to the resolution as follows:

'To this end, after signature of the Convention, a Working Party shall be set up without delay in order to commence the necessary work.'

8. Declaration on the ratification of the Patent Cooperation Treaty and on the simultaneous entry into force of the EPC and CPC

Following the conclusions reached at the COREPER meeting on 18 December 1974 it would appear that the declaration on simultaneous entry into force is now not required and that the declaration on the ratification of the PCT should be amended to enable ratification of the PCT prior to entry into force of the CPC.

PREPARATORY DOCUMENT No 36
Commission of the European Communities
September 1975

OPINION ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

1. In its Opinion of 4 April 1974 (Preparatory Document No 24) the Commission made known its general views on the draft Convention for the European patent for the Common Market (Community patent) and stated that the 'Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents' was basically incompatible with Community law. The Opinion was delivered with a view to the Intergovernmental Conference due to take place between 6 and 28 May 1974 and in the course of which the draft Convention was to be finally adopted. This Conference was adjourned at the request of the United Kingdom Government. It will now take place in Luxembourg from 17 November to 15 December 1975.

The Commission, noting that a proposal for amendment of the rules forbidding partitioning of the Common Market by means of patents (Articles 32 and 78) is to be submitted to the Luxembourg Conference,¹ and no decision has yet been taken concerning the above mentioned Protocol, would now take this opportunity to deliver a new Opinion.

I

The Working Party on Community Patents has proposed two important amendments to the draft Convention on the European patent.

¹See Preparatory Document No 17 for the Luxembourg Conference.

2. In its present version, the draft provides that designation of a Member State of the Community in an application for a European patent results automatically in the grant of a Community patent with effect throughout the Member States.

The new Article 84a of the draft provides that, during a transitional period of ten years, an applicant for a patent will have a choice between a Community patent and a European patent. The applicant may state that he wants a patent only in one or more Member States. If, for example, he makes such a statement and designates the FR of Germany and France in the application, he obtains a European patent for these two countries which has the effect of a national patent only.

The Commission regrets this amendment. It still considers it essential that the procedure for the grant of a European patent in which a Member State is designated should lead only to the grant of a Community patent whose scope extends to all the Member States and which is subject to the uniform law created by the Convention for a Community patent.

The Commission considers that there is no convincing reason for allowing the holder of a patent to have such a choice as mentioned above and that it derogates from an important principle of the Convention.

3. The second amendment also entails the abandonment of an important principle.

In the current draft it is provided that the European Patent Office has sole jurisdiction to cancel the Community patent with effect for all the Member States. The new Article 84b of the draft provides, however, that national courts before which an infringement action has been taken may also decide on the validity of a Community patent. Such a decision has effect only in the territory of the State over which the court has jurisdiction.

By virtue of this new provision national courts can decide on the validity of the patent, with the result that the Community patent may be considered valid in one Member State and void in another. The principle laid down in Article 2 of the draft, whereby the Community patent is to have the same effect in all the Member States, is thus contravened. Furthermore, abandonment of the unitary character of the Community patent creates obstacles to the free movement of patented goods and to the creation of equal conditions of competition and also is at variance with the principle of the 'free movement' of judgments under the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters. The Commission is not unaware of the difficulties which may result from the division of jurisdiction concerning infringement and validity actions. However, in accordance with a draft resolution submitted to the Luxembourg Conference, the work necessary for the resolution of these difficulties is to be undertaken after signature of the Convention.

The Commission considers that it is in the context of that work that a solution should be found which will ensure the unitary character of the European patent.

II

4. The provisions of Articles 32 and 78 are designed to ensure that a patent product put on the market in any Member State by the holder of a Community patent or by the holder of one or more parallel national patents may move freely throughout the territory of the Community. The partitioning of the common market into nine national markets is thus forbidden.

5. Under a proposal submitted to the Luxembourg Conference, the scope of these two articles is to be limited. This proposal provides that a patentee may prohibit the import of goods which have been put on the market by himself or with his consent in a Member State in which the Community patent has no effect (on account of the existence of a prior national patent opposed to it) or in which a parallel national patent does not exist. In order to justify this proposal it is suggested that a patentee who puts his products on the market in a country where they are not protected by a patent would have to take account of the prices charged by his competitors in that country, and would thus be deprived of the profit due to his creativity.

6. It is true that in certain cases the patentee may be forced to sell his products more cheaply in a country where he has no patent if a third party is able to market the subject of the invention in that country at a lower price.

As a result, if goods put on the market by a patentee in a country where there is no protection, are imported into those countries where that patentee holds parallel patents, his profit may be reduced. It is not however the purpose of the law of patents to guarantee to the patentee a higher profit than that which can be derived from the market price. A patentee is only granted, for a certain period, the exclusive right to forbid anybody to make and market the subject of his invention. This exclusive right is the counterpart of the fact that application for a patent makes the invention accessible to the public. The opportunity for the patentee to obtain an additional profit in selling his product depends in particular on his market position and on the existence of substitute products. On patent law grounds alone, the proposal concerning Article 78 should be rejected.

7. Furthermore, this proposal is incompatible with the EEC Treaty, as it envisages free movement of patented goods only where parallel national patents exist in all the Member States. In practice this would never happen or would happen only very rarely. According to forecasts of the number of applications for European patents which will be made every year a firm will apply for a European patent when it holds national patents in two or more Member States of the

EEC; as a general rule national patents will exist only in one or two Member States.

It is therefore clear that the proposed amendment would in the ordinary course of events lead to a partitioning of the market as regards products put on the market by the patentee or by a third party with his consent in a part of the Community where those products are not protected.

Such a partitioning of the market could be of advantage to a patentee, particularly where his productive capacity is sufficient to cover the needs of the common market as a whole, and in the Member States in which he has no national patent he has no serious competition for technical or economic reasons. In such cases the amendment of Article 78 which is proposed would enable the patentee to maintain different price levels in two separate areas of the common market by putting a part of his production on the market directly in the territory in which no protection exists. The patentee could then, by means of an infringement action, prevent the importation of those products into that part of the common market in which they are patented.

The result of the above-mentioned proposal is incompatible with one of the fundamental aims of the EEC Treaty, namely the creation of conditions in regard to free movement of goods within the Community which are identical to those which exist in a domestic market. It is therefore essential to maintain the present solution, which prevents a patentee from dividing the common market into two separate areas through his choice of the place in which he puts his products on the market.

8. In its Opinion No 74/209/EEC of 4 April 1974 (OJ No L 109 of 23 April 1974, p. 36 para. 11, last subparagraph) addressed to the Member States, the Commission declared that Community law forbade the holder of a patent to exercise his exclusive right to oppose importation of a protected product into a Member State when that product has already been put on the market by himself or with his consent in another Member State.

9. In its decision of 8 June 1971, in the *Deutsche Grammophon Gesellschaft (DGG)* case (ECR) XVII, 487) the Court of Justice of the European Communities has already stated (at p. 500):

'If a right related to copyright is relied upon to prevent the marketing in a Member State of products distributed by the holder of the right or with his consent on the territory of another Member State on the sole ground that such distribution did not take place on the national territory, such a prohibition, which would legitimize the isolation of national markets, would be repugnant to the essential purpose of the Treaty, which is to unite national markets into a single market.'

That purpose could not be attained if, under the various legal systems of the Member States, nations of those States were able to partition the market and bring about arbitrary discrimination or disguised restrictions on trade between Member States.

Consequently, it would be in conflict with the provisions prescribing the free movement of products within the common market for a manufacturer of sound recordings to exercise the exclusive right to distribute the protected articles, conferred upon him by the legislation of a Member State, in such a way as to prohibit the sale in that State of products placed on the market by him or with his consent in another Member State solely because such distribution did not occur within the territory of the first Member State.'

The phrase 'in such a way as to prohibit the sale in that State of products placed on the market by him or with his consent in another Member State', shows clearly that it matters little whether, when the goods were put on the market for the first time, it was in a State in which a parallel patent existed or not. In the DGG case the manufacturer of records did not have an exclusive parallel right in the State in which the goods were first put on the market (France).

10. The decision of the Court of Justice in *Centrafarm v Sterling Drug* Case 15/74 of 31 October 1974, confirms the interpretation by the Commission of the DGG decision, namely that the principles enunciated in the latter case apply also to patents. In regard to the question raised here the Court of Justice declared in the *Sterling Drug* case (ECR 1974-II p. 1147) at p. 1163:

'In fact, if a patentee could prevent the import of protected products marketed by him or with his consent in another Member State, he would be able to partition off national markets and thereby restrict trade between Member States, in a situation where no such restriction was necessary to guarantee the essence of the exclusive right flowing from the parallel patents.

... The question referred should therefore be answered to the effect that the exercise, by a patentee, of the right which he enjoys under the legislation of a Member State to prohibit the sale, in that State, of a product protected by the patent which has been marketed in another Member State by the patentee or with his consent is incompatible with the rules of the EEC Treaty concerning the free movement of goods within the Common Market.'

11. The proposal for amendment cannot be defended on the ground that the *Sterling Drug* case was concerned with products imported from a Member State in which a parallel patent existed. In fact the reasons given for this decision, like those in the DGG decision (a case in which a parallel exclusive right did not exist), are based solely on the fact that the putting of the goods on the market took place in another Member State independently of the existence or absence of parallel protection.

The *Sterling Drug* decision contains furthermore a statement which dispels all doubt. In discussing the conditions in which a patentee may prohibit imports under Article 36 of the EEC Treaty, the Court of Justice takes the view that the patentee may, by means of an infringement action, oppose importation of 'a product coming from a Member State where it is not patentable and has been manufactured by third parties without the consent of the patentee'. It follows that the patentee cannot forbid importation of products from a Member State in which the product

cannot be patented but where it has been put on the market by a third party with his consent. This is also the case if the patentee himself puts the product on the market in a Member State in which parallel protection does not exist.

12. The same considerations apply to the proposed amendment to Article 32: free circulation of goods must also be guaranteed when the holder of a Community patent puts the patented goods on the market in a Member State in which his patent has no effect.

13. Consequently a limitation of the scope of Articles 32 and 78 of the draft Convention would be contrary to the provisions of the EEC Treaty.

The Commission is also of the opinion that the scope of Article 78 should be extended. Under Article 78 (2) the free circulation of goods is also ensured where two or more persons who have economic connections with each other hold different national patents for the same invention. This rule includes those cases in which legally independent subsidiaries and their parent company are holders of different national patents for the same invention.

14. However, Article 78 does not cover the case where the holder of two or more parallel national patents assigns one of these to a third party with which he has no 'economic connection'. Article 78 in its present form thus permits partitioning of the common market through the assignment of a national patent to a third party who is economically independent of the assignor. This procedure may be used to circumvent the rules which guarantee the free movement of patented goods.

So far, the Court of Justice has not had to declare itself in such a case. In the *Centrafarm v Sterling Drug* case it nevertheless gave a clear indication of what the solution to this problem might be. The Court of Justice declared that Article 36 of the Treaty allows derogations to be made to the principle of free circulation of goods 'in cases where there exists patents, the original proprietors of which are legally and economically independent'. By original proprietors is meant persons who have made an invention independently of each other and who have obtained a patent for that invention.

In the case in question here the person to whom a patent has been assigned is not the original proprietor of a patent. He is only the holder of a derived right which he has acquired as a result of the assignment. Thus an exception to the principle of free circulation of goods cannot be justified where there is an assignment of a national patent.

There is no obvious justification for treating someone who acquired a national patent as a result of an assignment differently from the holder of an exclusive licence, which from a commercial point of view is very close to an assignment. It is to be feared that, where until now an exclusive licence was granted, assignment will be used. This could have the effect of effectively partitioning national markets.

Such a result is incompatible with the principle of free circulation of goods. For this reason the Commission takes the view, for which it finds support in the decisions of the Court of Justice, that assignment of a licence to a third party economically independent of the assignor cannot be allowed to lead to partitioning of the market. Similar provisions should apply to any case where an invention which has not yet been patented is assigned to a third party who applies under his own name for a patent in respect of that invention.

The Commission therefore proposes that Article 78 (2) be amended to read as follows:

'The provisions of paragraph 1 shall apply also in respect of a product put on the market by the proprietor of a national patent, granted for the same invention in another Contracting State, to whom the right to the patent or the patent itself has been assigned by the proprietor of the patent referred to in paragraph 1.' (The second sentence is deleted.)

III

15. The Commission reiterates the view expressed in its first Opinion, that the Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents is contrary to Community law. This Protocol provides that the provisions of Articles 32 and 78, which forbid the partitioning of markets, will not be applicable during a transitional period of five to ten years maximum.

The adoption of this Protocol would allow a patentee to control the marketing of his products within the common market. By taking an infringement action against the importers of products which he himself or his licensee has put on the market in another Member State he can protect national markets and charge different prices in each Member State.

In accordance with the interpretation given by the Court of Justice of the European Communities in the *Deutsche Grammophon Gesellschaft* and *Sterling Drug* cases, Community law forbids a patent holder to exercise his exclusive right to oppose importation into a Member State of a patented product when that product was put on the market by him or with his consent in another Member State.

IV

16. The Commission, acting on the considerations hereinbefore set out and in pursuance of its powers under Article 155 of the EEC Treaty, hereby expresses itself in favour of signature by the Member States of the European Communities of the Convention for the European patent for the common market, but at the same time declares that it is not in favour of the adoption of the Protocol, annexed to the said Convention, on the deferred application of the provisions on the exhaustion of rights attached to Community

patents and national patents, and furthermore that it is not in favour of the proposal to limit the scope of Articles 32 and 78. On the contrary it considers that the scope of Article 78 should be extended as proposed in the foregoing paragraphs.

Should the proposals in regard to which the Commission has expressed an unfavourable view in the foregoing paragraph be adopted, the Commission reserves its right to institute proceedings under Article 169 for failure to observe the obligations of the EEC Treaty.

17. This Opinion is addressed to the Member States.

Done at Brussels, 26 September 1975

For the Commission

F. O. GUNDELACH
Member of the Commission

PREPARATORY DOCUMENT No 37

Austria

October 1975

OBSERVATIONS ON THE DRAFT CONVENTION FOR THE EUROPEAN PATENT FOR THE COMMON MARKET

I

Austria warmly welcomes the fact that, following upon the successful conclusion of the Munich Diplomatic Conference in 1973, it has also been possible to create the necessary conditions for a Community Patent Convention. It sees in the invitation to attend this Conference as an expression of the desire and realization that participation in the proceedings should also be open to those States which will be indirectly or directly affected on account of the close interrelationship between the Community Patent Convention and the European Patent Convention on which it is based. The States acceding to the European Patent Convention will be making a considerable contribution to the setting up of the European Patent Office and therefore have a legitimate interest in seeing that the best possible text is adopted for the narrower Community Patent Convention, which provides for the creation of special departments of the European Patent Office and will generally have important repercussions as regards the application of the European Patent Convention.

The Austrian delegation therefore welcomes the prospect of participating in the discussions of the Luxembourg Conference and expresses the wish that the hopes and expectations raised by the intensive preparations for the Conference will be matched by its success.

II

This document deals with two issues which directly affect Austrian interests. It contains proposals relating to a matter concerning the way in which Austrian patent applicants' interests will be catered for before the European Patent Office if they jointly designate the Contracting States to the Community Patent Convention in a European patent application. Under the present wording of Article 64 of the draft, such applicants or patents proprietors might have to appoint a different representative before the European Patent Office if proceedings are held before the special departments set up under the Community Patent Convention. The Austrian delegation considers that this unjustifiably complicates the defence of a patent proprietor's rights.

A further proposal concerns the Register of European Patents and the European Patent Bulletin, which the Austrian delegation considers should be presented in such a manner as to facilitate consultation by users.

In addition to the proposals set forth below, the Austrian delegation reserves the right to raise other individual points in the Convention at the appropriate time.

Article 64

1. *This article restricts the right to act as a professional representative to nationals of a Contracting State to the Community Patent Convention and debars professional representatives who are nationals of a Contracting State to the European Patent Convention, but not to the Community Patent Convention, and who are otherwise entitled to act before the European Patent Office, from acting in proceedings before the special departments set up under the Community Patent Convention.*

The Austrian delegation considers this restriction to be totally unjustified.

2. The special departments set up under the Community Patent Convention must consistently be regarded as departments of the European Patent Office. While Article 143 of the European Patent Convention enables the Contracting States to set up special departments to carry out additional tasks, such departments cannot be placed in the same category as separate national patent offices. Furthermore, the basis for these special departments will be the European Patent Convention which will be financed by means of considerable financial contributions from all the Contracting States to the European Patent Convention. Consequently, the powers existing under Article 144 of the European Patent Convention whereby special provisions may be laid down in the Community Patent Convention to govern representation of parties before the special departments should not be invoked in such a way as to curtail the rights of professional representatives who are nationals of a Contracting State to the European Patent Convention but not to the Community Patent Convention.

3. It will be a considerable hardship on patent applicants from Contracting States to the European Patent Convention if, after completion of the examination and opposition proceedings before the European Patent Office, they are unable to retain the professional representative best acquainted with the matter to continue with the case in revocation proceedings before the same Office and are only precluded from doing so because he is not a national of a Contracting State to the Community Patent Convention.

4. There are no special provisions in the Community Patent Convention on examination or disciplinary rules governing those professional representatives who are entitled to act before the special departments set up under the Community Patent Convention. Consequently, representatives who are not nationals of a Contracting State to the Community Patent Convention but are otherwise entitled to act before the European Patent Office, are in no way less qualified and are subject to no less stringent disciplinary rules.

5. While it is true that many States' national laws at present restrict the right to act as a professional representative to their own nationals, the situation at the European Patent Office is not comparable and a similar arrangement cannot therefore be applied.

The basic consideration underlying national requirements that cases may only be entrusted to professional representatives who are nationals of the State concerned is that national legal systems, i.e. both legislation directly applicable to industrial property and, on a subsidiary basis, legal provisions of a more general nature, differ considerably from State to State. It is therefore assumed that, as a rule, nationals will be more familiar with the laws of their country and, accordingly, that clients will be assured of better service and the conduct of the proceedings will be considerably facilitated for the relevant authorities if nationals only are permitted to act as professional representatives. However, this reasoning is not relevant in the case of the Community Patent Convention.

Representation before the special departments will primarily involve participation in limitation and revocation proceedings and also, possibly, handling requests for entries in the Register. Both the procedure and the provisions of substantive law applicable in these proceedings correspond to those of the European Patent Convention. Consequently, representatives (and companies which undertake their own representation) will be sufficiently acquainted with what is involved since they will be handling patent applications or industrial property rights which they will already have dealt with in accordance with similar provisions in the European Patent Convention.

A further reason why entitlement to act as a professional representative is restricted under national laws is the language question. It can normally be assumed that foreigners will not have a sufficient command of

the language used in proceedings before national authorities and that, even where the official language is the same, the specialist terminology will often be quite different. Accordingly, it would only complicate national proceedings if foreigners were entitled to act as professional representatives. This further reason for national restrictions on the entitlement to act as a professional representative is equally irrelevant to the situation created by the Community patent since the language of the proceedings stipulated for the Community patent will be the same as that under the basic Convention, i.e., the European Patent Convention, which will, as a rule, already have been used for a number of years in the examination and opposition proceedings for the patent application in question.

It should also be remembered that the Community Patent Convention will not fully replace national patent legislation since national procedures will remain in existence.

6. The present draft provides for the possibility of choosing between a European and a Community patent even within the EEC States. However, the final Convention will only realise its full potential if the possibility of obtaining a Community patent is availed of to the greatest possible extent. For Austrian applicants and for applicants from other European States which are not signatories to the Community Patent Convention, the possibility of being represented in revocation proceedings by the same professional representative who had given satisfactory service during the filing and examination proceedings before the European Patent Office would constitute an important incentive for deciding on a Community patent. The arrangement as it stands, however, constitutes an argument of some weight against such a decision.

7. In order to eliminate discrimination in the question of representation between nationals of a Contracting State to the European Patent Convention and nationals of a Contracting State to the Community Patent Convention, discrimination which the Austrian delegation considers to be unjustified, it is proposed that the reference to Chapter III be deleted from the introduction to Article 64 of the draft.

The introductory sentence to Article 64 should read as follows:

'The provisions of Part VII, Chapter I, of the European Patent Convention shall apply *mutatis mutandis* to this Convention, subject to the following: . . .'

8. The objection that Article 64 (e) of the draft is necessary for the general system of the Convention can be countered by the following point.

The wording of the subparagraph (e) of this article at first sight gives the impression that the restriction of the term 'Contracting States' to mean the Contracting States to the Community Patent Convention is systematically necessary for the application of Part 7, Chapters I and III of the European Patent Convention. In fact the term 'Contracting State'

appears only in a few places in Chapter I. As regards the reference in Article 122, paragraph 5, of the European Patent Convention to Article 79, paragraph 2, it should be noted that the problem of the designation fee is dealt with in Article 3 of the draft Community Convention. Furthermore, the proposal to limit the term 'Contracting States' to the Contracting States to the Community Convention in Article 64 is incorrect in so far as it refers to Article 118 of the European Patent Convention, since there cannot be a multiplicity of designated Contracting States under a Community patent.

It would also be easy in practical terms to delete the reference to Chapter III in the introductory sentence to Article 64 because no article in that chapter is referred to in subparagraphs (a) to (d).

9. Consequently, the Austrian delegation requests the delegations represented at the Luxembourg Diplomatic Conference to give sympathetic consideration to the Austrian proposal, which would seem to be justified on the basis of the foregoing arguments.

Article 82

On the same grounds as those on which it proposes the deletion of the reference to Part 7, Chapter III, of the European Patent Convention in Article 64, the Austrian delegation likewise considers that the reference to Article 163 in Article 82 needs to be deleted so as to remove the transitional restriction on the entitlement to act as a professional representative to nationals of the Contracting States to the Community Patent Convention.

The introduction to Article 82 would accordingly read as follows:

'The provisions of Article 159, Article 160, paragraph 2, and Article 161 of the European Patent Convention shall apply *mutatis mutandis*, subject to the following: . . .'

Article 66

The keeping of a separate Register of Community Patents in addition to the Register of European Patents would appear to be superfluous since all Community patents will be based on European patent applications and patents already entered in the Register of European Patents (Article 127 of the European Patent Convention). To improve presentation for users of the Register, it is proposed that entries concerning Community patents could be made in the European Patent Register itself so that the two Registers would be combined.

Article 67

The Community Patent Bulletin will be considerably smaller than the European Patent Bulletin. It would accordingly be more economical to combine the Community Patent Bulletin with the European Patent Bulletin so that the latter would simply contain a supplement on Community patents. This would considerably simplify use of the publication.

PREPARATORY DOCUMENT No 38

Denmark

October 1975

STATEMENT CONCERNING THE CONSEQUENCES FOR THE PROTOCOL ON THE DEFERRED APPLICATION OF THE PROVISIONS ON THE EXHAUSTION OF PATENT RIGHTS OF THE COURT OF JUSTICE RULING IN CASE 15/74, CENTRAFARM BV AND ADRIAAN DE PELPER V STERLING DRUG INC.

In its observations on Case 15/74 (Sterling Drug), the Danish Government stated *inter alia*:

'In examining import bans involving patent rights, a distinction must be made according to whether the products emanate from the same producer or are manufactured in various countries of the Community. The former case in point of fact presents parallel import and re-import situations in which the import ban is exclusively applied in an attempt to maintain a price differential for the same products emanating from the same producer.

The judgment in Cases 56 and 58/64 (*Grundig-Consten v Commission*) might serve to illuminate the question before us. In the view of the Danish Government, this ruling is in direct conflict with Community law insofar as the licensee of a sales agency who himself covers the whole market by means of imports is not allowed to invoke a patent right in order to prevent other imports of products put on sale in another Member State by the foreign producer (his own supplier).

In the same way the Deutsche Grammophon judgment, Case 78/70, must, according to the Danish Government, by analogy be considered applicable in re-import situations in which patent rights are involved. Thus it stands in direct conflict with the rules on the free movement of goods in Articles 30 to 34 and Article 36 of the EEC Treaty insofar as a patentee invokes patent rights in his own country in order to prevent imports of products which he himself has put on the market in another EEC State.

On the other hand, the Deutsche Grammophon judgment cannot be applied in the same way where a patentee or a licensee, manufacturing products in his own country, invokes his patent right in order to prohibit the importation of products manufactured in another country of the EEC by the patentee himself or by an undertaking which is associated with the patentee or by another licensee. Here, the background of the case differs considerably from that of the Deutsche Grammophon case (re-import situation).

Removal of the possibility and national patent law to prevent imports under these circumstances will decisively alter the legal basis for and the conditions of the industrial exploitation of patents. Furthermore, it should be noted that contracted licence agreements often cover both present and future inventions within a given technical field. This is why the draft Convention on a European patent for the Common Market proposes that the principle of international exhaustion of patent rights within the Community will come into force only after a transitional period.

The Governments of the Member States have indicated in the present draft Convention that the possibility hitherto available of preventing imports in the abovementioned situations should in the long term be abolished within the Community. In preparing the draft Convention, however, the Government representatives considered a transitional

period to be necessary. It would therefore be wrong to assume that the Court of Justice intended in its Deutsche Grammophon judgment to forestall the solution adopted in the draft Convention.

Furthermore, there will be a conflict in relation to the provisions of national patent legislations currently in force concerning the obligation to use inventions for national production, if a principle of international exhaustion of rights attached to patents within the Community is enforced pursuant to the provisions of the EEC Treaty. However, this problem is solved by Article 47 of the draft Convention.'

The Danish Government considers that the points of view expressed in these observations remain valid after the ruling of the European Court of Justice in the Sterling Drug case. The Court's reply is indeed given in very general terms:

'The exercise, by the patentee, of the right which he enjoys under the legislation of a Member State to prohibit the sale, in that State, of a product protected by the patent which has been marketed in another Member State by the patentee or with his consent is incompatible with the rules of the EEC Treaty concerning the free movement of goods within the Common Market.'

Several factors indicate, however, that the only illegality which the judgment has established with certainty concerns import bans in respect of patent rights in situations where the patent is not exploited for production in the country in which it is invoked. This interpretation of the judgment is supported by the following points.

The Sterling Drug case concerned a situation where the Dutch patent was not exploited for production in the Netherlands, since the Dutch dealer, Winthrop BV, itself imported the products from the English parent company. This constituted therefore a parallel import situation, the background for which was the maintenance of considerably higher prices in the Netherlands than in the UK for identical products originating from the same producer. There was no question of protecting a Dutch licensee producing such products from imports of products manufactured in another EEC country by the patentee himself or another licensee. In the view of the Danish delegation, there is no doubt that the European Court of Justice was aware that other considerations come into play in situations involving the protection of a domestic producer. This, among other things is evident from the following passage of the judgment:

'Upon discovering that, at the present time, Negram is not produced in the Netherlands, a Member of the Court asked if, from the point of view of legal analysis, the situation would be different if the patentee itself produced the product in question within the importing country.'

Both companies answered this question in the negative. The Commission was of the opinion that this question raises a number of particularly complex problems. The question is under discussion at the Commission. Although it is a natural first reaction to say that there is no difference between the two situations, arguments can be found in support of protection for the producer in the importing country against imports of the same product manufactured by others.'

Finally, considerable emphasis should be placed on Point 3 of the law section of the judgment. The Court of Justice stresses that the case in question involves a situation in which the patent is not exploited for production in the Netherlands. The only purpose of such emphasis on the circumstances of the case in point must be to leave open the possibility of a restrictive interpretation. That the statement is not fortuitous but based on careful consideration, is borne out by the fact that it does not recur in the similar trade-mark case (16/74), although both judgments were, generally speaking, drawn up along the same lines.

In the opinion of the Danish Government, it must be concluded that the European Court of Justice intended in the Sterling Drug judgment merely to adopt a definite position on the legality of import bans in respect of patent rights in situations where there is no domestic production, while it has deliberately refrained from adopting a final position on situations where a patentee or licensee manufacturing products in his own country invokes a patent right to prevent imports of products manufactured in another EEC country under a parallel patent. This interpretation of the judgment also explains why the Court of Justice does not mention the details of the transitional provisions of the draft Convention. A transitional period can only justifiably be invoked in the last-mentioned situations where the protection of a producer in his own country is involved. Such an interpretation also makes it possible to avoid any conflict with the provisions of the national patent laws currently in force concerning the obligation to use inventions for national production.

It must thus still be considered doubtful whether the provisions of Articles 32 and 78 of the draft Convention on the exhaustion of rights attached to Community and national patents within the EEC can be regarded as having already been fully implemented pursuant to the provisions of the EEC Treaty. The Danish Government accordingly considers that the Protocol on the Deferred Application of the Provisions on the Exhaustion of Rights should be maintained. This Protocol was designed expressly for situations in which there is uncertainty as to the scope of the rulings of the European Court of Justice, and this uncertainty exists following the Sterling Drug judgment.

PREPARATORY DOCUMENT No 39
Commission of the European Communities
October 1975

COMMENTS AND PROPOSALS

The Commission delegation proposes the following amendments to the draft Community Patent Con-

vention. The amendments relate for the most part to the problem of the enforcement of judgments concerning Community patents and are in addition to Commission Opinion No C (75) 1339 dated 26 September 1975 on the said Draft (Preparatory Document No 36).

Article 33

Prior national rights

Paragraph 3: Substitute the following in place of the present text of the draft:

'Where a court is seized of proceedings for infringement of a Community patent and its judgment is affected by prior national rights subsisting in one or more Contracting States, the court shall, upon the application of the defendant and after hearing the other parties, stay the proceedings, if the acts of infringement were committed in those States, until it has been established in manner provided in paragraph 2 to what extent the Community patent is ineffective in those States.

The court may specify within what period any proceedings pursuant to paragraph 2 must be commenced. It shall of its own motion order a stay of the proceedings before it if proceedings pursuant to paragraph 2 have already been commenced before a court in another Contracting State.'

The text proposed is designed to regulate the case where prior national rights exist and multiple infringements take place.¹ The draft Convention does not specify which court will have jurisdiction in these circumstances. The Dutch delegation made this point and proposed that the matter should be dealt with by giving exclusive jurisdiction to the courts of the State in which the prior national rights exist (see Conference Preparatory Document No 19, pp. 6, 7, 10 and 11). Exclusive jurisdiction for this purpose would, however, merely protract the proceedings, as the court would have to order a stay every time prior national rights were invoked.

The text here proposed is based on the present paragraph 3 and on parts of the Dutch proposal. It offers a more flexible way of dealing with the problem. The court would only in certain cases be obliged to stay proceedings which are in course of hearing i.e., first, where the defendant applies and the court is of the opinion that prior national rights will affect its decision² and, secondly, of its own motion where proceedings have already been commenced before a court in some other Contracting State to establish that prior national rights exist.

This proposal empowers the court, in case of multiple infringement, to adjudicate upon national rights

¹I.e. infringements committed in a number of Contracting States.

²This solution is based on the present paragraph 3. The text now suggested, however, empowers the court to specify within what period any proceedings to obtain a finding that prior national rights exist must be commenced. The object here is to circumvent any delaying tactics.

already existing in a country other than its own. In such cases the judgment of the court should, under the Judgments Convention, be recognized in the State in which those rights exist.

It will moreover be noted, in relation to multiple infringements, that under the Commission delegation's proposal concerning paragraph 3 of Article 69, a court which pursuant to new paragraph 3 of Article 33 orders a stay of infringement proceedings before it, will have jurisdiction in relation to acts of infringement committed in all other Member States.

Article 38

Complementary application of national law regarding infringement of the Community patent

The national laws relating to infringements will be made uniform when the Commission has completed the work in which it is now engaged in relation to the establishment of uniform rules of conflict of laws for contractual and non-contractual obligations, rights *in rem* and intellectual property.

Article 69

Jurisdiction of national courts concerning actions relating to Community patents

Paragraph 1: Delete 'Subject to the provisions of paragraph 3' and substitute 'Unless this Convention otherwise provides'.

The purpose of this amendment is to avoid difficulties of interpretation of this Convention and of the Judgments Convention. It will be clear from the text proposed that, for example, of the 'actions relating to Community patents' those concerning nullity lie within the exclusive jurisdiction of the European Patent Office and not of the national courts (notwithstanding the wording of Article 16 (4) of the Judgments Convention).

Paragraph 2a: Delete the introductory words i.e., 'Article 16 of the Convention on Jurisdiction and Enforcement shall be supplemented by the following provision'. Delete the figure 6 and substitute '(a)'. Retain the remainder of the text but insert the words 'Regardless of questions of residence' immediately after the letter '(a)', and insert the words 'shall have exclusive jurisdiction' at the end of the paragraph after the words 'licence or right'.

By deleting the introductory words it is made plain that the new provision does not amount to an amendment of the Judgments Convention by improper means (i.e. by means other than those provided for). The new words convey the idea that the new exclusive jurisdiction conferred as regards compulsory licences constitutes an exception to the general principle that jurisdiction lies with the court where the defendant is resident.

Paragraph 2b: Add a new paragraph '(b)' as follows:

'(b) Regardless of questions of residence, if the subject-matter of a Community patent is an invention by an employee . . .' the remainder being as in Preparatory Document No 15, p. 6, namely: 'the courts of the Contracting State, in accordance with the law of which the right to the European patent is determined pursuant to Article 60, paragraph 1, second sentence, of the European Patent Convention, shall have exclusive jurisdiction in respect of actions between the employee and the employer relating to the right to the Community patent. An agreement on jurisdiction shall only be admissible in so far as the national law governing the contract of employment permits such an agreement.'

This is the text proposed by the German delegation but amended in the same way as the preceding exception.

Paragraph 3: Delete the present text and substitute:

'3a If the defendant is resident in a Contracting State the courts of that State or, in each of the other Contracting States, the court of the place where an act causing damage occurred, shall have jurisdiction in proceedings for infringements committed in those Contracting States.

3b If the defendant is not resident in a Contracting State — the courts of the Contracting State in which the plaintiff is resident or, in each Contracting State, the court of the place where an act causing damage occurred, shall have jurisdiction in proceedings for infringements committed in those Contracting States; — other actions (text unchanged).'

The draft Convention does not specify explicitly whether in cases of multiple infringement the competent court may, or may not, adjudicate upon all the acts of infringement committed within the Community. As the patents in question afford protection in nine States this matter is supremely important, for in cases of multiple infringement occurring in a number of States it is essential that the patentee be entitled to bring before one court all the infringement proceedings.

The provisions set out above which it is proposed to substitute for paragraph 3 of Article 69 are designed to cover this deficiency.

The reference which takes place to the Judgments Convention under Article 69 (1) has the effect that a number of courts may have jurisdiction in relation to multiple infringements.¹ Their jurisdiction would, however, extend over different geographical areas.

To deal with this, the two proposals made above confer jurisdiction on the courts in the State where the defendant is resident, or, if he does not reside in the Community, on the courts in the State where the

¹ See the jurisdiction provided for in relation to the residence of the defendant (Article 2), the court of the place where the act of infringement occurred (Article 5(3)), the residence of one of the defendants (Article 6 (1)).

plaintiff is resident.¹ The jurisdiction in these two cases is general. In order, however, to make the system more flexible in the interests of the patentee, the proposal contains a further provision that in every case a court which has jurisdiction by reason of an act of infringement will have jurisdiction to deal with all other infringements which have taken place within the Community. This will enable Articles 21 and 22 (*lis pendens* and related actions) of the Judgments Convention to be more easily applied.

These various rules go to protect the idea of unity of the patent which ought to attach to the Community patent; this is especially true of subparagraph (b) of paragraph 3 which provides a uniform solution for cases where the defendant is not resident in the Community. Indeed, in such cases Article 4 of the Judgments Convention leaves it to each Contracting State to determine the question of jurisdiction (*inter alia* in relation to infringement).

The aim of the first paragraph of section (a) of Article 69 (3) of the draft was the adoption of a uniform solution which would confer jurisdiction on the courts of the contracting State in which a patent was infringed. However, this text, unlike the proposed text, did not take account of the need to have a common action in the case of multiple infringements. The new rule on jurisdiction contained in paragraph 3 (b) was proposed to take account of this need.

In short, the provisions contained in sections (a) and (b) of paragraph 3 will enable the holder of a Community patent to take a single action in the event of multiple infringements. He will be able to take this action without opposition and thus protect his rights without delay.

Article 84a

Choice between the Community patent and the European patent

Add the following text to the draft:

'5. The provisions of the Convention on Judgments, except paragraph 4 of Article 16 which relates to decisions concerning registration of patents, shall apply to the patents governed by the first paragraph.'

The Munich Convention of 5 October 1973 on the grant of European patents constitutes an exception to Article 16 (4) of the Judgments Convention of 27 September 1968 as it confers jurisdiction on the

¹ Rather than propose that the court of the place where the defendant resides, or, otherwise, the court of the place where the plaintiff resides, should have jurisdiction, it seemed preferable, in order to ensure great flexibility, to select 'the courts in the State where the defendant is resident'. Further, it will be noted that the Protocol on recognition, which is annexed to the Munich Convention, likewise gives jurisdiction to the court where the defendant resides or, otherwise, to the court where the plaintiff resides, in proceedings relating to the right to the grant of a patent.

European Patent Office in regard to litigation concerning the registration of European patents.¹

The draft Convention on the Community Patent also constitutes an exception to Article 16 (4) of the Judgments Convention in that it confers exclusive jurisdiction on the European Patent Office in regard to disputes concerning cancellation of a Community patent.

Article 84a of the draft has the effect of reinforcing the exclusive jurisdiction of the European Patent Office in disputes concerning registration of patents, by making it possible to obtain European patents which are only valid for one or more States in the Community from the said office.

However, as these patents shall have the same consequences as national patents the Judgments Convention shall have to apply to other disputes and in particular to those which concern cancellation and infringement.

Consequently, for the sake of clarity and to avoid interpretation problems in the three above-mentioned conventions it is necessary to state in the draft that the Judgments Convention applies generally but that Article 16 (4) of the said convention does not apply to registration of patents.

Reservation by the Commission delegation concerning Article 84b

The Commission delegation wishes to restate its position in regard to this article. These provisions undermine the principle of unity of jurisdiction in regard to validity of the Community patent. Furthermore, decisions made under this article will have effect only within the national territory of the court which makes them. In this respect the said provisions are in conflict with the principle of free movement of goods set out in the Treaty of Rome as well as the principle of free movement of judgments provided for in the Judgments Convention.

In accordance with this general reservation the Commission delegation proposes the following amendments to the article in question.

Article 84 b

Reserve

Add the following text entitled section (c) to the first paragraph:

'(c) When the conditions under which a national court can take a decision concerning the effect of a Community patent in the territory in which the court is situated are present, that court is entitled *ex officio* to stay proceedings in the case before it, if an opposition has been entered or if a request for limiting the effect of, or for cancelling the patent has been put before the European Patent Office'.

¹ Article 16 (4) provides that where registration or validity of patents are concerned the exclusive jurisdiction 'of the courts of the Contracting State on whose territory the deposit or registration was requested, must be conferred or deemed to have been conferred in accordance with an international convention'.

As prior decisions of the European Patent Office concerning validity of the patent bind the national court in question (Art. 84b 1 (a)), it follows that that court should be obliged to stay proceedings if the European Patent Office is in receipt of an earlier request decision on due of the provisions of Article 72 which relate to the matter of validity in question. In the proposed solution stay of proceedings is obligatory when a decision under Article 72 (2) is optional. This difference is due to the fact that the national court decides questions of validity and on the other hand justifies its action by the need to avoid conflicting decisions.

Add the following sentence to the text of paragraph 2:

'Notwithstanding Article 69 section (3) this court may not, in an infringement action, take a decision on damages which have occurred on the territory of the State in question, and in such a case Articles 21, 22 and 23 of the Judgments Convention do not apply.'

The draft provision takes account of the restrictive effect of the reservation contained in Article 84b concerning multiple infringements. It establishes the proposition, valid for this particular case, that the courts of the State which has expressed this reservation, cannot benefit from the general jurisdictional responsibility (proposed in this document under Article 69 (3)) which extends to all acts of infringement in the Community and that, furthermore, the responsible court of another contracting State will not be obliged to stay proceedings or refuse to decide on the relevant question put to it with a resulting jurisdiction for the courts of the State making the reserve.

PREPARATORY DOCUMENT No 40 AND CORRIGENDUM

Netherlands
October 1975

PROPOSALS FOR THE CENTRALIZATION OF OPINIONS ON THE EXTENT OF PROTECTION CONFERRED BY COMMUNITY PATENTS

According to the minutes of the 13th meeting of the 'Community Patent' Working Party (R/1006/75, point 35)¹ the Netherlands delegation reserved the right to submit a proposal to the Luxembourg Conference extending the number of cases in which national courts would have to obtain opinions from the European Patent Office on the extent of protection conferred by Community patents.

Further consideration of these matters, together with a sounding of the opinions of the interested circles, has resulted in the proposals given below.

¹ *Editor's note*: The document referred to is an internal document of the Council of the European Communities.

There is widespread uneasiness owing to the fact that, while the revocation procedure for the Community patent is centralized at the European Patent Office, there is no centralized authority to guarantee the necessary uniformity of jurisdiction in respect of procedures connected with infringement of the Community patent. A draft resolution on the settling of future disputes regarding Community patents has therefore been drawn up. This is not, however, a short-term solution, since it will undoubtedly entail a harmonization of the rules of procedure, during which a considerable number of as yet unforeseen problems will have to be solved.

A step towards the harmonization of jurisdiction has, however, already been made by the recent amendment to Article 72 of the Community Patent Convention. It is stipulated in paragraphs 3 and 4 of this article that the European Patent Office may give an opinion as regards the extent of protection conferred by a Community patent in respect of which infringement proceedings have been instituted before a national court. Thus, while maintaining the powers of the national judge and the national rules of procedure, an attempt is being made to unify jurisdiction in respect of the most important question involved in an infringement action, i.e. that of the extent of protection of the patent, the solution of which demands the attention of technical experts.

The disadvantage of the provisions of Article 72, paragraphs 3 and 4, is, however, that they only deal with cases in which both infringement proceedings and an opposition or revocation procedure are pending at the same time. Furthermore, the court is not obliged to request such an opinion on the extent of protection.

It seems desirable to make further progress along the lines of that already begun in Article 72, i.e. by removing the two above-mentioned disadvantages. It is true that in a large number of cases an action for infringement of the Community patent will be coupled with an application for revocation, but it is also quite conceivable that in many cases this will not happen, i.e. those involving patents concerning which an earlier unsuccessful action has been instituted. In the latter cases it is in the interests, not only of the parties concerned but also of third parties, that the competent judge should not give a ruling in connection with the infringement until after he has received an opinion on the extent of protection from a single central European authority.

Furthermore, it is indispensable, with a view to uniformity of jurisprudence and legal security, that the national court be obliged to obtain the opinion of the European Patent Office on the extent of protection of the patent before giving a ruling in connection with the infringement. This is all the more important if it is borne in mind that there may be several infringement actions pending before various courts in the Community.

The Netherlands delegation has incorporated these points in a new Article 72a entitled 'Opinion concerning the extent of protection'.

Paragraph 1 of this article stipulates that in all cases where an infringement action is brought before a national court, the judge concerned shall give no ruling until an opinion on the extent of protection has been obtained from the European Patent Office.

This raises the question of whether it is expedient to restrict the obligation to request an opinion concerning the extent of protection to cases where one of the parties makes such a request. This creates the possibility, with the consent of the parties, for the infringement judge himself to give a ruling on the extent of protection and the question of infringement, which could speed up the procedure and would, moreover, be in keeping with the principle of the autonomy of parties. On the other hand, to make an exception to the obligation of the national courts to request an opinion on the extent of protection might again be detrimental to the uniformity of jurisdiction as regards infringement of the Community patent.

In view of the various standpoints, the phrase 'if one of the parties so requests' has been placed in square brackets for the time being.

Since mention is made in paragraph 1 of a 'decision concerning the infringement' from the national court, this provision does not rule out the possibility of provisional or preservative measures being taken under the national law of the contracting States regarding the infringement of the Community patent, without there being any obligation to request an opinion on the extent of protection conferred by the patent.

It is obvious that in attempting to achieve uniform jurisdiction as regards infringement, a consistent system will only be obtained if the opinion on the extent of protection is made binding on the national court. A provision to this end is therefore included in the draft. Since, however, it was apparent from earlier discussions that constitutional difficulties existed in certain contracting States with respect to such an obligation, this part was placed in square brackets. It would be desirable to hold further discussions on this topic. The Netherlands delegation expects that a satisfactory solution can be found.

Paragraph 2 contains the provision which at present is given in Article 72, paragraph 4.

According to *paragraph 3*, the opinion on the extent of protection is issued by the Revocation Division of the European Patent Office. In this connection, the second alternative set out in the present paragraph 3 of Article 72 has been chosen. It is assumed that by making the Revocation Division responsible for preparing the opinion on the extent of protection in the event of infringement of Community patents, the members of this Division will, within a reasonable period, acquire considerable experience of applications for an opinion on the extent of protection, thereby guaranteeing the quality of the opinion and uniformity of interpretation.

Under the present third paragraph of Article 72, the Revocation Division, in its opinion, has regard to the product or process which is alleged to constitute an infringement as established by the national court. The existing reference to Article 116 (1) of the European Patent Convention is not included however, as the application of that paragraph already follows from the proposed fifth paragraph.

As provided for in the *fourth paragraph*, the Revocation Division delivers no opinion on the extent of protection while the Opposition or Appeal Division still has an opposition pending, or while it or the Revocation Board still has before it a request or an application for limitation or revocation.

This is self-evident as far as opposition is concerned, involving as it does a procedure before bodies other than the Revocation Division. With regard to a request for limitation or an application for revocation, it would be possible to arrange for the Revocation Division to give its opinion on the extent of protection at the same time as the decision on limitation or revocation, and that an appeal may be made afterwards in both cases. However, there are objections to this procedure. The parties cannot determine their standpoint on the opinion to be delivered until they know the terms in which the Revocation Division wishes to maintain the patent. Furthermore, the defendant in an infringement action is often not identical with the plaintiff in the revocation action. A system must therefore be chosen in which the opinion on the extent of protection can be argued and delivered only after the Revocation Division has stated the form in which it intends to maintain the patent. In this case, however, it is unlikely that the opinion can be delivered before the time-limit for appeal (two months) in respect of the decision on limitation or revocation has expired. This leads to the conclusion that, if requests or applications for limitation or revocation are pending, the Revocation Board will have to delay its opinion concerning the extent of protection until a decision has also been reached on the appeal relating to limitation or revocation.

Should the oppositions or applications for revocation be clearly unjustified, the Revocation Division will have the option of delivering its opinion on the extent of protection of the patent before a decision is taken on the opposition or revocation. The same applies if the opposition or the request for limitation or application for revocation is clearly directed at a part of the patent other than that to which the infringement refers.

The *fifth paragraph* corresponds to the normal rules of the revocation procedure, which implies that parties can appeal directly to the Revocation Board of the European Patent Office against the Revocation Division's opinion on the extent of protection.

The *sixth paragraph* prevents the provisions of Article 72a from conflicting with Article 84b.

The proposed provisions entail minor amendments to Articles 9 and 72, the text of which requires no further explanation.

Article 9

Revocation Divisions

1. The Revocation Divisions shall be responsible for the examination of requests for the limitation of and applications for the revocation of Community patents, *for delivering an opinion on the extent of protection of a Community patent* and for determining appropriate compensation in respect of statements of preparedness to issue licences.

2. Unchanged.

Article 72

Stay of proceedings

1. If the decision in an action before a national court relating to a European patent application in which the Contracting States are designated depends upon the patentability of the invention, such decision may only be given after the European Patent Office has granted a European patent or refused the European patent application. Paragraph 2 below *or Article 72a, as appropriate*, shall apply after the grant of the European patent.

2. If a European patent has been opposed, or if a request for the limitation or an application for the revocation of a Community patent has been made, the national court may, at the request of one of the parties and after hearing the other parties, stay proceedings relating to the Community patent, *other than proceedings as referred to in Article 72a*, insofar as its decision depends upon validity.

At the request of one of the parties the court shall instruct that the documentary evidence of the opposition, limitation or revocation proceedings be communicated to it, in order to give a ruling on the request for a stay of proceedings.

Article 72a

Opinion concerning the extent of protection

1. A national court before which proceedings for infringement of a Community patent are brought shall [if one of the parties so requests] deliver no decision concerning the infringement until it has obtained an opinion from the European Patent Office on the extent of protection of the patent. [This opinion shall be binding on the court.]

2. For the purposes of receiving the opinion on the extent of protection the national court shall transmit to the European Patent Office in one of the three official languages of the European Patent Office the findings and questions of the court as well as any other documents considered useful by it.

3. The opinion shall be given by a Revocation Division on the extent of protection and shall take into account the product or process which, in accordance with the findings of the national court, is alleged to infringe.

4. If the European patent is opposed or if a request or application is made to limit or revoke the Community patent, the Revocation Division shall not give its opinion on the extent of protection until the decision concerning the opposition, limitation or revocation has come legally into effect. An exception may be made to this if the opinion on the extent of protection will clearly have no connection with the decision on opposition, limitation or revocation.

5. The provisions applicable to the revocation procedure shall be of corresponding application to the procedure governing the opinion on the extent of protection, insofar as such provisions do not remain inapplicable as a result of the particular characteristics of the latter procedure.

6. This article shall not apply to cases in which a national court invokes the powers conferred on it under Article 84b.'

PREPARATORY DOCUMENT No 41

**Committee of National Institutes of
Patent Agents (CNIPA)**

October 1975

**ADDITIONAL OBSERVATIONS ON THE DRAFT
CONVENTION**

1. These comments are presented in accordance with the invitation contained in the letter dated 29 May 1975 from the Council of the European Communities and are intended to supplement and endorse those comments in Preparatory Documents Nos 9 and 27.

Preamble

2. The last portion of the third paragraph implies that national patents within the Community must be eliminated, contrary to many of the articles of the draft Convention and the expressed intention of the contracting parties. It is suggested that there be substituted therefore the words:

'in particular by encouraging invention by facilitating the grant of patent protection throughout the Community;'

Article 9 (1)

3. Point 6 of Preparatory Document No 9 is repeated and confirmed.

Article 29 (c)

4. Point 8 of Preparatory Document No 9 is repeated and confirmed.

Article 30 (2)

5. It is questioned whether the expression 'staple commercial products' in the English text has a sufficiently clear meaning to reflect the wording of the other texts.

Article 32

6. Points 4 and 9 of Preparatory Document No 9 are repeated and confirmed. The amended wording suggested in point 4 of Preparatory Document No 17 is supported.

Article 33 (1)

7. Point 10 of Preparatory Document No 9 is repeated and confirmed.

Article 33 (2)

8. Point 11 of Preparatory Document No 9 is repeated and confirmed.

Article 33 (2a)

9. The proposed insertion in point 8 of Preparatory Document No 19 is opposed. Whilst the national courts are required to know and implement European and Community patent law, the European Patent Office is not required to know any of the national patent laws.

Article 35

10. Point 5 of Preparatory Document No 9 is repeated and confirmed. It is asked whether facilities will be available at the European Patent Office for such translations.

Article 37 (2)(b)

11. It should be made clear that the word 'contracts' is to be understood in the widest sense, for example licences under Articles 44, 46, 47 and 48.

Article 39 (1)(c)

12. Attention is directed to taxation problems which can cause such difficulties as to distort competition in representation.

Article 43 (2)

13. Point 19 of Preparatory Document No 9 is repeated and confirmed.

Article 50

14. Point 22 of Preparatory Document No 9 is repeated and confirmed.

Article 52 (1)

15. To the second sentence should be added 'together with reasons therefor'.

Article 52

16. Point 23 of Preparatory Document No 9 is repeated and confirmed.

Article 52

17. The question has been raised whether a procedure should be added for lodging opposition to limitation.

Article 57 (1)(b)

18. Point 24 of Preparatory Document No 9 is repeated and confirmed.

Article 64

19. Point 25 of Preparatory Document No 9 is repeated and confirmed.

Article 66

20. Point 3 of Preparatory Document No 27 is repeated and confirmed, bearing in mind points 11, 20 and 26 of Preparatory Document No 9. It is further recommended that the Register be part of the Register of European Patents.

Article 67

21. It is recommended that the Bulletin be part of the European Patent Bulletin.

Article 69

22. Reference is directed to point 27 of Preparatory Document No 9. It is necessary for the good functioning of the matter, that the place of jurisdiction is clear.

Article 71

23. Point 28 of Preparatory Document No 9 is repeated and confirmed.

Article 72 (3) and (4)

24. Cancellation of these two paragraphs is strongly urged. The proposal prejudices any solution of the resolution on future litigation of Community patents. The European Patent Office would be taking over the task of the national courts unless the latter repeated the work. The questions to be set by a court cannot be properly formulated until the scope of patentable claim is determined. The translation problems of paragraph 4 in Danish, Italian and Netherlands proceedings would be formidable. As a practical matter the European Patent Office cannot take over all the national patent office functions which at present operate successfully. If a national court requires such assistance, Article 25 of the European Patent Convention still exists and could be used.

Article 77

25. Point 29 of Preparatory Document No 9 is repeated and confirmed.

Article 77 (2)

26. Point 30 of Preparatory Document No 9 is repeated and confirmed.

Article 77 (3)

27. Point 31 of Preparatory Document No 9 is repeated and confirmed. The principle of *ex nunc* is supported.

Article 77 (4)

28. Point 32 of Preparatory Document No 9 is repeated and confirmed.

Article 78

29. Point 4 of Preparatory Document No 9 is referred to. The amended wording suggested in point 4 of Preparatory Document No 17 is supported.

Article 78 (3)

30. Point 33 of Preparatory Document No 9 is repeated and confirmed.

Article 80 (2)

31. Point 34 of Preparatory Document No 9 is repeated and confirmed.

Part VII – Impact on national law

32. The application of Article 135 (1)(a) and (b) of the European Patent Convention should be clarified.

**PREPARATORY DOCUMENT No 42
European Federation of Agents of Industry
in Industrial Property (FEMIPi)
November 1975**

**OBSERVATIONS ON THE DRAFT CONVENTION
FOR THE EUROPEAN PATENT FOR THE
COMMON MARKET**

[Omitted]

**PREPARATORY DOCUMENT No 42 REVISED
European Federation of Agents of Industry
in Industrial Property (FEMIPi)
November 1975**

**OBSERVATIONS ON THE DRAFT COMMUNITY
PATENT CONVENTION**

By and large the draft Community Patent Convention meets the wishes of FEMIPi, which takes satisfaction in the forthcoming signing of the Convention and the setting up in the near future of the systems for the grant of European and Community patents.

FEMIPi is of the opinion that the systems for the grant of European and Community patents should be made fully effective as quickly as possible.

FEMIPi does, however, regret the curtailment of the scope of the Community patent as a result of the possible restriction embodied in the new Article 84a. While sensible of the need for a transitional adjustment period to enable the two systems to be properly established, it nevertheless hopes that, given that provision has to be made for such transitional periods, they should be kept as short as possible in order to ensure that the double system for the grant of European and Community patents is introduced quickly, thereby remedying the inadequacies of present national systems.

Finally, FEMIPi would recall its opposition in principle to the coexistence of national patents and European or Community patents. This opposition is ascribable to its desire to guarantee both proprietors of patents and third parties maximum legal security.

FEMIPi's proposed amendments, together with the relevant comments, will be found in the annexes hereto.

ANNEXE

**PROPOSALS BY FEMIPi FOR
AMENDMENTS TO THE DRAFT CONVENTION FOR
THE EUROPEAN PATENT FOR THE
COMMON MARKET**

For ease of reference the proposed amendments and comments have been given in the numerical order of the articles and rules to which they refer.

Some of the proposals set out below are intended solely as a clarification of the text, while others are proposals for substantive amendments. In accordance with normal practice amended passages are printed in italics.

1. Article 28

2. . . . pursuant to paragraph 1, any surrender or limitation prior to such change may be nullified according to Articles 50 and 54, and licences and other rights shall lapse upon the registration of the person entitled to the patent in the Register of Community Patents.

Where prior to such change of proprietorship a person has lawfully used the invention, made preparations to do so or acquired rights to the invention, in the territory of the Contracting States, he may, provided that he was in all good faith unaware that the proprietor of the patent was not the rightful owner at the time when the above acts were performed or at least initiated, require the person registered as the proprietor to grant him a non-exclusive licence in return for reasonable compensation.'

Grounds

The problems involved in the maintenance of the rights of third parties acting in good faith are rendered complex by the myriad variations possible in a sequence of assignments of rights and grants of licences and by the choice of the points in time when good faith may be substantiated.

The version proposed gives the broadest possible cover for the rights of third parties.

In the event of this proposal not being considered acceptable, the Annex hereto contains a detailed analysis of Article 28 and the problems arising in connection with the maintenance of the rights of third parties.

2. Article 29

(The proposed amendments do not concern the French text.) German text:

- (a) ein Erzeugnis, das Gegenstand des Patents ist, herzustellen, *zum Kauf* anzubieten, . . . ,
- (b) ein Verfahren, das Gegenstand des Patents ist, *zum Kauf anzubieten* oder in Verkehr zu bringen oder seine *Ausübung zu veranlassen* oder das Verfahren *auszuüben*,
- (c) das durch ein Verfahren, das Gegenstand des Patents ist, unmittelbar hergestellte Erzeugnis *zum Kauf* anzubieten. . . .¹

Grounds

So far as may be judged, the various versions of the text differ in content. It would therefore appear advisable for the English and German texts to specify that the term 'anbieten' (offer) is intended to mean 'offer for sale' (zum Kauf anbieten), as is already the case in Danish, Italian, French and Dutch. This clarification is also necessary in view of the fact that a product may be offered on trial or as a test sample with the aim of inducing third parties to purchase it subsequently, namely, after the expiry of the patent. Such actions would not be legitimate under the German and English texts, but would be permitted under the other four.

The amendment in (b) takes the process of alignment on the French, Italian, Danish and English texts one stage further by listing the various types of acts in the German text in the same order. Furthermore, it would be more consistent to replace the terms 'Verwendung' – which in German patent law has a quite specific meaning not applicable in this instance – and 'anzuwenden' by other expressions which would tally perfectly with the content of the French terms 'utilisation' and 'utiliser'. This is the case in Italian and Danish but not in the German text.

The English text could be aligned by making the following amendments:

- '(a) from making, offering *for sale*, putting . . . ;
- (b) from offering *for sale*, or putting on the market . . . ;
- (c) from offering *for sale*, putting . . . '

3. Article 31 (German and English texts only.)

'(a) acts done privately and for *non-commercial* ends;'

English text only.

'(b) acts done for experimental purposes *relating to* the subject-matter of the patented invention; . . . '

Grounds

The amendment in (a) would clarify the powers of commercial undertakings under this pro-

¹ *Translator's note*: This section has been retained in German as a suggested English rendering by FEMIPi is indicated below.

vision. The French version would not need to be altered. The amendment in (b) to the English text would bring it more into line with the other texts.

4. Article 32

'1. . . . in one of these States *in which his Community patent also produces its effects*.

2. The provisions of paragraph 1 shall also apply with regard to a product put on the market in any Contracting State without infringement of the Community patent by a licensee under Articles 43 or 44, but not under Articles 46 to 48.'

Grounds

Re 1.:

For reasons of legal consistence it would be logical if the exhaustion of the rights attached to a Community patent applied only in the case of acts done by the proprietor of the patent in those countries of the Community in which he sold the product under protection of the patent. The sole determining factor here should be that the product or act in question has patent protection. The question as to whether this protection is more or less extensive than in the other countries of the Community should be of no consequence. One instance where the extent of protection conferred by a patent varies is if the Community patent overlaps with an earlier national patent and therefore has a reduced scope of protection in the country concerned. One further point is that a right can be exhausted only if it has already existed at some stage. Accordingly, there can be no exhaustion of rights in cases where the product does not enjoy protection. The proposal has, moreover, the merit of being brief.

Re 2.:

It would be advisable not to extend the exhaustion of rights to Articles 46 to 48, as these are based on national provisions which vary from country to country. This would otherwise result in an undesirable situation whereby one State's legal decisions (e.g. concerning the grant of compulsory licences) would also apply to the other countries of the Community. As we understand the matter, the possibility of national decisions having implications within the territory of other countries would be contrary to the aim of the Convention.

5. Article 35

In future it may be taken for granted that readers of technical and particularly patent literature are capable of understanding publications in the three official languages of the Office. The majority of FEMIPi members, therefore, consider the proposed text to be justified.

6. **Article 35 (6), Article 49 (2) and Article 59 (4)**

These three paragraphs make provision for the revocation of the entire patent for relatively minor reasons such as failure to file translations or pay fees in due time. Even if all due care is taken, there may be cases where failure to comply with such requirements results from an oversight. If the acts stipulated are not done in due time, a warning should be issued by the Patent Office and a period of grace allowed.

7. **Article 36 (German text only.)**

'3. Jeder Vertragsstaat kann für den Fall, dass *die Verfahrenssprache* nicht eine seiner Amtssprachen ist, ...'¹

Grounds

The first phrase of the German version of Article 36, paragraph 3, differs from all the other languages.

This is not simply a matter of linguistic editing but of substantive modification. As the German text stands at present, Belgium could require a Dutch translation of an application filed in French, Ireland an Irish translation of an application filed in English and Luxembourg a German translation of an application filed in French. This would not be permissible on the basis of the text in the other languages.

8. **Article 37**

Clarification of the following questions is requested:

- (1) Does the expression 'insofar as ... performed' (Art. 37 (2)(b)) mean in all languages that the positive effects for the contracting parties e.g. of a mutual licensing contract, will continue even after the revocation decision has been taken?
- (2) Do the contracts cease to have a basis as from the date on which the revocation decision is taken?
- (3) Do conditions which contrary to the contract are not met by the licensee before the revocation decision no longer have to be fulfilled?
- (4) It is felt that compulsory licences should also be included.

In any event, the text of paragraphs 1 and 2 should be amended as indicated here below: (a more detailed analysis of this article led to the drafting of a proposal for subparagraphs 2 (b) and 2 (c). The proposal is set out in the Annex hereto.)

¹Translator's note: In German as the English and French texts remain unchanged.

(1) ... für nichtig erklärt *oder widerrufen* worden ist, als von Anfang an nicht eingetreten.¹

(2) Vorbehaltlich *der nationalen Rechtsregeln* über Ansprüche ... des Patentinhabers verursacht worden ist sowie vorbehaltlich *der nationalen Rechtsregeln*.¹

Grounds

Article 37, paragraph 1, of the German text is construed as referring to a *final* revocation decision.

The amendment to paragraph 1 is based on the fact that in Preparatory Document No 1 of the Commission, the term 'Nichtigerklärung' is accompanied by 'Widerruf' in the title and subparagraphs 2 (a) and 2 (b) of Article 37. There would appear to be a case for incorporating the term in paragraph 1, although it should be pointed out that this does not apply to the English text, in which 'Widerruf' and 'Nichtigerklärung' are both rendered by the same word 'revocation'.

Furthermore, the expression 'selon que le brevet' in the French text is not completely clear. The following version is proposed:

'dans la mesure des limitations au brevet qui a été annulé en tout ou en partie.'

9. **Article 43**

'1. Das Gemeinschaftspatent kann ganz oder teilweise Gegenstand von Lizenzen für alle oder einen Teil der *Gebiete* sein, in denen es Wirkung hat.'²

Grounds

The aim of the proposal is to align the German text on the other language versions, which refer only to 'territories' (*Gebiete*) and not to 'sovereign territories' (*Hoheitsgebieten*). The Dutch text is the only other to speak in terms of sovereign territories and should therefore also be brought into line.

10. **Article 44**

'1. ... *Subject to the rights of third parties*, the statement may be withdrawn *at any time, provided no application has been made for the grant of a licence and on condition that any fees saved are paid within a period of 14 days. Withdrawal shall take effect as from the date of receipt by the European Patent Office.*'

Grounds

There should be no disadvantage for third parties if it is possible to withdraw the statement of preparedness to issue licences, a possibility

¹Translator's note: In German as the English and French texts remain unchanged.

²The amendment affects the German text only.

for which a basis is provided by the proposed wording. In such cases the rights of third parties must of course be safeguarded. The solution proposed has the inherent advantage that third parties will be unable to defer a request for the grant of a licence as long as they wish without incurring any risk on their part. The proposed approach also contributes to stricter observation of existing patents in that it puts an end to a form of abuse possible under the text as it stands, whereby a prospective licensee could infringe the patent and simply wait until the proprietor draws his attention to the existence of the patent. Under the text as it stands such infringers would run practically no risk as they could always avail themselves of the obligation on the part of the proprietor to grant a licence. However, on the basis of the text proposed above, infringers would run the risk of a claim for compensation.

It is advisable for withdrawal to take effect as from the date of receipt by the European Patent Office and not, for example, upon the date of publication in the Patent Bulletin. As access could be had to the documents by means of an inspection of the file, there would otherwise be the possibility that third parties would learn of the withdrawal by inspecting the file and request a licence prior to publication. Naturally, the courts would have to ensure that the rights of third parties are safeguarded and that, for instance, a request for the grant of a licence dispatched prior to receipt of the withdrawal would be deemed to have been lodged in due time even though it were received by the proprietor of the patent after withdrawal had taken effect.

The requirement that any fees saved must be paid if the statement of preparedness to issue licences is withdrawn is based on similar arrangements applied in a number of countries.

However, the following alternative provision is suggested in the event of the above proposal not being adopted and the previous proposal being retained:

Alternative provision

The statement may only be withdrawn by a proprietor who is entered in the Register of Community Patents under Article 28, paragraph 1, after the statement has been filed, by his successor in title, within six months after the decision referred to in Article 28, paragraph 1 has been final.

Grounds for the alternative provision

As matters stand at present, a proprietor of a patent who has been entered in the Register under Article 28, paragraph 1, has an unlimited period within which he may withdraw the

statement of preparedness to issue licences. This could lead to considerable abuse in cases where the proprietor simply pays the reduced annual fees for a number of years and then suddenly withdraws the statement of preparedness once a request for a licence is filed. A time-limit should therefore be set on the possibility of withdrawal – e.g. a period of six months – as provided for in the case of nullification of surrender by the unlawful proprietor of the patent (see proposal for Article 28, paragraph 1, above).

If this alternative provision is adopted, Article 44 will, however, have to be expanded to cover the eventuality of further disposal of the patent by the person entered in the Register under Article 28, paragraph 1. In such circumstances his successor in title should also be afforded the possibility of withdrawal prior to the expiry of the six-month period proposed above.

11. **Articles 46 to 48**

Subject to the following two exceptions, we agree to the wording of these articles.

(a) Possible addition to Articles 47 and 48

In order to harmonize to the greatest possible extent the legal effects of compulsory licences, it is proposed that the same sentence as at the end of Article 46, paragraph 1, be added to Articles 47 and 48:

‘... The extent of such licences shall be restricted to the territory of the State concerned.’

12. **Article 48**

‘2. That licence shall extend only to such developments of the subject-matter of patents with earlier priorities as must be used in exploiting the subject-matter of the dependent patent.’

3. Any person taking out a compulsory licence as referred to in paragraphs 1 and 2 shall make a binding statement undertaking to give the compulsory licensor, under reasonable conditions, a licence in respect of the dependent patent to the extent that the latter is dependent.’

Grounds

It should be pointed out with reference to paragraphs 2 and 3 that Article 48 as it now stands provides not so much an obstacle as an incentive to potential infringers to circumvent patents by filing an application in respect of a subject-matter resulting in a dependent patent, which is a simple enough procedure in many cases. This circumvention manoeuvre will be curtailed if the proprietor of the dependent patent is granted a compulsory licence in respect of the earlier patent only to the extent absolutely necessary for the purposes of exploiting the subject-matter of his own dependent patent. He would not, however, receive a compulsory

licence covering the remainder of the earlier main patent. A further step could be taken to curtail the abuse of the right to a compulsory licence in the case of dependent patents by obliging the proprietor of the dependent patent to grant in return a licence in respect of the dependent patent upon request by the proprietor of the earlier main patent, in cases where the former has obtained a compulsory licence.

13. **Article 49**

'2. . . . provided an additional fee is paid.'

Grounds

There would seem to be a case for this amendment in that it should be quite sufficient for the additional fee to be paid separately from the renewal fee provided that this is done within the prescribed period. See also the comments on this article under the remarks on Article 35, paragraph 6.

14. **Article 50**

'1. A Community patent may only be surrendered in respect of all the Contracting States simultaneously. Surrender in respect of one or a number of the Contracting States only shall be invalid.

4. *The surrender may be nullified at the request of the person, other than the proprietor of the patent, who would normally be entitled to the patent and whose rights have been re-established by a decision recognized in all the Contracting States.*

The surrender shall be nullified by a decision of the Revocation Board at the request of the new proprietor. The new proprietor may file his request within a period of three months from the date on which his rights were re-established.'

Grounds

Surrender is conceivable in territorial and material terms. Article 50, paragraph 1, is in fact concerned solely with territorial surrender. Material surrender, on the other hand, is possible in the context of limitation proceedings (see Article 52, paragraph 1) or partial revocation under Article 57, paragraph 2. It is therefore proposed that the words 'in its entirety' be replaced by 'in respect of all the Contracting States simultaneously'.

Paragraph 4 has been added in order to protect the rightful proprietor against possible loss as a result of acts by the unlawful owner. (See in this connection the proposed amendments to Article 28.)

15. **Article 51**

'3. . . . deemed to have occurred at the end of the patent year in respect of which the last renewal fee was paid.'

Grounds

This amendment is a clarification of the previous wording which could lead to the conclusion that the patent does not actually lapse at the end of the patent year but of the calendar year.

16. **Article 52**

'3. Where an application for revocation of the Community patent is filed during limitation proceedings, the Revocation Division may stay the limitation proceedings until a final decision is given in respect of the application for revocation if it considers that this is desirable from the point of view of procedure and if the proprietor of the patent does not prove that it is in his legitimate interest that the limitation proceedings be terminated beforehand. However, the proceedings shall be stayed if one of the parties so requests.'

Grounds

It is doubtful whether paragraph 3 as it stands at present is really satisfactory. One of its consequences would be that limitation proceedings – and the resultant clarification of the situation as regards the patent – would have to be interrupted upon receipt of a request for revocation. A more flexible approach to the matter would appear to be preferable. In particular, a substantial improvement in the manner in which revocation proceedings are carried out could be achieved if it were established beforehand what is in fact to be revoked.

17. **Article 54**

'5. The limitation may be nullified at the request of the person, other than the proprietor of the patent, who would normally be entitled to the patent and whose rights have been re-established by a decision recognized in all the Contracting States.

The limitation shall be nullified by a decision of the Revocation Board at the request of the new proprietor. The new proprietor shall file his request within a period of 3 months from the date on which his rights were re-established.'

Grounds (See Article 50 (4).)

18. **Articles 55 and 60**

In a number of cases limitation will involve only minor amendments to the specification. The best solution in such cases would be for the European Patent Office to issue a simple cover page containing the new patent claims and the amendments to the description. One further improvement would be to permit rectification of obvious errors in a specification by issuing a cover page. Arrangements to this effect could be incorporated in the Rules.

19. **Article 56**

'4. . . . has lapsed, if the applicant can show that he has a legitimate interest in the matter.'

Grounds

This addition to paragraph 4 would seem desirable from the point of view of procedural expediency.

20. Article 57

'1. (b) . . . for it to be carried out *as from the date of filing* by a person skilled in the art.'

Grounds

The purpose of this amendment is to elucidate the requirements to be laid down as regards disclosure on the date of filing.

21. Article 59

See observations concerning this article in connection with those on Article 49 and Article 35 (6).

22. Article 62

'2. . . . to this appeals procedure. *However, Article 106, paragraph 2, shall only apply if a legitimate interest in an appeal decision can be shown.*'

Grounds

It seems pointless to provide for the holding of appeal proceedings where the patent proprietor has already surrendered the Community patent and no grounds for an appeal have been advanced.

Furthermore, Articles 106 to 111 EPC are not applicable in exactly the same terms and in some cases are not applicable at all (e.g. Article 106, paragraph 1). Consequently, a suitable way of referring to the content of these Articles needs to be found along the lines of the term 'mutatis mutandis' in the English version.

23. Article 63

'5. . . . has lapsed, *provided that a legal interest can be shown.*'

Grounds

Firstly, the provisions of *paragraph 4* should be aligned on the rules governing time-limits in Article 108, paragraph 1, of the European Patent Convention.

The addition to *paragraph 5* would seem desirable from the point of view of procedural expediency.

24. Article 68

The observations in the second paragraph of the comments made with respect to Article 62 also apply here.

25. Article 69

This question is fraught with problems and requires further consideration. The Federation may submit a separate opinion on the subject at a later date.

26. Article 70a

' . . . any product having *essentially* the same characteristics.'

Grounds

The inclusion of this article is welcomed in so far as it lays down a uniform rule for the entire Community, thus doing away with discrepancies and the resulting legal uncertainty.

However, the provisions governing the burden of proof could be improved. The addition of the term 'essentially' would enable the legal authorities to accord the same treatment to products with only slightly modified characteristics and, on the other hand, not to reverse the burden of proof in the case of products whose characteristics differ considerably.

27. Article 72

'2. . . . depends upon validity. *However, the proceedings shall be stayed if any person so requests the court shall grant the request and instruct . . .*'

Grounds

This amendment is proposed in the interests of legal security; it would prevent national courts from giving unjustified decisions concerning the validity of the patent. The principle is the same as that underlying the amendment to Article 52.

28. Article 78

'1. . . . market in any Contracting State *in which he is the proprietor of a national patent for the same invention.*

3. . . . licensee of right. *They shall not apply with regard to products thus put on the market by a compulsory licensee pursuant to Articles 46 to 48.*'

Grounds

The comments in support of the proposed amendments to Article 32, paragraphs 1 and 2, also apply here.

29. Article 80

The words 'or certificate' in paragraph 2 should be deleted.

30. Article 84b

Under paragraph 2, the Community patent would not have effect in the territory of a contracting State which has made a reservation pursuant to paragraph 1, to the extent to which a court in that State has decided that the patent

is ineffective. It is proposed that an *inter partes* decision be stipulated rather than the present *erga omnes* decision.

The provision whereby a national court can decide on the validity of a Community patent should only be applicable in exceptional cases and on no account should it affect parties which are not involved in the proceedings. The latter should only be bound by decisions of the Revocation Divisions.

31. **Rule 12**

... Article 52, paragraph 1 or Rule 11. ...?

Grounds

This amendment would make it clear that the invitation to remedy deficiencies should be issued, not just when Article 52 and Rule 11 have been contravened but when either has been contravened.

32. **Rule 18**

1. *The Revocation Divisions shall notify the proprietor of the patent of the application for revocation and request him to comment on the admissibility of the application within such period as it may specify.*

2. Present paragraph 1 with following amendments):
... Article 56, paragraph 1 or paragraph 3, or Rule 16 or Rule 5 ... it shall so notify the parties and shall invite the applicant to ...?

3. (Present paragraph 2 with the last seven words deleted.)

Grounds

The insertion of paragraph 1 is proposed on the grounds that the proprietor of the patent should be informed as soon as possible of all revocation actions. The repeated use of the word 'or' makes it clear that the non-observance of any one requirement will result in the deficiency being communicated by the Revocation Division and that the latter can reject the application on the basis of a single deficiency. Further to the insertion of paragraph 1, the parties must be informed of any deficiencies but, of course, only the applicant will need to be invited to remedy them. Paragraph 3 ensures that the proprietor of the patent will also receive a copy of the decision.

ANNEX

33. **Article 28**

Grounds

The second sentence of paragraph 2 is unclear. The intention clearly seems to be to afford protection at least (a) to a licensee acting in good faith; should the proprietor not be acting

in good faith, and (b) to an applicant or proprietor acting in good faith. If this is at all the aim, the present version of the second sentence of Article 28, paragraph 2, requires clarification on several counts. Firstly, it is unlikely that the original proprietor would have used the invention without knowing that he was not entitled to the patent at the time when it was granted. It therefore seems inappropriate to make it possible for him to require the person who is subsequently registered as the proprietor to grant him a licence in return for reasonable compensation. It would be better to replace the beginning of the sentence by the words: 'If the person previously registered as the proprietor of the patent has acquired the right in the patent and if he or a licensee has already ...' (It should not read 'his' licensee). Apart from this point, there is the question of whether in this context it is really appropriate to refer to the concept of 'the grant of the patent' (as is the case in all versions other than the German). In determining the good faith of a person to whom a patent is transferred, reference should be made to the time of transfer or the time when the person began to use the invention, while the main criterion for determining the good faith of the licensee should be the time when the licence was granted or the time when the licensee began to use the invention. Since the time of the grant of a licence is identical with that of taking a licence, it would be possible to omit the concept of grant altogether.

Since licences acquired in good faith should be protected not only when obtained in respect of patents but also when obtained in respect of applications, it should be made quite clear that the latter category is also covered.

The present version of the second sentence of Article 28, paragraph 2, also fails to offer protection to persons who sell a product to a customer for a protected use. In this case only the customer would have used the invention. To limit the right of use simply by permitting supply only to existing customers, to the exclusion of others, would represent an unfair restriction on the supplier of the product in question, since it was he who actually had the 'invention' in his possession. In order to cover rights of use, it appears necessary, in the seventh line of Article 28, paragraph 2, to add the words 'or caused its use', after 'invention'. For the sake of clarity, in the last line of the paragraph it is also necessary to define what rights are enjoyed by the previously registered proprietor or the licensee. The suggestion here is to refer to the 'specific embodiment which they have already used, or caused to be used, or for the use of which they have made the necessary preparation'.

The versions of this last part of the sentence in languages other than German are clearer in that

they refer to the 'previously' registered proprietor. On the other hand, the time of grant or transfer has been differently construed in the various versions. The Danish and English texts refer to the previously registered proprietor having had no right to the patent at the time when it was granted or transferred to him, rather than to the condition that at the time of the grant or transfer the previously registered proprietor or licensee was aware that the person registered as the proprietor had no right to the patent, as is stated in the German, French, Italian and Dutch versions.

Negligent unawareness of the real situation should also be covered since only by doing so and thereby shifting the burden of proof, will the subsequently registered rightful proprietor have a proper opportunity of successfully repudiating unjustified claims for the grant of a licence. Where the good faith of the previous proprietor, user or licensee is established it would however be unfair to allow him any territorial extension of his rights.

(The proposed English version of the sentence under discussion will be found above.)

If, on the other hand, the Diplomatic Conference takes as a basis the version proposed by the French Government in Preparatory Document No 17 of 27 February 1974, point 7, the following wording is proposed:

'If the person previously registered as the proprietor of the patent or his licensee has already begun to use the invention in good faith in the territory of *one or more Contracting States or caused it to be used* or made the necessary preparations to do so, without knowing that he *or his licensor* was not entitled to the patent, he may require the newly registered proprietor to grant him, in return for reasonable compensation, a non-exclusive licence for these *Contracting States in respect of the specific embodiment which he has already used, or caused to be used or for the use of which he has made the necessary preparations.*' (Additions to the text are in italic type.)¹

34. Article 37

'2. (b) *the performance of contracts or compulsory licences concluded or granted prior to the revocation decision and relating to the revoked Community patent, in so far as they have been performed prior to the revocation decision or in so far as the proprietor or person entitled to the patent has acquired an entitlement to payments under the contracts or compulsory licences prior to the final revocation decision.*

2. (c) *subparagraph (b) shall also apply mutatis*

¹ *Translator's note:* The English translation of this paragraph has been recast to accommodate an error in the original German ('*diese Vertragsstaaten*'). Only the substantive changes *vis-à-vis* the French proposal in Preparatory Document No 17 have been italicized.

mutandis to any parts of a Community patent which have lapsed.'

The proposal for paragraph 2 (b) is intended to increase legal security, since the relevant arrangements are often omitted when licensing contracts are concluded. The proposed amendments should remove the incentive to flout normal rules regarding payment which is created by the reference solely to performance in the text as it stands. Clarification of the following questions is also requested: (1) Does the expression 'in so far as . . . performed' mean in all languages that the positive effects for the other contracting party, e.g. of a mutual licensing contract, will continue even after the revocation decision has been taken? (2) Do the contracts cease to have a basis as from the date on which the revocation decision is taken? In addition, consideration should be given to the fact that in certain cases the patent may become partially invalid through limitation.

PREPARATORY DOCUMENT No 43

Secretariat

October 1975

INFORMATION CONCERNING THE ORGANIZATION AND WORK PROGRAMME OF THE CONFERENCE

Duration

1. The Conference, which will be held at the Kirchberg European Centre in Luxembourg, will open on Monday 17 November 1975 and close on Monday 15 December 1975 with the adoption of the texts of the European Patent Convention and the forwarding of these texts to the representatives of the Member States meeting within the Council for the signing ceremony which will take place on the same day.

Composition

2. The nine Member States and the Commission of the European Communities will participate in the Conference.

In addition, the Court of Justice of the European Communities has been invited to attend the opening and closing sessions as guest of honour and, if it so wishes, to participate as an observer at the technical meetings of the Conference.

The following have also been invited to attend as observers:

(a) the signatory States to the European Patent Convention which are not Member States of the European Community, i.e. Austria, Greece, Liechtenstein, Monaco, Norway, Sweden and Switzerland;

- (b) the World Intellectual Property Organization (WIPO), the Council of Europe, the European Free Trade Association (EFTA) and the International Patent Institute (IIB) at The Hague;
- (c) the fourteen non-governmental international organizations which have already taken part in the preparatory work on the draft Convention, namely: International Association for the Protection of Industrial Property (AIPPI), International Chamber of Commerce (ICC), European Centre of Public Enterprises (CEEP), Conseil des Fédérations Commerciales d'Europe (CFCE), Council of European Industrial Federations (CIFE), Committee of National Institutes of Patent Agents (CNIPA), Comitato per la Protezione della Proprietà Industriale nella Comunità Economica Europea (COPRICE), Standing Conference of the Chambers of Commerce and Industry of the European Economic Community (CPCCI), European Industrial Research Management Association (EIRMA), European Federation of Agents of Industry in Industrial Property (FEMUPI), Fédération Internationale des Conseils en Propriété Industrielle (FICPI), International Federation of Inventors Associations (IFIA), Union of European Patent Agents (UNION), Union des Industries de la Communauté européenne (UNICE).

