Shaping a new EU judicial architecture: judicial panels on intellectual property

Anna Giulia Micara*

Abstract: The Treaty of Nice offered the opportunity to configure a new EU judicial architecture, and the resulting three-tier system by subject-matter is now taking shape. The European Union Civil Servant Tribunal represents a solution for such a specific matter, while the proposed judicial panels on intellectual property, if well defined, would address the need for centralisation and specialisation in this field. However, considering the system as a whole, decentralisation by subject-matter may be a viable choice if a coherent system, aiming at pre-empting fragmentation, is drafted.

I The judicial architecture delineated by the Treaty of Nice

The Court of Justice has the fundamental task of ensuring that in the interpretation and application of the Treaty the law is observed.1 It played a central role in the development of Community law and it contributed to an ever closer union between the peoples of Europe. However, the extension of jurisdiction and the consequent overload made necessary a review of the system that resulted initially in the creation of the Court of First Instance in 1988. In around 50 years this has been the only major reform of the judicial system and, since also the Court of First Instance proved to be a success and made important contribution to the development of Community law,2 the strain on both Courts did not diminish. Meanwhile, the widening of EU competences and the enlargement of the EU entailed another structural adjustment in order to find a balance between the need to preserve the uniformity of interpretation, and the coherence of a system of such importance for the EU, while responding to bottlenecks that impair the efficiency of the system (justice delayed is justice denied) and the quality of rulings.3 In the 90s the mainstream4 called for a review of the Court of Justice and made suggestions to reform it; but the Maastricht and Amsterdam Treaties did not deal with this important issue, even though during this time the Court of First Instance’s scope widened considerably (from staff cases to all actions brought by natural and legal persons).

In 2001 the process of review was dealt with by the Treaty of Nice which introduced many important changes. Apart from provisions concerning the composition and functioning of the Court of Justice,5 the Treaty aimed to modify the entire judicial architecture and to bring

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* Phd student in International Law at Dipartimento di Studi Internazionali, Facoltà di Scienze Politiche, Milano, Italy; borsa di studio Fratelli Confalonieri.
5 The Court of Justice and the Court of First Instance shall consist of one judge per Member State. This solution eliminates the fixed number (15 members, as the Members States), allowing to change the number of the judges
about a three-tier system defined by subject-matter. Judicial panels may now be attached to the Court of First Instance in order to exercise jurisdiction in specific matters; these would be first-instance bodies whose decisions may be subject to appeal before the Court of First Instance and, in exceptional cases, before the Court of Justice. The Court of First Instance therefore becomes a body of second instance for judicial panels’ rulings and with general jurisdiction (defined as “General Court” in the Treaty establishing a Constitution for Europe) since its jurisdiction *ratione personae* (on claims of non privileged applicants) could expand to cover actions brought under Articles 230, 232, 235, 236 and 238 and preliminary rulings in specific areas. As for the role of the Court of Justice, this will remain the body with general jurisdiction on interpretation and validity of Community law, since it will maintain general jurisdiction on preliminary rulings, and it will become a sort of supreme court, whose aim is to ensure coherence and legal certainty, having jurisdiction on appeals of Court of First Instance’s rulings and on the review of the judicial panels’ rulings in exceptional cases.

The Nice Treaty introduced flexibility as it offers the opportunity to delineate a new EU judicial system. At the same time, however, this system is not defined yet, since implementation of many of these options relies on Council initiative. The Court of First Instance jurisdiction is to be determined through a modification of the Statute of the Court of Justice which, according to the Nice Treaty, no longer needs a revision under Article 48 TEU, (with the exception of Title I) but a Council decision under proposal by Court of Justice or Commission. This procedure also contributes to the flexibility, even though unanimity at Council level is not so easy to achieve. As for judicial panels, these are to be established through a Council decision, acting unanimously on a proposal from the Commission, after consulting the European Parliament and the Court of Justice, or at the request of the Court of Justice, after consulting the European Parliament and the Commission. The extent of the jurisdiction conferred upon the judicial panel is at the discretion of the Council; the wording of Article 225 (in particular “specific areas”) allows for great flexibility because it does not specify these areas nor the number of panels that can be created and it is up to the Council to decide the new architecture. Moreover, the Council lays down the rules on the structure and provisions of the specific nature of the panel. The EC Treaty provisions relating to the Court of Justice and the provisions of the Statute of the Court of Justice apply unless the decision establishing a judicial panel provides otherwise: in general Title III of the Statute applies, so that basic features are common, but different rules of procedures are allowed so as to ensure specialisation.

After six years, implementation is taking shape: direct actions by privileged applicants are being brought before the Court of First Instance with some exceptions; the first judicial panel, the European Union Civil Servant Tribunal, has been established and a proposal for a Community Patent Court has been presented; on the other hand, important features, such as preliminary rulings in specific areas, are still to be implemented.

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7 Art. 245, TEU.
8 Art. 225a, TEU.
9 Art. 51, Statute of the Court of Justice.
II The Nice system is taking shape: the European Union Civil Servants Tribunal

The Court of Justice has jurisdiction over disputes between the Communities and their officials since 1957. The Court of First Instance was initially created to deal with these cases so as to alleviate the Court of Justice overload, the establishment of the European Union Civil Servants Tribunal in 2004 goes in the same way, due to the broadened jurisdiction of the Court of First Instance. The Tribunal was already foreseen in the final declaration n. 16 attached to the Treaty of Nice and it has been possible to carry out the proposal quite soon since the creation of a judicial panel in this very specific issue, on which settled case law exists already, was not controversial among Members States and it alleviates Court of First Instance overloads while not threatening uniformity.

The Tribunal is therefore important because it represents a solution for such a specific matter, and it is the first example of a Council decision establishing a judicial panel.

As for jurisdiction there are no changes. As for structure, the Tribunal has seven judges and therefore two sections. The independence of judges is ensured, but requirements are slightly less rigid than those of the Court of Justice and of the Court of First Instance. Moreover, judges may be assisted by lawyers specialising in Community civil service law. The Nice Treaty provides that judges’ appointment is made by a Council decision acting unanimously (therefore different from the appointment of judges of the Court of First Instance and Court of Justice that are appointed by common accord of the governments of the Member States). The decision provides that, to facilitate decision-making by the Council in this regard, provision should be made for the Council to establish an independent Advisory Committee to verify that applications received meet the relevant conditions and the Council accepted the ranking of that Committee. According to some, the fact that there are not judges of every nationality (notwithstanding the balanced composition on as broad a geographical basis as possible, and with respect to the national legal systems represented) stems from the fact that appointment by nationality is no longer an absolute rule and it proves that the system has evolved towards deeper integration, but it is also true that the appointment of these judges is less sensitive than that of the Court of Justice.

As for procedure, it has to be noted that EU provisions on the European process try to make it homogeneous and uniform for every judicial body in order to guarantee the unity and coherence of the judicial system as a whole. In this regard, the written and oral phases are one of the main features. At the same time flexible provisions are provided for in order to adapt provisions on each case. The Civil Servants Tribunal follows this continuity since procedure is governed by Title III of the Statute of the Court of Justice with the exception of Articles 22 and 23 (that the Civil Servants Tribunal would not deal with) but specific provisions allows at all stages of the procedure, including the time when the application is filed, the Civil Service Tribunal to examine the possibilities of an amicable settlement of the dispute and to try to facilitate such settlement. Secondly, since the main aim of the procedure is to keep it as short as possible and the more efficient, the written stage comprises the presentation of the application and of the statement of defence (one exchange of arguments) by the parties as a

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12 P. BIAVATI, Diritto processuale dell’Unione europea, (Giuffrè, 2005), 93.
14 Art. 20, Statute of the Court of Justice.
15 P. BIAVATI, op. cit., 40.
general rule, unless the Tribunal decides that a second exchange of arguments is necessary. When there is a second exchange the Tribunal may, after hearing the parties, decide to proceed to judgment without an oral procedure.

III The importance of unitary titles and unitary judicial systems in the field of intellectual property

Intellectual property is a field in which EU competence has grown substantially and is still growing, therefore contributing to an increasing quota of the Court of Justice’s case law. The Treaty of Rome referred to “industrial and commercial property” only in Article 30, as a derogation of the fundamental principle of the free movement of goods. Interpreting that article, the Court affirmed first that community law may affect the “exercise” of national intellectual property rights and then that, inasmuch as it provides an exception to one of the fundamental principles of the common market, Article 30 only admits of derogations where these are justified for the purpose of safeguarding rights that constitute the specific subject-matter of this property. Thus the Court had a crucial role in defining a balance between national intellectual property rights and the community’s fundamental freedom, which resulted in the community exhaustion doctrine.

Moreover, soon after the adoption of the Rome Treaty, in the 60s, the community legislator started to develop tools to harmonise national intellectual property rights under Article 95, and to create community rights under Article 308. Notwithstanding its importance, intellectual property is nevertheless still dealt with by institutions in a fragmented way.