Credentials and letters of appointment

3. The attention of delegations is drawn to the fact that credentials and letters of appointment¹ are to be presented at the beginning of the Conference for examination by the Credentials Committee.

Structure

4. The Conference will have the following structure:
- (a) a Plenary which will have the task of adopting the texts to be signed;
 - (b) a Committee of the Whole which will prepare the texts to be adopted;
 - (c) such working parties as the Committee of the Whole sets up;
 - (d) a Credentials Committee;
 - (e) a General Drafting Committee;
 - (f) a Steering Committee.

The rules of procedure and composition of these bodies are set forth in the draft Rules of Procedure circulated in Preparatory Document No 12.

Meetings of the Plenary

5. The Plenary will meet for the opening and closing of the Conference.

The opening meeting will be held on Monday 17 November 1975, commencing at 15.00. It will

consist mainly of the speech of welcome by the President of the Council of the European Communities and possibly other speeches, the adoption of the Rules of Procedure of the Conference, the election of persons to perform the various tasks provided for in the Rules of Procedure and, finally, a general debate on the outlines of the negotiations.

The closing meeting will take place on Monday 15 December 1975. It will commence at 10.00 and be mainly concerned with the submission of the general report on the Conference, the adoption of the texts of the instruments to be signed and the decision to forward them to the representatives of the governments of the Member States meeting within the Council.

Signing ceremony

6. The representatives of the governments of the Member States will meet within the Council on the afternoon of Monday 15 December 1975 at 15.00 for the signing ceremony. At this meeting to which observer delegations, representatives of the press, radio and television will also be admitted, delegations wishing to do so will be able to make final statements. The meeting will close with the signing ceremony.

The attention of the delegations of the nine Member States is drawn to the fact that for the signing of legal acts by the representatives of the governments of the Member States meeting within the Council the presentation of full powers is normal practice.

Immediately after the meeting the President of the Council will give a press conference.

Meetings of the Committee of the Whole

7. The Committee of the Whole will meet from Tuesday 18 November to Wednesday 3 December 1975 inclusive. Delegations are asked to note that it will also meet if necessary on Saturday 22 November and Saturday 29 November 1975 as it is essential that the Committee of the Whole should complete its work by 3 December 1975 at the very latest in order to allow sufficient time for the General Drafting Committee to finalize the texts in the various languages and for the Secretariat to prepare them for the signing ceremony.

The timetable of meetings for the Committee of the Whole will basically be as follows:

mornings: 9.30 to 12.30
 afternoons: 14.30 to 17.30

The purpose of the meeting on Wednesday 3 December 1975 will be to approve the texts and forward them to the Plenary subject to finalization by the General Drafting Committee.

As it is always possible that problems of substance may be raised as a result of the proceedings of the General Drafting Committee, Sunday 14 December 1975 has been set aside for a possible last meeting of

¹See Rules 6 and 7 of the draft Rules of Procedure, Preparatory Document No 12.

the Committee of the Whole for the purpose of dealing with any such questions.

Meetings of working parties

8. The setting up and composition of working parties will be a matter for the Committee of the Whole. From a point of view of organization it will generally be possible for a working party to meet at the same time as the Committee of the Whole.

Meeting of the Credentials Committee

9. The Credentials Committee will hold a meeting on 24 November 1975, commencing 14.30, simultaneously with the meeting of the Committee of the Whole. The timing of any other meetings which the Credentials Committee may find it necessary to hold in order to complete its work will be decided by the Committee itself.

General Drafting Committee

10. The General Drafting Committee, in which all the delegations of the Member States are free to take part, has to finalize the texts in accordance with the decisions of the Committee of the Whole in all the languages of the Convention.

Since it is impossible to draft efficiently in a large number of languages simultaneously, it is suggested that the General Drafting Committee should, at its constitutive meeting on Tuesday 18 November 1975 (18.00), set up a Drafting Subcommittee responsible for the day-to-day preparation of texts in a limited number of languages. The texts resulting from these proceedings would then be translated immediately into all the other languages by the Translation Service of the Secretariat which on this point would work in close and permanent liaison with delegates specifically designated for this purpose by each of the member delegations concerned. Any problems arising in the drafting of these texts would be dealt with at the final meetings of the General Drafting Committee on 9 and 10 December 1975. This obviously does not apply to any problems of substance which may arise and which should be submitted for discussion and clarification to the Committee of the Whole.

In principle the Drafting Subcommittee will meet daily from 18.00. It is also intended that it should hold two final meetings for the general finalization of the texts on 5 and 8 December 1975.

The delegations of the Member States are requested to ensure that those delegates which they wish to take part in drafting work are present throughout the Conference.

Meetings of the Steering Committee

11. The Steering Committee will be responsible for coordinating the meetings of all the bodies of the Conference. As an indication it should be noted that it is due to meet on Tuesday 18 November 1975 from 9.30 to 10.30 and thereafter on Monday 24 November

and Monday 1 December 1975 from 9.00 to 10.00. Naturally, meetings of the Steering Committee may also be called at short notice by the Chairman of the Committee of the Whole if developments in the work of the Conference so require.

Other patent meetings during the Conference

12. The fourth meeting of the Interim Committee of the European Patent Organization will be held on Thursday 4 December 1975.

Working Party IV (Staff) of the Interim Committee is also due to meet on the afternoon of Wednesday 26 November 1975 in order to prepare certain items on the agenda for the abovementioned meeting of the Interim Committee.

Receptions

13. To date, the Secretariat has been informed of a number of receptions which will be held in connection with the Conference, in particular by the President of the Council.

A detailed timetable of these receptions will be provided together with the complete work programme at the beginning of the Conference.

Hotel reservations

14. For all information concerning their stay in Luxembourg, delegates are advised to consult the Luxembourg Tourist Information Office:

Office national du tourisme
Case postale 1001
Luxembourg
Tel: 48 79 99

Participants

15. The Secretariat requests delegations which have not already done so to forward to it the list of their delegates to the Luxembourg Conference as soon as possible.

PREPARATORY DOCUMENT No 44
International Federation of Inventors
Associations (IFIA)
October 1975

ADDITIONAL OBSERVATIONS ON THE DRAFT
CONVENTION FOR THE EUROPEAN PATENT FOR THE
COMMON MARKET

General remarks

1. The postponement of the Luxembourg Conference on the Community patent in May 1974, at the request of the Government of the United Kingdom, and the later insertion of Article 84a 'Option between

a Community patent and a European patent' and of Article 84b 'Reservations', give IFIA the opportunity to make further comments on the draft Community Patent Convention and on the whole complex of the planned European patent system.

These comments are a recapitulation of the considerations of inventors in the European Member States within IFIA. The planned European patent system and its expected influence on the existing national patent rights, from the point of view of inventors, can only be considered as a whole, and not in isolation.

First of all, IFIA would make the point that the legal protection of inventions is the main task of every patent system, and individual inventors must occupy an important position in a European patent system, otherwise it will not satisfactorily fulfil its intended function.

If the Conference decides to adopt the suggestions of IFIA it is suggested that they are incorporated in the patent system by the proper experts.

IFIA also expresses its gratitude for the invitation to the Conference in Luxembourg during November–December 1975, and for the careful preparation of the relevant draft patent laws.

As emphasized in its Preparatory Document No 6 IFIA welcomes the intention, expressed in the Preamble, to establish a unified patent within the European Economic Community, having unitary and autonomous effect.

The attainment of this object will also however influence the national patent rights in the Member States of the common market. These national rights will lose their importance (even their existence may be threatened) and it is possible that they will be handled by less and less significant national patent offices.

Before the development within the common market has reached this stage, however, its patent system needs to contain such provisions that it can fully replace national patent rights. Otherwise the economy, the industry and the technical development of the common market will be hampered in competition with the big economic blocs of the rest of the world. Inventors and applicants in Europe would have great difficulties in obtaining adequate protection for their inventions if their own European patent system is in an unsatisfactory form. In comparison with the patent systems of other States which have already gained practical approval, they would be faced by smaller opportunities and insufficient inducements to lodge patent applications for their inventions.

In the above-cited Preparatory Document No 6, IFIA has made the following comment on this question:

'The present draft Convention for the European patent for the Common Market will evidently increase the economic effect of the European patent within the common market. However, it seems to have been drafted more with the aims at

achieving a unified market within the European Community and promoting the interests of large industries, than of promoting the growth of small innovation-active industries and providing a favourable environment for inventors.

Thus, the draft envisages in the introduction and in the Preamble as well in Articles 1 to 3, a European patent law that should be unitary and autonomous for all States of the European Community. Certainly, it is said in Article 6 that the States shall have the right to maintain their national patent laws, but in the Preamble the desire is particularly stressed to eliminate within the Community the distortion of competition which results from the territorial aspect of national protection rights.

The future of national patents within the European Community, therefore, is uncertain, and it seems possible that sooner or later they will cease to exist. On the other hand, it is a fact that is already today admitted by the initiators of this welcome effort towards a Common Market patent, that the small and middle sized, mostly very invention-active industries and private inventors, cannot for most of their inventions aspire to a European patent, owing to the fact that it is too expensive.

Neither does the European patent, in the view of IFIA, meet the practical demand of many inventors for an adequate period of confidentiality during which they may develop their inventions with the security of an assured priority date. Therefore, it seems wise to supplement the Common Market Patent Convention to permit it to function as a 'National Common Market Patent Law', in the same way as the national patent laws of the other States participating in the European Patent Convention.

The European Economic Community represents a relatively homogeneous group of highly-industrialized States in the centre of Europe, and it should be easier for the Community to devise and adopt an efficient national patent law for the common market than for the heterogeneous signatories to the European Patent Convention. The European Community could in this way become a forerunner in Europe for a modern and efficient patent system.

If the Common Market Patent Convention is not sufficiently flexible for the many different needs and situations in the development of various kinds of inventions, the regrettable situation could occur that inventors and invention-active industries would prefer to start their patent applications in countries with lower costs and with a more favourable national patent law.

The Common Market Patent Convention should be a versatile tool for the protection of all kinds of inventions and the best possible stimulation of the development of technology in Europe. This means, however, that the Conference in May 1974 must summon up the courage to make these alterations out of its high responsibility.'

Meanwhile however IFIA has taken notice with satisfaction that the Council of the European Communities through the 'Community Patent' Working Party has suggested improvements in Preparatory Document No 1 and in Preparatory Document No 28. It is the expectation and desire of IFIA that this trend of making modifications and improvements in the provisions of this patent law in the interest of inventors will continue during the Conference in Luxembourg.

The economic development since the acceptance of the European Patent Convention by the Munich

Diplomatic Conference in the autumn of 1973 is, in the opinion of IFIA, a further inducement to review the intended European patent system under the new conditions, and if necessary, to revise it.

In this connection reference is made to the provisions, favourable to the inventor, in the patent laws of different Member States of the common market, and also to the good principles in the patent systems of other highly industrialized States, for example of the USA.

IFIA has already, as an observer organization during the preparations of the European draft patent laws, pointed out that Europe is situated between large economic blocs and must defend itself against their economic competition. Consequently, the European patent system must have all the provisions to enable it to function for the benefit of inventors as well as for the economy and industry. The patent system of the United States can be considered especially appropriate for the inventor by the 'first to invent' principle and by the lack of renewal fees. The high state of technology in the United States proves that its industry and economy can live quite well with patents that remain in force for 17 years. On the other hand the inventor certificate of the Eastern Bloc of States have advantages for the inventor. During the last few years considerable efforts have been made in the socialistic States to promote their inventors and to encourage the lodging of inventive ideas.

It should be pointed out in this connection that the effect of the better proposals in the European Patent Convention suffers serious detraction by the inclusion of assumptions and conditions which in many ways could deprive the inventor of his rights to his invention and to his intellectual property.

For these reasons and from a comparison with other patent systems, IFIA again suggests the following amendments of the planned European Patent System:

- (1) Insertion of further provisions for securing the basic rights of the inventor;
- (2) Reduction of the costs of the European patent system;
- (3) Better adaptation of the system to provide for the development stages of an invention;
- (4) Insertion of provisions for enabling the postponement of premature publication of a patent application;
- (5) Adoption of provisions for patents of addition in the European patent system;
- (6) Renewed considerations regarding the grant of compulsory licences in respect of a Community patent.

The basic rights of an inventor

2. The Munich Diplomatic Conference adopted the provisions in the Articles 81, 91(1)(f) and 91(5) and in the Rules 17 to 19 and 42 of the European Patent Convention of the obligatory naming of the inventor and

the obligation on the applicant, in case he is not the inventor or is not the sole inventor, of making a statement indicating the origin of his right to the invention.

With satisfaction IFIA has taken notice of this improvement in the protection of the basic rights of the inventor in the European Patent Convention, but is nevertheless of the opinion that the measures taken are still not sufficient for securing the rights of the inventor. Admittedly the sending of a copy of the declaration of the applicant to the inventor by the European Patent Office certainly supplies a certain amount of information to the inventor about the fate of his invention, but the 16 months time-limit in Article 91(5) of the designation of the inventor may lead to forfeiture of the right of the inventor to his inventive idea. The damage due to the loss of priority may by then be irreparable.

In the opinion of IFIA this method of providing legal safeguards for the intellectual property of an inventor must be amended. Attention is drawn to the stringent and extremely correct legal provisions for securing the rights of the inventor in the patent system of the United States.

As to this subject the Preparatory Document No 6 says:

'Verification of the right to the invention

At the Munich Diplomatic Conference the article about the identification of the inventor has been extended to include a statement indicating the origin of the right to the European patent, if the applicant is not the inventor. IFIA anticipates that the corresponding Article 65 in the present draft Convention for the Common Market will be adjusted accordingly.

However, the present draft Convention also provides, in Article 40, that "the assignment of a Common Market patent shall be made in writing and shall require the signature of the parties to the contract". According to Article 45 the provisions in Article 40 shall apply also to a European patent application in which the Common Market is designated. It seems inconsequent – and even unreasonable – that the assignment of the *original right* to the invention, which is the basis for the patent application and the patent, should not be safeguarded by the same provisions. Such provisions would in fact in most cases be the simplest and most efficient way to "indicate the origin of the right to the patent".

In some cases, however, the applicant may have acquired the right to the invention by provisions in the national law, without the consent of the inventor. Even in that case, the inventor usually has no objection against confirming the facts by his signature or, if he disputes the applicability of the law provisions on his situation, to sign an agreement that the applicant shall handle the patent application, leaving questions about the transfer of other rights to the invention for later settlement.

The provisions suggested above are a direct consequence of the United Nation's Declaration of Human Rights, No 27 (2) saying:

"Everyone has the right to the protection of the moral and material interests resulting from any scientific, literary or artistic production of which he is the author."

Finally, the exceptionally long time-limit for the designation of the inventor and the provision of the statement – 16 months from the date of priority – may keep the inventor out of the picture for more than the whole priority year and should be shortened. There is no reason to connect this provision with the priority date. The relevant date is the day of filing the patent application designated for the Common Market, and the time-limit from that date should be four months.

For these reasons IFIA suggests the adoption of further provisions for informing the inventor without delay about the fate of his invention, so that damage to his intellectual property rights may not take place without his knowing.

These rights belong to the inventor by the provision in the Declaration of Human Rights of the United Nations cited above. It must be a *sine qua non* of every patent system that it includes legal safeguards of the basic rights of the inventor.

Lowering the costs in the European patent system

3. Article 49 of the draft Community Patent Convention provides for the payment of ostensibly rather high renewal fees for the maintenance of the Community patent. They are due even for unexamined patent applications, and might not be able to be borne by financially weak applicants – including many industrial enterprises – if several States are designated, e.g. all Community States.

In the opinion of IFIA – today more than ever – it is urgently necessary to refrain from adopting such invention-stultifying fees.

Meanwhile, the Government of the United Kingdom has raised points against Article 3 of the Convention for Community patents and has referred to the consequences of the article, in the matter of large costs resulting from the joint designation of all the States of the common market.

IFIA welcomes a selective procedure in the designation of the States of the common market.

The public interested in inventions in the European States, most of which enjoy a high state of technology and derive profit out of inventions, should share the costs for the administrative organization for the protection of the intellectual property. The budget for other administrative authorities for the protection of property that is not so close to the public interest is already being borne by the Community. So investment in the European patent system, in comparison with the high financial outlay in the Common Market States for research programmes, will be a very low amount, and certainly yield considerable assets. The growing demands for a technology beneficial to the environment will induce the public to pay their tribute for a technology vitally important for them.

It is unfair, even immoral, to burden the inventors, the patent applicants and the patent holders, exclusively, with these costs in spite of the fact that there exists a public interest, and to make a provision that non-payment of one of the many high fees will immediately deprive them of their legal right to a patent.

The patent system of the United States proves that such provision is not necessary.

The monopoly right for inventors is, compared with the period of protection for copyright, so limited that inventors in many cases do not obtain any financial benefit from their inventions. The tragic life stories of many great inventors are disturbing evidence of this. On the other hand, the public often enjoy without any contribution on their part the benefit of an inventor's labour. Many enterprises prosper solely because of inventions which are the result of a lifelong work of inventors who have received no remuneration for their inventions. The patent grant procedure, the development of the invention, and later the efforts to market the invention frequently extend over several years. Often the ideas of the inventors are well ahead of the means for their realization. Fees, or the costs of litigation in which the inventor nearly always is the weaker party, force him to give up his efforts to maintain his intellectual property, and also discourage him from disclosing new ideas. Ultimately all this is detrimental to the economy of his own country. Therefore, a patent law should avoid provisions that will cause or promote the above described situations. Any State will be ill-advised if its delegates take the described anomalous state of things for granted, and by an habitual way of thinking within the legal field do not introduce any remedy.

As pointed out above, the principle of the patent system of the United States, having no renewal fees, has over the years been proved to be well-founded, judging from the high standard of its technology. The truth of this is also evident from the fact that often the most valuable European inventions are transferred to and realized in the United States. Therefore, in the opinion of IFIA, these principles should also be adopted in the European system. The complexity of the presented drafts carries the risk that the European patent system will be by-passed by the demands for reality in the development and exploitation of invention.

In many cases industry confines itself to the filing of patent applications in two or three of the most important industrial countries, and makes the choice of countries according to the expected economic value of an invention by means of certain key criteria.

The costs for the procedure in the European patent system should in no circumstances be higher than for two or three countries, if the conference will not go as far as deciding that renewal fees should be taken out of the system altogether.

The planned high costs, foreseen in the procedure, could also be lowered by a systematic prevention of the flood of unnecessary translations of unexamined patent applications that are not likely to survive an examination. This would be of interest to all parties i.e., to applicants, industry, patent offices and inventors.

For the above-mentioned reasons IFIA welcomes the new Article 84a. This provides an increased flexibility

of advantage to inventors, by giving them the possibility of a choice.

However, there does not seem to IFIA to be any ground for specifying a special transitional time for this provision. It would be sufficient if the question of transition was taken up by a future conference for revision of the whole Convention which certainly must come.

Therefore IFIA submits that a transitional time be set.

IFIA therefore refers again to its comments in the Preparatory Document No 6, where it is said:

'Costs and language

If the national patent offices in the States of the common market should cease handling patent applications according to the national route, the only alternative left for the protection of inventions in the common market would be a European patent for said market. However, the majority of inventions are not big and revolutionary ones. The industrial value of each single invention is often not very impressive, but taken together they give a steady contribution to technological progress. Yet, many of them could not economically carry the cost of a European patent, and others may be protected by an insufficient number of patents. There would be a striking difference in this respect between the costs for a European patent in the common market and a United States patent or an inventor certificate in the Soviet Union. This would certainly not be without influence on the much talked about "technological gap" between the United States and Western Europe.

Due to the language problem and for other obvious reasons it is in the present situation impossible to bring down the cost for a European patent to the same level as for a patent in the countries mentioned. The only way IFIA can see to reach equality would be to abstain from the principle, that the whole cost shall be covered by fees from the applicant and the patent owner. Incidentally, this principle is used neither in the United States nor in the Soviet Union.

Most of the industrialized States spend hundreds of millions on technical research and development, without expecting that every single element in the development work shall pay for itself. Only a small element, somewhere in the middle of the innovation chain is charged individually. This element is the legal protection which enables the practically useful results from research and development work to be marketed.

These charges, representing less than a fraction of a percent of the total research and development costs, are fixed by principles having no regard to the question whether they constitute a bottleneck in or a distortion of the steady flow of research and development.

IFIA feels that a completely new attitude concerning the financing of the European patent for the Common Market is necessary if this patent is to be the only one available to an inventor and seeks to further technical progress.'

A better adaptation of the European patent system to the development stages of an invention

4. The proposals, again put forward by IFIA, for a patent system useful to inventors and industry mainly coincide with the British system that has proved valuable for several decades and which has the possibility of a provisional patent application. Mem-

ber associations of IFIA have turned to recommending their inventors to use this route for their applications. The advantages for the inventors are the following.

- (1) It is a very inexpensive procedure for a patent application;
- (2) It safeguards priority in a simple way;
- (3) It makes possible the adapting of the filing procedure for an inventive idea to the development stages of the invention, with the advantage that the complete application has not to be filed until 12 to 15 months later;
- (4) Within that period an applicant may, at any time, according to his own choice or decision, transform the provisional application into a complete application;
- (5) Several provisional patent applications covering a development chain may be filed within 12 to 15 months and be combined into a complete application.

These possibilities within a patent system cover to a large extent the idea of IFIA of a patent grant procedure helpful to an inventor. It is very inexpensive and possesses sufficient flexibility and degree of liberalization to induce the disclosure of inventive ideas.

To the knowledge of IFIA, the system with provisional applications is not only appreciated by independent inventors and small industrial enterprises but is also applied and regarded as useful by large industry.

Therefore, IFIA pointed out in the Preparatory Document No 6 under the heading 'Provisional patent applications':

'Some inventive ideas need a relatively long time for development work before their practical usefulness and economic value can be judged. During this time the inventor needs some kind of simple and cheap protection, enabling him to discuss his idea with experts and to use outside workshops and laboratories. It would be very unwieldy – and often economically impossible – for him to pay the necessary fees for every step in his development work. In order not to hamper the natural development procedure for such inventions, the patent system should be flexible enough to allow a filing date at a very low nominal fee. Such a "provisional specification" or "provisional application" should be stored for a suitable period, for 12 months or 15. Additional provisional specifications could be filed for successive improvements. Within that period mentioned a "complete specification" or "complete application" could be filed which should be treated as a normal European patent application.

Such a system has been used for many years in the United Kingdom, and has proved to be a very expedient tool for all inventors. It is a fact that a large number of inventors file provisional applications in the United Kingdom. Such an application is useful as a priority document and has the advantage of being available at a very low cost. The same possibility exists in several Commonwealth States. If this provision in the national patent law of the United Kingdom should be abolished due to the harmonization or cessation of the national patent laws of the States of the Common

Market, the inventors would be forced to file provisional applications in countries outside the Common Market, in order to obtain patent protection at a low cost. Among the advantages of filing this type of application it may be mentioned that this possibility exists in a number of English-speaking countries, and that it is an economical advantage to have a priority application filed in English for the prosecution of corresponding patent applications in other countries.

Premature publication of patent applications

The 18 months time-limit for the obligatory publication of an invention, often in a premature state, has been objected to by IFIA since the beginning of its observer function at these conferences. In the opinion of IFIA this time-limit should, when required, be capable of extension – if necessary at a fee. That would prevent an inventive idea being spread all over the world, involving the risk that financially stronger competitors will overtake the inventor or the small enterprise in finding a commercial solution of a problem disclosed in the patent application. The inventor and the small enterprise can hardly in these days develop their ideas to a state of technical and commercial readiness without external assistance. This involves a larger risk that an unauthorized person may illegally appropriate the inventive idea.

It cannot benefit the technically highly-developed core of European countries – i.e. the Common Market – if the activity of its inventors is made available to the whole world, owing to the 18 months time-limit of the publication of patent applications. What about the real aims of the anti-trust endeavours within the Common Market, if such provisions in its planned patent system will *a priori* give the large enterprises the better chances?

The system described above, proposed by IFIA could also prevent the publication of unexamined patent applications. The opinion of IFIA is supported by the following reasons.

- (1) Institutions interested in inventions are flooded with immature unexamined patent applications that would not survive an examination procedure.
- (2) The general uncertainty in the estimation of the real state of the art is increased. This applies to the economy and industry as well as to inventors. For all of them it is necessary, when unexamined patent applications are published, to peruse all of them which, however, is the specific task of the European Patent Office.
- (3) The costs of the large number of unnecessary translations of unexamined patent applications. These costs will presumably call for or even exceed the actual budget of the patent offices of various countries.
- (4) The premature disclosure of the technical problems occupying the inventors of Europe. The material thus available may also constitute an inducement to increased industrial espionage.

- (5) The tendency to counter the anti-trust efforts within the Common Market.

These reasons are, in the opinion of IFIA, so grave that the procedure for publication of unexamined patent applications after 18 months should be revised by the Community. IFIA has already presented the following comments on this point in its Preparatory Document No 6:

‘The compulsory publication of patent applications is a recent innovation in some patent systems, originally introduced in connection with the deferred examination of patent applications which was one of the ways to meet the growing balance of unexamined applications in some patent offices. IFIA is of the opinion that it is a highly undesirable feature in any patent system. In any case it should be restricted to applications for which the applicant accepts or asks for deferred examination.

For an inventor with limited resources and an inventive idea for which he needs some years of development work, compulsory publication may put him in a real dilemma. If he must use outside experts or workshops for certain parts of the development work, he is forced to do so without the legal protection which a patent application is intended to give him. His idea will be spread all over the world 18 months after making his application with the consequence that big companies and research laboratories may put their large resources on the problem and arrive at a practically useful solution ahead of him.

The compulsory early publication, therefore, is detrimental for the development work on inventions for which extended time and outside technical assistance is needed. In the long run, it will also have a negative effect on inventiveness within the Common Market.

The compulsory publication of patent applications after 18 months thus has harmful effects on the two fundamental objectives of the patent system, which are the legal protection of the inventors’ intellectual achievements, and society’s desire to promote inventiveness. It has brought also other drawbacks, such as increased industrial espionage and the filling of the patent office files with many applications in an unsatisfactory state of preliminary drafting, and a high proportion of which will never lead to a patent. The opposition against early publication, therefore, is widespread in many circles active in the patent field.

In IFIA’s opinion the principle of compulsory publication of patent applications after 18 months should be abandoned. If this is impossible, it must at least be supplemented with a possibility for an inventor working on an invention needing much development time to apply for and get postponement of the publication of his patent applications’.

Adoption of patents of addition in the European patent system

6. For inventions consisting of a series of improvements of a basic idea patents of addition have been up to now the natural way to build up patent protection. Considering the very high costs for maintaining a corresponding number of independent European patents, an invention based on a series of development steps in many cases could not be completely protected at a reasonable cost without the existence of patents of addition. In order to make a Common Market Patent Law useful also for this type of inven-

tion, the system of patents of addition should be inserted. This opinion is shared by almost all circles interested in the use of the patent system. In spite of the strong recommendation for their insertion in the European patent system by all non-governmental observer organizations at the Munich Conference, they were not adopted.

IFIA once more recommends the reinsertion of patents of addition. They were originally suggested and were later deleted on purely financial considerations. It would also be most useful if such patents of addition could be filed throughout the whole lifetime of the parent application or parent patent.

Further consideration of the grant of compulsory licences

7. Articles 46 to 48 and 79 refer to the grant of compulsory licences in respect of a Community patent, paying regard to insufficiency of exploitation such as non-working etc. IFIA has already pointed out the risk for independent inventors and for financially weak, small and middle-sized enterprises. Owing to the early publication of patent applications such applicants might be overtaken by financially stronger enterprises having larger capacities for developing new ideas. By threats of litigation or applications for compulsory licences inventors could be deterred from investing in manufacture of their own inventions.

IFIA suggests that the Community Patent Convention should provide for a minimum time-limit for the grant of compulsory licences before such licences could be granted. The reasonable time-limit of three years should be written into the Convention.

IFIA expects that a revision or restriction of said articles according to the content in the draft Resolution on joint rules on the granting of compulsory licences in respect of a Community patent will accord with these reflections by IFIA.

Further comments

8. IFIA wants to express its satisfaction with the provision in Article 70a (Burden of proof) which seems to be in the interest of the patent holder.

Final remarks

The European patent system, which was accepted in the year 1973, was from the beginning modelled to suit big industry. This tendency has been confirmed by the initiators. It is regrettable that it has not during the years of drafting become more flexible and more adapted to serve the different forms of technical development and to fit the needs for protection in different stages of the innovation process. The stiff-legged and very expensive process of the European

patent system may force the independent inventors and the small but often rapidly growing industries to revert in most cases to the national patent laws. This will seriously limit the use of the new patent route and reduce the intended advantages.

In the future, the consequences may be more serious. There is at present a tendency to 'harmonize' the existing national patent laws, that represent many years of practical experience, to the new European patent system before this has even entered the world of reality or shown evidence of its merits and drawbacks.

It must be borne in mind that the European patent system so far is a purely theoretical structure and a compromise between the patent laws of some twenty States having different backgrounds and in different stages of technical development. If the countries in the common market, in the name of 'harmonization' give up their special invention promoting provisions – such as provisional applications and patents of addition at low cost, no early publication, etc., in their national patent laws, inventors and industries within the common market which desire and are badly in need of legal protection for new ideas during their experimental and development work, may be caught in a real dilemma. Either they will have to use the unwieldy and extremely costly European patent route or they will file their patent applications abroad in States having more flexible patent laws. To carry on their experiments and development work all by themselves in secrecy without the legal protection that the patent system is meant to give them, may prove still more disastrous to efficient inventive activities in the common market.

IFIA has found it impossible to avoid, in these observations on the present draft for a Community Patent Convention, to speak of the European Patent Convention, although it is quite clear that no amendments in that Convention are possible at the present time. However, the common market patent problem is too closely linked to the European Patent Convention, and the combined effect of these two Conventions on the future technical development within the common market are too complex to be met only by the present draft Convention. IFIA is convinced that the perspective must be widened to foresee what the situation will be if or when the national patent systems within the common market decline or cease to function.

In its Preparatory Document No 6, IFIA has previously suggested that, at the Conference, the common market States should initiate the necessary work to supplement the present draft Convention with provisions that would make it usable as a 'national patent law' for the common market. IFIA reiterates this suggestion and wishes to emphasize the importance and the urgency of the problem.

PREPARATORY DOCUMENT No 45
Union of European Patent Attorneys and
Other Representatives Authorized before the
European Patent Office (UNION)
October 1975

ADDITIONAL OBSERVATIONS ON THE DRAFT
CONVENTION

Further to its comments in Preparatory Document No 3 for the Luxembourg Conference, the UNION takes the liberty of making the following remarks and proposals relating to the draft agreement and the proposed amendments that have meanwhile become known.

Article 14

1. The UNION has in item 1 of its previous comments already drawn attention to the significance of the specification of the Community patent in the language of the Convention State when enforcing rights arising from the patent that has been granted. The reminder is given that according to the legal view, the patent claims should be read 'in the light of the specification'. If the relevant specification is lacking, the patent claims that, according to the provision of Article 35 exist in the other two official languages, which are not the languages of the procedure cannot then be read for lack of 'light'.

Should the Conference, in spite of the economic considerations that militate in favour of the single production of the translation of the specification of the Community patent when finally granted into the other two official languages by the patentee, not regard the translation of the specification into the other two official languages to be necessary, provision should at least be made for the Contracting States to have the right to demand that in the event of a reference or a warning with regard to a European patent application or a granted Community patent to the third party in question, if the claims and the specification are not in the official language of the respective State in which the third party is domiciled, that the latter must be sent a translation of the claims and/or specification. These additions are to be included in Article 36.

The general prohibition provided for in paragraph 3 on claiming the authority of the European Patent Convention (Art. 65, Art. 67 para. 3, and Art. 70 para. 3 of the EPC), appears questionable and can almost certainly lead to difficulties in the exercise of the rights arising from the Community patent in many Convention States. In particular in the case of the retrospective enforcement of claims for compensation, and also having regard to the provisions of Articles 38, 69 and 70 of the present draft, the securing of rights arising from the Community patent, when its specification and possibly its claims are only in a foreign language, would seem dubious.

Article 29

2. Although the amendment made in paragraph (c), the words 'vegetables and animals' becoming 'a plant or animal variety' to some extent take account of the UNION's objections, attention must nevertheless be called to the following points: According to Article 53 EPC it is already established that no European patent will be granted for essentially biological processes for breeding plants and animals. The limitation provided for in paragraph (c) of the action of a granted Community patent for a process does not therefore seem necessary. It is not comprehensible as regards the legal system. The proposed agreement according to the first paragraph of the Preamble, is to impart to the granted European patents a uniform and autonomous effect, but not to limit their action materially. If the process is protected after examination by the European Patent Office, the direct product of the process, in agreement with Article 64, paragraph 2 of the EPC, must also be given protection in the form of the Community patent.

The proposal is therefore maintained to delete entirely in the last sentence in paragraph (c) the words: 'provided that ... not ... (until the end of the sentence)'.

Article 30

3. It is proposed that paragraph 2 be deleted.

Reasons

The cancellation of the effect of a Community patent, which is provided for in paragraph 2 to proceed on account of direct patent infringement against a third party, although it is obvious in view of the circumstances that the means offered or supplied are intended for the use of the patented invention, only because the means in question is a product that is already generally available on the market, is hardly justified. In this way it is made difficult to exert rights arising from the Community patent. If it is *obvious* that the means which relates to an essential element of the invention, is used by the party supplied in infringement of the patent, a *prima facie* case of indirect patent infringement is furnished. If in spite of its obvious nature the means is then nevertheless not used so as to infringe the patent by the party supplied, there is always a possibility of counterproof. To allow the prosecution of the indirect patent infringement in the case of products that are generally obtainable only when the third party has intentionally caused the party supplied to infringe the patent, signifies owing to the difficulty of proof that the infringement cannot be followed up with the supplier.

Should paragraph 2 be maintained, to assist matters the proposal is made to add to the paragraph:

'or that the third party knows or must know on account of the circumstances that the party supplied uses means for the use of the invention'.

Article 32 and Article 78

Exhaustion of patent rights

4. The UNION welcomes the proposed clarification in Articles 32 and 78 as proposed by the French Government in Preparatory Document No 15, since the possibility exists of the Community patent not being legally valid in all the Convention States. From the very definition, it is only possible to speak of an exhaustion of the law when in the Convention State in question, in which the product of the patentee or of his licensee comes on the market, there is a patent right, whether in the form of the national patent or of the Community patent.

The proposed clarification does not conflict with the legal decisions of the European Court of Justice, for in Case 14/74 (*Centrafarm v Sterling Drug*) a national patent existed in the country where the product was first marketed. In the opinion of the UNION the clarification does not conflict with Article 84 of the draft, as the Treaty of Rome in Article 36 expressly mentioned industrial property and its effect should not be limited.

Article 72, paragraph 3

5. As regards the two variants, it is proposed to alter the wording: 'in its decision' to 'following its decision'.

Reasons

Although all endeavours are to be welcomed that lead to a uniform law also regarding the prosecution of patent infringements arising from the Community patent, there are nevertheless doubts as to the practical feasibility of the opinion of the European Patent Office which must compulsorily be demanded. Although provision is made for the infringement case to be heard by the national courts, infringement law must nevertheless clarify the position clearly and completely, so that the findings provided for can be made as regards the form of infringement being attacked, as otherwise the comment might later on be valueless on the continuation of the infringement procedure. The second variant has indeed the advantage that here there is a possibility at the European Patent Office of bringing in a particularly expert *gremium* for providing the comment, namely, the nullity department of the nullity chamber, in which legally-versed members are also present. In particular in the case of the opposition procedure the proposed procedure would probably be impracticable. The opinion is in fact to be given in the decision for the maintenance or variation of the Community patent. In the case of the opposition procedure, the decision is reached by the opposition department of the European Patent Office. Since it is only with this decision relating to the opposition that the version of the patent claims can be established, in the opinion of the UNION there was previously no possibility at

all for the nullity department to express itself on the extent of protection of the claims, taking into account the infringement. The opinion can therefore only be furnished after the decision relating to the Community patent. The question also arises as to whether in the decision containing the opinion of the nullity department relating to the Community patent there are legal grounds for the contestability of the decision of the opposition department.

To prevent the need for providing the opinion exerting an influence on the decision of the European Patent Office concerning the maintenance or variation of the Community patent, the decision and the opinion should be provided separately.

Preference is to be given to the second variant for the reasons stated. Nevertheless, in the opposition procedure, great delay thereby in the infringement procedure must be accepted, since it is only after the decision of the patent department or the appeals department relating to the maintenance of the Community patent in the opposition procedure has acquired legal force that the opinion of the nullity department can be furnished.

Article 84a

6. The insertion is proposed after paragraph 1 of:

'If the proposal contains the naming of only a portion of the Convention States, without the declaration being furnished, the attention of the applicant is called to the fact that according to Article 3 of the proposal there is regarded as such for the granting of a Community patent if the applicant does not provide the declaration in the time appointed by the executive order.'

Reasons

The possibility of selection which is afforded for a transitional period, to decide either for one or more national European patents or the Community patent, is welcomed. In order to avoid for the applicant the risk of an irreparable error in filing a European patent, during the transitional period the naming of one or more Convention States should not automatically result in the granting of the Community patent, which is attended by very high cost, as provided for in Article 3.

If for reasons of the legal system, the undertaking of the European Patent Office to notify the applicant should not be possible, the UNION proposes that for the transitional period provided for in Article 84a, the provisions of Article 3, item 2, should not yet become effective.

Moreover, the UNION welcomes the proposals made by the Government of the German Federal Republic in Document 29 for the additional proposal of a Community patent, if the agreement on the Community patent should not come into force simultaneously with the agreement on the granting of the European patents of 5 October 1973.

Rules of Procedure of the Conference

Rules of Procedure of the Conference¹

CHAPTER I

OBJECTIVES, COMPOSITION AND ORGANS

Rule 1

Objectives

The objectives of the Luxembourg Conference on the Community patent (1975) (hereinafter referred to as 'the Conference') are to adopt a Convention for the European patent for the Common Market and Implementing Regulations and any protocols to that Convention (hereinafter referred to as 'the instruments'), a final act and any declarations and resolutions and recommendations relating to the instruments, and to submit the instruments thus adopted for signature to a conference of the Representatives of the Governments of the Member States meeting within the Council of the European Communities. The basis of the negotiations shall be the drafts contained in Preparatory Document No 28 (hereinafter referred to as 'the proposed drafts').

Rule 2

Composition

1. The Conference shall consist of the Delegations of the Member States of the European Communities and the Delegation of the Commission of the European Communities. They are referred to hereinafter as 'the Member Delegations'. Only the Delegations of the Member States shall have the right to vote in the Conference.

2. The following may participate in the discussions of the Conference as 'Observer Delegations' as specified in these Rules:

- (a) the delegations of States which are not members of the European Communities and which, at the date of the opening of the Conference, have signed the European Patent Convention concluded in Munich on 5 October 1973;
- (b) the Delegations of inter-governmental organizations and non-governmental international organizations invited to the Conference by the Council of the European Communities.

3. The term 'Delegation' as hereinafter used shall, unless otherwise indicated, include both Member Delegations and Observer Delegations.

Rule 3

Organs

1. The Conference shall meet in plenary for the opening and closing of the Conference.

2. The Plenary shall have the purpose of adopting the texts of the instruments, of the final act of the Conference and of any declarations, resolutions and recommendations referred to in Rule 1 and of submitting the instruments thus adopted for signature to a conference of the Representatives of the Governments of the Member States meeting within the Council of the European Communities. The Plenary shall also fulfil the purposes specified in other provisions of these Rules and in the agenda of the Conference.

3. The Plenary shall have a Committee of the Whole responsible for preparing the adoption of the instruments, the final act and any declarations, resolutions and recommendations referred to in Rule 1.

4. The Conference shall also have a Credentials Committee, a General Drafting Committee, a Steering Committee and such working parties as shall be established in accordance with these Rules.

5. The Conference shall elect a General Rapporteur. The working parties may designate rapporteurs from among their members.

6. The Conference shall elect its Secretary-General.

¹ *Editor's note:* The Rules of Procedure reproduced here were adopted by the Plenary of the Conference on the basis of the draft in Preparatory Document No 12, amended by LUX/5.

CHAPTER II
REPRESENTATION

Rule 4

Representation of Member Delegations

1. Each Member Delegation shall consist of one or more delegates and may include advisers. Each Member Delegation shall have a Head of Delegation.
2. The term 'delegate' as hereinafter used shall refer only to delegates belonging to Member Delegations.
3. Each adviser may act as delegate upon designation by the Head of his Delegation.

Rule 5

Representation of Observer Delegations

Each Observer Delegation shall consist of one or more representatives. Each Observer Delegation may have a Head of Delegation.

Rule 6

Credentials

1. Each Member Delegation shall present credentials.
2. The credentials of the Delegations of the Member States shall be signed by the Head of State or the Head of Government or the Minister responsible for external affairs.
3. The credentials of the Commission Delegation shall be signed by the competent body of that institution.

Rule 7

Letters of appointment

1. Each Observer Delegation shall present a letter appointing the representative or representatives of the State or Organization to the Conference (letter of appointment).
2. The letters appointing the Observer Delegations referred to in Rule 2, paragraph 2(a), shall be signed in accordance with Rule 6, paragraph 2, or by the head of a diplomatic mission of the State in question.
3. The letters appointing the Observer Delegations referred to in Rule 2, paragraph 2(b), shall be signed by the competent body of the Organization.

Rule 8

Presentation of credentials and letters of appointment

Credentials and letters of appointment shall be presented to the Secretary-General of the Conference at the time of the opening of the Conference.

Rule 9

Provisional participation

Pending a decision upon their credentials and letters of appointment, delegates, advisers and representatives of the Observer Delegations shall be entitled to participate provisionally in the Conference.

Rule 10

Examination of credentials and letters of appointment

1. The Credentials Committee shall examine the credentials and letters of appointment and shall report to the Committee of the Whole of the Conference.
2. The final decision on the said credentials and letters of appointment shall be within the competence of the Committee of the Whole. Such decision shall be made as soon as possible and not later than at the time of adoption of the instruments.

CHAPTER III

ORGANS OF THE CONFERENCE

Rule 11

Committee of the Whole

1. The Committee of the Whole shall consist of all the Member Delegations.
2. The Committee of the Whole shall examine the proposed drafts. It shall take decisions on proposals submitted to it directly and on proposals from the General Drafting Committee or from a Drafting Subcommittee. It shall forward the drafts approved by it to the Plenary of the Conference for adoption.
3. The Plenary shall elect the Chairman and Vice-Chairman of the Committee of the Whole from among the delegates.

Rule 12

Working parties

1. The Committee of the Whole may set up working parties.
2. The members of each working party shall be elected by the Committee of the Whole.
3. The chairman and vice-chairman of each working party shall be elected by the members of the working party.

Rule 13

Credentials Committee

1. The Plenary shall set up a Credentials Committee.
2. The Credentials Committee shall consist of three members elected by the Plenary at the opening session from among the delegates. The Plenary shall simultaneously elect the Chairman of the Credentials Committee from among the members of that Committee.

Rule 14

General Drafting Committee

1. The Plenary shall set up a General Drafting Committee.
2. All the Delegations of the Member States may belong to the General Drafting Committee.
3. The Chairman and the Vice-Chairman of the General Drafting Committee shall be elected by the Plenary from among its Members.
4. The General Drafting Committee may set up Drafting Subcommittees.

Rule 15

Steering Committee

1. The Steering Committee shall consist of the chairman and vice-chairman of the Committee of the Whole, in the capacity of chairman and vice-chairman respectively, the General Rapporteur of the Conference, the Chairman of the Credentials Committee and the Chairman of the General Drafting Committee, a member of the delegation of the country assuming the Presidency of the Council of the European Communities at the time of the Conference, the Secretary-General of the Conference, and a member of the staff of the Secretariat designated for the duration of the Conference by the Secretary-General of the Conference.
2. The Steering Committee shall meet from time to time to review the progress of the Conference and to make recommendations for furthering such progress.

3. The meetings of all the bodies of the Conference shall be coordinated by the Steering Committee.

Rule 16

Secretary-General

The Plenary shall designate the Secretary-General of the Conference from among the senior officials of the Secretariat.

CHAPTER IV

OFFICERS

Rule 17

Officers of the Conference

1. The President of the Conference shall be the President-in-Office of the Council of the European Communities.
2. The Plenary shall, at its first meeting, elect the first Vice-President and two other Vice-Presidents of the Conference from among the delegates.

Rule 18

Acting chairmen

1. The term 'chairman' as used in these Rules shall refer to the President of the Conference and the chairmen of the other bodies of the Conference. The term 'vice-chairman' shall refer to the Vice-Presidents of the Conference and the vice-chairmen of the other bodies of the Conference.
2. If any chairman is unable to continue to perform his functions, a new chairman shall be elected.
3. Any meeting of a body whose chairman is temporarily absent therefrom shall be presided over by an acting chairman. The acting chairman shall be the first vice-chairman elected for the body in question or, in his absence, the oldest of the other vice-chairmen elected for that body. If both the chairman and the vice-chairman or vice-chairmen, as the case may be, are absent from any meeting, the body in question shall for that meeting elect an acting chairman from among its members.

Rule 19

Chairmen not entitled to vote

No chairman or acting chairman shall vote. Another member of his Delegation may vote for his State.

CHAPTER V
SECRETARIAT OF THE CONFERENCE

Rule 20

Secretariat of the Conference

1. The Conference shall have its own Secretariat whose functions shall be carried out by the General Secretariat of the Council of the European Communities.
2. The Secretary-General shall designate from among the staff of the Secretariat the persons responsible for carrying out secretarial functions in the various bodies of the Conference. He shall also designate from among the staff of the Secretariat an official responsible for general organization and an official responsible for protocol.
3. The Secretariat of the Conference shall provide for the receiving translation, reproduction and distribution of the Conference documents, the interpretation of oral interventions and the performance of all other work connected with the meetings.
4. The Secretary-General of the Conference shall be responsible for the compilation of the minutes to be drawn up after the Conference pursuant to Rule 21.
5. The Conference documents shall be deposited in the archives of the General Secretariat of the Council of the European Communities.

Rule 21

Minutes of the Conference

1. Provisional minutes of the meetings of the Plenary, the Committee of the Whole and the Credentials Committee shall be drawn up under the responsibility of the Secretary-General of the Conference after the Conference and shall be made available as soon as possible to all Delegations. The latter shall inform the Secretary-General of the Conference within two months of any suggestions for changes in those parts of the minutes dealing with their own interventions.
2. The Secretary-General shall ensure that the final minutes are drawn up as soon as possible taking due account of the suggestions for changes made by the Delegations.

Rule 22

Publication

1. The instruments and any declarations, resolutions, and recommendations referred to in Rule 1 shall be published by the Council of the European

Communities immediately after the Conference, through the good offices of the Secretary-General of the Conference.

2. After the final minutes have been drawn up, the acts of the Conference shall be published by the Council of the European Communities, through the good offices of the Secretary-General of the Conference.

CHAPTER VI

CONDUCT OF BUSINESS

Rule 23

Quorum

1. A quorum shall be required in the Plenary and the Committee of the Whole and shall be constituted by a majority of the Delegations of the Member States.
2. A quorum shall not be required in the other bodies of the Conference.

Rule 24

General powers of the chairmen

In addition to exercising the powers conferred upon them elsewhere by these Rules, the chairmen shall declare the opening and closing of the meetings, direct the discussions, accord the right to speak, put questions to the vote, and announce decisions. They shall rule on points of order and, subject to these Rules of Procedure, shall have complete control of the proceedings and over the maintenance of order thereat. The chairmen may propose a limit on the time to be allowed to speakers, a limit on the number of times each delegation may speak on any question, the closing of the list of speakers, or the closing of the debate. They may also propose the suspension or the adjournment of the debate on the question under discussion.

Rule 25

Speeches

No person may speak without having previously obtained the permission of the chairman. Subject to Rules 26 and 27, the chairman shall call upon speakers in the order in which they signify their desire to speak. The Secretariat shall be responsible for drawing up a list of such speakers. The chairman may call a speaker to order if his remarks are not relevant to the subject under discussion.

Rule 26

Precedence

The chairman of a committee or working party may be accorded precedence for the purpose of explaining the conclusions arrived at by his committee or working party.

Rule 27

Points of order

During the discussion of any matter, any Member Delegation may rise to a point of order. The Delegation shall be allowed to speak on the point of order out of the normal sequence of speakers. The debate on a point of order may not take longer than three minutes. The debate shall only deal with the points of order relating to the substance of the matter under discussion and not to the matter itself. The points of order shall be immediately decided by the chairman in accordance with these Rules of Procedure. Any Member Delegation may request that the chairman's ruling be put to the vote. The chairman shall hold a vote on his ruling immediately. The majority of Delegations of the Member States present and voting shall decide in such votes.

Rule 28

Time-limit on speeches

The Plenary, the committees and the working parties may limit the time to be allowed to each delegation for speaking on any question. They may also limit the number of times each delegation may speak on any question. If a delegate or representative has used up his allotted time, the chairman shall refuse the person leave to speak further after a single warning. Where a speaker is refused leave to speak further he may not speak again on the same subject in the same body.

Rule 29

Closing of the list of speakers

During the discussion of any matter, the chairman may announce the closing of the list of speakers and, with the consent of the meeting, declare the list closed. He may, however, accord to any delegation the right to reply in the event of another delegation making a speech after the closure of the list and a reply appears desirable in the interests of an objective treatment of the matter or the clarification of any misunderstandings.

Rule 30

Closure of debate

During the discussion of any matter, any Member Delegation may move the closure of the debate on the question under discussion. In addition to the proposer of the motion, one Member Delegation may speak in favour of the motion, and two against, after which the motion shall immediately be put to the vote. The chairman may limit the time to be allowed to each speaker on the motion for the closure of the debate.

Rule 31

Adjournment of debate

Rule 30 shall apply *mutatis mutandis* to motions for the adjournment of the debate on the question under discussion.

Rule 32

Suspension or adjournment of the meeting

During the discussion of any matter, any Member Delegation may move the suspension or the adjournment of the meeting. Such motions shall not be debated, but shall immediately be put to the vote. The chairman may limit the time to be allowed to the speaker moving the suspension or adjournment.

Rule 33

Order of procedural motions

Subject to Rule 27, the following motions shall have precedence in the following order over all other proposals or motions before the meeting:

- (a) to suspend the meeting,
- (b) to adjourn the meeting,
- (c) to adjourn the debate on the question under discussion,
- (d) to close the debate on the question under discussion.

Rule 34

Amendments

1. Proposals for amending the proposed drafts shall, as a rule, be submitted in writing and handed to the Secretary-General of the Conference or a person designated by him. The Secretariat shall distribute copies to the delegations represented on the body concerned.

2. As a general rule, no proposed amendments shall be discussed or put to the vote in any meeting unless copies of it have been made available not later than 5 p.m. on the day before that meeting. The chairman, may, however, permit the discussion and consideration of proposed amendments even if they have not been made available at the proper time.
3. The chairman may determine a date by which proposals for amendments must be submitted; as a general rule this shall not be on the same day.

Rule 35

Withdrawal of motions and proposals

A motion or a proposal may be withdrawn by the Member Delegation which has proposed it at any time before voting has commenced. This shall not, however, apply where another Member Delegation has made an amendment, which is still maintained, to a proposal for an amendment. A motion or a proposal thus withdrawn may be reintroduced by any other Member Delegation.

Rule 36

Reconsideration of proposals adopted or rejected

When a proposal has been adopted or rejected, it may not be reconsidered unless so decided by a majority of two-thirds of the Delegations of the Member States present and voting. Rule 30 shall apply *mutatis mutandis* to the procedure for motions for the reconsideration of proposals.

CHAPTER VII

VOTING

Rule 37

Voting rights

Each Member Delegation shall have one vote in each of the bodies of which it is a member. A Delegation of a Member State may represent and vote for its own government only.

Rule 38

Required majorities

1. At the final session of the Plenary, the instruments shall be put to the vote combined as one. Adoption thereof shall require unanimity on the part of the Delegations of the Member States.

2. For the drafts of the instruments to be forwarded by the Committee of the Whole to the Plenary, a majority of two-thirds of the Delegations of the Member States present and voting shall be required.
3. Any other decisions by the Plenary and the other bodies of the Conference shall, subject to Rule 36, require a simple majority of the Delegations of the Member States present and voting.

Rule 39

Meaning of the expression 'Delegations of the Member States present and voting'

For the purpose of these Rules, the expression 'Delegations of the Member States present and voting' means Delegations of the Member States present and casting an affirmative or negative vote. Delegations of the Member States which abstain from voting shall be considered as not voting.

Rule 40

Method of voting

1. Voting shall be by show of hands or by standing unless any Member Delegation requests a roll-call before the commencement of voting.
2. In the event of a vote by roll-call, the chairman shall call the roll of the Delegations of the Member States in the alphabetical order of the names of the States in their respective languages, beginning with the Delegation of the Member State whose name is drawn by lot by him.
3. The preceding paragraphs shall also apply to voting for elections, unless in a given case the body concerned decides, at the request of any Member Delegation, that the election be held by secret ballot.
4. Amendments to the proposed drafts may be put to the vote only if such amendments are proposed by a Member Delegation and seconded by at least one other Member Delegation.

Rule 41

Conduct during voting

After the chairman has announced the beginning of voting, no one shall interrupt the voting except on a point of order in connection with the actual conduct of the voting. The chairman may permit Delegations of the Member States to explain their votes, either before or after the voting, except once it is decided that the vote will be by secret ballot. The chairman may limit the time to be allowed for such explanations.

Conference documents

List of Conference documents (LUX/1 to LUX/107)

Document number	Submitted by	Subject
1	Secretariat	Provisional agenda for the opening meeting of the Plenary
2	Secretariat	Provisional list of participants
3	Ireland	Ireland's constitutional position with regard to the proposed Convention for a European patent for the Common Market
4	Secretariat	Source list for comments on the draft Convention
5	President of the Council	Amendments to the draft Rules of Procedure for the Conference
6	President of the Council	Address given at the opening meeting of the Conference
7	Secretariat	Request by INCOPOSA to be granted observer status
8	Netherlands	Supplementary proposals
8 Cor.	Netherlands	Corrigendum to LUX/8
9	Secretariat	Elections to the posts provided for in the Rules of Procedure
10	France	Combined application of Article 67 of the European Patent Convention and Article 36 of the draft Community Patent Convention
11	Italy	Article 2, paragraph 2
12	EIRMA	Article 28, paragraph 1 and Article 37, paragraph 2 (a)
13	Italy	Article 14
14	Ireland	Articles 41 and 42 and Rule 8
15	UNICE and CIFE	Article 29
16	FR of Germany	Article 43
17	Italy	Article 20
18/GT I	France and Italy	Article 28
19/R	Drafting Subcommittee	Texts drawn up on 19 November 1975
20	Austria, Lichtenstein Norway, Sweden and Switzerland	Articles 64 and 82
21/GT I	Secretariat, United Kingdom	Last sentence of Article 37, paragraph 2
22	France	Article 84b, paragraph 1
23	CPCCI	Comments on the draft Convention
24/GT III	Ireland	Draft Council Regulation concerning the Convention for a European patent for the Common Market
25	United Kingdom	Draft declaration on ratification of the PCT

Document number	Submitted by	Subject
26	Chairman of the Committee of the Whole	Article 35a (new) and 84c (new)
27/R	Drafting Subcommittee	Texts drawn up on 20 November 1975
28/GT III	Commission	Resolution of the Council
29	France	Proposed amendment to Article 35
30/GT III	Chairman of Working Party III	Ireland's constitutional position
31/GT II	France and United Kingdom	Article 70a
32	[Not issued]	
33	Italy and Belgium	Article 35a (new)
34/GT III	Working Party III	Ireland's constitutional position
35/R	Drafting Subcommittee	Texts drawn up on 21 November 1975
36/R	Drafting Committee of Working Party I	Texts drawn up on 21 November 1975
37	UNION	Article 52
38	UNICE, CIFE	Articles 32 and 78
39	United Kingdom	Article 84c (new)
40	Italy	Article 84c (new)
41	Italy	Articles 79, 52 and 53
42	FR of Germany	Article 50, paragraph 3 and Rule 10a (new)
43	FR of Germany	Articles 32, 46 and 78
44	France	Article 78
45/GT II	France	Article 69, paragraph 2
46	[Not issued]	
47/R	Drafting Committee of Working Party I	Texts submitted by Working Party I
48	FR of Germany	Articles 32, 46 and 78
49	IFIA	Article 65 (new)
50/GT II	United Kingdom	Article 70a
51/GT II	France, AIPPI, COPRICE	Article 69
52	COPRICE	Article 78, paragraph 1
53	UNION	Article 2
54/R	Drafting Subcommittee	Texts drawn up on 25 November 1975
55	FICPI	Articles 64 and 82
56/GT II	United Kingdom	Article 70
57	Italy	Article 77
58	Chairman of the Committee of the Whole	Resolution on the harmonization of the national provisions governing the rights based on prior use and rights of personal possession
59/GT II	Belgium	Article 69 et seq.
60/GT II	Netherlands	Article 72a
61	Austria, Liechtenstein, Norway, Sweden and Switzerland	Alternative proposal for Articles 64 and 82
61/Cor.	Austria, Liechtenstein, Norway, Sweden and Switzerland	Corrigendum to LUX/61

Document number	Submitted by	Subject
62	Sweden	Alternative proposal for Articles 64 and 82
62/Cor.	Sweden	Corrigendum to LUX/62
63	Netherlands	Conflict between an earlier European patent granted under Article 84a and a later Community patent
64/R	Drafting Subcommittee	Texts drawn up on 26 November 1975
65	Denmark	Article 88, paragraph 3
66/GT II	UNICE and CIFE	Article 72
67	FEMIP	Articles 64 and 82
68/R	Drafting Subcommittee	Texts drawn up on 27 November 1975
69	United Kingdom	Article 37, paragraph 2(b)
70/R	Drafting Committee of Working Party II	Texts submitted by Working Party II
71	Netherlands	Resolution on the adjustment and harmonization of national patent laws
72	Nine Member States of the European Communities	Articles 64 and 82
73/R	Drafting Subcommittee	Texts drawn up on 29 and 30 November and 1 December 1975
74	Italy	Article 84d
75	AIPPI and COPRICE	Article 69a
76	Member States of the European Communities	Articles 64 and 82
77	FR of Germany	Article 8
78	Chairman of the Committee of the Whole	Rule 1, paragraph 1a (new)
79	United Kingdom	Article 88, paragraph 8
80	France and FR of Germany	Articles 38a and 79a
81	Nine Member States of the European Communities	Draft declaration on ratification of the PCT
82/GT II	FR of Germany	Article 72, paragraph 3
83	Secretariat	Organization of the final day of the Conference
84/R	Drafting Committee of Working Party II	Texts submitted by Working Party II
85	UNICE	Article 64
86/GT III	Working Party III	Ireland's constitutional position with regard to the proposed Convention for a European patent for the Common Market – Draft Preamble – Draft Resolution by the Council
87	Netherlands	Article 10
88	Drafting Subcommittee	Article 84c and Rule 28
89	Secretariat	Amended provisions already published
90/R	Drafting Subcommittee	Texts drawn up on 2 December 1975
91	FR of Germany	Resolution on the adjustment and harmonization of national patent laws
92	United Kingdom	Article 10
93/GT III	Working Party III	Article 88, paragraph 8

Document number	Submitted by	Subject
94	Italy	Article 84d, new paragraph 2a
95	Legal department of the Council of the European Communities	Draft Final Act of the Conference
96/R	Drafting Subcommittee	Texts drawn up on 3 and 4 December 1975
97/R	Drafting Subcommittee	Texts drawn up on 9 December 1975
98		Draft Supplementary Protocol to the Protocol on the setting-up of European Schools
99	General Drafting Committee	Convention and attached annexes
100	General Rapporteur of the Conference	General Report
101	General Drafting Committee	Draft Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools
102	Secretariat	Provisional agenda for the closing meeting of the Plenary
103	Italy	Article 88, paragraph 5
104	President of the Conference	Address given at the closing meeting of the Conference
105	Secretariat	List of participants
106	General Rapporteur of the Conference	General Report
107	Secretariat	Final list of documents

Text of Conference documents

LUX/1 Secretariat

17 November 1975

PROVISIONAL AGENDA FOR THE OPENING MEETING OF THE PLENARY (17 November 1975 – 15.00)

1. Opening of the Conference by the President-in-Office of the Council of the European Communities.
2. Welcoming address to the delegates by the representative of the Luxembourg Government.
3. Speech by the President of the Council.
4. Adoption of the Rules of Procedure (Preparatory Document No 12).
5. Adoption of the Agenda (LUX/1).
6. Election of the first vice-president and two other vice-presidents of the Conference.
7. Election of the General Rapporteur of the Conference.
8. Election of the Secretary-General of the Conference.
9. Election of the chairman and vice-chairman of the Committee of the Whole.
10. Election of the chairman and the members of the Credentials Committee.
11. Election of the chairman and vice-chairman of the General Drafting Committee.
12. Request by INCOPOSA to be admitted to the Conference as an observer (LUX/7).
13. General debate.
14. Other business.

Note: A reception will be given at 19.00 by the President of the Council for participants at the Conference at the Kirchberg European Centre.

LUX/2 Secretariat

17 November 1975

PROVISIONAL LIST OF PARTICIPANTS

Editor's note: This document contained the names of those delegates who had informed the Secretariat before the opening of the Conference of their intention to attend the Conference. The final list of participants is reproduced on pages 219 to 226.

LUX/3 Ireland

17 November 1975

IRELAND'S CONSTITUTIONAL POSITION WITH REGARD TO THE PROPOSED CONVENTION FOR A EUROPEAN PATENT FOR THE COMMON MARKET

1. The Irish delegation refers to the memorandum concerning Ireland's constitutional position with regard to certain proposed Conventions (including the Community Patent Convention) between the Member States of the European Communities, which was circulated by the Council Secretariat to the delegations to the Community Patent Working Group. (Council Document R/545/75 (ECO 82) (BC5) of 24 February 1975).¹

A slightly amplified version of this memorandum was sent to the Member States in March 1975 by the Government of Ireland. The memorandum contained proposals which were designed to impose an obligation in Community law on the Member States to ratify each Convention as a whole.

2. The Government of Ireland has received replies to the memorandum from all Member States. Some Member States have expressed the view that they cannot accept proposals which are designed to impose on them an obligation in Community law to ratify the Conventions. In the course of the replies it has how-

¹ *Editor's note:* The document referred to is an internal document of the Council of the European Communities.

ever been suggested (*inter alia*) that the resolution of the problem might be sought within the framework of competent working groups at Community level. Furthermore, the proposed signing at Luxembourg of the Community Patent Convention makes it essential to resolve the difficulty as a matter of urgency. Accordingly, the Irish delegation brings this matter before the Luxembourg Conference and requests that it be considered and discussed at that Conference so as to enable Ireland to sign and ultimately to ratify the Community Patent Convention.

3. The constitutional difficulty, as outlined in the memorandum referred to above, is that while adherence to the basic Community Treaties and compliance with acts of the institutions of the Communities are 'necessitated by the obligations of membership of the Communities' within the terms of the amendment of the constitution which enabled Ireland to join the Communities, and therefore cannot be contrary to the Irish Constitution, conventions are in general not so necessitated. As indicated in the memorandum, Article 76 in particular of the draft Patent Convention would, if its implementation was not rendered necessary by the obligations of membership of the European Communities, be unconstitutional in Ireland. Although certain other provisions of the Convention involve a degree of constitutional risk, and are a source of some misgivings on the part of the Irish delegation, it is considered that they do not give rise to the same difficulties as Article 76.

4. In the light of the replies received from Member States to the memorandum, the Irish delegation now wishes to propose a different approach which would be directed towards the specific provisions of the Convention which create constitutional difficulties, rather than to the Convention as a whole. In this respect, unless the present draft of the Convention were to be amended in such a way as to create new difficulties, the Irish delegation could confine itself to seeking a solution to the problems which arise from Article 76, on the basis that other possible difficulties can probably be surmounted. The Irish delegation therefore advances the following alternative proposals as offering solutions to the problem which, while acceptable to the Irish Government, would nonetheless enable the government of each other Member State to present the Convention to its parliament (where necessary) as a voluntary act to be accepted (or rejected) in the free exercise of its national sovereignty.

Alternative (i): Omit the present Article 76 from the Convention and instead, make the jurisdiction of the Court of Justice to give preliminary rulings the subject matter of an act or measure of the Council imposing an obligation under Community law on Member States to confer that jurisdiction on the Court of Justice. In a final act annexed to the Convention the Contracting States could note the intention of the Commission to propose, and of the Council to adopt, the measure in question. The measure would be

adopted after all Member States had ratified the Convention.

Alternative (ii): Retain Article 76 in the Convention. Agree at the Conference that if all the Member States (other than Ireland) ratify the Convention, the Council will adopt an act or measure which will refer specifically to Article 76 and create an obligation in Community law to implement it.

5. The Irish delegation submits this note to the Secretariat for the attention of the delegations at the Luxembourg Conference. This note is also submitted to the competent authorities of the Member States in advance of the Conference. The Irish delegation requests that, during the Luxembourg Conference, a special working group of experts from Member States be established to consider and discuss the problem, which is of a general legal nature rather than one relating purely to patent law, with a view to finding a solution which would enable Ireland to sign and ratify the Community Patent Convention. It is considered that such a working group should be convened as early as possible during the Conference: Monday 24 November is suggested.

LUX/4
Secretariat
17 November 1975

SOURCE LIST FOR COMMENTS ON THE DRAFT
CONVENTION AND ATTACHED ANNEXES,
COVERING PREPARATORY DOCUMENTS NOS 1 to 45

[Omitted]

LUX/5
**President of the Council of the European
Communities**
17 November 1975

AMENDMENTS TO THE DRAFT RULES OF PROCEDURE
OF THE CONFERENCE

Editor's note: This document contained amendments to the draft Rules of Procedure of the Conference proposed in Preparatory Document No 12. The text of the Rules of Procedure as adopted by the Plenary of the Conference at its opening meeting is reproduced on pages 149-155.

LUX/6
President of the Council
17 November 1975

ADDRESS BY THE PRESIDENT OF THE COUNCIL
GIVEN AT THE OPENING MEETING OF THE
CONFERENCE ON 17 NOVEMBER 1975

*Your Excellencies,
ladies and gentlemen,*

In my capacity as President-in-Office of the Council of Ministers I hereby declare open the Luxembourg Conference on the Community patent, which is meeting at the invitation of the Council of Ministers of the European Community. I extend a welcome to the delegates of the Member States and of the Commission, to the representative of the Court of Justice, who is the guest of honour at this meeting, to the delegates of the other States signatories to the European Patent Convention, and to the representatives of the intergovernmental international organizations and private organizations which have responded in such numbers to our invitation.

Before embarking upon any introductory remarks on the significance of the tasks which the Conference is required to carry out, allow me to call for a few words from Mr Mart, who will bid you welcome in the name of the country whose guests we shall all be in the course of the next few weeks.

*Your Excellencies,
ladies and gentlemen,*

It is with great satisfaction, and some apprehension, that I contemplate the opening of the Luxembourg Conference on the Community patent. Satisfaction, because this event represents the culmination of a lengthy process started long ago, in 1958. Some apprehension, because notwithstanding all the efforts which our experts have put into the superlative preparation of the Conference, there are still a certain number of problems to be resolved in the short weeks ahead of us to the end of our proceedings, and the certainty of success will be ours only when the plenipotentiaries of the Nine have affixed their signatures at the end of the Convention.

At the start of the Conference our thanks go to all those who with their preparatory work have brought about the conditions to enable the Conference to be held: the Permanent Representatives Committee, the national experts on the 'Community Patent' Working Party, the officials of the Commission and of the Council Secretariat, the representatives of the international organizations who have with their invaluable comments provided the necessary link between the work of the legislator and the real needs of industry and commerce. Most particular homage is due from us to Dr Haertel who, as the Chairman of the 'Community Patent' Working Party, has in such a masterly

fashion conducted this work with a degree of authority, competence and objectivity which have by now become proverbial in the world of patents.

The composition of the delegations, the presence of so many illustrious experts in the field of industrial property, absolve me from the need to dwell in detail upon the history, going back well over a decade, of the negotiations which led to the creation of a European patent system, a process in which you all played a part. I prefer to limit my remarks to the main reasons which prompted the creation of this system and to take stock of the results achieved, and of those which it behoves this Conference to achieve, from the point of view of the Community interest. The impelling forces which have worked towards this end may, I think, be summed up in terms of the four following factors:

- the need for simplification and rationalization of the systems for the grant of patents;
- clarification of the limits within which industrial property rights may legitimately continue to form an obstacle to the free movement of goods;
- the tendency to discard the basic features of the traditional principle of territoriality in a unified economic area, such as the Common Market is, by means of the harmonization and unification of substantive patent law;
- the tendency to seek homogeneous solutions by means of the uniform application of such law, above all in the two essential fields of revocation and infringement proceedings.

(a) European system for the grant of patents

One characteristic of work in the field of patents has been that representatives of the interested circles have at all times been called in to play their part. This tradition is confirmed at this Conference of ours, where industry, inventors and patent representatives are represented by the 14 international organizations here present. From the very earliest days of the European Economic Community's existence, the interested circles put forward an urgent and pressing request to which the Community did not remain insensible: a request for the simplification and rationalization of patent procedures through the setting-up of a system with a unitary grant procedure based on preliminary search and examination, designed to give rise to patents identically worded and valid in a number of States. This was the European manifestation of a need profoundly felt in all the industrial countries of the world, as confirmed by the conclusion in 1970 of the 'Patent Cooperation Treaty', which although perforce involving a lesser degree of integration than in the case of the European countries, laid the foundations of a world system of harmonized patents.

The idea of a European system for the grant of patents formed part and parcel of the Community initiative from the beginning. It was in 1969 that, following an initiative by the Council, this idea

blossomed into full life, and gave proof of its validity by drawing to the preparatory negotiations in Luxembourg and to the final negotiations in Munich a large number of European States outside the Community. Finally, the idea materialized in the Munich European Patent Convention in 1973, and it is with great and justified satisfaction that we may now hope that by 1977 the European Patent Office will open its doors in Munich to receive the first batch of European patent applications. I will, if I may, emphasize the interest which the Council has at all times shown in this achievement, born of a Community initiative, which continues to manifest itself in the support and assistance given by the Council to the Interim Committee of the European Patent Organization in the preparation of the measures necessary for the opening of the European Patent Office. The setting up of the Office is in any event the foundation without which the creation of the Community patent would be impossible.

With the signing of the Munich Convention and its entry into force in prospect in the near future, the immediate aspirations of the interested circles have in large measure been satisfied. Without underestimating the practical and political importance of this achievement, I must nevertheless stress that from the Community point of view it would be inconceivable to stop short at this measure which, however bold and novel in conception, substantially remains an act of administrative rationalization. The very logic of the Common Market requires the creation of a single industrial property right the effects of which are governed by a unitary and autonomous law.

(b) *Free movement of goods*

A further stimulus to action by the Community in the field of patents indubitably stems from the need to make entirely clear the scope of the principle of free movement of goods, as embodied in the Treaty of Rome. The authors of the Treaty were well aware – and Article 36 bears testimony to this – that industrial property rights, traditionally based on the principle of territoriality, could in certain cases form a legitimate obstacle to the free movement of goods. The extent to which the proprietors of an industrial property right could continue to be vouchsafed the faculty of impeding free movement in a fully realized Common Market is something that could not be immediately ascertained from the texts of the Treaty of Rome. Besides, 'patent' means 'monopoly' – hence the need to clarify the limits within which the rules of competition laid down in the Treaty of Rome are applicable in this sphere. So it was that right from the beginning of the Common Market the Commission initiated a series of projects designed to clarify this whole problem. The idea of harmonization of legislation governing national patents, and the logical extension thereof, the creation of a single industrial property right for the whole of the territories of the Common Market Member States, came to form part of these proceedings and gave rise to one of the most heated, but fruitful, discussions which took place

throughout the preparatory work on the problem of the economic clauses or more precisely, the exhaustion of the rights attached to the ownership of industrial property.

The need for clarification in the matter of the exhaustion of rights grew with the passing of the years. Since what is involved is in large measure an interpretation of the Treaty of Rome, our present work has been fully prepared by the Commission's activity in its sphere of competence, and above all by the valuable body of case-law of the Court of Justice, to which I wish to pay tribute. All this has assuredly enabled the economic world to find its way about with more certainty in this complex matter. However, the pressure which the need for clarification brings to bear on us is much less today than it was a few years ago. There are nevertheless some points which have not yet been entirely clarified. This is certainly not a criticism of the Commission or the Court of Justice; it is an unavoidable consequence of any legal edifice based on a body of legal precedents. The ambition of the Conference to systematize law in this sphere is therefore quite legitimate.

As we all know, the Commission has firmly expressed an opinion in this field, and very many delegations equally firmly uphold a different opinion. It is not my intention here to anticipate the discussions. May I be allowed nevertheless to make two remarks. In the first place, I am certain that it cannot be the real desire of any of the delegations here present to see the adoption of any measures which might be flagrantly at variance with the obligations resulting from the Treaty of Rome or with the interpretations which the Court of Justice has placed on these obligations. Besides which, the will of the States clearly emerges from Article 84 of the draft Convention, which lays down the principle that Community law takes precedence over the provisions of the Convention. Secondly, it is my firm hope that solutions will be found which will naturally not be such as to undermine in any way the competence and freedom of action of the Court of Justice to complete the work of jurisprudence already embarked upon.

(c) *Unification of patent law*

The creation of a unitary law governing the effects of the Community patent was seen from the very beginning as a condition for the existence of a right which could transcend the limits of the principle of territoriality. This enterprise has not been easy, but even though there are still numerous minor problems to be examined by the Conference, it can now be asserted that in this field the preparatory work has been extremely fruitful, and we may await the final outcome with confidence. Whilst the Munich Convention already laid down, in provisions which are also valid for the Community patent, the criteria governing patentability, the grounds for revocation and the term of the European patent, the second Convention will define the content of the law, i.e. the effects of the patent. I would like to stress the impor-

tance of this achievement, which constitutes a landmark in the legal and political spheres: a part, a fragment of a future European commercial law will tomorrow be a reality.

A second important aspect of the standardization achieved will be the indirect influence which it is bound to have on national law. The Community patent has been designed as an alternative to national patents, which will continue to be granted: its success will depend on the viability of the procedure for the grant of European patents, renewal fees being set at a reasonable level and its intrinsic economic value (suffice it to mention here that a single patent will secure a monopoly of exploitation in one of the most highly industrialized and developed areas of the world comprising approximately 250 000 000 inhabitants). Ratification of the Convention by the Member States will, logically, result in national law being adapted to European law. Standardization will therefore not be confined simply to the Community patent as such but will sooner or later affect surviving national property rights.

(d) *Centralization of the procedure*

The principles of unity and autonomy embodied in the substantive law governing the Community patent necessarily entail the setting up of central departments which alone will be competent to decide upon the validity of such patents. The special departments which will be set up for this purpose at the European Patent Office will exercise powers which in the vast majority of our countries fall within the purview of ordinary or special courts. Uniformity of case-law will be ensured by the fact that the Court of Justice in Luxembourg will act as an appeals body and will also have the task of ensuring, by means of preliminary rulings, that the provisions of the Convention are interpreted in a uniform manner. In this respect also a step forward will be made towards European integration, the political importance of which should not be underestimated. For the first time, albeit in a very specialized field, bodies are being set up endowed with powers and guarantees making them comparable to courts under the control of the supreme judiciary in Luxembourg.

Although the signing of the Convention will constitute a great step towards the centralization of patent revocation proceedings, it has not been possible to achieve such an important result in the case of infringement proceedings, which remain the responsibility of national courts. The problems to be resolved here, particularly the necessary harmonization of provisions governing civil proceedings, were too complex for a centralized solution to be adopted during the negotiations, even though the time they took was far from short. Nevertheless the Convention will make some progress in this field as well, since it will attain a degree of integration at least equal to that achieved by the already existing Convention on

Jurisdiction and Enforcement. Delicate legal problems in this field are sure to be tackled and resolved by the competent specialists of each delegation. I would like nevertheless to express a wish in this respect. The outcome of the proceedings of this Conference, however advanced they may be, will be no more than one step forward on the road towards centralizing and standardizing procedure. There is already a draft Resolution which provides that a solution to the problems arising out of the separation of jurisdiction regarding validity and infringement will have to be found within a period of 10 years following the signature of the Convention. While I sincerely hope that this Resolution may become reality, I should like to urge the Conference to examine with all due care the proposals submitted by certain delegations with the aim of strengthening the unity of interpretation of Community patents in the case of infringement actions pending a definitive solution being found.

*Your Excellencies,
ladies and gentlemen,*

I have spoken of certain points which to me seem fundamental in the Convention before you. A number of difficulties and other problems exist but I will not dwell on them here, since I am confident that a solution may be found for them in the course of discussions. Some of these problems are purely technical while others are of political importance for one delegation or another and I am convinced that the Conference will examine them with all due attention and comprehension. I would mention in particular the problem of the languages in which the patent will be drawn up and the problems confronting the Irish delegation for reasons connected with the Irish Constitution.

Before concluding, I should like briefly to stress the significance of the Convention which we are required to draw up in the context of Community policy. At this time, when the Community is just beginning to perceive the first signs of an improvement in the general economic situation, signature of the Community Patent Convention constitutes an affirmation of faith in the future of the European economy. We are convinced that industrial circles will confirm the success of this new instrument of protection afforded them, which is to be in full competition with the continued existence of national patents, and will apply for Community patents whenever the economic interest of an invention transcends purely local or national confines. The States of the Community will do their utmost to ensure that the cost of the Community patent in terms of fees remains within acceptable limits. The success of the Conference will moreover mean that the moment has come for the Community to examine whether other initiatives should not be taken in the field of industrial property, especially in the field of trade-marks.

LUX/7
Secretariat
17 November 1975

REQUEST BY INCOPOSA TO BE GRANTED
OBSERVER STATUS

1. The General Secretariat of the Council received on 7 November 1975 the following telex from the Secretary of INCOPOSA (International Interim Committee of Patent Office Staff Associations):

'INCOPOSA, as an intimately affected body, urgently requests granting to it of observer status at the forthcoming Luxembourg Conference on the Community Patent Convention in November/December 1975.'

2. This telex was confirmed by the following letter of 7 November 1975 addressed to Mr van Grevenstein, Director-General:

'Dear Sir,

This is to confirm formally in writing my telexed request for the granting of observer status to INCOPOSA at the Luxembourg Conference on the Community Patent Convention in November/December 1975.

A large part of the staff to operate the Community Patent will be drawn from the member organizations of INCOPOSA, which is thus as vitally concerned in the matter as any other international organizations who may have observer status.

Please forward my request urgently to the appropriate authorities for decision as soon as possible.

Yours sincerely,
(s.) Claude SMITH,
Secretary'

3. INCOPOSA is an international organization comprised of representatives of the staff of the patent offices of a number of the States which have signed the 1973 Munich Convention on the Grant of European Patents and the staff of the International Patent Institute at The Hague. The Interim Committee of the European Patent Organization consults this organization in the same way as the 14 non-governmental organizations which have been invited as observers to the present Conference.

4. At its 791st meeting held in Brussels on 14 November 1975, the Permanent Representatives Committee agreed that the question of whether an invitation should be extended to INCOPOSA to take part in the Luxembourg Conference in an observer capacity should be decided by the Conference.

LUX/8 AND CORRIGENDUM
Netherlands
17 November 1975

SUPPLEMENTARY PROPOSALS

Preparatory Document No 19 contains a number of comments which are not expressed in the form of actual textual proposals. In the interests of clarity the textual amendments resulting from these comments are set out below. A number of new proposals have also been made.

Article 2

1. Unchanged.

'2. Community patents shall have a unitary character. The unitary aspect is ensured by the fact that *Community patents and the corresponding European patent applications* are to have equal effect throughout the territories to which this Convention applies, that they may only be transferred in respect of the whole of such territories *and that Community patents may only (be revoked or) lapse in respect of the whole of such territories.*'

3. Unchanged.

Grounds

See Preparatory Document No 19.

Article 28

'1. If it is adjudged by a decision which has to be recognized in all the Contracting States that a person, other than the proprietor of the patent, is entitled to the Community patent in whole or in part, *the party best prepared* may request that he be entered in the Register of Community Patents as the sole or joint proprietor of the patent.'

Grounds

It is not made clear what happens if the time-limit of one year is exceeded (see in this connection Union comments in Preparatory Document No 3). In addition, both parties may attach importance to entry in the Register being effected quickly.

The comment made by the Netherlands Government in Preparatory Document No 19 with regard to paragraph 2 is inexact and should therefore be discounted.

Article 34

A new paragraph 2 should be added:

'2. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the State concerned after the person referred to in paragraph 1 has put the product on the market in that State, in so far as the legislation of that State also makes provision to that effect as regards national patents.'

Grounds

See Preparatory Document No 19.

Article 39

Paragraph 1(c) should be amended to read as follows:

'(c) where the provisions of neither (a) nor (b) apply, the representative appointed in accordance with Article 133 of the European Patent Convention has his place of business; the subsequent appointment of another representative shall not affect the application of this Article.'

Grounds

- (1) It must not be possible for the patent proprietor, by means of the appointment of another representative, to contrive to have a different system of law applicable to his Community patent.
- (2) It is moreover desirable that the same law should apply to the European patent *application* as an object of property (Article 45) as to the Community *patent*. This can be brought about by determining the appropriate law in line with the choice of the representative appointed to deal with the application. The representative may of course still be from a non-EEC State. In that case the appropriate law will be determined by paragraph 2.