The EU framework on intellectual property therefore includes partial harmonization in areas such as copyright and trademarks. Moreover, all Members States are parties of the Paris Convention and of the Trade-Related Aspects of Intellectual Property Rights Agreement within the World Trade Organization so they have implemented substantive provisions included in those agreements. Harmonisation is an important step to eliminate obstacles to free movement of goods within the internal market but unitary rights, granted according to uniform standards by a community office and with effect in the whole community territory, are the best solution in order to fully overcome the tension between national property rights of territorial nature and the free movement within the internal market. Consensus on the setting up of a single European title has been achieved for trademarks, designs and plant

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varieties, although coexisting with national rights. As for patents, the first attempts to create a community patent date back the early 1970s, in 2000 another proposal was presented by Commission, also in the framework of the Lisbon Strategy, for a unitary Community patent but last discussion at the Council dates back 2004. The deadlock is mainly due to the translation of patents into national languages because several governments want their language to be an official one but, if too many translation are compulsory, operators (mainly smaller ones) would not find cost advantage over the present system. Therefore, at present, EU citizens rely on the European patent (“European” only for the phase of grant because its effects are determined according to the respective national patent law of each designated Contracting State) and on national systems. Apart from registration and effects, unitary titles need a unitary judicial system so as to be effectively enforceable before a Community jurisdiction guaranteeing high quality decisions in a uniform procedure. Already some steps to harmonise the enforcement of these rights have been achieved, but only centralisation would ensure the legal certainty concerning the community title that enterprises need. This would avoid applicants being obliged to initiate a set of proceedings for each competent national court, and to do so in as many official languages as are applicable, a process that seriously hinders their exercising intellectual property rights given that proceedings may have a different outcome and hearing duration. Secondly, intellectual property is a field in which specialisation is very important not only in legal terms but in many fields like engineering for patents or biology for plant varieties; equally important is rapidity in order to secure legal certainty for intellectual property holders.

The Nice Treaty could therefore contribute to address these needs, mainly through Article 229a that gives the Council the possibility to confer jurisdiction to the Court of Justice in disputes relating to the application of acts adopted on the basis of the Treaty which create Community industrial property rights and Article 225 on judicial panels.

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28 In an attempt to overcome the limitations of the Munich Convention, a Community Patent Convention was signed in Luxembourg on 15 December 1975 in order to create a unitary title at Community level but it was too limited in scope and it never came into force, as not enough countries ratified it. This attempt was followed in 1989 by an agreement on Community patents, which included a protocol on disputes regarding validity and infringement of such patents, but these agreements never came into force either.
33 Since 1986 the Community has competence on border measures and recently a directive on the enforcement of intellectual property rights (2004/48/EC) has been approved and a proposal for a directive on criminal measures (COM (2006) 168) is being discussed.
34 As for the Community patent, it is essential that questions relating to the validity and infringement of the patent be answered definitively within a period of two years; therefore taking into account the relatively short duration of the protection offered by the patent, which in principle is 20 years but in reality is much shorter on account of the rapid advance of technology.
35 Before it, as for the Court foreseen by the Community patent proposal, an amendment to the EC Treaty was under discussion in the Intergovernmental Conference on Institutional Reform.
IV The Community Patent Court proposal

The 2000 patent proposal already foresaw a Community Intellectual Property Court\(^{36}\) centralised and specialised. The Community Patent Court proposal\(^{37}\) has been presented by Commission to the Council and the Parliament in December 2003. The Commission would have liked the establishment of such a Court by 2010 but the deadlock on the community patent is expected to last and the situation is further complicated by the discussion on participation of the EU to the European Patent Litigation Agreement\(^{38}\) that would create a unitary judicial body within the EPC system.

First, such a Court would achieve the goal of uniformity because a Community patent holder would enter into a single litigation to protect his interests. That is why business operators strongly support a unitary system as it would reduce granting and litigation costs.

The Patent Court proposal consists of two separate but complementary decisions: a proposal based on Article 229a\(^{39}\) that would confer to the Court of Justice jurisdiction on infringement or validity of a Community patent; on the use of the invention or the right based on prior use of the invention; on interim and evidence-protection measures; on damages or compensation; on the ordering of a penalty payment in case of non-compliance with a decision or order constituting an obligation to act or to abstain from an act.

Secondly, a proposal under Article 225, to set up a judicial panel, and under Article 245, to amend the Statute of the Court of Justice\(^{40}\). The proposal is comparable to the Civil Servants Tribunal as for number of judges, judges’ appointment procedure and structure even though the Patent Court could sit in an enlarged composition, for example in cases where fundamental questions of patent law are concerned. As we will see, this option mirrors the OHIM Boards of Appeal provisions and it could be useful, mainly at the beginning, to avoid fragmented case law.