Article 50

1. Unchanged.
2. The second sentence should be amended to read as follows:
'It shall not take effect *vis-à-vis* third parties until three months after the entry in the Register has been published in the Community Patent Bulletin.'
3. If a *licence* or a right *in rem* is recorded in the Register of Community Patents, surrender will only be entered with the agreement of the holder of the *licence* or the right *in rem*.

Grounds

Paragraph 2: See Preparatory Document No 19.

Paragraph 3: It is not clear why there should be any difference between the holder of an exclusive licence and the holder of a non-exclusive one. The holders of both kinds of licences should give their consent prior to surrender.

Article 56

1. The words 'or joint' should be deleted.

Grounds

See Preparatory Document No 19.

LUX/9

General Secretariat of the Council of the European Communities

18 November 1975

ELECTIONS TO THE POSTS PROVIDED FOR IN THE RULES OF PROCEDURE

The President-in-Office of the Council of the European Communities, His Excellency Mr Granelli, noted that under Rule 17, paragraph 1, of the Rules of Procedure he was automatically the President of the Conference.

Under items 6 to 11 of the agenda, the Plenary of the Conference thereupon agreed unanimously to the following proposal by the President for filling the other posts for which it was competent:

1. Plenary

First Vice-President: MR MART (Luxembourg)
(Rule 17, paragraph 2, of the Rules of Procedure)

Two other Vice-Presidents:
(Rule 17, paragraph 2, of the Rules of Procedure) MR SKJØDT (Denmark)
MR QUINN (Ireland)

General Rapporteur: MR SAVIGNON (France)
(Rule 3, paragraph 5, of the Rules of Procedure)

2. Committee of the Whole

Chairman: DR HAERTEL (Federal Republic of Germany)
(Rule 11, paragraph 3, of the Rules of Procedure)

Vice-Chairman: MR ARMITAGE (United Kingdom)
(Rule 11, paragraph 3, of the Rules of Procedure)

3. Credentials Committee

Members: MR DESCHAMPS, Ambassador (Belgium)
(Rule 13, paragraph 2, of the Rules of Procedure) MISS VITALI (Italy)
MR PARRY (United Kingdom)

Chairman: MR DESCHAMPS, Ambassador (Belgium)
(Rule 13, paragraph 2, of the Rules of Procedure)

4. General Drafting Committee

Chairman: MR VAN BENTHEM (Netherlands)
(Rule 14, paragraph 3, of the Rules of Procedure)

Vice-Chairman: DR SINGER (Federal Republic of Germany)
(Rule 14, paragraph 3 of the Rules of Procedure)

5. **Secretary-General:** MR VAN GREVENSTEIN
(Rule 16 of the Rules of Procedure)

LUX/10
France

18 November 1975.

COMBINED APPLICATION OF ARTICLE 67 OF THE EUROPEAN PATENT CONVENTION AND ARTICLE 36 OF THE DRAFT COMMUNITY PATENT CONVENTION

In the course of the examination of the amendments to be made to French patent law, with the prospect of the entry into force of the Convention signed in Munich on 5 October 1973 and of the Convention for the European patent for the Common Market, attention was drawn to a difficulty likely to arise in connection with the protection conferred by European patent applications in the countries of the common market. This difficulty was also noted by the Netherlands delegation in Preparatory Document No 19, point 11.

The problem may be put as follows:

1. Under the terms of Article 67 of the Convention signed in Munich on 5 October 1973, a European patent application in theory confers upon the applicant, as from the date of its publication, the same protection as that attached to the patent following publication of the mention of grant (see Article 67, paragraph 1).

Contracting States may, however, depart from the above rule (see Article 67, paragraph 2, first sentence) on two conditions:

- first, that the protection conferred upon the European patent application is not less than that conferred upon a national patent application (see Article 67, paragraph 2, second sentence);
- secondly, that in any event the applicant may at least claim compensation reasonable in the circumstances from any person who has used the invention in circumstances where that person would be liable (see Article 67, paragraph 2, third sentence).

2. As regards the effects attached to a European patent application in the Member States of the Common Market, it is the minimal approach (entitlement to reasonable compensation) which has been adopted.

This is shown by Article 36, paragraph 1, of the draft

Convention for the European patent for the Common Market, which stipulates that: 'The provisions of Articles 29 to 34 and 38 (rights conferred upon proprietors) shall apply *mutatis mutandis* to a published European patent application in which the Contracting States are designated only to the extent that the applicant may, from the date of its publication, claim compensation reasonable in the circumstances'.

3. While the implementation of Article 36 should not give rise to any difficulty in those countries of the common market where published patent applications are afforded no protection under national legislation - or even protection equivalent to that provided for in Article 36 (entitlement to compensation) - the situation might well be otherwise in certain countries where legislation is more favourable. This is, for instance, the case in France, where the rights conferred by the patents are valid from the date of filing of the application and may have effect *vis-à-vis* third parties as from the date of publication of the application.

In such circumstances, applicants could invoke Article 67 of the Munich Convention, under which the protection attached to European patent applications in every State may not be less than that granted in respect of *national* patent applications.

4. The existence of national provisions more favourable than those of Article 36, paragraph 1, of the Community Patent Convention means that the rights conferred by a European patent application after publication will not be the same in all the countries of the European Economic Community. This situation is contrary to one of the objectives of the Community Patent Convention, which is to ensure that not only granted patents but also published patent applications have a unitary effect throughout the territory of the Common Market. Article 36, paragraph 1, does not achieve this objective.

5. The French delegation would be grateful if the Conference would examine whether the above comments are justified, and if so, whether steps should be taken to avoid the possibility of differing protection attaching to European patent applications in the countries of the Common Market, depending on their respective national laws.

If it is felt that such steps should indeed be taken, the national laws of the Common Market countries should be aligned on Article 36, paragraph 1. This could be done by including in Part VII of the Convention (Impact on national law) a new Article 77a, repeating *mutatis mutandis* the third sentence of Article 67, paragraph 2, and worded as follows:

Article 77a (new)

Rights conferred by a national patent application

In any Contracting State an applicant for a national patent may, from the date of publication, only claim compensation reasonable in the circumstances from any person who has

used the invention in the said State in circumstances where that person would be liable under national law for infringement of a national patent.'

LUX/11
Italy

18 November 1975

ARTICLE 2, PARAGRAPH 2

Article 2, paragraph 2, defines what constitutes the unitary character of the patent. However, the concept of grant should also be included.

Paragraph 1 only states what the patent is to be called but does not define its constitutive features; however, in order to give a more complete and clearer definition of the unitary character of the patent, the Italian delegation considers that in paragraph 2 the word 'granted' should be inserted between the words 'may only be' and 'transferred or allowed to lapse'.

LUX/12
European Industrial Research Management Association (EIRMA)
18 November 1975

ARTICLE 28, PARAGRAPH 1, AND ARTICLE 37, PARAGRAPH 2(a)

Re Article 28 (1):

According to the final part of Article 28, paragraph 1, the person to whom a patent has been assigned, has a period of one year during which he may require to be entered in the Register as the new proprietor.

EIRMA feels this period is too long, in view of the consequences which that period of uncertainty may have, according to Article 28, paragraph 2. EIRMA would like to see this period reduced to e.g. three months.

Re Article 37 (2)(a):

EIRMA assumes that if as a consequence of a decision on infringement as envisaged in Article 37, paragraph 2(a), a plant or other manufacturing installation has been closed, the owner of such plant or installation will have the right to re-open it and to reassume his production as soon as the Community patent has been revoked. However, EIRMA would appreciate having this assumption confirmed.

LUX/13
Italy

18 November 1975

ARTICLE 14

The Italian delegation has the following comments to make:

Paragraph 1(b) (corresponding to paragraph 6 in the text proposed by the German delegation, Preparatory Document No 29, point 4)

The above provision should not be such as to prevent the possibility of including in Article 35, paragraph 2, an extension on the basis of which the provision of Article 35, paragraph 1 would also be applicable to the new specification resulting from limitation or revocation proceedings. Furthermore, a similar provision is to be found in Article 65 of the European Patent Convention.

Paragraph 3 (corresponding to paragraph 9 in the text proposed by the German delegation, Preparatory Document No 29, point 4)

The approval of this provision, in whatever form decided upon by the Committee, should not be such as to prejudice the proposed amendment to Article 35 submitted by the Italian delegation in Preparatory Document No 18, to be discussed subsequently.

Furthermore, in view of the inclusion of Article 84a in the draft Convention, the Italian delegation considers that it must be made clear that Article 14, paragraph 3, does not apply to European patent applications or European patents as specified in Article 84a, paragraph 1.

LUX/14
Ireland

19 November 1975

ARTICLES 41 AND 42 AND RULE 8

Article 41

There is the possibility that the term 'execution' in this article and the term 'remedy for the purpose of satisfying a debt' in the United Kingdom proposal contained in Preparatory Document No 35 could be interpreted as extending to bankruptcy or like proceedings (which embraces the winding-up of companies) mentioned in Article 42. This being so there could be a conflict between Articles 41 and 42 and between Article 41 and the proposed Bankruptcy Convention. In the view of the Irish delegation it should be explicitly clear that Article 41 does not extend to bankruptcy and like proceedings

Article 42

The following re-draft is proposed for Article 42, paragraph 1 and Rule 8:

Article 42

1. Until such time as common rules for the Contracting States in this field enter into force, a Community patent shall be taken into account as an asset in bankruptcy or like proceedings only in the Contracting State in which the adjudication in bankruptcy or corresponding decision was first taken.'

Rule 8

Corresponding amendments to paragraphs 2 and 4 of Rule 8 are also proposed.

LUX/15 **UNICE and CIFE** *19 November 1975*

ARTICLE 29

(b) using a process which is the subject of the patent or when the third party knows or when it is obvious in the circumstances that the process offered infringes the patent offering such a process.

LUX/16 **FR of Germany** *19 November 1975*

ARTICLE 43

1. Unchanged.
- 2a. The rights attached to the Community patent may be invoked against use by the licensee of the invention in excess of any restrictions, as defined in paragraph 1, subject to which the licence was granted.
2. Unchanged.

LUX/17 **Italy** *19 November 1975*

ARTICLE 20

The Italian delegation considers that the negative definition of the responsibilities of the Patent Admin-

istration Division given in Article 8, paragraph 1, could give rise to uncertainty among third parties.

In order to avoid giving a positive definition of this Division's responsibilities in the text of the Convention itself, which might subsequently prove to be restrictive in its effects, the Italian delegation proposes that the Select Committee should, on the basis of the principle laid down in Article 8, paragraph 1, specify the acts which fall within the sphere of responsibility of the Patent Administration Division with the possibility, if circumstances so require, and in accordance with that principle, of changing its definition.

It is therefore proposed that a new paragraph 3 should be added to Article 20 worded as follows:

'3. The Select Committee shall, in conformity with Article 8, paragraph 1, define the acts for which the Patent Administration Division is responsible.'

LUX/18/GT I **France in collaboration with Italy** *20 November 1975*

ARTICLE 28

Article 28

Conferment of the right to the Community patent

1. Where there is a complete change of proprietorship of the Community patent as a result of legal proceedings, licences and other rights shall lapse upon the registration of the person entitled to the patent in the Register of Community Patents.
2. If the person originally registered as the proprietor of the patent has already used the invention in the territory of the Contracting States, or made preparation to do so, without knowing that he was not entitled to the patent at the time when it was granted to him, he may continue his activity on condition that within a period (of two months) he requests a non-exclusive licence from the new proprietor registered in the Register of Community Patents. Such licence shall be granted for a reasonable period and upon reasonable terms.
3. If the proprietor of the patent has acquired the patent, has had the transfer registered in the Register of Community Patents and has used the invention in the territory of the Contracting States, or made the necessary preparations to do so, prior to the registration of the claim referred to in Article 27, paragraph 4, he shall enjoy the rights provided for in paragraph 2.
4. If the proprietor of a licence has obtained the licence, has had it registered in the Register of Com-

Rule 42

Division of proposals and amendments

1. Any Member Delegation may move that parts of a proposed draft or of any amendment thereto be voted upon separately. If objection is made to the request for division, the motion for division shall be put to a vote. Rule 30 shall apply *mutatis mutandis* to the voting procedure on such a motion.
2. If the motion for division is carried, all parts of the proposed draft or of the amendment, separately approved, shall again be put to the vote, together, as a whole. If all the operative parts of the proposed draft or of the amendment have been rejected, the proposed draft or the amendment shall be considered to have been rejected also as a whole.

Rule 43

Voting on amendments

When an amendment to a proposal is moved, the amendment shall be voted on before voting on the proposed draft or any other original proposal. When two or more amendments to a proposal are moved, they will be put to a vote in the order in which their substance is removed from the proposal, the furthest removed being put to a vote first and the least removed put to a vote last. If, however, the adoption of any amendment necessarily implies the rejection of any other proposed amendment or of the original proposal, then the other amendment or the original proposal shall not be put to a vote. If one or more amendments to the same proposal are adopted, the proposal as amended shall be put to the vote. A motion is considered an amendment to a proposal even if it merely adds to or deletes from that proposal.

Rule 44

Voting on proposals

If two or more proposals relate to the same question, the body concerned shall, unless it decides otherwise and unless Rule 43 is applicable, vote on the proposals in the order in which they have been submitted. If it cannot be ascertained which proposal was submitted first, the chairman shall decide on the order. Any Member Delegation may request that the decision of the chairman be put to the vote.

Rule 45

Elections on the basis of proposals made by the President of the Conference

The President of the Conference may propose a list of candidates for all positions to which election is to be voted upon by the Plenary.

Rule 46

Equally divided votes

1. If a vote is equally divided on matters other than elections of officers, the motion, proposal or amendment shall be regarded as rejected.
2. If a vote is equally divided on a proposal for election of officers, the vote shall be repeated until one of the candidates receives more votes than any of the others.

CHAPTER VIII

PARTICIPATION IN MEETINGS

Rule 47

Meetings of the Plenary and of the Committee of the Whole

1. Persons accompanying delegates or representatives of Observer Delegations may attend the opening and closing sessions of the Conference to listen to the proceedings, in so far as there are seats available.
2. The Steering Committee may invite certain persons to participate as guests or listeners in the meetings of the Committee of the Whole unless the latter decides otherwise and in so far as there are seats available.

Rule 48

Meetings of working parties

Working parties may permit representatives of the Observer Delegations to attend their meetings.

CHAPTER IX

OBSERVERS

Rule 49

Observers

The representative of any Observer Delegations may, upon invitation by the chairman, make oral statements.

munity Patents and has used the invention in the territory of the Contracting States, or made the necessary preparations to do so, prior to the registration of the claim referred to in Article 27, paragraph 4, he shall enjoy the rights provided for in paragraph 2.

LUX/19/R
Drafting Subcommittee
20 November 1975

TEXTS DRAWN UP BY THE DRAFTING SUBCOMMITTEE
AT ITS MEETING ON 19 NOVEMBER 1975

[Omitted]

LUX/20
Austria, Liechtenstein, Norway, Sweden and
Switzerland
20 November 1975

ARTICLES 64 AND 82

1. The delegations mentioned above propose that Articles 64(e) and 82(b) be amended as follows:

'Article 64

(e) the term 'Contracting States' in Articles other than Articles 133 and 134 shall be understood as meaning the Contracting States to this Convention.'

'Article 82

(b) the term 'Contracting States' shall, with the exception of Article 163, be understood as meaning the Contracting States to this Convention.'

2. The Community Patent Convention forms part of the European Patent Cooperation scheme intended to serve a number of European States within and outside the Common Market. The Convention is closely linked to the European Patent Convention and both Conventions are administratively held together by the European Patent Organization and the European Patent Office. The financing of the whole system is based to a considerable extent on contributions and other payments from Contracting States of both Conventions. It is therefore a question of principle and fairness that the European Patent Organization offers to nationals and residents of all Contracting States responsible for the Organization equal opportunities, equitable facilities and service.

3. The effect of Article 64 in the draft Convention is contrary to the principle of equitable treatment of applicants of the Contracting States to the two Conventions. It restricts the right to act as a professional

representative to nationals of a Contracting State to the Community Patent Convention and debars professional representatives who are nationals of a Contracting State to the European Patent Convention, but not to the Community Patent Convention, from acting in proceedings before the Revocation Divisions and the Revocation Boards of the European Patent Office.

4. The reasons behind draft Article 64 seem difficult to understand since Articles 133 and 134 give the guarantee that the professional representatives have the necessary qualifications and the draft Convention does not contain any additional requirements regarding professional qualifications.

5. The present wording of Article 64 would cause considerable hardship on a patent applicant or an opponent from Contracting States to the European Patent Convention if, after completion of the examination and opposition proceedings before the European Patent Office, he is unable to retain a professional representative to continue with his case only because the representative is not from a Contracting State to the Community Patent Convention. This effect is discriminatory and unjustified.

LUX/21/GT I
(a) Secretariat (b) United Kingdom
20 November 1975

LAST SENTENCE OF ARTICLE 37, PARAGRAPH 2

(a) The English text of the last sentence of Article 37, paragraph 2, in the French proposal in Preparatory Document No 17 should read as follows:

'The assignee or the licensee may, however, require the proprietor of the patent which has been revoked to refund in full or in part any sums paid if he proves that there is no consideration for these payments in the benefit which he has derived by virtue of the contract from the patent which has been revoked.'

(b) The United Kingdom delegation suggests the following wording for the last sentence of Article 37, paragraph 2:

'The assignee or the licensee may, however, require the proprietor of the patent which has been revoked to refund in whole or in part any sum which he may prove to have been paid in respect of rights which he would only have been able to enjoy in respect of the patent after the date of its revocation.'

LUX/22

France

20 November 1975

ARTICLE 84b, PARAGRAPH 1

The French delegation approves the United Kingdom delegation's proposal (Preparatory Document No 35, point 6) for the phrase 'at the request of the defendant and after hearing the other parties' to be replaced by the words 'with the agreement of the parties', and considers that on account of this amendment it is essential for the national court (with the agreement of the parties) to decide upon the validity of the Community patent not merely 'in the territory of the State in which the court is located' (as the present text reads), but in the whole of the Common Market. The adoption of the following wording for Article 84b, paragraph 1, would result from this amendment:

'Notwithstanding . . . infringement relating to a Community patent may, with the agreement of the parties, decide upon the validity of the Community patent. The effects of such a decision shall extend throughout the territory of all the Contracting States.'

Paragraph 2 of Article 84b should accordingly be deleted.

LUX/23

Standing Conference of the Chambers of Commerce and Industry of the European Economic Community (CPCCI)

20 November 1975

COMMENTS ON THE DRAFT COMMUNITY PATENT CONVENTION

This document replaces Preparatory Document No 20 submitted by the Standing Conference in April 1974 on the basis of the earlier draft.

Preamble

1. The Standing Conference of the Chambers of Commerce and Industry of the European Economic Community would like to express its satisfaction at the completion, after a long delay, of work on the Community Patent Convention in the context of the system for the grant of European patents adopted in Munich on 6 October 1973. The Convention will doubtless make for the effective implementation of the European Patent Convention and the attainment of the objectives of the European Economic Community while ensuring a greater degree of legal certainty with the Community.

The draft Convention is, however, imperfect and incomplete as regards a number of fundamental points.

The Standing Conference is aware that the difficulties inherent in the matter militate in favour of adopting the Convention as it stands rather than incurring further delay. It would, however, urge upon the governments the need for immediate and thorough discussions aimed at eliminating these drawbacks and shortcomings, particularly with reference to:

- the declaration on the simultaneous entry into force of the European and Community Patent Conventions;
- the resolution on future litigation of Community patents.

Furthermore, the Standing Conference would recall at this point the importance which it attaches to the Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents, which provides for the necessary transition between the present system and that of the Convention.

Fees (Article 26)

2. As regards this Article the Standing Conference would simply draw attention to its concern regarding the costs which will have to be borne by industry as a result of the Community patent system. The level of fees should be such as to serve only to cover administrative overheads. Renewal fees in particular ought not to be a deterrent but simply confirmation that the proprietor of the Community patent intends to maintain his rights.

Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents (Articles 32 and 78)

3. (a) The Standing Conference would stress the absolute need for a transitional period prior to the entry into force of the provisions on the exhaustion of rights attached to Community and national patents, provisions which do not at present exist in a number of Member States of the Community.

If the 'economic clauses' were to apply immediately, this would give rise to serious disturbances in the present organization of industrial activities in the Community, which are to a considerable degree based upon agreements concluded at national level. Industry must therefore be allowed a sufficient period of time to carry out gradual structural adjustments to the new legal situation. The Standing Conference regards the basic five years intended for this period as a minimum, while the United Kingdom delegation has called for a twenty-year period.

(b) The text of the Convention itself should, moreover, ensure strict interpretation of Articles 32 and 78, which must be applied solely in respect of products sold for the first time in a Member State of the Community

where the proprietor of the patent enjoys protection.

In support of the position of a number of governments and a great many professional organizations, the Standing Conference would regard it as a serious infringement of patent law were Articles 32 and 78 to apply in any way to products put up for sale:

- outside the European Economic Community,
- in a Member State where the product is not under patent protection,
- under a compulsory licence in a Member State.

These points should be brought out in the wording of these two Articles.

Translation of the claims into the official languages of each of the Contracting States (Article 35)

4. At the beginning of the preparatory work the various States concerned agreed that the translations required for a Community patent should be the same as those provided for in Article 14, paragraphs 7 to 9, of the European Patent Convention. The Standing Conference is opposed to the requirement under Article 35 of the Second Convention that the applicant must file at the European Patent Office a translation of the claims on which the grant of the European patent is to be based in one of the official languages of each of the Contracting States to the Convention which does not have one of the working languages of the European Patent Office as an official language. The Standing Conference would be even more strongly opposed to any request that this requirement be extended to the entire text of the patent.

While it is understandable that the States concerned would prefer rights enforceable *vis-à-vis* their nationals to be published in their own language, the Standing Conference feels that a requirement such as this would involve serious disadvantages, both for the nationals themselves and for applicants as a whole, which could well jeopardize support by the interested circles of Community patents, and by the same token of European patents. These disadvantages are threefold:

(1) Industrial circles have always emphasized the need to simplify the procedure as far as possible and to keep down the cost involved in obtaining a European patent. It has not always been possible to do so; the requirement whereby claims must be translated into three additional languages will not be conducive to either of these wishes. In point of fact, it will entail a real waste of effort inasmuch as the three working languages of the EPO will be sufficient to ensure that all the parties concerned in the nine Member States of the Community are adequately informed. It would be better to let undertakings intending to carry out research or make use of an invention in a specific field translate under their own responsibility any Community patent or patents of interest to them, rather than increase the number of translations,

most of which will never be used even as background information.

(2) Having the claims of Community patents translated into the national language of the countries concerned might in fact prove to be a disservice to their nationals and could be misleading and dangerous in the context of certainty in the law. Only the text of the claims in the language of the proceedings will be authentic (Article 14, paragraph 9, of the First Convention) and a multiplicity of translations will increase the risk of inaccuracies and even of mistakes. The patent departments of large-scale undertakings and specialist advisers who are accustomed to using at least one of the working languages of the EPO will refer back to the original. However, small and medium-sized undertakings might think it is not necessary to do so and might, on the basis of faulty translations, undertake research in a subject or begin to make use of an invention already covered by a European patent.

(3) Finally, under Article 35, failure to file a translation is treated in the most extreme fashion permitted under Article 65 of the first Convention, as it constitutes a ground for the revocation of the patent in addition to the other grounds given in Article 57 of the second Convention. Failure to file a translation in one of the official languages of one of the Member States of the Community would give rise to much more serious consequences under the Community Patent Convention than under the European Patent Convention, inasmuch as, in view of the unitary character of the European patent for the Common Market, the European patent would be deemed to be void not only in that State, but also in the eight others into whose languages the claims would nevertheless have been translated. It must be pointed out that there is a disparity between the difficulties arising from such failure and the penalty which it incurs.

The Standing Conference would point out that there was a language problem for some of the founder countries of the European Community, namely, Italy and the Netherlands, right from the outset. These countries adopted the most realistic and Community-minded position and at the Standing Conference the national delegations concerned followed this course without reservation. It is regrettable that it should be abandoned in view of the fact that the increase in the number of official national languages will in turn increase the disadvantages inherent in the requirement regarding translations.

The Standing Conference accordingly urges the countries concerned to reconsider their position and follow the example indicated above by adopting a genuinely Community-minded position. In order to take account of the various national interests at stake, translations could be required in one of the official languages of each of the Contracting States to the Convention during a transitional period of a reason-

able length. In no circumstances should the penalty for failure to file a translation be the revocation of the Community patent.

Jurisdiction in actions relating to Community patents (Articles 69 to 76, 84b)

5. The Standing Conference has already voiced its misgivings, both as to the unity of interpretation of the Community patent and as to the drawbacks of several separate bodies having jurisdiction where, in actions for infringement for example, the validity and principles of interpretation of Community patents are involved, as is frequently the case.

The Standing Conference is fully aware of the difficulty of finding a solution to such a complex question which directly concerns the judicial system of the Member States and of the European Economic Community. It does however stand by its earlier remarks and strongly urges the adoption and immediate implementation of the draft resolution on future litigation of Community patents. With an eye to this resolution, the Standing Conference reserves the right to return to this issue. It wishes to make the point now that satisfactory protection of the Community patent will require united jurisdiction as regards infringement, validity and the scope of the patent; this is the sole means of precluding delays and costs such as would be prejudicial to respect for the Community patent, and hence its value. Such jurisdiction should be under the control of the Court of Justice, whose function would be of a regulatory and unifying nature.

Although the new provisions in the draft show an awareness of these necessities, they do have serious shortcomings. In the event of an action for infringement, the procedure will continue to be divided between two bodies, namely the national court on the one hand and on the other, the EPO Revocation Divisions and Revocation Boards, the nature of which is still in doubt; whether the former or the latter assesses the extent of protection will depend on whether opposition or a request for limitation or revocation of the patent has been filed. The Revocation Divisions and Revocation Boards will give decisions as to revocation and simple opinions as to the extent of protection; it is thus not certain that such opinions would be subject to the control of the Court of Justice pursuant to Article 63.

The Standing Conference will confine itself to a few remarks of principle on this arrangement, which it considers should in any case be transitory:

- where an action for infringement is brought before a national court, it must retain the possibility of avoiding a suspension of the proceedings where such suspension is clearly a delaying tactic;
- the composition of the Revocation Divisions and Boards and the manner in which they will operate, as well as the proceedings conducted before them, must be such as to afford the parties every guarantee of normal legal proceedings;

- it should be clearly stated that the jurisdiction of the Court of Justice of the European Communities, as laid down in Article 63, covers the problems of the extent of protection as defined in Article 69 of the European Patent Convention.

The Standing Conference deplores the possibility given to the States under Article 84b – even if this is a temporary arrangement – of derogating from the rules of jurisdiction designed to safeguard the unitary nature and the unity of interpretation of the Community patent. These provisions seriously undermine the consistency of the system and the security of Community patent proprietors and third parties. The Standing Conference calls for the deletion of this article, and in any case strongly urges the Member States not to make use of the option open to them under it.

The United Kingdom delegation does not subscribe to the comments on Article 84b.

Prohibition of simultaneous protection (Article 77)

6. The Standing Conference has already stated that it is in favour of the possibility of acquiring simultaneous protection by a Community patent and a national patent during a transitional period. Provision was made for this possibility in the preliminary draft (Article 93, subparagraph (a)), admittedly with reservations, but it was not included in the present draft.

The Standing Conference contends that this measure must be retained during the transitional period to ensure that the interested parties do not have any misgivings about changing over to the Community patent. If the proprietors of patents enjoyed simultaneous protection, they could be sure that their rights under the national law with which they are familiar, as concerns both the validity and extent of protection conferred by the patent, will not be diminished.

Finally, it should not be possible for the Contracting States to exclude simultaneous protection by a Community patent or a European patent application and a national patent or a national patent application (Article 77, paragraph 4).

Option between a Community patent and a European patent (Article 84a)

7. The Standing Conference is strenuously opposed to this article, which constitutes a breach of the principle of the unitary character of the European patent in respect of the Member States of the Common Market enshrined in Article 3, thereby jeopardizing the consistency and clarity of the system. It considers that the maintenance of national patent systems affords nationals of Member States an adequate option and that no exception—even of a transitional nature – should be permitted as regards the unitary character of the European patent for the Common Market. The Standing Conference therefore requests that this article be deleted.

However, in the event of it being maintained, a maximum period should be stipulated immediately. In addition, this period should be as short as possible.

The United Kingdom delegation, on the other hand, holds to the view that a transitional period is indispensable and endorses Article 84a as a medium conducive to the adoption in practice of the European patent.

LUX/24/GT III

Ireland

20 November 1975

DRAFT COUNCIL REGULATION CONCERNING THE CONVENTION FOR A EUROPEAN PATENT FOR THE COMMON MARKET

Suggestion of the Irish delegation for a Community act in the form of a Council Regulation concerning the Convention for a European patent for the Common Market. (The text could be adapted to take the form of a Council Directive.)

'THE COUNCIL of the European Communities,

HAVING REGARD to the Treaty establishing the European Economic Community, in particular, Title I and Article 235 thereof;

HAVING REGARD to the proposal of the Commission;

HAVING REGARD to the Opinion of the European Parliament;'

WHEREAS the Member States of the European Communities have negotiated, agreed, signed and ratified a Convention for a European patent for the Common Market;

AND WHEREAS the Council is of opinion, and the Member States have declared in the Preamble to the Convention, that the said Convention will contribute to the attainment of the objectives of the Treaty establishing the European Economic Community, in particular, by eliminating within the Community the restriction of competition which results from the territorial aspect of national protection rights; and that it is necessary for this purpose to conclude the said Convention which constitutes a special agreement within the meaning of Article 142 of the Convention on the Grant of European Patents, a regional patent treaty within the meaning of Article 45, Paragraph 1, of the Patent Cooperation Treaty of 19 June 1970, and a special agreement within the meaning of Article 19 of the Convention for the Protection of Industrial Property, signed in Paris on the 20 March 1883, and last revised on 14 June 1967;

CONSIDERING THEREFORE that it is essential that the uniform interpretation and application of the said Convention and of the provisions (other than national provisions) enacted to give effect to it should be assured and that for this purpose it is essential to give to the Court of Justice of the European Communities jurisdiction to give preliminary rulings concerning the interpretation of the said Convention and of certain associated provisions of the European Patent

Convention concluded at Munich on the day of 1973 and concerning the validity and interpretation of the provisions aforesaid;

HAS ADOPTED THIS Regulation:

1. In proceedings relating to Community patents created pursuant to the Convention for a European patent for the Common Market which are brought before a national court of a Member State, the Court of Justice of the European Communities shall have jurisdiction to give preliminary rulings concerning:

(a) interpretation of the Convention for a European patent for the Common Market and of the provisions of the European Patent Convention concluded at Munich on the day of 1973 which are binding upon every Community patent in accordance with Article 2, paragraph 3 of the Convention for a European Patent for the Common Market;

(b) the validity and interpretation of provisions enacted in implementation of the Convention for a European patent for the Common Market, to the extent to which they are not national provisions.

2. Where such a question is raised before a national court, that court may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court of Justice of the European Communities to give a ruling thereon.

3. Where any such question is raised in a case pending before a national court, against whose decisions there is no judicial remedy under national law, that court shall bring the matter before the Court of Justice of the European Communities.

4. This Regulation shall be binding in its entirety and directly applicable in all Member States.'

Note: This proposal is intended to give effect to *Alternative (i)* put forward in the note of the Irish delegation concerning Ireland's constitutional position. It could be adapted to give effect to *Alternative (ii)*.

LUX/25

United Kingdom

20 November 1975

DRAFT DECLARATION ON RATIFICATION OF THE PCT

In pursuance of the proposal made in paragraph 8 of Preparatory Document No 35, the following text is proposed in place of that in Preparatory Document No 28:

'On signing the Convention for the European patent for the Common Market, the governments of the signatory States declare their intention of:

(1) depositing their instruments of ratification of the Patent Cooperation Treaty in such a way that the latter enters into force with respect to all of them on the same date as the date of entry into force of the Convention on the Grant of European Patents, or as soon as possible thereafter; and

- (2) consulting each other on the content of any declarations to be made by them under Article 64 (Reservations) of the Patent Cooperation Treaty.

It is thought to be unnecessary to declare that Member States will consult with each other in connection with the deposit of their instruments of ratification of, or accession to, the PCT since they will undoubtedly do so in the normal course of events.

LUX/26

Chairman of the Committee of the Whole
21 November 1975

ARTICLE 35a (NEW) AND 84c (NEW)

1st Alternative

Article 35a [new]

Translation of the specification of the European patent

1. Any Contracting State may prescribe that if the text in which the European Patent Office intends to grant a Community patent or maintain a Community patent as amended for that State is not drawn up in one of its official languages, the applicant for or proprietor of the patent shall supply to its central industrial property office a translation of this text in one of its official languages at his option or, where that State has prescribed the use of one specific official language, in that language. It may also be prescribed that the applicant for or proprietor of the patent must pay all or part of the costs of publication of such translation.
2. Where a Contracting State has adopted provisions pursuant to paragraph 1, the rights attached to the Community patent may be enforced in that Contracting State only from the date on which such provisions were complied with. During the period between the grant of the Community patent and the date on which such provisions are complied with no rights shall derive from the Community patent.

2nd Alternative

Article 84c [new]

Reservation concerning the translation of the specification of the European patent

1. Notwithstanding the provisions of Article 35, if the text in which the European Patent Office intends to grant a Community patent or maintain a European patent as amended for a Contracting State is not drawn up in one of its official languages, the State concerned may make a reservation at the time of signature or of deposit of its instrument of ratification of this Convention. The Contracting State making such a reservation may prescribe that the applicant for or proprietor of the patent shall supply to its central industrial property office a translation of the specification of the European patent in one of its official languages at his option or, where that State has prescribed the use of one specific official language, in that language. It may also be prescribed that the applicant for or proprietor of the patent must pay, all or part of the costs of publication of such translation.

2. Where a Contracting State has adopted provisions pursuant to paragraph 1, 2nd sentence, the rights attached to the Community patent may be enforced in that Contracting State only from the date on which such provisions were complied with. During the period between the grant of the Community patent and the date on which such provisions are complied with no rights shall derive from the Community patent.

3. Subject to paragraph 4, any reservation made by a Contracting State under paragraph 1 shall have effect for a period of not more than 10 years from the entry into force of this Convention. However, the Council of the European Communities may, acting by a qualified majority on a proposal from a Contracting State, extend the period in respect of a Contracting State making such a reservation by not more than five years. This majority shall be that specified in Article 84a, paragraph 4 (b).

4. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.

5. Termination of the effect of the reservation shall not apply to Community patents granted before the date on which the reservation ceased to have effect.

LUX/27/R

Drafting Subcommittee
21 November 1975

TEXTS DRAWN UP BY THE DRAFTING SUBCOMMITTEE
AT ITS MEETING ON 20 NOVEMBER 1975

[Omitted]

LUX/28/GT III

Commission of the European Communities
21 November 1975

RESOLUTION OF THE COUNCIL

WHEREAS the representatives of the Member States of the European Communities acting in their capacity as plenipotentiaries have this day signed the Convention for the European patent for the Common Market;

AND WHEREAS the Council is of opinion and the Member States have declared in the Preamble to the Convention that the conclusion of the Convention establishes a Community patent system which contributes to the attainment of the objectives of the Treaty establishing the European Economic Community, in particular by eliminating within the Com-

munity restrictions of competition which result from the territorial aspect of national protection rights;

AND WHEREAS the Council in its deliberations of 12 December 1968 expressed its agreement in principle to the establishment of a European system for the grant of patents which would eventually lead to the establishment of a unitary Community patent system;

AND WHEREAS the Council in its deliberations of 5 March 1969 requested the Committee of Permanent Representatives to undertake the work necessary to establish a unitary Community patent system;

AND WHEREAS in accordance with Article 3(3) of the Treaty of Accession the new Member States are in the same situation as the original Member States in respect of declarations or resolutions of, or other positions taken up by the Council;

AND WHEREAS in accordance with Article 3(3) of the Treaty of Accession the new Member States are obliged to observe the principles and guidelines deriving from those declarations, resolutions or other positions taken up by the Council and are further obliged to take such measures as may be necessary to ensure their implementation;

AND WHEREAS it is essential to ensure that the provisions of this Convention for the European patent for the Common Market be applied effectively and uniformly in all Member States, and to prevent differences in interpretation of the Convention from impairing the unity of its application, and for this purpose to make the provision for the jurisdiction of the Court of Justice of the European Communities contained in the Convention:

THE COUNCIL RESOLVES that all Member States shall take all such measures as may be necessary to ensure the implementation of the Convention.

LUX/29

France

21 November 1975

PROPOSED AMENDMENT TO ARTICLE 35

7. Any Contracting State which does not have as its official language one of the official languages of the European Patent Office in which the Community patent is to be granted, may arrange for a special language assistance service to be set up in its territory under the auspices of a suboffice of the European Patent Office as provided for under Article 7 of the European Patent Convention.

8. Expenditure incurred in respect of such language assistance services shall be shared amongst the Contracting States in accordance with Article 24, paragraph 1.

LUX/30/GT III
Chairman of Working Party III
21 November 1975

**IRELAND'S CONSTITUTIONAL POSITION WITH REGARD
TO THE PROPOSED CONVENTION FOR A EUROPEAN
PATENT FOR THE COMMON MARKET**

DRAFT PREAMBLE

Preamble

THE HIGH CONTRACTING PARTIES to the Treaties establishing the European Communities

NOTING that the Council in its deliberations of 12 December 1968 expressed its agreement in principle to the establishment of a European system for the grant of patents which would eventually lead to the establishment of a unitary Community patent system;

NOTING that the Council in its deliberations of 5 March 1969 requested the Committee of Permanent Representatives to undertake the work necessary to establish a unitary Community patent system;

[NOTING that in accordance with Article 3(3) of the Treaty of Accession the new Member States are in the same situation as the original Member States in respect of declarations or resolutions of, or other positions taken up by the Council;

NOTING that in accordance with Article 3(3) of the Treaty of Accession the new Member States are obliged to observe the principles and guidelines deriving from those declarations, resolutions or other positions taken up by the Council and are further obliged to take such measures as may be necessary to ensure their implementation.];

DESIRING to give unitary and autonomous effect to European patents granted in respect of their territories under the Convention on the Grant of European Patents of 5 October 1973;

ANXIOUS to establish a Community patent system which contributes to the attainment of the objectives of the Treaty establishing the European Economic Community, in particular by eliminating within the Community the restriction of competition which results from the territorial aspect of national protection rights:

CONSIDERING that one of the fundamental objectives of the Treaty establishing the European Economic Community is the free movement of goods;

ANXIOUS that this free movement be fully ensured for goods protected by patents;

CONSIDERING that one of the most adequate means to achieve this is the creation of a Community patent;

CONSIDERING that the creation of such a Community patent is thus inseparable from the Community juridical order;

CONSIDERING that, so that the rights flowing from a Community patent be identical throughout the Community, it is essential that the Convention which creates it be interpreted in a uniform manner and that to that effect the competence of interpretation be conferred on the Court of Justice of the European Communities;

CONSIDERING that it is necessary for these purposes to conclude a Convention which constitutes a special agreement within the meaning of Article 142 of the Convention on the Grant of European Patents, a regional patent treaty within the meaning of Article 45, paragraph 1, of the Patent Cooperation Treaty of 19 June 1970, and a special agreement within the meaning of Article 19 of the Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883 and last revised on 14 July 1967;

CONVINCED THEREFORE that the conclusion of this Convention is necessary to facilitate the achievement of the tasks of the European Economic Community, and that the implementation of the Convention is an appropriate measure within the provisions of the Treaty to be taken by the Member States to ensure fulfilment of their obligations arising out of the Treaty and resulting from action taken by the institutions of the Community

HAVE DECIDED

LUX/31/GT II
France and United Kingdom
27 November 1975

ARTICLE 70a

1. If the subject-matter of the Community patent is a process for obtaining a new product, the same product produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.
2. The Contracting States shall take appropriate measures to enable the defendant to adduce proof to the contrary without disclosure to the plaintiff of his manufacturing or business secrets.

LUX/32

[Not issued]

LUX/33
Italy and Belgium
21 November 1975

ARTICLE 35a (NEW)

Article 35a [new]

Translation of the specification of the European patent

1. Any Contracting State may prescribe that if the text in which the European Patent Office intends to grant a Community patent or maintain a Community patent as amended for that State is not drawn up in one of its official languages, the applicant for or proprietor of the patent shall supply to its central industrial property office a translation of this text in one of its official languages at his option or, where that State has prescribed the use of one specific official language, in that language. The period for supplying the translation shall be three months after the start of the time-limit referred to in Article 97, paragraph 2(b), or Article 102, paragraph 3(b), of the Convention on the Grant of European Patents, unless the State concerned prescribes a longer period. It may also be prescribed that the applicant for or proprietor of the patent must pay all or part of the costs of publication of such translation.

2. Where a Contracting State has adopted provisions pursuant to paragraph 1, the rights attached to a Community patent for which a translation has not been supplied within the period referred to in paragraph 1 may be enforced in that Contracting State only from the date on which such provisions are complied with. During the period between the grant of the Community patent and the date on which such provisions are complied with no rights shall derive from the Community patent.

3. If the translation has not been supplied within the period referred to in paragraph 1, any person who, in that State, is using or has made effective and serious preparations for using an invention may, after the Community patent takes effect, continue such use in the course of his business or for the needs thereof without payment.

4. Any Contracting State which adopts a provision under paragraph 1:

- (a) must allow the proprietor of the Community patent to file subsequently a corrected translation of the patent. Such translation shall not have any legal effect until it has been filed with the central industrial property office of that State and the proprietor of the patent has paid all or part of the costs of publication of such translation in accordance with the provisions laid down by that State;
- (b) may prescribe that any person who, in that State, after the original translation was filed, in good faith used or made effective and serious prepara-

tions for using an invention the use of which would not constitute infringement of the application or patent in that original translation may, after the corrected translation takes effect, continue such use in the course of his business or for the needs thereof without payment.

LUX/34/GT III
Working Party III
22 November 1975

IRELAND'S CONSTITUTIONAL POSITION WITH REGARD
TO THE PROPOSED CONVENTION FOR A EUROPEAN
PATENT FOR THE COMMON MARKET

Draft preamble

Draft resolution by the Council.

Editor's note: Working Party III subsequently issued a revised version of this document as LUX/86/GT III which is reproduced on pages 202-203 below.

LUX/35/R
Drafting Subcommittee
22 November 1975

TEXTS DRAWN UP BY THE DRAFTING SUBCOMMITTEE
AT ITS MEETING ON 21 NOVEMBER 1975

[Omitted]

LUX/36/R
Drafting Committee of Working Party I
22 November 1975

TEXTS DRAWN UP BY THE DRAFTING COMMITTEE OF
WORKING PARTY I AT ITS MEETING ON
21 NOVEMBER 1975

[Omitted]

LUX/37
UNION
22 November 1975

ARTICLE 52

The following should be added after the second sentence of paragraph 1 :

'If a licence (an exclusive licence) or a right *in rem* is recorded in the Register of Community Patents, the proprietor of a patent must prove that he has informed the persons registered of his intention to limit.'

The third sentence would then begin : 'The request' . . .

This proposal replaces the proposal contained in Preparatory Document No 3, point 10. The reasons given are maintained.

LUX/38
UNICE, CIFE
22 November 1975

ARTICLES 32 AND 78

Article 32

**Exhaustion of the rights attached to a
Community patent**

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting States *after the product has been (regularly) put on the market in one of those States with the consent of the proprietor of the patent.*
2. Deleted.

Article 78

Exhaustion of the rights attached to a national patent

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting State *after the product has been (regularly) put on the market in one of the States with the consent of the proprietor of that patent.*
2. Unchanged.
3. Deleted.

LUX/39
United Kingdom
22 November 1975

ARTICLE 84c (NEW)

Article 84c [new]

**Reservation concerning the translation of the
specification of the European patent**

1. Notwithstanding the provisions of Article 35, if the text in which the European Patent Office intends to grant a Community patent or maintain a Community patent as amended for a Contracting State is not drawn up in one of its official languages, the State concerned may make a reservation at the time of signature or of deposit of its instrument of ratification of this Convention.
2. The Contracting State making such a reservation may prescribe that the Community patent shall not have, within its territory, the effects specified in Chapter II of Part II of this Convention until such time as the proprietor has filed with the EPO a translation of the specification of the Community patent, other than the claims, in one of the official languages of that State and has paid the costs of publication of such translation.
3. In respect of the period between the grant of the Community patent and the date on which the proprietor of the patent has complied with the provisions of paragraph 2, reasonable compensation may be claimed in respect of use of the invention by a third party in that State without the consent of the proprietor.
4. Subject to paragraph 5, any reservation made by a Contracting State under paragraph 1 shall have effect for a period of not more than 10 years from the entry into force of this Convention. However, the Council of the European Communities may, acting by a qualified majority on a proposal from a Contracting State, extend the period in respect of a Contracting State making such a reservation. This majority shall be that specified in Article 84a, paragraph 4(b).
5. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.
6. Termination of the effect of the reservation shall not apply to Community patents granted before the date on which the reservation ceased to have effect.

LUX/40
Italy
28 November 1975

ARTICLE 84c (NEW)

Article 84c [new]

**Reservation concerning the translation of the
specification of the Community patent**

1. Notwithstanding the provisions of Article 35, if the text in which the European Patent Office intends to grant a Community patent or maintain a Community patent as amended for a Contracting State is not drawn up in one of its official languages, the State concerned may make a reservation at the time of signature or of deposit of its instrument of ratification of this Convention.
2. The Contracting State making such a reservation may prescribe that the Community patent shall not have any effect within its territory until the date on which the proprietor has filed with the European Patent Office a translation of the specification of the Community patent, other than the claims, in one of its official languages at his option or where that State has prescribed the use of one specific official language, in that language, and has paid the costs of publication of such translation. If the translation is filed within three months of the date of the grant of the patent, the latter shall be deemed to take effect on the date of grant.
3. In respect of the period between the grant of the Community patent and the date mentioned in paragraph 2, reasonable compensation may be claimed from any third party who has used the invention in the State concerned without the consent of the proprietor, after the latter has complied with the provisions of paragraph 2.
4. After the date referred to in paragraph 2, a third party who started to use the invention in the State concerned before that date shall have the right to continue such use in that State on reasonable terms.
5. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.
6. Termination of the effect of the reservation shall not apply to Community patents granted before the date on which the reservation ceased to have effect.

LUX/41

Italy

24 November 1975

ARTICLES 79, 52 AND 53

1. Article 79

Article 79 refers exclusively to national patents.

For want of any necessary link between this provision and the realization of the Community patent, it would prove difficult in Italy to abandon one of the fundamental principles of the law governing national patents.

The Italian delegation therefore requests that Article 79 be deleted.

2. Protocol on the deferred application of the provisions on the exhaustion of rights

The Italian delegation requests that in the event of deferred application of Articles 32 and 78, the application of Articles 46, 47 and 48 should also be deferred, and that if the Conference does not delete Article 79, application thereof should be deferred as well.

3. Article 52

(a) The Italian delegation doubts whether the European Patent Convention leaves the authorities of the Contracting States free to amend, at the request of the proprietor, the content of a patent granted by the European Patent Office. If the authorities of the Contracting States to the European Patent Convention are not entitled to do so, the States for their part may not empower the special departments dealing with the Community patent to make such amendments.

The Conference is requested to express its own opinion on this issue.

(b) Should limitation proceedings be possible in this case, we would request:

(i) that Article 52, paragraph 2, be amended after 'opposition may be filed ...' to read:

'or while opposition proceedings, revocation proceedings or claim proceedings under Article 27, entered in the Register of Community Patents, are pending', and

(ii) the beginning of Article 52, paragraph 3, be amended to read as follows:

'where, during limitation proceedings, an application for revocation of the Community patent is filed or claim proceedings, under Article 27 are entered in the Register of Community Patents, the Revocation Division ...'

4. Article 53

The Italian delegation considers that a request for limitation must not prejudice the rights of third parties entered in the Register of Community Patents.

It therefore proposes that Article 53 be supplemented by a provision worded as follows:

The Revocation Division shall as a matter of course invite licensees and other third parties holding rights in respect of the patent who are entered in the Register of Community Patents to state whether they intend to object to the request for limitation.

Within ... days of receipt of such invitation, licensees and other third parties may file a reasoned statement with the Revocation Division objecting to the limitation of the patent.'

The Revocation Division shall fix a date for discussion of any such objections between the proprietor of the patent and the other parties concerned.

LUX/42

FR of Germany

24 November 1975

ARTICLE 50, PARAGRAPH 3, AND RULE 10a (NEW)

Article 50

3. If ... to surrender; *entry will be effected only upon expiry of the period prescribed in the Implementing Regulations.*

Rule 10a [new]

Period for the entry of surrender

The period referred to in Article 50, paragraph 3, shall be three months following the date upon which the proprietor of the patent proved to the European Patent Office that he had informed the licensee of his intention to surrender. Entry of surrender may be effected forthwith if the proprietor of the patent transmits the agreement of the licensee to the European Patent Office.

LUX/43
FR of Germany
24 November 1975

ARTICLES 32, 46 AND 78

Article 32

**Exhaustion of the rights attached to a
Community patent**

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting State *after the product has been put on the market in one of these States by the proprietor of the patent or with his consent.*
2. Deleted.

Article 78

**Exhaustion of the rights attached to a
national patent**

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting State *after the product has been put on the market in any Contracting State by the proprietor of the patent or with his consent.*
2. Unchanged.
3. Deleted.
- 3a. *The preceding paragraphs shall not apply in the case of a product put on the market under a compulsory licence.*

Article 46

Compulsory licences

1. . . . (previous text) . . . concerned; *Article 32 shall not apply.*
2. Unchanged.

LUX/44
France
24 November 1975

ARTICLE 78

Article 78

**Exhaustion of the rights attached to a
national patent**

1. Unchanged.
2. Unchanged.
3. Unchanged.
4. Where the date of filing of a national patent granted in a Contracting State precedes the entry into force of this Convention, paragraphs 1. to 3 shall not apply to any product put on the market by any person in another Contracting State in which neither the proprietor of the national patent nor any person who has economic connections with him, under the terms of paragraph 2, is the proprietor of a national patent granted in respect of the same invention. The expression 'national patent' as used here includes European patents granted for a Contracting State as prescribed in Article 84, paragraph 2.

LUX/45/GT II
France
24 November 1975

ARTICLE 69, PARAGRAPH 2

Article 69

**Jurisdiction of national courts concerning actions
relating to Community patents**

1. Unchanged.
2. Article 16 of the Convention on Jurisdiction and Enforcement shall be supplemented by the following provisions:

'6 *In matters involving revocation of the Community patent, requested as the main claim, the Revocation Divisions and Revocation Boards of the European Patent Office shall have exclusive jurisdiction;*

7. *In matters involving compulsory and ex officio licences and any right to use patented inventions in the public interest in respect of Community patents under the Convention for the European patent for the Common Market, the courts of the Contracting State the national law of which is applicable to the licence or right.'*

LUX/46

[Not issued]

LUX/47/R

Drafting Committee of Working Party I

25 November 1975

TEXTS SUBMITTED BY WORKING PARTY I

PART II

SUBSTANTIVE PATENT LAW

CHAPTER I

RIGHT TO THE COMMUNITY PATENT

Article 27

Claiming the right to the Community patent

1. If a Community patent has been granted to a person who is not entitled to it under Article 60, paragraph 1, of the European Patent Convention, the person entitled to it under that provision may, without prejudice to any other remedy which may be open to him, claim to have the patent transferred to him.
2. Where a person is entitled to only part of the Community patent, that person may, in accordance with paragraph 1, claim to be made a joint proprietor.
3. The rights specified in paragraphs 1 and 2 may be claimed in the courts only within a period of not more than two years after the date on which the European Patent Bulletin mentions the grant of the European patent. This provision shall not apply if the proprietor of the patent knew, at the time when the patent was granted or transferred to him, that he was not entitled to the patent.
4. The fact of the institution of all such legal proceedings shall be entered in the Register of Community Patents. Entry shall also be made in the same way of the final decision on the claim or of any other termination of the proceedings.

Article 28

Effect of change of proprietorship

1. Where there is a complete change of proprietorship of a Community patent as a result of such legal

proceedings as are referred to in Article 27, licences and other rights shall lapse upon the registration of the person entitled to the patent in the Register of Community Patents.

2. If, before registration of the institution of such proceedings,
 - (a) the proprietor of the patent has used the invention in the territory of any of the Contracting States or made effective and serious preparations to do so, or
 - (b) a licensee of the patent has obtained his licence and has used the invention in the territory of any of the Contracting States or made effective and serious preparations to do so, he may continue such use provided that he requests a non-exclusive licence of the patent from the person whose name is then entered in the Register of Community Patents as being that of the proprietor of the patent. Such a request must, in the case of subparagraph (a), be made within two months of registration of the person entitled to the patent or, in the case of subparagraph (b), within four months of such registration. The licence shall be granted for a reasonable period and upon reasonable terms.
3. Paragraph 2 shall not apply if the proprietor of the patent or the licensee, as the case may be, was acting in bad faith at the time when he began to use the invention or to make preparations to do so.

Article 37

Effect of revocation of the Community patent

1. A European patent application in which the Contracting States have been designated and the resulting Community patent shall be deemed not to have had, as from the outset, the effects specified in this Chapter, to the extent that the patent has been revoked.
2. Subject to the national provisions relating either to claims for compensation for damage caused by negligence or lack of good faith on the part of the proprietor of the patent, or to unjust enrichment, the retroactive effect of the revocation of the patent as a result of opposition or revocation proceedings shall not affect:
 - (a) any decision on infringement which has acquired the authority of a final decision and been enforced prior to the revocation decision;
 - (b) any contract concluded prior to the revocation decision, in so far as it has been performed before that decision. An assignee or licensee may, however, require the proprietor of any patent which has been revoked to refund any sums paid under the relevant contract to the extent to which he proves that he has derived no adequate benefit from the patent in return for these payments.

Article 38

Complementary application of national law regarding infringement of the Community patent

1. The effects of the Community patent shall be governed solely by the provisions of this Convention. In other respects infringement of a Community patent shall be governed by the national law relating to infringement of a national patent in the Contracting State where the court hearing the action is located, in so far as the private international law of that State does not require the court to apply the national law of another Contracting State.
2. The rules of procedure applicable are those specified in Article 70.

CHAPTER III

THE COMMUNITY PATENT AS AN OBJECT OF PROPERTY

Article 39

Dealing with the Community patent as a national patent

1. Unless otherwise specified in this Convention, the Community patent as an object of property shall be dealt with in its entirety and for the whole of the territories in which it is effective as a national patent of the Contracting State in which, according to the Register of European Patents provided for in the European Patent Convention:
 - (a) the applicant for the patent had his residence or principal place of business on the date of filing of the European patent application;
 - (b) where the provision of subparagraph (a) does not apply, the applicant had a place of business on that date, or
 - (c) where the provisions of neither subparagraph (a) nor subparagraph (b) apply, the first professional representative within the meaning of Article 133, paragraph 2, of the European Patent Convention whose name is entered in the Register of European Patents had his place of business on the date of that entry.
2. Where the provisions of subparagraphs (a), (b) and (c) of paragraph 1 do not apply, the Contracting State referred to in that paragraph shall be the Federal Republic of Germany.
3. If two or more persons are mentioned in the Register of European Patents as joint applicants, the provisions of paragraph 1 shall be applied to the joint applicant first mentioned; if this is not possible, those provisions shall be applied to the joint applicant next mentioned in respect of whom they are applic-

able. Where the provisions of paragraph 1 do not apply to any of the joint applicants, the provisions of paragraph 2 shall apply.

4. If under the national law of the State referred to in paragraphs 1 to 3 a right under a national patent is effective only after entry in the national patent register, such a right under a Community patent shall be effective only after entry in the Register of Community Patents.

Note:

- (1) As a result of this article the second sentence of Article 45, paragraph 1, should be deleted.
- (2) It is suggested that a recommendation be made to the Interim Committee of the European Patent Organization that an addition be made to Rule 92 of the European Patent Convention concerning the entry in the Register of European Patents of a place of business of an applicant referred to in paragraph 1(b).

Article 40

Transfer

1. An assignment of a Community patent shall be made in writing and shall require the signature of the parties to the contract, except when it is the consequence of a judgment.
2. Subject to the provisions of Article 28, paragraph 1, a transfer shall not affect rights acquired by third parties before the date of transfer.
3. A transfer shall, to the extent to which it is verified by the papers referred to in the Implementing Regulations, only have effect *vis-à-vis* third parties after entry in the Register of Community Patents. Nevertheless, a transfer, even before it is so entered, shall have effect *vis-à-vis* third parties who have acquired rights after the date of the transfer but who knew of the transfer at the date on which the rights were acquired.

Article 41

Enforcement proceedings

The courts and other authorities of the Contracting State determined in accordance with Article 39 shall have exclusive jurisdiction in respect of proceedings relating to judgments or other official acts in so far as they are being enforced against Community patents.

Article 42

Bankruptcy or like proceedings

1. Until such time as common rules for the Contracting States in this field enter into force, the only Contracting State in which a Community patent may

be involved in bankruptcy or like proceedings shall be that in which such proceedings are opened first.

2. Paragraph 1 is to be applied *mutatis mutandis* in the case of joint proprietorship of a Community patent to the share of the joint proprietor.

Rule 6 bis

**Entries regarding claims to the right to
Community patents**

The entries referred to in Article 27, paragraph 4, shall be made:

- (a) automatically at the request of the registrar of the court before which the proceedings are instituted;
- (b) at the request of the claimant or any other interested person.

PART V

**IMPLEMENTING REGULATIONS TO
PART V OF THE CONVENTION**

Rule 25

Entries in the Register of Community Patents

1. The provisions of Rule 92, paragraphs 1(a) to (1), (o), (q) to (u) and (w), 2 and 3, of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to the Register of Community Patents.
2. The Register of Community Patents shall also contain the following entries:
 - (a) date of lapse of the Community patent in the cases provided for in Article 51, paragraph 1(b) and (c);
 - (b) date of filing of the statement provided for in Article 44;
 - (c) date of receipt of a request for limitation of the Community patent;
 - (d) date and purport of the decision on the request for limitation of the Community patent;
 - (e) date of receipt of an application for revocation of the Community patent;
 - (f) date and purport of the decision on the application for revocation of the Community patent.
 - (g) particulars of matters referred to in Article 27.

LUX/48

FR of Germany

25 November 1975

ARTICLES 32, 46 AND 78

Article 32

**Exhaustion of the rights attached to a
Community patent**

1. The rights attached to a Community patent shall not extend to acts concerning a product covered by that patent which are done on the territory of the Contracting State *after the product has been put on the market in one of these States by the proprietor of the patent or with his explicit consent, unless there are grounds which, under Community law, justify that the rights attached to the Community patent extend to such acts.*
2. Deleted.

Article 78

**Exhaustion of the rights attached to a
national patent**

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting State *after the product has been put on the market in any Contracting State by the proprietor of the patent or with his explicit consent, unless there are grounds which, under Community law, justify that the rights attached to the national patent extend to such acts.*
2. Unchanged.
3. Deleted.
- 3a. *The preceding paragraphs shall not apply in the case of a product put on the market under a compulsory licence.*

Article 46

Compulsory licences

1. . . . (previous text) . . . concerned; *Article 32 shall not apply.*
2. Unchanged.

LUX/49
IFIA
25 November 1975

ARTICLE 65 (NEW)

Article 65

Identification of the inventor

The applicant for a Community patent shall, within four months of filing his application, notify the European Patent Office of the name and address of the inventor, and within five months of the filing of the application, the European Patent Office shall notify the inventor as prescribed in Rule 17 of the Implementing Regulations to the Convention on the Grant of European Patents.

LUX/50/GT II
United Kingdom
25 November 1975

ARTICLE 70a

Article 70a

If the subject-matter of a Community patent is a process for obtaining a new product and it is proved that a third party has, without the consent of the proprietor of the patent, marketed such product, the national court may require such third party to disclose such details of the process used in obtaining such a product as may be necessary to enable the court to decide the question of infringement. The court may limit such disclosure and the persons to whom it is made in such a manner as it considers just and expedient in the circumstances of the case.

LUX/51/GT II
France in collaboration with AIPPI and COPRICE
25 November 1975

ARTICLE 69

Article 69

Jurisdiction of national courts concerning actions relating to Community patents

1. Unless otherwise provided under this Convention, actions relating to Community patents shall be heard

before the courts of the Contracting State which have jurisdiction by virtue of the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters, hereinafter termed 'Convention on Jurisdiction and Enforcement'.

2. (a) Actions for infringement of a Community patent shall be heard before the courts of the Contracting State in which the defendant has his residence (or principal place of business). If the defendant has neither his residence (nor principal place of business) within the territory of one of the Contracting States, such actions shall be heard before the court of the Contracting State in which the plaintiff has his residence (or principal place of business). The court hearing the action may deal with acts of infringement committed within the territory of any of the Contracting States;

(b) Actions for infringement of a Community patent may also be heard before the court of one of the Contracting States in which an act of infringement was committed. In this case, the court hearing the action may only deal with the act of infringement committed within its territory.

3. The following courts shall have exclusive jurisdiction (regardless of residence):

(a) in actions relating to compulsory and *ex officio* licences and any right to use patented inventions in the public interest in respect of Community patents under the Convention for the European patent for the Common Market, the courts of the Contracting State the national law of which is applicable to the licence or right;

(b) in actions relating to the right to the patent in which an employer and an employee are in dispute shall be the courts of the Contracting State under whose law the right to a European patent is determined in accordance with Article 60, paragraph 1, second sentence, of the European Patent Convention. Any agreement conferring jurisdiction shall be valid only to the extent that the national law governing the contract of employment authorizes such an agreement.

4. Within the Contracting State whose courts have jurisdiction under paragraph 1, 2 or 3, those courts shall have jurisdiction which would have jurisdiction *ratione loci* and *ratione materiae* in the case of actions relating to a national patent granted in that State.

5. Paragraphs 1 to 4 shall apply to actions relating to European patent applications in which the Contracting States are designated, except in so far as the right to the grant of a European patent is claimed.

6. Where no court in any Contracting State has jurisdiction *ratione loci* under the foregoing provisions, actions relating to Community patents may be heard before the courts of the Federal Republic of Germany.

7. No court shall have jurisdiction save as provided under this Convention.

LUX/52
COPRICE
25 November 1975

ARTICLE 78, PARAGRAPH 1

COPRICE approves in principle of the text of Article 78, paragraph 1, as proposed in LUX/48. It would, however, propose the following wording, which is in fact to some extent a substantive amendment:

Article 78

Exhaustion of the rights attached to a national patent

1. The rights attached to a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done on the territory of such Contracting States after the product has been put on the market in any Contracting State by the proprietor of the patent or with his explicit consent, unless there are grounds which, *without infringing the provisions of the Treaty of Rome*, justify the extension to such acts of the rights attached to the national patent.

LUX/53
UNION
26 November 1975

ARTICLE 2

Article 2

Community patent

1. Unchanged.
2. Unchanged.
3. Unchanged.
4. Where the European Patent Convention makes reference to the application of national law to a European patent or patent application, such a reference shall, in relation to any Community patent or

patent application, be treated as if it were a reference to the system of law made applicable to that Community patent or patent application by virtue of Article 39 of the present Convention.

LUX/54/R
Drafting Subcommittee
26 November 1975

TEXTS DRAWN UP BY THE DRAFTING SUBCOMMITTEE
AT ITS MEETING ON 25 NOVEMBER 1975

[Omitted]

LUX/55
FICPI
26 November 1975

ARTICLES 64 AND 82

Article 64

Change the full stop at the end of provision (e) to a comma, and add:

'however with the following exceptions:

(i) a natural or legal person who has been represented by an employee in proceedings established by the European Patent Convention in the matter of a European patent application or patent, may likewise be so represented before the special departments of the European Patent Office in the matter of the corresponding Community patent.

(ii) a professional representative who has acted in proceedings established by the European Patent Convention in the matter of a European patent application or patent, may likewise act before the special departments of the European Patent Office in the matter of the corresponding Community patent, even if he does not fulfil the conditions following from provision (e).

(iii) when a person fulfilling the conditions following from provision (e) represents a party before the special departments of the European Patent Office, the same party may additionally be represented by other persons who do not fulfil the said conditions, but are entitled to act in proceedings established by the European Patent Convention.'

Article 82

In provision (b) add the following:

'However, the exceptions to Article 64(e) shall apply *mutatis mutandis*.'

LUX/56/GT II
United Kingdom
26 November 1975

ARTICLE 70

Article 70

Procedure

Unless otherwise specified in this Convention, actions before national courts relating to or involving a Community patent shall be subject to the national rules of procedure governing the same type of action relating to or involving a national patent.

LUX/57
Italy
28 November 1975

ARTICLE 77

Article 77

The Italian delegation considers that the wording of Article 77 would make it possible to deliberately divide the market between national patents and a Community patent. This could be done by filing national patent applications on different dates and before filing a European (Community) application.

Whilst it is difficult to conceive of all the reasons why any such division of the market might be desired, the possibility of having several national patents, which would be independent of one another, in respect of the same invention, does constitute a very apt means for dividing the common market between a number of patent proprietors not having economic connections with one another.

It is therefore requested that the words 'with the same date of priority' in the fourth line of paragraph 1 of Article 77 be deleted.

LUX/58
Chairman of the Committee of the Whole
28 November 1975

RESOLUTION ON THE HARMONIZATION OF THE NATIONAL PROVISIONS GOVERNING THE RIGHTS BASED ON PRIOR USE AND RIGHTS OF PERSONAL POSSESSION

RESOLUTION ON THE HARMONIZATION OF THE NATIONAL PROVISIONS GOVERNING THE RIGHTS BASED ON PRIOR USE AND THE RIGHTS OF PERSONAL POSSESSION

THE GOVERNMENTS . . .

ON SIGNING the Convention for the European patent for the Common Market;

DESIRING to enable those who have acquired a right based on a prior use of an invention protected by a Community patent, or a right of personal possession of that invention, to avail themselves of this right throughout the Contracting States;

RECOGNIZING nevertheless that this objective cannot be realized without a harmonization of the provisions governing the right based on a prior use of the invention protected by a patent and the right of personal possession of that invention;

RECOGNIZING furthermore that such harmonization must be accompanied by a revision of Article 34 of this Convention;

DECLARE that the necessary work shall begin, as soon as this Convention enters into force, to harmonize the national provisions governing the right based on a prior use of the invention protected by a patent and the right of personal possession of that invention;

HAVE DECIDED to commence in good time the procedure for revising this Convention in order to extend to all the Contracting States the effects of such a right existing in respect of the Community patent.

LUX/59/GT II
Belgium
27 November 1975

ARTICLES 69 *et seq.*

PART VI

JURISDICTION AND PROCEDURE IN ACTIONS RELATING TO COMMUNITY PATENTS

Article 69

General provisions concerning jurisdiction of courts and the recognition and enforcement of their decisions

Unless otherwise provided under this Convention, the provisions of the Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, hereinafter termed 'Convention on Jurisdiction and Enforcement', shall apply to actions relating to Community patents and to decisions given in respect of such actions.

Article 69a

Jurisdiction of national courts concerning actions relating to Community patents

1. Actions for infringement of a Community patent shall be heard before the courts of the Contracting State in which the defendant has his residence. If the defendant is not resident within the territory of one of the Contracting States, such actions shall, by way of derogation from Article 4 of the Convention on Jurisdiction and Enforcement, be heard before the court of the Contracting State in which the plaintiff has his residence. The court hearing the action may deal with acts of infringement committed within the territory of any of the Contracting States.
2. Actions for infringement of a Community patent may also be heard before the court of one of the Contracting States in which an act of infringement was committed. In this case, the court hearing the action may only deal with the act of infringement committed within its territory.
3. Article 5 (3) and (4) of the Convention on Jurisdiction and Enforcement shall not apply to actions for infringement of a Community patent.
4. The following courts shall have exclusive jurisdiction, regardless of residence:
 - (a) in actions relating to compulsory and *ex officio* licences and any right to use patented inventions in the public interest in respect of Community patents under the Convention for the European patent for the Common Market, the courts of the Contracting State the national law of which is applicable to the licence or right;
 - (b) in actions relating to the right to the patent in which an employer and an employee are in dispute shall be the courts of the Contracting State under whose law the right to a European patent is determined in accordance with Article

60, paragraph 1, second sentence, of the European Patent Convention. Any agreement conferring jurisdiction shall be valid only to the extent that the national law governing the contract of employment authorizes such an agreement.

Article 69b

Supplementing provisions on jurisdiction

1. Within the Contracting State whose courts have jurisdiction under Articles 69 and 69a, those courts shall have jurisdiction which would have jurisdiction in the case of actions relating to a national patent granted in that State.
2. Articles 69 and 69a shall apply to actions relating to European patent applications in which the Contracting States are designated, except in so far as the right to the grant of a European patent is claimed.
3. Actions relating to Community patents for which no court has jurisdiction under the foregoing provisions may be heard before the courts of the Federal Republic of Germany

Article 73

Recognition and enforcement

Article 27 (3) of the Convention on Jurisdiction and Enforcement shall not apply to decisions relating to the right to the Community patent. In the case of irreconcilable decisions, only the decision of the court first seized of the matter shall be recognized. Neither party may invoke the other decision even in the Contracting State in which it was given.

LUX/60/GT II Netherlands

27 November 1975

ARTICLE 72a

Article 72a

1. *In the case where Article 72, paragraph 2, does not apply a national court before which proceedings for infringement of a Community patent are brought may, of its own motion or at the request of one of the parties (and after hearing the other parties) and before giving a decision concerning the infringement, obtain an opinion from the European Patent Office on the extent of protection of the patent. The opinion is not binding on the court.*
2. For the purposes of receiving the opinion on the extent of protection the national court shall transmit

to the European Patent Office in one of the three official languages of the European Patent Office the findings and questions of the court as well as any other documents considered useful to it.

3. The opinion on the extent of protection shall be given by a *Revocation Board* (Division) and shall take into account the product or process which, in accordance with the findings of the national courts, is alleged to infringe.

Alternative 1

4. The provisions applicable to the revocation procedure shall apply *mutatis mutandis* to the procedure governing the opinion on the extent of protection. The opinion shall not be subject to appeal.

Alternative 2

Add the following sentence to paragraph 3:

'Article 116, paragraph 1, of the European Patent Convention shall apply.'

LUX/61 AND CORRIGENDUM Austria, Liechtenstein, Norway, Sweden and Switzerland

27 November 1975

ALTERNATIVE PROPOSAL FOR ARTICLES 64 AND 82

64(e) and 82(b)

The term 'Contracting States' shall be understood as meaning the Contracting States to this Convention. Nevertheless, this provision shall in no case hinder a representative who has acted pursuant to Part VII, Chapter III, in the procedure up to the grant of a patent or in opposition procedures from representing the same party in proceedings before the special departments.

LUX/62 AND CORRIGENDUM Sweden

27 November 1975

ALTERNATIVE PROPOSAL FOR ARTICLES 64 AND 82

64(e) and 82(b)

The term 'Contracting States' shall be understood as meaning the Contracting States to this Convention. However, the term 'Contracting States' in Articles 133 and 134 shall also be understood to comprise any Contracting State to the European Patent Conven-

tion, which in revocation proceedings before its national authorities applies principles regarding representation of natural and legal persons having their residence or principal place of business in one of the Contracting States to the Community Patent Convention, which are not more restrictive than the provisions in Articles 133 and 134.

LUX/63 Netherlands 27 November 1975

CONFLICT BETWEEN AN EARLIER EUROPEAN PATENT GRANTED UNDER ARTICLE 84a AND A LATER COMMUNITY PATENT

Article 84a

The following fifth paragraph should be added:

'5. If a European patent application, in which the Contracting States are designated in accordance with Article 3, or a Community patent has a priority date later than that of a European patent application as referred to in the first paragraph and published on or after that priority date:

- (a) Rule 87 of the Implementing Regulations to the European Patent Convention shall apply to European patent applications in which the Contracting States are designated in accordance with Article 3;
- (b) Article 57, paragraph 3 (new), shall apply *mutatis mutandis* to the Community patent.'

Grounds

If it is possible to grant European patents having national effect in the Contracting States, the same situation involving national rights as referred to in Article 38a (new) may arise in connection with a Community patent with a later date of filing. Provision should therefore also be made for cases where a subsequently filed Community patent produces no effects within the territory of the Contracting State in respect of which a European patent application having national effect was filed earlier and made public subsequently.

However, quite apart from Article 38a, the European Patent Office should be able to take account of the following point when the Community patent is granted or notice of opposition filed: under Article 54, paragraphs 3 and 4 of the European Patent Convention, the earlier European patent application with effect in one or more States would form part of the state of the art, so far as the later European patent application with effect throughout the entire Community is concerned. Under the current provisions, however, the European Patent Office would be unable to apply Rule 87 in respect of applications for Community patents: the unitary character of the application would not allow of different conclusions in

respect of the same patent. Subparagraph 5(a) has been drawn up with a view to making this possible in the case in point. It is further stated (in subparagraph 5(b)) that Article 57, paragraph 3 (new), is to apply *mutatis mutandis* to this situation.

LUX/64/R
Drafting Subcommittee
27 November 1975

TEXTS DRAWN UP BY THE DRAFTING SUBCOMMITTEE
AT ITS MEETING ON 26 NOVEMBER 1975

[Omitted]

LUX/65
Denmark
27 November 1975

ARTICLE 88, PARAGRAPH 3

3. This Convention shall not apply to the Faroe Islands. The Kingdom of Denmark may at any time give notice by a declaration addressed to the Secretary-General of the Council of the European Communities that this Convention shall apply to the Faroe Islands.

LUX/66/GT II
UNICE and CIFE
27 November 1975

ARTICLE 72

Article 72

Stay of proceedings

5. *If a European patent has been opposed, or if a request for the limitation or an application for the revocation of a Community patent has been made, when infringement proceedings have not been stayed an award of damages shall not be enforced before opposition, limitation or revocation proceedings have been terminated.*

LUX/67
FEMIP
27 November 1975

ARTICLES 64 AND 82

Article 64

(e) ... this Convention. However a person whose name appears on the list of professional representatives provided for by the European Patent Convention, who is not a national of one of the Contracting States to this Convention or does not have his place of business or employment within the territory of one of the Contracting States of this Convention, shall be entitled to act as a professional representative in all proceedings relating to a Community patent before the special departments set up by this Convention if he has acted as a professional representative in proceedings pursuant to the European Patent Convention which relates to this Community patent or to the European patent application on which this Community patent is based.

Article 82

(b) ... this Convention. However a person whose name appears on the list of professional representatives provided for by the European Patent Convention, who is not a national of one of the Contracting States to this Convention or does not have his place of business or employment within the territory of one of the Contracting States of this Convention, shall be entitled to act as a professional representative in all proceedings relating to a Community patent before the special departments set up by this Convention if he has acted as a professional representative in proceedings pursuant to the European Patent Convention which relates to this Community patent or to the European patent application on which this Community patent is based.

LUX/68/R
Drafting Subcommittee
28 November 1975

TEXTS DRAWN UP BY THE DRAFTING SUBCOMMITTEE
AT ITS MEETING ON 27 NOVEMBER 1975

[Omitted]

LUX/69
United Kingdom
28 November 1975

ARTICLE 37, PARAGRAPH 2(b)

Article 37, paragraph 2(b), in the text adopted by the Committee provides that, subject to national provisions, the retroactive effect of revocation shall not affect any contract concluded before revocation to the extent that it has already been performed. However, the last sentence of Article 37, paragraph 2(b), appears to be intended to introduce an aspect of the principle of unjust enrichment into Community patent law for countries which do not already have it in their national law.

The wording proposed enables an assignee or licensee to require the refund of any sums paid under the relevant contract to the extent to which he proves that he has derived no adequate benefit from the patent in return for these payments.

Concern has been expressed by various national and observer delegations at the very wide interpretation which these words may be given in national legislation and by national courts. This could make Community patents much less attractive than national patents which are subject only to the existing provisions of national law.

The words in question are too wide because they cover a large number of circumstances which have no direct connection with revocation of the patent and are susceptible of widely varying interpretations.

For example, refunds could apparently be required in respect of a lack of benefit to the licensee or assignee arising from commercial or technical shortcomings of the invention as an error of judgment at the time the licence or assignment was taken. In fact, the whole basis for any payments made under contract may be called in question whether or not related to the effect of revocation.

In theory, this defect of the existing wording could perhaps be overcome by re-drafting. In the opinion of the United Kingdom delegation, however, the dangers in attempting to express the concept in question in words in the Convention are too great. They prefer to leave the Community patent subject in this respect simply to the applicable provisions of national law, thus putting the Community patent on the same footing as national patents. To this end, they propose deletion of the words 'An assignee or licensee . . . payments.'

If the Main Committee does not agree to this proposal, the United Kingdom delegation proposes the following amendment:

For the words 'An assignee or licensee . . . payments', substitute:

'However, on grounds of equity some repayment of sums paid

under the relevant contract may be claimed when the circumstances so justify.'

LUX/70/R
Drafting Committee of Working Party II
28 November 1975

TEXTS SUBMITTED BY WORKING PARTY II

PART VI

JURISDICTION AND PROCEDURE
IN ACTIONS RELATING TO
COMMUNITY PATENTS

Article 69

General provisions concerning jurisdiction
of courts and the recognition and enforcement
of their decisions

Unless otherwise specified in this Convention, the provisions of the Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, signed at Brussels on 27 September 1968, hereinafter referred to as the 'Convention on Jurisdiction and Enforcement', shall apply to actions relating to Community patents and to decisions given in respect of such actions.

Article 69a

Jurisdiction of national courts concerning actions
relating to Community patents

1. Actions for infringement of a Community patent may be heard before the courts of the Contracting State in which the defendant has his residence. If the defendant is not resident within the territory of one of the Contracting States, such actions may, by way of derogation from Article 4 of the Convention on Jurisdiction and Enforcement, be heard before the court of the Contracting State in which the plaintiff has his residence. If neither the defendant nor the plaintiff are so resident, such actions may be brought before the courts of the Federal Republic of Germany. The court hearing the action shall have jurisdiction in respect of acts of infringement committed within the territory of any of the Contracting States.
2. Actions for infringement of a Community patent may also be heard before the court of one of the Contracting States in which an act of infringement was committed. In this case, the court hearing the action shall have jurisdiction only in respect of acts of infringement committed in the territory of that State.

3. Article 5 (3) and (4) of the Convention on Jurisdiction and Enforcement shall not apply to actions for infringement of a Community patent.

4. The following courts shall have exclusive jurisdiction, regardless of residence:

- (a) in actions relating to compulsory and *ex officio* licences and any right to use patented inventions in the public interest in respect of Community patents, the courts of the Contracting State the national law of which is applicable to the licence or right;
- (b) in actions relating to the right to the patent in which an employer and an employee are in dispute, the courts of the Contracting State under whose law the right to a European patent is determined in accordance with Article 60, paragraph 1, second sentence, of the European Patent Convention. Any agreement conferring jurisdiction shall be valid only in so far as the national law governing the contract of employment allows the agreement in question.

Article 69b

Supplementary provisions on jurisdiction

1. Within the Contracting State whose courts have jurisdiction under Articles 69 and 69a, those courts shall have jurisdiction which would have jurisdiction *ratione loci* and *ratione materiae* in the case of actions relating to a national patent granted in that State.
2. Articles 69 and 69a shall apply to actions relating to European patent applications in which the Contracting States are designated, except in so far as the right to the grant of a European patent is claimed.
3. Actions relating to Community patents for which no court has jurisdiction under Articles 69, 69a and paragraphs (1) and (2) may be heard before the courts of the Federal Republic of Germany.

Article 70

Procedure

Unless otherwise specified in this Convention, the actions referred to in Articles 69, 69a and 69b shall be subject to the national rules of procedure governing the same type of action relating to a national patent.

Article 70a

Burden of proof

1. If the subject-matter of the Community patent is a process for obtaining a new product, the same product when produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.

2. In the adduction of proof to the contrary, the legitimate interests of the defendant in protecting his manufacturing and business secrets shall be taken into account.

Article 71

Obligations of the national court

A national court which is dealing with an action relating to a Community patent shall treat the patent as valid.

Article 72

Stay of proceedings

1. If the decision in an action before a national court relating to a European patent application in which the Contracting States are designated depends upon the patentability of the invention, such decision may only be given after the European Patent Office has granted a European patent or refused the European patent application. Paragraph 2 shall apply after the grant of the European patent.

2. If a European patent has been opposed, or if a request for the limitation or an application for the revocation of a Community patent has been made, the national court may, at the request of one of the parties and after hearing the other parties, stay proceedings relating to the Community patent, in so far as its decision depends upon validity. At the request of one of the parties the court shall instruct that the documentary evidence of the opposition, limitation or revocation proceedings be communicated to it, in order to give a ruling on the request for a stay of proceedings.

3. When infringement proceedings before the national court are stayed, the European Patent Office shall, if it has decided to maintain the Community patent unamended or as amended and against payment of an appropriate fee, express an opinion as regards the extent of protection conferred by the patent.

3a. The opinion shall be given by a Revocation Board and shall take into account the product or process which, in accordance with the findings of the national court, is alleged to infringe. This opinion shall not bind the national court. Article 116, paragraph 1, of the European Patent Convention and Article 61 of this Convention shall apply.

4. For the purposes of receiving the opinion the national court shall transmit to the European Patent Office in one of the three official languages of the European Patent Office the findings and questions of the court as well as any other documents considered useful by it.

Article 72a

Supplementary provisions on stay of proceedings

1. In cases where Article 72, paragraph 2, does not apply, a national court before which proceedings for infringement of a Community patent are brought may, of its own motion or at the request of one of the parties, and after hearing the other parties, obtain an opinion from the European Patent Office on the extent of protection of the patent before giving a decision concerning the infringement.
2. Article 72, paragraphs 3a and 4, shall apply.

Article 73

Supplementary provisions on recognition and enforcement

1. Deleted.
2. Article 27 (3) and (4) of the Convention on Jurisdiction and Enforcement shall not apply to decisions relating to the right to the Community patent.
 - 2a. In the case of irreconcilable decisions given in proceedings between the same parties, only the decision of the court first seized of the matter shall be recognized. Neither party may invoke the other decision even in the Contracting State in which it was given.
3. Deleted.

Article 74

National authorities

For actions relating to the right to the Community patent or to compulsory licences in respect of the Community patent the term 'courts' in this Convention and the Convention on Jurisdiction and Enforcement shall include authorities which, under the national law of a Contracting State, have jurisdiction to decide such actions relating to a national patent granted in that State. Any Contracting State shall notify the European Patent Office of any authority on which such jurisdiction is conferred and the European Patent Office shall inform the other Contracting States accordingly.

Article 75

Penal sanctions for infringement

The national penal provisions in the matter of infringement shall be applicable in the case of infringement of a Community patent, to the extent that like acts of infringement would be punishable if they similarly affected a national patent.

Article 76

Preliminary ruling by the Court of Justice of the European Communities

1. In proceedings relating to Community patents which are brought before a national court or tribunal, the Court of Justice of the European Communities shall have jurisdiction to give preliminary rulings concerning:
 - (a) the interpretation of this Convention and of the provisions of the European Patent Convention which are binding upon every Community patent in accordance with Article 2, paragraph 3;
 - (b) the validity and interpretation of provisions enacted in implementation of this Convention, to the extent to which they are not national provisions.
2. Where such a question is raised before a national court or tribunal, that court or tribunal may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court of Justice of the European Communities to give a ruling thereon.
3. Where any such question is raised in a case pending before a national court or tribunal, against whose decisions there is no judicial remedy under national law, that court or tribunal shall bring the matter before the Court of Justice of the European Communities.

Article 84b

Reservations

1. Notwithstanding the provisions of Article 71, any Contracting State whose national law makes provision for a decision to be taken in infringement proceedings as to the validity of national patents may make a reservation at the time of signature or of deposit of its instrument of ratification of this Convention to the effect that its courts dealing with infringement relating to a Community patent may, with the agreement of the parties, decide upon the effect of the Community patent in the territory of the State in which the court is located. However,
 - (a) the court shall, in so far as the facts are the same, be bound by a prior decision of the European Patent Office concerning the validity of the Community patent;
 - (b) the court shall be limited to the grounds for revocation specified in Article 57 and be governed by the other provisions of this Convention.
2. The Community patent shall not have effect in the territory of a Contracting State which has made a reservation pursuant to paragraph 1, to the extent to which a court in that State has decided that the patent is ineffective.

3. The procedure for determining the effect of the Community patent in a Contracting State which has made a reservation pursuant to paragraph 1 shall follow the procedure that would have been implemented if the Community patent had been a national patent.

4. Any reservation made by a Contracting State under paragraph 1 shall have effect for a period of not more than 10 years from the entry into force of this Convention. However, the Council of the European Communities may, acting by a qualified majority on a proposal from a Contracting State, extend the period in respect of a Contracting State making such a reservation by not more than 5 years. This majority shall be that specified in Article 84a, paragraph 4(b).

5. Any reservation made under paragraph 1 shall cease to apply when special arrangements for future litigation of Community patents have become operative.

6. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.

7. A court exercising jurisdiction under this article shall have jurisdiction only in respect of acts of infringement committed in the territory of the Contracting State in which it is situated. Articles 21, 22 and 23 of the Convention on Jurisdiction and Enforcement shall not apply.

LUX/71

Netherlands

28 November 1975

**RESOLUTION ON THE ADJUSTMENT AND
HARMONIZATION OF NATIONAL PATENT LAWS**

THE GOVERNMENTS . . .

ON SIGNING the Convention for the European patent for the Common Market;

NOTING WITH SATISFACTION that the necessary standardization of patent law throughout the territories of the Contracting States will be furthered to a very considerable degree as a result of the entry into force of this Convention;

RECOGNIZING nevertheless that the differences between the provisions of national patent laws remain an obstacle to progress in such standardization of patent law;

RECOGNIZING furthermore that progress in such standardization may be achieved only by means of harmonizing national laws,

HAVE DECIDED to commence the necessary work, as soon as this Convention has been signed, to harmonize their national patent laws.

LUX/72

Nine Member States of the European Communities

29 November 1975

ARTICLES 64 AND 82

Article 64

(a) . . . this Convention. However a person whose name appears on the list of professional representatives provided for by the European Patent Convention, who is not a national of one of the Contracting States to this Convention or does not have his place of business or employment within the territory of one of the Contracting States of this Convention, shall be entitled to act as a professional representative in all proceedings relating to a Community patent before the special departments set up by this Convention if he has acted as a professional representative in proceedings pursuant to the European Patent Convention which relates to this Community patent or to the European patent application on which this Community patent is based, provided that that person's nationality and place of business or employment comply with such rules on reciprocity as may be adopted by the Select Committee of the Administrative Council.

Article 82

(b) . . . this Convention. However a person whose name appears on the list of professional representatives provided for by the European Patent Convention, who is not a national of one of the Contracting States to this Convention or does not have his place of business or employment within the territory of one of the Contracting States of this Convention, shall be entitled to act as a professional representative in all proceedings relating to a Community patent before the special departments set up by this Convention if he has acted as a professional representative in proceedings pursuant to the European Patent Convention which relates to this Community patent or to the European patent application on which this Community patent is based, provided that that person's nationality and place of business or employment comply with such rules on reciprocity as may be adopted by the Select Committee of the Administrative Council.

LUX/73/R
Drafting Subcommittee
2 December 1975

TEXTS DRAWN UP BY THE DRAFTING
SUBCOMMITTEE AT ITS MEETINGS ON
29 AND 30 NOVEMBER and 1 DECEMBER 1975

[Omitted]

LUX/74
Italy
1 December 1975

ARTICLE 84d

Article 84d

1. Any Contracting State may make a reservation at the time of signing or deposit of its instrument of ratification of this Convention to the effect that Articles 47 and 79 shall not apply within its territory to Community patents or to national patents granted by it.

2. Any reservation made by a Contracting State under paragraph 1 shall have effect for a period of 10 years from the entry into force of this Convention. On a proposal from a Contracting State, the Council of the European Communities may, acting by the majority specified in Article 148, paragraph 2, second subparagraph, of the Treaty establishing the European Economic Community, extend the period in respect of a Contracting State making such a reservation by not more than five years.

Termination of the effect of the reservation shall not affect compulsory licences already granted.

3. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.

LUX/75
AIPPI and COPRICE
1 December 1975

ARTICLE 69a

Article 69a

Jurisdiction of national courts concerning actions relating to Community patents

1. Actions for infringement of a Community patent may be heard before the courts of the Contracting State in which the defendant has his residence or, failing that, an industrial or commercial establishment. If the defendant has neither his residence nor an establishment within the territory of the Contracting States, such actions may, by way of derogation from Article 4 of the Convention on Jurisdiction and Enforcement, be heard before the court of the Contracting State in which the plaintiff has his residence or, failing that, an industrial or commercial establishment. If no defendant or plaintiff has his residence or an establishment within the territory of a Contracting State, the courts of the Federal Republic of Germany shall have jurisdiction. The court hearing the action shall have jurisdiction in respect of acts of infringement committed within the territory of any of the Contracting States.

LUX/76
Member States of the European Communities
1 December 1975

ARTICLES 64 AND 82

Article 64

1. Unchanged.
2. Notwithstanding paragraph 1, subparagraph (e), a person whose name appears on the list of professional representatives maintained by the European Patent Office who is not a national of one of the States parties to this Convention or does not have his place of business or employment within the territory of one of these States, shall be entitled to act as a professional representative in all proceedings relating to a Community patent before the special departments of the European Patent Office, provided that:
 - (a) he has acted as a professional representative in proceedings pursuant to the European Patent Convention which relates to this Community patent or to the European patent application on which it is based; and

- (b) the State of which he is a national or within the territory of which he has his place of business or employment applies such rules on reciprocity, as regards representation before the central industrial property office of the State concerned, as may be required by the Select Committee of the Administrative Council.

Article 82

1. Unchanged.
2. Notwithstanding paragraph 1, subparagraph (b), Article 64, paragraph 2, shall apply.

Note: This proposal replaces that contained in LUX/72.

LUX/77
FR of Germany
 1 December 1975

ARTICLE 8

The German delegation is of the opinion that the responsibilities of the Patent Administration Division should be regulated in accordance with the pattern of the European Patent Convention and the draft Community Patent Convention. The responsibilities of the Patent Administration Division should, as is the case of the other EPO departments, be so determined as to require no further decisions by the Select Committee of the Administrative Council. The present text of Rule 1, paragraph 2 (modelled on Rule 9, paragraph 2, EPC), should be retained under which the President of the EPO may allocate further duties to the Patent Administration Division in addition to those vested in them under the Convention as in the case of the other departments of the EPO.

As the present Article 8, has, because of its negative style, not met with general approval, the German delegation hereby proposes that this article be re-drafted as follows:

Article 8

Patent Administration Division

1. The Patent Administration Division . . . of the Office. It shall in particular be responsible for decisions in respect of entries in the Register of Community Patents.

2. Unchanged.
3. Unchanged.

Comments

1. In accordance with the draft Convention as it now stands, the Patent Administration Division would be responsible for:

- (a) Decisions in respect of entries in the Register of Community Patents (Article 8, paragraph 1);
- (b) Decisions on the lapse of a patent, where no proceedings are pending before other special departments (Article 51, paragraph 4);
- (c) Decisions on *restitutio in integrum*, where no other special department has taken a decision on an omission such as failure to pay a renewal fee entailing the lapse of the patent (Article 64 in conjunction with Article 122, paragraphs 4 and 5, EPC);
- (d) Noting of loss of rights, where no proceedings are pending before other special departments (Rule 27 in conjunction with Rule 69, paragraph 1, EPC);
- (e) Decisions on findings as to loss of rights, where no proceedings are pending before other special departments (Rule 27 in conjunction with Rule 69, paragraph 2, EPC);
- (f) The noting of other facts, such as the lapse of a Community patent or that a renewal fee has been paid in due time (Article 8, paragraph 1);
- (g) Arranging for entries in and deletions from the Register of Community Patents (Article 8, paragraph 1);
- (h) Arranging for publications in the Community Patent Bulletin (Article 8, paragraph 1).

The German delegation is of the opinion that the only decisions to which express reference should be made in Article 8, paragraph 1, are those referred to under point (a) above. This would be in line with other provisions in both Conventions (with regard to (b) to (h) above, see Articles 9 and 10 and Article 18 et seq. EPC).

2. The part of our proposal reproduced from the draft makes it clear that further duties are allocated to the Patent Administration Division under the Convention. The President of the EPO would no longer have to allocate the duties listed in point 1 (f) to (h) to the Patent Administration Division. Under the powers vested in him pursuant to Rule 1, paragraph 2, he could, however, allocate other duties to it, such as responsibility for the inspection of files during proceedings before the Revocation Divisions or the Revocation Boards.

LUX/78
Chairman of the Committee of the Whole
1 December 1975

RULE 1, PARAGRAPH 1a (NEW)

Rule 1, paragraph 1a [new]

1a. The President of the European Patent Office shall, with the agreement of the Select Committee of the Administrative Council, determine in detail the duties for which the Patent Administration Division is responsible pursuant to Article 8.

LUX/79
United Kingdom
1 December 1975

ARTICLE 88, PARAGRAPH 8

Delete 'as laid down in the Geneva Convention on the Continental Shelf of 29 April 1958'.

Reasons

The 1958 Convention will probably be replaced by the time the CPC comes into force. The sovereign rights of the littoral States will therefore depend on the rules which remain to be determined.

LUX/80
France and FR of Germany
1 December 1975

ARTICLES 38a AND 79a

Article 38a

1. Unchanged.
2. Where in a Contracting State national patent applications or patents protected by national law concerning the secrecy of inventions in the interests of the State have a prior right effect with respect to a patent which has a later priority date, the same shall also apply with respect to a Community patent for that Contracting State and the Community patent shall to that extent be invalid.

Article 79a

Determination of the partial invalidity of the Community patent under the national procedure

A Community patent shall be determined to be invalid pursuant to Article 38a, paragraph 2, in each Contracting State in accordance with the procedure which would be applicable if the Community patent were a national patent and could as such be revoked or be ineffective.

LUX/81
Nine Member States of the European Communities
1 December 1975

**DRAFT DECLARATION ON RATIFICATION
OF THE PCT**

On signing the Convention for the European patent for the Common Market, the Governments of the signatory States, desiring to promote the initial entry into force of the Patent Cooperation Treaty at an early date and preferably at the same time as that of the Convention on the Grant of European Patents, declare

1. that each intends to deposit its instrument of ratification of the Patent Cooperation Treaty at the same time as its instrument of ratification of the Convention on the Grant of European Patents or as soon as possible thereafter,
2. that they intend to consult, as necessary, with each other in this matter, in particular on the content of any declarations to be made by them under Article 64 (Reservations) of the Patent Cooperation Treaty.

Note: This proposal replaces that contained in document LUX/25.

LUX/82/GT II
FR of Germany
1 December 1975

ARTICLE 72, PARAGRAPH 3

Article 72

3. ..., unless the extent of protection may not be further examined by the court dealing with the matter.

LUX/83
Secretariat
2 December 1975

ORGANIZATION OF THE FINAL DAY OF THE
CONFERENCE

Closing meeting of the Conference

1. The closing meeting of the Conference will be held between 9.30 and 11.00 on 15 December 1975. As was the case with the opening meeting, it will be chaired by the President-in-Office of the Council of the European Communities. The agenda will be confined to the following items:

- presentation of the general report on the Conference by Mr Savignon (France)
- adoption of the texts of the instruments to be signed in the course of the afternoon and of any declarations, decisions or resolutions to be adopted by the representatives of the governments of the Member States meeting within the Council or by the Council of the European Communities
- closing address by the President of the Conference.

Audience with His Royal Highness the Grand Duke

2. At 11.30 His Royal Highness the Grand Duke of Luxembourg will give an audience to the plenipotentiaries of the nine Member States and a number of other persons. Personal invitations will be sent to those concerned by the Luxembourg delegation.

At 12.30 an aperitif will be offered to all Conference participants by the Luxembourg Government on the 22nd floor of the Kirchberg European Centre.

At 13.00 a lunch will be given by the President of the Council to the plenipotentiaries of the nine Member States, a Commission representative, a representative of the Court of Justice and the heads of the observer delegations representing third States and intergovernmental organizations. Invitations will also be sent to a very restricted number of persons attending the Conference.

Concurrently, a cold buffet will be offered by the President of the Council to all delegates and other Conference participants on the 22nd floor of the Kirchberg European Centre.

Meeting of the representatives of the governments of the Member States within the Council and Council meeting

3. The representatives of the governments of the Member States will meet within the Council at 15.00 in Room D of the Kirchberg European Centre. In the course of the meeting the documents adopted by the Conference and the final act will be signed. The meeting will be chaired by the President-in-Office of the Council and observer delegations at the Conference will be invited. Representatives of the press,

radio and television will also be admitted. The plenipotentiaries, the Commission representative and, where appropriate, the heads of the observer delegations will be able to make final statements prior to the signing ceremony.

At the end of the signing ceremony the delegations of the nine Member States of the Community and the Commission will hold a Council meeting (Room B) for the formal adoption of certain documents necessitated by the proceedings of the Conference. The Council meeting will as usual be conducted in the absence of observers.

At the end of the Council meeting (probably about 17.00), a press conference will be given by the President of the Council. The Chairman of the Committee of the Whole, Dr Haertel, and the general rapporteur, Mr Savignon, will also be present.

LUX/84/R
Drafting Committee of Working Party II
2 December 1975
TEXTS SUBMITTED BY WORKING PARTY II

Article 69a

**Jurisdiction of national courts concerning
actions relating to Community patents**

1. Actions for infringement of a Community patent may be heard before the courts of the Contracting State in which the defendant has his residence or if he is not so resident a real and effective establishment. If the defendant has neither his residence nor such an establishment in one of the Contracting States, such actions may, by way of derogation from Article 4 of the Convention on Jurisdiction and Enforcement, be heard before the court of the Contracting State in which the plaintiff is so resident or has such an establishment. If neither the defendant nor the plaintiff are so resident, such actions may be brought before the courts of the Federal Republic of Germany. The court hearing the action shall have jurisdiction in respect of acts of infringement committed within the territory of any of the Contracting States.

1a. The residence of a party shall be determined by applying Articles 52 and 53 of the Convention on Jurisdiction and Enforcement.

2. Actions for infringement of a Community patent may also be heard before the court of one of the Contracting States in which an act of infringement was committed. In this case, the court hearing the action shall have jurisdiction only in respect of acts of infringement committed in the territory of that State.

3. Article 5 (3) and (4) of the Convention on Jurisdiction and Enforcement shall not apply to actions for infringement of a Community patent.

4. The following courts shall have exclusive jurisdiction, regardless of residence:

- (a) in actions relating to compulsory and *ex officio* licences and any right to use patented inventions in the public interest in respect of Community patents, the courts of the Contracting State the national law of which is applicable to the licence or right;
- (b) in actions relating to the right to the patent in which an employer and an employee are in dispute, the courts of the Contracting State under whose law the right to a European patent is determined in accordance with Article 60, paragraph 1, second sentence, of the European Patent Convention. Any agreement conferring jurisdiction shall be valid only in so far as the national law governing the contract of employment allows the agreement in question.

Article 72

Stay of proceedings

1. If the decision in an action before a national court relating to a European patent application in which the Contracting States are designated depends upon the patentability of the invention, such decision may only be given after the European Patent Office has granted a European patent or refused the European patent application. Paragraph 2 shall apply after the grant of the European patent.

2. If a European patent has been opposed, or if a request for the limitation or an application for the revocation of a Community patent has been made, the national court may, at the request of one of the parties and after hearing the other parties, stay proceedings relating to the Community patent, in so far as its decision depends upon validity. At the request of one of the parties the court shall instruct that the documentary evidence of the opposition, limitation or revocation proceedings be communicated to it, in order to give a ruling on the request for a stay of proceedings.

3. When infringement proceedings are stayed by a national court which has jurisdiction to determine the extent of protection conferred by the patent, the European Patent Office shall, if it has decided to maintain the Community patent unamended or as amended, express an opinion on the extent of protection conferred by the patent.

3a. The opinion shall be given by a Revocation Board against payment of an appropriate fee and shall take into account the product or process which, in accordance with the findings of the national court, is alleged to infringe. This opinion shall not bind the national court. Article 116, paragraph 1, of the European Patent Convention shall apply.

4. For the purposes of receiving the opinion the national court shall transmit to the European Patent

Office in one of the three official languages of the European Patent Office the findings and questions of the court as well as any other documents considered useful by it.

LUX/85

UNICE

2 December 1975

ARTICLE 64

Article 64

1. Unchanged.
2. Unchanged.
- (a) Unchanged.
- (b) The State of which he is a national or within the territory of which he has his place of business or employment applies such rules on reciprocity, as regards representation before the central industrial property office of the State concerned *in matters relating to national patents granted under the European procedure*, as may be required by the Select Committee of the Administrative Council.

LUX/86/GT III

Working Party III

2 December 1975

IRELAND'S CONSTITUTIONAL POSITION WITH REGARD TO THE PROPOSED CONVENTION FOR A EUROPEAN PATENT FOR THE COMMON MARKET

I

DRAFT PREAMBLE

THE HIGH CONTRACTING PARTIES to the Treaty establishing the European Economic Community

DESIRING to give unitary and autonomous effect to European patents granted in respect of their territories under the Convention on the Grant of European Patents of 5 October 1973;

ANXIOUS to establish a Community patent system which contributes to the attainment of the objectives of the Treaty establishing the European Economic Community, in particular by eliminating within the Community the distortions of competition which

results from the territorial aspect of national protection rights;

CONSIDERING that one of the fundamental objectives of the Treaty establishing the European Economic Community is the abolition of obstacles to the free movement of goods;

CONSIDERING that one of the most suitable means of ensuring that this objective will be achieved, as regards the free movement of goods protected by patents, is the creation of a Community patent system;

CONSIDERING that the creation of such a Community patent system is therefore inseparable from the attainment of the objectives of the Treaty and thus linked with the Community legal order;

CONSIDERING that it is necessary for these purposes to conclude a Convention which constitutes a special agreement within the meaning of Article 142 of the Convention on the Grant of European Patents, a regional patent treaty within the meaning of Article 45, paragraph 1, of the Patent Cooperation Treaty of 19 June 1970, and a special agreement within the meaning of Article 19 of the Convention for the Protection of Industrial Property, signed in Paris on 20 March 1883 and last revised on 14 July 1967;

CONSIDERING that it is essential that this Convention be interpreted in a uniform manner so that the rights and obligations flowing from a Community patent be identical throughout the Community and that jurisdiction be conferred on the Court of Justice of the European Communities;

CONVINCED THEREFORE that the conclusion of this Convention is necessary to facilitate the achievement of the tasks of the European Economic Community and that therefore it is an appropriate measure to be taken by the Member States, subject to national ratification procedures, to ensure fulfilment of Community obligations

HAVE DECIDED . . .

II

DRAFT RESOLUTION BY THE COUNCIL

THE COUNCIL of the European Communities,

HAVING REGARD to the Treaty establishing the European Economic Community,

WHEREAS the representatives of the Member States of the European Economic Community have this day signed a Convention for the European patent for the Common Market,

AND WHEREAS the Council is of opinion and the representatives of the Member States have declared in the Preamble to the Convention that the conclusion of the Convention is necessary to facilitate the achievement of the tasks of the European Economic Community and that therefore it is an appropriate measure to be taken by the Member States,

subject to national ratification procedures, to ensure fulfilment of Community obligations,

RESOLVES that the Member States should become parties to the Convention for the European patent for the Common Market and take all such measures as may be necessary to ensure its implementation.

LUX/87

Netherlands

3 December 1975

ARTICLE 10

Article 10

Revocation Boards

1. The Revocation Boards shall be responsible for the examination of appeals from the decisions of the Revocation Divisions and the Patent Administration Division *and for expressing an opinion on the extent of protection of a Community patent.*
2. For appeals from a decision of a Revocation Division *and for opinions on the extent of protection of a Community patent*, a Revocation Board shall consist of two legally qualified members, one of whom shall be the chairman, and three technically qualified members.
3. Unchanged.

[See Articles 72 (LUX/84/R) and 72a (LUX/70/R).]

LUX/88

Drafting Subcommittee

3 December 1975

ARTICLE 84c AND RULE 28

Article 84c

Reservation concerning the translation of the specification of a Community patent

1. Notwithstanding the provisions of Article 14, paragraph 3, any Contracting State may, at the time of signature or of deposit of its instrument of ratification of this Convention, make a reservation to the effect that, if the specification of a Community patent has been published in a language which is not one of the official languages of that State, the proprietor of the patent may, in respect of that State, avail himself, subject to the provisions of the following paragraphs,

of the rights attached to that patent, only under the condition that he files with the European Patent Office a translation of the specification, other than the claims, in one of the official languages of that State.

2. If the translation is filed within three months of the date of publication of the mention of the grant of the patent, the rights attached to the patent shall be regarded as effective as from the date of such publication.

3. If the translation is filed after the period referred to in paragraph 2, the proprietor of the patent may avail himself of the rights attached to the patent as from the date of filing of the translation. In respect of use of the invention without his consent in the period between the date of the publication of the mention of the grant of the patent and the date of filing of the translation, the proprietor may avail himself of the patent only to the extent that he may, after the filing of the translation, claim reasonable compensation.

4. If the translation is filed more than three years after the expiry of the period provided in Article 99, paragraph 1, of the European Patent Convention, any person who has used or made effective and serious preparations for using the invention, within the period mentioned in paragraph 3, second sentence, may continue use of the invention upon reasonable terms.

5. Subject to paragraph 6, any reservation made by a Contracting State under paragraph 1 shall have effect for a period of not more than 10 years from the entry into force of this Convention. However, the Council of the European Communities may, acting by a qualified majority on a proposal from a Contracting State, extend the period in respect of a Contracting State making such a reservation by not more than five years. This majority shall be that specified in Article 84a, paragraph 4(b).

6. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.

7. Termination of the effect of the reservation shall not apply to Community patents granted before the date on which the reservation ceased to have effect.

PART VI

IMPLEMENTING REGULATIONS TO PART VIII OF THE CONVENTION

Rule 28

Transmittal of translations

The European Patent Office shall, as soon as possible, transmit to the central industrial property office of

the Contracting State concerned a copy of any translation pursuant to Article 84c which it receives.

LUX/89
Secretariat
3 December 1975

AMENDED PROVISIONS ALREADY PUBLISHED ON
2 DECEMBER 1975

[Omitted]

LUX/90/R
Drafting Subcommittee
3 December 1975

TEXTS DRAWN UP BY THE DRAFTING SUBCOMMITTEE
AT ITS MEETING ON 2 DECEMBER 1975

[Omitted]

LUX/91
FR of Germany
3 December 1975

RESOLUTION ON THE ADJUSTMENT AND HARMONIZATION OF NATIONAL PATENT LAWS

The final paragraph of the Netherlands proposal in LUX/71 should be worded as follows:

'HAVE DECIDED to commence the necessary work, as soon as this Convention has been signed, to *adjust* their national patent laws on the basis of the *Strasbourg Convention on the unification of certain points of substantive law on patents for invention of 27 November 1963, the European Patent Convention of 5 October 1973 and the Convention signed this day and to complete this work as soon as possible.*'

LUX/92
United Kingdom
3 December 1975

ARTICLE 10

Article 10

Revocation Boards

1. [As in LUX/87] unchanged.
2. [As in Preparatory Document No 28] unchanged.
- 2a. For the purposes of expressing an opinion on the extent of protection of a Community patent the Revocation Board shall be as defined in paragraph 2, in the case where the Revocation Board has to express such opinion in connection with an appeal from the Revocation Division. Otherwise, the Revocation Board shall consist of one legally qualified member, who shall be the Chairman, and two technically qualified members.
3. Unchanged.

LUX/93/GT III
Working Party III
3 December 1975

ARTICLE 88, PARAGRAPH 8

8. For the purposes of implementing this Convention, that part of the Continental Shelf adjacent to a territory referred to in paragraphs 1, 3, 4 or 5, shall be deemed to be included in this territory, within the limits of the sovereign rights of coastal States as laid down in the Geneva Convention on the Continental Shelf of 29 April 1958, or any other convention amending or replacing that convention for the Contracting States.

LUX/94
Italy
3 December 1975

ARTICLE 84d, NEW PARAGRAPH 2a

Article 84d

2a. Upon the entry into force of the joint rules on the granting of the compulsory licences in respect of a

Community patent provided for in the Resolution on joint rules on the granting of compulsory licences in respect of a Community patent, the reservation referred to in paragraph 1, shall cease to have effect with respect to Article 47.

LUX/95
Legal department of the Council of the European Communities
3 December 1975

DRAFT FINAL ACT OF THE CONFERENCE

[Omitted]

LUX/96/R
Drafting Subcommittee
5 December 1975

TEXTS DRAWN UP BY THE DRAFTING
SUBCOMMITTEE AT ITS MEETINGS ON
3 AND 4 DECEMBER 1975

[Omitted]

LUX/97/R
Drafting Subcommittee
9 December 1975

TEXTS DRAWN UP BY THE DRAFTING
SUBCOMMITTEE AT ITS MEETING ON
9 DECEMBER 1975

[Omitted]

LUX/98
10 December 1975

DRAFT SUPPLEMENTARY PROTOCOL TO THE
PROTOCOL ON THE SETTING-UP OF EUROPEAN
SCHOOLS

Editor's note: A revised version of this document was published on 13 December 1975 as LUX/101 and is reproduced on pages 206-207.

LUX/99/R
General Drafting Committee
14 December 1975

CONVENTION FOR THE EUROPEAN PATENT FOR THE
COMMON MARKET AND ATTACHED ANNEXES

Editor's note: This document contained the texts of the Convention and attached annexes as drawn up by the General Drafting Committee at its meeting on 12 December 1975. The texts are essentially the same as those adopted on 15 December 1975. They have not been reproduced in this volume.

LUX/100
General Rapporteur of the Conference
12 December 1975

GENERAL REPORT

Editor's note: A revised version of this document was published as LUX/106 and is reproduced on pages 210-216.

LUX/101
General Drafting Committee
13 December 1975

DRAFT SUPPLEMENTARY PROTOCOL TO THE
PROTOCOL OF 13 APRIL 1962 ON THE SETTING-UP
OF EUROPEAN SCHOOLS

At its 372nd meeting on 9 December 1975 the Council of Ministers of the European Communities expressed a favourable opinion on the addition to the Conference's work schedule of a Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools.

The following have been *annexed* hereto:

- the draft Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools;
- the draft Protocol of Provisional Application of Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools.

The version contained in this document was drawn up by the General Drafting Committee at its meeting on Friday 12 December 1975.

SUPPLEMENTARY PROTOCOL
TO THE PROTOCOL OF 13 APRIL 1962
ON THE SETTING-UP OF
EUROPEAN SCHOOLS

The Governments of:

THE KINGDOM OF BELGIUM
THE KINGDOM OF DENMARK
THE FEDERAL REPUBLIC OF GERMANY
THE FRENCH REPUBLIC
IRELAND
THE ITALIAN REPUBLIC
THE GRAND DUCHY OF LUXEMBOURG
THE KINGDOM OF THE NETHERLANDS
THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND

Duly represented by:

Considering the Statute of the European School, signed at Luxembourg on 12 April 1957, and the Annex to the Statute of the European School laying down Regulations for the European Baccalaureate, signed at Luxembourg on 15 July 1957,

Considering the Protocol on the setting-up of European Schools, signed at Luxembourg on 13 April 1962,

Considering that it is desirable to extend the benefit of that Protocol to the European Patent Organization, established by the European Patent Convention of 5 October 1973,

Have agreed as follows:

Article 1

Notwithstanding the first paragraph of Article 1 of the Protocol of 13 April 1962 on the setting-up of European Schools, a European School may be set up in Munich for the education and instruction together of children of the staff of the European Patent Organization.

Other children who are nationals of a Member State of the European Economic Community or of a State party to the European Patent Convention shall also be admitted in accordance with rules to be adopted unanimously by the Board of Governors of the European Schools.

Article 2

The European Patent Organization shall have a seat and a vote on the Board of Governors on all matters regarding the establishment set up pursuant to Article 1 and a seat on the Administrative Board of the establishment.

Article 3

By way of derogation from Article 26 of the Statute, the budget of the establishment set up pursuant to Article 1 of this Supplementary Protocol shall be financed in a manner to be laid down in an agreement to be concluded under Article 4 of the Protocol on the setting-up of European Schools. The Board of Governors shall ensure that this agreement contains provisions for financing the establishment, in particular by the European Patent Organization.

Article 4

By way of derogation from Article 7 of the Protocol on the setting-up of European Schools, the draft budget and the accounts of the establishment set up pursuant to Article 1 of this Supplementary Protocol shall be transmitted to the European Patent Organization.

Article 5

This Supplementary Protocol shall require ratification. The instruments of ratification shall be deposited with the Luxembourg Government, as depositary of the Statute of the European School. That Government shall inform all the other signatory governments of the deposit.

This Supplementary Protocol shall enter into force on the day on which the fifth instrument of ratification is deposited.

This Supplementary Protocol, drawn up in a single original in the Danish, Dutch, English, French, German and Italian languages, all six texts being equally authentic, shall be deposited in the archives of the Luxembourg Government, which shall transmit a certified copy to each of the signatory governments.

IN WITNESS WHEREOF, the undersigned plenipotentiaries have signed this Supplementary Protocol.

Done at Luxembourg this fifteenth day of December in the year one thousand nine hundred and seventy-five.

PROTOCOL OF PROVISIONAL APPLICATION OF THE SUPPLEMENTARY PROTOCOL TO THE PROTOCOL OF 13 APRIL 1962 ON THE SETTING-UP OF EUROPEAN SCHOOLS

The signatory governments to the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools, signed at Luxembourg on 15 December 1975,

Duly represented by :

Considering the Statute of the European School, signed at Luxembourg on 12 April 1957, and the Annex to the Statute of the European School laying down Regulations for the European Baccalaureate, signed at Luxembourg on 15 July 1957,

Considering the Protocol on the setting-up of European Schools, signed at Luxembourg on 13 April 1962,

Desirous of ensuring so far as possible the immediate application of the provisions of the Supplementary Protocol, pending its entry into force in accordance with Article 5 of that Supplementary Protocol,

Have agreed as follows :

Sole Article

The Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools, drawn up having regard to the Statute of the European School and to the said Protocol, shall be applied provisionally upon signature in so far as the Constitutions and laws of the Contracting Parties permit.

IN WITNESS WHEREOF, the undersigned plenipotentiaries have signed this Protocol.

Done at Luxembourg this fifteenth day of December in the year one thousand nine hundred and seventy-five.

LUX/102

Secretariat

14 December 1975

PROVISIONAL AGENDA FOR THE CLOSING MEETING OF THE PLENARY (15 DECEMBER 1975 - 9.30)

1. Adoption of the agenda.
2. General Report on the proceedings of the Committee of the Whole (General rapporteur of the Conference: Mr Savignon).
3. Adoption of the texts submitted by the Committee of the Whole:
 - (a) Convention for the European patent for the Common Market
 - (b) Final Act and attached annexes
 - (c) Supplementary Protocol to the Protocol on the setting-up of European Schools of 13 April 1962
 - (d) Protocol of Provisional Application of the Supplementary Protocol to the Protocol on the setting-up of European Schools of 13 April 1962.

4. Decision to communicate the texts thus adopted to the representatives of the governments of the Member States meeting within the Council for signature.
5. Final address by the President of the Conference.
6. Final statements.
7. Close of the Conference.

LUX/103

Italy

14 December 1975

ARTICLE 88, PARAGRAPH 5

Article 88

5. Subject to paragraph 6, any reservation made by a Contracting State under paragraph 1 shall cease to apply when, at the request of a Contracting State, the Council of the European Communities decides unanimously to terminate such reservation.

LUX/104

President of the Conference

15 December 1975

ADDRESS GIVEN BY THE PRESIDENT OF THE
CONFERENCE AT THE CLOSING MEETING OF THE
CONFERENCE ON 15 DECEMBER 1975

*Your Excellencies,
ladies and gentlemen,*

A month has passed since the President-in-Office of the Council of Ministers of the European Communities opened the Luxembourg Conference on the Community patent. A considerable amount of work has been accomplished since then by the various organs of the Conference. The General Rapporteur, Mr Savignon, has given us a clear and exhaustive summary of the proceedings. It would therefore be superfluous for me to go again into the details of a subject which has already been so fully dealt with. Instead I would like, in my capacity as President of the Conference, to put forward some final considerations concerning the importance of the work which you have accomplished and the atmosphere in which the proceedings have taken place.

The first point I would like to make is the following. The Convention has been painstakingly revised from the legal point of view in the course of the Conference.

Anyone interested who compares the text of the draft Convention on which the proceedings of the Conference were based with the text being transmitted to the plenipotentiaries for signature will realize the wealth of intelligence, talent and work which has been involved in achieving the considerable improvements made to the text. That this has been possible is not surprising, considering that the best experts available from our respective countries have gathered around this table. What is surprising is that it has been possible in so short a time to consider the comments and proposals contained in approximately 150 documents, which is the figure arrived at by adding together the preparatory documents and the working documents prepared during the Conference. Praise for having mastered such a wealth of material is due primarily to Dr Haertel, who presided over the Committee of the Whole with his customary skill. However, it would be wrong not to acknowledge the special contribution made in this respect by the three working parties which met during the Conference, and in particular their chairmen, Mr Bowen, Mr Balmory and Mr Goose. Finally, particular praise is due to the General Drafting Committee which, under the chairmanship of Mr van Benthem, gave a clear form to the numerous decisions of the Committee of the Whole and succeeded in preserving intact, and even improving, the consistency of the Convention. To close on this point, I believe that it may be safely stated that the text of the Convention is a valid work from the legal point of view and is worthy of the great tradition in industrial property law, shared by all our countries.

However, I would not wish the points which I have made to give the impression that I consider the results of the proceedings of the Conference simply as a brilliant academic exercise. The atmosphere which prevailed during the Conference was characterized by sustained and at times heated debates between the delegations taking part. In this connection I would recall that the final compromises which were necessary in order to obtain the unanimous agreement of the delegations were only achieved yesterday. Apart from the difficulties inherent in the subject-matter itself there were those involved in a complex multilateral negotiation. The fact that it was in the end possible to arrive at a general agreement is due to the sincere Community spirit in which all the delegations took part in the work, the important contribution made by the representatives of the interested circles who have been present here as observers and in the last resort the skill and patience with which Dr Haertel and, in his absence, Mr Armitage, have directed the proceedings of the Committee of the Whole. However, when all is said and done, I believe that the real reason for the success of these complex negotiations resides in the attitude of all the delegations. This was characterized by an internal tension between two conflicting forces: on the one hand there was the ideal, attractive in its simplicity, of a Community patent valid throughout the territories of the Member States and governed solely by the provisions of the

Convention; on the other hand there were economic and political requirements which could not be ignored and which required limitations of and exceptions to this ideal to be sought. The need for a compromise between these two conflicting forces was therefore reflected in the positions adopted by all delegations, who were aware of the danger of creating an institution lacking any real cohesion and without any attraction to industry if too much scope was left to national interests. I shall attempt a little later on to make an initial assessment of the results of this compromise, but first of all I would like to pay tribute to the spirit of mutual understanding shown by all delegations.

I would like to make one final point as regards the material conditions under which the Conference took place. Particular thanks are due to the Luxembourg Government which has been our host in its capital and to the Communities which placed the magnificent Kirchberg Conference Centre at our disposal. I would like to express our gratitude on behalf of you all to the Luxembourg Government, which alleviated the austerity of our work by the social events and receptions which it organized. Finally, I would like to express our thanks to the Secretariat headed by Mr van Grevenstein which, with great devotion to duty, ensured the smooth and efficient running of the proceedings. I am certain that each and every one of you will retain a pleasant memory of this month spent together, which enriched all of us through the exchanges and contacts fostered by the conditions under which the Conference took place.

*Your Excellencies,
ladies and gentlemen,*

In the points which I have already made I have attempted to summarize the impression which I, as President of the Conference, have gained of your work. However, there is no denying that I am performing this office in my capacity as President of the Council of the European Communities, and it is above all in this capacity that I would now like to give an assessment of the importance of your work.

I have already stated that the purpose of your work was to seek the creation of a valid and attractive Community patent, and in so doing to strike a balance between it and the protection of specific economic and political interests. The results of this attempt are to be found in the provisions of the document which you have adopted. It would be futile to attempt to conceal by fine phrases the fact that certain sacrifices had to be made as regards the unitary character of the Community patent. The option allowed during a transitional period between a Community patent and a European patent, the reservations concerning the translation of the specification of the Community patent, compulsory licences and revocation actions brought as counter-claims, are all factors which amount to forgoing the creation of a Community patent in full. However, I do not believe that these

lacunae in the system will be such as to render the Community patent ineffective, at least for a certain number of years.

Clearly, one of the most difficult problems was the language issue. This had clear political implications, and moreover involved interests, particularly of small and medium-scale industry desirous of obtaining technical information. On the other hand the cost of the Community patent imposed firm limits on translation requirements. The compromise arrived at is probably the best that could have been achieved in the circumstances. It will undoubtedly enable the cost of the patent to be kept within reasonable limits, while the principle of equality and non-discrimination as between languages – an important one in the ambit of the European Communities – will be upheld.

Another important concession has been the abandonment of the immediate application of the rules governing compulsory licences in States which wish to avail themselves of the reservation provided for this purpose. The need to safeguard the industrial policy requirements of certain States has made it necessary to introduce this reservation, which could effectively have major consequences for the patent policy of many industries. The Conference has however been aware of the need for common rules governing the grant of compulsory licences for Community patents; such rules are an essential factor of Community industrial policy and we all hope they will come into effect in the not too distant future.

The principle of the centralization of revocation proceedings in respect of the Community patent is also subject to an exception in the reservation provided for those Contracting States whose national law allows for a decision to be taken on the validity of the patent in the course of an infringement action. This is however an exception limited in time, which will not actually be applied if the governments of the Member States manage early enough to find a solution to the problems resulting from the separation of jurisdiction in matters of infringement and jurisdiction as to the validity of Community patents.

The most notable exception to the system is that of the option between a Community patent and a European patent. There are many who wondered whether the existence of this option had not limited the scope of this Convention too much, which would mean that no real advance would be made over the progress already achieved in centralizing and rationalizing the grant procedure under the 1973 Munich Convention. However, we know that this option is only temporary and in time recourse to the Community patent will prove to be the most suitable means of achieving the necessary protection within the territory of the common market.

In conclusion, I think I may safely say that the text of the Convention maintains intact the validity of the concept of the Community patent, which came into being in response to the requirements of economic

forces, and the success of which will without doubt be ensured by these forces.

I do not wish to pass over in silence certain points on which the Conference has made substantial progress from the Community point of view. With regard to the exhaustion of rights, the Conference has taken into account the recent case-law of the Court of Justice of the European Communities. I am particularly pleased to be able to note that on the delicate problem of the economic clauses it has been possible to reach an agreement, with the valuable cooperation of the Commission. The Conference has moreover entrusted certain important tasks to the Court of Justice, including that of the interpretation of the present Convention.

*Your Excellencies,
ladies and gentlemen,*

Very soon the plenipotentiaries of the nine States will put their signatures to the Convention. Thus will have ended a labour going back more than 10 years, the main authors of which are all gathered here amongst us.

Two of these, Dr Haertel and Professor Savignon, will in the next few days be leaving their posts as heads of the national patent offices in their respective countries. This is for all of us a heavy loss, scarcely compensated for by the fact that, as we know, the one will continue to exercise the chairmanship of the Interim Committee of the European Patent Organization, while the other will lecture on industrial property law at Strasbourg University. Both have the satisfaction of having contributed to the realization of this Convention and of seeing it signed today.

With the conclusion of the Community Patent Convention the legislative work of bringing into being a European patent system is in large measure completed. It will now be for the States to proceed with the ratification of the Munich Convention and of this one, the Luxembourg Convention. Through these two Conventions, in the new world patent system set up pursuant to the Washington Cooperation Treaty, Europe will be able to put up a united front and to play a prime role *vis-à-vis* the developing countries in assuring the transfer of technology which is indispensable to them for their economic development.

At the close of this Conference, I wish to express particular thanks, for their active cooperation, to the representatives of the observer countries, those of the international organizations which cover the patents sector and the relevant specialist organizations, as well as to all those who have made their contribution to the success of this Convention.

LUX/105
Secretariat

15 December 1975

LIST OF PARTICIPANTS

Editor's note: The list of participants at the Conference is reproduced on pages 219 to 226.

LUX/106

**General Rapporteur of the Conference,
Mr F. Savignon**

14 December 1975

GENERAL REPORT

The decision to undertake the preparatory work for the Convention which you will be asked to approve was taken in 1959. The objective was to lay down unitary and autonomous provisions in a single convention to be concluded between the six States which had already come together under the Treaty of Rome governing both the grant and effects of patents for invention.

This is not the place to recall how in 1965, when almost all the difficulties had been overcome, negotiations had nonetheless to be interrupted and were only resumed at the end of 1968.

The governments which took the initiative in once again setting the work in train, i.e. the governments of the six Member States which then constituted the Common Market, agreed that two conventions should be concluded: the first, which was to set up a common system for the grant of European patents, became the Munich Convention. It was drawn up by all the countries in Europe which had shown their interest in unifying their laws governing inventions by participating in the proceedings of the Council of Europe's Committee of Patent Experts; the possibility of accession is still open today to those which did not sign it. The second was to create a unitary system of law for European patents granted for the countries of the Common Market, and this is the convention which you have just drawn up.

Link between the European Convention and the Community Convention

It was the explicit intention of the governments which took the initiative in this work that the preparation of the two Conventions should proceed at the same pace so that they could be ready at the same time and thus be ratified and enter into force simultaneously.

This demonstrates the extent to which the two Conventions were considered equally necessary for the great objective of European construction which they are intended to bring about. It goes without saying that the Community Convention depends on the European Convention as the trunk of a tree depends on its roots. However, it is equally evident that, without the Community Convention, the European Convention would represent little more than a remarkable technical advance in the art of granting properly examined patents with the greatest economy of means. Only the Community Convention constitutes an effective instrument of economic integration.

The need for the European Convention to enter into force swiftly, the delays in the conclusion of the Community Convention brought about first of all by the enlargement of the Community and then by difficulties long undetected prevented the two Conventions from entering into force simultaneously. The declaration of intent which remained a preparatory document for this Conference has become a dead letter and the Munich Convention is almost certain to enter into force before the Luxembourg Convention. The link between the two should not be weakened and the period of time before the entry into force of the Community Convention should be as short as possible.

Structure of the General Report

It is not possible, in a report which has to remain general, to comment on all the amendments which you have made to the draft. It seemed more in line with your intention to describe the progress of the Conference, the main features of the Convention, and only to go into detail as regards the main points: the language question, economic clauses, jurisdiction and procedure for infringement and revocation in relation to infringement and the adaptations to the general texts to take account of the requirements of the constitutional laws of the participating States.

Progress of the Conference

The Conference took place from 17 November to 15 December 1975 at the Kirchberg European Centre in Luxembourg. Present as members were the nine delegations of the States parties to the Treaty of Rome, together with a delegation from the Commission of the European Communities and, as an observer, the Court of Justice of the European Communities, six delegations from the signatory States to the Munich Convention, namely Austria, Greece, Liechtenstein, Norway, Sweden and Switzerland, four delegations from international governmental organizations, namely the World Intellectual Property Organization, the Council of Europe, the European Free Trade Association and the International Patent Institute, and lastly fourteen international non-governmental organizations. Special observer status was also granted to one organization representing the staff of the future European Patent Office.

Forty-five preparatory documents were circulated before the Conference met; more than twice that number were produced during the Conference.

At its opening meeting, presided over by Mr Granelli, State Secretary for Foreign Affairs and President-in-Office of the Council of Ministers, the Conference, after adopting its Rules of Procedure, unanimously agreed to the President's proposals for the allocation of the various offices of the Conference. The following were appointed:

Conference:

First Vice-President: MR MART (Luxembourg)
 Vice-Presidents: MR SKØDT (Denmark)
 and MR QUINN (Ireland)
 General Rapporteur: MR SAVIGNON (France)

Committee of the Whole:

Chairman: MR HAERTEL (Federal Republic of Germany)
 Vice-Chairman: MR ARMITAGE (United Kingdom)

Credentials Committee:

Chairman: MR DESCHAMPS (Belgium)
 Members: MISS VITALI (Italy)
 MR PARRY (United Kingdom)

General Drafting Committee:

Chairman: MR VAN BENTHEM (Netherlands)
 Vice-Chairman: MR SINGER (Federal Republic of Germany)

finally, Mr van Grevenstein, Director-General at the General Secretariat of the Council of the European Communities, was appointed Secretary-General of the Conference.

A Steering Committee was set up. Its members were: Mr Haertel and Mr Armitage, Chairman and Vice-Chairman of the Committee of the Whole, Mr Savignon, General Rapporteur of the Conference, Mr Deschamps, Chairman of the Credentials Committee, Mr van Benthem, Chairman of the General Drafting Committee, Mr Papini, Representative of the State exercising the Presidency of the Council of the European Communities, Mr van Grevenstein, Secretary-General and Mr Scordamaglia of the General Secretariat of the Conference. This Committee held four meetings under the chairmanship of Mr Haertel.

The Committee of the Whole set up three working parties which elected their respective Chairmen. The first, dealing with various legal matters, was chaired by Mr Bowen (United Kingdom), the second, which studied the articles conferring jurisdiction, was chaired by Mr Balmay (France); the third was

responsible for resolving the difficulties deriving from certain constitutional provisions of the participating States and was presided over by Mr Goose (Federal Republic of Germany).

Documents drawn up – General principles of the Convention

The Conference drew up a Convention comprising a preamble and 103 Articles, Implementing Regulations comprising 34 Rules, and finally six Resolutions, two Declarations and one Decision.

A Resolution of the Council of the European Communities was also prepared.

The text of the Convention, preceded by a preamble, is divided into eight parts, the first three of which are subdivided into chapters. The general principles are mainly set out in the preamble and in Articles 1, 2, 3 and 93. The object of the Convention is to establish a system of law, common to the Contracting States, concerning patents for invention. This system of law will govern European patents granted for the Contracting States, which may only be designated jointly. Community patents will have a unitary character in that they will have equal effect throughout the territories of the Community; they will also have an autonomous character in that they will be subject only to the provisions of the Community Patent Convention. In no circumstances will they be able to impede the application of the Treaty establishing the European Economic Community.

These general principles have been relaxed in certain respects. Some of these features, such as in the case of the existence of national rights prior to a Community patent, will be permanent, while others will take the form of transitional provisions. We shall come to a number of the latter when examining specific questions. In view of its importance we would however at this point refer to the transitional provision incorporated in Article 86, whereby instead of a Community patent a European patent may be obtained for the Contracting States on the basis of a European application.

Languages

The role of languages in any international patent system has two contradictory facets. From a national point of view, it is doubtful that all the effects provided for under the law could be given to a document not drawn up in an official language of the country concerned, with the result that it would be preferable to have complete translations of all documents of legal consequence. From a practical point of view, one of the advantages attendant upon an international patent system is the reduction in the number of expensive translations required today by any person wishing to protect an invention by means of national patents. The arrangements embodied in the Convention are a compromise between these two desiderata.

The arrangements adopted in Munich as regards the functioning of the system for the grant of European patents should first be recalled.

Under the terms of Article 14 of the European Convention the European Patent Office is to have three official languages: English, French and German.

Some patent documents will be drawn up in only one of these languages and others in all three.

The European patent application and the patent specification will be published in only one of the three languages. The claims, the European Patent Bulletin, the Official Journal of the European Patent Office and entries in the Register of European Patents will be published or made public in the three languages.

It was, however, necessary to make major exceptions to these principles which achieve a reduction of considerable magnitude in translation work. Leaving aside the provision enabling an application to be filed in a language other than one of the three official languages of the European Patent Office, there is Article 65 of the Munich Convention, which authorizes any Contracting State to require the applicant for or proprietor of the patent to supply a translation of the patent in one of its official languages in cases where the European patent is published in a language other than one of its official languages. The possible sanction for failure to provide the translation is that the patent will be deemed to be void *ab initio* in that State. Article 67 contains comparable provisions governing the communication of a translation of the application, which may affect the provisional protection conferred by the application.

Lastly, Article 70, paragraph 1, stipulates that it is the text in the language of the proceedings which is to be the authentic text in any proceedings and in any Contracting State.

However, under paragraph 3 of the same article, any Contracting State may provide that a translation of the application or patent in an official language of that State is to be regarded as authentic in the event of the translation conferring protection which is narrower than that conferred by the text in the language of the proceedings.

Following this outline of the provisions of the European Convention it will be easy to elucidate the system adopted for the Community patent:

Article 14 of the Community Convention first of all extends to the Community patent various rules laid down in Article 14 of the European Convention,

The Community Patent Convention then goes on to lay down that claims are to be translated and published not only in English, French and German, but also in the official languages of each of the Contracting States which do not have English, French or German as an official language, firstly in the text on which grant of the patent is to be based (Article 33) and secondly in the text as amended following limitation or revocation proceedings (Article 14, paragraph 6),

Finally, under Article 14, paragraph 9, the States of the Common Market are prohibited from availing themselves of Articles 65, 67, paragraph 3, and 70, paragraph 3, of the European Convention – i.e. they are not permitted to require a translation of the specification or of the application or to accept as authentic a translation which is more restrictive than the official text.

To these definitive provisions has been added a transitional provision in Article 88, which is based on Article 65 of the European Convention.

Any Contracting State may make a reservation to the effect that the proprietor of the patent may, in respect of that State, avail himself of the rights conferred by the patent only on condition that he files with the European Patent Office a translation of the specification in one of the official languages of that State.

The translation may be supplied at any time during the period of validity of the Community patent, but its effects will be different depending upon the date of transmission:

- if filed within three months of the date of grant, the proprietor will enjoy all the rights conferred by the patent with effect from the date of publication of grant;
- if filed after more than three months but within three years and nine months from the publication of grant, the proprietor may avail himself of the rights conferred by the patent only as from the date of filing of the translation and is entitled only to reasonable compensation from the user of the patented invention in respect of the preceding period;
- if filed more than three years and nine months after the publication of grant, the proprietor of the patent will, moreover, be unable to prevent any person who has used or made effective and serious preparations for using the invention between the publication of the grant and the filing of the translation from continuing such use upon reasonable terms.

It should be noted that ‘reasonable terms’ as used here refers not only to compensation but also to other conditions relating, for example, to the way in which the invention is to be used.

Economic clauses

Without any doubt, the most disputed and one of the most important issues in the Community Patent Convention was that of the economic clauses, i.e. the provisions relating to restrictions on the free movement of goods which may legitimately be imposed by the proprietor of a Community patent and those relating to the effects and conditions of compulsory licences granted in respect of Community patents.

In order to ensure as far as possible that the effects of the protection conferred by national patents do

not differ from those deriving from a Community patent, the Conference had to adopt provisions concerning the exhaustion of rights conferred by national patents and compulsory licences granted in respect of such patents.

Exhaustion of rights

The arrangements adopted as regards the exhaustion of rights can best be explained with reference to their origin.

As regards the Community patent there has long been a certain degree of agreement on the principle that a patentee’s rights should be exhausted once the relevant goods have been put on to the market in one of the Contracting States by him or with his consent. In particular the patentee should not be able to prevent the free movement of goods within the Community..

For the reasons set forth above, the same general principle had to apply to national patents covering the territory of the Community, held by one and the same person or by persons having economic connections.

This having been said, it was for a long time held that it would be compatible with the Treaty of Rome to stipulate that during a transitional period the provisions applicable to the movement of goods protected by national patents before the entry into force of the Treaty of Rome could continue to apply both with respect to national patents and Community patents. This was the aim of the Protocol on the deferred application of the provisions on the exhaustion of rights, as contained in the preparatory documents for the Conference. As regards the relationship between this Protocol and the Treaty of Rome, the former could be viewed either as constituting an express derogation from the Treaty’s provisions and their application or as interpreting the provisions of the Treaty without conflicting with them.

The first interpretation ceased to apply with the inclusion, in the course of the preparatory work, of an express provision, which subsequently became Article 93, to the effect that no provision of the Convention could be invoked against the application of any provision of the Treaty establishing the European Economic Community.

The second interpretation became gradually more restrictive as a result of preliminary rulings given by the Court of Justice of the European Communities at the request of national courts. Whilst the case-law constituted by these rulings is as yet not very substantial, it is very clear in certain respects. Thus the reintroduction, even for a transitional period, of restrictions on the movement of goods within the Community based on parallel national patents would have been contrary to the precedent set by the Court of Justice in its judgment given in the *Centrafarm v Sterling Drug* case.

The Protocol therefore had to be abandoned.

As for the question of whether regardless of the circumstances, rights should be exhausted throughout the territory of the Community, particularly where there is no patent protection in respect of a part of the Community, it was considered best not to lay down any hard and fast rules, since the courts would be required to take account of the specific circumstances of each case.

Thus Article 32, in the case of the Community patent, and Article 81, in the case of national patents, provide for the exhaustion of the rights conferred by the patent after the product covered by it has been put on the market in one of the Contracting States by the patentee; they also make provision for cases where there are grounds which, under Community law, would nevertheless justify the exercise of such rights. These articles also accord the same effect to products marketed with the consent of the patentee, but such consent must be explicit.

As regards the application of these articles, it was expressly stated during the Conference that the expression 'Community law' refers to the provisions of the Treaty of Rome itself and the supplementary provisions thereto, the jurisprudence of the Court of Justice of the European Communities and the principles of national law common to all the Member States.

It should be noted here that for the purposes of implementation of the Convention it is irrelevant to distinguish between national law and legislation deriving from the Treaty of Rome, which would prevail in the event of conflict. The two together form a whole referred to as 'Community law'.

Finally, the concept of persons having economic connections, which is very important in the case of the exhaustion of the rights conferred by national patents, has been clarified: two persons are deemed to have economic connections where one of them is in a position to exert a decisive influence on the other, directly or indirectly, with regard to the exploitation of a patent, or where a third party is in a position to exercise such an influence on both persons.

Compulsory licences

Subject to certain conditions laid down in Article 46, the grant of compulsory licences in respect of Community patents on the grounds of lack or insufficiency of exploitation falls within the sphere of the national laws of each Contracting State. The extent and effect of such licences are restricted to the territory of the State concerned. However, where the patented product is manufactured in a Contracting State and put on the national market of another Contracting State in sufficient quantity to satisfy its national needs, Article 47 prohibits the grant of a compulsory licence for that State. Pursuant to Article 82, this rule also applies to licences for lack or insufficiency of exploitation of a national patent. These provisions do not

apply to compulsory licences granted in the public interest.

Under Article 89 any Contracting State may nevertheless make a temporary reservation suspending the application of Articles 47 and 82.

Such reservation, which will have effect for a period of 10 years and may subsequently be extended for a further five years, will cease to apply when common rules on the granting of compulsory licences in respect of Community patents have become operative. Here it should be noted that a Resolution has been adopted committing the Contracting States to undertake the work of drawing up these common rules as soon as the Community Patent Convention enters into force.

Jurisdiction and procedure in infringement matters

One of the basic results of the unitary character of the Community patent is that it may lapse only in its entirety and in respect of all the Member States. Under the earlier European Patent Convention a unitary and autonomous system was instituted for the examination of applications for and opposition to European patents: the basic principles, which are set forth in Articles 52 to 57 of the European Convention, are reproduced in relation to revocation in the Community Convention. It is therefore natural that the latter Convention should give a unitary definition of jurisdiction and procedure as regards the revocation of Community patents, and provision has been made for special departments for this purpose, at the European Patent Office, namely, the Revocation Boards and Divisions. The relevant procedure is governed by Articles 56 to 61.

However, under Article 69 of the Community Convention, jurisdiction in other actions relating to patents is conferred upon national courts, one specific instance being actions for infringement. Furthermore, the Brussels Convention of 27 September 1968 on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters is to apply to actions relating to Community patents and to decisions resulting from such actions, subject to a number of exceptions specified in the Community Convention. It so happens that actions for revocation are a frequent subsidiary phenomenon in infringement proceedings. This therefore gave rise to coordination problems of some intricacy in the attempt to combine legal systems which had reached varying degrees of harmonization and centralization.

The first problem to be solved was that of the jurisdiction of national courts. As far as possible the range of opportunities open to applicants was not to be so wide as to induce them to choose a specific court for reasons alien to the sound administration of justice. Article 69 of the Community Convention specifies that the courts of the country where the defendant has his residence are to have jurisdiction in cases where he is resident in a Contracting State. Where this does not apply, the courts having jurisdiction in

fixed order of priority are: the courts of the country where the defendant has an establishment; the courts of the country where the plaintiff has his residence; the courts of the country where the plaintiff has an establishment; finally, if neither the defendant nor the plaintiff has a residence or establishment within the territory of a Contracting State, jurisdiction passes to the courts of the Federal Republic of Germany. If this main form of jurisdiction applies, the court has jurisdiction in respect of acts of infringement committed within the territory of any of the Contracting States.

The action may also be heard before the courts of the place where the act of infringement was committed. This does afford a choice – which it had been the aim to curtail – in the matter of courts, as acts of infringement may be committed in a number of places. Here the court hearing the action has jurisdiction only in respect of acts of infringement committed within the territory of the Contracting State where it is located.

Where they are at variance, these provisions constitute derogations from the Convention on Jurisdiction and Enforcement. However, Article 17 of the latter Convention, which makes provision for agreements between the parties designating a court or courts of a Contracting State to settle disputes, is to apply.

The second problem was to coordinate proceedings before the national courts with action by Community bodies.

A national court which has to deliver a decision which depends upon the validity of a Community patent may stay proceedings where an opposition has been filed, or a request for the limitation or an application for the revocation of the Community patent has been made, at the request of one of the parties. The court then hears the other parties and instructs that the documentary evidence relating to the Community proceedings in progress be communicated to it before giving a ruling on the request for the stay of proceedings. These are the arrangements embodied in Article 77.

Article 90 makes provision for a reservation whereby those States whose national law makes provision for a decision to be taken in infringement proceedings as to the validity of national patents may extend the jurisdiction of national courts to take in the validity of Community patents.

This option is subject to a number of conditions:

- the parties must give their agreement,
- the court is bound by a prior decision of the European Patent Office in so far as the facts are the same,
- the court is limited to the grounds for revocation specified in the Community Convention.

Finally, a decision of a national court that a Community patent does not have effect is limited to the territory of the State concerned.

Reservations made under this provision, which applies for a maximum of 10 years and may be extended by five years, will cease to apply when special arrangements for future litigation of Community patents become operative.

These arrangements are the subject of a Resolution in which the Contracting States take the decision to commence, as soon as possible, the necessary work to draw up a Protocol on litigation of Community patents.

It should be noted that the basic system established in Article 77 will generally apply, even to countries which had made the reservation provided for in Article 90.

We now come to the role of the special departments in this basic system; this is dealt with in Article 78.

The European Patent Office will be required to give an opinion on the extent of protection conferred by the Community patent in question if the national court decides to stay the proceedings or if it simply considers such an opinion to be desirable. The opinion is to be given by a Revocation Board, which must take into account the product or process which, in accordance with the findings of the national court, is alleged to infringe.

The opinion of the European Patent Office will not bind the national court.

Adaptations to the general texts to accommodate the requirements of the constitutional laws of the Member States

During the preparatory work, the Irish delegation had pointed out that the points linking the Community Convention to the Treaty of Rome would have to be made more specific for the purposes of the Irish Constitution.

Having likewise taken into account the requirements of the constitutions of the other States, the Conference re-drafted the Preamble to the Convention and drew up a draft Resolution of the Council of the European Communities.

Conclusions

Many important aspects of the Community Convention are not touched upon in this survey of the principal difficulties which had to be overcome by the Conference, and it would in any case not be possible to provide an overall picture.

The conditions for the entry into force of the Community Convention are difficult; all nine Member States of the Communities have to ratify it. It is therefore no exaggeration to say that the signing of the Luxembourg Convention is only an intermediate stage – albeit an essential one – and not the final step in the endeavours to create the Community patent.

The value set on the construction of Europe by the delegations at the Luxembourg Conference, which prompted them to make the necessary concessions,

should also guide those who will have to complete the final and decisive stage.

Credit for the success of this Conference must go to the member delegations, the observers, who made valuable suggestions, the Chairman and Vice-Chairman of the Committee of the Whole who directed the proceedings with such skill and understanding, and to those whose task it was to conduct the proceedings of the working parties and the drafting committees.

Our heartfelt thanks are due to the Secretary-General and all his staff for the perfect organization of the Conference.

Finally, we owe a particular debt of gratitude to the authorities of the Grand Duchy, whose warm hospi-

tality made this stay in the City of Luxembourg, which is certainly one of the most Community-minded of all the capitals of the nine States, particularly enjoyable.

LUX/107
Secretariat
24 February 1976

FINAL LIST OF DOCUMENTS

[Omitted]

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Participants in the Conference

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Minutes of the Conference

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Plenary of the Conference

I. OPENING MEETING (17 November 1975)

1. **Opening of the Conference by the President-in-Office of the Council of the European Communities**

The Conference was opened by Mr Granelli, State Secretary for Foreign Affairs (Italy) and President-in-Office of the Council of the European Communities.

2. **Welcoming address to the delegates by the representative of the Luxembourg Government**

The representative of the Luxembourg Government, Mr Mart, Minister for Economic Affairs, Small Firms and Traders and for Tourism, welcomed the delegates to Luxembourg.

3. **Speech by the President of the Council**

The President of the Council gave the speech which is reproduced in LUX/6.

4. **Adoption of the Rules of Procedure**

The Plenary adopted the Rules of Procedure as proposed in Preparatory Document No 12 as amended by LUX/5.

5. **Adoption of the agenda**

The Plenary adopted the agenda for its opening meeting as proposed in LUX/1.

6. **Election of the first Vice-President and two other Vice-Presidents of the Conference**

The Plenary unanimously elected Mr Mart (Luxembourg) as first Vice-President and Mr Skjødt (Denmark) and Mr Quinn (Ireland) as the other Vice-Presidents of the Conference.

7. **Election of the General Rapporteur of the Conference**

The Plenary unanimously elected Mr Savignon (France) as General Rapporteur of the Conference.

8. **Election of the Secretary-General of the Conference**

The Plenary unanimously elected Mr van Grevenstein, Director-General at the General Secretariat of the Council of the European

Communities, as Secretary-General of the Conference.

9. **Election of the Chairman and Vice-Chairman of the Committee of the Whole**

The Plenary unanimously elected Mr Haertel (Federal Republic of Germany) as Chairman and Mr Armitage (United Kingdom) as Vice-Chairman of the Committee of the Whole.

10. **Election of the Chairman and the members of the Credentials Committee**

The Plenary unanimously elected Mr Deschamps (Belgium) as Chairman and Miss Vitali (Italy) and Mr Parry (United Kingdom) as members of the Credentials Committee.

11. **Election of the Chairman and Vice-Chairman of the General Drafting Committee**

The Plenary unanimously elected Mr van Benthem (Netherlands) as Chairman and Mr Singer (Federal Republic of Germany) as Vice-Chairman of the General Drafting Committee.

12. **Request by INCOPOSA to be admitted to the Conference as an observer**

The Plenary took note of a request by INCOPOSA (see LUX/7) to be admitted to the Conference as an observer.

It decided to refer this request to the Steering Committee set up in accordance with Rule 15 of the Rules of Procedure of the Conference.

13. **General debate**

Opening statements were made by representatives of the member delegations and of the observer delegations.

II. CLOSING MEETING (15 December 1975)

14. **Adoption of the agenda**

The Plenary, under the chairmanship of Mr Cattanei, State Secretary for Foreign Affairs (Italy) and President-in-Office of the Council of the European Communities, adopted the agenda as proposed in LUX/102.

15. **General Report**

Mr Savignon, General Rapporteur of the Conference, presented the General Report contained in LUX/106.

The Plenary approved the General Report.

16. **Adoption of the texts submitted by the Committee of the Whole**

(a) *Convention for the European patent for the Common Market*

The Convention for the European patent for the Common Market was adopted unanimously by the Plenary as forwarded to it by the Committee of the Whole.

(b) *Final Act and attached annexes*

The Final Act and attached annexes were adopted unanimously by the Plenary as forwarded to it by the Committee of the Whole.

(c) *Supplementary Protocol to the Protocol of 13 April on the setting-up of European Schools*

The delegation of the Federal Republic of Germany stated that following the discussion of this matter by the Council of the European Communities on 9 December 1975, the delegation of the Federal Republic of Germany had made a statement at the meeting of the Permanent Representatives Committee held on 12 December 1975 which was incomplete and might therefore lead to misunderstandings. In order to dispel any such misunderstandings, the Conference was asked to note that the complete statement read as follows:

'The Government of the Federal Republic of Germany regards itself as still bound by its offer made at the 1973 Munich Diplomatic Conference to provide for the educational needs of the children of employees of the European Patent Office by making a school available to them. In the plans approved for the European school, 750 places have been allotted to the children of employees of the European Patent Organization, and 350 places to children of persons unconnected with the European Patent Office, so that up to this number of children of Italians living in Munich could be admitted. The Government of the Federal Republic of Germany can commit itself no further. It is planned to build the school in stages in accordance with the gradual growth in the European Patent Office's requirements until it becomes fully operational.'

The delegation of the Federal Republic of Germany added that if fully accepted the conclusions of the Council of the European Communities on this matter at its meeting on 9 December 1975, including the statement made by the Italian delegation. The delegation of the Federal Republic of Germany also accepted fully the terms of Article 1, second paragraph, of the Supplementary Protocol.

The Italian delegation stated that it was prepared to sign the Supplementary Protocol and that it confirmed the statement which it had made at the meeting of the Council of the European Communities held on 9 December 1975.

Following these statements, the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools was adopted unanimously by the Plenary as forwarded to it by the Committee of the Whole.

(d) *Protocol of Provisional Application of the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools*

The Protocol of Provisional Application of the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools was adopted unanimously by the Plenary as forwarded to it by the Committee of the Whole.

Finally, in accordance with Rule 38 of the Rules of Procedure of the Conference, the instruments mentioned under (a) to (d) above were put to the vote combined as one and adopted unanimously by the Plenary of the Conference.

17. **Decision to communicate the texts thus adopted to the representatives of the governments of the Member States meeting within the Council for signature**

The Plenary decided unanimously to communicate the texts which it had just adopted to the representatives of the governments of the Member States meeting within the Council for signature.

18. **Final address by the President of the Conference**

The President of the Conference gave the address which is reproduced in LUX/104.

19. **Final statements**

Final statements were made by representatives of the member delegations and of the observer delegations.

20. **Close of the Conference**

The Conference was closed by its President.

Immediately after the close of the Conference, the instruments adopted by the Conference were signed by the representatives of the governments of the Member States.

The 377th meeting of the Council of the European Communities followed, at which the Council Resolution of 15 December 1975 on the Convention for the European patent for the Common Market was adopted.

Committee of the Whole

1. The Committee of the Whole, which was established in accordance with Rule 3, paragraph 3, of the Rules of Procedure of the Conference (see Preparatory Document No 12 and LUX/5) was chaired by Dr Kurt Haertel (Federal Republic of Germany), President of the German Patent Office. Mr Edward Armitage (United Kingdom), Comptroller-General of the United Kingdom Patent Office, was Vice-Chairman.

2. In accordance with Rule 11, paragraph 2, of the Rules of Procedure, the terms of reference of the Committee of the Whole were to examine the proposed drafts, to take decisions on proposals submitted to it directly and on proposals from the General Drafting Committee or from a Drafting Subcommittee, and to forward the drafts approved by it to the Plenary of the Conference for adoption.

3. The Committee of the Whole met under the direction of the Chairman and the Vice-Chairman from 18 November to 3 December and on 14 December 1975.

I. PROCEDURAL MATTERS

4. The Committee of the Whole heard a report of the preliminary meeting of the Steering Committee. It approved the proposals made by the Steering Committee concerning the organization of the work of the Conference and the prospective time plan for discussion of the various items.

5. The Committee of the Whole decided, in accordance with a proposal by the Steering Committee, to set up three Working Parties.

Working Party I was asked to examine a number of Articles of the draft Convention which were of a legal nature: Articles 27, 28 and 37 to 42.

Working Party II was given responsibility for the provisions of the draft Convention relating to juris-

diction: Articles 69 to 76, including the new Article 72a proposed by the Netherlands delegation; Article 84b; and the new paragraph 5 of Article 84a proposed by the Commission.

Working Party III was asked to examine the constitutional problem raised by the Irish delegation, and subsequently to consider the amendment to Article 88, paragraph 8, of the draft Convention proposed by the United Kingdom delegation.

6. The Committee of the Whole was informed that the Plenary of the Conference had referred a request by INCOPOSA to be granted observer status at the Conference (see LUX/7) to the Steering Committee, which had in turn referred it to the Committee of the Whole in so far as the granting of such status at meetings of the Committee of the Whole was concerned.

The Committee of the Whole agreed in principle to grant observer status to INCOPOSA for its discussions of matters relating to the staff of the special departments. It noted, however, that it was too late to invite INCOPOSA to send representatives to these discussions, as they were to take place the same day, and therefore decided to invite INCOPOSA to send representatives to the meeting of the Committee of the Whole on 3 December 1975, at which the Committee would review the texts to be submitted to the Plenary of the Conference.

II. DISCUSSION OF THE PROPOSED DRAFTS

Article 1

Common system of law for patents

7. The Committee of the Whole referred oral comments by the Luxembourg delegation on the French version of the text of paragraph 1 to the General Drafting Committee for examination.

8. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation on paragraph 2 to the General Drafting Committee (see Preparatory Document No 11, point 15).

9. The Committee of the Whole referred a drafting proposal by FICPI on the same paragraph to the General Drafting Committee for examination (see Preparatory Document No 2, point 2).

Editor's note: Throughout the minutes of the Committee of the Whole, the various proposed drafts in Preparatory Document No 28 are referred to by the numbers and titles given in that document; where an article or rule had a different number in the text adopted by the Conference, this number is added in brackets after the number according to Preparatory Document No 28.

Article 2

Community patent

10. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation on paragraph 2 to the General Drafting Committee (see Preparatory Document No 11, point 16).

11. The Committee of the Whole adopted a proposal by the delegation of the Federal Republic of Germany (see Preparatory Document No 29, point 3) that revocation with effect throughout the Community should also be mentioned as one of the features of the unitary character of the Community patent.

12. It also adopted a proposal by the Italian delegation that grant with effect throughout the Community should be mentioned as one of the features of the unitary character of the Community patent (see LUX/11).

13. Finally, it approved a proposal by the Netherlands delegation (see LUX/8, p. 2) that applications for European patents leading to Community patents should also be included in paragraph 2.

14. The Committee of the Whole also expressed the view that paragraph 2 merely constituted a general statement of principle from which the Convention could deviate in particular instances.

The proposal by FICPI (see Preparatory Document No 2, point 3) that a reference should be made to subsequent exceptions was therefore not supported by the Member Delegations.¹

15. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation in respect of paragraph 3 to the General Drafting Committee (see Preparatory Document No 11, point 16).

16. A proposal by FICPI along the same lines as in the case of paragraph 2 (see Preparatory Document No 11, point 16) was not supported by the Member Delegations.

17. While discussing Article 2, the Committee of the Whole expressed the opinion that references to national law in the Convention on the grant of European patents, hereinafter referred to as the 'European Patent Convention', were to be understood as references to the Community Patent Convention where Community patents or applications for such patents were concerned, subject to the provisions of Article 39 of the Community Patent Convention.

In this context, the Member Delegations did not support a proposal by UNION (see LUX/53) to add a new paragraph 4 to the effect that references to national law in the European Patent Convention were to be understood, where Community patents or applica-

tions for such patents were concerned, as references to the national law made applicable by virtue of Article 39 of the Community Patent Convention.

Article 3

Joint designation

18. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation to the General Drafting Committee (see Preparatory Document No 11, point 17).

Article 4

Setting up of special departments

19. The proposal by UNICE (see Preparatory Document No 31, point 2.1) and CIFE (see Preparatory Document No 32) that staff of the Revocation Divisions and the Revocation Boards should be composed exclusively of nationals of the Contracting States and that staff of the Revocation Divisions should not have as their superiors persons who were not nationals of the Contracting States was rejected by seven Member Delegations. The United Kingdom delegation, the delegation of the Federal Republic of Germany, the French delegation and the Irish delegation were in favour of the principle that posts in the Revocation Division and Revocation Boards should be open to all employees of the European Patent Office and, in particular in the interests of the proper functioning of the Office, wanted to avoid the formation of separate groups of staff. The Belgian, Italian and Netherlands delegations wanted the posts in question to be filled by staff who were not nationals of any of the Contracting States in exceptional cases only. However, no Member Delegation felt that a provision on this point should be included in the Convention.

Article 5

Jurisdiction of the Court of Justice of the European Communities

20. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation to the General Drafting Committee (see Preparatory Document No 11, point 18).

Article 6

National patent laws

21. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation to the General Drafting Committee (see Preparatory Document No 11, point 19).

22. A proposal by FICPI that utility models should also be mentioned here (see Preparatory Document No 2, point 7) was not supported by the Member Delegations.

In this connection the Chairman stated that, as he understood the matter, each Contracting State was

¹In accordance with Rule 40, paragraph 4, of the Rules of Procedure (Preparatory Document No 12 and LUX/5), a proposed amendment not seconded by at least two member delegations may not be put to the vote.

free to maintain, amend, supplement or repeal its own utility models law, or even introduce such a law.

23. The delegation of the Federal Republic of Germany and the Netherlands delegation expressed the view that the Contracting States would not be prevented by Article 6 from repealing their national patent laws.

Article 8

Patent Administration Division

24. The delegation of the Federal Republic of Germany proposed that, in accordance with a wish expressed by the Italian delegation, the main responsibility of the Patent Administration Division, namely for decisions in respect of entries in the Register of Community Patents, should be mentioned expressly in paragraph 1 (see LUX/77).

This proposal was unanimously adopted by the Committee of the Whole with two abstentions (see also points 35, 247 and 248 below in this context).

Article 9

Revocation Divisions

25. The Committee of the Whole referred a drafting proposal by CNIPA in respect of paragraph 1 (see Preparatory Documents No 9, point 6 and No 41, point 3) to the General Drafting Committee.

26. The proposal by UNICE (see Preparatory Document No 31, point 2.15) and by CIFE (see Preparatory Document No 32) that this provision should mention the possibility of making reservations under Article 84b (90) was not supported by the Member Delegations.

27. The Committee of the Whole referred an oral comment by the Luxembourg delegation on the French version of the text of paragraph 2 to the General Drafting Committee for examination.

Article 10

Revocation Boards

28. On a proposal by the Netherlands delegation (see LUX/87) and after discussing Articles 72 (77) and 72a (78) (see Section VI, points 459 to 469, below), the Committee of the Whole decided to stipulate in paragraph 1 that the Revocation Boards would also be responsible for expressing an opinion on the extent of protection of a Community patent.

29. The Committee of the Whole had two proposals before it concerning the composition of the Revocation Boards for the purposes of expressing an opinion on the extent of protection of a Community patent: a proposal by the Netherlands delegation in respect of paragraph 2 (see LUX/87) that the Boards should always be composed of five members, i.e. two legal experts and three technical experts, and a proposal by the United Kingdom delegation for a new para-

graph 2a, whereby the Boards would be composed of three members, i.e. one legal expert and two technical experts, where no appeal proceedings were involved (see LUX/92).

The delegation of the Federal Republic of Germany favoured the proposal by the Netherlands delegation primarily on the grounds that if the Board had a large number of members this would ensure that the national court which had asked for the opinion would give it the desired weight.

The French delegation was in favour of a composition whereby, if necessary, the assessment of a legally-qualified member would be decisive and wanted the proposal by the United Kingdom delegation to be amended along these lines.

In the course of the discussions the Netherlands delegation amended its proposal to the effect that a Revocation Board would, when giving its opinion on the extent of protection of a Community patent, normally consist of three members but could exceptionally, where it felt this to be necessary, consist of five members.

FICPI supported the proposal by the United Kingdom delegation, UNICE the proposal by the French delegation and CIFE the amended proposal by the Netherlands delegation.

30. A vote was first taken on the proposal by the United Kingdom delegation.

Two Member Delegations were in favour, four against and three abstained.

A vote was then taken on the proposed amendment put forward by the French delegation (Revocation Boards consisting of two legal experts and one technical expert).

Here again two Member Delegations voted in favour, four against and three abstained.

Finally, a vote was taken on the amended proposal by the Netherlands delegation. It was adopted by the Committee of the Whole with six votes in favour, two against and one abstention.

Article 11

Appointment of members of the Revocation Boards

31. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation on subparagraphs (a) and (b) of paragraph 1 (see Preparatory Document No 11, point 20), to the General Drafting Committee.

Article 12

Independence of the members of the Revocation Boards

32. The Committee of the Whole referred an oral comment by the Irish delegation on the English version of paragraph 1 to the General Drafting Committee.

Article 13

Exclusion and objection

33. Further to an oral request by the Luxembourg delegation that the French version of the title and of paragraph 3, which corresponded verbatim to the text in Article 24 of the European Patent Convention, should be improved, the Committee of the Whole decided as a general principle to adhere to the text of the European Patent Convention even where the latter had stylistic imperfections, provided that the intention was clear. The Committee of the Whole saw no reason to depart from this principle in the case of Article 13.

Article 14

Languages for proceedings and publications

34. The discussion of this Article is dealt with in Section III, points 313 to 315, below.

Article 20

Competence of the Select Committee in certain cases

35. The Italian delegation initially proposed that a new paragraph 3 should give the Select Committee of the Administrative Council powers to give a positive definition of the spheres of responsibility of the Patent Administration Division, which it felt were not clearly defined in Article 8 (see LUX/17).

It subsequently withdrew its proposal after the delegation of the Federal Republic of Germany had submitted its proposal for supplementing Article 8, paragraph 1 (see point 24 above), and it had itself taken over a suggestion by the Chairman for supplementing Rule 1 (see LUX/78) as its own proposal (see points 247 and 248 below).

Article 22

Voting rules

36. The Committee of the Whole adopted the concurring proposals by the United Kingdom delegation and the delegation of the Federal Republic of Germany in respect of paragraph 2 to the effect that the Select Committee of the Administrative Council should also take decisions pursuant to Article 25, subparagraph (a), with a three-quarters majority (see Preparatory Documents No 11, point 1, and No 29, point 5).

Article 23

Weighting of votes

37. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation (see Preparatory Document No 11, point 21) to the General Drafting Committee.

Article 24

Financial obligations and benefits

38. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation (see Preparatory Document No 11, point 22) to the General Drafting Committee.

Articles 27 and 28

39. The discussion of these Articles is dealt with in Section V, points 407 to 418, below.

Article 29

Prohibition of direct use of the invention

40. The Committee of the Whole was of the opinion that in the French version of subparagraphs (a), (b) and (c) the expression 'offrir en vente' was too narrow and should be expanded so as to cover offers for other purposes, e.g. for hire.

41. The Committee of the Whole discussed the proposal by the United Kingdom and Netherlands delegations (see Preparatory Documents No 11, point 2 and No 19, point 5) that in subparagraph (b) prohibition should be restricted to using a patented process. This proposal was supported by the Danish delegation but was opposed by the delegation of the Federal Republic of Germany, the Belgian delegation and the French delegation which considered that—as in the case of offering a patented product—offering a patented process without the consent of the patent proprietor should be prohibited.

The majority of Observer Delegations heard (FICPI, IFIA, ICC, UNION) were also in favour of prohibiting the offer of a process; CPCI spoke against such a provision. EIRMA pointed out that this organization was divided from the legal point of view; prohibition of the offer seemed justified, but on the other hand a provision to this effect could create difficulties in negotiating know-how contracts. CIFE and UNICE then proposed that offers by third parties acting in bad faith should be prohibited (see LUX/15). Several other Observer Delegations were prepared to support this proposal.