As for procedure, also this proposal ensures homogeneity because Title III of the Statute of the Court of Justice would apply with some exceptions mainly related to provisions dealing with the special nature of litigation before the Court, i.e. private-party patent litigation. In this regard, the proposal provides that Article 39 would extend to evidence-protection measures, it narrows the special right of intervention for the institutions of the Communities and the Member States, it denies the possibility of third parties to contest a judgment prejudicial to their rights where they had not been heard and of revision of a judgment on the grounds of discovery of new facts, which were unknown at the time judgment was given, it provides for court fees in order to ensure the principle of legal certainty in private party litigation; finally, here too the written part prevails to the oral one.

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\(^{36}\) Proposal for a Community regulation on the Community patent COM/2000/412, 13ss.


\(^{38}\) The draft European Patent Litigation Agreement has been presented in 2004 and provides for an integrated judicial system, including uniform rules of procedure and a common appeal court. See A. OSER, The European Patent Litigation Agreement – admissibility and future of a dispute resolution fro Europe, IIC, 2006, 520ss.


\(^{40}\) As far as the Civil Servant Tribunal is concerned, provisions relating to the judicial panel’s jurisdiction, composition, organisation and procedure are not provided for in the Council decision but, to make it easier, are laid down in an Annex to the Statute of the Court of Justice. The Patent Court would follow the same way and it would insert a new Title VI “Judicial Panels” into the Statute of the Court of Justice with a new Art. 65 creating a legal basis to Annex provisions to the Statute of the Court Justice relating to judicial panels, a basis that would apply equally to any future judicial panel to be established.
Moreover, the Patent Court would promote a high level of specialisation. The proposal takes into account the need of specialised legal and technical knowledge on intellectual property, as can be seen from the fact that judges must have an high level of legal expertise in patent law and are appointed on the basis of this competence; judges would be assisted, throughout the handling of the case, by assistant rapporteurs, experts specialised in different technical fields and having thorough experience in patent law, which would not have a right to vote and should enable the Court to adopt legally sound decisions; the proceedings, even consisting in written and oral stages, would be more streamlined and flexible as show the foreseen use of information and communication technologies, such as video conferencing; finally, given the importance of specialisation for parties as for the purpose of legal representation before the Court, it is provided that the lawyer representing parties may be assisted by a European Patent Attorney whose name appears on the list maintained by the European Patent Office (the reference to the list would ensure appropriate and uniform standards for qualifying persons essential for efficient proceedings) and who is a national of a Member State or of another State which is a party to the Agreement on the European Economic Area.

V The conversion of OHIM Boards of Appeal into a Community Trademark Court

As for a potential Community Trademark Court, the Luxembourg declaration attached to the Treaty of Nice left room for a proposal, but nothing has been presented yet. In this case the prospect would be to convert the existing Boards of Appeal of the Office of Harmonization for the Internal Market (OHIM) into a judicial panel.

The OHIM is provided for by the Community Trademark Regulation 40/94 as the unique Office entitled to register community trademarks, it began its activity in 1996 in Alicante. The OHIM is entitled to evaluate requests of registration as to completeness of filing, conditions relating to the entitlement of the proprietor and, above all, substantive requirements for a sign to be a trademark (such as distinctive character), defined as absolute ground of refusal. Novelty is instead a relative ground of refusal because it is up only to proprietors of an earlier trade mark to undertake opposition according to Article 8. Examination and opposition as well as revocation and invalidity on relative and absolute grounds may be subject to appeal before the Boards of Appeal.

A Board of Appeal consists of three members: at least two of them must be legally qualified, they are experts and independent, in their decisions they are not bound by any instructions. When an appeal is filed against a decision of the Office the division which reached the decisions reviews it, with a view to its potential rectification. If it does not rectify, the appeal is remitted to the Board of Appeal (Art. 60). Therefore, following the examination as to the allowability of the appeal, the Board decides on it: the Board may either exercise any power within the competence of the department which was responsible for the decision appealed or remit the case to that department for further prosecution. If the Board remits the case for further prosecution to the department whose decision was appealed, that department shall be bound by its decision, in so far as the facts are the same (Art. 62).