The French, United Kingdom and Netherlands delegations could agree to this joint proposal, the agreement of the last two delegations being subject to the condition that the offer was intended to enable the patented invention to be used within the territory of the Contracting States. Subject to this qualification, the Committee of the Whole adopted the proposal by eight votes in favour with one abstention.

42. The Committee of the Whole adopted the proposal by the United Kingdom and French delegations (see Preparatory Documents No 11, point 3 and No 17, point 8) and by several Observer Delegations that the last phrase in subparagraph (c) should be deleted in view of Article 64, paragraph 2, of the European Patent Convention.

Article 30

Prohibition of indirect use of the invention

43. At the instigation of AIPPI, the Committee of the Whole decided to clarify paragraph 1 to the effect that it was prohibited to offer or supply the means referred to for using the invention within the territories of the Contracting States.

44. The Committee of the Whole referred a request by FICPI (see Preparatory Document No 33) to the General Drafting Committee for examination.

45. The request by UNION that paragraph 2 be deleted was not supported by the Member Delegations, nor was its request for supplementing this provision (see Preparatory Document No 45, point 3).

46. At the request of the delegation of the Federal Republic of Germany, the Committee of the Whole noted that the term 'staple commercial products' must be interpreted in such a way as in no event to include products specifically adapted for exploiting the patented invention.

Article 31

Limitation of the effects of a Community patent

47. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation on subparagraph (a) (see Preparatory Document No 11, point 5), which was also supported by a number of Observer Delegations, to the General Drafting Committee.

48. The Committee of the Whole referred a drafting proposal by a number of Observer Delegations concerning the English version of subparagraph (b) (see EIRMA in Preparatory Document No 4, point 3, ICC in Preparatory Document No 8, point 3, UNICE in Preparatory Document No 10, point 4, CIFE in Preparatory Document No 22, point 4, FEMIP in Preparatory Document No 42, point 3(b)) to the General Drafting Committee.

Article 32

Exhaustion of the rights attached to a Community patent

49. The discussion of this Article is dealt with in Section IV, points 385 to 405, below.

Article 33 (37)

Prior national rights

50. The Committee of the Whole first approved the proposal by the delegation of the Federal Republic of Germany regarding paragraph 1 (see Preparatory Document No 29, point 6) that the point of reference should not be the publication of the national patent or of the national patent application but the fact that the application or patent had been made public (see also the observations by the Danish delegation in

Preparatory Document No 16, point 3, and by FICPI in Preparatory Document No 2, points 3 and 4).

51. A proposal by CNIPA concerning the legal consequences of the lapse or revocation of the national patent (see Preparatory Document No 9, point 10) was not supported by any Member Delegation.

52. The Committee of the Whole then discussed a proposal by the Netherlands delegation in respect of paragraph 2 to the effect that the European Patent Office and not the national authorities should be responsible for deciding whether there was a national prior right in a Contracting State which affected the Community patent (see Preparatory Document No 19, points 6 and 7).

After consulting the Member Delegations, the Chairman noted that practically all the Contracting States either had already introduced or intended to introduce the whole contents approach in their national legislation. As the proposal by the Netherlands delegation would necessarily entail application by the European Patent Office of the relevant national legislation in order to assess the existence and the extent of a national prior right, no real difficulty could arise in this respect from a centralized solution, as the European Patent Office would in fact apply harmonized national legislations.

At the beginning of the discussion several Member Delegations tended to favour maintaining the decentralized solution provided for in the draft until the planned unification of national legal provisions on the treatment of prior rights.¹ However, they came round to the view that adoption of the proposal by the Netherlands delegation would not prejudice any future Community arrangement, and would have a positive effect in encouraging the Member States to introduce as soon as possible the whole contents approach for their national patents.

Some Member Delegations (Belgium, Ireland, Italy), supported by CNIPA, pointed out that the centralized solution proposed by the Netherlands delegation would entail some hardship for the owner of the national prior right who would have to start a revocation action at European level instead of going to the national local court in order to establish his rights. It might even be questionable whether the competence for assessing national rights could be given to an international authority such as the European Patent Office.

The United Kingdom delegation replied that acceptance of the proposal by the Netherlands delegation would require as a logical consequence the introduction of a new ground for revocation of Community patents, i.e. the existence of a national prior right. On the point of principle, giving the European Patent

¹ See draft Resolution on the uniform treatment of prior national rights in respect of the Community patent in Preparatory Document No 28.

Office authority to revoke the Community patent on this ground would be no substantial extension of the power already given to it to refuse grant or to revoke a granted patent during opposition proceedings if an earlier application or patent had already disclosed the invention. As to the procedural hardship that the centralized solution might entail, the solution introduced by the Convention should be considered as merely a transitional measure pending the solution of the whole question of litigation of Community patents in order to solve the problems arising from the separation of jurisdiction in respect of infringement and validity.

The Commission Delegation and the majority of the observer delegations (EIRMA, FICPI, ICC) which commented on the proposal by the Netherlands delegation were also in favour of it.

53. The proposal was finally adopted by the Member Delegations with five votes in favour and four abstentions.

54. The Committee of the Whole then discussed whether the present arrangement should be maintained whereby, in the event of the existence of a national prior right, the Community patent would have no effect in the Contracting State in question, or whether this case should constitute a further ground for partial revocation. It was objected that the latter solution would add a further ground for revocation to the list contained in Article 138 of the European Patent Convention which had been accepted as an exhaustive European solution at the Munich Diplomatic Conference. It was noted however that Article 139 of the European Patent Convention, to the provisions of which Article 138 was expressly made subject, would allow this solution. As Article 139, paragraph 2, of the European Patent Convention provided that a national patent would have the same prior right effect with regard to a European patent designating that State as it has with regard to a national patent, it would undoubtedly also be possible for a national patent to have the same prior right effect with regard to a Community patent.

In the course of the discussions the majority of the Member Delegations supported the view of the United Kingdom delegation that the case in question should be regarded as one of partial revocation and thus be included in Article 57.

55. Accordingly, a new subparagraph (f) was subsequently included in Article 57, paragraph 1, and a new paragraph 3 added to that article (see point 133 below).

56. The Committee of the Whole noted that this new ground for revocation would affect the Community patent even if the national patent on which the prior right was based had already lapsed or were to lapse during the revocation proceedings.

57. Since the existence of a national prior right now constituted a ground for revocation, the Committee

of the Whole decided to delete paragraph 2 of the draft Article 33.

58. For reasons of presentation, the substance of paragraph 3 was incorporated in the new Article 78 (see Section VI, point 469, below).

59. In connection with Article 33, the delegation of the Federal Republic of Germany and the French delegation jointly proposed that national patents or patent applications which were protected by secrecy under national law and had a prior right effect with regard to later national patents should also have this effect with regard to a Community patent (see LUX/80), and the latter should to that extent be invalid.

The Committee of the Whole unanimously adopted this proposal and agreed to add a provision to this effect, which initially became Article 38a, paragraph 2, and in the final version Article 37, paragraph 2.

Article 34 (38)

Right based on prior use and right of personal possession

60. The Netherlands delegation, supported by the French delegation, proposed that there should be a new paragraph 2 stipulating that if a person having a right based on prior use or a right of personal possession put a product covered by the patent on the market in a Contracting State, the rights conferred by the Community patent would be exhausted for that State, in so far as the national law of that State so provides in respect of national patents (see LUX/8, page 2).

Although a number of Member Delegations considered that this additional provision was not essential, the Committee of the Whole adopted the proposal for the sake of clarity as a provisional solution pending the outcome of the work provided for in the Resolution concerning prior use or possession (see points 283 to 286 below).

Articles 35 (33) and 36 (34)

61. The discussion of these articles is dealt with in Section III, points 316 to 328, below.

Articles 37 (35) to 42

62. The discussion of these articles is dealt with in Section V, points 419 to 435, below.

Article 43

Contractual licensing

63. The United Kingdom delegation (see Preparatory Document No 35, point 4) and several Observer Delegations (CIFE, EIRMA, FICPI, UNICE) proposed that Article 43 should specify that licences in respect of Community patents could be exclusive or non-exclusive.

The Commission delegation expressed misgivings on the grounds that this qualification could lead to the false conclusion that exclusive licences would also always be admissible from the point of view of cartel law. It pointed out that the situation under Community law was that exclusive licensing agreements were in principle prohibited under Article 85, paragraph 1, of the Treaty establishing the European Economic Community, but could be relieved from the prohibition by virtue of paragraph 3 of the same Article and in accordance with the procedures foreseen to that effect.

The other Member Delegations did not share these misgivings on the grounds that the Community Patent Convention could not interfere with national or Community cartel law.

64. The Committee of the Whole therefore adopted this proposal.

65. The Committee of the Whole referred a drafting proposal by FEMIPi on the German version of the text of paragraph 1 (see Preparatory Document No 42, point 9) to the General Drafting Committee for examination.

66. The United Kingdom delegation proposed that paragraph 2 (finally paragraph 3) be extended to include paragraph 1 of Article 40 in order to make it clear that the grant or transfer of a licence under a Community patent must be in writing, as it could not be entered in the Register of Community Patents if it was not in writing (see Preparatory Document No 11, point 6).

The Italian delegation suggested that this paragraph be replaced by a reference to the requirements under the relevant national legislation.

The delegation of the Federal Republic of Germany stated that its first preference was for the solution suggested by the Italian delegation, but that it could accept a requirement that the grant or transfer of a licence under a Community patent be in writing; it pointed out, however, that the amendment proposed by the United Kingdom delegation would also involve the requirement of the signature of the parties to the contract of grant or transfer of such a licence, and this second requirement was unacceptable to the delegation of the Federal Republic of Germany. The Netherlands delegation supported this point of view.

67. In the light of the observations made, the United Kingdom delegation withdrew its proposal.

68. The delegation of the Federal Republic of Germany proposed that there should be a new paragraph specifying that a patent proprietor could invoke the rights conferred by the patent against a licensee using the invention in excess of an agreed restriction (see LUX/16). It was supported by the United Kingdom and Danish delegations.

The Commission delegation was opposed to this proposal in so far as it would be applicable in particular to contravention of any territorial restrictions

which the licensing agreement might contain. It considered that acceptance of such a provision would imply that the marketing by the licensee of the product protected by the patent outside the territory covered by the licence constituted infringement of the patent; this was however a question which had not yet been settled by the jurisprudence of the Court of Justice of the European Communities and also remained open in the present version of the draft (in particular Articles 32 and 78 (81)). In its view, the prohibition under patent law of direct exports did not come under the specific heading of patent law and therefore constituted a measure having equivalent effect to quantitative restrictions, which was prohibited under Articles 30 et seq. of the EEC Treaty. Moreover, the proposal by the German delegation should also be rejected on the ground that in all cases in which there was no intermediate trade it would lead to absolute territorial protection. The Commission recognized, however, that for small and medium-sized enterprises in particular there might be a need for protection against direct imports. It expected that it would adopt a regulation on block exemption for patent licensing agreements, in which account would be taken of this need for protection, before the Community Patent Convention entered into force.

The delegation of the Federal Republic of Germany, supported by the United Kingdom delegation, stated that the proposed provision was only intended to clarify the consequences as regards patent law of the grant of a licence containing a territorial restriction clause in accordance with paragraph 1.

69. Finally, the Committee of the Whole adopted the proposal with eight votes in favour and one against.

70. In view of the adoption of this proposal EIRMA withdrew its proposal, which was essentially the same (see Preparatory Document No 34, point II, 6).

Article 44

Licences of right

71. The Committee of the Whole first approved the proposal by the United Kingdom delegation (see Preparatory Document No 11, point 34) that it should be stipulated in paragraph 1 that while a statement of readiness to grant licences of right could not be withdrawn, it would be considered to have lapsed on change of proprietorship of the patent under Article 28, paragraph 1.

72. The Committee of the Whole then discussed the supplementary proposal by FEMIPi (see Preparatory Document No 42, point 10) to the effect that it should be possible to withdraw the statement as long as no third party had availed himself of the possibility of exploiting the invention. This proposal was supported by the Belgian, United Kingdom and French delegations.

In the interests of third parties who would rely upon entries of statements of readiness to grant licences of right in the Register of Community Patents, the

delegation of the Federal Republic of Germany was opposed to the proposal.

The Committee of the Whole agreed with the substance of the FEMIPi proposal (see paragraph 2 (new)). It felt, however, that steps should be taken to ensure (possibly in Rule 9 (11)) that the European Patent Office was informed as soon as a third party availed himself of the possibility of exploiting the invention (see point 255 below).

73. The Committee of the Whole referred a drafting proposal by FICPI in respect of paragraph 3 (see Preparatory Document No 2, point 26) to the General Drafting Committee.

74. The Committee of the Whole supplemented paragraph 5 in the light of the amendments decided in the case of paragraph 1 (see point 71 above).

Article 45

The European patent application as an object of property

75. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation in respect of paragraph 1 (see Preparatory Document No 11, point 35) to the General Drafting Committee.

Article 46

Compulsory licences

76. The Committee of the Whole referred a drafting proposal by the United Kingdom delegation in respect of paragraph 1 (see Preparatory Document No 11, point 36) to the General Drafting Committee.

77. On a proposal by the United Kingdom delegation and the delegation of the Federal Republic of Germany (see Preparatory Document No 35, point 5(2) and LUX/48) and with the agreement of several Observer Delegations (see CIFE in Preparatory Document No 32, EIRMA in Preparatory Document No 34, point II, 7, UNICE in Preparatory Document No 31, point 2.5) the Committee of the Whole decided to specify in paragraph 1 that the rights conferred by a Community patent would not be exhausted where a product covered by the patent had been marketed in a Contracting State on the basis of a compulsory licence.

78. At the request of certain Observer Delegations (see CEEP in Preparatory Document No 30, point 15, EIRMA in Preparatory Document No 34, point II, 7, FEMIPi in Preparatory Document No 42, point 11) the Chairman noted that the Committee of the Whole agreed that the provision in paragraph 1 (third sentence) restricting the extent of a compulsory licence to the territory of the State granting it also applied to the sub-categories of compulsory licence referred to in Articles 47 and 48.

79. The proposal by IFIA that it should not be possible to grant compulsory licences in respect of a

Community patent until three years after the grant of the patent (see Preparatory Document No 44, page 22) was not supported by the Member delegations.

80. Further to the proposal by CNIPA that national authorities should notify the European Patent Office of the grant of any compulsory licence in respect of a Community patent (see Preparatory Document No 9, point 20), the Committee of the Whole decided on a recommendatory provision to this effect (new paragraph 3) which would however not have any legal consequences if not complied with.

81. At the request of the United Kingdom delegation, the Chairman noted that the Committee of the Whole agreed that the expression 'right to use patented inventions in the public interest' (in the new paragraph 4) included the right of a Government to use a patented invention or to approve such use ('Crown use' in the United Kingdom).

82. The French delegation stated that it understood the term compulsory licences in the new paragraph 4 as including licences issued in the interests of public health, in the interests of the economy or in the interests of national defence (Articles 37, 39 and 40 of the French patent law of 2.1.1968).

Article 47

Compulsory licences for lack or insufficiency of exploitation

83. The United Kingdom delegation requested that instead of referring to needs 'in the territory' of a Contracting State, reference should be made to the needs of that Contracting State in order to allow for any export needs (see Preparatory Document No 11, point 8, second paragraph). It was supported by the Italian delegation.

The German, French and Netherlands delegations opposed this request and referred to earlier discussions in the 'Community Patent' Working Party since which no new aspects had been raised. Furthermore, this problem would be resolved under the planned common rules on the granting of compulsory licences in respect of Community patents.

84. In the subsequent vote two Member Delegations voted in favour of and five against the request by the United Kingdom delegation; two Member Delegations abstained.

The Chairman noted that the Committee of the Whole was of the opinion that, although the proposal of the United Kingdom delegation had not been adopted, this decision did not exclude the possibility of compulsory licences being granted in order to meet the export needs of a Contracting State where this was in the public interest of that State.

85. The United Kingdom delegation withdrew its further request that Article 47 be amended to provide that compulsory licences could also be granted in a Contracting State where a product protected by a

patent could not be supplied to that State at reasonable prices (see Preparatory Document No 11, point 8, first paragraph). In doing so it assumed that in such cases it would be possible for compulsory licences to be granted in the public interest without an express provision to this effect or for action to be taken for abuse of a monopoly position.

86. Finally, the Committee of the Whole decided, at the suggestion of the United Kingdom delegation (see Preparatory Document No 11, point 8, third paragraph) to delete the words 'on the initiative of the State in question' in the second sentence.

Article 48

Compulsory licences in respect of dependent patents

87. FEMIPi withdrew a proposal for supplementing Article 48 (see Preparatory Document No 42, point 12).

88. IFIA also withdrew its proposal for a minimum time limit for the grant of compulsory licences (see Preparatory Document No 44).

Article 49

Renewal fees

89. The Committee of the Whole referred a drafting proposal by the delegation of the Federal Republic of Germany concerning the German version of paragraph 2 (see Preparatory Document No 29, point 8) to the General Drafting Committee.

90. The Committee of the Whole agreed that paragraph 2, which corresponded to Article 86, paragraph 2, of the European Patent Convention, was to be understood as meaning that the additional fee would be deemed to have been paid at the same time as the renewal fee if it was paid within six months of the date when the renewal fee fell due. It decided to include a provision to this effect in the Implementing Regulations (see Rule 10 (12), paragraph 2 (new)).

91. The proposal by UNION that the Convention should stipulate that where the patent proprietor failed to pay the renewal fee, he should be notified of the possibility of his patent lapsing (see Preparatory Document No 3, point 9) was not taken up by any of the Member Delegations. Bearing in mind the discussions on the payment of renewal fees under the European Patent Convention, it was however envisaged that the European Patent Office would in practice endeavour to inform patent proprietors when their renewal fees fell due.

Article 50

Surrender

92. A proposal by FEMIPi that it should be made clear in paragraph 1 that a Community patent could only be surrendered in respect of all the Contracting

States together (see Preparatory Document No 42, point 14) was not supported by any of the Member Delegations, which pointed to the principle set forth in Article 2.

93. A proposal by UNION that paragraph 1 should stipulate that where a national prior right existed, it should be possible for the Community patent to be surrendered only in respect of the country concerned, was not supported by any of the Member Delegations, which considered that in such a case the proprietor of the Community patent should request limitation in accordance with Article 52, paragraph 1 (see point 116 below).

94. The proposal by the Netherlands delegation in respect of paragraph 2 that surrender should only take effect three months after the date on which the Community Patent Bulletin mentioned the entry of the surrender in the Register of Community Patents (see LUX/8) was not adopted by the Committee of the Whole.

95. The Netherlands delegation requested that paragraph 3 be amended so that if any licence were recorded in the Register of Community Patents the licensee would have to consent to the surrender of the patent (see LUX/8, page 3). It saw no difference in this respect between exclusive and non-exclusive licences. The proposal was supported by several Member Delegations. The other Member Delegations stated that they would first like to know the views of the Observer Delegations before reaching a decision.

Several Observer Delegations favoured the proposal by the Netherlands delegation which they considered to be reasonable in the interests of legal certainty on the part of the licensee (AIPPI, COPRICE, CPCCI, FICPI). It was however also conceded that the interests of licensees could differ greatly in individual cases (CNIPA, ICC). In this context, one organization (UNICE) drew attention to the possibility of an exclusive licensee becoming a non-exclusive licensee as a result of the application of the rules of competition under the Treaty of Rome, in which case the licensee would benefit from the proposal by the Netherlands delegation. One organization (UNION) was however opposed to a non-exclusive licence conferring an indefinite right upon the licensee.

After an initial survey, the United Kingdom and French delegations also tended to favour the proposal by the Netherlands delegation. The delegation of the Federal Republic of Germany however continued to have misgivings. It felt that such an arrangement would only make it more difficult for a patent proprietor to decide to grant licences.

The Chairman pointed out that if the proposal by the Netherlands delegation were adopted, a non-exclusive licence would be placed on the same footing as regards its effects as a right *in rem* in respect of a

patent. It should also be considered whether at least licences granted on the basis of a statement of readiness to grant licences under Article 44 should not be excepted since it was otherwise unlikely that such statements would be made.

96. At a subsequent meeting the discussion was continued on the basis of a proposal submitted in the meantime by the delegation of the Federal Republic of Germany (see LUX/42). This delegation explained that its proposal was intended to strengthen the position of a person holding a non-exclusive licence by providing that surrender would only take effect after a period of three months; during this period the licensee could either come to an agreement with the patent proprietor or take legal action against him. This proposal was also considered acceptable by the Italian delegation.

The Netherlands delegation insisted on its request that exclusive and non-exclusive licences should be treated equally and surrender of the patent be subject to the consent of the licensee. It referred to the Netherlands law which contained a similar arrangement which had not given rise to any difficulties to date.

The United Kingdom delegation supported the Netherlands delegation in its desire for equal treatment for exclusive and non-exclusive licences but was in favour of the arrangements for non-exclusive licences proposed by the delegation of the Federal Republic of Germany being applied to both types of licence (period of three months before the surrender takes effect).

The Netherlands delegation finally qualified its proposal to the effect that it would not apply to licences under Article 44.

Faced with a choice between the amended proposal by the Netherlands delegation and the proposal by the delegation of the Federal Republic of Germany, CIFE, CNIPA and FEMIPi were in favour of the latter since it achieved the better balance between the interests of the patent proprietor and the licensee. EIRMA and ICC considered both solutions acceptable.

97. The Committee of the Whole first voted on the amended proposal by the Netherlands delegation since this was the more far-reaching. Two Member Delegations voted in favour and three against this proposal with the remaining Member Delegations abstaining.

The Committee then voted on the proposal by the delegation of the Federal Republic of Germany. Six Member Delegations were in favour and one against with the others abstaining.

Finally the Chairman put the additional proposal by the United Kingdom delegation to the vote (surrender of the patent without the consent of the person holding a recorded licence, whether exclusive or not, but subject to the delay in effect of the surrender proposed by the delegation of the Federal Republic of Germany).

Four Member Delegations voted in favour of this proposal with the others abstaining.

98. The Committee of the Whole accordingly adopted paragraph 3 as provided for in the last-mentioned proposal, and a new Rule 10a (13).

99. The Committee of the Whole also agreed that analogous arrangements would apply to the filing of a request for limitation of a Community patent in respect of which a licence was recorded in the Register of Community Patents.

100. The proposal by FEMIPi that surrender should be revocable in certain cases (see Preparatory Document No 42, point 14) was not supported by any of the Member Delegations.

Article 51

Lapse

101. The proposal by CEEP to add in paragraph 1 a further situation in which a Community patent would lapse (see Preparatory Document No 30, point 17) was withdrawn.

102. The proposal by COPRICE to add a new paragraph relating to re-establishment of rights (see Preparatory Document No 5, point 8) was also withdrawn.

103. The Committee of the Whole referred similar drafting proposals by the United Kingdom delegation (see Preparatory Document No 11, point 9) and by FEMIPi (see Preparatory Document No 42, point 15) in respect of paragraph 3 to the General Drafting Committee.

104. The Committee of the Whole also referred a drafting proposal by the United Kingdom delegation in respect of paragraph 4 (see Preparatory Document No 11, point 38) to the General Drafting Committee.

Part III, Chapter II

Limitation procedure

105. The Committee of the Whole referred to the General Drafting Committee the question raised by CEEP (see Preparatory Document No 30, point 18) as to the use in English of the word 'request' in respect of limitation and the word 'application' in respect of revocation.

106. The Committee of the Whole examined the question raised by FICPI (see Preparatory Document No 2, point 27) and CNIPA (see Preparatory Document No 9, point 23) whether the provisions governing limitation would be extended so as to cover the correction of obvious errors, as these delegations feared that the draft Community Patent Convention did not provide the same opportunity for correcting obvious errors—in particular in the specification of the Community patent—as was afforded by Rule 88 of the Implementing Regulations to the European Patent Convention (see also the observation by UNION in Preparatory Document No 3, point 12).

The Committee of the Whole decided that this opportunity was provided by Rules 88 and 89 of the Implementing Regulations to the European Patent Convention via the reference in Rule 27 (33) of the Implementing Regulations to the Community Patent Convention; in particular, the specification of the Community patent was covered as a decision of the European Patent Office.

107. In reply to a suggestion by CNIPA (see Preparatory Document No 41, point 17) that a procedure be added for lodging opposition to limitation, the Committee of the Whole pointed out that there would be no procedure for opposition to surrender, and that, as a general rule, similar conditions would apply to limitation proceedings as to surrender.

108. The Italian delegation expressed doubts (see LUX/41, point 3(a)) whether the European Patent Convention left the authorities of the Contracting States to that Convention free to amend, at the request of the proprietor, the content of a European patent, and consequently whether the Community States could empower the special departments of the European Patent Office to limit a Community patent.

The Committee of the Whole pointed out in reply that it had already been agreed (see points 323 to 326 below) that once a European patent had been granted by the European Patent Office, that patent would be governed in each of the designated States by the national law of that State, and that a Community patent would be governed by the Community Patent Convention. The European Patent Convention therefore left the Community States quite free to provide for a procedure for limiting the Community patent.

Article 52

Request for limitation

109. The proposal made by UNION in respect of paragraph 1 with regard to holders of rights under the Community patent (see LUX/37 in conjunction with Preparatory Document No 3, point 10) was withdrawn in the light of the decision by the Committee of the Whole to align the arrangements for limitation on the arrangements for surrender in this respect (see point 99 above). The General Drafting Committee was asked to draw up a provision reflecting this decision in Article 52 (finally paragraph 4).

110. FICPI asked whether paragraph 1 should require the proprietor of the Community patent to give the reasons for limitation (see Preparatory Document No 2, point 28), and CNIPA made a proposal to this effect (see Preparatory Document No 41, point 15).

This proposal was supported by the United Kingdom and Irish delegations on the understanding that it would not lead to the European Patent Office having to carry out a full re-examination of the Community patent.

The delegation of the Federal Republic of Germany,

supported by the Netherlands delegation, opposed the CNIPA proposal. It pointed out that limitation amounted to partial surrender, and that once the proprietor was not required to give his reasons for surrendering his Community patent, he should not be required to give reasons for limiting it. If reasons were to be required, it would have to be considered: how they should be set out; what would happen if the European Patent Office considered that the reasons given did not justify limitation but the proprietor wanted to limit the Community patent nevertheless; what would happen if the proprietor gave the wrong reasons; what would constitute a valid reason for limitation.

CNIPA and FICPI stated that it would be difficult for the European Patent Office to apply Article 53, paragraph 1, if the proprietor gave no reasons for requesting limitation. UNION and EIRMA considered that the proprietor should be allowed to state his reasons for requesting limitation if he wished to do so, but that he should not be required to do so.

111. The Committee of the Whole voted against the proposal by a majority of three to two, with four abstentions.

112. None of the Member Delegations supported the proposal made by UNICE (see Preparatory Document No 31, point 2.15) and CIFE (see Preparatory Document No 32).

113. With regard to the proposal by the Italian delegation (see LUX/41, point 3(b)) that references to legal proceedings under Article 27 be added in paragraphs 2 and 3, the Chairman pointed out that Rule 13 of the Implementing Regulations to the European Patent Convention, via Rule 6 of the Implementing Regulations to the Community Patent Convention, provided for a stay of limitation proceedings in the case raised by the Italian delegation.

In the light of this explanation, the Italian delegation withdrew its proposal and FEMIPi also withdrew its proposal to add a new paragraph 5 to Article 54 (see Preparatory Document No 42, point 17).

114. The Committee of the Whole decided to refer to the General Drafting Committee the point raised by the Netherlands delegation (see Preparatory Document No 19, point 13) as to the rendering in French of the term 'final decision' in the context of paragraph 3.

115. FEMIPi withdrew its proposal in Preparatory Document No 42, point 16.

116. CNIPA asked whether, in view of the fact that the Committee of the Whole had already decided to allow different claims for different States in certain cases, the proprietor of the Community patent should be allowed to request such territorial limitation of his patent.

The Committee of the Whole decided that territorial limitation of the Community patent should be allowed only where the European Patent Office was satisfied

that there was a prior national right or a prior European right in the State concerned and a provision to this effect was added in paragraph 1. It was agreed that the proprietor would be required to provide evidence of such a prior right.

Article 53

Examination of the request

117. With regard to the proposal made by the Italian delegation (see LUX/41, point 4) with a view to safeguarding the rights of licensees and other third parties holding rights in respect of a Community patent when the proprietor sought to limit that patent, the Committee of the Whole noted that it had already decided to adopt the same solution as for surrender (see points 99 and 109 above).

118. EIRMA asked what would be the consequence if the examination provided for in paragraph 1 revealed that the grounds for revocation mentioned in Article 57, paragraph 1(a) to (d), would prejudice the maintenance of the patent in the limited form requested by the proprietor.

The Committee of the Whole replied that, as stated in Article 54, paragraph 1, the Revocation Division would reject the request for limitation in such a case; revocation of the patent would be too severe in view of the voluntary nature of limitation proceedings.

Article 54

Rejection of the request or limitation of the Community patent

119. The proposals by the Danish delegation in respect of paragraph 2 of this Article (see Preparatory Document No 16, point 4) and by the delegation of the Federal Republic of Germany (see Preparatory Document No 29, point 9) were discussed in relation to Article 59 (see point 135 below).

120. The Irish delegation asked in respect of paragraph 2(b) whether it would be necessary, where a claim was limited in respect of one Contracting State only, for the amended claim to be translated into the official language of any other Contracting State.

The Committee of the Whole agreed with the reply given by the French delegation that the public throughout the Community should be informed of any change in the scope of the Community patent in any Contracting State, and that therefore no derogation should be made from paragraph 2(b).

Article 55

Publication of a new specification following limitation proceedings

121. The Committee of the Whole pointed out that the point raised by FEMIP in respect of this Article and of Article 60 (see Preparatory Document No 42, point 18), was adequately covered by Rule 15(20).

Article 56

Application for revocation

122. The Netherlands delegation explained that the purpose of its proposal in respect of paragraph 1 (see Preparatory Document No 19, point 14, as supplemented by LUX/8) was that where one of the persons entitled to be entered in the Register of Community Patents as joint proprietors of the Community patent in place of the registered proprietor wished to have the Community patent revoked while the others wished to have it transferred to them, he should not be allowed to have the patent revoked against the will of the others.

It was pointed out that the proposal by the Netherlands delegation, as drafted in LUX/8, did not have this effect, but rather prevented any person entitled to be registered as a joint proprietor from applying for revocation of the Community patent, even if all of the joint proprietors wanted to have the patent revoked.

123. The Netherlands delegation accordingly amended its proposal to allow an application for revocation to be filed on the ground of entitlement by either the person entitled to be registered as the sole proprietor or all the persons entitled to be entered as joint proprietors acting jointly.

The United Kingdom delegation supported this amended proposal. It considered that disputes between persons recognized as being entitled to be joint proprietors should be settled by national courts and pointed out that the work of the European Patent Office would be greatly simplified if all the joint proprietors had to give their consent to an application for revocation.

The delegation of the Federal Republic of Germany considered that where a person obtained a court decision entitling him to part of the patent, but did not wish to avail himself of it, and the original proprietor no longer wished to avail himself of the remainder of the patent, it would be simpler if the original proprietor were allowed to surrender the patent, rather than both joint proprietors being obliged to apply for revocation jointly.

124. The Committee of the Whole adopted the amended proposal by the Netherlands delegation unanimously, with one abstention.

125. FICPI explained that its proposal in respect of paragraph 1 (see Preparatory Document No 2, point 30) was intended to make it clear that not only complete revocation but also partial revocation of a Community patent could be sought; this could be of importance in awarding costs.

The delegation of the Federal Republic of Germany pointed out that the concern of FICPI appeared to be sufficiently met by Rule 16(21), subparagraph (c), and the Committee of the Whole therefore decided to refer to the General Drafting Committee the ques-

tion of whether this matter should be dealt with by the Convention or by the Implementing Regulations.

126. The proposal by UNICE (see Preparatory Document No 31, point 2.15) was referred to the General Drafting Committee.

127. FEMIPi withdrew its proposal in respect of paragraph 4 (see Preparatory Document No 42, point 19).

128. It was pointed out in respect of the proposal submitted by COPRICE with regard to paragraph 6 (see Preparatory Document No 5, point 9) that it would be possible to enforce the payment of costs by an applicant for revocation who had his residence or principal place of business within the territory of the Contracting States, without having to include a provision to this effect in the Convention.

No Member Delegation supported the COPRICE proposal.

129. The proposal by the United Kingdom delegation (see Preparatory Document No 11, point 31) was referred to the General Drafting Committee.

Article 57

Grounds for revocation

130. With regard to the suggestion made by CNIPA in respect of paragraph 1(b) (see Preparatory Document No 9, point 24), it was pointed out that this matter was already adequately covered by the wording of this provision and that of Rule 28, paragraph 1, of the European Patent Convention. The Committee of the Whole agreed therefore that no amendment was required.

131. The Committee of the Whole decided not to adopt the amendment proposed by FEMIPi (see Preparatory Document No 42, point 20), since the wording of the draft followed the wording of the corresponding provision of the European Patent Convention (Article 138, paragraph 1(b)).

132. The proposal made by the Netherlands delegation in respect of paragraph 1(e) (see Preparatory Document No 19, point 15), was referred to the General Drafting Committee.

133. In the light of the decisions taken in respect of Article 33(37), the Committee of the Whole added a new subparagraph (f) in paragraph 1 and a new paragraph 3 (see points 52 to 56 above).

134. With regard to the proposal by UNION in respect of paragraph 2 (see Preparatory Document No 3, point 13), the Committee of the Whole agreed that the use of the word 'or' in this case was not to be interpreted as meaning that amendments to the claims, the description or the drawings were mutually exclusive; moreover, the wording of the draft followed that of Article 138, paragraph 2, of the European Patent Convention. The proposal was therefore not adopted.

Article 59

Revocation or maintenance of the Community patent

135. The Danish delegation stated with regard to its proposal to align Article 54, paragraph 2, of the Community Patent Convention on Article 102, paragraph 3, of the European Patent Convention and Article 59, paragraph 3, of the Community Patent Convention (see Preparatory Document No 16, point 4), that it could accept the proposal of the delegation of the Federal Republic of Germany (see Preparatory Document No 29, point 9) to amend Article 59, paragraph 3, and then align Article 54, paragraph 2, thereon.

It was pointed out in this respect that the situations in these two provisions were not exactly parallel. Whereas in revocation proceedings amendments were made by the proprietor of the patent to meet the grounds for revocation raised, in limitation proceedings amendments were proposed by him.

136. The Committee of the Whole referred Article 59, paragraph 3, and Article 54, paragraph 2, to the General Drafting Committee with instructions to take account of this difference in emphasis when considering to what extent the two provisions could be aligned.

137. UNICE stated that its observation in respect of Article 59, paragraph 3, and Rule 20 (25), paragraph 5 (see Preparatory Document No 31, point 2.10, first paragraph) was a drafting matter; it was therefore referred to the General Drafting Committee.

Article 61

Costs

138. The Committee of the Whole adopted the proposal by the delegation of the Federal Republic of Germany (see Preparatory Document No 15, point 7) that the first sentence of paragraph 1 be aligned on Article 104, paragraph 1, first sentence, of the European Patent Convention.

139. The proposal by the Netherlands delegation (see Preparatory Document No 19, point 16) was referred to the General Drafting Committee.

Article 63

Further appeal

140. UNION (see Preparatory Document No 3, point 15) and the delegation of the Federal Republic of Germany (see Preparatory Document No 15, point 8) suggested that the time limit in paragraph 4 be aligned on those set in Article 108, paragraph 1, of the European Patent Convention.

It was pointed out by the United Kingdom delegation and confirmed by the representative of the Court of Justice of the European Communities that the period of two months was the normal time-limit for appeals to the Court of Justice; reference was made to the

relevant provisions of the Treaty of Rome, the Protocol on the Statute of the Court of Justice and the Rules of Procedure of the Court of Justice. The representative of the Court of Justice considered therefore that it was desirable that the same time-limit be applied under the Community Patent Convention.

141. In the light of these explanations, the delegation of the Federal Republic of Germany and UNION withdrew their suggestion.

142. UNION asked in this connection whether the grounds that had to be set out in the further appeal should be detailed, or whether they could be a brief statement which could be amplified later.

The representative of the Court of Justice replied that, in accordance with Article 19 of the Statute of the Court of Justice, 'a brief statement of the grounds on which the application is based' was required.

143. The representative of the Court of Justice pointed out that the procedure before the Court of Justice was not normally subject to the payment of fees, and that therefore paragraph 6 was not in accordance with the Rules of Procedure of the Court of Justice.

144. The Committee of the Whole therefore instructed the General Drafting Committee to remove this anomaly, if appropriate by deleting the paragraph.

Article 64

Common provisions governing procedure and representation

145. The Committee of the Whole had before it a number of proposals for amendment to Article 64, arising from the fact that the application of subparagraph (e) of the draft to Articles 133 and 134 of the European Patent Convention would mean that only a representative who was a national of one of the Contracting States to the Community Patent Convention and who had his place of business or employment within the territory of one of those States would be entitled to act before the special departments of the European Patent Office.

146. The Austrian, Liechtenstein, Norwegian, Swedish and Swiss delegations, as signatory States to the European Patent Convention which are not members of the European Communities, had submitted a joint proposal (see LUX/20) which, by excluding Articles 133 and 134 of the European Patent Convention from the provisions to which Article 64, subparagraph (e) applied, had the effect of extending the right to act before the special departments of the European Patent Office to all persons entitled to act before the European Patent Office under Articles 133 and 134 of the European Patent Convention, irrespective of whether they were nationals of or had their place of business or employment within a Community State.

The Austrian delegation stated that the purpose of this proposal was to ensure that there was no dis-

crimination between those entitled to act under the European Patent Convention and those entitled to act under the Community Patent Convention, as the special departments were parts of the European Patent Office and not a separate patent office, and the European patent system set up by the two Conventions was to be considered as a whole. The reasons why many States' national laws restricted the right to act as professional representatives in national proceedings to their own nationals were not relevant in the case of the Community Patent Convention, particularly in view of the similarity between proceedings under the European Patent Convention and those under the Community Patent Convention; there seemed no justification for barring a representative who had taken part in the proceedings under the European Patent Convention in respect of a European patent application, and was therefore conversant with procedure before the European Patent Office, from taking part in proceedings under the Community Patent Convention in respect of the resulting patent, merely on the ground that he was not a national of a Community State.

The Swiss delegation fully endorsed the arguments put forward by the Austrian delegation and added a number of further arguments. The differences between national patent laws, which could justify nationality restrictions in respect of representation before national authorities, were not relevant to the proceedings under the Community Patent Convention. In addition, opposition in Switzerland to ratification of the European Patent Convention would be sustained if Swiss patentees were put at a disadvantage in comparison with Community patentees in respect of representation, particularly as it was likely that practically all European patent applications filed by Swiss nationals would designate all the Community States. Moreover, there was an apparent contradiction between Article 64, subparagraph (e), as now drafted and Article 87(96), which indicated that membership of the European Communities was not indispensable for enjoying the benefits of the Community Patent Convention. Furthermore, consideration was being given to the possibility of extending entitlement to act as a representative in Switzerland to nationals of the signatory States to the European Patent Convention, but this would be hardly possible if Swiss applicants for European patents had to have a different representative under the Community Patent Convention from their representative under the European Patent Convention.

FICPI, which had submitted a similar proposal (see Preparatory Document No 33), supported the arguments put forward by the Austrian and Swiss delegations.

147. The Austrian, Liechtenstein, Norwegian, Swedish and Swiss delegations had submitted an alternative proposal (see LUX/61 as amended by LUX/61 Corr. 1) to be considered if their main proposal in LUX/20 was not accepted. The effect of this alternative proposal was that in addition to

nationals of and representatives having a place of business or employment in a Community State, a representative who had acted before the European Patent Office under the European Patent Convention would be allowed to represent the same party in proceedings before the special departments.

148. The Austrian delegation stated that its earlier proposal (see Preparatory Document No 37) was also to be considered as an alternative to the main proposal in LUX/20. This earlier proposal would have the same effect as the main proposal, but would achieve it by removing the reference to Chapter III of Part VII of the European Patent Convention from Article 64, rather than by excluding Articles 133 and 134 of that Convention from the scope of subparagraph (e).

149. The Swedish delegation had also submitted an alternative proposal (see LUX/62 as amended by LUX/62 Corr. 1), whereby not only certain categories of persons in the Community States would be entitled to act before the special departments, but also persons in the same categories in any non-Community States parties to the European Patent Convention which, in revocation proceedings before their national authorities, applied principles regarding representation of natural and legal persons having their residence or principal place of business in a Community State, which were not more restrictive than the provisions of Articles 133 and 134 of the European Patent Convention.

150. FICPI had also submitted an alternative proposal (see LUX/55) to its main proposal in Preparatory Document No 33, to the effect that an employee who had acted before the European Patent Office under the European Patent Convention could act before the special departments on behalf of the same employer in respect of the corresponding patent; a professional representative who had acted before the European Patent Office under the European Patent Convention could act before the special departments in respect of the corresponding patent; and a person, who fulfilled the conditions devolving from Article 64, subparagraph (e), representing a party before the special departments, could be assisted by a person who did not fulfil those conditions but who was entitled to act in proceedings established by the European Patent Convention.

151. FEMIFI stated that the weakness of the draft was that, by limiting entitlement to act before the special departments to representatives from the Community States, it would oblige an applicant from a non-Community State to choose between changing his representative once the patent was granted, and appointing a representative from a Community State from the outset; both courses involved considerable disadvantages. On the other hand, the solution advocated by the non-Community States signatory to the European Patent Convention, which extended this entitlement to all the persons entitled under Articles 133 and 134 of the European Patent Convention, was too far-reaching in the view

of FEMIFI and might raise problems for the Community States when they sought ratification of the Community Patent Convention. FEMIFI, which represented interests in five Community countries and four countries outside the Community, had therefore put forward its compromise proposal (see LUX/67), which, while extending entitlement to act as a professional representative beyond the Community countries (which was in line with the decision already taken by the Committee of the Whole that the staff of the special departments need not necessarily be nationals of Member States of the Community), limited it to those nationals of the States parties to the European Patent Convention who were already included on the European Patent Office's list of professional representatives and who had acted as professional representatives in proceedings under the European Patent Convention in respect of the same patent or the European patent application on which it was based.

With regard to the proposal by the Swedish delegation that the criterion of reciprocity be introduced, FEMIFI pointed out that in all the States parties to the European Patent Convention which were outside the Communities, other than Austria, revocation was a matter not for the patent offices but for the courts, with the result that it would be difficult to establish rules of reciprocity in this respect, whereas cases of limitation and surrender were likely to be very rare. FEMIFI therefore considered a reciprocity requirement unnecessary.

CEEP and UNICE supported the proposal by FEMIFI.

UNION stated that the majority of its members was in favour of keeping Article 64 as it appeared in the draft, but if amendments had to be made, it would reluctantly support the proposal by FEMIFI as the least objectionable of those put forward.

COPRICE was in favour of a solution involving reciprocity, whereby a non-Community representative would be able to act to a limited extent before the special departments, and a Community representative would be able to act to the same limited extent before the national authorities of the States parties to the European Patent Convention which were not members of the European Communities; this would avoid the imbalance of authorizing non-Community representatives to act before the special departments while Community representatives were not allowed to act outside the Community.

152. The delegations of the nine Member States stated that, having considered all the proposals put forward, they unanimously adopted the proposal by FEMIFI, subject to provision being made for some form of reciprocity in respect of representation between the Community States and the States parties to the European Patent Convention which were not members of the European Communities. They envisaged that such reciprocity would be in respect of acts done before central industrial property offices,

and considered that the rules governing it should be left to be determined by the Select Committee of the Administrative Council.

At a subsequent meeting the Committee of the Whole resumed its examination of this matter on the basis of a draft prepared by the General Drafting Committee of a new paragraph 2 of Article 64 (see LUX/76).

153. The Austrian delegation proposed that the States parties to the European Patent Convention which were not members of the European Communities be allowed to participate in the determination of the rules on reciprocity, otherwise they might well encounter difficulties in having the European Patent Convention ratified.

The Committee of the Whole rejected this proposal by the Austrian delegation on the grounds that the solution adopted by the member delegations was in itself a concession to those States, and that it was not reasonable to require the Select Committee to include those States in the drawing up of the rules.

154. The Swiss delegation considered that subparagraph (a) of the new paragraph 2 was too wide, and suggested that it be limited to the professional representative registered in the Register of European Patents.

155. UNICE agreed that this provision should apply not to any person who had represented the party concerned at any stage in proceedings under the European Patent Convention, but solely to the person last registered in the Register of European Patents as the professional representative of that party.

156. The Committee of the Whole adopted this proposal.

157. The Swiss delegation proposed that it be specified that the reciprocal arrangements granted by non-Community States under subparagraph (b) of the new paragraph 2 should be only in respect of representation of proprietors of patents granted under the European Patent Convention, and should not cover national patent applications, national patents, or European patent applications which had been converted into national patent applications in accordance with Part VII, Chapter I, of the European Patent Convention. This proposal was supported by the Austrian delegation.

158. UNICE submitted a similar proposal, whereby it was specified that reciprocity would concern 'representation in matters relating to national patents granted under the European procedure' (see LUX/85), as these matters, in the view of this delegation, were parallel to proceedings concerning Community patents before the special departments.

159. The Austrian delegation proposed that it be specified that the rules on reciprocity would relate to proceedings concerning entries in the Register and the payment of fees.

160. The Committee of the Whole decided that it was not necessary to state explicitly in paragraph 2(b)

the points contained in the proposals by the Swiss delegation and UNICE, as the rules on reciprocity were to be drawn up by the Select Committee of the Administrative Council. Furthermore, the Austrian proposal was too restrictive, as the Committee of the Whole considered that reciprocity would probably apply to other proceedings as well as those mentioned.

161. UNICE asked whether the payment of renewal fees was to be regarded as a proceeding within the meaning of Article 133, paragraph 2, of the European Patent Convention, as if it was, proprietors of patents who were not nationals of or resident in the Community States would require a professional representative for such payment.

162. The Committee of the Whole agreed that the payment of renewal fees was not a proceeding within the meaning of that article, and therefore could be carried out without a professional representative.

163. The Netherlands delegation suggested that this be stated in the Implementing Regulations to the Community Patent Convention to remove all possible doubt.

164. The Committee of the Whole decided that this was not necessary, as this point could be included in the rules on reciprocity to be drawn up by the Select Committee of the Administrative Council.

165. UNICE asked that under the rules on reciprocity a Community proprietor of a European patent be allowed to pay renewal fees to the central industrial property offices of States parties to the European Patent Convention which were not members of the European Communities without a professional representative.

166. EIRMA proposed that subparagraph (b) of paragraph 2 be deleted, as it was uncertain how it would be applied, and it could therefore render subparagraph (a) inapplicable. Moreover, as revocation proceedings before the national industrial property offices were likely to be rare and as it had now been established that renewal fees need not be paid through a professional representative, reciprocity arrangements did not appear to be necessary.

167. The Committee of the Whole did not adopt this proposal. It pointed out that professional representatives would be required for other proceedings than those referred to by EIRMA.

168. The Swedish delegation noted that the new paragraph 2 covered only professional representatives and therefore did not allow employees referred to in Article 133, paragraph 3, of the European Patent Convention who had acted on behalf of their employers under that provision to continue to do so in respect of proceedings before the special departments. It therefore proposed that the restriction to professional representatives be removed from paragraph 2(a).

169. This proposal was not adopted by any Member Delegation.

170. The Swedish delegation also noted that subparagraph (b) of paragraph 2 was worded in such a way that the Select Committee of the Administrative Council might or might not adopt rules on reciprocity.

171. FEMIFI suggested that the French and German texts be made clearer in this respect, as they did not reflect fully the optional nature of the English terms 'such rules . . . as may be required'.

The Chairman of the General Drafting Committee confirmed that the intention had been to leave the Select Committee of the Administrative Council complete freedom as to whether it adopted any such rules or not; he agreed that the French and German texts should be aligned on the English text.

172. The Committee of the Whole confirmed this interpretation.

173. FEMIFI welcomes the fact that the Member Delegations had adopted a solution based on its proposal. It stated that its initial reaction to the clause on reciprocity had been negative, but on reflection it had found this clause acceptable, in so far as it was preferable to have some limited provision for representation by persons outside the Community States than to restrict representation completely to persons from the Community States. However, as the clause on reciprocity left open the possibility of no rules on reciprocity being adopted, FEMIFI hoped that the provision of paragraph 2(b) would never be applied in such a way as to prevent a professional representative from acting before the special departments.

174. FEMIFI also pointed out that it had intended in its proposal to cover not only the case of a professional representative who had acted for an applicant for or proprietor of a European patent under the European Patent Convention continuing to represent the same client under the Community Patent Convention, but also the case of a professional representative who had acted for an opponent to a European patent continuing to represent that person as an applicant for revocation of the same patent. It was not certain that this was made sufficiently clear by the text in LUX/76.

FICPI stated that the last point made by FEMIFI should not be interpreted so broadly as to allow a person who had represented an applicant for a European patent to represent an applicant for revocation of that patent. It therefore proposed that it be specified that the representative should be entitled to act under paragraph 2 for the same client only. This proposal was supported by EIRMA.

175. The Committee of the Whole decided that a professional representative should be entitled to represent a party to proceedings before the special departments under the conditions set out in paragraph 2, provided that he had acted as the last professional representative for the same party or his predecessor in title in proceedings pursuant to the European Patent Convention relating to the same

Community patent or the corresponding European patent application; this met the points raised by FEMIFI, FICPI and EIRMA in this respect.

176. The Committee of the Whole adopted the proposal set out in LUX/76, as amended by the decisions referred to in points 156, 172 and 175 above.

177. FICPI had submitted a proposal for a new subparagraph (f) to Article 64 of the draft Community Patent Convention (see Preparatory Document No 2, point 38), whereby the proprietor of a Community patent would be allowed to appoint a professional representative to receive communications from the European Patent Office, even when no proceedings were pending.

178. No Member Delegation adopted this proposal.

179. CNIPA had submitted a proposal for a new provision to be added to Article 64, (see Preparatory Document No 9, point 25), whereby all persons involved in proceedings under the Community Patent Convention would be obliged to supply the European Patent Office with an address for service in one of the Contracting States.

180. No Member Delegation adopted this proposal.

Article 65

*Identification of the inventor (new)*¹

181. IFIA proposed a new Article 65 (see LUX/49), which would oblige an applicant for a Community patent to notify the European Patent Office of the name and address of the inventor within four months of filing the application, and would oblige the European Patent Office to notify the inventor within five months of the filing of the application.

IFIA stated that the purpose of this proposal was to promote inventive activity within the Common Market by enabling the inventor to apply for patents in countries in which the applicant did not wish to obtain them. Although the European Patent Convention provided that the applicant must notify the European Patent Office of the name of the inventor within 16 months after the date of filing of the European patent application or after the priority date, and that the European Patent Office must notify to the inventor a copy of the document identifying the inventor, it specified no time-limit within which the European Patent Office was to notify the inventor. By setting a time-limit of five months from the date of filing for the European Patent Office to notify the inventor of an application for a Community patent, the new Article 65 would enable an inventor to file corresponding applications with convention priority

¹The earlier draft of Article 65 had been deleted from the draft Convention as a consequence of the provisions relating to the designation of the inventor which had been adopted by the Munich Diplomatic Conference in the European Patent Convention and the Implementing Regulations thereto.

in countries in which the applicant did not seek a patent in cases where the Community application was the first filing, or to file corresponding applications in such countries without convention priority but before the 18-month publication of the European patent application where the Community application claimed the priority of a national application. IFIA felt that Part IX of the European Patent Convention did not prevent the adoption of this new Article.

FICPI supported the proposal by IFIA in substance.

The Chairman pointed out that the proposal by IFIA would impose stricter obligations on both the applicant and the European Patent Office than those imposed by the European Patent Convention, under which the time-limit to be observed by the applicant was 16 months after the date of filing or the date of priority (Article 91, paragraph 5), and under which there was no time-limit to be observed by the European Patent Office. Such obligations could be imposed by the Community Patent Convention only if they were considered to be special tasks given to the special departments in accordance with Article 143 of the European Patent Convention.

182. No Member Delegation supported the proposal by IFIA.

183. FICPI then proposed that the European Patent Office be required to communicate to the inventor the information referred to in Rule 17, paragraph 3, of the Implementing Regulations to the European Patent Convention within one month of receiving this information from the applicant.

184. No Member Delegation supported this proposal, but it was suggested that IFIA or FICPI propose to Working Party III of the Interim Committee of the European Patent Organization, that the guidelines for formalities examination in the European Patent Office state that the European Patent Office should ensure that the notification to the inventor be made expeditiously and preferably within one month; such a recommendation in the guidelines would not, however, be a legal obligation, nor would the failure to comply with it entail any legal consequences.

Article 66 (65)

Register of Community Patents

185. The CNIPA delegation had submitted proposals whereby national authorities would be required to communicate certain information to the European Patent Office (see Preparatory Document No 9, points 11, 20 and 26, and Preparatory Document No 27, point 3).

186. The Committee of the Whole considered that these proposals were covered adequately by the new text of Article 46, paragraph 3, and therefore decided to make no amendment to Article 66.

187. Proposals had been submitted by the FICPI delegation (see Preparatory Document No 2, points

41 and 44), the Austrian delegation (see Preparatory Document No 37), and the CNIPA delegation (see Preparatory Document No 41, point 20) to make the Register of Community Patents part of the Register of European Patents.

188. The Committee of the Whole considered that the President of the European Patent Office would have discretion to decide whether or not to combine the two Registers, and that it was not necessary for the Community Patent Convention to empower him to do so.

Article 67 (66)

Community Patent Bulletin

189. Proposals had been submitted by the FICPI delegation (see Preparatory Document No 2, points 43 and 44), the Austrian delegation (see Preparatory Document No 37), and the CNIPA delegation (see Preparatory Document No 41, point 21) to make the Community Patent Bulletin part of the European Patent Bulletin.

190. The Committee of the Whole adopted the same approach as it had adopted with regard to the corresponding proposals in respect of Article 66 (65) (see point 188 above).

Articles 69 to 76 (68 to 79)

191. The discussion of these articles is dealt with in Section VI, points 438 to 473, below.

Part VII

Impact on national law

192. The CNIPA delegation asked whether the provisions of Article 135 of the European Patent Convention could be applied to a European patent application designating the Community States in the circumstances set out in paragraph 1(a) and (b) of that article.

193. The Committee of the Whole considered that the provisions of Article 135 of the European Patent Convention could be applied irrespective of whether the European patent application concerned designated the Community States with a view to obtaining a Community patent, designated a number of Community States and contained a statement as provided for in Article 84a (86), paragraph 1, or designated no Community States at all.

Article 77 (80)

Prohibition of simultaneous protection

194. The Italian delegation considered that the text of paragraph 1 in the draft could lead to a splitting-up of the Community market, as it prohibited simultaneous protection by a national patent and a Community patent only if the date of priority was the same. The Italian delegation therefore proposed that the words 'with the same date of priority' be deleted.

It was pointed out that Article 139, paragraphs 1 and 2, of the European Patent Convention covered the case of a national patent and a European patent with different dates by giving precedence to the patent with the earlier date. Article 139, paragraph 3, however, left the Contracting State concerned free to prescribe whether and on what terms an invention could be protected by both a European patent application or patent and a national patent application or patent having the same date of filing or priority. With regard to the Community States, the Community Patent Convention availed itself of this option in Article 77, paragraph 1, by dealing with the problem of a Community patent and a national patent with the same priority date: to avoid double patenting where the inventor was the same the Community patent would prevail and the national patent would be invalid, thus avoiding also a fragmentation of the Community market. Thus the implementation of Article 77 of the Community Patent Convention in conjunction with Article 139 of the European Patent Convention would not lead to a fragmentation of the Community market.

The Italian delegation reserved the right to submit a written proposal in this respect.

195. At a subsequent meeting the Committee of the Whole resumed its examination of this matter on the basis of a written proposal by the Italian delegation in LUX/57 that the words 'with the same date of priority' be deleted. The Italian delegation explained that although the text of Article 77, paragraph 1, of the draft Convention dealt satisfactorily with the case of an invention disclosed in both a Community patent and a national patent having the same date of priority by providing that the Community patent would prevail and the national patent would be invalid, it did not cover the case of an invention disclosed in both a Community patent and a national patent having different dates of priority. The Italian delegation considered that Article 33 of the draft Convention and the new Article 38a (35) which was intended to replace it, whereby a national patent application or patent having a date of priority earlier than that of a Community patent for the same invention would prevail over the Community patent in the State concerned, would have the undesirable result of enabling an applicant to split up the Community market by first filing national applications in a number of Community States and later filing an application for a Community patent which did not claim the priority of any of the earlier national applications. The Italian delegation considered that this undesirable result could be avoided by providing in Article 77, paragraph 1, that a Community patent would prevail over a national patent application or patent for the same invention irrespective whether they had the same date of priority; this could be achieved by deleting the words 'with the same date of priority'.

The Netherlands delegation, the delegation of the Federal Republic of Germany and the United Kingdom delegation pointed out that Article 139, para-

graph 3, of the European Patent Convention enabled the Community Patent Convention to deal with the relationship between a Community patent and a national patent application or patent for the same invention only where they had the same date of filing or priority, and that Article 139, paragraph 2, of the European Patent Convention, which dealt with the case of a national application or patent having an earlier date of filing or priority than a Community patent, left the Community Patent Convention no freedom whatsoever to allow any solution other than that contained in this paragraph 2, whereby the earlier national application or patent prevailed over the later Community patent. Although it was true that Article 139 of the European Patent Convention together with new Article 38a and Article 77, paragraph 1, of the draft Community Patent Convention in their present wording would allow an applicant to divide the protection for his invention within the European Economic Community between national patents and a later Community patent, this situation could therefore not be avoided by the method proposed by the Italian delegation. As well as not being possible by virtue of Article 139 of the European Patent Convention, this method would be contrary to national rules on priority and to the Community States' obligations under the Paris Convention. Moreover, an applicant would in any case be able to divide the protection for his invention within the European Economic Community by using the option provided for in Article 84a (86) of the draft Convention.

The French delegation stated that, while recognizing the problem raised by the Italian delegation, it was not aware that the division of protection between a Community patent and earlier national patent applications or patents would present any advantages of sufficient importance to justify adapting the Convention to take account of this problem.

The Italian delegation stated that it had based its proposal on the assumption that a Community patent should prevail over a national patent in all circumstances, and that therefore this proposal had been made in a Community spirit. The Italian delegation considered that division of protection between one or more national patents and a later Community patent could have a number of undesirable consequences: it would enable the patentee to assign the Community patent or the national patent or patents for only part of the Community; it would make it possible for an invention protected by a Community patent to be protected in only part of the Community if the patentee were to surrender the national patent or patents; and it could have undesirable consequences with regard to licensing contracts. The Italian delegation therefore maintained its request that this possibility of deliberately fragmenting the Common Market be avoided.

196. The Committee of the Whole considered that the proposal by the Italian delegation could not be adopted in the light of Article 139 of the European

Patent Convention and voted against it by a majority of five to one, with three abstentions.

197. The Italian delegation suggested that Article 77, paragraph 1, should apply not only where both patents were granted to the same inventor or to the inventor and his successor in title, but also where they were granted to persons having economic connections.

198. The Committee of the Whole considered that such a provision would be unfair, since cases of persons with economic connections producing identical inventions independently of each other were not uncommon. It therefore did not adopt this suggestion.

199. The CNIPA delegation asked for clarification of the terms 'relates to an invention' and 'covers an invention' in paragraph 1. It called for clarification as to whether the whole of a national patent that was broader than a Community patent would be rendered ineffective, or whether only that part of the national patent which was also covered by the Community patent should become ineffective (see Preparatory Document No 9, point 29).

The FICPI delegation had submitted a proposal in this respect (see Preparatory Document No 2, points 45 and 46).

The delegation of the Federal Republic of Germany had submitted a proposal in this respect in relation to paragraph 3 which would empower the State concerned to prescribe the extent of the loss of effect of the national patent (see Preparatory Document No 29, point 11).

200. The Committee of the Whole adopted the proposal by the delegation of the Federal Republic of Germany.

201. The UNION delegation and the CNIPA delegation had submitted proposals to delete the second sentence of paragraph 3 (see Preparatory Document No 3, point 17, Preparatory Document No 9, point 31, and Preparatory Document No 41, point 27). They considered that the loss of effect of the national patent should not apply from the outset, but from the date determined in accordance with paragraph 1(a), (b) or (c), as the *ex tunc* effect would be unfair to the proprietor of a national patent who claimed compensation under that patent, particularly since the grant of the Community patent for the same invention confirmed the entitlement of the proprietor to a patent for that invention.

The delegation of the Federal Republic of Germany stated that it could accept the deletion of this sentence, as it intended to provide for loss of effect *ex nunc* in the case of a German national patent affected by Article 77. However, it wished to hear whether the deletion of this sentence would create difficulties for other Member Delegations before deciding whether or not to support the proposal.

The Netherlands delegation considered that as the purpose of Article 77 was not to revoke the national patent but to avoid simultaneous protection by a

national patent and a Community patent, loss of effect *ex tunc* was not indispensable. However, it considered that the loss of effect should at least apply from the grant of the later patent in order to prevent simultaneous protection in the event of Article 77 not being invoked until some time thereafter.

The United Kingdom delegation pointed out that the sentence in question did not impose any obligation on the Contracting States to prescribe that the loss of effect should apply from the outset, but merely made provision for them to do so if they wished. There was a possibility that the United Kingdom might wish to make use of this provision, and therefore it was in favour of keeping this sentence.

It was also pointed out that if the Committee of the Whole were to delete this sentence with a view to preventing the Contracting States from prescribing that the loss of effect should apply *ex tunc*, it would have to replace it with a provision which ruled out this possibility; this should not be done unless the Committee of the Whole was convinced that loss of effect *ex tunc* would definitely be undesirable.

202. No Member Delegation supported the proposals by UNION and CNIPA.

203. The Danish delegation withdrew its proposal in respect of paragraph 3 (see Preparatory Document No 16, point 5).

204. The proposals by the CNIPA delegation (see Preparatory Document No 9, point 32) and by the CPCCI delegation (see Preparatory Document No 20, point 4) in respect of paragraph 4 were withdrawn.

205. In the light of the discussions which had been held in respect of Article 37(35) (see Section V, points 419 to 423, below) the FICPI delegation withdrew its proposal for adding new paragraphs 5 and 6 to Article 77 (see Preparatory Document No 2, points 47 to 50), leaving the points covered by this proposal to be dealt with by national law.

Article 78 (81)

Exhaustion of rights attached to a national patent

206. The discussion of this Article is dealt with in Section IV, points 385 to 403, below.

Article 79 (82)

Compulsory licences in respect of national patents

207. The Italian delegation proposed that Article 79 be deleted on the grounds that this article, which dealt with the grant of compulsory licences for lack or insufficiency of exploitation of a national patent, did not form a part of and was not necessary for the success of the Community patent system (see LUX/41, point 1). Furthermore, Article 6 of the Community Patent Convention left the Contracting States free to legislate autonomously in respect of national patents and the grant of compulsory licences was one of the fundamental principles of Italian patent law. In the

event of the Conference deciding not to delete Article 79, the Italian delegation requested that application of this article be deferred by means of a protocol (see LUX/41, point 2).

The Netherlands delegation explained that although Article 79 was not essential for the success of the Community patent system, it was important for the proper functioning of the European Economic Community. Without such a provision, the proprietor of national patents covering all nine Community States would be obliged to set up plants in each of these States to produce the product protected by these patents, in order to ensure that compulsory licences for lack of exploitation of the patents were not granted to other firms; such a situation was clearly contrary to the aims of the European Economic Community. The Netherlands delegation added that independently of this article, steps had been taken to deal with this problem in the Netherlands in a proposal to Parliament whereby imports of a patented product from countries with which the Netherlands had formed an economic community would have to be taken into account in assessing whether or not to grant a compulsory licence for lack or insufficiency of exploitation of the national patent concerned. The Netherlands delegation therefore considered that if any delegation was unable to accept the liberalization introduced by Article 79, it would be preferable not to delete this article, but to adopt a transitional provision whereby that delegation could make a reservation for a limited period and thus enable Article 79 to be applied in the other Community States.

The ICC delegation, the CIFE delegation and the representatives of the Commission opposed the proposal by the Italian delegation for the reasons given by the Netherlands delegation. The ICC delegation pointed out that there were precedents for the provision contained in Article 79 in bilateral agreements between certain States and in the jurisprudence of other States, and that the problem of compulsory licences for lack or insufficiency of exploitation of a patent affected other countries than Italy and other fields than pharmaceuticals.

The Italian delegation stated that it had submitted its proposal to delete Article 79 after long reflection because it feared the effects of the application to the national laws on compulsory licences in respect of national patents of the provisions of Article 47, which it considered were based partly on the Community principle and partly on the territorial aspect of compulsory licences; this difficulty would have been avoided if the Committee of the Whole had amended Article 47 on the basis of the Italian delegation's proposal, which was fully in line with the Community principle. The Italian delegation stated that whereas Italy had always sought in industrial property matters to maintain a balance between the three aspects of production, public interest and rewarding the inventor, the Community Patent Convention seemed primarily concerned with the interests of the inventor and with problems of competition, to the extent of

ignoring the production aspect. Thus Article 79 in combination with Article 47 took account of the marketing aspects of the problem but not of the production aspect nor of the social problems involved for Italy. For these reasons, the Italian delegation continued to advocate the deletion of Article 79.

208. The Committee of the Whole voted against the proposal to delete Article 79 by a majority of four to one, with four abstentions.

209. The Committee of the Whole voted against the proposal for a protocol on the deferred application of Articles 47 and 79 by a majority of three to one, with five abstentions.

210. The Italian delegation reserved the right to submit a proposal for an article which would enable it to make a reservation in respect of Article 79 for a limited period (see points 227 to 234 below).

Article 79a (83)

Determination of the partial invalidity of the Community patent under the national procedure

211. The French and German delegations proposed a new Article 79a (see LUX/80) to establish the procedure to be applied for determining the prior right effect of an unpublished national patent application or patent with regard to a Community patent pursuant to the new Article 38a (37), paragraph 2 (see point 59 above).

212. The Committee of the Whole unanimously adopted this proposal and referred it to the General Drafting Committee.

Article 80 (84)

National utility models and utility certificates

213. The proposal by the FICPI delegation in respect of Article 80, paragraph 2 (see Preparatory Document No 2, points 51 to 54), was referred to the General Drafting Committee. In the light of this referral, the CNIPA delegation withdrew its proposal (see Preparatory Document No 9, point 34).

214. The Committee of the Whole adopted the proposal by the French delegation (see Preparatory Document No 17, point 15) and by the FEMIPi delegation (see Preparatory Document No 42, point 29) to delete the reference to utility certificates from paragraph 2.

Article 82 (91)

Other transitional provisions

215. The Committee of the Whole had before it a number of proposals for amendments to Article 82, subparagraph (b), arising from the same problem as it had been faced with in respect of Article 64, subparagraph (e) (see point 145 above). The Committee of the Whole adopted the same solution in respect of Article 82 as it had adopted in respect of Article 64 (see points 145 to 176 above).

Article 83 (92)

Implementing Regulations and Protocol

216. In accordance with its decision not to adopt a Protocol on the exhaustion of rights (see Section IV, point 406, below) the Committee of the Whole deleted the references to this Protocol from the title and from paragraph 1 of Article 83.

Article 84a (86)

Option between a Community patent and a European patent

217. The UNION delegation withdrew its proposal for an addition to Article 84a, paragraph 1 (see Preparatory Document No 45, point 6).

218. The IFIA delegation had proposed in Preparatory Document No 44 that it should not be specified that Article 84a was to apply for a transitional period, but that the question of its transitional nature should be left to a future conference for revision of the whole Convention.

219. No Member Delegation supported this proposal.

220. The proposal by the Commission to add a new paragraph 5 to Article 84a was referred to Working Party II (see Section VI, point 481, below).

221. The Netherlands delegation proposed that a new paragraph 5(2) be added (see LUX/63), to take account of the situation which could arise if a European patent application were filed designating some only of the Community States and containing a statement that the applicant did not wish to obtain a Community patent, and if an application aimed at obtaining a Community patent for the same invention were filed with a later date of filing or priority. The Netherlands delegation considered that the earlier European patent application or subsequent patent should have prior right effect with regard to the later European patent application or resulting Community patent, but that this effect should be limited to the States designated in the earlier European patent application.

222. The Committee of the Whole adopted this proposal and referred it to the General Drafting Committee.

Article 84a bis (87)

Subsequent choice of a Community patent

223. The delegation of the Federal Republic of Germany had proposed in Preparatory Document No 29, point 12, a new Article 84a bis whereby a person who had filed a European patent application designating all the Community States prior to the entry into force of the Community Patent Convention (should it enter into force later than the European Patent Convention) would still be able to obtain a Community patent in respect of that application if the Community Patent Convention entered into force

and the applicant informed the European Patent Office that he wished to do so prior to the expiry of the time-limit for paying the fees for grant and printing of the patent.

The UNICE delegation (Preparatory Document No 32) and the UNION delegation (Preparatory Document No 45, point 6) had indicated their support for this proposal.

224. The Committee of the Whole adopted this proposal and referred it to the General Drafting Committee.

Article 84b (90)

225. The discussion of this article is dealt with in Section VI, points 474 to 480, below.

Article 84c (88)

226. The discussion of this article is dealt with in Section III, points 329 to 384, below.

Article 84d (89)

Reservation in respect of compulsory licences

227. Following the decisions of the Committee of the Whole not to delete Article 79 (82) and not to adopt a protocol deferring the application of that Article (see points 207 to 210 above), the Italian delegation submitted a proposal for a new Article 84d which would enable any Contracting State to make a reservation in respect of Articles 47 and 79 for a limited period (see LUX/74).

228. It was pointed out that the Italian delegation had reserved the right to submit a proposal opening the possibility of a reservation in respect of Article 79, but that no such observation had been made when the Committee of the Whole had adopted Article 47. It would therefore appear that, in accordance with Rule 36 of the Rules of Procedure of the Conference, a majority of two-thirds of the delegations of the Member States present and voting would be required if Article 47 were to be reconsidered.

The Italian delegation stated that it did not wish Article 47 to be reconsidered, but merely requested that the new Article 84d include the possibility of making a reservation in respect of Article 47 as well as in respect of Article 79 during a transitional period. Moreover, this request that the provisions of Article 47 should not apply immediately was not a new proposal: the Italian delegation had proposed in LUX/41, point 2, that in the event of deferred application of Articles 32 and 78 (81), the application of a number of articles including Article 47 should also be deferred. In view of the importance of this matter to the Italian delegation, the fact that the application of Article 47 would not be deferred (as a result of the decision of the Committee of the Whole not to defer the application of Articles 32 and 78) made it necessary for the Italian delegation to seek the possibility of making a reservation in respect of Article 47 during a transitional period.

The Committee of the Whole agreed to discuss the proposal that Article 84d includes the possibility of a reservation in respect of Article 47 as well as in respect of Article 79.

229. The Italian delegation explained that the purpose of making a reservation in respect of Article 47 and Article 79 would be to give Italy sufficient time to carry out a thorough reorganization of its industrial property laws and to enable Italian industry to adapt its structure to the new situation which would be created by the full entry into force of the Community Patent Convention. During this transitional period, it would be necessary for the Italian authorities to continue to grant compulsory licences for lack or insufficiency of exploitation of a national patent or a Community patent. The Italian delegation considered that ratification of the Community Patent Convention would make it easier to bring about the reorganization required, and that early ratification would be facilitated by the adoption of the proposed Article 84d.

The Netherlands delegation, supported by the representatives of the Commission, stated that it was prepared, in the light of the situation in Italy, to accept reluctantly the possibility of a reservation under Article 79, which related to national patents, but that it would have great difficulty in accepting a reservation in respect of Article 47, which related to Community patents. The possibility which a reservation in respect of Article 47 would give, of granting a compulsory licence on the grounds that the product protected by the Community patent was not manufactured on the territory of the Community State granting the licence, was contrary to the unitary character of the Community patent, which gave its proprietor the exclusive right to manufacture and market this product throughout the Community. There was a danger that the use by one State of such a reservation would incite other States to do so too, in which case the Community market would be split up and the product concerned would not be able to circulate freely on the Community market. The Netherlands delegation therefore asked the Italian delegation to limit the possibility of a reservation to Article 79 unless it was absolutely essential for Italy to make a reservation in respect of Article 47 too.

The French delegation, the Netherlands delegation and the representatives of the Commission pointed out that a further reason why the Italian delegation should reconsider its request that Article 84d makes provision for a reservation in respect of Article 47 was that it would probably be at least three years before the Community Patent Convention entered into force and then a further three years before a compulsory licence could be granted for lack or insufficiency of exploitation of a Community patent, as under the Paris Convention such a licence could not be granted until three years after the grant of the patent or four years after the filing of the patent application, whichever was the later; Italy would thus have six years at least in which to make the necessary adaptations. Moreover, in view of the option under

Article 84a (86) of obtaining a European bundle of national patents instead of a Community patent during a transitional period, it was likely that the number of Community patents granted would be relatively small for a considerable time after the entry into force of the Community Patent Convention, and this would enable Italy to adapt gradually to the effects of Article 47. A number of delegations considered that it would be preferable if Italian industry were to adapt gradually in this way, rather than be suddenly confronted, after being protected by a reservation under Article 47 for a number of years, with Community patent proprietors in other Community countries who were perfectly capable of supplying the Italian market in conditions of free competition.

The United Kingdom delegation, while fully supporting the arguments put forward by the Netherlands delegation and the representatives of the Commission for avoiding a reservation in respect of Article 47 if at all possible, considered that the economic arguments applied equally to national patents and to Community patents, with the result that a reservation in respect of Article 47 was no more prejudicial to the Common Market than was a reservation in respect of Article 79. The United Kingdom delegation considered that if the economic conditions in a Member State were such that that State was unable to bear the effects of applying Article 79 in the immediate future, it was unlikely that that State would be able to bear the effects of applying Article 47 either. The United Kingdom delegation was therefore prepared to accept the proposal by the Italian delegation to make provision for a reservation in respect of both Article 47 and Article 79 if the Italian delegation felt that this was essential.

The Luxembourg, French, Irish and Belgian delegations also regretted that any reservation was considered to be necessary in this context, but in view of the arguments put forward by the Italian delegation were also prepared to accept reservations in respect of both articles.

The Italian delegation replied that it would be unable to accept a solution whereby it would be able to make a reservation in respect of Article 79 but unable to do so in respect of Article 47, as it could not envisage having different rules on compulsory licences in respect of Community patents from those in respect of national patents. The undesirability of having two types of patent in the same country which were subject to two different sets of legal provisions was confirmed by the fact that it had been considered necessary to include Article 79 in the draft Convention to ensure that the provisions of Article 47 relating to compulsory licences in respect of Community patents would apply *mutatis mutandis* to compulsory licences in respect of national patents; by the same token, if a reservation were made in respect of Article 79, it should also be made in respect of Article 47.

230. The representatives of the Commission and the delegation of the Federal Republic of Germany, supported by the Belgian, Luxembourg and Nether-

lands delegations, proposed that any reservation made under paragraph 1 of the proposed new Article 84d should have effect for a period of five years from the entry into force of the Convention, rather than for 10 years as proposed by the Italian delegation; they considered that five years in addition to the period between the signing and the entry into force of the Convention should be long enough for the necessary adaptations to be made in Italy.

The delegation of the Federal Republic of Germany and the Netherlands delegation urged the Italian delegation to consider this proposal with particular regard to a reservation in respect of Article 47, as this reservation would be more harmful to the Common Market.

231. The delegation of the Federal Republic of Germany also urged Italy to consider renouncing the possibility of seeking an extension of the period of effect of a reservation in respect of Article 47.

The Italian delegation replied that a period of five years would not be long enough to enable it to carry out the necessary changes, as the whole of Italy's industrial law would need to be restructured to adapt to the European Patent Convention and the Community Patent Convention. It therefore maintained its proposal that the period during which a reservation in respect of Article 47 and Article 79 would have effect should be 10 years, with the possibility of extension for a further period under the conditions set out in paragraph 2 of the proposed Article 84d.

The Italian delegation pointed out, however, that maintaining this proposal did not necessarily mean that a reservation would be extended beyond the initial ten-year period, as such an extension would require a qualified majority vote in the Council of the European Communities. Moreover, it was not to be excluded that Italy would withdraw its reservation before the end of the 10-year period, as was possible under paragraph 3 (4) of the proposed Article 84d, particularly if the Member States of the European Communities were to adopt before the end of that period joint rules on the granting of compulsory licences in respect of Community patents that were satisfactory to all the States concerned, including Italy.

232. On the basis of this last remark by the Italian delegation and by analogy with Article 84b (90), paragraph 5, the Chairman of the Committee of the Whole proposed that a further provision be added to the proposed Article 84d, whereby a reservation under paragraph 1 would cease to apply once joint rules on the granting of compulsory licences in respect of Community patents had been drawn up in accordance with the draft Resolution to that effect.

This proposal was supported by the Luxembourg delegation, the United Kingdom delegation and the delegation of the Federal Republic of Germany.

After reflection, the Italian delegation stated that it could accept this proposal, and submitted to the

Committee of the Whole in LUX/94 a draft text for a new paragraph 2a (3) of the proposed Article 84d.

The French delegation pointed out that the draft paragraph 2a submitted by the Italian delegation referred to the termination of a reservation in respect of Article 47 but did not refer to the termination of a reservation in respect of Article 79. In view of the arguments put forward by the Italian delegation against having different sets of provisions in one country in respect of national patents and Community patents (see point 229 above), the French delegation proposed that the new paragraph 2a should refer to both Article 47 and Article 79.

The Italian delegation drew attention to the fact that the Resolution referred to in the draft paragraph 2a related to joint rules on the granting of compulsory licences in respect of Community patents only, and that it was by no means certain that at the same time joint rules would be adopted on the granting of compulsory licences in respect of national patents; the Italian delegation could not commit itself to extending automatically the rules on compulsory licences in respect of Community patents to compulsory licences in respect of national patents on the basis of joint rules relating to Community patents alone, and therefore was not prepared to lift a reservation in respect of Article 79 in the context of the new paragraph 2a.

A number of delegations pointed out that, while it was true that the Resolution concerned related to compulsory licences in respect of Community patents and not in respect of national patents, it would be in the interests of any country which made a reservation in respect of Articles 47 and 79 and undertook to withdraw its reservation in respect of Article 47 upon the entry into force of joint rules on the granting of compulsory licences in respect of Community patents, to withdraw its reservation in respect of Article 79 at the same time, otherwise it would treat national patents less favourably than Community patents and so discourage applications for national patents. Moreover, the country concerned would be involved in the adoption of the joint rules in question and so would not be obliged to withdraw its reservation against its will under this provision.

233. The Committee of the Whole first adopted the new Article 84d as proposed in LUX/74, with the addition of the new paragraph 2a as proposed in LUX/94.

234. It then adopted by a majority of eight to one the amendment of paragraph 2a to cover the reservation in respect of Article 79 as well as Article 47, as proposed by the French delegation.

The text of Article 84d as adopted was referred to the General Drafting Committee.

Article 86 (95)

Accession

235. The proposal by the United Kingdom delegation in respect of paragraph 2 (see Preparatory Docu-

ment No 11, point 50) was referred to the General Drafting Committee.

Article 87 (96)

Participation of third States

236. The proposal by the United Kingdom delegation (see Preparatory Document No 11, point 51) was referred to the General Drafting Committee.

Article 88 (97)

Territorial field of application

237. The Committee of the Whole adopted the proposal by the Netherlands delegation in respect of paragraph 1 (see Preparatory Document No 19, point 21).

238. The Committee of the Whole adopted the proposal by the Danish delegation in respect of paragraph 3 (see LUX/65) and referred it to the General Drafting Committee.

239. The Netherlands delegation proposed that the reference to Surinam be deleted from paragraph 4, as Surinam had become independent.

240. The Committee of the Whole adopted this proposal.

241. The discussion of the proposal by the United Kingdom delegation in respect of paragraph 8 is dealt with in Section VII, points 487 to 489 below.

Article 89 (98)

Entry into force

242. The proposal by the United Kingdom delegation (see Preparatory Document No 11, point 52) was referred to the General Drafting Committee.

Article 92 (101)

Disputes between Contracting States

243. The proposal by the United Kingdom delegation (see Preparatory Document No 11, point 53) was referred to the General Drafting Committee.

Statement by the Italian delegation concerning the patentability of medicinal products

244. At the end of the discussion on the articles of the Convention, the Italian delegation, acting in accordance with instructions received before leaving Rome, made a statement concerning the patentability of medicinal products.

The Italian delegation stated that although this issue was raised not in the Community Patent Convention but in the European Patent Convention, where provision was made for making certain reservations, there were some who considered that these provisions allowing reservations, while not being compulsory provisions under the Community Patent Convention,

were nevertheless applicable under it, whereas there were others who considered that, in the light of the unitary character of the Community patent, such reservations were not applicable. The problem was giving rise to considerable discussion not only at the Foreign Ministry and the Ministry for Industry, but also in Parliament, to which two bills on the patenting of pharmaceutical products had been submitted, and at the Constitutional Court, before which the issue had been brought by the Patent Appeals Board ('Commissione di ricorsi in materia di brevetti') with a view to establishing whether it was constitutional for Italian law to prohibit the patenting of pharmaceutical products.

In the light of the instructions it had received on the one hand and the consideration that the adoption of the Community Patent Convention could be instrumental in prompting the Italian authorities to move in a certain direction on the other hand, the Italian delegation stated that it did not wish to make a reservation in this respect, but that it did wish to make a statement to the effect that it was not in a position to guarantee the fulfilment of the commitments which would be incumbent upon Italy if it were faced with the obligation of allowing medicinal products to be patented.

245. The Luxembourg delegation and the Danish delegation pointed out that it was not possible to patent pharmaceutical products in Luxembourg and in Denmark at present, but that they intended to amend their national laws on patentability so as to align them on the provisions of the European Patent Convention.

246. The Committee of the Whole took note of the statements by the Italian, Luxembourg and Danish delegations, and pointed out that participation in the Community Patent Convention would exclude the making of a reservation in respect of the patentability of pharmaceutical products under Article 167 of the European Patent Convention, in view of the provisions of Article 2, together with those of Articles 29 and 30, of the Community Patent Convention. The Committee of the Whole also expressed its understanding of and concern at the problems faced by Italy in this respect, and hoped that Italy would be able to find solutions which would enable it to resolve these problems in such a way as to enable it to ratify the European Patent Convention and the Community Patent Convention.

The Italian delegation thanked the Committee of the Whole for its understanding and sympathetic response to its statement.

IMPLEMENTING REGULATIONS

Rule 1

Allocation of duties to the departments of the first instance

247. Following a proposal by the Italian delegation in respect of Article 20 of the Convention (see point 35

ment No 11, point 50) was referred to the General Drafting Committee.

Article 87 (96)

Participation of third States

236. The proposal by the United Kingdom delegation (see Preparatory Document No 11, point 51) was referred to the General Drafting Committee.

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244. At the end of the discussion on the articles of the Convention, the Italian delegation, acting in accordance with instructions received before leaving Rome, made a statement concerning the patentability of medicinal products.

The Italian delegation stated that although this issue was raised not in the Community Patent Convention but in the European Patent Convention, where provision was made for making certain reservations, there were some who considered that these provisions allowing reservations, while not being compulsory provisions under the Community Patent Convention,

were nevertheless applicable under it, whereas there were others who considered that, in the light of the unitary character of the Community patent, such reservations were not applicable. The problem was giving rise to considerable discussion not only at the Foreign Ministry and the Ministry for Industry, but also in Parliament, to which two bills on the patenting of pharmaceutical products had been submitted, and at the Constitutional Court, before which the issue had been brought by the Patent Appeals Board ('Commissione di ricorsi in materia di brevetti') with a view to establishing whether it was constitutional for Italian law to prohibit the patenting of pharmaceutical products.

In the light of the instructions it had received on the one hand and the consideration that the adoption of the Community Patent Convention could be instrumental in prompting the Italian authorities to move in a certain direction on the other hand, the Italian delegation stated that it did not wish to make a reservation in this respect, but that it did wish to make a statement to the effect that it was not in a position to guarantee the fulfilment of the commitments which would be incumbent upon Italy if it were faced with the obligation of allowing medicinal products to be patented.

245. The Luxembourg delegation and the Danish delegation pointed out that it was not possible to patent pharmaceutical products in Luxembourg and in Denmark at present, but that they intended to amend their national laws on patentability so as to align them on the provisions of the European Patent Convention.

246. The Committee of the Whole took note of the statements by the Italian, Luxembourg and Danish delegations, and pointed out that participation in the Community Patent Convention would exclude the making of a reservation in respect of the patentability of pharmaceutical products under Article 167 of the European Patent Convention, in view of the provisions of Article 2, together with those of Articles 29 and 30, of the Community Patent Convention. The Committee of the Whole also expressed its understanding of and concern at the problems faced by Italy in this respect, and hoped that Italy would be able to find solutions which would enable it to resolve these problems in such a way as to enable it to ratify the European Patent Convention and the Community Patent Convention.

The Italian delegation thanked the Committee of the Whole for its understanding and sympathetic response to its statement.

IMPLEMENTING REGULATIONS

Rule 1

Allocation of duties to the departments of the first instance

247. Following a proposal by the Italian delegation in respect of Article 20 of the Convention (see point 35

above) and a proposal by the delegation of the Federal Republic of Germany in respect of Article 8 of the Convention (see point 24 above), the Chairman of the Committee of the Whole submitted a proposal for inserting a new paragraph 1a (2) in Rule 1 (see LUX/78) empowering the President of the European Patent Office, with the agreement of the Select Committee, to determine in detail the duties for which the Patent Administration Division would be responsible.

The Italian delegation withdrew its own proposal in respect of Article 20 in favour of this proposal, which was also seconded by the United Kingdom delegation.

248. The Committee of the Whole adopted the new paragraph 1a of Rule 1 by a majority of seven to one with one abstention.

Rule 2

Allocation of duties to the departments of the second instance and designation of their members

249. The proposal by the United Kingdom delegation in respect of paragraph 2 (see Preparatory Document No 11, point 54) was referred to the General Drafting Committee.

Rule 5

Language of the proceedings

250. The proposal by the delegation of the Federal Republic of Germany in respect of paragraph 2 (see Preparatory Document No 29, point 13) was referred to the General Drafting Committee.

Rule 6

Limitation of surrender and suspension of proceedings

251. The Netherlands delegation suggested that the wording of paragraph 1 be aligned on that of Rule 14 of the Implementing Regulations to the European Patent Convention.

252. The Committee of the Whole asked the General Drafting Committee to consider this suggestion in connection with Article 50.

Rule 7 (9)

Correction of the translation

253. The proposal by the United Kingdom delegation in respect of paragraph 1 (see Preparatory Document No 11, point 55) was referred to the General Drafting Committee.

Rule 8 (10)

Registering transfers, licences and other rights

254. The Committee of the Whole agreed with the observation made by the Netherlands delegation in respect of paragraph 1 (see Preparatory Document No 19, point 22) and referred it to the General Drafting Committee.

Rule 9 (11)

Licences of right

255. The Committee of the Whole decided that an addition be made to paragraph 1 to the effect that a copy of any declaration of intention to use an invention in reply to a statement under Article 44 should be sent to the European Patent Office (see also point 72 above).

256. The proposal by the FICPI delegation in respect of paragraph 3 (see Preparatory Document No 2, point 55) was adopted by the Committee of the Whole and referred to the General Drafting Committee.

257. The proposal by the United Kingdom delegation in respect of paragraph 4 (see Preparatory Document No 11, point 56) was referred to the General Drafting Committee.

Rule 10 (12)

Payment of renewal fees

258. The CEEP delegation had proposed in respect of Rule 10 that the European Patent Office advise the patent proprietor when renewal fees became due (see Preparatory Document No 30, point 20).

The Committee of the Whole decided that this was an administrative matter which it was not necessary to deal with explicitly in the Convention or the Implementing Regulations (see also point 91 above).

Rule 12 (16)

Rejection of the request for limitation as inadmissible

259. The proposal by the FEMIPi delegation (see Preparatory Document No 42, point 31) was referred to the General Drafting Committee.

260. The Italian delegation proposed that the length of the period referred to in Rule 12 should be fixed in that Rule, rather than being left to the discretion of the Revocation Division.

261. The Committee of the Whole did not adopt this proposal as the length of this period had been left to the discretion of the Revocation Division by analogy with the corresponding provision in Rule 55 of the Implementing Regulations to the European Patent Convention.

Rule 13 (17)

Examination of the request for limitation

262. The proposals by the FICPI delegation in respect of paragraphs 3 and 5 (see Preparatory Document No 2, points 56 to 58) were referred to the General Drafting Committee.

Rule 17 (22)

Security for the costs of proceedings

263. The delegation of the Federal Republic of Germany had proposed (see Preparatory Document No 15, point 11) that paragraph 2 of Rule 17 be replaced by a provision whereby the effects of the deposit of a security would be determined by the national law of the State in which the establishment with which the security was deposited had its principal place of business.

The delegation of the Federal Republic of Germany explained that paragraph 2 in the draft Implementing Regulations would be inapplicable in the Federal Republic of Germany, as under German law a security had to be deposited in favour of a particular person and could not be used by a different authority, such as the European Patent Office. As, however, the delegation of the Federal Republic of Germany had no objections to such a provision being implemented in countries where it could be applicable, it proposed a wording whereby this matter would be determined by the national law concerned.

264. The Committee of the Whole adopted this proposal.

Rule 18 (23)

Rejection of the application for revocation as inadmissible

265. The delegation of the Federal Republic of Germany had submitted a proposal for amending Rule 18 in such a way that the proprietor of the patent would be a party to the proceedings for determining whether or not the application for revocation was admissible (see Preparatory Document No 15, point 12). The delegation of the Federal Republic of Germany considered that this departure from the alignment of revocation procedure on opposition procedure under the European Patent Convention was justified by the greater interest which a patent proprietor would have in being informed as soon as possible of the filing of an application for revocation of a patent which had been in existence for some time, than of being informed of a notice of opposition against a patent which had just been granted.

The United Kingdom delegation considered that the adoption of this proposal could lead to unnecessary delays in the revocation proceedings if the proprietor of the patent made comments on minor points. Moreover, it felt that the Revocation Division should not be obliged to communicate the application for revocation to the proprietor of the patent for comments as to its admissibility if the Revocation Division had already decided that it was inadmissible. The United Kingdom delegation doubted whether it was necessary to introduce this difference between opposition procedure and revocation procedure.

The FEMIPi delegation, which had submitted a similar proposal to the proposal under discussion

(see Preparatory Document No 42, point 32), the UNICE delegation and the CIFE delegation considered that there was a sufficient difference between opposition proceedings and revocation proceedings for the proprietor of the patent to be informed as soon as possible of all revocation actions. They also considered that he should be given the opportunity to comment on the admissibility of the application for revocation, as it was possible that he might notice formal deficiencies which had been overlooked by the Revocation Division.

The Luxembourg and Italian delegations also supported the proposal by the delegation of the Federal Republic of Germany, pointing out that the proceedings on admissibility were separate proceedings from and as important as the substantive proceedings for revocation and that therefore the proprietor of the patent should be a party to both sets of proceedings.

266. In the ensuing vote, the proposal was adopted by six votes in favour with three abstentions.

267. The drafting proposal contained in the proposal by the FEMIPi delegation in respect of paragraph 1 (paragraph 2 in FEMIPi's proposal) was referred to the General Drafting Committee.

268. The Committee of the Whole adopted the proposal, which was implicit in the proposal by the delegation of the Federal Republic of Germany, to delete paragraph 2 in the draft Convention, on the ground that the European Patent Office was obliged under Article 119 of the European Patent Convention in conjunction with Article 64 of the Community Patent Convention to notify (as a matter of course) decisions to those concerned.

Rule 19 (24)

Preparation of the examination of the application for revocation

269. The proposal by the delegation of the Federal Republic of Germany in respect of Rule 19 was consequential upon its proposal in respect of Rule 18 (see Preparatory Document No 15, point 12).

The Netherlands delegation pointed out that the procedure under Rules 18 and 19 as proposed by the delegation of the Federal Republic of Germany seemed rather heavy and complicated. Under this procedure, the Revocation Division would communicate the application for revocation to the proprietor of the patent with an invitation to comment on its admissibility; the comments of the proprietor would be sent to the Revocation Division, which would decide on the admissibility of the application; then, if it were found admissible, the application would again be sent to the proprietor with an invitation to make observations as to the substance of the application.

The delegation of the Federal Republic of Germany replied that the procedure was in fact simpler than that described by the Netherlands delegation: when

the application for revocation was first communicated to the proprietor of the patent, he would have the opportunity of commenting on its admissibility within a short period, but would not be obliged to do so; the Revocation Division would then decide on the admissibility of the application, taking account of any comments the proprietor might have made; and if the Revocation Division found the application admissible, it would then invite him to file observations on the substance of the revocation action, but without sending a further copy to him.

270. The Committee of the Whole accepted this explanation of the procedure and adopted the proposal, which it referred to the General Drafting Committee.

Rule 20 (25)

Examination of the application for revocation

271. The FICPI delegation withdrew its proposal in respect of paragraph 3, which it had submitted in Preparatory Document No 2, point 60.

272. The Committee of the Whole was reminded that the observation by the UNICE delegation in respect of Article 59, paragraph 3, and Rule 20, paragraph 5 (see Preparatory Document No 31, point 2.10, first paragraph), had been referred to the General Drafting Committee (see point 137 above).

273. The UNICE delegation had also suggested in Preparatory Document No 31, point 2.10, second and third paragraphs, that the publication of the new specification of the patent be suspended until the expiry of the period for appeal against the decision of the Revocation Division to maintain the patent in amended form, since the UNICE delegation considered that, in the event of one of the parties to the revocation proceedings appealing this decision, it was preferable not to make the proprietor of the patent bear the costs of the translation of any amended claims and of the fee for the printing of a new specification.

It was pointed out in reply that an appeal would have suspensive effect, and that this effect would also apply to the publication of the new specification; the period for appeal was two months, whereas the proprietor would have three months in which to pay the printing fee and to file translations of any amended claims.

274. The Committee of the Whole referred Rule 20, paragraph 5, to the General Drafting Committee.

Rule 25 (31)

Entries in the Register of Community Patents

275. The FICPI delegation and the United Kingdom delegation withdrew their proposals for additions to paragraph 2 (see Preparatory Document No 2, point 61, and Preparatory Document No 11, point 13).

Rule 27 (33)

Other common provisions

276. The proposal by the CEEP delegation (see Preparatory Document No 30, point 21), was referred to the General Drafting Committee.

277. The proposals by the United Kingdom delegation (see Preparatory Document No 11, points 57 and 58) were also referred to the General Drafting Committee.

PROTOCOLS, RESOLUTIONS, DECLARATIONS AND DECISIONS TO BE ANNEXED TO THE CONVENTION

Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents (Protocol on the exhaustion of rights)

278. The Committee of the Whole noted that it had decided not to adopt a Protocol on this matter (see Section IV, point 406, below).

Resolution on the appointment of the Chairmen of the Revocation Boards

279. The United Kingdom delegation had proposed in Preparatory Document No 11, point 14, that the draft Resolution on this subject be deleted as unnecessary. It considered that the criteria set out therein should be applied as a general rule, but that decisions in this matter should be taken by the Select Committee of the Administrative Council without its being rigidly bound by these criteria alone.

The French, Netherlands and Luxembourg delegations and the delegation of the Federal Republic of Germany were in favour of adopting this Resolution because it provided a guarantee as to the court-like nature of the Revocation Boards. They did not consider this Resolution restrictive, particularly in view of the words 'as a general rule'. In the event of a majority of the Member Delegations preferring to delete this Resolution they were prepared to accept such a decision, but proposed that in that case it should be recorded in the Minutes that the Committee of the Whole approved of the substance of the draft Resolution.

The Chairman suggested that it might be possible for all the Member Delegations to adopt this Resolution if it were made clear that the criteria mentioned were exemplary and not limitative.

280. The Committee of the Whole adopted this Resolution as amended in accordance with the Chairman's suggestion.

Resolution on the uniform treatment of prior national rights in respect of the Community patent

281. The Netherlands delegation pointed out that the new Articles 38a (37) and 79a (83) covered the

main points which this Resolution sought to deal with, apart from the possibility of the European Patent Office being empowered to take decisions in respect of prior national rights during pre-grant proceedings and this could be dealt with only by revising the European Patent Convention.

282. In these circumstances, the Committee of the Whole agreed that this Conference could do no more in this respect and therefore decided to delete this Resolution.

Resolution on the harmonization of the national provisions governing the rights based on prior use and the rights of personal possession

283. The Commission of the European Communities had proposed an amendment to this Resolution (see Annex to Preparatory Document No 21, page 2) whereby the necessary work to harmonize the provisions governing the rights based on prior use and the rights of personal possession would be undertaken not by the governments of the Member States of the European Economic Community but by the Commission in accordance with Article 100 of the Treaty establishing the European Economic Community. The representatives of the Commission drew attention to the fact that under that article, it was the responsibility of the Commission alone to prepare directives 'for the approximation of such provisions laid down by law, regulation or administrative action in Member States as directly affect the establishment or functioning of the common market'; therefore the harmonization referred to in this Resolution was the responsibility of the European Economic Community alone.

The French delegation was not convinced that the role of the Member States should be solely to note the intention of the Commission to undertake this work, then await passively its outcome with a view to extending the results to the Community patent. The French delegation considered that the Member States should play a more active role in this work.

The Italian delegation considered that the expression of the intention of the Member States to carry out this work should be maintained in this Resolution, but was not opposed to the Commission undertaking work in this respect as well.

The United Kingdom delegation too had reservations on the amendment proposed by the Commission. It did not dispute the right of the Commission to take an initiative for the harmonization of national law in respect of the effects of the rights concerned on national patents, but it considered that the Member States should be able to cooperate in seeking to draw up provisions governing the effects of such rights on Community patents. The United Kingdom delegation drew attention to the work which had already been done in this respect in the Council of Europe, and pointed out that the reason why that work had been interrupted was to await the conclusion of the Patent Cooperation Treaty, the European Patent Convention and the Community Patent Convention.

The representatives of the Commission pointed out that the amendment proposed by the Commission was based on the fact that the Resolution referred to the harmonization of national provisions, for which the Commission was responsible. This did not preclude the Member States drawing up provisions for the Community Patent Convention to govern the effects of rights based on prior use and rights of personal possession in respect of Community patents.

284. The Netherlands delegation suggested that the penultimate paragraph be re-drafted in such a way that it did not state whether the harmonization work was to be carried out by the Commission or by the Member States.

The representatives of the Commission stated that they could agree to this suggestion.

The delegation of the Federal Republic of Germany stated that it too could accept this suggestion. It agreed that the Resolution referred to the harmonization of national provisions, on which a certain amount of work had already been done in the Council of Europe. It recognized the responsibility of the Commission as regards the harmonization of the national provisions of the Member States of the European Economic Community, but felt that this did not preclude action by the Member States.

The French delegation was not entirely satisfied with the suggestion by the Netherlands delegation, as it left the question open to different interpretations, whereas the French delegation wanted it to be quite clear that action by the Commission on the harmonization of national provisions in this matter did not preclude action by the Member States on setting up a Community system in respect of Community patents; although such a Community system might subsequently influence national provisions, its establishment should be clearly distinguished from the harmonization of national provisions.

The Committee of the Whole agreed to suspend its discussion on this Resolution until the Chairman had drawn up a written proposal based on the suggestion by the Netherlands delegation.

285. At a subsequent meeting, the Committee of the Whole resumed its examination of this Resolution on the basis of a text drawn up by the Chairman in LUX/58.

The representatives of the Commission pointed out that as work on approximation of national provisions was the responsibility of Community institutions, the governments of the Member States at this Conference could only point to the need for such work, not decide that it would be done; the representatives of the Commission therefore proposed that the words 'declare that' at the beginning of the penultimate paragraph be replaced by the words 'consider it necessary that'.

The Chairman drew attention to the fact that the Committee of the Whole had in the meantime adopted in principle a Resolution on the adjustment of national

patent law (see points 297 to 305 below), and suggested that as a consequence the Resolution at present under discussion need deal only with the creation of a Community right based on prior use and prior possession, the subsequent adjustment of national provisions on the basis of that Community right being covered by the new Resolution on the adjustment of national patent law.

286. The Committee of the Whole adopted this suggestion and referred the Resolution to the General Drafting Committee with instructions to delete all references to harmonization of national provisions.

Resolution on joint rules on the granting of compulsory licences in respect of a Community patent

287. The Commission of the European Communities had proposed (see Annex to Preparatory Document No 21, page 2) that the words 'if possible before the end of the period laid down in the Protocol on the exhaustion of rights' be deleted from the last paragraph of this Resolution.

288. The Committee of the Whole agreed to this deletion, as it had already decided not to adopt a Protocol on the exhaustion of rights (see Section IV, point 406, below).

289. The Committee of the Whole also agreed not to specify a target date for the completion of the work referred to in this Resolution, as it considered that the work to be carried out under other resolutions was more urgent.

The representatives of the Commission stressed that, at least as from the date of entry into force of rules on the granting of compulsory licences in respect of Community patents, the free movement of goods produced under compulsory licences must be ensured.

Resolution on the institution in each of the Contracting States of a centralized jurisdiction in proceedings for infringement relating to Community patents

290. The Netherlands delegation had proposed in Preparatory Document No 19, point 17, that a Resolution be adopted with a view to limiting in each of the Member States the number of courts with jurisdiction for actions for infringement of Community patents.

The delegation of the Federal Republic of Germany seconded this proposal. It pointed out that in the Federal Republic of Germany, a single court in each 'Land' (province) had jurisdiction for conflicts in patent matters arising in that 'Land'. It would be possible under the proposed resolution to give jurisdiction in respect of infringement of Community patents to a single court for the whole of the Federal Republic, provided that the court concerned was a 'Land' court and not a federal court.

The Netherlands delegation pointed out that its intention was not to oblige each Member State to limit jurisdiction in respect of Community patents to one court only, but to seek as high a degree as possible of centralization in each Member State to ensure that

actions for infringement of Community patents would be dealt with by judges specializing and experienced in patent matters.

291. The United Kingdom delegation stated that it could support this Resolution, provided that it did not prejudice the Resolution on future litigation of Community patents (see points 294 to 296 below).

The Committee of the Whole agreed that the Resolution proposed by the Netherlands delegation did not prejudice the Resolution on future litigation of Community patents.

292. The United Kingdom delegation considered that this Resolution should refer to jurisdiction at first instance only, as it envisaged difficulties for several Member States in being obliged to have a second instance court dealing with appeals in respect of patent matters only. In the United Kingdom, patent litigation was dealt with by a single first instance court in England and a single first instance court in Scotland, with judges specialized in patent matters in both of these courts. The court with jurisdiction for appeals from these courts was the House of Lords, which did not have judges specializing in patent matters, and the United Kingdom delegation could not agree to a Resolution which implied that it was prepared to reorganize the House of Lords in this respect. If the resolution referred to judges specializing in patent matters at first instance only, this problem would be removed for the United Kingdom delegation.

The Irish delegation supported the position of the United Kingdom delegation. In Ireland, the first instance court for patent matters was the High Court and the appeal court was the Supreme Court. Both of these courts dealt with a small amount of patent litigation, but neither court had judges specializing in patent law. Even reference to judges specializing in patent matters at first instance only was not an entirely satisfactory solution for the Irish delegation, but it was prepared to accept this solution in preference to the text proposed by the Netherlands delegation.

The delegation of the Federal Republic of Germany considered that the terms 'judges specializing and experienced in this field' did not necessarily mean that the judges concerned must have had a specialized training in patent matters or must have qualifications in this field, provided that they had experience in patent matters.

In the light of this interpretation by the delegation of the Federal Republic of Germany, the United Kingdom delegation stated that it maintained its proposal that the Resolution referred to the first instance only, but if the Committee of the Whole could not accept this proposal it asked that it be recorded in the minutes of the Conference that the Resolution did not imply that the judges at the appellate stage in all the Member States had to be specialists in patent matters. The Irish delegation stated that it could accept this solution as a last resort.

The French delegation supported the proposal by the United Kingdom delegation to limit the resolution to the first instance. It also proposed that the word 'specializing' be deleted, as in France at least there was no question of judges specializing in patent matters only.

293. The Committee of the Whole adopted the proposal to delete the word 'specializing'. It also agreed to refer solely to the first instance, leaving the implications for the second instance implicit. Subject to these amendments, the Committee of the Whole adopted the resolution and referred it to the General Drafting Committee.

Resolution on future litigation of Community patents

294. The United Kingdom delegation had submitted a proposal for a further paragraph to be added to this Resolution, whereby a working party would be set up without delay after the signature of the Convention in order to commence the work referred to in the Resolution (see Preparatory Document No 35, point 7). The United Kingdom delegation explained that the words 'without delay' were not intended to mean at the beginning of January 1976, but rather as soon as practicable. The United Kingdom delegation considered that this working party might be set up within the proposed Select Committee of the Interim Committee of the European Patent Organization (see points 311 and 312 below), but felt that this would not necessarily be the case, as the work referred to in this Resolution was not altogether comparable with preparations for the commencement of the activities of the special departments of the European Patent Office.

The proposal of the United Kingdom delegation was supported by the delegation of the Federal Republic of Germany.

The Italian delegation agreed that a working party be set up to carry out the work referred to in this Resolution, but considered that it need not be set up for some time.

295. The Committee of the Whole adopted the proposal by the United Kingdom delegation, eight delegations voting in favour and one delegation abstaining.

296. The Committee of the Whole decided to leave open the question whether the working party would be set up within the proposed Select Committee of the Interim Committee or separately.

Resolution on the adjustment and harmonization of national patent laws

297. The Netherlands delegation had submitted a proposal for a Resolution on the adjustment and harmonization of national patent laws in LUX/71 and the delegation of the Federal Republic of Germany had submitted a proposal for an addition to this Resolution in LUX/91.

The Netherlands delegation explained that during the discussions on the draft Convention, it had been noted

on several occasions that it would be desirable if national laws in respect of national patents were to provide the same solutions as the Community Patent Convention provided for Community patents. It was also in the interests of applicants and patent proprietors that the same provisions applied to national patents as to Community patents, particularly in view of the option offered by Article 84a (86). The Netherlands delegation had therefore submitted a proposal for a Resolution whereby the Community Member States would undertake to adapt their national patent laws as far as possible to the provisions of the European Patent Convention and the Community Patent Convention.

The delegation of the Federal Republic of Germany fully supported the proposed Resolution, which it felt would have a positive influence on the national ratification procedures in respect of the European Patent Convention and the Community Patent Convention. It explained that the purpose of its proposed addition to the Resolution was to make it quite clear that the work referred to in the Resolution was not work which came under the responsibility of Community institutions in accordance with Article 100 of the Treaty establishing the European Economic Community, but the adaptation of national provisions in respect of national patents to European patent law. A further purpose of this addition was to make some mention in the acts of the Conference, even if it was only in a Resolution, of the Strasbourg Convention on the unification of certain points of substantive law on patents for invention, and so to pay tribute to the valuable work done by the Council of Europe in this field.

The Netherlands delegation gratefully accepted this proposed addition, which it stated was fully in accordance with the intentions of the Netherlands delegation in presenting the proposed Resolution.

The representatives of the Commission asked the Netherlands delegation and the delegation of the Federal Republic of Germany whether they intended that the adjustment of national patents laws be undertaken by each of the Community States acting individually or by all of them working together, and whether they intended that national patent law be adapted in general or solely in respect of those provisions whose adaptation was made essential by the provisions of the three Conventions mentioned.

The Netherlands delegation and the delegation of the Federal Republic of Germany replied that the intention was that the adjustments should be made by each of the Community Member States acting individually and not jointly.

With regard to the second question, they stated that they intended that the adjustment of national patent laws should go beyond the adaptations which were essential, as each State that ratified the Conventions concerned would have to make these adaptations in any case, and should involve the adaptation of other provisions so that the situation for national patents

and Community patents would be the same in these respects.

298. In the light of these replies, the representatives of the Commission proposed that the title of the Resolution be amended to read 'Resolution on the adjustment of national patent laws' as it was clear from the replies given that only adjustment and not harmonization of these laws was intended. For the same reason, the representatives of the Commission proposed that the word 'harmonizing' in the penultimate paragraph be replaced by the word 'adjusting'.

299. The Committee of the Whole adopted these amendments in principle.

300. The representatives of the Commission also proposed that in the last paragraph as set out in LUX/91, the words 'on the basis of' should be replaced by 'to'.

The Netherlands delegation pointed out that the effect of this proposed amendment would be to limit the adjustments covered by the Resolution to those adjustments which were made necessary by the three Conventions referred to, whereas the intention of the Netherlands delegation was that the Resolution should also cover adjustments which the States concerned considered desirable.

The delegation of the Federal Republic of Germany agreed with the objection raised by the Netherlands delegation, but suggested that the intentions of both the Netherlands delegation and the representatives of the Commission could be respected by amending 'the necessary work' to read 'the work' as well as making the amendment proposed by the Commission.

301. The Committee of the Whole adopted this suggestion in principle.

302. Following a request for clarification by the French delegation, the Committee of the Whole agreed that the adjustments which were to be carried out under the Resolution were not word for word transpositions of certain provisions of the three Conventions mentioned into the national patent laws of the Member States, nor were they limited to the adjustments of national patent laws made absolutely necessary by the adoption of the three Conventions, but they also included any adjustments which a Community Member State considered desirable for the purpose of reducing as far as possible the differences between its national patent laws and the provisions of the Conventions concerned. The Committee of the Whole also agreed that this Resolution should in no way limit the legislative freedom of the Member States in this respect.

303. The Irish delegation stated that it might have to make a reservation in respect of this Resolution, as Irish patent law had already been adjusted completely to the requirements of the Strasbourg Convention, and Ireland had envisaged adjusting its national law to the European Patent Convention and the Community

Patent Convention only to the minimum extent necessary.

304. The United Kingdom delegation proposed that the Resolution be referred to the General Drafting Committee with instructions to examine the wording very carefully, as the United Kingdom delegation was not satisfied with the wording in several places. It also proposed that the Patent Cooperation Treaty be added to the Conventions referred to.

305. The Committee of the Whole adopted the Resolution in principle and referred it to the General Drafting Committee.

Declaration on the ratification of the Patent Cooperation Treaty

306. The delegations of the nine Member States of the European Communities had submitted a proposal for a revised version of this Declaration in LUX/81. In the light of this proposal, the United Kingdom delegation had withdrawn its earlier proposal in LUX/25.

The representative of the World Intellectual Property Organization welcomed this Declaration.

307. The Committee of the Whole adopted the Declaration unanimously.

Declaration on the simultaneous entry into force of the European Patent Convention and of the Convention for the European Patent for the Common Market

308. The delegation of the Federal Republic of Germany proposed that the draft Declaration appearing at the end of Preparatory Document No 28 be replaced by a Declaration confirming the conclusions adopted by the Permanent Representatives Committee at its meeting held on 18 December 1974.

The United Kingdom delegation did not oppose this proposal in principle, but expressed serious doubts about the advisability of attempting to transform an extract from the minutes of a meeting of the Permanent Representatives Committee into a governmental Declaration, particularly at so late a stage in the work of the Conference.

309. The Netherlands delegation pointed out that the most important part of the conclusions adopted by the Permanent Representatives Committee was the last subparagraph, which stated that where a Member State ratified the European Patent Convention separately from the Community Patent Convention, 'subsequent ratification of the Community Patent Convention should then be effected as soon as possible so as to minimize the interval between entry into force of the two Conventions'. The Netherlands delegation therefore proposed that the Declaration be limited to confirming this point.

The United Kingdom delegation stated that it could accept the proposal by the Netherlands delegation, while not being convinced of the need for it.

310. The Committee of the Whole adopted the

proposal by the Netherlands delegation and referred it to the General Drafting Committee.

Decision on preparations for the commencement of the activities of the special departments of the European Patent Office

311. The delegation of the Federal Republic of Germany suggested that the Committee referred to in this Decision should not be a select committee of the Interim Committee of the European Patent Organization, as that Interim Committee was due to be disbanded in 1977 and it was unlikely that the Committee referred to in this Decision would have completed its work by that time. The delegation of the Federal Republic of Germany therefore proposed that the Committee be named the 'Community Patent Interim Committee' ('Interimsausschuss für das Gemeinschaftspatent') and that the time of disbandment of this Committee be changed accordingly.

The Netherlands delegation questioned whether it was necessary for this Committee to be set up immediately after the conclusion of the Conference, as the first revocation or limitation action in respect of a Community patent would probably not take place until some time after the entry into force of the Convention, with the result that it would be some time before the special departments of the European Patent Office need be set up. The Netherlands delegation therefore asked the Committee of the Whole to consider whether the Committee referred to in this Decision need not be set up until after the entry into force of the Convention, in which case it could be the Select Committee of the Administrative Council.

The Chairman pointed out that the draft Decision did not state at what time the Committee referred to should be set up, and that therefore the Committee of the Whole could, if it so wished, record that there was no urgency in setting it up.

The United Kingdom delegation agreed that there was no urgency in setting up the Committee, but felt that it should be set up before the Convention entered into force, as the United Kingdom Government at least would require preparatory work to be done before it entered into force, for example on the financial consequences of the Convention.

The delegation of the Federal Republic of Germany agreed with the United Kingdom delegation and pointed out that although it hoped that there would be no revocation or limitation action for some time after the entry into force of the Convention, the Patent Administration Division would have to be set up as soon as the Convention entered into force; preparations in respect of electronic data-processing operations would also have to be begun one year before the entry into force of the Convention.

312. The Committee of the Whole adopted this Decision, changing the name of the Committee to 'Community Patent Interim Committee' and changing the time of its disbandment to the first meeting of the Select Committee of the Administrative Council.

III. LANGUAGE PROVISIONS

Article 14

Languages for proceedings and publications

313. The Committee of the Whole adopted a proposal by the Federal Republic of Germany (see Preparatory Document No 29, point 4) that the presentation of this article be changed to contain self-explanatory provisions rather than cross-references to Article 14 of the European Patent Convention.

314. After the Committee of the Whole had agreed on the new Article 84c (88) (see points 329 to 384 below), the Belgian delegation asked whether Article 14, paragraph 9 (paragraph 3), would also have to be amended as a result of the new language arrangements.

The Committee of the Whole took the view that an amendment of this sort should not be contemplated. All the Contracting States should, even after the introduction of the new provisions of Article 84c (88), remain bound by Article 14, paragraph 9(3).

315. The Italian delegation requested that the following opinion on this matter be entered in the minutes of the meeting. Article 14, paragraph 9(3), did not apply to European patent applications filed in accordance with Article 84a (86), paragraph 1, but only to Community patents. This meant that the authorizations given in Articles 65, 67 and 70 of the European Patent Convention could be used in respect of a bundle of European patents but not in the case of a Community patent.

The Chairman established that this was the unanimous view of the Committee of the Whole.

Article 35 (33)

Translation of the claims in examination or opposition proceedings

316. The discussions relating to Article 35, paragraph 1, are dealt with under the heading of Article 84c (see points 329 to 384 below).

317. The proposals by the CNIPA delegation in Preparatory Document No 9, points 13 and 14, for amending the penalty under paragraph 6 for failure to file the translations prescribed in paragraphs 1 and 2 were not adopted by the Committee of the Whole.

318. The Committee of the Whole did not adopt the proposal by the CNIPA delegation in Preparatory Document No 9, point 17, that there should be a warning if translations were not filed in due time so that an extension might be bought.

319. A similar proposal by the FEMIPi delegation in Preparatory Document No 42, point 6, was not supported by any Member Delegation.

320. The new paragraphs 7 and 8 proposed by the French delegation in LUX/29 are dealt with under the heading of Article 84c (see points 331 and 346 below).

Article 35a

Translation of the specification of the patent

321. The discussion of this proposed new Article is dealt with under the heading of Article 84c (see points 331 to 345 below).

Article 36 (34)

Rights conferred by a European patent application after publication

322. The Netherlands delegation withdrew its observation in Preparatory Document No 19, point 11, in respect of this article.

323. The French delegation had drawn attention in LUX/10 to problems arising from Article 67 of the European Patent Convention and Article 36, paragraph 1, of the Draft Community Patent Convention. Article 67 of the European Patent Convention allowed derogation from the general rule that a European patent application conferred upon the applicant, as from the date of its publication, the same protection as that attached to the patent following publication of the mention of grant, on condition that the protection conferred was not less than that conferred upon a national patent application, and provided that in any event the applicant might at least claim compensation reasonable in the circumstances from any person who had used the invention in circumstances where that person would be liable under national law. Article 36, paragraph 1, of the Community Patent Convention on the other hand had adopted only the minimal approach relating to reasonable compensation, and did not contain a condition that the protection be not less than that conferred by national law on a national patent application. The difficulty for the French delegation resided in the fact that present French law in this respect was more favourable than Article 36 of the Community Patent Convention, and that therefore invocation of Article 67 of the European Patent Convention could mean that the rights conferred by a European patent application after publication would be greater in France than in the other Community Member States. The French delegation wondered whether the best solution to this problem would be the introduction of a provision in the Community Patent Convention obliging all the Community Member States to align their national laws on Article 36, paragraph 1, of the Community Patent Convention.

The United Kingdom delegation stated in respect of the problem raised by the French delegation that it assumed that the Community Member States would align their national laws on the European Patent Convention and the Community Patent Convention in many respects. It considered that each State should decide what alignments to make, rather than being bound by any specific provisions in the Community Patent Convention to make certain alignments.

The French delegation stated that it was its intention to align its national law on the provisions of the

European Patent Convention and the Community Patent Convention in this as in other respects, but it had raised the matter because it felt that problems might arise if other Member States did not do so.

The Chairman of the Committee of the Whole pointed out that as a result of Article 1 of the Community Patent Convention, this Convention created special patent law for the European Economic Community, and therefore references in the European Patent Convention to 'national law' were to be construed as referring to the law created by the Community Patent Convention insofar as Community patents were concerned; thus the reference to national law in Article 67, paragraph 2, second sentence, of the European Patent Convention was to be construed, in relation to applications leading to Community patents, as referring to the Community Patent Convention, and not to French law or the law of any other Community Member States.

The United Kingdom delegation, the Netherlands delegation and the delegation of the Federal Republic of Germany agreed that by virtue of Articles 1 and 2 of the Community Patent Convention, Community patents and European patent applications designating the Community States were subject only to the common system of law, established by the Community Patent Convention, which replaced national law with regard to them.

The French delegation pointed out that Article 2, paragraph 3, of the Community Patent Convention, in defining the autonomous character of Community patents, stated that they should be subject not only to the provisions of this Convention, but also to those provisions of the European Patent Convention which were binding upon every European patent; it was this last part of the provision which gave rise to the difficulty in respect of Article 67 of the European Patent Convention in relation to Article 36, paragraph 1, of the Community Patent Convention.

The UNION delegation agreed that references to national law in the European Patent Convention were to be construed as the system of law established by the Community Patent Convention as far as Community patents were concerned, and considered that the meaning of the words 'national patent' lay at the heart of the problem. The UNION delegation therefore suggested that an addition be made to Article 2 to the effect that Community patents were to be regarded as national patents within the terms of the European Patent Convention.

The UNICE delegation felt that the suggestion by the UNION delegation might lead to even greater confusion. It suggested an amendment to Article 2, paragraph 3, whereby the reference to those provisions of the European Patent Convention which were binding upon every European patent would be replaced by a reference to those provisions of the European Patent Convention which were not contrary to the Community Patent Convention.

324. The Committee of the Whole agreed that references to national law in the European Patent Convention were to be construed as the system of law established by the Community Patent Convention.

325. The Committee of the Whole also took note of the intention of the UNION delegation to propose an addition to Article 2 of the Convention (see point 17 above).

326. The French delegation noted that the problem which it had raised had been settled satisfactorily, and withdrew its proposal in LUX/10 for a new Article 77a.

327. The Committee of the Whole referred to the General Drafting Committee a proposal by the Irish delegation to specify in Article 36, paragraph 1, the person from whom compensation might be claimed.

328. The Committee of the Whole referred to the General Drafting Committee proposals for amending paragraph 3 by the United Kingdom delegation (see Preparatory Document No 11, point 27), the delegation of the Federal Republic of Germany (see Preparatory Document No 29, point 7), and the FEMIPi delegation (see Preparatory Document No 42, point 7).

Article 84c (88)

Reservation concerning the translation of the specification of the European patent

329. The Italian delegation, supported by the Belgian delegation, proposed that Article 35, paragraph 1 be amended to stipulate that the applicant had to provide a translation not only of the claims of the Community patent but also of the description from the languages of the proceedings into the official languages of those Contracting States which did not have English, French or German as an official language (see Preparatory Document No 18).

The United Kingdom, French and Netherlands delegations and the delegation of the Federal Republic of Germany expressed some sympathy for the point of view of the Italian and Belgian delegations. However, not only Italy and Belgium would experience difficulties due to the fact that Community patents were to be granted only in the language of the proceedings (with a translation of the claims in the five other languages). If the amendment to Article 35 proposed by the Italian delegation were accepted the Community patent would probably become very much more expensive.

This latter consideration was particularly stressed by the delegation of the Federal Republic of Germany and the Netherlands delegation which pointed out that if the Community patent were to be too expensive (given that a single translation of the patent specification could cost between DM 600 and DM 1000), applicants would probably opt for national patents instead, or for European patents as provided for under the new Article 84a (86). The United Kingdom and French delegations drew attention to the fact

that a patent proprietor's competitors would in the vast majority of cases not need the whole patent specification in their national official languages in order to ascertain the extent of protection conferred by a Community patent but would be able to make do with the text of the claims in their languages.

The Danish delegation was also in favour of retaining Article 35, paragraph 1, as contained in the draft.

Of the Observer Delegations, only UNION supported the proposal by the Italian delegation, pointing out that, under the European Patent Convention, the description and the drawings were to be used, where necessary, for the purpose of interpreting the claims. The solution as it stood at present was basically no cheaper since the translation costs would have to be borne by the patent proprietor's competitors and thus indirectly by the general public.

Most of the other Observer Delegations considered that the most important point was to avoid the Community patent costing so much that it lost the desired attractiveness (CEEP, CIFE, EIRMA, IFIA, UNICE). EIRMA and UNICE further pointed out that the patent proprietor's competitors should normally be perfectly able to base themselves on the text of the claims available in their own languages. FEMIPi was also in favour of the version contained in the draft.

As a middle course between the draft and the proposal by the Italian delegation, COPRICE, supported by FICPI, suggested that the description should at least be drawn up in the three official languages of the European Patent Office.

CPCCI even considered the present solution to be too generous to competitors and was in favour of only the claims, and not the description, being translated from the language of the proceedings into the two other official languages of the European Patent Office only.

330. The Chairman of the Committee of the Whole pointed out that the problem of translating the patent specification into the national language or languages would arise in varying degrees for all the Contracting States. If the solution proposed by the Italian and Belgian delegations were adopted, it was possible that applicants would to a certain extent opt for national patents. On the other hand, it could not be denied that the language problem was a political issue for two Member States.

Precisely for this reason he considered that a solution should be sought which would enable all the Member States to ratify the Convention. He therefore suggested that no vote should be taken at this stage on the amendment proposed by the Italian delegation but that an endeavour should be made to find a solution acceptable to all delegations. This might contain the following features: the basis could be an arrangement corresponding to Article 65 of the European Patent Convention enabling each Contracting State to prescribe that a patent proprietor had to submit a translation of the patent specification in its official language where the patent had not been granted in

that language and, possibly, pay the costs of publication of such translation. The Contracting State concerned should, however, set no time-limit for the filing of the translation and any payment of costs. Until the patent proprietor had fulfilled the conditions required in this respect he could not avail himself of rights deriving from the Community patent in the Contracting State concerned. It would also have to be discussed whether any such provision should apply without restriction or whether each Contracting State wishing to avail itself thereof should expressly state its intention of doing so upon signature of the Convention or when depositing its instrument of ratification. A reservation option along these lines could perhaps be subject to a time-limit or be repealed at a later date by the Council of the European Communities.

Finally, the Chairman of the Committee of the Whole stated that he was prepared to submit these suggestions to the delegations in writing as the initial reactions to them were on the whole positive.

331. At a subsequent meeting the Committee of the Whole resumed its discussion of this matter on the basis of the following new documents:

- (a) a proposal by the Chairman (LUX/26) for a new Article 35a or, as an alternative, a new transitional Article 84c;
- (b) a proposal by the French delegation (LUX/29) for new paragraphs to be added to Article 35;
- (c) a joint proposal by the Belgian and Italian delegations (LUX/33) for a new Article 35a.

The Committee of the Whole agreed to consider first the Chairman's proposal as the more extensive proposal by the Belgian and Italian delegations was based on it.

332. In presenting his proposal, the Chairman pointed out that the reference to a five-year period in paragraph 3 of the proposed Article 84c was erroneous and should be deleted.

The Chairman's proposal was based on the assumption that the problem of the translation of the description affected all, and not just some, States although the question might assume differing degrees of importance in individual States. The proposed new Article 35a was based mainly on Article 65, paragraphs 1 and 2, of the European Patent Convention, although no time-limit was laid down for supplying a translation or the payment of publication costs. However, the rights conferred by the Community patent could not be exercised in the State concerned until the translation was filed and the publication costs paid. The Community patent would in fact be valid but could not be invoked in legal proceedings. For the period between the grant of the patent and the supply of the translation (or the payment of the costs of publication of the translation) no compensation could be claimed for the use of the invention. At the same time there would also be no right based on prior use for a person using the invention in the State concerned as he

would be aware of the existence of a Community patent.

The proposed new Article 84c embodied the same principles in the form of a transitional provision (with no time-limit) which would be terminated by decision of the Council of the European Communities.

The United Kingdom delegation considered that the fact that the second solution—namely, the transitional provision—left open the question of the States in which the obligation to provide a translation would be imposed made it fundamentally preferable. As regards the rights which would be conferred by the Community patent in the period up to the filing of the translation of the description, the United Kingdom delegation noted that there should in any case be provisional protection as provided under Article 36 (34) following the publication of the application. In the United Kingdom delegation's view, the date 'on which such provisions are complied with' should not be the date on which the translation was published but the date on which the relevant fee was paid, because publication did not depend on the applicant or the proprietor.

The Chairman replied that if compensation for the use of the invention were to be payable before the filing of the translation of the description, all pressure on the proprietor of the patent to file such a translation would be removed. Use of the invention should therefore be free until a translation had been supplied. The date on which the provisions were complied with should be understood either as the date on which the translation was supplied, if the State concerned did not prescribe that the translation had to be published, or the date on which the costs of publication of the translation were paid where this was prescribed. Protection should under no circumstances be made dependent on publication itself.

The French delegation was very concerned at the fact that by virtue of such a provision Community patents not all having the same effect would exist side by side in a Community country. This would create a situation of legal uncertainty for potential users which might have a detrimental effect on industry in the country concerned. The French delegation did not wish to comment on the question of whether a definitive provision or a transitional provision was preferable in the Convention as in its opinion no country would be prepared to waive the possibility, once granted, of requiring a translation of the patent specification in its own language.

The Chairman replied that in fact his proposal would be even more advantageous to third parties who wished to use the invention than the present version of Article 35. A third party could begin to use an invention without further ado although he would be aware that use would only temporarily be free of charge. In addition, he hoped that after a certain time the whole problem would be solved of its own accord as the translation of the claims alone would probably prove adequate for the requirements of industry. If

a transitional solution were adopted, a decision by the Council of the European Communities to delete the provision in question would be sufficient and it would not be necessary to convene a revision conference.

The delegation of the Federal Republic of Germany stressed that it was necessary to adopt a compromise in order to achieve a solution which was acceptable to all parties. It regarded the second branch of the alternative—the introduction of a transitional provision—as the lesser of two evils and accordingly came out in favour of that branch.

The Commission delegation had reservations since the unitary character of the Community patent might be endangered as a result of the proposal. Even in the present version of the draft Convention there were major exceptions to the principle of the unitary character of the Community patent. With the new solution to the language problem the Community patent would not have the same effect in all Member States. Article 2 of the draft Convention would then be no more than the expression of a wish. However, if a compromise solution was absolutely necessary then it should be valid during a transitional period only.

The Chairman understood the Commission's concern, although he pointed out that under this proposal the Community patent would be valid in all nine States even if the exercise of rights was dependent on certain conditions in individual States. He emphasized that he would himself prefer the present version of Article 35 to his own proposal but it was absolutely essential to find a solution which was acceptable to all concerned.

The Luxembourg delegation said that it had always been prepared to accept the present version of Article 35. However, if a compromise was essential it would favour the second branch of the alternative although it saw no real prospect of States later waiving the obligation to supply complete translations. The Luxembourg delegation also wondered whether, in paragraph 3 of the second branch of the alternative, the qualified majority for a decision by the Council to end the transitional solution would be acceptable to those States most interested in this question.

The Chairman commented that the provision concerning the qualified majority had the same significance as in the Treaty of Rome. As long as the Council continued with its practice of taking decisions only by unanimous agreement, the decisions to be adopted by qualified majority under paragraph 3 would also in fact have to be adopted unanimously.

The Belgian delegation was opposed to any transitional solution and opted for the first branch of the alternative because the language problem in Belgium was bound to continue for a considerable time.

The Chairman felt that this might well be true in political terms but that in practice it might be possible to dispense with the obligation to provide complete

translations. It should also not be forgotten that originally even the claims were to have been submitted solely in the three official languages of the European Patent Office. Only as an accommodation for those States with other languages had provision been made for translation of the claims into all the official languages of the European Communities.

The Danish and Netherlands delegations stated that they would prefer the present version of Article 35. However, if the two delegations most concerned by the language question agreed to the Chairman's compromise proposal, they too could accept the second branch of the alternative.

The Belgian delegation welcomed the Chairman's proposal. However, in order to obviate possible detriment to industry in the countries concerned, the proposal could be strengthened by adding a provision allowing the continued free use of the invention after a translation was supplied, where the translation was not supplied within a certain period, thereby placing additional pressure on the proprietor of the patent to provide complete translations very rapidly.

The Italian delegation thanked the Chairman for his comprehension of its position. It also welcomed the Chairman's proposals which worked towards the compromise which all delegations felt to be essential. The Italian delegation stated that of the two branches of the alternative given in the Chairman's proposal, it would prefer the first.

333. The Italian delegation stated that the proposal which it had prepared in conjunction with the Belgian delegation (LUX/33) was based on the following three principles: the unitary character of the Community patent, the lowest possible costs for the proprietor of the patent and the protection of the rights of third parties. There was also a provision, based on Article 70, paragraph 4, of the European Patent Convention, reflecting a concern for the quality of the translation to be supplied.

The Chairman pointed out that Article 70, paragraph 4, of the European Patent Convention could only be seen in conjunction with paragraph 3 of that Article and was only concerned with clarity as to the extent of protection. For the Community patent it had always been assumed without question that the authentic language would be the language of the proceedings.

The Netherlands delegation considered that if the possibility of requiring a translation of the description were introduced many States, probably including the Netherlands, would be obliged on political grounds to make use of that opportunity. All in all, in the view of the Netherlands delegation, the Chairman's proposal represented a good compromise because all States received identical treatment. If the proposal was adopted industry would probably assume that the patent had full effect and would conclude licensing contracts to offset any risks or doubts. This would practically correspond to the situation which would have arisen from the application of the present draft

of Article 35. However, there would still remain a general legal uncertainty which could have disadvantageous effects. The proposal by the Belgian and Italian delegations which, in contrast to the Chairman's proposal, included the right in certain circumstances to continue with the free use of a patented invention after full translations had been provided would in practice mean that such translations would have to be supplied immediately, which was unacceptable to the Netherlands delegation.

The Chairman pointed out that the argument of legal uncertainty also applied with respect to the present version of Article 35, and that his proposal had been submitted in full awareness of the political aspects of the language question.

334. The Committee of the Whole then heard the views of the Observer Delegations.

The UNION and FICPI delegations expressed a preference for the solution proposed by the Belgian and Italian delegations, rather than that proposed by the Chairman, as they considered that the extent of protection of a Community patent could only be judged after becoming acquainted with the whole specification. They considered, however, that the right to continue free use should be removed from the proposal by the Belgian and Italian delegations, as in their view a right to continue use could only be allowed against payment of licence fees, as in the case of compulsory licences.

The COPRICE, CPCCI, UNICE, EIRMA, AIPPI, CIFE, CNIPA and CEEP delegations regretted that the Committee of the Whole could not just adopt Article 35 as proposed in the draft Convention, but was moving towards a solution which would make the Community patent less simple, less effective and less attractive. If a compromise solution had to be adopted, their preference was for the second branch of the alternative proposed by the Chairman rather than any of the other proposals at present before the Committee of the Whole. Moreover, the COPRICE, UNICE, AIPPI, CIFE, CNIPA and CEEP delegations considered that this proposal should be amended to the effect that the proprietor of the patent would be given provisional protection before the translation of the specification was filed.

The UNICE and EIRMA delegations pointed out that if a party who used the patented invention before the translation was filed were to be given a right to continue free use after the filing of the translation, this would be tantamount to obliging the proprietor of the Community patent to file translations immediately in all the countries concerned; the effect of such a situation would be to encourage the use of the option under Article 84a (86). The EIRMA delegation considered that a solution satisfactory to both sides should be sought as regards protection of the user after the translation had been supplied and compensation for use before that time. The CPCCI and AIPPI delegations were firmly opposed to a right to continue use after the translation had been filed.

The UNICE and CIFE delegations suggested that the Committee of the Whole examine the possibility of the Community patent becoming fully effective in the States concerned as soon as a translation of the complete specification had been supplied to all the interested parties.

The UNICE delegation also asked the Committee of the Whole to consider the following alternatives to translation of the complete specification: publication not only of the claims but also of the abstract in all the official languages of the Community Member States; translation of the description into the other two official languages of the European Patent Office.

335. After the views of the observer delegations had been heard, the French delegation pointed out that during the further discussion of the language question and in debating the practical use of translations of the complete description it should not be forgotten that, in accordance with Article 87 (96) of the draft Convention, third countries could also participate in the Community patent system. This would of course complicate the whole problem still further.

336. The Italian delegation stated that, in the light of the other delegations' reactions to the proposal it had made together with the Belgian delegation in LUX/33, it would in principle be prepared to agree to the payment of compensation to the patent proprietor for use of the invention, although the details of any such solution would have to be carefully examined.

337. On a proposal by the Chairman, the Committee of the Whole agreed to examine the following aspects of the question in turn, with a view to finding a viable solution which would be acceptable to all concerned:

- (a) Conditions which could be laid down by a Member State in addition to the conditions laid down in Article 35 as proposed in Preparatory Document No 28;
- (b) The time from which the proprietor of a patent could exercise his full rights;
- (c) Penalties for use in the period before the filing of the translation;
- (d) Place of the language provision in the Convention;
- (e) Opportunity to correct the translation.

338. With regard to the first aspect, the Chairman noted that four possible conditions had been mentioned so far:

- (i) Obligation to file a translation of the description;
- (ii) Obligation to pay fees for the publication of that translation;
- (iii) Provision to the effect that to exercise full rights under a patent it was sufficient to have supplied a translation to third parties using the invention;
- (iv) Determination of a time-limit for filing the translation.

339. The Chairman noted that there was agreement within the Committee of the Whole on the first two

conditions: every State should be free to require a translation of the description and, if there was provision for publication of the translation, to demand the payment of a fee by the proprietor of the patent.

However, the French delegation pointed out that no vote had been taken on these two points and made a reservation in respect of them.

340. With regard to the third condition, the Chairman pointed out that if the translation had to be filed with the central industrial property office of the State concerned, it would have legal effect *erga omnes* in that State, whereas if the translation was submitted only to third parties using the invention then the legal effect would only be *inter partes*. It should be borne in mind in this connection that the arrangements adopted would be valid for the remainder of the term of the patent.

The delegation of the Federal Republic of Germany considered that ultimately the problem was one of cost. If the translation were made obligatory there was no reason why complete *erga omnes* effect should not be aimed for by filing the translation with the central industrial property office.

This view was supported by the United Kingdom, French and Italian delegations.

The Chairman noted that it was the unanimous opinion of the Committee of the Whole that translations should be filed with the central industrial property offices of the States concerned, and that it would not be sufficient for the proprietor of the patent to supply a translation to interested third parties.

The United Kingdom delegation asked the Committee of the Whole to consider the possibility of the proprietor of the patent filing translations with the European Patent Office rather than with national central industrial property offices. The Committee of the Whole agreed to bear this possibility in mind (see point 357 below).

341. As regards the question whether a time-limit should be laid down for filing the translation, the Chairman indicated that there was no time-limit laid down in his proposal, while the proposal by the Belgian and Italian delegations did contain a time-limit but did not provide for any penalties for failure to observe it.

The Italian delegation explained that the short time-limit it proposed was intended solely as a period of protection for the proprietor of the patent. It was intended to ensure that no third party had a right of use during the minimum period necessary to provide translations. Only when no translation was forthcoming upon expiry of this period could third parties begin to use the invention.

The delegation of the Federal Republic of Germany pointed out that under Article 65 of the European Patent Convention the proprietor of the patent in any case had a period of protection of three months or possibly longer. Any reference to this time-limit was therefore superfluous in this case.

However, the Committee of the Whole felt it opportune to have an express reference to this three-month period of protection pending the filing of a translation of the description in those countries in which a translation was required.

On the other hand, the Committee of the Whole was not in favour of laying down a maximum period for the filing of translations, after the expiry of which the proprietor of the patent would not be able to invoke the rights under the patent in the country concerned if he subsequently filed a translation.

342. With regard to the time from which the proprietor of a patent could exercise his full rights, there was a choice between the date of receipt of the translation and possibly of the payment of fees for its publication, and the date of publication itself.

The Committee of the Whole agreed that the first date should be taken. The Committee noted that where there was an obligation not merely to publish but also to pay a fee for publication, the date on which both obligations were fulfilled should be the decisive date for the conferment of full rights by the patent in the country in question.

343. With regard to penalties for use in the period before the filing of the translation, the Chairman noted that there was agreement in the Committee of the Whole on the principle that during the period between the grant of the patent and the filing of the translation (or payment of the publication fees) it should not be possible for the proprietor of the patent to invoke rights under a patent in legal proceedings or to claim damages for use by third parties in the country concerned. Two questions remained open to discussion: whether the proprietor of the patent could claim reasonable compensation for the use of his invention during this interim period, and whether third parties should have a right to continue use after the proprietor had filed a translation of the description.

The delegation of the Federal Republic of Germany and the Luxembourg, Netherlands and United Kingdom delegations were, in the light of the arguments put forward by the observer delegations, in favour of reasonable compensation for use in the interim period. It was also pointed out that the user should be aware of the existence of the patent, as the claims would in any case be published in all the official languages of the Community Member States.

The Committee of the Whole agreed that the proprietor of the patent should be able to claim reasonable compensation for use of the invention prior to the date referred to under point 342 above.

344. With regard to the question whether a third party who had used the invention and paid reasonable compensation before the proprietor of the patent had filed a translation of the description in a certain language should have a right to continue use after the proprietor filed that translation, the Chairman pointed out that if this were to be the case, this right to continue use would be unusual in that it would stem from a

prior use performed by a person who was aware of the existence of the patent.

The Danish, German, French, United Kingdom and Luxembourg delegations were against any such right to continue use.

The Italian delegation, on the other hand, was in favour of such a right. The person using the invention would have made investments and built up a market thus perhaps increasing the value of the patent. Moreover, the proprietor of the patent could, by filing a translation immediately, protect himself if he so wished against any right to continue use.

The Belgian delegation supported the Italian delegation's point of view. It felt that, as a minimum, the user should be granted a non-exclusive licence.

The Chairman noted that only two member delegations had spoken in favour of a right to continue use while five had spoken against it. Further discussion would therefore have to be based on the assumption that there would be no provision for a right to continue use (see however points 360 to 368 below).

345. With regard to the question whether the provision relating to the language question should be definitive (i.e. in the form of a new Article 35a) or transitional (Article 84c), six delegations favoured a transitional provision, while two delegations were for a definitive provision. The Committee of the Whole therefore decided that the provision would be transitional.

346. Following the decision that this provision would be transitional, the French delegation withdrew its proposal for new paragraphs 7 and 8 to be added to Article 35 (see LUX/29), but reserved the right to make a similar proposal in respect of Article 84c; it did not in fact exercise this right.

347. With regard to the duration of the transitional provision, the following options were mentioned:

- (a) Limited duration, but with unlimited possibility of extension;
- (b) Limited duration with the possibility of only one five-year extension (present arrangement in Article 84a (86));
- (c) Linking Article 84c with Article 84a.

The delegation of the Federal Republic of Germany and the Luxembourg delegation considered that this matter should be dealt with by a separate Article rather than by a link with Article 84a.

The Netherlands delegation, supported by the French delegation, was in favour of linking the duration of the language arrangements with the duration of the transitional period in Article 84a. Many States would only make use of the possibility of requiring translations simply because other States did so. The Netherlands delegation feared that if it were not linked to Article 84a, Article 84c might be long-lived.

The Chairman pointed out that the delegations which set great store by the provisions of Article 84a were not

the same as those which had an interest in Article 84c. Should the duration of these provisions be linked, this might result in a majority, based on different interests, remaining for a long time in favour of maintaining both sets of provisions.

The United Kingdom delegation felt that this difficulty might be overcome by a provision whereby Article 84a could not lapse earlier than Article 84c.

The Chairman pointed out that the intention in including Article 84c in the Convention was to seek a solution which would enable two States to obtain parliamentary approval of the Convention. The likelihood of achieving this aim should not be weakened by introducing a time-limit which was unacceptable to those concerned.

The Italian delegation stressed that it had instructions to press for the possibility of extending the period of validity of Article 84c without limitation. The Belgian and Danish delegations were also in favour of the possibility of unlimited extension.

The Netherlands and French delegations were against unlimited extension of the duration of the transitional provision. They feared that without any time-limit there would be a danger that this provision would be maintained simply through lack of any specific motive for disapplying it.

The United Kingdom delegation considered that a compromise could be found between unlimited duration of the transitional provision on translation of the specification and a fixed time-limit for its duration by providing that any reservation made in this respect should have effect for not more than 10 years, but at the end of this 10-year period it would be possible for the Council of the European Communities to extend this period if any Member State so requested. The United Kingdom delegation considered that after 10 years it would be possible to judge how the language provision affected the Community patent system, and whether or not it was advisable to extend the duration of this provision.

The Chairman noted that a majority of six delegations accepted as the only feasible solution a provision whereby the duration of the transitional provision would be limited to 10 years initially, but it would be possible for the Council of the European Communities to extend this period for an unlimited length of time if any Member State so requested.

348. The Committee of the Whole next examined whether the proprietor of the patent should be given an opportunity to correct the translation of the specification where necessary.

The Italian delegation explained that it had suggested that there should be an opportunity to correct the translation in order to protect the user against an unintentional infringement of the patent as a result of a poor translation.

In the opinion of the Chairman this should present no problem since any national court would reject claims

for compensation for infringement arising from a poor translation filed by the patent proprietor himself.

The United Kingdom delegation suggested that Rule 7(9), which related to Article 35(33), be extended to cover Article 84c(88).

The Italian delegation agreed to accept this possibility as a compromise.

The Chairman noted the agreement of the Committee of the Whole to the extension of Rule 7 to cover Article 84c.

349. The Committee of the Whole next discussed a new draft of Article 84c submitted by the United Kingdom delegation in LUX/39.

350. In reply to the question why it should be necessary to submit a translation of the description for amended texts of patents when as a general rule only claims were amended, the Chairman pointed out that in both revocation and limitation proceedings the European Patent Office had the right not only to amend the claims but also to adapt the description. As under Article 84c the complete description had to be translated, translations of the description would accordingly also be required in the event of an amendment. Naturally this translation might only relate to the amended sections. A simple reference to this obligation in the Articles concerning the above-mentioned two sets of proceedings might prove inadequate because opposition proceedings could also be affected by this rule.

351. In reply to a question by the Netherlands delegation whether the costs of publication of the translation had to be paid a second time if, once a translation into a particular language had been published in one State, a translation into the same language was required in another State, the Chairman noted that if publication were required via the central industrial property offices of the individual countries it would have to be effected twice in the case in question, with the result that the fees would have to be paid twice; on the other hand, if publication were undertaken by the European Patent Office it would be effected only once in each language. (see point 357 below).

352. The Committee of the Whole instructed the General Drafting Committee to draw up a text for Article 84c which took account of the conclusions referred to in points 339 to 351 above.

353. The Committee of the Whole resumed its discussion of the language question at a subsequent meeting on the basis of a new draft of Article 84c submitted by the Italian delegation in LUX/40.

354. At the beginning of the discussion of this new draft, the Belgian delegation announced that it had received instructions that it was no longer to press for the adoption of a provision enabling Member States to require a translation of the whole specification of a Community patent into their official languages.

In the light of this statement, the Committee of the

Whole considered whether Article 84c should be restricted to cover a reservation by Italy alone.

The Netherlands delegation stated that it could not accept the restriction of Article 84c to Italy alone, as it had instructions not to accept any discrimination between languages in this respect, and therefore if Article 84c were to give special treatment to Italy, the Netherlands delegation would have to seek the same treatment for the Netherlands, even though this should not be interpreted as meaning that the Netherlands would necessarily make use of the facility provided by Article 84c.

The Danish delegation stated that its position was similar to that of the Netherlands delegation.

355. The Committee of the Whole concluded that it was preferable to leave Article 84c open to any Member State which wished to use the possibility of making a reservation in this respect.

356. The Italian delegation pointed out in respect of paragraph 2 that the Italian authorities might not wish to publish the translation into Italian of the Community patent, but simply lay this translation open to public inspection.

The Committee of the Whole agreed that any Contracting State making a reservation under this Article should be free to decide whether to publish the translation or lay it open to inspection. It therefore agreed to delete from paragraph 2 the requirement that the proprietor of the patent pay the costs of publication of the translation.

357. The Committee of the Whole considered whether the proprietor of the patent should be required to file the translation with the European Patent Office or with the central industrial property office or with the central industrial property office of the State concerned (see points 340 and 351 above). It decided that the translation should be filed with the European Patent Office.

358. The Committee of the Whole consequently decided to adopt a new Rule requiring the European Patent Office to forward a copy of the translation to the central industrial property office of the State concerned (Rule 34).

359. In reply to a question from the Netherlands delegation, the Committee of the Whole agreed that any third party would be able to obtain a copy of the translation from either the European Patent Office or the national central industrial property office.

360. Although the Committee of the Whole had agreed to work on the assumption that there would be no provision for a right to continue use for a third party after the proprietor had filed a translation of the description (see point 344 above), paragraph 4 of the new draft submitted by the Italian delegation provided for such a right.

The principle of providing for such a right was supported by the Netherlands delegation, which pointed out that the absence of such a right would lead to

legal uncertainty, insofar as it would be possible for the proprietor of the patent to delay filing a translation of the description until several years after the grant of the patent and thereby to force a third party who had been using the invention for several years to cease such use. The Netherlands delegation considered that the provision of a right to continue use would remove this legal uncertainty and would make it possible for such continued use to be regulated by licence. However, the Netherlands delegation did not agree with all the details of the new paragraph 4 as proposed by the Italian delegation.

The delegation of the Federal Republic of Germany considered that the purpose of the provision of a right to continue use would be to protect the rights of a third party who had used the invention in good faith, but pointed out that a third party would be considered to have acted in good faith only where the content of the description went beyond that of the claims and the third party could prove that the use in question was not covered by the claims.

The United Kingdom delegation raised a number of objections to paragraph 4 of the new draft. It pointed out that this text would provide a right to continue use in respect of a use started at any time prior to the filing of the translation of the description, including prior to the grant of the patent, whereas it was presumably intended to refer to a use started in the period between the grant of the patent and the filing of the translation. Even in the latter case, the granting of such a right to continue use would have the effect of forcing all Community patent proprietors to file immediately after the grant of the patent a translation of the description in all the States making use of the reservation under Article 84c, while encouraging industry in those States to start the use of inventions covered by Community patents as soon as possible with a view to obtaining a right to continue such use. Furthermore, the United Kingdom delegation saw difficulty in defining a right to continue use; if such a right were to consist in a licence, as mentioned by the Netherlands delegation, the question arose whether the licence would cover any use of the patented invention or merely any use already started by the third party.

The French delegation opposed paragraph 4 of the new draft on the ground that it was so generous to industry in the States making a reservation under Article 84c that there was a danger that all the Community Member States would make such a reservation.

Of the Observer Delegations, only FICPI supported the provision of a right to continue use, provided that it would entail no exhaustion of rights.

CIFE, UNICE, CNIPA and EIRMA were opposed to the new paragraph 4 for the reasons put forward by the United Kingdom delegation. The CNIPA delegation wondered whether this new paragraph was not contrary to the Paris Convention.

361. The Chairman of the Committee of the Whole pointed out that although the majority of the delega-

tions which had spoken were opposed to a right to continue use as proposed by the Italian delegation in the new paragraph 4, the absence of any such right would allow the proprietor of a Community patent to let legal uncertainty persist for many years, then oblige the third party to cease use of the invention by filing a translation of the description. If such a right were to be introduced, the Chairman considered that it should not arise until the proprietor of the patent had had a certain period in which to decide whether or not he would file a translation of the description; the minimum period of three months after the grant of the patent referred to in paragraph 2 of Article 84c did not seem sufficient for this purpose. The Chairman drew attention to Article 5 of the Paris Convention, whereby a compulsory licence may not be applied for 'before the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last'; by analogy with this provision, he proposed a compromise solution whereby a right to continue use would arise if the proprietor of the patent did not file a translation of the description within three years from the date of grant of the patent.

The Italian, Netherlands, French and Luxembourg delegations supported the compromise proposal made by the Chairman.

The United Kingdom delegation stated that it found difficulty in relating the question under discussion to compulsory licences. Moreover, as the great majority of Community patent specifications would in any case be published in the English language, the compromise solution proposed by the Chairman would be of little use to industry in the United Kingdom if it were to be generally invoked by the Community States. The United Kingdom delegation would therefore have less difficulty in accepting this compromise solution if it had reason to believe that the Community Member States other than Italy were not likely to invoke this provision.

362. The delegation of the Federal Republic of Germany supported the Chairman's proposal in principle, but suggested that the period be seven years from the filing of the European patent application rather than three years from the grant of the patent. The purpose of the period was to allow the patent proprietor time to consider the economic value of his invention and whether he could and should use it in the State concerned. This could be compared with the system of deferred examination which allowed an applicant for a patent time to consider whether the exploitation of his invention would be economically worthwhile; the period by which examination was deferred in the Federal Republic of Germany and the Netherlands was seven years from the filing of the patent application.

The Chairman drew attention to the fact that the purpose of deferred examination was to allow the applicant to decide whether or not he wished to obtain a patent, whereas in the context of Article 84c the patent proprietor already had a patent and the

purpose of the period under discussion was to allow him to consider whether to use it in a certain State. Moreover, the comparison with the grant of compulsory licences was more apposite than that with deferred examination.

363. The Committee of the Whole decided to continue its discussion on the basis of a period of three years from the grant of the patent, rather than seven years from the filing of the European patent application.

364. The French delegation pointed out that under the European patent system, after the grant of the patent there was a period for opposition, during which there might still be doubt as to the validity of the patent. The French delegation therefore suggested that the three-year period under discussion should run not from the grant of the patent, but from the end of the opposition period.

This suggestion was supported by the United Kingdom, Belgian, Irish and Danish delegations and the delegation of the Federal Republic of Germany.

365. The Chairman of the Committee of the Whole pointed out that if opposition were filed, there was a possibility that opposition proceedings might not be concluded within three years from the expiry of the opposition period. A solution whereby the three-year period for filing the translation would run from the end of the opposition period in the event of no opposition being filed or from the end of the opposition proceedings in the event of opposition being filed would have the disadvantage of leaving the period of legal uncertainty indefinite. The Chairman therefore proposed that the period for filing the translation be three years from the grant of the patent or, in the event of opposition being filed, three months from the decision on the opposition if this latter period expired later than the former.

366. The Netherlands delegation considered that if a patent proprietor filed a translation of the description immediately after the grant of the patent in order to prevent use of the invention by third parties, and then opposition was filed against the patent, resulting in a considerable reduction in the protection conferred, it would not be necessary for the proprietor to file a new translation of the description as amended after opposition proceedings, as the description of the patent as granted and the claims of the patent as amended would be available in the language concerned, and these should be sufficient. Moreover, the Netherlands delegation considered that the maximum period for preventing the creation of a right to continue use by filing a translation of the description should be three years after the grant of the patent, even where no translation had been filed prior to the conclusion of opposition proceedings. The Netherlands delegation therefore proposed that a proprietor would be able to prevent the creation of a right to continue use only if he filed a translation of the description of the patent as granted within three years from the grant of the patent, or, in the event of

the patent being amended as a result of opposition proceedings before he had filed that translation, if he filed a translation of the description as amended in the opposition proceedings within three months after the conclusion of those proceedings, provided that this three-month period did not expire later than three years after the grant of the patent.

This proposal was supported by the Italian delegation.

367. The United Kingdom delegation considered that three months from the date when the rights arising from the patent as granted were confirmed or limited as a result of opposition proceedings was not a reasonable period for the proprietor to decide whether or not to obtain protection by means of a translation of the description and to file that translation. Moreover, the United Kingdom delegation considered that in the event of opposition proceedings, the period should run for a certain length of time from the end of those proceedings, irrespective whether this period expired more than three years after the grant of the patent. The United Kingdom delegation therefore proposed that in the event of opposition proceedings, the period for filing the translation should be two years from the end of the opposition proceedings.

As no other delegation supported this proposal, the United Kingdom delegation subsequently withdrew it.

368. The Committee of the Whole noted that if an absolute limit of three years from the grant of the patent were to be set on the period for filing a translation of the description, it was unnecessary within this limit to set a further period of three months from the end of opposition proceedings.

The Committee of the Whole then agreed that a right to continue use would arise if the proprietor of the patent did not file a translation of the description within three years from the date of grant of the patent.

369. At a subsequent meeting, the Committee of the Whole resumed its consideration of Article 84c (88) on the basis of a text prepared by the Drafting Subcommittee in LUX/88 in the light of the Committee of the Whole's previous discussions.

370. The Committee of the Whole referred a drafting proposal in respect of paragraph 2 to the General Drafting Committee.

371. The United Kingdom delegation proposed that paragraph 4 be amended to the effect that the right to continue use would be limited to the extent that the invention had been used prior to the filing of the translation.

The French delegation seconded this proposal.

The Netherlands and Italian delegations considered on the other hand that the right to continue use should cover use of the invention as a whole, particularly as this use was to be 'upon reasonable terms'.

In the ensuing vote, three delegations voted in favour

of the amendment proposed by the United Kingdom delegation, three delegations opposed it and three delegations abstained; the amendment was therefore not adopted.

372. The Committee of the Whole adopted paragraph 4 as proposed in LUX/88.

373. The Chairman of the Drafting Subcommittee proposed that the words 'upon reasonable terms' should be interpreted by the courts in the light of the circumstances of each case.

The Committee of the Whole agreed with this interpretation.

374. The Committee of the Whole noted in respect of paragraph 5 that the Drafting Subcommittee had erroneously limited to not more than five years the possible extension of the period of effect of the reservation in respect of a Contracting State. It agreed that this limitation be deleted.

375. The Italian delegation proposed that paragraph 5 be deleted, as it considered that the Committee of the Whole had previously decided in favour of the reservation under this Article being of unlimited duration. Moreover, the Italian delegation's proposal for Article 84c in LUX/40 had contained no such provision, and no delegation had objected to the absence of such a provision when that proposal had been discussed.

It was pointed out in reply that the Committee of the Whole's previous conclusion in this respect had been that the duration of the reservation should be limited to 10 years, with the possibility of unlimited extension (see point 347 above).

376. As no other delegation supported the proposal by the Italian delegation, paragraph 5 was adopted as proposed in LUX/88, subject to the deletion mentioned in point 374 above.

377. The Italian delegation proposed that to avoid possible doubt as to the date of filing of a translation of the description of a Community patent, this date should be entered in the Register of Community Patents.

The Committee of the Whole agreed to insert a provision to this effect in the Implementing Regulations (Rule 34).

In reply to a suggestion that this date should also be published in the Community Patent Bulletin, it was pointed out that Article 67 (66) provided for entries in the Register to be published in the Bulletin.

378. The Committee of the Whole noted that the language question had been settled through the adoption of Article 84c and that the Belgian, French and Italian delegations had reserved the right to return to the whole question if this was considered necessary after they had reported back to their governments.

379. At a subsequent meeting of the Committee of the Whole, the Italian delegation submitted in LUX/103 a proposal for amending paragraph 5 of this

article, which had in the meantime been renumbered Article 88. Under this proposal, the duration of a reservation under this Article would no longer be set at 10 years, with the possibility of extension for an unspecified period; instead, any reservation under this article could only be terminated by a unanimous decision of the Council of the European Communities at the request of a Contracting State, with no specific period being set for its duration.

380. The Committee of the Whole agreed unanimously, with one delegation abstaining, to reopen the discussion of this provision, with a view to finding a solution which would enable Italy not only to sign but also to ratify the Convention.

381. The United Kingdom delegation stated that whereas it could accept an amendment to the effect that a Council decision would be required to terminate a reservation rather than extend its duration, it would prefer the decision to be subject to the same requirements as the decision terminating the reservation under Article 84a (86), namely unanimity during the first 10 years from the date of entry into force of the Convention, or a qualified majority after expiry of that period. The United Kingdom delegation pointed out that the Convention already contained two different methods of terminating reservations, that under Article 84a (86) and that under Articles 84b (90) and 84d (89), and considered that it would be undesirable to introduce a third method, particularly as the method proposed by the Italian delegation would leave a delegation making a reservation under Article 84a (86) in a less favourable position than a delegation making a reservation under this article. The United Kingdom delegation drew attention to the fact that the solution under Article 84a (86) had been reached only after negotiations which had ended in a compromise agreed by the Permanent Representatives Committee, and there was therefore no question of attempting to alter that solution.

The delegation of the Federal Republic of Germany also appealed to the Italian delegation to align its proposal on the solution adopted under Article 84a (86). It considered that the Council of the European Communities would be fully aware of the political significance of the problem and therefore would not reach a majority decision in favour of terminating the reservation if Italy were opposed to its termination. The delegation of the Federal Republic of Germany stated that it completely understood the very difficult position of the Italian delegation, but pointed out that other delegations would have great difficulty in accepting the Italian proposal in its present form, and that all efforts should be made to find a solution equally acceptable to all delegations.

The French delegation also asked the Italian delegation to consider carefully a solution aligned on that under Article 84a (86), since there was a possibility that States other than Italy might make a reservation under Article 84c (88).

The Italian delegation replied that it was unable to change its proposal.

382. In the ensuing vote, three delegations voted in favour of the proposal by the Italian delegation and six delegations abstained. The proposal was thus adopted by the Committee of the Whole.

383. The Commission delegation pointed out that under Article 84a (86), not only the Contracting States but also the Commission had the right to propose that the Council decide to terminate the reservation; it therefore proposed that the Commission be given a corresponding right of proposal under Article 84c (88).

384. The Committee of the Whole adopted this proposal.

IV. THE ECONOMIC CLAUSES OF THE CONVENTION

385. The main problem confronting the Conference with regard to these clauses was whether the rights attached to a Community patent should be exhausted without restriction once the proprietor of the patent had put the product covered by the patent on the market in one of the Member States of the Community, and similarly whether the rights attached to a national patent in a Contracting State should be exhausted without restriction in that State once the proprietor of the patent had put the product covered by the patent on the market in any of the Member States of the Community (as provided for in the draft), or whether there should be certain restrictions on such exhaustion.

The Committee of the Whole agreed to begin its discussions with Article 78 (81) as in the case of parallel national patents there was already a reference point in the form of judgments by the Court of Justice of the European Communities; the related problem of Article 32 could then be dealt with in a similar manner.

Article 78(81)

Exhaustion of the rights attached to a national patent

386. The French delegation proposed (see Preparatory Document No 17, point 4) amending paragraph 1 to the effect that exhaustion of the rights attached to a national patent in a Contracting State should be limited to the case where the proprietor of the patent had put the product covered by the patent on the market in a Member State of the Community in which he was the proprietor of a patent for the same invention, so that there would be no exhaustion of rights if he were to put it on the market in a Member State of the Community in which he had no patent protection; thus, if the proprietor of the patent were to put the product covered by the patent on the market in a Member State in which he had no patent protection at a price lower than that at which he marketed it in the Member State in which he did have patent protection, the lower price enabling him to compete

with an imitator in the State in which he had no patent protection, the product marketed in the State in which there was no patent protection could not be imported by another party into the State in which the proprietor did have patent protection at a price lower than that at which the proprietor was marketing it under the protection of his patent. Similar proposals had also been submitted by the United Kingdom delegation and by the delegations of UNION (Preparatory Document No 3, point 18 and Preparatory Document No 45, point 4), ICC (Preparatory Document No 8, point 7), CNIPA (Preparatory Document No 9, point 4), UNICE (Preparatory Document No 10, points 5 and 9, and Preparatory Document No 31, point 2.5), CIFE (Preparatory Document No 22, points 5 and 9, and Preparatory Document No 32), CEEP (Preparatory Document No 30, point 19), EIRMA (Preparatory Document No 34, point 5) and FEMUPI (Preparatory Document No 42, points 4 and 28), all of which supported the proposal by the French delegation.

The Commission of the European Communities (see Preparatory Document No 36, points 4 to 13) opposed the proposal by the French delegation on the grounds that the purpose of patent protection was not to guarantee a certain level of profit but to grant an exclusive right to make and market the subject of an invention, and that this proposal was contrary to the provisions of the EEC Treaty on the free movement of goods, as could be seen from the rulings of the Court of Justice of the European Communities in the *Deutsche Grammophon Gesellschaft* and the *Centrafarm v Sterling Drug* cases. The Commission therefore considered that the scope of Article 78 as contained in the proposed draft should not be limited in any way.

The delegations of UNICE and CIFE had also submitted a proposal (see LUX/38) whereby there would be exhaustion of rights where the product had been put on the market in one of the Member States of the Community with the consent of the proprietor of the patent. They pointed out, however, that this was only a subsidiary proposal, their main proposal being that set out in Preparatory Document No 31, point 2.5.

387. The French delegation stated that, although the situation had changed since it had submitted its proposal, as a result of rulings by the Court of Justice of the European Communities, general economic developments and the introduction of a number of reservation clauses in the draft Convention, it still stood by the principle that where a product was put on the market in a Member State of the Community in which there was no patent protection, this should not result in exhaustion of rights throughout the Community. The French delegation therefore maintained its proposal.

The United Kingdom delegation supported the arguments put forward by the French delegation and pointed out that the rulings of the Court of Justice to date had not completely clarified the question of parallel patents. While supporting the proposal by the French delegation, the United Kingdom delega-

tion also suggested that an alternative solution might be to delete Article 78 completely.

The Commission delegation confirmed its view that the proposal by the French delegation would lead to a partitioning of the common market where the proprietor of a patent marketed a product in a Member State in which he had no patent protection, and that this would be contrary to Community law.