41 Art. 2, Reg. 40/94.
42 The Munich Convention provisions on Boards of Appeal inspired the OHIM and CPVO Boards. The Community decisions are subject to appeal (before the Court of First Instance) though.
43 On procedural aspects of the appeal see E. GASTINEL, M. MILFORD, The legal aspects of the community trade mark, (Kluwer law international, 2001), 52-60.
Decisions taken by the Boards of Appeal are independent and OHIM department are bound by these decisions. However, according to settled case law of the Court of First Instance, there is “continuity” in terms of their functions between the examiner and the Boards of Appeal due to the close interconnection between their duties: the Boards may exercise the same competences as the Office examiners (Art. 62), therefore, when it exercises these competences, it is an administrative body of the OHIM and not judicial body. Moreover, according to Article 60 the appeal before the Boards would be part of the administrative procedure of registration as a revision of the examination. According to the Court of First Instance the said continuity entails that Boards are to re-examine the decisions taken by the Offices’ departments at first instance and that they are not allowed to refuse to give consideration to evidence by applicant solely on the ground that they were not advanced before the examiner both in ex parte proceedings and inter partes proceedings. Secondly, the Board of Appeal is required to base its decision on all the matters of fact and of law contained in the decision contested before it which the party concerned introduced either in the proceedings before the department which heard the application at first instance or (subject only to Article 74.2) in the appeal (but not on others matters); therefore, the extent of the examination which the Board of Appeal must conduct is not, in principle, determined solely by the grounds relied on by the party who has brought the appeal (while it is the opposite for the Court of First Instance’s appeal). It follows that, even if the process mirrors the set up of a judiciary body it is not an authentic trial and applicants cannot rely on a right to a fair hearing before the OHIM Boards of Appeal.

In light of the proposal on the Patent Court, the conversion into a judicial panel of the Boards would improve their judicial standards and provisions of specific nature as well as judges’ appointment. On the other hand, though, an adjustment of the examination procedure should be considered. Moreover, it is desirable to widen the jurisdiction of the Boards of Appeal. Case law on the notion of trademarks (absolute grounds of refusal) is up to the Boards of Appeal and, in the case of national trademarks, could be up to the Court of Justice through preliminary questions, but national judges too can declare the invalidity of a trademark in case of counterclaims in infringement proceedings of the Community trademark. Even though Regulation 40/94 provides for Community Trademark Courts (national courts specifically designated), applying community requirements, with jurisdiction on infringement and validity, this shared jurisdiction may bring to divergent rulings declaring the invalidity of a trademark in a State and not in the others. In this regard, the judicial panel on trademarks should follow the Patent Court proposal thus having jurisdiction on validity and infringement as well as use. As to the effects of the community trademarks, the right of exclusive as well as its limits are up to national courts or preliminary rulings concerning

44 Case T-163/98, Procter & Gamble Company v. OHIM, (Baby Dry) [1999] ECR II-2383, 38; De Medrano Caballero, op. cit., 725.
45 Case T-163/98 cit. Ex parte proceedings are related to absolute grounds of refusal where public interest is at issue whereas inter partes proceedings are those related to opposition procedures.
50 See art. 91-101, Reg. 40/94; E. Gastinel, M. Milford, op. cit., 182-193.
52 Also revocation is up to the OHIM or to national courts in case of counterclaims in infringement action.
national trademarks. The right to exclude third parties from using the title protected is the core of all intellectual property rights, it is related to important aspects such as well-known marks protection and exhaustion. That is why it could be advisable to extend jurisdiction on the effects too, this would take into account that exclusive right and registration requirements are both related to the definition of the essential function of the mark, as delineated in the earlier case law of the Court of Justice, and it would therefore improve coherence and uniformity of Community case law in this matter. However, this option could be considered in a future review of the panel.

VI A proposal for an Industrial Property Court

In addition to trademarks, and for the same reasons, it is desirable to convert into judicial panels all the existing systems: the OHIM Boards of Appeal are dealing also with models and designs, whose legal framework mirrors that of trademarks, and there is a Board of Appeal at the Community Plant Variety Office (CPVO), that has a configuration similar to those mentioned above. However, looking at the whole structure of the EU judicial system, it would be even better to establish an Industrial Property Court that could at the beginnings unify the three existing systems and, hopefully, broaden its jurisdiction in the future so as to cover patents and geographical indications. In the long run, it may also become an Intellectual Property Court with jurisdiction also on copyright, if further harmonised.

If the improvement of judicial standards and the widened jurisdiction of the envisaged judicial panels may contribute to develop a harmonious practice in these matters, the choice of an Industrial Property Court, promoting a homogeneous treatment of all industrial property rights, may further enhance it and the coherence of the case law. It is true that, apart from the exhaustion doctrine, case law on intellectual property rights and in particular on unitary rights is recent and consequently not settled yet. However, the case of trademarks shows that some rulings present contradictions between the various Boards in similar cases and this must be tackled in order to prevent lack of credibility of the system for European intellectual property holders as well as foreigners. That is why the Commission addressed the problem by amending Regulation 40/94 in order to give the chance to the Boards to take decisions in an enlarged Board in specific cases, taking into account legal difficulties and the importance of the cases or of special circumstances; furthermore, the OHIM is elaborating guidelines on the practice of the Office to enhance coherence.

At the same time it is important to develop harmonious practice between the OHIM and the Court of Justice, to guarantee a truly unitary system of intellectual property rights. Here too the case of trademarks shows that there have been discrepancies between Luxembourg and Alicante case law, for example as far as non-conventional trademarks are concerned.

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53 Art. 102-103, Reg. 40/94. To be noted that according to Art. 103 “a national court which is dealing with an action relating to a Community trade mark, other than the action referred to in Article 92, shall treat the trade mark as valid.

54 Plant varieties are registered at Community Plant Variety Office in Angers since 1995. The exam may be appealed before a Board of Appeal whose functioning is similar to the OHIM Boards. See art. 45ss. (on members) and art. 67ss (on procedure), Reg. 2100/94.


(Sieckmann59 v. the smell of fresh cut grass60), and this lack of consistency must be addressed too, since it may undermine the reliability of the system.

To improve harmonious practice it is also crucial to foresee a broad jurisdiction: the Industrial Property Court would deal with infringement and validity and use, as it is provided for in the Patent Court proposal. This would overcome problems of divergent rulings on validity of trademarks and designs.61 Also the said hypothesis of expanding jurisdiction to cover the effects would promote a more homogenous case law on intellectual property. However, it would be necessary to look at the European intellectual property system without losing sight of its origins which are so closely interwoven with the freedom of movement of goods, a freedom which is at the basis of the Union. It is therefore to be considered in a future review if it is possible to extend the jurisdiction, bearing in mind that some cases are strongly related to the free movement of goods in the single market as well as with other fields, which could become jurisdiction of other judicial panels, such as competition.

At the same time the Industrial Property Court can be structured in specialised sections that would take into account divergences of discrete intellectual property rights. Exclusive rights are a common feature of all intellectual property rights but they require also different specialisation in many technical fields as show the cases of patents and plant varieties.62

As for the seat of this potential Court, it is interesting to note that the Nice Treaty provides for judicial panels “attached to the Court of First Instance”. The Civil Servant Tribunal has indeed its headquarter in Luxembourg together with the Court of First Instance (that is “attached to the Court of Justice”). The Patent Court would go in the same way.63 However, judicial panels on trademarks and plant varieties should be located in Alicante64 and Angers, respectively. Decentralisation of the EU judiciary system would acknowledge the present configuration and would not so negatively affect the system but it is likely that the Industrial Property Court would be placed in Luxembourg as well.

The Industrial Property Court could have a number of judges equivalent to Members States65 and appropriate provisions dealing with the nature of the intellectual property cases, as the Patent Court proposal provides for. In particular, the language proceedings regime is a very delicate issue since often parties speak different languages as well as judges and this implies a problem of uniformity, costs of translation and time. Before the Court of Justice and the Court of First Instance, and now before the Civil Servant Tribunal,66 all 21 official languages may be languages of proceedings. However, the OHIM regime is peculiar: the application for a Community trade mark shall be filed in one of the official languages but the applicant must indicate a second language which shall be a language of the Office (English, French, German, Italian and Spanish) the use of which he accepts as a possible language of proceedings for opposition, revocation or invalidity proceedings. This means that so long as