388. The delegation of the Federal Republic of Germany opposed the proposal by the French delegation on the grounds that, although the rulings of the Court of Justice to date had not completely clarified the point at issue in Article 78, there was a great risk that, if the proposal by the French delegation were to be adopted, the Court of Justice would declare it to be contrary to Community law. Nor could the delegation of the Federal Republic of Germany support the suggestion by the United Kingdom delegation that Article 78 be deleted, as it considered the matter too important to be left unresolved in the Convention. It was in favour of maintaining the substance of Article 78 as contained in the proposed draft, and considered that the proposal made by the UNICE and CIFE delegations in LUX/38 reformulated the proposed draft in terms reflecting the rulings of the Court of Justice to date. It therefore supported the proposal by UNICE and CIFE subject to drafting amendments, and agreed to submit in writing a text incorporating the drafting amendments which it envisaged.

The Commission delegation stated that at first sight the solution proposed by the delegation of the Federal Republic of Germany appeared to be compatible with the EEC Treaty.

The Luxembourg delegation basically shared the views put forward by the delegation of the Federal Republic of Germany and expressed interest in the solution proposed by it.

The Italian delegation expressed reservations with regard to this solution as it felt that it would favour large-scale industry and that it placed too much emphasis on the aspect of marketing, while there was a danger that the protection offered to patent proprietors would be inadequate.

The French delegation also expressed reservations. It considered that although the Court of Justice of the European Communities had reached the conclusion that the free movement of goods was to be guaranteed in the specific individual cases dealt with by it, that did not mean that the principle of the French proposal was bound to be rejected. It must be borne in mind that the EEC Treaty had as its aim not only the free movement of goods but also the economic development of the Community. Moreover, Article 84 of the proposed draft provided an assurance that none of the provisions of the Convention could contravene the EEC Treaty.

The Netherlands delegation considered that a solution based purely on patent law would result in the adoption of the proposal submitted by the French delega-

tion, but it expressed reservations in respect of this proposal in the light of the provisions of the EEC Treaty on the free movement of goods. While the solution proposed by the delegation of the Federal Republic of Germany would appear to be satisfactory from the point of view of the free movement of goods within the Community, the Netherlands delegation had reservations in respect of this solution too, as it considered that it would deprive the Court of Justice of the European Communities of the possibility of giving rulings in respect of the situation under discussion which might be more flexible than the rulings already given. On the other hand, if Article 78 were to be deleted completely, leaving the question to be settled by the Court of Justice, there was a risk that the Court of Justice might give a ruling which was extremely biased towards free movement of goods. The Netherlands delegation, while provisionally preferring the deletion of Article 78, considered that all these aspects should be examined carefully before a solution was arrived at.

The Danish delegation stated its preference for the proposal submitted by the French delegation, despite the difficulties it entailed, accompanied by the proposed protocol on the deferred application of the provisions on the exhaustion of rights during a transitional period. It also expressed interest in the possibility of deleting Article 78 completely, in which case such a protocol would be unnecessary.

A number of delegations inquired to what extent rulings to date by the Court of Justice of the European Communities were to be regarded as relevant in the present case. They unanimously concluded that to date the Court of Justice had not handed down a ruling of specific application to the case covered by the proposal by the French delegation. However, the trend of future rulings by the Court was discernible from the grounds given in earlier rulings in related areas.

389. The delegations of the non-governmental international organizations were then invited to give their views on the various proposals which had been made.

The CNIPA, COPRICE and EIRMA delegations were in favour of the proposal by the French delegation.

The solution proposed by the delegation of the Federal Republic of Germany was supported by the AIPPI, CIFE, ICC and UNICE delegations.

The FICPI, IFIA and UNION delegations were in favour of the complete deletion of Article 78.

390. At this juncture, the Chairman pointed to a number of conclusions that could be drawn from the discussion so far. The solution adopted by the Conference should not be contrary to Community law, including the rulings given by the Court of Justice to date. None of the relevant rulings fully covered the problem under discussion, but they had established the general principle that intellectual property rights in one or more Member States of the Community

could not be invoked by the proprietor of the rights to prevent the import into those States of a product which had been put on the market of another Member State by the proprietor of the rights or with his consent. It was therefore likely that if the proposal by the French delegation in respect of Article 78 were to be adopted, the Commission would bring the matter before the Court of Justice under Article 169 of the EEC Treaty, and there was a danger that the Court of Justice would find against the Member States. If such a judgment were to be given before the Convention entered into force, a new intergovernmental Conference would have to be held; if such a judgment were to be given after the Convention had entered into force, it would mean that one of the most important provisions of the Convention would be invalid. One way of avoiding the risk of adopting a provision which might be declared incompatible with the EEC Treaty was to delete Article 78 completely, but this solution had the disadvantage of leaving legal uncertainty indefinitely. The solution put forward by the delegation of the Federal Republic of Germany had the advantage of applying to the case in point the principles underlying the rulings given by the Court of Justice to date and so creating legal certainty, although it would have to be examined whether the explicit consent of the proprietor of the patent was necessary, or whether his tacit consent would be sufficient. However, the disadvantage of the solution proposed by the delegation of the Federal Republic of Germany was that it would leave no scope for the Court of Justice to modulate the principles emerging from its previous rulings in relation to the situation covered by Article 78, whereas examples given in the course of the discussion had shown the need for these principles to be applied more flexibly. The Chairman suggested that this objection might be overcome by adding to the text proposed by the delegation of the Federal Republic of Germany the words '... unless the proprietor of the patent can show good reason why exhaustion of the rights attached to the patent would be unjustified'.¹

The United Kingdom, Belgian and Netherlands delegations welcomed the addition suggested by the Chairman.

The delegation of the Federal Republic of Germany considered that this addition would create less legal certainty than its own proposal, as the principle of good faith underlying the addition would have to be interpreted. The delegation of the Federal Republic of Germany therefore preferred its own proposal without this addition.

The Commission delegation also considered that the addition would give less legal certainty, and therefore preferred the solution proposed by the delegation of the Federal Republic of Germany without any addition.

The Chairman pointed out that the principle of exhaustion, if taken to its logical conclusion, could encourage the proprietor to seek patents in all of the Member States, thus partitioning the Common Market, and that the purpose of the addition which he had suggested was to take account of the reasonable interests of the individual. He also noted that the Commission delegation, while not welcoming the suggested addition, did not seem to consider it to be incompatible with the EEC Treaty.

391. At a subsequent meeting, the Committee of the Whole resumed its examination of Article 78, paragraph 1, on the basis of a text submitted by the delegation of the Federal Republic of Germany in LUX/48.¹ The delegation of the Federal Republic of Germany explained that although it had earlier opposed the addition suggested by the Chairman, after reflection it now proposed a text which endeavoured to take account of all the points raised in the previous discussion. The text now proposed made it clear that the consent of the proprietor of the patent had to be explicit. While taking over the basic idea underlying the addition suggested by the Chairman, the new proposal differed in that it avoided any reference to the term 'exhaustion', it referred to the objective existence of grounds for an exception rather than such grounds being put forward by the proprietor of the patent, and it made the existence of such grounds subject to Community law.

The French delegation stated that, after giving careful consideration to all the arguments put forward in the discussion of this provision, it supported the proposal submitted in LUX/48 and withdrew its own proposal in Preparatory Document No 17.

The United Kingdom delegation also supported the proposal by the delegation of the Federal Republic of Germany and concurred in the withdrawal of the proposal in Preparatory Document No 17.

The Belgian, Irish, Italian and Luxembourg delegations also supported the proposal in LUX/48.

The Luxembourg delegation suggested that in order to clarify the problems involved in the conflict between patent law and competition law, a conference of experts in the two fields together with representatives of the Court of Justice of the European Communities be convened by the Commission.

The Commission delegation confirmed that it would have been unable to accept the original wording of the addition suggested by the Chairman, as the existence of justified grounds would have been assessed solely on the basis of national law. This point was dealt with satisfactorily in the new proposal by the delegation of the Federal Republic of Germany, as national courts would have to apply Community law too and when

¹In the original German: '... es sei denn, dass der Patentinhaber berechtigte Gründe vorbringen kann, die die Erschöpfung des Rechts aus dem Patent als unbillig erscheinen lassen'.

¹In the meantime, the delegation of the Federal Republic of Germany had previously submitted a proposal in LUX/43, which it withdrew in favour of the text contained in LUX/48.

in doubt refer the matter to the Court of Justice of the European Communities. The Commission delegation was therefore prepared to withdraw its earlier objection to any addition to the original proposal by the delegation of the Federal Republic of Germany, provided that the proposal in LUX/48 were to be interpreted as meaning that there could be grounds which justified an exception only where there was no patent protection in one or more Member States of the Community, as the situation where there were parallel patents in all nine Member States was covered by the ruling in the *Centrafarm v Sterling Drug* case, and in that situation there were therefore no grounds which could justify the enforcement of the rights conferred by a patent against imports from another Member State. The Commission delegation also pointed out that the term 'explicit' consent had not been used in the relevant ruling of the Court of Justice, and therefore considered that the word 'explicit' should not occur in Article 78, paragraph 1. On the other hand, the Commission delegation could accept a statement in the minutes of the Conference to the effect that the explicit consent of the proprietor was intended.

The United Kingdom delegation considered that an interpretative statement in the minutes of the Conference would have exactly the same effect as the inclusion of the word 'explicit' in the text of Article 78, paragraph 1, the only difference being optical. For the sake of clarity, the United Kingdom delegation preferred the inclusion of the term 'explicit' in the text of the Convention.

Consultation of the delegations of the non-governmental organizations showed that all the delegations which spoke were in favour of the proposal in LUX/48, including the word 'explicit'.

392. The Netherlands delegation stated that it had not yet received any instructions regarding the latest proposal by the delegation of the Federal Republic of Germany and was therefore obliged, in accordance with its original brief, to seek the deletion of Article 78. However, to enable it to obtain new instructions, it requested an adjournment of the decision on Article 78, paragraph 1.

The Chairman noted that under Rule 33 of the Rules of Procedure a motion to adjourn the debate on the question under discussion had precedence over all other proposals before the meeting. Under Rule 31 in conjunction with Rule 30 of the Rules of Procedure only one further Member Delegation could speak in favour of the motion, and two against.

The Luxembourg delegation supported the Netherlands delegation's motion.

The United Kingdom delegation and the delegation of the Federal Republic of Germany opposed the motion on the ground that an adjournment of the decision on Article 78, paragraph 1, would be inexpedient in the light of the large majority emerging in favour of the proposal by the delegation of the Federal Republic of Germany. They pointed out that in the

event of the motion being rejected, the Netherlands delegation would be free to make a reservation.

393. In the ensuing vote, one Member Delegation was in favour of the motion by the Netherlands delegation, six against and two abstained.

The Committee of the Whole then voted on the proposal by the delegation of the Federal Republic of Germany for Article 78, paragraph 1, as contained in LUX/48.

This proposal was unanimously adopted with one abstention.

The Netherlands delegation reserved the right to seek reconsideration of this proposal at a later stage.

394. Later in the same meeting, the Netherlands delegation stated that it was now authorized to approve the proposal in LUX/48, subject to the deletion of the word 'explicit'. It considered this word to be superfluous, since from a legal point of view consent was either given or not given, and the requirement of explicit content would only lead to difficulties in establishing whether consent was explicit or tacit in a given case.

No other Member Delegation supported the proposal by the Netherlands delegation to delete the word 'explicit' and the text of Article 78, paragraph 1, in LUX/48 was maintained without amendment.

395. At a subsequent meeting, no Member Delegation supported a proposal by the COPRICE delegation (see LUX/52) for rewording Article 78, paragraph 1.

396. At the final meeting of the Committee of the Whole, it was noted that the words 'Community law' in Article 78, paragraph 1, were to be interpreted in the same way as the same words in Article 32, paragraph 1 (see point 405 below).

397. The proposal by the Commission of the European Communities in respect of Article 78, paragraph 2, (see Preparatory Document No 36, points 13 and 14) was withdrawn in the light of the solution adopted for paragraph 1.

398. The Netherlands delegation had submitted a proposal in respect of Article 78, paragraph 2 (see Preparatory Document No 19, point 20), whereby the concept of being in a position to exert a decisive influence was replaced by the concept of actually exerting such an influence, and an attempt was made to define the situations in which it could be assumed that such an influence would be exerted.

This proposal was supported by the French and Italian delegations in principle, subject to discussion of the definition proposed.

The delegation of the Federal Republic of Germany, the United Kingdom delegation and the Commission delegation preferred the proposed draft to the proposal by the Netherlands delegation.

The United Kingdom delegation pointed out that

although the term 'is in a position to exert' was replaced by the more definite term 'exerts', the attempt to define the situations in which it could be assumed that influence was actually exerted brought back the less definite element through the inclusion of the words 'saving proof to the contrary', with the result that the proposal by the Netherlands delegation did not greatly clarify the situation.

The Commission delegation considered that the definition proposed by the Netherlands delegation was already covered by the words 'with his consent' in paragraph 1.

In reply to a question from the delegation of the Federal Republic of Germany, the Commission delegation stated that the question of relationships between legal persons was a matter of company law, and there was a danger that adoption of the definition proposed by the Netherlands delegation would anticipate the work being done within the Community in respect of European company law.

In the light of this statement by the Commission delegation, the Netherlands delegation withdrew its proposal.

399. The Committee of the Whole adopted paragraph 2, as contained in the proposed draft.

400. As all the proposals before the Conference in respect of paragraph 3 (including the proposed draft) had been rendered superfluous by the text adopted for paragraph 1, the Committee of the Whole deleted paragraph 3.

401. The proposal by the delegation of the Federal Republic of Germany for a new paragraph 3a (see LUX/48) was adopted unanimously by the Committee of the Whole.

402. The FICPI delegation withdrew its proposal for a new paragraph 4 (see Preparatory Document No 33), as this proposal was rendered superfluous by paragraph 1 as adopted.

403. The proposal by the French delegation for a new paragraph 4 (see LUX/44) was not seconded by any other member delegation.

Article 32

Exhaustion of the rights attached to a Community patent

404. The delegation of the Federal Republic of Germany proposed in LUX/48 a text for Article 32 aligned on the text proposed and subsequently adopted for Article 78 (81).

This proposal was unanimously adopted by the Committee of the Whole.

405. At the final meeting of the Committee of the Whole, it was noted that the words 'Community law' in Article 32 were to be interpreted as meaning the provisions of the Treaty establishing the European Economic Community and the legislation deriving

from it, the jurisprudence of the Court of Justice of the European Communities and the principles of national law common to all the Member States.

Protocol on the deferred application of the provisions on the exhaustion of rights attached to Community patents and national patents

406. In the light of the decisions taken in respect of Articles 32 and 78 (81), the Committee of the Whole agreed unanimously not to adopt any such protocol.

V. REPORT OF WORKING PARTY I TO THE COMMITTEE OF THE WHOLE

407. In accordance with Rule 12, paragraph 1, of the Rules of Procedure, Working Party I elected Mr R. Bowen (United Kingdom) as its Chairman and Mr P. Fressonnet (France) as its Vice-Chairman.

It also elected Mr H. J. G. Pieters (Netherlands) as the Chairman of its Drafting Committee and Mr J. Verlinden (Belgium) as its Rapporteur.

408. The texts proposed to the Committee of the Whole by the Working Party were set out in LUX/47/R.

Article 27

Claiming the right to the Community patent

409. The COPRICE delegation had proposed (see Preparatory Document No 5, point 4) that the respective rights of the joint proprietors of a Community patent be defined in Article 27, paragraph 1.

Working Party I considered that the provisions of Article 39, whereby the Community patent as an object of property was to be dealt with as a national patent, covered all the problems which might arise in respect of joint proprietorship.

The Committee of the Whole agreed with Working Party I that no amendment should be made to Article 27 in this respect.

410. The Italian delegation had proposed that the period of not more than two years referred to in paragraph 3 should begin on the date of filing of the European patent application rather than on the date on which the European Patent Bulletin mentioned the grant of the European patent, on the grounds that the state of uncertainty would last too long in the latter case.

Other delegations on Working Party I had pointed out that this period had been adopted as a compromise between the absence of any time-limit at all on the allowability of the claims referred to, and a period of only one year from the date of the mention of the grant. Working Party I proposed that this compromise period be maintained.

The Committee of the Whole agreed to make no change in this respect.

411. The Italian delegation had proposed that when any legal proceedings referred to in Article 27 were instituted, this fact should be entered in the Register of Community Patents.

Working Party I had agreed to this principle, and also to the principle that the outcome of such proceedings should be entered in the Register of Community Patents. It therefore proposed that a new paragraph 4 be added to Article 27 to this effect and that a corresponding addition be made to Rule 25 (31), paragraph 2, of the Implementing Regulations (see LUX/47/R).

With regard to the question who should be responsible for notifying the European Patent Office of the institution and the outcome of the proceedings, Working Party I considered that it should be possible for the claimant, any other interested person or the registrar of the court before which the proceedings were brought to do so; it had drawn up a new Rule 6 bis (7) to this effect (see LUX/47/R).

The Committee of the Whole approved the conclusions of Working Party I in this respect and adopted Article 27 and Rule 6 bis (7) as proposed by it, as well as the addition to Rule 25 (31), paragraph 2.

Article 28

Enforcement of the right to the Community patent

412. With regard to the period of one year laid down in Article 28, paragraph 1, of the proposed draft, the UNION delegation had asked for clarification as to what would happen if the person recognized as entitled to the Community patent did not request, within that period, that he be entered in the Register of Community Patents as the proprietor of the patent (see Preparatory Document No 3, point 2); the Netherlands delegation had proposed that this time-limit be deleted (see LUX/8); and the EIRMA delegation had requested that this period be reduced (see LUX/12).

Working Party I had decided to delete this period.

413. The Netherlands delegation had also proposed (see LUX/8) that the former proprietor of the patent as well as the person recognized as being entitled to it should be able to request the entry of the new proprietor in the Register of Community Patents.

Working Party I considered that this matter was already covered by Rule 8 (10), paragraph 1, of the Implementing Regulations to the Community Patent Convention, in conjunction with Rule 20 of the Implementing Regulations to the European Patent Convention. Moreover, the Working Party considered that once the time-limit had been deleted from paragraph 1, this paragraph was no longer necessary and should therefore be deleted in its entirety.

The Committee of the Whole adopted the proposal of Working Party I to delete paragraph 1.

414. The delegation of the Federal Republic of Germany had proposed (see Preparatory Document No 15, point 4) that the first sentence of paragraph 2 of the proposed draft be deleted. It withdrew this proposal during discussions in Working Party I.

415. Working Party I confirmed the general principle contained in the first sentence of paragraph 2 of the proposed draft and proposed that it be asserted in a separate paragraph (new paragraph 1: see LUX/47/R).

The Committee of the Whole adopted the proposal of Working Party I to assert this principle in a separate paragraph.

416. Working Party I further confirmed that there should be an exception to this general principle in respect of the previous proprietor of the patent and a licensee in certain circumstances.

It proposed that this exception should apply not only in respect of a licence obtained prior to the change of proprietorship of the patent, but to a licence obtained at any time prior to the registration of the institution of legal proceedings under Article 27.

It further proposed that the exception should provide not only for the grant by the new proprietor of the patent of a new licence to the previous proprietor or the licensee, but also for the continuation of the use of the invention by the previous proprietor or the licensee, pending the grant of the new licence, provided that the previous proprietor requested the licence within two months of the entry of the person entitled to the patent in the Register of Community Patents or the licensee requested the new licence within four months of such entry.

The Italian delegation pointed out that the latter time-limit would be meaningless unless there was an obligation on either the European Patent Office or the person entitled to the patent to inform the licensee of the entry of the person entitled to the patent in the Register.

The Committee of the Whole therefore agreed that the time-limits proposed should run from the receipt by the previous proprietor or the licensee of notification from the European Patent Office of such entry.

Subject to this amendment, the Committee of the Whole adopted the proposals of Working Party I referred to above.

417. Working Party I also proposed that the concept of knowledge that the previous proprietor was not entitled to the patent be replaced by the concept of acting in bad faith, and that the time at which this concept was to be relevant should be the time at which the previous proprietor or the licensee began to use the invention or make preparations to do so, rather than the time when the patent was granted or transferred to the previous proprietor (see paragraph 3 of Article 28 in LUX/47/R).

The Committee of the Whole adopted these proposals.

418. Working Party I considered that the question of surrender or limitation of the patent prior to the decision on the change of proprietorship of the patent becoming final, which had been raised by the FEMIPPI delegation (see Preparatory Document No 42, points 1 and 33), was already covered by Rule 6 of the Implementing Regulations.

The Committee of the Whole agreed with this view.

Article 37 (35)

Effect of revocation of the Community patent

419. Working Party I confirmed the general principle expressed in paragraph 1 of the retroactive effect of revocation of a Community patent.

The Committee of the Whole adopted paragraph 1 as approved by Working Party I.

420. Working Party I had discussed the difficulties arising from the fact that a number of Community Member States were unfamiliar with the concept of 'unjust enrichment', which appeared in paragraph 2 of this article, and proposed that a sentence be added at the end of subparagraph (b) of this paragraph to clarify the situation in respect of a contract of assignment or a licensing contract (see LUX/47/R).

Working Party I had agreed that the new sentence did not prevent the parties to the contract from providing otherwise in the contract if they so wished; it did not, however, express this idea in the text to avoid the application of an *a contrario* argument to other provisions of the Convention.

The Netherlands delegation proposed that paragraph 2 be re-drafted in such a way that the term 'unjust enrichment' was used in connection with subparagraph (a) only, while the new sentence proposed by Working Party I was used in relation to subparagraph (b).

The Chairman of Working Party I explained that, after much discussion, the Working Party had concluded that the concept of 'unjust enrichment' applied in respect of both subparagraphs, and therefore this term should be used in relation to both of them, while clarification of the situation in respect of an assignee or a licensee should be added to subparagraph (b).

The United Kingdom delegation and the Netherlands delegation expressed reservations on the words 'derived no adequate benefit from the patent in return for these payments' in the sentence proposed by Working Party I. They considered that this wording was too broad, as it would allow an assignee or licensee to require a refund of sums paid under the relevant contract not only where the failure to derive adequate benefit was attributable to the revocation of the patent, but also where this failure was attributable to the way in which the assignee or licensee had used, or failed to use, the assigned patent or the licence.

The French delegation explained the purpose of this provision with two examples. Where a patent had been

assigned for a lump-sum payment and was revoked shortly afterwards, the assignee, who had expected to be able to use the patent for much longer, should be able to request the refund of part of the sum paid. Where, after the grant of a licence, the licensee made a considerable investment with a view to using the patented invention, but the patent was revoked shortly after the grant of the licence, with the result that the licensee had no opportunity to make a reasonable return on his investment, he should be able to request the refund of at least part of the sum paid for the licence.

The EIRMA delegation, the FICPI delegation and the ICC delegation shared the reservations of the United Kingdom delegation and the Netherlands delegation, and considered that this sentence should be deleted, leaving matters of compensation to the relevant national laws on contracts.

The ICC delegation also drew attention to the possibility of the parties to the contract including a clause containing the principle set out in this sentence in the relevant contract.

The UNION delegation was also in favour of deleting this sentence, but considered that if the Conference decided not to delete it, it should appear not in paragraph 2(b), but in a new paragraph 3 as in certain cases the principle contained in it in respect of assignees and licensees (subparagraph (b)) could be applied to infringers (subparagraph (a)).

The UNICE delegation, the COPRICE delegation and the AIPPI delegation were in favour of keeping this sentence. They agreed with the UNION delegation that it could be applied to infringers as well as to assignees and licensees, but considered that it should appear in the first part of paragraph 2 in place of the term 'unjust enrichment', rather than in subparagraph (b) or in a new paragraph 3. The UNICE delegation also considered that this sentence should be amended to take account of the observations made by the United Kingdom and Netherlands delegations.

The Committee of the Whole voted for the inclusion in Article 37 (35) of the sentence proposed by Working Party I by a majority of seven to none, with two abstentions.

The United Kingdom delegation reserved the right to submit a written proposal to amend this sentence.

The Committee of the Whole voted to leave this sentence in subparagraph (b) of paragraph 2 by a majority of seven to none, with two abstentions.

421. At a subsequent meeting the Committee of the Whole resumed its discussion of this provision on the basis of a written proposal by the United Kingdom delegation in LUX/69. The United Kingdom delegation explained that the wording of this sentence as adopted by the Committee of the Whole was too wide because it allowed the whole basis for any payments made under contract to be called in question whether or not related to the effect of revocation; it therefore proposed the deletion of this sentence, leaving this

matter to be governed by national law. If the Committee of the Whole were unable to agree to the deletion of this sentence, the United Kingdom delegation proposed alternative wording which would express the idea intended without committing Member Delegations to changing their national civil law.

The Netherlands delegation supported the proposal by the United Kingdom delegation to amend the wording of this sentence.

The French and Italian delegations stated a clear preference for the wording of this sentence previously approved by the Committee of the Whole, rather than the wording proposed by the United Kingdom delegation. They were particularly opposed to the words 'some repayment' in the text proposed in LUX/69, as they pointed out that those words would exclude the possibility of total repayment.

The delegation of the Federal Republic of Germany stated that its first preference was the omission of this sentence, but that it could accept either the wording set out in LUX/47/R, or that proposed by the United Kingdom delegation in LUX/69.

The Committee of the Whole finally agreed unanimously to adopt in principle the amendment proposed by the United Kingdom delegation on the understanding that the words 'some repayment' were to be interpreted as covering some or all repayment. It referred this provision to the General Drafting Committee.

422. Working Party I had rejected a proposal by the UNICE delegation (see Preparatory Document No 31, point 27) to make an exception in subparagraph (a) of paragraph 2 where the decision on infringement was taken while an action for revocation of the Community patent was pending. The reason for rejecting this proposal was that the parties to the infringement proceedings would have the option of requesting the suspension of the proceedings.

The Committee of the Whole confirmed the rejection of this proposal.

423. The Netherlands delegation drew attention to the question asked by the EIRMA delegation in LUX/12 in respect of subparagraph (a) of paragraph 2, expressing it in somewhat more general terms as asking whether, in the case of an injunction prohibiting further use by an infringer of an invention protected by a Community patent having become final and been enforced prior to a revocation decision, the infringer would be able to resume use of the invention once the Community patent had been revoked.

The Committee of the Whole agreed unanimously that in such a case the injunction would be lifted once the patent was revoked and the basis for granting the injunction was thus removed. The Committee of the Whole further agreed that it was not necessary to express this point in the Convention, and that it was sufficient to record the Committee's decision in the report of its proceedings.

Article 38 (36)

Complementary application of national law regarding infringement of the Community patent

424. The AIPPI delegation had proposed (see Preparatory Document No 25, Chapter II) that the reference to national law in Article 38 (36) should be replaced by Community rules on civil sanctions for infringement, penal sanctions being dealt with by Article 75 (79).

Working Party I had considered this proposal favourably, but felt that the time was not yet ripe for laying down uniform Community remedies in this respect. Moreover, attention had been drawn to the draft Resolution on future litigation of Community patents, and to the statement by the Commission (see Preparatory Document No 39, page 3) referring to its current work in relation to the establishment of uniform rules on choice of law for contractual and non-contractual obligations, rights *in rem* and intellectual property.

The Committee of the Whole confirmed that the proposal by the AIPPI delegation could not be adopted at present, and took note of a request by the AIPPI delegation that this proposal be taken into account when the Resolution on future litigation of Community patents was implemented and by the Commission in its work.

425. The Committee of the Whole noted that Article 38 (36) only dealt with the effects as regards patent law of the Community patent and that national provisions governing acts constituting infringement would continue to apply, for example in respect of tort.

Article 39

Dealing with the Community patent as a national patent

426. The Netherlands delegation had proposed that paragraph 1(c) of Article 39 be amended in such a way as to prevent the proprietor of the Community patent from contriving, by changing his representative, to make his Community patent as an object of property subject to a different system of law; at the same time, the Netherlands delegation had proposed that the Community patent as an object of property should be subject to the same national law as the European patent application, and that in the case of paragraph 1(c) of Article 39, this should be ensured by stating that the law applicable would be that of the Contracting State in which the representative appointed in accordance with Article 133 of the European Patent Convention had his place of business (see LUX/8).

Working Party I agreed with this proposal and further proposed that corresponding amendments be made to paragraph 1(a) and (b) of Article 39 to ensure that in all cases the Community patent as an object of property would be subject to the same national law as the European patent application had been (see LUX/47/R).

The CNIPA delegation proposed that in the light of the taxation problems to which it had referred in Preparatory Document No 41, point 12, the Committee of the Whole adopt Article 39, paragraph 1, as set out in the proposed draft rather than as proposed by Working Party I.

No Member Delegation supported the proposal by the CNIPA delegation.

The Committee of the Whole adopted Article 39, paragraph 1, as proposed by Working Party I, subject to drafting.

427. Working Party I proposed that paragraph 3 of Article 39 be amended to the effect that if none of the subparagraphs of paragraph 1 were applicable to the joint applicant first mentioned, the provision of paragraph 2 should be applied to that joint applicant only if none of the subparagraphs of paragraph 1 was applicable to any of the other joint applicants (see LUX/47/R).

The Committee of the Whole adopted this proposal, subject to drafting.

Article 40

Transfer

428. In reply to the observation by the FICPI delegation in Preparatory Document No 2, point 24, Working Party I confirmed that any conflicts under Article 40 would come under the jurisdiction of the national courts.

429. Working Party I proposed that it be stated in paragraph 1 that an assignment need not be made in writing and the signature of the parties would not be required when the assignment was the result of a court judgment (see LUX/47/R).

The Committee of the Whole adopted Article 40 as proposed by Working Party I.

Article 41

Enforcement proceedings

430. On the basis of the proposal by the United Kingdom delegation in Preparatory Document No 35, point 2, and the proposal by the Irish delegation in LUX/14, Working Party I proposed a more explicit wording of Article 41 (see LUX/47/R).

431. Working Party I also noted that the addition to Article 41 proposed by the delegation of the Federal Republic of Germany in Preparatory Document No 15, point 6, was no longer necessary in the light of the amendments adopted in respect of Article 39.

432. The Committee of the Whole adopted Article 41 as proposed by Working Party I.

Article 42

Bankruptcy or like proceedings

433. Working Party I rejected the proposal by the

United Kingdom delegation in Preparatory Document No 35, point 3, to delete Article 42.

434. Working Party I also rejected a proposal by the Irish delegation in LUX/14 to amend paragraph 1 to the effect that the Contracting State to be taken into consideration should be that in which an adjudication in bankruptcy or corresponding decision was first taken, rather than that in which the proceedings were opened first.

435. The Committee of the Whole adopted Article 42 as proposed by Working Party I.

VI. REPORT OF WORKING PARTY II TO THE COMMITTEE OF THE WHOLE

436. In accordance with Rule 12, paragraph 3, of the Rules of Procedure, Working Party II elected Mr Balmay (France) as its Chairman. It also elected Dr O. Bossung (Federal Republic of Germany) as its Rapporteur.

437. The texts proposed to the Committee of the Whole by the Working Party were set out in LUX/70/R.

Article 69 (68, 69, 70)

Jurisdiction of national courts concerning actions relating to Community patents

438. Working Party II had decided to split this article into three separate articles, numbered provisionally Articles 69, 69a and 69b. The new Article 69 (68) laid down the general principle that, unless otherwise specified, the provisions of the 1968 Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters would apply to actions relating to Community patents and to decisions given in respect of such actions; the new Article 69a (69) set out rules for determining the Contracting States whose courts could have jurisdiction in actions relating to Community patents; and the new Article 69b (70) contained supplementary provisions on jurisdiction.

439. The Committee of the Whole adopted the new Article 69 (68) as proposed by Working Party II in LUX/70/R.

440. In the light of proposals by the AIPPI delegation (Preparatory Document No 25, Chapter I), the UNICE delegation (Preparatory Document No 31, point 2.11), the CIFE delegation (Preparatory Document No 32) and the Commission of the European Communities (Preparatory Document No 39), Working Party II had drawn up new rules for jurisdiction of national courts in actions for infringement of Community patents in paragraphs 1 to 3 of the new Article 69a (69). Under paragraph 1, where the defendant was resident in a Member State of the Community, the courts of that State could have jurisdiction; where the defendant was not resident in any Member State, the courts in the Member State in which the plaintiff

was resident could have jurisdiction; where neither party was resident in the Community, jurisdiction could be conferred upon the courts of the Federal Republic of Germany. Under paragraph 2, however, it was also possible for jurisdiction to be conferred upon the courts of one of the Member States in which an act of infringement was committed, but in that case the court hearing the action would have jurisdiction only in respect of acts of infringement committed in the territory of that State, whereas courts with jurisdiction under paragraph 1 would have jurisdiction in respect of acts of infringement committed anywhere in the Community. Paragraph 3 disapplied Articles 5 (3) and (4) of the 1968 Brussels Convention.

441. In paragraph 1, Working Party II had decided to refer solely to the residence of the defendant or the plaintiff, rather than to the residence or principal place of business, in the light of the provisions of Articles 52 and 53 of the 1968 Brussels Convention, whereby the principal place of business was covered by the term corresponding to 'residence',

The United Kingdom delegation proposed that the term 'residence or principal place of business' should nevertheless be used in paragraph 1 of Article 69a. One reason was that in the English-language version, which was still only provisional, of the 1978 Brussels Convention, the term 'domicile' was used in Articles 52 and 53 (the term had not yet been finally decided), and 'domicile' would in any case be inaccurate in Article 69a. A second reason was that the term 'residence or principal place of business' was the term used elsewhere in the Community Patent Convention to convey the concept which was to be conveyed in Article 69a, paragraph 1. A third reason was that, in the light of the provision in the new Article 69 that in general the provisions of the 1968 Brussels Convention would apply but derogations were possible, the use of the term 'residence' alone in Article 69a might be construed as having a meaning other than that which covered the principal place of business as well as the residence.

The Netherlands delegation, supported by a number of other delegations, opposed the amendment proposed by the United Kingdom delegation for the reason given by Working Party II for referring solely to the residence.

The Chairman of the Committee of the Whole suggested that the problem could be overcome by adding a new paragraph to the effect that the term 'residence' was to be construed in accordance with Articles 52 and 53 of the 1968 Brussels Convention.

The Luxembourg delegation took up this suggestion as a proposal, which was seconded by the Netherlands and Italian delegations.

The United Kingdom delegation opposed this proposal on the ground that in English a different term was used in Article 69a of the Community Patent Convention from that used in Articles 52 and 53 of the 1968 Brussels Convention.

The Committee of the Whole considered that the objection raised by the United Kingdom delegation was a drafting matter and referred this problem to the General Drafting Committee.

442. At a subsequent meeting, the Committee of the Whole examined a text submitted by Working Party II (see LUX/84/R) which set out the proposal of the Luxembourg delegation in a new paragraph 1a (5) of Article 69a (69).

The Committee of the Whole adopted this new paragraph.

443. The delegations of AIPPI and COPRICE had submitted a proposal (see LUX/75) for amending Article 69a, paragraph 1, as proposed by Working Party II in LUX/70/R to the effect that, where a defendant did not have his residence in the Community but had an industrial or commercial establishment in any of the Member States, courts of the Member State in which he had that establishment could have jurisdiction; a similar amendment was proposed in respect of the situation where the plaintiff was not resident in the Community but had an industrial or commercial establishment in a Member State. The AIPPI delegation recognized that the terms which it proposed were not used in the 1968 Brussels Convention, but pointed out that this concept was used in Article 3 of the Paris Convention. It also considered that there would be many cases in which neither the defendant nor the plaintiff was resident in any of the Member States, but at least one of them had an industrial or commercial establishment in a Member State.

This proposal was supported by the United Kingdom delegation, the French delegation, the delegation of the Federal Republic of Germany, the Belgian delegation, and the Commission delegation. It was pointed out in particular that Article 57 of the 1968 Brussels Convention allowed other conventions to depart from the provisions of the 1968 Brussels Convention, and as this had already been done in Article 69a of the Community Patent Convention by conferring jurisdiction in actions for infringement of Community patents on the courts of the Federal Republic of Germany, it was reasonable to make the further departure proposed by the delegations of AIPPI and COPRICE. However, the delegation of the Federal Republic of Germany, the Belgian delegation and the Commission delegation considered that the proposed amendment should refer only to an 'establishment', not an 'industrial or commercial establishment'.

The Luxembourg and Netherlands delegations were not convinced of the need for the amendment proposed by the delegations of AIPPI and COPRICE. The Luxembourg delegation was reluctant to introduce this concept, which did not appear in the 1968 Brussels Convention, into the Community Patent Convention, while the Netherlands delegation considered that the frequency of cases where neither party to an infringement action had his residence in the Community but at least one of them had an

establishment in a Member State would be far lower than estimated by the AIPPI delegation. The Netherlands delegation also had doubts whether, if the jurisdiction provisions of the Community Patent Convention were to differ from those of the 1968 Brussels Convention, it would still be possible to apply under the Community Patent Convention the provisions of the 1968 Brussels Convention in respect of recognition and enforcement of judgments.

The representative of the Legal Service of the Council of the European Communities dispelled the doubts expressed by the Netherlands delegation by explaining that in the work on the adaptation of the 1968 Brussels Convention to take account of the accession of Denmark, Ireland and the United Kingdom to the Communities, all nine Member States had agreed that Article 57 of the 1968 Brussels Convention was to be construed as meaning that where jurisdiction was based on a special convention, it should be possible to recognize and enforce the judgment on the basis of the 1968 Brussels Convention; moreover, this interpretation was to appear in the act of accession to the 1968 Brussels Convention.

The Committee of the Whole decided to refer the proposal by the AIPPI and COPRICE delegations to Working Party II.

444. At a subsequent meeting, the Committee of the Whole examined a text submitted by Working Party II (see LUX/84/R), in which the words 'a real and effective establishment' were used.

The delegation of the Federal Republic of Germany proposed that this text be amended to replace these words by the words 'an establishment' only.

The Committee of the Whole decided by a majority of eight votes to one to adopt the text submitted by Working Party II as amended by the proposal of the Federal Republic of Germany.

445. The Netherlands delegation asked for clarification as to the meaning of the second sentence of paragraph 2 of Article 69a (69). While recognizing that where paragraph 2 was applied the court hearing the action had no jurisdiction to examine the facts in respect of alleged acts of infringement committed outside the territory of that State, the Netherlands delegation asked whether an order by the court prohibiting acts of infringement would have effect solely in the Member State referred to in paragraph 2 or throughout the Community.

It was stated in reply that where paragraph 2 applied, an order prohibiting acts of infringement would have effect solely in the Member State in which the court was situated. Only where paragraph 1 applied could such an order have effect throughout the Community. This was the intention of Working Party II, as Community-wide jurisdiction under paragraph 2 would have led to forum shopping.

The Committee of the Whole agreed with this interpretation and adopted paragraph 2 as proposed by Working Party II in LUX/70/R.

446. The Committee of the Whole adopted paragraph 3 of Article 69a (69) as proposed by Working Party II in LUX/70/R.

447. Working Party II had set out in paragraph 4 of Article 69a (69) two cases of exclusive jurisdiction regardless of the residence of the defendant or the plaintiff. The first case (subparagraph (a)) was consequential upon Article 46 of the Community Patent Convention, while the second case (subparagraph (b)) had been included following a proposal by the delegation of the Federal Republic of Germany (see Preparatory Document No 15, point 9).

448. The French delegation had proposed (see LUX/45) that it also be stated in this paragraph that the European Patent Office would have exclusive jurisdiction in actions for revocation of Community patents. Working Party II had considered that this was not necessary, as this exclusive jurisdiction was implicit in other provisions of the Community Patent Convention.

At the request of the UNICE delegation, the Committee of the Whole agreed that it be recorded in the minutes of the Conference that the Committee of the Whole shared the view that the European Patent Office had exclusive jurisdiction in actions for the revocation of Community patents, subject to Article 84b (90) (see points 474 to 480 below).

449. Working Party II had also examined whether it should be stated in paragraph 4 of Article 69a (69) that in proceedings concerned with the validity of European patents referred to in Article 84a (86) the provision of Article 16, paragraph 4, of the 1968 Brussels Convention would apply, whereas in proceedings concerned with the registration of such patents, jurisdiction was governed by the provisions of the Protocol on Jurisdiction and the Recognition of Decisions in respect of the right to the grant of a European Patent, annexed to the European Patent Convention (see in this connection the proposal by the Commission in Preparatory Document No 39 for a new paragraph 5 to be added to Article 84a (86)). Working Party II had considered that it was not necessary to confirm this situation in the Community Patent Convention.

450. The Committee of the Whole adopted paragraph 4 of Article 69a as proposed by Working Party II in LUX/70/R.

451. The new Article 69b (70) contained the provisions which had appeared in the proposed drafts as paragraphs 4, 5 and 3(b) of Article 69, as well as paragraph 3 of Article 73 (see also point 470 below).

The Committee of the Whole adopted this Article as proposed by Working Party II in LUX/70/R.

Article 70 (74)

Procedure

452. The Committee of the Whole adopted Article 70 (74) as proposed by Working Party II in LUX/70/R.

Article 70a (75)

Burden of proof

453. Working Party II considered unanimously that under paragraph 1 it would be for the court to determine when the product produced by the other party resembled the product covered by the patent to a sufficient degree for it to be deemed to have been obtained by the patented process.

The Committee of the Whole agreed with this interpretation.

454. Following proposals by the French delegation (see Preparatory Document No 17, point 13) and the UNICE and CIFE delegations (see Preparatory Document No 23, point 2), Working Party II had added a new paragraph 2 in order to enable a defendant to prove that the product produced by him had not been produced by the patented process, without being obliged to disclose his manufacturing or business secrets to the plaintiff.

455. The Committee of the Whole adopted Article 70a (75) as proposed by Working Party II in LUX/70/R.

Article 71 (76)

Obligations of the national court

456. The Committee of the Whole noted with regard to Article 71 (76) that in a number of Member States national courts dealing with actions relating to patents had no jurisdiction to decide whether or not a patent was valid.

457. The Committee of the Whole referred to the General Drafting Committee oral observations by the Luxembourg delegation in respect of the wording of this Article.

458. It adopted this Article as proposed by Working Party II in LUX/70/R, subject to drafting.

Article 72 (77)

Stay of proceedings

459. The Committee of the Whole adopted paragraphs 1 and 2 of Article 72 (77) as proposed by Working Party II in LUX/70/R.

460. With regard to paragraph 3, Working Party II had proposed a solution which was based on the second of the two variants contained in the proposed drafts and which split this variant into two separate paragraphs, 3 and 3a. Under the new paragraph 3, in the event of infringement proceedings before a national court being stayed while opposition, limitation or revocation proceedings in respect of a Community patent were pending before the European Patent Office, that Office had to express an opinion as regards the extent of protection conferred by the patent, but this opinion was not to be given until the European Patent Office had decided to maintain the

Community patent with or without amendment; nevertheless, the opinion was to be given as soon as possible after the decision to maintain the patent. If the European Patent Office decided to revoke the patent there would be no need for such an opinion.

The Committee of the Whole was also informed that Working Party II had decided after the text in LUX/70/R had been drawn up that the reference to a fee should not appear in this paragraph but in the new paragraph 3a (see also point 464 below).

461. The delegation of the Federal Republic of Germany pointed out that where the national court which stayed infringement proceedings was a court which could not give a ruling on the extent of protection (for example, the court of final appeal in some States), an opinion by the European Patent Office on the extent of protection conferred by the patent would be superfluous. The delegation of the Federal Republic of Germany suggested therefore that a clause be added to paragraph 3 to the effect that this paragraph would not be applicable where the question of the extent of protection could not be determined by the national court which stayed proceedings.

The Committee of the Whole decided to refer this suggestion back to Working Party II.

462. At a subsequent meeting, the Committee of the Whole examined a proposal submitted by Working Party II covering the problem raised by the delegation of the Federal Republic of Germany (see LUX/84/R). The Committee of the Whole adopted this proposal.

463. Working Party II had felt it necessary to state expressly in the new paragraph 3a that the opinion of the European Patent Office would not bind the national court. On the other hand, the Working Party had agreed that the opinion could not be challenged, but had not considered it necessary to state this explicitly.

Since the text in LUX/70/R had been drawn up, Working Party II had come to the conclusion that the reference to Article 61 of the Community Patent Convention was unnecessary.

464. With regard to the provision that the opinion was to be expressed against payment of an appropriate fee, which Working Party II proposed should appear in the new paragraph 3a (see point 460 above), the Netherlands delegation considered that the amount of the fee should not necessarily cover the full cost involved in giving the opinion, as it was conceivable that part of the cost could be covered by patent renewal fees.

The Chairman of the Committee of the Whole pointed out that the wording proposed in this respect was identical to that used in Article 25 of the European Patent Convention, and that the point raised by the Netherlands delegation should be considered in the light of the fact that the European Patent Office should eventually be self-supporting.

The Committee of the Whole decided to leave this

question to be decided by the Select Committee of the Administrative Council when it determined the amount of this fee in the rules relating to fees.

465. The attention of the Committee of the Whole was drawn to the fact that whereas the proposed draft had provided for the opinion on the extent of protection conferred by the patent to be given by a Revocation Division or a Revocation Board as the case may be, under the text drawn up by Working Party II the opinion would be given by a Revocation Board only. The United Kingdom delegation pointed out that where the opinion was given following revocation proceedings, the text proposed by Working Party II would mean that the matter would be dealt with first by a three-man Revocation Division conducting the revocation proceedings, then by a five-man Revocation Board giving the opinion on the extent of protection. The United Kingdom delegation considered that this would entail unnecessary duplication of effort and would be very costly, whereas the possibility of the opinion being given by the same Revocation Division as had conducted the revocation proceedings would be more rational. The United Kingdom delegation therefore proposed that paragraph 3a should allow for the opinion to be given by either a Revocation Division or a Revocation Board.

The Chairman of the Committee of the Whole pointed out that the argument put forward by the United Kingdom delegation did not apply where the opinion did not follow revocation proceedings. In the case of an opinion being given following opposition proceedings, there was no question of the Opposition Division which had conducted these proceedings giving the opinion, and there was no reason why it should not be given by a Revocation Board. Similarly, where an opinion was given under Article 72a it did not follow any proceedings before the European Patent Office and the argument of the United Kingdom delegation was therefore not applicable.

The Netherlands delegation, the delegation of the Federal Republic of Germany, the French delegation and the Luxembourg delegation spoke in favour of the text proposed by Working Party II. They pointed out that it was preferable for all opinions on the extent of protection conferred by Community patents to be given by a single body, and there would be only one or very few Revocation Boards, whereas there would be a larger number of Revocation Divisions. Moreover, there would be more legally-qualified members in a Revocation Board than in a Revocation Division, which was an important factor in view of the legal aspects involved in giving an opinion on the extent of protection conferred by a patent. The Netherlands delegation and the delegation of the Federal Republic of Germany were also in favour of the opinion being given by a different body from that which had conducted the revocation proceedings where the opinion was given following revocation proceedings, as they feared that, if the same body dealt with both, aspects of the infringement proceedings in respect of which

the opinion was sought might influence the decision in the revocation proceedings.

The FEMIP and CIFE delegations spoke in favour of the text proposed by Working Party II for the reasons already put forward by the Member Delegations.

In the subsequent vote on the text proposed by Working Party II, six member delegations voted in favour, one against and two abstained.

466. The Committee of the Whole adopted paragraph 3a as proposed by Working Party II in LUX/70/R with the addition of the requirement of the payment of an appropriate fee (see points 460 and 464 above) and the deletion of the reference to Article 61 (see point 463 above).

467. The Committee of the Whole adopted paragraph 4 as proposed by Working Party II in LUX/70/R.

468. The Netherlands delegation suggested that paragraphs 3, 3a and 4 of Article 72 (77) should be inserted in Article 72a (78). The Committee of the Whole referred this suggestion to the General Drafting Committee.

Article 72a (78)

Supplementary provisions on stay of proceedings

469. The Netherlands delegation had submitted in Preparatory Document No 40 a proposal for a new Article 72a (78), whose purpose was to ensure that whenever infringement proceedings in respect of a Community patent were instituted before a national court, and not only when opposition, limitation or revocation proceedings were pending before the European Patent Office at the same time, the national court would always be obliged to obtain from the European Patent Office an opinion on the extent of protection conferred by that patent.

Working Party II, including the Netherlands delegation, had agreed that this proposal as it stood was too progressive to be adopted by the Conference, but that it might be considered in the future work to be undertaken in accordance with the Resolution on future litigation of Community patents (see points 294 to 296 above). The Working Party had amended this proposal to the effect that where infringement proceedings in respect of a Community patent had been brought before a national court but no opposition, limitation or revocation proceedings in respect of that patent were pending before the European Patent Office, the national court would have the option of obtaining either of its own motion or at the request of one of the parties, an opinion from the European Patent Office on the extent of the protection conferred by the Community patent. The Working Party had also agreed that the opinion of the European Patent Office should not be binding on the national court.

The Committee of the Whole adopted Article 72a (78) as proposed by Working Party II in LUX/70/R

and referred a number of drafting points raised by the Belgian delegation to the General Drafting Committee.

Article 73 (71)

Recognition and enforcement

470. Working Party II had incorporated paragraph 1 of Article 73 into the new Article 69 (68) (see point 438 above); it had split paragraph 2 into paragraphs 2 (1) and 2a (2); and it had transferred paragraph 3 to the new Article 69b (70), paragraph 2 (see point 451 above).

The Committee of the Whole adopted Article 73 (71) as proposed by Working Party II in LUX/70/R.

Article 74 (72)

National authorities

471. The Committee of the Whole adopted Article 74 (72) as proposed by Working Party II in LUX/70/R.

Article 75 (79)

Penal sanctions for infringement

472. The Committee of the Whole adopted Article 75 (79) as proposed by Working Party II in LUX/70/R.

Article 76 (73)

Preliminary ruling by the Court of Justice of the European Communities

473. Working Party II had aligned the English text of Article 76 (73) on the wording of Article 177 of the Treaty establishing the European Economic Community.

The Committee of the Whole adopted this Article as proposed by Working Party II in LUX/70/R.

Article 84b (90)

Reservations

474. Working Party II had accepted a proposal by the United Kingdom delegation (see Preparatory Document No 35, point 6) to amend paragraph 1 of Article 84b (90) to the effect that the national court could decide upon the effect of the Community patent only if both parties to the infringement proceedings agreed.

The Committee of the Whole agreed with this amendment, subject to drafting.

475. Working Party II had rejected a proposal by the French delegation whereby, in the light of this amendment, paragraph 1 should further be amended so that the decision of the national court on the validity of the Community patent would have effect throughout the Community, and not only in the territory of the State in which the court was located (see LUX/22).

The French delegation asked the Committee of the Whole to reconsider this proposal.

The United Kingdom delegation pointed out that this provision could be applied only when there was litigation in respect of the Community patent, when the national law of the Member State concerned made provision for similar decisions in respect of national patents, when both parties agreed to its application, and when the court considered that it was preferable for it to decide on the effect of the Community patent rather than to stay the infringement proceedings and await the opinion of the European Patent Office; this was therefore not a provision which would be used widely. In the view of the United Kingdom delegation, the proposal by the French delegation had the advantage that the decision of the national court under Article 84b would no longer have the effect of rendering the Community patent valid to different extents in different Member States of the Community.

The Commission delegation, the delegation of the Federal Republic of Germany, the Italian delegation, the Netherlands delegation and the Irish delegation opposed the proposal by the French delegation. They considered that the amendment proposed would encourage those Member States whose national laws enabled them to do so to make use of the reservation under Article 84b, and since these delegations had accepted the possibility of this reservation solely as part of a political compromise, they were opposed to increasing its attractability. Moreover, this proposal would mean that the surrender of jurisdiction in respect of validity of Community patents which all the Member States had made under the Community Patent Convention in favour of the European Patent Office would be reduced for the Member States which made use of this reservation; it would also mean that in the cases covered by this provision this sovereign right of jurisdiction would be transferred not to the European Patent Office, but to the national courts of certain, but not all, Member States. In the light of the fact that this provision would not apply equally to all Member States, the Netherlands delegation expressed doubts whether the Netherlands Government would be prepared to sign the Convention if this proposal were adopted.

The delegations of CIFE, UNICE and CEEP supported the proposal by the French delegation, which in their view limited the negative effects of Article 84b. They considered that since use of this provision would be made only in exceptional circumstances, the decision of the national court should have Community-wide effect.

In the light of the issues raised by this proposal, the Committee of the Whole agreed to postpone a vote on this proposal until a subsequent meeting.

476. On resumption of the discussion of the proposal by the French delegation, the delegation of the Federal Republic of Germany stated that it would be

bound to make a reservation if this proposal were adopted.

The Netherlands delegation appealed to the French delegation to withdraw its proposal. If the proposal were not withdrawn, the Netherlands delegation would make an alternative proposal whereby Article 84b could be applied by all Member States, not only those whose national law contained corresponding provisions in respect of national patents.

In the light of the positions taken by the other delegations, the French delegation withdrew its proposal.

477. The Commission of the European Communities had proposed (see Preparatory Document No 39) that a new subparagraph (c) be added to paragraph 1 to the effect that where opposition, limitation or revocation proceedings were pending before the European Patent Office, the national court could of its own motion stay the infringement proceedings as provided in Article 72 (77), paragraph 2.

Working Party II had agreed with the substance of this proposal, but had considered that in these circumstances the national court would automatically stay the infringement proceedings, and that therefore there was no need to include a provision to this effect.

478. The Committee of the Whole adopted paragraph 1 of Article 84b (90) as proposed by Working Party II in LUX/70/R, subject to drafting.

479. In the light of the outcome of the discussion on the proposal by the French delegation in respect of paragraph 1 (see points 475 and 476 above), the consequential proposal in LUX/22 to delete paragraph 2 was also withdrawn.

480. The Committee of the Whole adopted paragraphs 2 to 7 of Article 84b (90) as proposed by Working Party II in LUX/70/R.

Article 84a (86)

Proposal for a new paragraph 5¹

481. The Commission of the European Communities (see Preparatory Document No 39) had proposed that a new paragraph 5 be added to Article 84a (86) concerning the applicability of the 1968 Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters to the patents referred to in this Article.

Working Party II had examined whether a provision to this effect should be included in the new Article 69a (69), paragraph 4, but had concluded that it was not necessary to insert such a provision in the Community Patent Convention (see point 449 above).

The Committee of the Whole endorsed the conclusion of Working Party II.

VII. REPORT OF WORKING PARTY III TO THE COMMITTEE OF THE WHOLE

482. In accordance with Rule 12, paragraph 3, of the Rules of Procedure, Working Party III elected Mr Goose (Federal Republic of Germany) as its Chairman. It also elected Mr A. Parry (United Kingdom) as its Rapporteur.

Ireland's constitutional position with regard to the Convention

483. The Irish delegation had drawn attention to the fact that Article 76 (73) of the Convention in particular, concerning references by national courts for preliminary rulings by the Court of Justice of the European Communities, gave rise to difficulties under the Constitution of Ireland. Article 34 of that Constitution makes provision for a court of first instance, called the High Court, having 'full original jurisdiction in and power to determine all matters and questions whether of law or fact, civil or criminal' and for other domestic Irish courts of first instance of local and limited jurisdiction with a right of appeal as determined by law. It also provides for a Supreme Court, which is the court of final appeal, and whose decision is in all cases final and conclusive. Jurisdiction to administer justice in Ireland is reserved to those courts. However, in order to enable Ireland to become a Member State of the European Communities, the Constitution had been amended by referendum to the effect that accession to the basic Community Treaties and compliance with acts 'necessitated by the obligations of membership of the Communities' could not be contrary to the Irish Constitution. Ireland's difficulty was that, since conventions are in general not so necessitated, Article 76 (73) in particular of the Community Patent Convention would, if its implementation was not rendered necessary by the obligations of membership of the European Communities, be unconstitutional in Ireland. Prior to the Conference, the Irish delegation had proposed that this difficulty be overcome by imposing an obligation in Community law on the Member States to ratify the Convention as a whole, but this solution had proved unacceptable to a number of delegations.

484. The Irish delegation had submitted to the Conference in LUX/3 new alternative proposals for overcoming the difficulty. Under the first branch of the alternative, Article 76 (73) would be omitted from the Convention and instead an act to be adopted by the Council after all Member States had ratified the Convention would impose an obligation under Community law on Member States to confer jurisdiction on the Court of Justice to give preliminary rulings in proceedings relating to Community patents brought before national courts; the text of a draft Council Regulation to give effect to this proposal had been submitted to Working Party III by the Irish delegation in LUX/24. Under the second branch of the alternative, Article 76 (73) would be retained in the Convention and it would be agreed at the Conference that if all the Member States other than Ireland rati-

¹The other provisions of Article 84a (86) are dealt with in Section II, points 217 to 222 above.

fied the Convention, the Council would adopt an act which would refer specifically to that Article and create an obligation in Community law to implement it.

485. Working Party III had considered that it was not feasible to impose, in an act separate from the Convention, an obligation upon the Member States of the Community to confer jurisdiction on the Court of Justice to give preliminary rulings in proceedings relating to Community patents brought before national courts; therefore neither branch of the alternative proposed could be accepted.

The Working Party had then come to the conclusion that the best way to help Ireland overcome its difficulties was to stress in the Preamble to the Convention that the creation of a Community patent system was inseparable from the attainment of the objectives of the EEC Treaty and thus linked with the Community legal order and that the conclusion of the Convention was therefore necessary to facilitate the achievement of the tasks of the Community and was an appropriate measure to be taken by the Member States to ensure fulfilment of Community obligations. The Working Party further recommended that the Council of the European Communities, at a meeting to be held on the same day as the Convention was signed, adopt a resolution endorsing the views expressed in the Preamble on the necessity for the Convention and resolving that the Member States should become parties to the Convention and take all such measures as may be necessary to ensure its implementation. The Working Party also considered that, with regard to the specific problem of Article 76 (73), the Preamble to the Convention should affirm the need for jurisdiction to be conferred on the Court of Justice to ensure that the Convention was interpreted in a uniform manner. Working Party III had amended the Preamble to the Convention and drawn up a draft Council Resolution, which were submitted to the Committee of the Whole under reference LUX/86.

486. The Committee of the Whole adopted the Preamble to the Convention as proposed by Working Party III, subject to drafting.

It approved Working Party III's recommendation in respect of a Council Resolution and agreed to the text proposed in LUX/86, subject to drafting.

Article 88 (97), paragraph 8¹

487. The United Kingdom delegation had proposed in LUX/79 that the reference to the Geneva Convention on the Continental Shelf of 29 April 1958 be deleted from Article 88 (97), paragraph 8, as it considered that that Convention would probably have been replaced by the time the Community Patent Convention came into force.

¹The other provisions of Article 88 (97) are dealt with in Section II, points 237 to 240.

Working Party III had agreed with the principle of amending this provision to take account of the probable replacement of the 1958 Geneva Convention, but had considered that rather than delete the reference to that Convention, it was preferable to extend the reference to cover also any other convention amending or replacing it. The Working Party had submitted a corresponding amendment to this provision in LUX/93.

488. The United Kingdom delegation stated that it was satisfied with the text proposed by Working Party III.

The Belgian delegation stated that it would have preferred the solution proposed by the United Kingdom delegation in LUX/79, but could accept the text proposed by Working Party III.

489. The Committee of the Whole adopted the amendment proposed by Working Party III in LUX/93.

VIII. REPORT OF THE CREDENTIALS COMMITTEE TO THE COMMITTEE OF THE WHOLE

490. The Chairman of the Credentials Committee set up in accordance with Rule 13 of the Rules of Procedure, His Excellency Mr J. Deschamps (Belgium) reported that, in accordance with Rule 10, paragraph 1, of the Rules of Procedure, the Credentials Committee had examined the credentials of the Member Delegations and the letters of appointment of the Observer Delegations which had been presented to the Secretary-General of the Conference. The Credentials Committee had recommended that the credentials presented by all the Member Delegations and the letters of appointment presented by all the Observer Delegations represented at the Conference should be recognized as valid.

491. The Committee of the Whole approved the report of the Credentials Committee and recognized, in accordance with Rule 10, paragraph 2, of the Rules of Procedure, the credentials presented by all the Member Delegations and the letters of appointment presented by all the Observer Delegations represented at the Conference as valid.

IX. MATTERS RELATING TO A EUROPEAN SCHOOL

492. At its 372nd meeting on 9 December 1975, the Council of the European Communities had expressed a favourable opinion on the addition to the Conference's work schedule of a Supplementary Protocol to the Protocol of 13 April 1962 on the setting up of European Schools. Accordingly, a Conference document containing a draft supplementary protocol and a draft protocol of provisional application of that supplementary protocol had been submitted to the Conference under reference LUX/98. Following exam-

ination of these drafts by the General Drafting Committee, a revised version of them was submitted to the Committee of the Whole under reference LUX/101.

Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools

493. The Italian delegation noted that Article 1 of the Supplementary Protocol corresponded to the proposal made by the Italian delegation in this respect during the preparatory work in Brussels.

494. The Netherlands delegation considered that in implementing Article 3, every effort should be made to avoid the need for financial contributions from the Contracting States in addition to those to be provided by the European Patent Organization.

This view was shared by the delegation of the Federal Republic of Germany.

495. The Committee of the Whole approved unanimously the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools, as set out in LUX/101.

Protocol of Provisional Application of the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools

496. The Committee of the Whole approved unanimously the Protocol of Provisional Application of the

Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European Schools, as set out in LUX/101.

497. The Chairman of the Committee of the Whole thanked all concerned, particularly the General Secretariat of the Council of the European Communities, for making possible the unanimous approval of these Protocols.

X. ADOPTION OF THE GENERAL REPORT TO THE PLENARY ON THE PROCEEDINGS OF THE COMMITTEE OF THE WHOLE

498. The General Rapporteur of the Conference, Mr F. Savignon (France) had prepared a draft General Report which was submitted to the Committee of the Whole under reference LUX/100.

499. At its final meeting, the Committee of the Whole examined this draft General Report and approved the final version, which was forwarded to the Plenary under reference LUX/106.

500. At the same time, the Committee of the Whole agreed to forward the drafts of the various instruments approved by it to the Plenary of the Conference for adoption.

Credentials Committee

1. The Credentials Committee set up in accordance with Rule 13 of the Rules of Procedure of the Conference met several times during the Conference under the Chairmanship of His Excellency Mr J. Deschamps (Belgium).

2. In accordance with Rule 10, paragraph 1, of the Rules of Procedure, the Credentials Committee examined the credentials of the Member Delegations and the letters of appointment of the Observer Delegations which had been presented to the Secretary-

General of the Conference, and considered them to be valid.

3. It recommended to the Committee of the Whole that the credentials presented by all the Member Delegations and the letters of appointment presented by all the Observer Delegations represented at the Conference should be recognized as valid (see also the minutes of the meetings of the Committee of the Whole, Section VIII, points 490 and 491).

Texts adopted on 15 December 1975

Convention for the European patent for the Common Market

(Community Patent Convention)

PREAMBLE

THE HIGH CONTRACTING PARTIES to the Treaty establishing the European Economic Community,

DESIRING to give unitary and autonomous effect to European patents granted in respect of their territories under the Convention on the grant of European patents of 5 October 1973,

ANXIOUS to establish a Community patent system which contributes to the attainment of the objectives of the Treaty establishing the European Economic Community, and in particular to the elimination within the Community of the distortion of competition which may result from the territorial aspect of national protection rights,

CONSIDERING that one of the fundamental objectives of the Treaty establishing the European Economic Community is the abolition of obstacles to the free movement of goods,

CONSIDERING that one of the most suitable means of ensuring that this objective will be achieved, as regards the free movement of goods protected by patents, is the creation of a Community patent system,

CONSIDERING that the creation of such a Community patent system is therefore inseparable from the attainment of the objectives of the Treaty and thus linked with the Community legal order,

CONSIDERING that it is necessary for these purposes for the High Contracting Parties to conclude a Convention which constitutes a special agreement within the meaning of Article 142 of the Convention on the grant of European patents, a Regional Patent Treaty within the meaning of Article 45 (1) of the Patent Cooperation Treaty of 19 June 1970, and a special agreement within the meaning of Article 19 of the Convention for the protection of industrial property, signed in Paris on 20 March 1883 and last revised on 14 July 1967,

CONSIDERING that it is essential that this Convention be interpreted in a uniform manner so that the rights and obligations flowing from a Community patent be identical throughout the Community and that therefore jurisdiction be conferred on the Court of Justice of the European Communities,

CONVINCED therefore that the conclusion of this Convention is necessary to facilitate the achievement of the tasks of the European Economic Community and that therefore it is an appropriate measure to be taken by the Member States, subject to national ratification procedures, to ensure fulfilment of Community obligations,

HAVE DECIDED to conclude this Convention and to this end have designated as their Plenipotentiaries:

– HIS MAJESTY THE KING OF THE BELGIANS:

Mr J. DESCHAMPS,
Belgian Ambassador to Luxembourg;

– HER MAJESTY THE QUEEN OF DENMARK:

Mr K. V. SKJØDT,
Director, Danish Patent Office;

- THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:
Dr Peter HERMES,
State Secretary, Federal Ministry of Foreign Affairs;
- THE PRESIDENT OF THE FRENCH REPUBLIC:
Mr Emile CAZIMAJOU,
Minister Plenipotentiary, Deputy Permanent Representative;
- THE PRESIDENT OF IRELAND:
Mr John BRUTON,
Parliamentary Secretary, Ministry for Industry and Commerce;
- THE PRESIDENT OF THE ITALIAN REPUBLIC:
Mr F. CATTANEI,
State Secretary, Ministry of Foreign Affairs;
- HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG:
Mr Marcel MART,
Minister for Economic Affairs, Small Firms and of Tourism;
- HER MAJESTY THE QUEEN OF THE NETHERLANDS:
Mr Th. M. HAZEKAMP,
State Secretary, Ministry of Economic Affairs;
- HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND:
The Rt. Hon. Lord GORONWY-ROBERTS,
Minister of State, Foreign and Commonwealth Office, Deputy Leader of the House of
Lords;

WHO, meeting in the Council of the European Communities, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

PART I

GENERAL AND INSTITUTIONAL PROVISIONS

CHAPTER I

GENERAL PROVISIONS

Article 1

Common system of law for patents

1. A system of law, common to the Contracting States, concerning patents for invention is hereby established.
2. The common system of law shall govern the European patents granted for the Contracting States in accordance with the Convention on the grant of

European patents, hereinafter referred to as 'the European Patent Convention', and the European patent applications in which such States are designated.

Article 2

Community patent

1. European patents granted for the Contracting States shall be called Community patents.
2. Community patents shall have a unitary character. They shall have equal effect throughout the territories to which this Convention applies and may

only be granted, transferred, revoked or allowed to lapse in respect of the whole of such territories. The same shall apply *mutatis mutandis* to applications for European patents in which the Contracting States are designated.

3. Community patents shall have an autonomous character. They shall be subject only to the provisions of this Convention and those provisions of the European Patent Convention which are binding upon every European patent and which shall consequently be deemed to be provisions of this Convention.

Article 3

Joint designation

Designation of the States parties to this Convention in accordance with Article 79 of the European Patent Convention shall be effected jointly. Designation of one or some only of these States shall be deemed to be designation of all of these States.

Article 4

Setting-up of special departments

For implementing the procedures laid down in this Convention, special departments common to the Contracting States shall be set up within the European Patent Office. The work of these departments shall be supervised by a Select Committee of the Administrative Council of the European Patent Organization.

Article 5

Jurisdiction of the Court of Justice of the European Communities

1. The Court of Justice of the European Communities shall in respect of this Convention have the jurisdiction conferred on it by this Convention. The Protocol on the Statute of the Court of Justice of the European Economic Community and the Rules of Procedure of the Court of Justice shall apply.
2. The Rules of Procedure shall be adapted and supplemented, as necessary, in conformity with Article 188 of the Treaty establishing the European Economic Community.

Article 6

National patents

This Convention shall be without prejudice to the right of the Contracting States to grant national patents.

CHAPTER II

SPECIAL DEPARTMENTS OF EUROPEAN PATENT OFFICE

Article 7

The special departments

The special departments shall be as follows:

- (a) a Patent Administration Division;
- (b) one or more Revocation Divisions;
- (c) one or more Revocation Boards.

Article 8

Patent Administration Division

1. The Patent Administration Division shall be responsible for all acts of the European Patent Office relating to Community patents, in so far as these acts are not the responsibility of other departments of the office. It shall in particular be responsible for decisions in respect of entries in the Register of Community Patents.
2. Decisions of the Patent Administration Division shall be taken by one legally-qualified member.
3. The members of the Patent Administration Division may not be members of the Boards of Appeal or the Enlarged Board of Appeal set up under the European Patent Convention, nor of the Revocation Boards.

Article 9

Revocation Divisions

1. The Revocation Divisions shall be responsible for the examination of requests for the limitation of and applications for the revocation of Community patents, and for determining compensation under Article 44 (5).
2. A Revocation Division shall consist of one legally-qualified member who shall be the chairman, and two technically-qualified members. Prior to the taking of a final decision on the request or application, the Revocation Division may entrust the examination of the request or application to one of its members. Oral proceedings shall be before the Revocation Division itself.

Article 10

Revocation Boards

1. The Revocation Boards shall be responsible for the examination of appeals from the decisions of the

Revocation Divisions and the Patent Administration Division and for expressing an opinion on the extent of protection of a Community patent.

2. For appeals from a decision of a Revocation Division, a Revocation Board shall consist of two legally-qualified members, one of whom shall be the chairman, and three technically-qualified members.

3. For appeals from a decision of the Patent Administration Division, a Revocation Board shall consist of three legally-qualified members.

4. For the purposes of expressing an opinion on the extent of protection of a Community patent, a Revocation Board shall normally consist of two legally-qualified members, one of whom shall be the chairman, and one technically-qualified member. However, if the opinion has to be expressed in connection with an appeal from a Revocation Division or if the Revocation Board considers that the nature of the opinion so requires, the Revocation Board shall be composed as in paragraph 2.

Article 11

Appointment of members of the Revocation Boards

1. The Select Committee of the Administrative Council shall appoint:
 - (a) the chairmen of the Revocation Boards on a proposal from a member of that Committee, after the President of the European Patent Office has been consulted, or on his proposal;
 - (b) the other members of the Revocation Boards on a proposal from the President of the European Patent Office.
2. The members of the Boards may be reappointed by decision of the Select Committee after the President of the European Patent Office has been consulted.
3. Subject to Article 12 (1), the Select Committee shall exercise disciplinary authority over the employees appointed in accordance with paragraph 1.

Article 12

Independence of the members of the Revocation Boards

1. The members of the Revocation Boards shall be appointed for a term of five years and may not be removed from office during this term, unless there are serious grounds for such removal and the Court of Justice of the European Communities, before which the matter shall be brought by the President of the European Patent Office, takes a decision to this effect.
2. The members of the Boards may not be members of the Receiving Section, Examining Divisions, Opposition Divisions or Legal Division set up under

the European Patent Convention, nor of the Patent Administration Division or Revocation Divisions.

3. In their decisions the members of the Boards shall not be bound by any instructions and shall comply with the provisions of this Convention.

4. The Rules of Procedure of the Revocation Boards shall be adopted in accordance with the Implementing Regulations. They shall be subject to the approval of the Select Committee of the Administrative Council.

Article 13

Exclusion and objection

1. Members of the Revocation Divisions and the Revocation Boards may not take part in any proceedings if they have any personal interest therein, if they have previously been involved as representatives of one of the parties, or if they have participated in the final decision on the case in the proceedings for grant or opposition proceedings. Furthermore, members of the Revocation Boards may not take part in appeal proceedings if they participated in the decision under appeal.

2. If, for one of the reasons mentioned in paragraph 1 or for any other reason, a member of a Revocation Division or a Revocation Board considers that he should not take part in any proceedings, he shall inform the Division or Board accordingly.

3. Members of a Revocation Division or of a Revocation Board may be objected to by any party for one of the reasons mentioned in paragraph 1, or if suspected of partiality. An objection shall not be admissible if, while being aware of a reason for objection, the party has taken a procedural step. No objection may be based upon the nationality of members.

4. The Revocation Divisions and the Revocation Boards shall decide as to the action to be taken in the cases specified in paragraphs 2 and 3 without the participation of the member concerned. For the purposes of taking this decision the member objected to shall be replaced by his alternate.

Article 14

Languages for proceedings and publications

1. The official languages of the European Patent Office shall also be the official languages of the special departments.

2. Throughout the proceedings before the special departments, a translation filed in accordance with the second sentence of Article 14 (2) of the European Patent Convention may be brought into conformity with the original text of the European patent application.

3. The official language of the European Patent Office in which the Community patent is granted shall be used as the language of the proceedings in all proceedings before the special departments concerning the Community patent, unless otherwise provided in the Implementing Regulations.

4. However, natural or legal persons having their residence or principal place of business within the territory of a Contracting State having a language other than one of the official languages of the European Patent Office as an official language, and nationals of that State who are resident abroad, may file documents which have to be filed within a time-limit in an official language of the Contracting State concerned. They must however file a translation in the language of the proceedings within the time-limit prescribed in the Implementing Regulations; in the cases provided for in the Implementing Regulations, they may file a translation in a different official language of the European Patent Office.

5. If any document is not filed in the language prescribed by this Convention, or if any translation required by virtue of this Convention is not filed in due time, the document shall be deemed not to have been received.

6. New specifications of Community patents published following limitation or revocation proceedings shall be published in the language of the proceedings; they shall include a translation of the amended claims in one of the official languages of each of the Contracting States which do not have as an official language the language of the proceedings.

7. The Community Patent Bulletin shall be published in the three official languages of the European Patent Office.

8. Entries in the Register of Community Patents shall be made in the three official languages of the European Patent Office. In cases of doubt, the entry in the language of the proceedings shall be authentic.

9. No Contracting State may avail itself of the authorizations given in Articles 65, 67 (3) and 70 (3) of the European Patent Convention.

CHAPTER III

THE SELECT COMMITTEE OF THE ADMINISTRATIVE COUNCIL

Article 15

Membership

1. The Select Committee of the Administrative Council shall be composed of the representatives of the Contracting States, the representative of the Commission of the European Communities and their alternate representatives. Each Contracting State and

the Commission shall be entitled to appoint one representative and one alternate representative to the Select Committee. The same members shall represent the Contracting States on the Administrative Council and on the Select Committee.

2. The members of the Select Committee may, subject to the provisions of its Rules of Procedure, be assisted by advisers or experts.

Article 16

Chairmanship

1. The Select Committee of the Administrative Council shall elect a chairman and a deputy chairman from among the representatives and alternate representatives of the Contracting States. The deputy chairman shall *ex officio* replace the chairman in the event of his being prevented from attending to his duties.

2. The duration of the terms of office of the chairman and the deputy chairman shall be three years. The terms of office shall be renewable.

Article 17

Board

1. The Select Committee of the Administrative Council may set up a board composed of five of its members.

2. The chairman and the deputy chairman of the Select Committee shall be members of the board *ex officio*; the other three members shall be elected by the Select Committee.

3. The term of office of the members elected by the Select Committee shall be three years. This term of office shall not be renewable.

4. The board shall perform the duties given to it by the Select Committee in accordance with the Rules of Procedure.

Article 18

Meetings

1. Meetings of the Select Committee of the Administrative Council shall be convened by its chairman.

2. The President of the European Patent Office shall take part in the deliberations of the Select Committee.

3. The Select Committee shall hold an ordinary meeting once each year. In addition, it shall meet on the initiative of its chairman or at the request of one-third of the Contracting States.

4. The deliberations of the Select Committee shall

be based on an agenda, and shall be held in accordance with its Rules of Procedure.

5. The provisional agenda shall contain any question whose inclusion is requested by any Contracting State in accordance with the Rules of Procedure.

Article 19

Languages of the Select Committee

1. The languages in use in the deliberations of the Select Committee of the Administrative Council shall be English, French and German.

2. Documents submitted to the Select Committee, and the minutes of its deliberations, shall be drawn up in the three languages mentioned in paragraph 1.

Article 20

Competence of the Select Committee in certain cases

1. The Select Committee of the Administrative Council shall be competent to amend the following provisions of this Convention:

(a) the time-limits laid down in this Convention which are to be observed *vis-à-vis* the European Patent Office;

(b) the Implementing Regulations.

2. The Select Committee shall be competent, in conformity with this Convention, to adopt or amend the following provisions:

(a) the financial regulations;

(b) the rules relating to fees;

(c) its Rules of Procedure.

Article 21

Voting rights

1. The right to vote in the Select Committee of the Administrative Council shall be restricted to the Contracting States.

2. Each Contracting State shall have one vote, subject to the application of the provisions of Article 23.

Article 22

Voting rules

1. The Select Committee of the Administrative Council shall take its decisions other than those referred to in paragraph 2 by a simple majority of the Contracting States represented and voting.

2. A majority of three-quarters of the votes of the Contracting States represented and voting shall be required for the decisions which the Select Committee is empowered to take under Articles 20 and 25 (a).

3. Abstentions shall not be considered as votes.

Article 23

Weighting of votes

In respect of the adoption or amendment of the rules relating to fees and, if the financial contribution to be made by the Contracting States would thereby be increased, the approval referred to in Article 25 (a), voting shall be conducted according to Article 36 of the European Patent Convention. The term 'Contracting States' in that article shall be understood as meaning the States parties to this Convention.

CHAPTER IV

FINANCIAL PROVISIONS

Article 24

Financial obligations and benefits

1. The amount payable by the States parties to this Convention pursuant to Article 146 of the European Patent Convention shall be covered by financial contributions determined in respect of each State in accordance with the scale laid down in Article 40 (3) of that Convention.

2. Both the revenue derived from fees paid in accordance with the rules relating to fees, less the payments to the European Patent Organization pursuant to Articles 39 and 147 of the European Patent Convention, and all other receipts of the European Patent Organization obtained in implementation of this Convention shall be distributed among the States parties to this Convention in accordance with the scale mentioned in paragraph 1.

3. Upon entry into force of this Convention the necessary work shall be commenced in order to examine under what conditions and at what date the system of financing provided for in paragraphs 1 and 2 may be replaced by another system based, having regard to developments in the European Communities, on Community financing. This system may include the amounts payable by the States parties to this Convention pursuant to the European Patent Convention and the amounts accruing to these States pursuant to that Convention. When this work has been concluded, this article and, if appropriate, Article 23 may be amended by a decision of the Council of the European Communities acting unanimously on a proposal from the Commission.

Article 25

Powers of the Select Committee of the Administrative Council in budgetary matters

The Select Committee of the Administrative Council shall:

- (a) approve annually the forecasts of expenditure and revenue relating to the implementation of this Convention and any amendments or additions made to these forecasts, submitted to it by the President of the European Patent Office, and supervise the implementation thereof;
- (b) grant the authorization provided for in Article 47 (2) of the European Patent Convention, in so far as the expenditure involved relates to the implementation of this Convention;

- (c) approve the annual accounts of the European Patent Organization which relate to the implementation of this Convention and that part of the report of the auditors appointed under Article 49 (1) of the European Patent Convention which relates to these accounts, and give the President of the European Patent Office a discharge.

Article 26

Rules relating to fees

The rules relating to fees shall determine in particular the amounts of the fees and the ways in which they are to be paid.

PART II

SUBSTANTIVE PATENT LAW

CHAPTER I

RIGHT TO THE COMMUNITY PATENT

Article 27

Claiming the right to the Community patent

1. If a Community patent has been granted to a person who is not entitled to it under Article 60 (1) of the European Patent Convention, the person entitled to it under that provision may, without prejudice to any other remedy which may be open to him, claim to have the patent transferred to him.
2. Where a person is entitled to only part of the Community patent, that person may, in accordance with paragraph 1, claim to be made a joint proprietor.
3. Legal proceedings in respect of the rights specified in paragraphs 1 and 2 may be instituted only within a period of not more than two years after the date on which the European Patent Bulletin mentions the grant of the European patent. This provision shall not apply if the proprietor of the patent knew, at the time when the patent was granted or transferred to him, that he was not entitled to the patent.
4. The fact that legal proceedings have been instituted shall be entered in the Register of Community Patents. Entry shall also be made of the final decision in, or of any other termination of, the proceedings.

Article 28

Effect of change of proprietorship

1. Where there is a complete change of proprietorship of a Community patent as a result of legal proceedings under Article 27, licences and other rights shall lapse upon the registration of the person entitled to the patent in the Register of Community Patents.
2. If, before the institution of legal proceedings has been registered,
 - (a) the proprietor of the patent has used the invention within the territory of any of the Contracting States or made effective and serious preparations to do so, or
 - (b) a licensee of the patent has obtained his licence and has used the invention within the territory of any of the Contracting States or made effective and serious preparations to do so,he may continue such use provided that he requests a non-exclusive licence of the patent from the new proprietor whose name is entered in the Register of Community Patents. Such request must be made within the period prescribed in the Implementing Regulations. The licence shall be granted for a reasonable period and upon reasonable terms.
3. Paragraph 2 shall not apply if the proprietor of the patent or the licensee, as the case may be, was acting in bad faith at the time when he began to use the invention or to make preparations to do so.

CHAPTER II

EFFECTS OF THE COMMUNITY PATENT AND THE EUROPEAN PATENT APPLICATION

Article 29

Prohibition of direct use of the invention

A Community patent shall confer on its proprietor the right to prevent all third parties not having his consent:

- (a) from making, offering, putting on the market or using a product which is the subject-matter of the patent, or importing or stocking the product for these purposes;
- (b) from using a process which is the subject-matter of the patent or, when the third party knows, or it is obvious in the circumstances, that the use of the process is prohibited without the consent of the proprietor of the patent, from offering the process for use within the territories of the Contracting States;
- (c) from offering, putting on the market, using, or importing or stocking for these purposes the product obtained directly by a process which is the subject-matter of the patent.

Article 30

Prohibition of indirect use of the invention

1. A Community patent shall also confer on its proprietor the right to prevent all third parties not having his consent from supplying or offering to supply within the territories of the Contracting States a person, other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or it is obvious in the circumstances, that these means are suitable and intended for putting that invention into effect.

2. Paragraph 1 shall not apply when the means are staple commercial products, except when the third party induces the person supplied to commit acts prohibited by Article 29.

3. Persons performing the acts referred to in Article 31 (a) to (c) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.