60 Decision of the second Board of Appeal, R156/1998-2.
61 In the case of plant varieties validity counterclaims do not exist therefore invalidity is not under the jurisdiction of national Courts while for infringement the jurisdiction lies in these courts.
62 Specialised sections would address the fact that case law amount vary much: there are around 1000 cases per year since 1997 on trademarks (4 Boards of Appeal) while a few cases on plant varieties (one Board). This means that it is unlikely a judicial panel only on plant varieties but they could benefit from a specialized section within the Industrial Property Court.
64 In the declaration by Luxembourg attached to the Nice Treaty the Luxembourg Government undertakes not to claim the seat of a potential judicial panel on trademarks, which will remain in Alicante.
65 The Civil Servant Tribunal provides for seven judges (but should the Court of Justice so request, the Council may increase the number), foreseeing around 150 cases per year. The Patent Court would have the same numbers. However, in both cases, one has to consider that, after the initial phase that need intensive discussions to develop a common jurisprudence, once case law is settled the Courts can deal with more cases.
66 The Court of First Instance’s provisions on languages apply.
the applicant is the sole party to proceedings before the Office (absolute grounds of refusal),
the language used for filing the application for registration remains the language of
proceedings whereas in opposition, revocation or invalidity proceedings either parties agree
that one of the official languages is to be the language of the proceedings or, if they don’t
agree, it is possible to reach a solution using the second language (of the Office) indicated.
This regime has been contested in Kik\textsuperscript{67} where the applicant claimed its inconsistency with a
principle of non discrimination between official languages but the Court of First Instance, and
then the Court of Justice, affirmed that it was an appropriate solution to address the
difficulties arising from such a failure to agree; that the choice to limit the languages to those
which are most widely known in the Community is appropriate and proportionate; and that
the language regime seeks to achieve the necessary balance between the interests of economic
operators and the public interest in terms of the cost of proceedings, but also between the
interests of applicants for Community trademarks and those of other economic operators in
regard to access to translations of documents which confer rights, or proceedings involving
more than one economic operator, such as opposition, revocation and invalidity
proceedings\textsuperscript{68}. Notwithstanding the legality of this system, the balance of this regime could
change if Boards of Appeal are converted into a judicial panel on trademarks or in the case of
an Industrial Property Court as show the Patent Court proposal, providing for all languages\textsuperscript{69},
and in the light of Article 21 of the Charter of Fundamental Rights. In this regard, it is true
that the principle of equality of languages is fundamental (although subject to gradual
fictionalisation,\textsuperscript{70} since working languages are mainly English and French) but a EU language
policy\textsuperscript{71} has to be discussed soon if languages disputes hamper the approval of acts as the
community patent of such importance for the single market while, within the EPC system, the
European Patent Litigation Agreement, providing for three languages, is under discussion.

\textbf{VII The specialisation of the judgment of second instance}

According to the Nice Treaty decisions given by judicial panels may be subject to appeal on
points of law but the Council, in the decision establishing the panel, may provide for a right of
appeal also on matters of fact. As for the Civil Service Tribunal the Council deemed
opportune to follow the general rule therefore allowing the appeal before the Court of First
Instance only on points of law: on the grounds of lack of jurisdiction of the Tribunal, a breach
of procedure before it which adversely affects the interests of the appellant as well as the
infringement of Community law by the Tribunal.\textsuperscript{72}

As for the Patent Court, the proposal provides for the appeal on points of law and fact.
Since these are private parties disputes it is opportune to foresee these two levels of judgment.
At the same time, the possibility for the parties to submit new facts or evidence for the first
time during the appeal proceedings would be restricted to those situations where their
submission by the party concerned could not reasonably have been expected during the

\textsuperscript{67} Case 361/01, Kik v. OHIM, [2003] ECR I-8283, 58-62. Christina Kik requested the registration of the sign Kik
but the examiner dismissed the application on the ground that a formal condition: the requirement that the
applicant indicates English, French, German, Italian or Spanish as a second language was not satisfied (she
indicated Dutch).
\textsuperscript{68} Ibidem, 92-94.
\textsuperscript{69} The language of proceedings is the official EU language of the Member State where the defendant is
domiciled. However, at the request of the parties and with the consent of the Community Patent Court, any
official EU language can be chosen as language of proceedings.
\textsuperscript{70} URBAN, ‘One Legal Language and the Maintenance of Cultural and Linguistic Diversity?’, (2000) 8 \textit{European
\textsuperscript{72} Art. 11, Annex of the Statute of the Court of Justice.
proceedings before the Patent Court. This would allow the Court of First Instance to concentrate on specific issues singled out by the parties for a more detailed review at a higher level, so as to avoid a full retrial, and it is also important to guarantee the rapidity of the decisions for the parties. The same rules could also apply to the potential panels on trademarks or on industrial property: up to now the OHIM Boards of Appeal decisions on trademark and design and the CPVO Board of Appeal decisions on plant varieties may be brought before the Court of First Instance, and then before the Court of Justice only on grounds of lack of competence, infringement of an essential procedural requirement, infringement of Community law or misuse of power; the Court of Justice has jurisdiction to annul or to alter the contested decision.