Article 31

Limitation of the effects of the Community patent

The rights conferred by a Community patent shall not extend to:

- (a) acts done privately and for non-commercial purposes;
- (b) acts done for experimental purposes relating to the subject-matter of the patented invention;
- (c) the extemporaneous preparation for individual cases in a pharmacy of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared;
- (d) the use on board vessels of the countries of the Union of Paris for the Protection of Industrial Property, other than the Contracting States, of the patented invention, in the body of the vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of Contracting States, provided that the invention is used there exclusively for the needs of the vessel;
- (e) the use of the patented invention in the construction or operation of aircraft or land vehicles of countries of the Union of Paris for the Protection of Industrial Property, other than the Contracting States, or of accessories to such aircraft or land vehicles, when these temporarily or accidentally enter the territory of Contracting States;
- (f) the acts specified in Article 27 of the Convention on international civil aviation of 7 December 1944, where these acts concern the aircraft of a State, other than the Contracting States, benefiting from the provisions of that article.

Article 32

Exhaustion of the rights conferred by the Community patent

The rights conferred by a Community patent shall not extend to acts concerning a product covered by that patent which are done within the territories of the Contracting States after that product has been put on the market in one of these States by the proprietor of the patent or with his express consent, unless there are grounds which, under Community law, would justify the extension to such acts of the rights conferred by the patent.

Article 33

Translation of the claims in examination or opposition proceedings

1. The applicant shall file with the European Patent Office within the time-limit prescribed in the Implementing Regulations a translation of the claims on which the grant of the European patent is to be based in one of the official languages of each of the Contracting States which does not have English, French or German as an official language.

2. Paragraph 1 shall apply *mutatis mutandis* in

respect of claims which are amended during opposition proceedings.

3. The translations of the claims shall be published by the European Patent Office.

4. The applicant for or proprietor of the patent shall pay the fee for the publication of the translations of the claims within the time-limits prescribed in the Implementing Regulations.

5. If the translations prescribed in paragraphs 1 and 2 are not filed in due time or if the fee for the publication of the translations of the claims is not paid in due time, the Community patent shall be deemed to be void *ab initio*, unless these acts are done and the additional fee is paid within a further period as prescribed in the Implementing Regulations.

Article 34

Rights conferred by a European patent application after publication

1. Compensation reasonable in the circumstances may be claimed from a third party who, in the period between the date of publication of a European patent application in which the Contracting States are designated and the date of publication of the mention of the grant of the European patent, has made any use of the invention which, after that period, would be prohibited by virtue of the Community patent.

2. Any Contracting State which does not have as an official language the language of the proceedings of a European patent application in which the Contracting States are designated, may prescribe that such application shall not confer, in respect of use of the invention within its territory, the right referred to in paragraph 1 until such time as the applicant, at his option, has:

- (a) supplied a translation of the claims in one of its official languages to the competent authority of that State and the translation has been published, or
- (b) communicated such a translation to the person using the invention within that State.

Article 35

Effect of revocation of the Community patent

1. A European patent application in which the Contracting States are designated and the resulting Community patent shall be deemed not to have had, as from the outset, the effects specified in this chapter, to the extent that the patent has been revoked.

2. Subject to the national provisions relating either to claims for compensation for damage caused by negligence or lack of good faith on the part of the proprietor of the patent, or to unjust enrichment, the

retroactive effect of the revocation of the patent as a result of opposition or revocation proceedings shall not affect:

- (a) any decision on infringement which has acquired the authority of a final decision and been enforced prior to the revocation decision;
- (b) any contract concluded prior to the revocation decision, in so far as it has been performed before that decision; however, repayment, to an extent justified by the circumstances, of sums paid under the relevant contract, may be claimed on grounds of equity.

Article 36

Complementary application of national law regarding infringement

1. The effects of a Community patent shall be governed solely by the provisions of this Convention. In other respects, infringement of a Community patent shall be governed by the national law relating to infringement of a national patent in the Contracting State where the court hearing the action is located, in so far as the private international law of that State does not require application of the national law of another Contracting State.

2. The Rules of Procedure applicable are those specified in Article 74.

3. Paragraphs 1 and 2 shall apply *mutatis mutandis* to a European patent application in which the Contracting States are designated.

CHAPTER III

NATIONAL RIGHTS

Article 37

National prior right

1. With regard to a Community patent having a date of filing or, where priority has been claimed, a date of priority later than that of a national patent application or national patent made public in a Contracting State on or after that date, the national patent application or patent shall, for that Contracting State, have the same prior right effect as a published European patent application designating that Contracting State.

2. If, in a Contracting State, a national patent application or patent, which is unpublished by reason of the national law of that State concerning the secrecy of inventions, has a prior right effect with regard to a national patent in that State having a later date of filing, or where priority has been claimed

a later date of priority, the same shall apply in that State with regard to a Community patent.

Article 38

Right based on prior use and right of personal possession

1. Any person who, if a national patent had been granted in respect of an invention, would have had, in one of the Contracting States, a right based on prior use of that invention or a right of personal possession of that invention, shall enjoy, in that State, the same rights in respect of a Community patent for the same invention.

2. The rights conferred by a Community patent shall not extend to acts concerning a product covered by that patent which are done within the territory of the State concerned after that product has been put on the market in that State by the person referred to in paragraph 1, in so far as the national law of that State makes provision to the same effect in respect of national patents.

CHAPTER IV

THE COMMUNITY PATENT AS AN OBJECT OF PROPERTY

Article 39

Dealing with the Community patent as a national patent

1. Unless otherwise specified in this Convention, a Community patent as an object of property shall be dealt with in its entirety, and for the whole of the territories in which it is effective, as a national patent of the Contracting State in which, according to the Register of European Patents provided for in the European Patent Convention:

- (a) the applicant for the patent had his residence or principal place of business on the date of filing of the European patent application,
- (b) where subparagraph (a) does not apply, the applicant had a place of business on that date, or
- (c) where neither subparagraph (a) nor subparagraph (b) applies, the applicant's representative whose name is entered first in the Register of European Patents had his place of business on the date of that entry.

2. Where subparagraphs (a), (b) and (c) of paragraph 1 do not apply, the Contracting State referred to in that paragraph shall be the Federal Republic of Germany.

3. If two or more persons are mentioned in the Register of European Patents as joint applicants, paragraph 1 shall apply to the joint applicant first mentioned; if this is not possible, it shall apply to the joint applicant next mentioned in respect of whom it is applicable. Where paragraph 1 does not apply to any of the joint applicants, paragraph 2 shall apply.

4. If in a Contracting State as determined by the preceding paragraphs a right in respect of a national patent is effective only after entry in the national patent register, such a right in respect of a Community patent shall be effective only after entry in the Register of Community Patents.

Article 40

Transfer

1. An assignment of a Community patent shall be made in writing and shall require the signature of the parties to the contract, except when it is a result of a judgment.

2. Subject to Article 28 (1), a transfer shall not affect rights acquired by third parties before the date of transfer.

3. A transfer shall, to the extent to which it is verified by the papers referred to in the Implementing Regulations, only have effect *vis-à-vis* third parties after entry in the Register of Community Patents. Nevertheless, a transfer, before it is so entered, shall have effect *vis-à-vis* third parties who have acquired rights after the date of the transfer but who knew of the transfer at the date on which the rights were acquired.

Article 41

Enforcement proceedings

The courts and other authorities of the Contracting State determined in accordance with Article 39 shall have exclusive jurisdiction in respect of proceedings relating to judgments or other official acts in so far as they are being enforced against Community patents.

Article 42

Bankruptcy or like proceedings

1. Until such time as common rules for the Contracting States in this field enter into force, the only Contracting State in which a Community patent may be involved in bankruptcy or like proceedings shall be that in which such proceedings are opened first.

2. Paragraph 1 shall apply *mutatis mutandis* in the case of joint proprietorship of a Community patent to the share of the joint proprietor.

Article 43

Contractual licensing

1. A Community patent may be licensed in whole or in part for the whole or part of the territories in which it is effective. A licence may be exclusive or non-exclusive.
2. The rights conferred by the Community patent may be invoked against a licensee who contravenes any restriction in his licence which is covered by paragraph 1.
3. Article 40 (2) and (3) shall apply *mutatis mutandis* to the grant or transfer of a licence in respect of a Community patent.

Article 44

Licences of right

1. Where the proprietor of a Community patent files a written statement with the European Patent Office that he is prepared to allow any person to use the invention as a licensee in return for appropriate compensation, the renewal fees for the Community patent which fall due after receipt of the statement shall be reduced; the amount of the reduction shall be fixed in the rules relating to fees. Where there is a complete change of proprietorship of the patent as a result of legal proceedings under Article 27, the statement shall be deemed withdrawn upon the entry of the name of the person entitled to the patent in the Register of Community Patents.
2. The statement may be withdrawn at any time upon written notification to this effect to the European Patent Office, provided that no one has informed the proprietor of the patent of his intention to use the invention. Such withdrawal shall take effect from the date of its notification. The amount by which the renewal fees were reduced shall be paid within one month after withdrawal; Article 49 (2) shall apply, but the six-month period shall start upon expiry of the above period.
3. The statement may not be filed while an exclusive licence is recorded in the Register of Community Patents or a request for the recording of such a licence is before the European Patent Office.
4. On the basis of the statement, any person shall be entitled to use the invention as a licensee under the conditions laid down in the Implementing Regulations. A licence so obtained shall, for the purposes of this Convention, be treated as a contractual licence.
5. On written request by one of the parties, a Revocation Division shall determine the appropriate compensation or review it if circumstances have arisen or become known which render the compensation determined obviously inappropriate. The provisions governing revocation proceedings shall apply *mutatis mutandis*, unless they are inapplicable as a result of

the particular nature of revocation proceedings. The request shall not be deemed to have been made until such time as an administrative fee has been paid.

6. No request for recording an exclusive licence in the Register of Community Patents shall be admissible after the statement has been filed, unless it is withdrawn or deemed withdrawn.

Article 45

The European patent application as an object of property

1. Articles 39 to 43 shall apply *mutatis mutandis* to a European patent application in which the Contracting States are designated, the references to the Register of Community Patents being understood as referring to the Register of European Patents provided for in the European Patent Convention.
2. The rights acquired by third parties in respect of a European patent application referred to in paragraph 1 shall continue to be effective with regard to the Community patent granted upon that application.

CHAPTER V

COMPULSORY LICENCES IN RESPECT OF A COMMUNITY PATENT

Article 46

Compulsory licences

1. Any provision in the law of a Contracting State for the grant of compulsory licences in respect of national patents shall be applicable to Community patents. The extent and effect of compulsory licences granted in respect of Community patents shall be restricted to the territory of the State concerned. Article 32 shall not apply.
2. Each Contracting State shall, at least in respect of compensation under a compulsory licence, provide for a final appeal to a court of law.
3. As far as practicable national authorities shall notify the European Patent Office of the grant of any compulsory licence in respect of a Community patent.
4. For the purposes of this Convention, the term 'compulsory licences' shall be construed as including official licences and any right to use patented inventions in the public interest.

Compulsory licences for lack or insufficiency of exploitation

A compulsory licence may not be granted in respect of a Community patent on the ground of lack or insufficiency of exploitation if the product covered by the patent, which is manufactured in a Contracting State, is put on the market in the territory of any other Contracting State, for which such a licence has been requested, in sufficient quantity to satisfy needs in the territory of that other Contracting State. This provision shall not apply to compulsory licences granted in the public interest.

Compulsory licences in respect of dependent patents

Any provision in the law of a Contracting State for the grant of compulsory licences in respect of earlier patents in favour of subsequent dependent patents shall be applicable to the relationship between Community patents and national patents and to the relationship between Community patents themselves.

PART III

RENEWAL, LAPSE, LIMITATION AND REVOCATION OF THE COMMUNITY PATENT

CHAPTER I

RENEWAL AND LAPSE

Article 49

Renewal fees

1. Renewal fees in respect of Community patents shall be paid to the European Patent Office in accordance with the Implementing Regulations. These fees shall be due in respect of the years following the year referred to in Article 86 (4) of the European Patent Convention, provided that no renewal fees shall be due in respect of the first two years, calculated from the date of filing of the application.

2. When a renewal fee has not been paid on or before the due date, the fee may be validly paid within six months of that date, provided that the additional fee is paid at the same time.

3. Any renewal fee in respect of a Community patent falling due within two months after the publication of the mention of the grant of the European patent shall be deemed to have been validly paid if it is paid within that period. No additional fee shall be charged.

Article 50

Surrender

1. A Community patent may be surrendered only in its entirety.

2. The surrender must be declared in writing to the European Patent Office by the proprietor of the patent. It shall not have effect until it is entered in the Register of Community Patents.

3. Surrender will be entered in the Register of Community Patents only with the agreement of any third party who has a right *in rem* recorded in the Register or in respect of whom there is an entry in the Register pursuant to the first sentence of Article 27 (4). If a licence is recorded in the Register, surrender will be entered only if the proprietor of the patent proves that he has previously informed the licensee of his intention to surrender; this entry will be made on expiry of the period laid down in the Implementing Regulations.

Article 51

Lapse

1. A Community patent shall lapse:

- at the end of the term laid down in Article 63 of the European Patent Convention;
- if the proprietor of the patent surrenders it in accordance with Article 50;
- if a renewal fee and any additional fee have not been paid in due time.

2. The Community patent shall lapse on the date mentioned in Article 54 (4) to the extent that it is not maintained.

3. The lapse of a patent for failure to pay a renewal fee and any additional fee within the due period shall be deemed to have occurred on the date on which the renewal fee was due.

4. The lapse of a Community patent shall, if necessary, be decided by the Patent Administration Division or, if proceedings in respect of that patent are pending before it, a Revocation Division or a Revocation Board.

CHAPTER II

LIMITATION PROCEDURE

Article 52

Request for limitation

1. At the request of the proprietor, a Community patent may be limited in the form of an amendment to the claims, the description or the drawings. Limitation in respect of one or some of the Contracting States may be requested only where Article 37 (1) applies.
2. The request may not be filed during the period within which an opposition may be filed or while opposition proceedings or revocation proceedings are pending.
3. The request shall be filed in writing with the European Patent Office. It shall not be deemed to have been filed until the fee for limitation has been paid.
4. Article 50 (3) shall apply *mutatis mutandis* to the filing of the request.
5. Where an application for revocation of the Community patent is filed during limitation proceedings, the Revocation Division shall stay the limitation proceedings until a final decision is given in respect of the application for revocation.

Article 53

Examination of the request

1. The Revocation Division shall examine whether the grounds for revocation mentioned in Article 57 (1) (a) to (d), would prejudice the maintenance of the Community patent as amended.
2. In the examination of the request, which shall be conducted in accordance with the Implementing Regulations, the Revocation division shall invite the proprietor of the patent, as often as necessary, to file observations, within a period to be fixed by the Revocation Division, on communications issued by itself.
3. If the proprietor of the patent fails to reply in due time to any invitation under paragraph 2, the request shall be deemed to be withdrawn.

Article 54

Rejection of the request or limitation of the Community patent

1. If, following the examination provided for in Article 53, the Revocation Division is of the opinion that the amendments are not acceptable, it shall reject the request.
2. If the Revocation Division is of the opinion that, taking into consideration the amendments made by the proprietor of the patent during the limitation proceedings, the grounds for revocation mentioned in Article 57 do not prejudice the maintenance of the Community patent, it shall decide to limit the patent accordingly, provided that:
 - (a) it is established, in accordance with the Implementing Regulations, that the proprietor of the patent approves the text in which the Revocation Division intends to limit the patent;
 - (b) a translation of any amended claims in one of the official languages of each of the Contracting States which do not have as an official language the language of the proceedings is filed within the time-limit prescribed in the Implementing Regulations;
 - (c) the fee for the printing of a new specification is paid within the time-limit prescribed in the Implementing Regulations.
3. If a translation is not filed in due time or if the fee for the printing of a new specification is not paid in due time, the request shall be deemed to be withdrawn, unless these acts are done and the additional fee is paid within a further period as prescribed in the Implementing Regulations.
4. The decision to limit a Community patent shall not take effect until the date on which the Community Patent Bulletin mentions the limitation.

Article 55

Publication of a new specification following limitation proceedings

If a Community patent is limited under Article 54 (2), the European Patent Office shall, at the same time as it publishes the mention of the decision to limit, publish a new specification of the Community patent containing the description, the claims and any drawings, in the amended form.

CHAPTER III

REVOCATION PROCEDURE

Article 56

Application for revocation

1. Any person may file with the European Patent Office an application for revocation of a Community patent; however, in the case specified in Article 57 (1) (e), the application may be filed only by a person entitled to be entered in the Register of Community Patents as the sole proprietor of the patent or by all the persons entitled to be entered as joint proprietors of it in accordance with Article 27 acting jointly.
2. The application may not be filed in the cases specified in Article 57 (1) (a) to (d) during the period within which an opposition may be filed or while opposition proceedings are pending.
3. An application may be filed even if the Community patent has lapsed.
4. The application shall be filed in a written reasoned statement. It shall not be deemed to have been filed until the revocation fee has been paid.
5. Applicants shall be parties to the revocation proceedings as well as the proprietor of the patent.
6. If the applicant has neither his residence nor his principal place of business within the territory of one of the Contracting States, he shall, at the request of the proprietor of the patent, furnish security for the costs of the proceedings. The Revocation Division shall fix at a reasonable figure the amount of the security and the period within which it must be deposited. If the security is not deposited within the period specified, the application shall be deemed to be withdrawn.

Article 57

Grounds for revocation

1. An application for revocation of a Community patent may be filed only on the grounds that:
 - (a) the subject-matter of the patent is not patentable within the terms of Articles 52 to 57 of the European Patent Convention;
 - (b) the patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;
 - (c) the subject-matter of the patent extends beyond the content of the European patent application as filed, or if the patent was granted on a European divisional application or on a new European application filed in accordance with Article 61 of

- the European Patent Convention, beyond the content of the earlier application as filed;
- (d) the protection conferred by the patent has been extended;
- (e) the proprietor of the patent is not, having regard to a decision which has to be recognized in all the Contracting States, entitled under Article 60 (1) of the European Patent Convention;
- (f) the subject-matter of the patent is not patentable within the terms of Article 37 (1).

2. If the grounds for revocation affect the patent only partially, revocation shall be pronounced in the form of a corresponding limitation of the patent. The limitation may be effected in the form of an amendment to the claims, the description or the drawings.

3. In the case specified in paragraph 1 (f), revocation shall be pronounced only in respect of the Contracting State in which the national patent application or national patent has been made public.

Article 58

Examination of the application

1. If the application for revocation of the Community patent is admissible, the Revocation Division shall examine whether the grounds for revocation mentioned in Article 57 prejudice the maintenance of the patent.
2. In the examination of the application, which shall be conducted in accordance with the Implementing Regulations, the Revocation Division shall invite the parties, as often as necessary, to file observations, within a period to be fixed by the Revocation Division, on communications from another party or issued by itself.

Article 59

Revocation or maintenance of the Community patent

1. If the Revocation Division is of the opinion that the grounds for revocation mentioned in Article 57 prejudice the maintenance of the Community patent, it shall revoke the patent.
2. If the Revocation Division is of the opinion that the grounds for revocation mentioned in Article 57 do not prejudice the maintenance of the patent unamended, it shall reject the application.
3. If the Revocation Division is of the opinion that, taking into consideration the amendments made by the proprietor of the patent during the revocation proceedings, the grounds for revocation mentioned in Article 57 do not prejudice the maintenance of the patent, it shall decide to maintain the patent as amended, provided that:

- (a) it is established, in accordance with the Implementing Regulations, that the proprietor of the patent approves the text in which the Revocation Division intends to maintain the patent;
 - (b) a translation of any amended claims in one of the official languages of each of the Contracting States which do not have as an official language the language of the proceedings is filed within the time-limit prescribed in the Implementing Regulations;
 - (c) the fee for the printing of a new specification is paid within the time-limit prescribed in the Implementing Regulations.
4. If a translation is not filed in due time or if the fee for the printing of a new specification is not paid in due time, the patent shall be revoked, unless these acts are done and the additional fee is paid within a further period as prescribed in the Implementing Regulations.

Article 60

Publication of a new specification following revocation proceedings

If a Community patent is amended under Article 59 (3), the European Patent Office shall, at the same

time as it publishes the mention of the decision on the application for revocation, publish a new specification of the Community patent containing the description, the claims and any drawings, in the amended form.

Article 61

Costs

1. Each party to revocation proceedings shall meet the costs he has incurred unless a decision of a Revocation Board, for reasons of equity, orders, in accordance with the Implementing Regulations, a different apportionment of costs incurred during taking of evidence or in oral proceedings. A decision on the apportionment of the costs may also be taken on request when the application for revocation is withdrawn or when the Community patent lapses.
2. On request, the registry of the Revocation Division shall fix the amount of the costs to be paid under a decision apportioning them. The fixing of the costs by the registry may be reviewed by a decision of the Revocation Division on a request filed within the period laid down in the Implementing Regulations.
3. Article 104 (3) of the European Patent Convention shall apply *mutatis mutandis*.

PART IV

APPEALS PROCEDURE

Article 62

Appeal

1. An appeal shall lie from decisions of the Revocation Divisions and the Patent Administration Division.
2. Articles 106 to 111 of the European Patent Convention shall apply *mutatis mutandis* to this appeals procedure.

Article 63

Further appeal

1. A further appeal to the Court of Justice of the European Communities shall lie from decisions of the Revocation Boards on appeals. Such further appeal shall have suspensive effect.

2. The further appeal may be lodged on grounds of infringement of an essential procedural requirement and of infringement of this Convention or any rule of law relating to its application, in so far as that rule of law is not a national provision. The Court of Justice shall not examine the facts as determined in the decision of the Revocation Board.
3. The further appeal shall be open to any party to proceedings before a Revocation Board adversely affected by its decision.
4. The further appeal shall be lodged with the Court of Justice within two months of the date of notification of the decision of the Revocation Board.
5. The further appeal may be made even if the Community patent has lapsed.
6. If the Court of Justice remits the case for further prosecution to the Revocation Board, that department shall be bound by the *ratio decidendi* of the Court of Justice, in so far as the facts are the same.

PART V

COMMON PROVISIONS

Article 64

Common provisions governing procedure and representation

1. The provisions of Part VII, Chapters I and III, of the European Patent Convention, other than Articles 121 and 124, shall apply *mutatis mutandis* to this Convention, subject to the following:

- (a) Article 114 (1) shall apply only to the Revocation Divisions and the Revocation Boards;
- (b) Article 116 (2) and (3) shall apply only to the Patent Administration Division, and paragraph 4 shall apply only to the Revocation Divisions and the Revocation Boards;
- (c) Article 122 shall also apply to all other parties to proceedings before the special departments;
- (d) Article 123 (3) shall apply to limitation and revocation proceedings;
- (e) the term 'Contracting States' shall be understood as meaning the States parties to this Convention.

2. Notwithstanding paragraph 1 (e), a person whose name appears on the list of professional representatives maintained by the European Patent Office who is not a national of one of the States parties to this Convention or does not have his place of business or employment within the territory of one of these States, shall be entitled to act as a professional representative for a party to proceedings relating to a Community patent before the special departments, provided that:

- (a) he was, according to the Register of European Patents, the person last authorized to act as the professional representative for the same party or his predecessor in title in proceedings pursuant to the European Patent Convention which relate to this Community patent or to the European patent application on which it is based; and

- (b) the State of which he is a national or within the territory of which he has his place of business or employment applies rules, as regards representation before the central industrial property office of the State concerned, which comply, in respect of reciprocity, with such conditions as the Select Committee of the Administrative Council may prescribe.

Article 65

Register of Community Patents

The European Patent Office shall keep a register, to be known as the Register of Community Patents, which shall contain those particulars the registration of which is provided for by this Convention. The Register shall be open to public inspection.

Article 66

Community Patent Bulletin

The European Patent Office shall periodically publish a Community Patent Bulletin containing entries made in the Register of Community Patents, as well as other particulars, the publication of which is prescribed by this Convention.

Article 67

Information to the public or official authorities

Articles 128 (4) and 130 to 132 of the European Patent Convention shall apply *mutatis mutandis*, the term 'Contracting States' being understood as meaning the States parties to this Convention.

PART VI

JURISDICTION AND PROCEDURE IN ACTIONS RELATING TO COMMUNITY PATENTS

CHAPTER I

JURISDICTION AND ENFORCEMENT

Article 68

General provisions

Unless otherwise specified in this Convention, the Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters, signed at Brussels on 27 September 1968, hereinafter referred to as 'the Convention on Jurisdiction and Enforcement', shall apply to actions relating to Community patents and to decisions given in respect of such actions.

Article 69

Jurisdiction of national courts concerning actions relating to Community patents

1. Actions for infringement of a Community patent may be heard before the courts of the Contracting State in which the defendant has his residence or, if he is not so resident, an establishment. If the defendant has neither his residence nor an establishment in one of the Contracting States, such actions may, by way of derogation from Article 4 of the Convention on Jurisdiction and Enforcement, be heard before the courts of the Contracting State in which the plaintiff has his residence or, if he is not so resident, an establishment. If neither the defendant nor the plaintiff is so resident or has such an establishment, such actions may be brought before the courts of the Federal Republic of Germany. The court hearing the action shall have jurisdiction in respect of acts of infringement committed within the territory of any of the Contracting States.

2. Actions for infringement of a Community patent may also be heard before the courts of the Contracting State in which an act of infringement was committed. The court hearing the action shall have jurisdiction only in respect of acts of infringement committed within the territory of that State.

3. Article 5 (3) and (4) of the Convention on Jurisdiction and Enforcement shall not apply to actions for infringement of a Community patent.

4. The following courts shall have exclusive jurisdiction, regardless of residence:

(a) in actions relating to compulsory licences in respect of a Community patent, the courts of the Contracting State the national law of which is applicable to the licence;

(b) in actions relating to the right to a patent in which an employer and an employee are in dispute, the courts of the Contracting State under whose law the right to a European patent is determined in accordance with the second sentence of Article 60 (1) of the European Patent Convention. Any agreement conferring jurisdiction shall be valid only in so far as the national law governing the contract of employment allows the agreement in question.

5. For the purposes of this article, the residence of a party shall be determined by applying Articles 52 and 53 of the Convention on Jurisdiction and Enforcement.

Article 70

Supplementary provisions on jurisdiction

1. Within the Contracting State whose courts have jurisdiction under Articles 68 and 69, those courts shall have jurisdiction which would have jurisdiction *ratione loci* and *ratione materiae* in the case of actions relating to a national patent granted in that State.

2. Articles 68 and 69 shall apply to actions relating to a European patent application in which the Contracting States are designated, except in so far as the right to the grant of a European patent is claimed.

3. Actions relating to a Community patent for which no court has jurisdiction under Articles 68 and 69 (1) and (2) may be heard before the courts of the Federal Republic of Germany.

Article 71

Supplementary provisions on recognition and enforcement

1. Article 27 (3) and (4) of the Convention on Jurisdiction and Enforcement shall not apply to decisions relating to the right to the Community patent.

2. In the case of irreconcilable decisions relating to the right to a Community patent given in proceedings between the same parties, only the decision of the court first seised of the matter shall be recog-

nized. Neither party may invoke any other decision even in the Contracting State in which it was given.

Article 72

National authorities

For actions relating to the right to a Community patent or to compulsory licences in respect of a Community patent the term 'courts' in this Convention and the Convention on Jurisdiction and Enforcement shall include authorities which, under the national law of a Contracting State, have jurisdiction to decide such actions relating to a national patent granted in that State. Any Contracting State shall notify the European Patent Office of any authority on which such jurisdiction is conferred and the European Patent Office shall inform the other Contracting States accordingly.

Article 73

Preliminary ruling by the Court of Justice of the European Communities

1. In proceedings relating to a Community patent which are brought before a national court or tribunal, the Court of Justice of the European Communities shall have jurisdiction to give preliminary rulings concerning:

- (a) the interpretation of this Convention and of the provisions of the European Patent Convention which are binding upon every Community patent in accordance with Article 2 (3);
- (b) the validity and interpretation of provisions enacted in implementation of this Convention, to the extent to which they are not national provisions.

2. Where such a question is raised before a national court or tribunal, that court or tribunal may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court of Justice of the European Communities to give a ruling thereon.

3. Where any such question is raised in a case pending before a national court or tribunal, against whose decisions there is no judicial remedy under national law, that court or tribunal shall bring the matter before the Court of Justice of the European Communities.

CHAPTER II

PROCEDURE

Article 74

Rules of procedure

Unless otherwise specified in this Convention, the actions referred to in Articles 68 to 70 shall be subject to the national rules of procedure governing the same type of action relating to a national patent.

Article 75

Burden of proof

1. If the subject-matter of a Community patent is a process for obtaining a new product, the same product when produced by any other party shall, in the absence of proof to the contrary, be deemed to have been obtained by the patented process.

2. In the adduction of proof to the contrary, the legitimate interests of the defendant in protecting his manufacturing and business secrets shall be taken into account.

Article 76

Obligation of the national court

A national court which is dealing with an action relating to a Community patent shall treat the patent as valid.

Article 77

Stay of proceedings

1. If the decision in an action before a national court relating to a European patent application in which the Contracting States are designated depends upon the patentability of the invention, that decision may be given only after the European Patent Office has granted a European patent or refused the European patent application. Paragraph 2 shall apply after the grant of the European patent.

2. Where an opposition has been filed, or a request for the limitation or an application for the revocation of a Community patent has been made, the national court may, at the request of one of the parties and after hearing the other parties, stay proceedings relating to the Community patent, in so far as its decision depends upon validity. At the request of one of the parties the court shall instruct that the documentary evidence of the opposition, limitation or revocation proceedings be communicated to it, in order to give a ruling on the request for a stay of proceedings.

Article 78

Opinion on the extent of protection

1. When infringement proceedings are stayed in accordance with Article 77 (2) by a national court which has jurisdiction to determine the extent of protection conferred by the Community patent in relation to the alleged infringement, the European Patent Office shall, if it has decided to maintain the patent, express an opinion on the extent of protection conferred by the patent.
2. In cases where Article 77 (2) does not apply, a national court before which proceedings for infringement of a Community patent are brought may, of its own motion or at the request of one of the parties and after hearing the other parties, obtain an opinion from the European Patent Office on the extent of protection conferred by the patent before giving a decision concerning the infringement.
3. The opinion shall be given by a Revocation Board against payment of an appropriate fee and

shall take into account the product or process which, in accordance with the findings of the national court, is alleged to infringe. This opinion shall not bind the national court. Article 116 (1) of the European Patent Convention shall apply.

4. For the purposes of obtaining the opinion the national court shall transmit to the European Patent Office, in one of the three official languages of the European Patent Office, the findings and questions of the court as well as any other documents considered useful by it.

Article 79

Penal sanctions for infringement

The national penal provisions in the matter of infringement shall be applicable in the case of infringement of a Community patent, to the extent that like acts of infringement would be punishable if they similarly affected a national patent.

PART VII

IMPACT ON NATIONAL LAW

Article 80

Prohibition of simultaneous protection

1. Where a national patent granted in a Contracting State relates to an invention for which a Community patent has been granted to the same inventor or to his successor in title with the same date of filing, or, if priority has been claimed, with the same date of priority, that national patent shall be ineffective to the extent that it covers the same invention as the Community patent, from the date on which:
 - (a) the period for filing an opposition to the Community patent has expired without any opposition being filed;
 - (b) the opposition proceedings are concluded with a decision to maintain the Community patent; or
 - (c) the national patent is granted, where this date is subsequent to the date referred to in subparagraph (a) or (b), as the case may be.
2. The subsequent lapse or revocation of the Community patent shall not affect the provisions of paragraph 1.
3. Each Contracting State may prescribe the procedure whereby the loss of effect of the national patent is determined and, where appropriate, the extent of that loss. It may also prescribe that the loss of effect shall apply as from the outset.

4. Prior to the date applicable under paragraph 1, simultaneous protection by a Community patent or a European patent application and a national patent or a national patent application shall exist unless any Contracting State provides otherwise.

Article 81

Exhaustion of the rights conferred by a national patent

1. The rights conferred by a national patent in a Contracting State shall not extend to acts concerning a product covered by that patent which are done within the territory of that Contracting State after that product has been put on the market in any Contracting State by the proprietor of the patent or with his express consent, unless there are grounds which, under Community law, would justify the extension to such acts of the rights conferred by the patent.
2. Paragraph 1 shall also apply with regard to a product put on the market by the proprietor of a national patent, granted for the same invention in another Contracting State, who has economic connections with the proprietor of the patent referred to in paragraph 1. For the purpose of this paragraph, two persons shall be deemed to have economic connections where one of them is in a position to exert a

decisive influence on the other, directly or indirectly, with regard to the exploitation of a patent, or where a third party is in a position to exercise such an influence on both persons.

3. The preceding paragraphs shall not apply in the case of a product put on the market under a compulsory licence.

Article 82

Compulsory licences in respect of national patents

Article 47 shall apply *mutatis mutandis* to the grant of compulsory licences for lack or insufficiency of exploitation of a national patent.

Article 83

Effect of unpublished national applications or patents

1. Where Article 37 (2) applies, the Community patent shall be ineffective in the Contracting State concerned to the extent that it covers the same invention as the national patent application or patent.

2. The procedure confirming that, pursuant to paragraph 1, the Community patent is ineffective in the Contracting State shall, in that State, be that according to which, if the Community patent had been a national patent, it could have been revoked or made ineffective.

Article 84

National utility models and utility certificates

1. Articles 37, 80 and 81 shall apply to utility models and utility certificates and to applications for utility models and utility certificates in the Contracting States whose laws make provision for such models or certificates.

2. If a Contracting State provides in its law that a person may not exercise the rights conferred by a patent so long as there exists a utility model having an earlier date of filing or, where priority has been claimed, an earlier date of priority, the same shall, notwithstanding paragraph 1, apply also to the Community patent in that State.

PART VIII

TRANSITIONAL PROVISIONS

Article 85

Application of the Convention on Jurisdiction and Enforcement

The provisions of the Convention on Jurisdiction and Enforcement rendered applicable by the preceding articles shall not have effect in respect of any Contracting State for which that Convention has not yet entered into force until such entry into force.

Article 86

Option between a Community patent and a European patent

1. This Convention shall, subject to paragraph 3, not apply to a European patent application filed during a transitional period nor to any resulting European patent, provided that the request for grant contains a statement that the applicant does not wish to obtain a Community patent. This statement may not be withdrawn.

2. Article 54 (3) and (4) of the European Patent Convention shall apply where a European patent

application in which the Contracting States are designated or a Community patent has a date of filing or, where priority has been claimed, a date of priority later than that of a European patent application in which one or some of the Contracting States are designated. In the event of limitation or revocation of the Community patent on this ground, limitation or revocation shall be pronounced only in respect of the Contracting States designated in the earlier European patent application as published.

3. Articles 80 to 82 and 84 shall apply to a European patent as referred to in paragraph 1, the references in Articles 80 and 84 to a Community patent and the references in Articles 81 and 82 to a national patent being understood as references to such a European patent.

4. The transitional period referred to in paragraph 1 may be terminated by decision of the Council of the European Communities, acting on a proposal from the Commission of the European Communities or from a Contracting State.

5. The decision referred to in paragraph 4 shall require:

(a) unanimity during the first 10 years from the date of entry into force of this Convention;

- (b) a qualified majority after expiry of that period. This majority shall be that specified in the second indent of the second subparagraph of Article 148 (2) of the Treaty establishing the European Economic Community.

Article 87

Subsequent choice of a Community patent

This Convention shall apply to a European patent granted in respect of a European patent application in which all the Contracting States are designated and which is filed prior to the entry into force of this Convention, provided that prior to the expiry of the time-limit mentioned in Article 97 (2) (b) of the European Patent Convention, the applicant files with the European Patent Office a written statement that he wishes to obtain a Community patent.

Article 88

Reservation concerning the translation of the specification of a Community patent

1. Notwithstanding Article 14 (9), any Contracting State may, at the time of signature or when depositing its instrument of ratification, declare that it reserves the right to provide that, if the specification of a Community patent has been published in a language which is not one of the official languages of that State, the proprietor of the patent may, subject to the following paragraphs, avail himself, in that State, of the rights conferred by that patent, only under the condition that he files with the European Patent Office a translation of the specification, except for the claims, in one of the official languages of that State.
2. If the translation is filed within three months of the date of publication of the mention of the grant of the patent, the proprietor of the patent may avail himself from that date of the rights conferred by the patent.
3. If the translation is filed after the period referred to in paragraph 2, the proprietor of the patent may avail himself of the rights conferred by the patent from the date of filing of the translation. In respect of use of the invention without his consent in the period between the date of the publication of the mention of the grant of the patent and the date of filing of the translation, the proprietor may avail himself of the rights conferred by the patent only to the extent that he may, after the filing of the translation, claim reasonable compensation.
4. If the translation is filed more than three years after the expiry of the period mentioned in Article 99 (1) of the European Patent Convention, any person who has used or made effective and serious preparations for using the invention, within the period

mentioned in the second sentence of paragraph 3, may continue use of the invention upon reasonable terms.

5. Any reservation made by a Contracting State under paragraph 1 shall cease to apply when the Council of the European Communities, acting unanimously on a proposal from the Commission of the European Communities or from a Contracting State, decides to terminate it.

6. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.

7. Termination of the effect of the reservation shall not apply to Community patents granted before the date on which the reservation ceased to have effect.

Article 89

Reservation in respect of compulsory licences

1. Any Contracting State may, at the time of signature or when depositing its instrument of ratification, declare that it reserves the right to provide that Articles 47 and 82 shall not apply within its territory to Community patents or to European patents granted for, or to national patents granted by, that State.
2. Any reservation made by a Contracting State under paragraph 1 shall have effect for a period of not more than 10 years from the entry into force of this Convention. However, the Council of the European Communities may, acting by a qualified majority on a proposal from a Contracting State, extend the period in respect of a Contracting State making such a reservation by not more than five years. This majority shall be that specified in Article 86 (5) (b).
3. Any reservation made under paragraph 1 shall cease to apply when common rules on the granting of compulsory licences in respect of Community patents have become operative.
4. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.
5. Termination of the effect of the reservation shall not affect compulsory licences granted before the date on which the reservation ceased to have effect.

Article 90

Reservation in respect of infringement proceedings

1. Notwithstanding Article 76, any Contracting State whose national law makes provision for a decision to be taken in infringement proceedings as to the validity of national patents may, at the time of signature or when depositing its instrument of ratification, declare that it reserves the right to provide that its courts dealing with infringement relating to a Community patent may, with the agreement of the parties, decide upon the effect of the Community patent in the territory of the State in which the court is located. However:

- (a) the court shall, in so far as the facts are the same, be bound by a prior decision of the European Patent Office concerning the validity of the Community patent;
- (b) the court shall be limited to the grounds for revocation specified in Article 57 and be governed by the other provisions of this Convention.

2. The Community patent shall not have effect in the territory of a Contracting State which has made a reservation pursuant to paragraph 1, to the extent to which a court in that State has decided that the patent is ineffective.

3. The procedure for determining the effect of the Community patent in a Contracting State which has made a reservation pursuant to paragraph 1 shall be that which would have been implemented if the Community patent had been a national patent.

4. Any reservation made by a Contracting State under paragraph 1 shall have effect for a period of not more than 10 years from the entry into force of this Convention. However, the Council of the European Communities may, acting by a qualified majority

on a proposal from a Contracting State, extend the period in respect of a Contracting State making such a reservation by not more than five years. This majority shall be that specified in Article 86 (5)(b).

5. Any reservation made under paragraph 1 shall cease to apply when special arrangements for litigation of Community patents have become operative.

6. Any Contracting State that has made a reservation under paragraph 1 may withdraw it at any time. Such withdrawal shall be made by notification addressed to the Secretary-General of the Council of the European Communities and shall take effect one month from the date of receipt of such notification.

7. A court exercising jurisdiction under this article shall have jurisdiction only in respect of acts of infringement committed within the territory of the Contracting State in which it is situated. Articles 21 to 23 of the Convention on Jurisdiction and Enforcement shall not apply.

Article 91

Other transitional provisions

1. Articles 159, 160 (2), 161 and 163 of the European Patent Convention shall apply *mutatis mutandis* subject to the following:

- (a) the first meeting of the Select Committee of the Administrative Council shall be on the invitation of the Secretary-General of the Council of the European Communities;
- (b) the term 'Contracting States' shall be understood as meaning the States parties to this Convention.

2. Notwithstanding paragraph 1 (b), Article 64 (2) shall apply.

PART IX

FINAL PROVISIONS

Article 92

Implementing Regulations

1. The Implementing Regulations shall be an integral part of this Convention.
2. In the case of conflict between the provisions of this Convention and those of the Implementing Regulations, the provisions of this Convention shall prevail.

Article 93

Precedence of the provisions of the Treaty establishing the European Economic Community

No provision of this Convention may be invoked against the application of any provision of the Treaty establishing the European Economic Community.

Article 94

Ratification

This Convention shall be subject to ratification by the signatory States; instruments of ratification shall be deposited with the Secretary-General of the Council of the European Communities.

Article 95

Accession

1. This Convention shall be open to accession by States becoming Member States of the European Economic Community.

2. Instruments of accession to this Convention shall be deposited with the Secretary-General of the Council of the European Communities. Accession shall take effect on the first day of the third month following the deposit of the instrument of accession, provided that the ratification by the State concerned of the European Patent Convention or its accession thereto has become effective.

3. The Contracting States hereby recognize that any State which becomes a member of the European Economic Community must accede to this Convention.

4. A special agreement may be concluded between the Contracting States and the acceding State, to determine the details of application of this Convention necessitated by the accession of that State.

Article 96

Participation of third States

The Council of the European Communities may, acting by a unanimous decision, invite a State party to the European Patent Convention which forms a customs union or a free-trade area with the European Economic Community to enter into negotiations with a view to enabling that third State to participate in this Convention on the basis of a special agreement, to be concluded between the States parties to this Convention and the third State concerned, determining the conditions and details for applying this Convention to that State.

Article 97

Territorial field of application

1. This Convention shall apply to the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the French Republic including its overseas departments and territories, Ireland, the Italian Republic, the Grand Duchy of Luxembourg,

the European territory of the Kingdom of the Netherlands and to the United Kingdom of Great Britain and Northern Ireland.

2. For the purposes of paragraph 1, the United Kingdom of Great Britain and Northern Ireland means England and Wales, Scotland and Northern Ireland.

3. This Convention shall not apply to the Faroe Islands. The Kingdom of Denmark may at any time declare by notification addressed to the Secretary-General of the Council of the European Communities that this Convention shall be applicable to the Faroe Islands.

4. The Kingdom of the Netherlands may declare in its instrument of ratification or by notification addressed to the Secretary-General of the Council of the European Communities at any later time that this Convention shall be applicable to the Netherlands Antilles.

5. The United Kingdom of Great Britain and Northern Ireland may declare in its instrument of ratification or by notification addressed to the Secretary-General of the Council of the European Communities at any later time that this Convention shall be applicable to one or more of the European territories for the external relations of which it is responsible.

6. If a declaration referred to in paragraph 3, 4 or 5 is contained in the instrument of ratification, it shall take effect on the same date as the ratification; if the declaration is made in a notification after the deposit of the instrument of ratification, it shall take effect six months after the date of receipt by the Secretary-General of the Council of the European Communities.

7. The States referred to in paragraphs 4 and 5 may, at any time, declare that the Convention shall cease to apply to one or more of the territories in respect of which they have made a declaration pursuant to paragraph 4 or 5. Such declarations of termination shall take effect one year after the date on which the Secretary-General of the Council of the European Communities received notification thereof.

8. For the purposes of implementing this Convention, that part of the Continental Shelf adjacent to a territory referred to in paragraph 1, 3, 4 or 5 shall be deemed to be included in this territory, within the limits of the sovereign rights of coastal States as laid down in the Geneva Convention on the Continental Shelf of 29 April 1958, or any other Convention amending or replacing that Convention for the Contracting States.

Article 98

Entry into force

This Convention shall enter into force three months after the deposit of the instrument of ratification by

the last signatory State to take this step; however, if the European Patent Convention enters into force with respect to the States signatories to this Convention at a later date, this Convention shall enter into force on the latter date.

Article 99

Duration of the Convention

This Convention is concluded for an unlimited period.

Article 100

Revision

If a majority of the Contracting States requests the revision of this Convention, a revision conference shall be convened by the President of the Council of the European Communities. The conference shall be prepared by the Select Committee of the Administrative Council.

Article 101

Disputes between Contracting States

1. Any dispute between Contracting States concerning the interpretation or application of this Convention which is not settled by negotiation shall be submitted, at the request of one of the States concerned, to the Select Committee of the Administrative Council, which shall endeavour to bring about agreement between the States concerned.
2. If agreement is not reached within six months from the date when the Select Committee was seised

of the dispute, any one of the States concerned may submit the dispute to the Court of Justice of the European Communities.

3. If the Court of Justice finds that a Contracting State has failed to fulfil an obligation under this Convention, that State shall be required to take the necessary measures to comply with the judgment of the Court of Justice.

Article 102

Original of the Convention

This Convention, drawn up in a single original in the Danish, Dutch, English, French, German, Irish and Italian languages, all seven texts being equally authentic, shall be deposited in the archives of the Secretariat of the Council of the European Communities. The Secretary-General shall transmit a certified copy to the government of each signatory State.

Article 103

Notification

The Secretary-General of the Council of the European Communities shall notify the signatory States of:

- (a) the deposit of each instrument of ratification and accession;
- (b) any reservation or withdrawal of reservation pursuant to Article 88, 89 or 90;
- (c) the date of entry into force of this Convention;
- (d) any declaration or notification received pursuant to Article 97.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne konvention.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Übereinkommen gesetzt.

In witness whereof, the undersigned plenipotentiaries have affixed their signatures below this Convention.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas de la présente convention.

Dá fhianú sin, chuir na Lánchumhachtaigh thíos-síne a lámh leis an gCoinbhinsiún seo.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce alla presente convenzione.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder dit Verdrag hebben gesteld.

Udfærdiget i Luxembourg, den femtende december nitten hundrede og femoghalvfjerds.

Geschehen zu Luxemburg am fünfzehnten Dezember neunzehnhundertfünfundsiebzig.

Done at Luxembourg on the fifteenth day of December in the year one thousand nine hundred and seventy-five.

Fait à Luxembourg, le quinze décembre mil neuf cent soixante-quinze.


Arna dhéanamh i Lucsamburg, an cúigiú lá déag de mhí na Nollag, míle naoi gcéad seachtó a cúig.

Fatto a Lussemburgo, addi quindici dicembre millenovecentosettantacinque.

Gedaan te Luxemburg, de vijftiende december negentienhonderd vijfenzeventig.

Pour Sa Majesté le roi des Belges

Voor Zijne Majesteit de Koning der Belgen



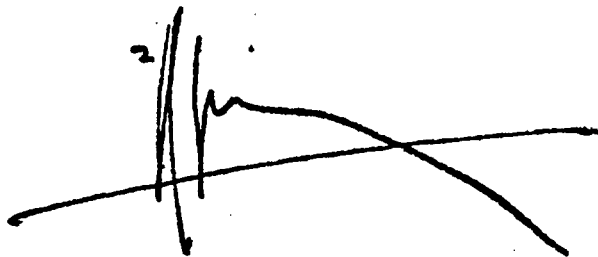
For Hendes Majestæt dronningen af Danmark



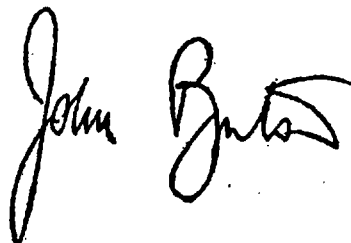
Für den Präsidenten der Bundesrepublik Deutschland



Pour le président de la République française

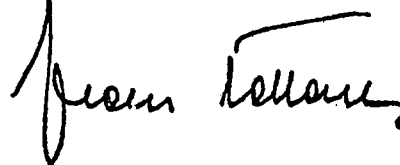


That ceann Uachtarán na hÉireann

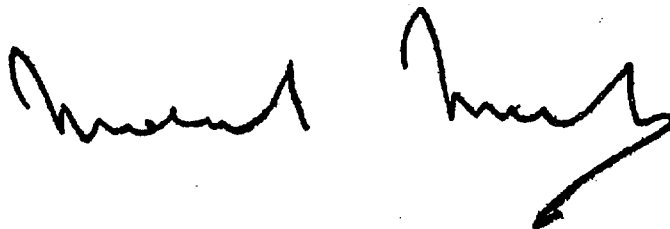


Per il presidente della Repubblica italiana

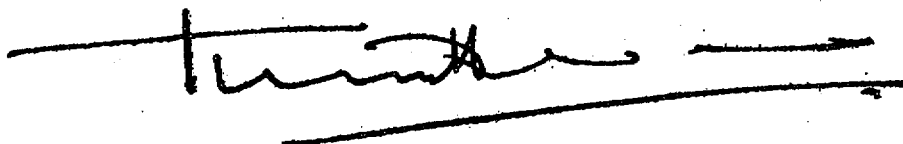
*il governo italiano dichiara di voler valere delle misure
penali degli articoli 88, 89 e 90*



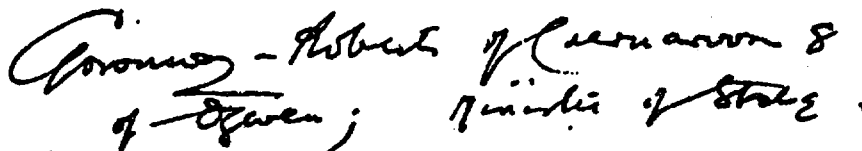
Pour Son Altesse Royale le grand-duc de Luxembourg

A handwritten signature in black ink, appearing to read 'Grand Duc de Luxembourg', written in a cursive style.

Voor Hare Majesteit de Koningin der Nederlanden

A handwritten signature in black ink, appearing to read 'Koningin der Nederlanden', written in a cursive style and underlined.

For Her Majesty the Queen of the United Kingdom of Great Britain and Northern Ireland

A handwritten signature in black ink, appearing to read 'Queen Elizabeth II', written in a cursive style.

Implementing Regulations to the Convention for the European patent for the Common Market

PART I

IMPLEMENTING REGULATIONS TO PART I OF THE CONVENTION

CHAPTER I

ORGANIZATION OF THE SPECIAL DEPARTMENTS

Rule 1

Allocation of duties to the departments of the first instance

1. The President of the European Patent Office shall determine the number of Revocation Divisions. He shall allocate duties to these departments by reference to the international classification.
2. The President of the European Patent Office shall, with the agreement of the Select Committee of the Administrative Council, determine in detail the duties for which the Patent Administration Division is responsible pursuant to Article 8.
3. In addition to the responsibilities vested in them under the Convention, the President of the European Patent Office may allocate further duties to the Patent Administration Division and the Revocation Divisions.
4. The President of the European Patent Office may entrust to employees who are not technically or legally-qualified members the execution of individual duties falling to the Patent Administration Division or the Revocation Divisions, and involving no technical or legal difficulties.

Rule 2

Allocation of duties to the departments of the second instance and designation of their members

1. Duties shall be allocated to the Revocation Boards and the regular and alternate members of the various Revocation Boards shall be designated before the beginning of each working year. Any member of a Revocation Board may be designated as a member of more than one Revocation Board. These measures may, where necessary, be amended during the course of the working year in question.

2. The measures referred to in paragraph 1 shall be taken by an authority consisting of the President of the European Patent Office, who shall act as chairman, the vice-president responsible for Revocation Boards, the chairmen of the Revocation Boards, and one other member of the Revocation Boards, the latter being elected by the full membership of these boards for the working year in question. This authority may only take a decision if at least three of its members are present; these must include the President or a Vice-President of the European Patent Office and the Chairman of a Revocation Board. Decisions shall be taken by a majority vote; in the event of parity of votes, the vote of the Chairman shall be decisive.

3. The authority referred to in paragraph 2 shall decide on conflicts regarding the allocation of duties between two or more Revocation Boards.

Rule 3

Rules of Procedure of the Revocation Boards

The authority referred to in Rule 2 (2) shall adopt the Rules of Procedure of the Revocation Boards.

Rule 4

Administrative structure of the special departments

1. The Revocation Divisions may be grouped together administratively with the Examining Divisions and Opposition Divisions so as to form directorates, or may form a directorate together with the Patent Administration Division.
2. The special departments may be grouped together administratively with other departments of the European Patent Office so as to form directorates-general or may form a separate directorate-general; in the latter case, Rule 12 (3) of the Implementing Regulations to the European Patent Convention shall apply, but the appointment of a vice-president to the directorate-general shall be decided upon by the Select Committee of the Administrative Council.

CHAPTER II
LANGUAGES OF THE SPECIAL
DEPARTMENTS

Rule 5

Language of the proceedings

1. Rules 1 to 3, 5, 6 (2) and 7 of the Implementing Regulations to the European Patent Convention shall

apply *mutatis mutandis* to proceedings before the special departments.

2. A reduction in the limitation fee, revocation fee or appeal fee shall be allowed the proprietor of a patent or an applicant for revocation who avails himself of the options provided for in Article 14 (4). The reduction shall be fixed in the rules relating to fees at a percentage of the total of the fees.

PART II

IMPLEMENTING REGULATIONS TO PART II OF THE CONVENTION

Rule 6

Suspension of proceedings

Rule 13 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to limitation proceedings and revocation proceedings.

Rule 7

Entries regarding claims to the right to Community patents

The entries referred to in Article 27 (4) shall be made:

- (a) at the request of the registrar of the court before which the proceedings are instituted;
- (b) at the request of the claimant or any other interested person.

Rule 8

Request to file translations of the claims in examination or opposition proceedings

1. The European Patent Office shall request the applicant for or proprietor of the patent to file, within three months, the translations prescribed in Article 33 (1) and (2), and to pay the fee for the

publication of the translations of the claims within the same period.

2. The request shall be sent at the same time as:

- (a) in the case of examination proceedings, the request referred to in Rule 51 (4) of the Implementing Regulations to the European Patent Convention;
- (b) in the case of opposition proceedings, the request referred to in Rule 58 (5) of the Implementing Regulations to the European Patent Convention.

3. The further period referred to in Article 33 (5) shall be two months.

Rule 9

Correction of the translation

1. Where Article 33 (1) and (2) apply, the applicant for or proprietor of the patent may file at the European Patent Office a corrected translation for the purposes of publication. The corrected translation shall not be deemed to have been filed until the fee for its publication has been paid.

2. Where a Contracting State has adopted a provision pursuant to Article 34 (2), the applicant whose translation of the claims has been published, may file with the competent authority of that State a corrected translation for the purposes of publication.

Registering transfers, licences and other rights

1. Rules 20 to 22 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to entries made in the Register of Community Patents.
2. The request provided for in Article 28 (2) must, in the case of subparagraph (a), be made within two months, or in the case of subparagraph (b), within four months, of receipt of notification from the European Patent Office that the name of a new proprietor has been entered in the Register of Community Patents.
3. Where a Community patent is involved in bankruptcy or like proceedings, an entry to this effect shall be made in the Register of Community Patents on request of the competent national authority. The entry shall not incur a fee.
4. The entry referred to in paragraph 3 shall be deleted at the request of the competent national authority. The request shall not incur a fee.
5. Where a European patent application in which the Contracting States are designated is involved in bankruptcy or like proceedings, paragraphs 3 and 4 shall apply *mutatis mutandis* but the reference to the Register of Community Patents shall be understood as being a reference to the Register of European Patents provided for in the European Patent Convention.

Licences of right

1. Any person who wishes to use the invention after a statement provided for in Article 44 (1) has been filed shall declare his intention to the proprietor of the patent by registered letter. The declaration shall be deemed to have been made one week after posting of the registered letter. A copy of this declaration, stating the date upon which the declaration was posted, shall be sent to the European Patent Office. Failing this, the European Patent Office shall, in the event of withdrawal of the statement, consider the declaration not to have been made.
2. The declaration shall state how the invention is to be used. After the declaration has been made, the person making it shall be entitled to use the invention in the way he has stated.
3. The licensee shall be obliged at the end of every quarter of a calendar year to report to the proprietor of the patent on the use made thereof and to pay the compensation therefor. If this obligation is not complied with, the proprietor of the patent may lay down a further suitable time-limit for this purpose. If the time-limit is not complied with the licence shall expire.
4. A request for review of the compensation determined by the Revocation Division may be made only after the expiry of one year from the last determination of compensation.

PART III**IMPLEMENTING REGULATIONS TO PART III OF THE CONVENTION****CHAPTER I****RENEWAL FEES****Rule 12****Payment of renewal fees**

1. Rule 37 (1) and (2) of the Implementing Regulations to the European Patent Convention shall apply to the payment of renewal fees for Community patents.
2. An additional fee shall be deemed to have been paid at the same time as the renewal fee within the

meaning of Article 49 (2) if it is paid within the period laid down in that provision.

Rule 13**Period for the entry of surrender**

The period referred to in Article 50 (3) shall be three months from the date on which the proprietor of the patent has proved to the European Patent Office that he has informed the licensee of his intention to surrender. If, before expiry of the period, the proprietor of the patent proves to the European Patent Office that the licensee agrees to the surrender, it may be entered immediately.

CHAPTER II
LIMITATION PROCEDURE

Rule 14

Period for the filing of the request for limitation

Rule 13 shall apply *mutatis mutandis* to the filing of the request for limitation of the Community patent.

Rule 15

Content of the request for limitation

The request for limitation of a Community patent shall contain:

- (a) the number of the Community patent which it is sought to limit, the name of the proprietor and the title of the invention;
- (b) the amendments sought;
- (c) if the proprietor of the patent has appointed a representative, his name and the address of his place of business in accordance with Rule 26 (2) (c) of the Implementing Regulations to the European Patent Convention.

Rule 16

Rejection of the request for limitation as inadmissible

If the Revocation Division notes that the request for limitation of a Community patent does not comply with Article 52 (1) and (3), and Rule 15, it shall communicate this to the proprietor of the patent and shall invite him to remedy the deficiencies noted within such a period as it may specify. If the request for limitation is not corrected in good time, the Revocation Division shall reject it as inadmissible.

Rule 17

Examination of the request for limitation

1. If the request for limitation of the Community patent is admissible, the proprietor of the patent shall, in any communication pursuant to Article 53 (2), where appropriate, be invited to file the description, claims and drawings in amended form.
2. Where necessary, any communication pursuant to Article 53 (2) shall contain a reasoned statement. Where appropriate, this statement shall cover all the grounds against the limitation of the patent.

3. Before the Revocation Division decides on the limitation of the patent, it shall inform the proprietor of the extent to which it intends to limit the patent, and shall request him to pay within three months the fee for printing a new patent specification and to file the translations prescribed in Article 54 (2) (b) within the same period. If within that period the proprietor has communicated his disapproval of the patent being limited to this extent, the communication of the Revocation Division shall be deemed not to have been made, and the limitation proceedings shall be resumed.

4. The further period referred to in Article 54 (3) shall be two months.

5. The decision to limit the patent shall state the text of the patent as limited.

Rule 18

Resumption of limitation proceedings

Where limitation proceedings have been stayed because of revocation proceedings which result in a decision under Article 59 (2) or (3), the Revocation Division, after the publication of the mention of such decision, shall communicate to the proprietor of the patent that the proceedings will be resumed after notification of this communication to the proprietor. Rule 13 (5) of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis*.

Rule 19

Different claims, description and drawings in the case of limitation

Where it is decided to limit a Community patent in respect of one or some of the Contracting States, the Community patent may, where appropriate, contain, for that State or States, claims and, if the Revocation Division considers it necessary, a description and drawings which are different from those for the other Contracting States.

Rule 20

Form of the new specification following limitation proceedings

The President of the European Patent Office shall prescribe the form of the publication of the new specification of the Community patent and the data which are to be included.

CHAPTER III

REVOCATION PROCEDURE

Rule 21

Content of the application for revocation

An application for revocation of a Community patent shall contain:

- (a) the name and address of the applicant for revocation and the State in which his residence or principal place of business is located, in accordance with Rule 26 (2) (c) of the Implementing Regulations to the European Patent Convention;
- (b) the number of the patent in respect of which revocation is applied for, the name of the proprietor and the title of the invention;
- (c) a statement of the extent to which revocation is applied for and of the grounds on which the application is based as well as an indication of the facts, evidence and arguments presented in support of these grounds;
- (d) if the applicant has appointed a representative, his name and the address of his place of business, in accordance with Rule 26 (2) (c) of the Implementing Regulations to the European Patent Convention.

Rule 22

Security for the costs of proceedings

The security for the costs of the proceedings shall be deposited in a currency in which fees may be paid. It must be deposited with a financial or banking establishment included in the list drawn up by the President of the European Patent Office. The national law of the Contracting State in which the establishment has its place of business shall apply to any such security.

Rule 23

Rejection of the application for revocation as inadmissible

1. The Revocation Division shall communicate the application for revocation to the proprietor of the patent who may comment on its admissibility within one month.
2. If the Revocation Division notes that the application for revocation does not comply with Article 56 (1) and (4), Rules 21 and 5 of these Implementing Regulations in conjunction with Rule 1 (1) of the Implementing Regulations to the European Patent Convention, it shall communicate this to the proprietor and to the applicant and shall invite the applicant to remedy the deficiencies noted within such period as it may specify. If the application for revoca-

tion is not corrected in good time, the Revocation Division shall reject it as inadmissible.

3. Any decision to reject an application for revocation as inadmissible shall be communicated to the proprietor of the patent.

Rule 24

Preparation of the examination of the application for revocation

1. If the application for revocation is admissible, the Revocation Division shall invite the proprietor of the patent to file his observations and to file amendments, where appropriate, to the description, claims and drawings within a period to be fixed by the Revocation Division.
2. The observations and any amendments filed by the proprietor of the patent shall be communicated to the applicant who shall be invited by the Revocation Division, if it considers it expedient, to reply within a period to be fixed by the Revocation Division.

Rule 25

Examination of the application for revocation

1. All communications issued pursuant to Article 58 (2) and all replies thereto shall be communicated to all parties.
2. In any communication from the Revocation Division to the proprietor of the patent pursuant to Article 58 (2), he shall, where appropriate, be invited to file the description, claims and drawings in amended form.
3. Where necessary, any communication from the Revocation Division to the proprietor of the patent pursuant to Article 58 (2) shall contain a reasoned statement. Where appropriate, this statement shall cover all the grounds against the maintenance of the Community patent.
4. Before the Revocation Division decides on the maintenance of the patent in the amended form, it shall inform the parties that it intends to maintain the patent as amended and shall invite them to state their observations within a period of one month if they disapprove of the text in which it is intended to maintain the patent.
5. If disapproval of the text communicated by the Revocation Division is expressed, examination of the revocation may be continued; otherwise, the Revocation Division shall, on expiry of the period referred to in paragraph 4, request the proprietor of the patent to pay within three months the fee for the printing of a new specification and, if the claims are amended, to file the translations prescribed in Article 59 (3) (b) within the same period.
6. The further period referred to in Article 59 (4) shall be two months.

7. The decision to maintain the patent as amended shall state which text of the patent forms the basis for the maintenance thereof.

Rule 26

Joint processing of applications for revocation

1. The Revocation Division may order that two or more applications for revocation pending before it and relating to the same Community patent, be dealt with jointly in order to carry out a joint investigation and take a joint decision.
2. The Revocation Division may rescind an order given pursuant to paragraph 1.

Rule 27

Different claims, description and drawings in the case of revocation

Where revocation of a Community patent is pronounced in respect of one or some of the Contracting States, Rule 19 shall apply *mutatis mutandis*.

Rule 28

Form of the new specification following revocation proceedings

Rule 20 shall apply to the new specification of the Community patent referred to in Article 60.

Rule 29

Other provisions applicable to revocation proceedings

Rules 59, 60 and 63 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to requests for documents, continuation of revocation proceedings by the European Patent Office of its own motion and costs in revocation proceedings.

PART IV

IMPLEMENTING REGULATIONS TO PART IV OF THE CONVENTION

Rule 30

Appeal proceedings

Rules 64 to 67 of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to appeal proceedings.

PART V

IMPLEMENTING REGULATIONS TO PART V OF THE CONVENTION

Rule 31

Entries in the Register of Community Patents

1. Rule 92 (1) (a) to (1), (o), (q) to (u) and (w), (2) and (3) of the Implementing Regulations to the European Patent Convention shall apply *mutatis mutandis* to the Register of Community Patents.

2. The Register of Community Patents shall also contain the following entries:

- (a) date of lapse of the Community patent in the cases provided for in Article 51 (1) (b) and (c);
- (b) date of filing of the statement provided for in Article 44;

- (c) date of receipt of a request for limitation of the Community patent;
- (d) date and purport of the decision on the request for limitation of the Community patent;
- (e) date of receipt of an application for revocation of the Community patent;
- (f) date and purport of the decision on the application for revocation of the Community patent;
- (g) particulars of matters referred to in Article 27 (4).

Rule 32

Additional publications by the European Patent Office

The President of the European Patent Office shall determine in what form the translations of claims filed pursuant to the Convention by the applicant for or proprietor of a patent and, where appropriate, corrected translations, shall be published and whether particulars of such translations and corrected transla-

tions should be entered in the Community Patent Bulletin.

Rule 33

Other common provisions

Rules 36 and 106 and the provisions of Part VII of the Implementing Regulations to the European Patent Convention, with the exception of Rules 85 (3), 86, 87, 92 and 96 shall apply *mutatis mutandis* subject to the following:

- (a) Rule 69 shall not apply to decisions on requests for limitation or on applications for revocation of the Community patent;
- (b) the Select Committee of the Administrative Council shall determine the details of the application of Rule 74 (2) and (3);
- (c) the term 'Contracting States' shall be understood as meaning the States parties to this Convention.

PART VI

IMPLEMENTING REGULATIONS TO PART VIII OF THE CONVENTION

Rule 34

Forwarding of translations

The European Patent Office shall enter in the Register of Community Patents the date on which a translation pursuant to Article 88 is filed and shall, as soon as possible, forward a copy of the translation to the central industrial property office of the Contracting State concerned.

Final Act

THE PLENIPOTENTIARIES OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Assembled at Luxembourg on the fifteenth day of December in the year one thousand nine hundred and seventy-five on the occasion of the Luxembourg Conference on the Community patent,

Have placed on record the fact that the following text has been drawn up and adopted for signature by the plenipotentiaries of the Member States meeting within the Council of the European Communities:

Convention for the European patent for the Common Market.

The plenipotentiaries have adopted the resolutions, declarations and decision listed below and annexed to this Final Act:

Resolution on the appointment of the chairmen of the Revocation Boards

Resolution concerning prior use or possession

Resolution on common rules on the granting of compulsory licences in respect of Community patents

Resolution on the centralization in each Contracting State of jurisdiction in actions for infringement of Community patents

Resolution on litigation of Community patents

Resolution on the adjustment of national patent law

Declaration on the ratification of the Patent Cooperation Treaty

Declaration on the ratification of the Community Patent Convention

Decision on preparations for the commencement of the activities of the special departments of the European Patent Office.

The plenipotentiaries have also drawn up and adopted for signature the following:

Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European schools;

Protocol of provisional application of the Supplementary Protocol to the Protocol of 13 April 1962 on the setting-up of European schools.

Til bekræftelse af dette har de undertegnede befuldmægtigede underskrevet denne slutakt.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter diese Schlußakte gesetzt.

In witness whereof, the undersigned plenipotentiaries have affixed their signatures below this Final Act.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent acte final.

Dá fhianú sin, chuir na Lánchumhachtaigh thíos-sínte a lámh leis an Ionstraim Chríochnaitheach seo.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente atto finale.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Slotakte hebben gesteld.

Final Act

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Udfærdiget i Luxembourg, den femtende december nitten hundrede og femoghalvfjerds.
Geschehen zu Luxemburg am fünfzehnten Dezember neunzehnhundertfünfundsiebzig.
Done at Luxembourg on the fifteenth day of December in the year one thousand nine hundred and seventy-five.

Fait à Luxembourg, le quinze décembre mil neuf cent soixante-quinze.

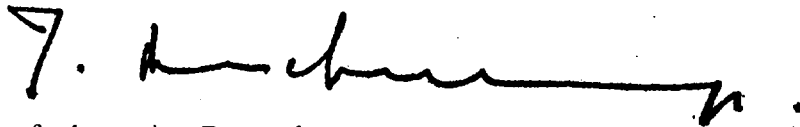
Arna dhéanamh i Lucsamburg, an cúigiú lá déag de mhí na Nollag, míle naoi gcéad seachtó a cúig.

Fatto a Lussemburgo, addì quindici dicembre millenovecentosettantacinque.

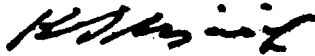
Gedaan te Luxemburg, de vijftiende december negentienhonderd vijfenzeventig.

Pour le gouvernement du royaume de Belgique

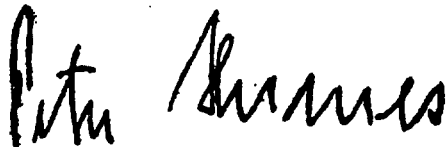
Voor de Regering van het Koninkrijk België



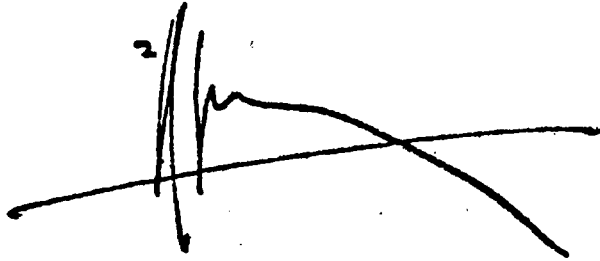
For regeringen for kongeriget Danmark



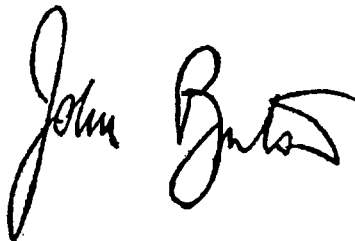
Für die Regierung der Bundesrepublik Deutschland



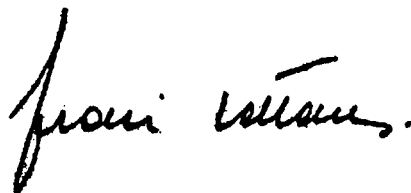
Pour le gouvernement de la République française



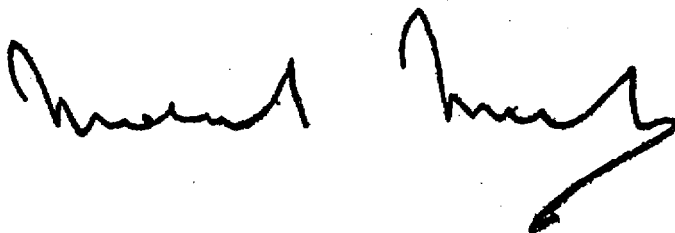
Thar ceann Rialtas na hÉireann



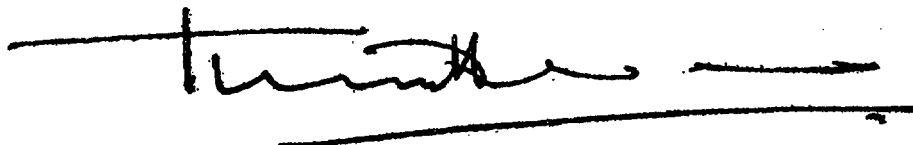
Per il governo della Repubblica italiana



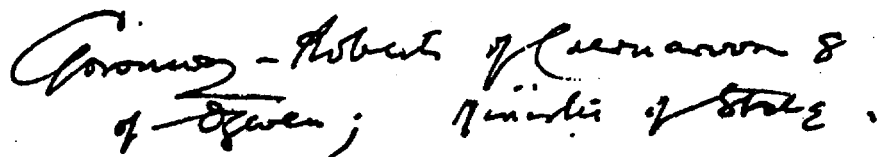
Pour le gouvernement du grand-duché de Luxembourg



Voor de Regering van het Koninkrijk der Nederlanden



For the Government of the United Kingdom of Great Britain and Northern Ireland



Resolutions, Declarations and Decision annexed to the Final Act

RESOLUTION ON THE APPOINTMENT OF THE CHAIRMEN OF THE REVOCATION BOARDS

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN
ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

DECLARE that, as a general rule, a person appointed as chairman of a Revocation Board as provided for in Article 11 of the Convention, should be a person possessing several years' experience in industrial property, for example as a member of an ordinary court or tribunal or of a court specialized in this field in a Contracting State, or as a member of any national patent office of a Contracting State who is empowered to decide in revocation or appeal proceedings, or as a member of a Revocation Board or a Board of Appeal of the European Patent Office.

RESOLUTION CONCERNING PRIOR USE OR POSSESSION

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN
ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Desiring to enable those who have used or possessed an invention the subject-matter of a Community patent before the date of filing or, where priority has been claimed, the date of priority of that patent to avail themselves under uniform conditions of a right, based on such use or possession, throughout the territories of the Contracting States,

Recognizing that fulfilment of this aim will require a revision of Article 38 of the Convention,

HAVE DECIDED to commence in good time the procedure for revising this Convention in order to create a right, based on prior use or possession of an invention the subject-matter of a Community patent, which shall have uniform effect throughout the territories of the Contracting States.

RESOLUTION ON COMMON RULES ON THE GRANTING OF COMPULSORY LICENCES IN RESPECT OF COMMUNITY PATENTS

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN
ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Desiring to reinforce the unitary character of Community patents by rules providing that compulsory licences in respect of those patents are to be granted by common authorities on the basis of criteria laid down in those rules,

Recognizing nevertheless that it is necessary for the Contracting States to be able to grant compulsory licences in respect of Community patents within the meaning of Article 46 (4) of the Convention, in the public interest, for example in the interest of national defence,

Whereas, with this proviso, the retention of powers of the national authorities to grant compulsory licences in respect of Community patents can only be envisaged for a short transitional period because of fundamental legislative differences affecting the free movement of goods protected by patents and the elimination of the distortion of competition,

HAVE DECIDED to commence the work, as soon as the Convention enters into force, to enable the Convention to be supplemented by common rules on the granting of compulsory licences in respect of Community patents.

RESOLUTION ON THE CENTRALIZATION IN EACH CONTRACTING STATE OF JURISDICTION IN ACTIONS FOR INFRINGEMENT OF COMMUNITY PATENTS

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Desiring to promote, as far as possible, uniformity of judicial practice in each Contracting State in respect of actions for infringement of Community patents,

Recognizing that there is a need for judges experienced in such actions in all the Contracting States,

HAVE DECIDED to take the necessary measures at the earliest opportunity to arrive, so far as possible, at the centralization in their respective territories of first instance jurisdiction in respect of the infringement of Community patents so as thereby to guarantee that such actions will be dealt with by judges experienced in this field.

RESOLUTION ON LITIGATION OF COMMUNITY PATENTS

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Conscious of the problem of dealing effectively with actions relating to Community patents,

Conscious also of the problems arising from a separation of jurisdiction in respect of infringement and validity of Community patents,

Having regard to Article 90 (5) of the Convention,

HAVE DECIDED to commence, as soon as possible after signature of the Convention, the necessary work to provide a solution to the above problems, such a solution to be embodied if possible in a Protocol which should be concluded before any litigation on Community patents takes place and at the latest within 10 years from the date of signing of the Convention,

HAVE DECIDED further that, with a view to implementing that decision, a working party shall be established by the signatory States without delay after signature of this Convention.

RESOLUTION ON THE ADJUSTMENT OF NATIONAL PATENT LAW

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Noting with satisfaction that the entry into force of the Convention will result in a desirable unification of patent law throughout the territories of the Contracting States,

Recognizing nevertheless that the differences between the laws in the Contracting States relating to national patents and the provisions of the Convention could entail a duality of standards in patent law in those States,

HAVE DECIDED to commence the work, as soon as the Convention has been signed, to adjust their laws relating to national patents as soon as possible so as to permit ratification of the Strasbourg Convention on the unification of certain points of substantive law on patents for invention, and so as to bring their laws into conformity, as far as practicable, with corresponding provisions of the European Patent Convention, Community Patent Convention and the Patent Cooperation Treaty.

HAVE DECIDED to commence the work, as soon as the Convention enters into force, to enable the Convention to be supplemented by common rules on the granting of compulsory licences in respect of Community patents.

RESOLUTION ON THE CENTRALIZATION IN EACH CONTRACTING STATE OF JURISDICTION IN ACTIONS FOR INFRINGEMENT OF COMMUNITY PATENTS

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Desiring to promote, as far as possible, uniformity of judicial practice in each Contracting State in respect of actions for infringement of Community patents,

Recognizing that there is a need for judges experienced in such actions in all the Contracting States,

HAVE DECIDED to take the necessary measures at the earliest opportunity to arrive, so far as possible, at the centralization in their respective territories of first instance jurisdiction in respect of the infringement of Community patents so as thereby to guarantee that such actions will be dealt with by judges experienced in this field.

RESOLUTION ON LITIGATION OF COMMUNITY PATENTS

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Conscious of the problem of dealing effectively with actions relating to Community patents,

Conscious also of the problems arising from a separation of jurisdiction in respect of infringement and validity of Community patents,

Having regard to Article 90 (5) of the Convention,

HAVE DECIDED to commence, as soon as possible after signature of the Convention, the necessary work to provide a solution to the above problems, such a solution to be embodied if possible in a Protocol which should be concluded before any litigation on Community patents takes place and at the latest within 10 years from the date of signing of the Convention,

HAVE DECIDED further that, with a view to implementing that decision, a working party shall be established by the signatory States without delay after signature of this Convention.

RESOLUTION ON THE ADJUSTMENT OF NATIONAL PATENT LAW

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Noting with satisfaction that the entry into force of the Convention will result in a desirable unification of patent law throughout the territories of the Contracting States,

Recognizing nevertheless that the differences between the laws in the Contracting States relating to national patents and the provisions of the Convention could entail a duality of standards in patent law in those States,

HAVE DECIDED to commence the work, as soon as the Convention has been signed, to adjust their laws relating to national patents as soon as possible so as to permit ratification of the Strasbourg Convention on the unification of certain points of substantive law on patents for invention, and so as to bring their laws into conformity, as far as practicable, with corresponding provisions of the European Patent Convention, Community Patent Convention and the Patent Cooperation Treaty.

DECLARATION ON THE RATIFICATION OF THE PATENT COOPERATION TREATY

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Desiring to promote the initial entry into force of the Patent Cooperation Treaty at an early date and preferably at the same time as that of the European Patent Convention,

DECLARE that each intends to deposit its instrument of ratification of the Patent Cooperation Treaty at the same time as its instrument of ratification of the European Patent Convention or as soon as possible thereafter,

DECLARE further that they intend to consult, as necessary, with each other in this matter, in particular on the content of any declarations to be made by them under Article 64 of the Patent Cooperation Treaty.

DECLARATION ON THE RATIFICATION OF THE COMMUNITY PATENT CONVENTION

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

DECLARE that they intend to seek ratification of the Convention as soon as possible so as to minimize the interval between entry into force of the Convention and of the European Patent Convention.

DECISION ON PREPARATIONS FOR THE COMMENCEMENT OF THE ACTIVITIES OF THE SPECIAL DEPARTMENTS OF THE EUROPEAN PATENT OFFICE

THE GOVERNMENTS OF THE MEMBER STATES OF THE EUROPEAN ECONOMIC COMMUNITY,

Upon signature of the Community Patent Convention,

Desiring to take all appropriate measures to enable the special departments of the European Patent Office, in the interests of the establishment of a Community patent system, to begin their activities in due time,

HAVE ADOPTED THE FOLLOWING DECISION:

1. After the conclusion of this conference a Community Patent Interim Committee, comprising representatives of all the Member States and of the Commission of the European Communities, shall be set up; Articles 15, 16, 19, 21 and 22 (1) and (3) of the Community Patent Convention shall apply *mutatis mutandis* to this Interim Committee. The Interim Committee may draw up Rules of Procedure to supplement these provisions. The Interim Committee shall be disbanded when the Select Committee of the Administrative Council meets pursuant to Article 91 (1) (a) of the Convention.
2. It shall be the duty of the Interim Committee to take all preparatory measures to enable the special departments of the European Patent Office to begin their activities in due time.
3. The preparations for the commencement of the activities of the special departments of the European Patent Office may be carried out by Working Parties.
4. The Interim Committee may invite intergovernmental and international non-governmental organizations to attend its meetings and those of the Working Parties as observers.
5. The Secretary-General of the Council of the European Communities shall issue the invitations to the inaugural meeting of the Interim Committee.

**Council Resolution
of 15 December 1975
on the Convention for the European patent
for the Common Market**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Whereas the representatives of the Member States of the European Economic Community have this day signed a Convention for the European patent for the Common Market;

Whereas the Council is of the opinion and the representatives of the Member States have declared in the preamble to the Convention that the conclusion of the Convention is necessary to facilitate the achievement of the tasks of the European Economic Community and that therefore it is an appropriate measure to be taken by the Member States, subject to national ratification procedures, to ensure fulfilment of Community obligations,

RESOLVES that the Member States should become parties to the Convention for the European patent for the common market and take all such measures as may be necessary to ensure its implementation.

**SUPPLEMENTARY PROTOCOL TO THE PROTOCOL OF 13 APRIL 1962 ON
THE SETTING-UP OF EUROPEAN SCHOOLS AND PROTOCOL ON THE
PROVISIONAL APPLICATION THEREOF**

Editor's note: For the text of these Protocols, see LUX/101, pages 206 to 207 above.

European Communities — Council

**Records of the Luxembourg Conference
on the Community patent 1975**

Luxembourg: Office for Official Publications of the European Communities

1982 — 334 pp. — 21 X 29.7 cm

DE, EN, FR

ISBN 92-824-0089-1

Catalogue number: BX-33-81-190-EN-C

Price (excluding VAT) in Luxembourg

ECU 35.99 BFR 1500 IRL 25 UKL 20.50 USD 39.50

This collection contains the preparatory documents issued before the Conference, the documents circulated during the Conference and the minutes of the Conference drawn up afterwards, as well as the texts adopted at the end of the Conference.