The Patent Court proposal would introduce another important feature. At present intellectual property is the only field in which a partial specialisation is provided for: appeals on this matter are attributed only to two chambers (second and fourth) of the Court of First Instance, whose judges are assisted by a task force of three experts specialised in intellectual property, even if, unfortunately, they do not have exclusive competence since 2003, owing to the excessive number of cases. Moreover, according to Title IV of the Rules of procedure of the Court of First Instance, as modified in July 1995, (one year after the adoption of the Community Trademark Regulation), there are special provisions (applicable to proceedings brought against the OHIM and CPVO Boards of Appeal) related to language, interveners’ role and costs. It is true that judges of the two chambers acquired specialisation but the other special provisions aim just at obviating the fact that disputes are in substance between privates and formally between a party and the Office. As the interveners’ role, they have a status close to that of the main parties because in the cases of opposition before the Court of First Instance the defendant (of the Boards of Appeal level) may bring actions against the OHIM while the applicant (of the Boards of Appeal level) can be only an intervener. The same for costs where, if the applicant’s (the defendant at the Boards of Appeal level) action against the OHIM (therefore against the party that undertook opposition) is successful, the Court of First Instance may order the Office to bear only its own costs and the intervener to pay the expenses of the applicant. Finally the general rule is that the language of the applicant is the language of the proceeding but parties may agree to use another language. In this context, the Patent Court proposal provides instead for a true specialisation also within the Court of First Instance, because it would create a special patent appeal chamber composed of three judges that would have a high level of legal expertise in patent law and could be assisted by assistant rapporteurs. Moreover, special procedural provisions related to the special character of Community patent litigation, i.e. private party litigation, should apply in a uniform manner for the Community Patent Court and the Court of First Instance as the two stages of a uniform procedure. Also, the language of appeal proceedings shall be the language of proceedings in which the case was conducted before the Patent Court so as to secure a uniform treatment of the entire case, both at first and second instance. These provisions would therefore ensure

74 B. Vesterdorf, op. cit., 2.
75 Art. 134, Rules of Procedure.
76 Ibidem, art. 136.1.
77 Ibidem, art. 131.
78 But Art. 40 of the Statute of the Court of Justice applies only at the appeal level (excluded at the Patent Court level). Such a possibility seems appropriate for the second instance allowing Member States and the institutions of the European Community to contribute to the development of legal questions of Community patent law.
specialisation at both levels, allowing the Court of First Instance to settle these disputes in a more quick and efficient manner.

Decisions given by the Court of First Instance may be subject to review by the Court of Justice if there is a serious risk of the unity or consistency of Community law being affected. A third step could make the process too long, which could be a problem as for the legal certainty of intellectual property holders, but it is to be noted that the review, restricted to these exceptional cases (the evaluation of the risk is up to the First Advocate General which is charged to request the review), is important to guarantee uniformity. Otherwise the Court of First Instance has the last word.

Finally, even if it is not foreseen yet, it would be desirable to take advantage of the chance to attribute preliminary questions to the Court of First Instance. Since the Court of First Instance may give second instance rulings in case a judicial panel on trademarks is established and parallel provisions in Regulation 40/94 and Directive 104/89 (harmonising national trademarks) are to be interpreted in the same way, it would be suitable to attribute preliminary rulings on Directive 104/89 to the Court of First Instance so as to improve coherence of this case law. Moreover, jurisdiction could then be broadened to include Directive 98/44/EC on biotech patents and others matters, depending on the jurisdiction of the Industrial Property Court and on future directives of harmonisation that, hopefully, will be adopted in this field.

VIII Conclusion

The creation of the Court of First Instance was the first move towards decentralisation by subject-matter, as well as the Community Patent Appeal proposal. Afterwards, authoritative suggestions on decentralization by regions were made by some authors, such as Weiler, and by both Courts. However, the Nice Treaty follows the path of the Single Act, providing for decentralisation by subject-matter.

Such a decentralisation may be the right way forward. As for the Civil Servant Tribunal, it alleviated the Court of First Instance’s overload, while not jeopardising uniformity. As for intellectual property, the Nice system would be appropriate to ensure centralisation and specialisation. Another advantage is the opportunity to have specific provisions also at the second level of judgment, concerning the judges and the appeal itself. In the case of intellectual property this chance would prove effective and in other areas the appeal may be shaped case by case, therefore addressing needs of distinct matters. Moreover, in the long run, the Court of First Instance could be structured in specialised sections and a general chamber. A delicate issue, needing further discussion, is the attribution of preliminary rulings to the Court of First Instance: in the case of trademarks Directive 104/89, it could be convenient to foresee it but, given the importance of such a tool, the areas attributed should be the most

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81 KAPTEYN, op. cit., 143ss.
82 JACQUÉ, WEILER, op. cit., 185.
83 The future of the judicial system of the European Union (proposals and reflections), May 1999, www.curia.europa.eu/en/instit/txtdocfr/autrestxts/ave.pdf, 26-27. The proposal aimed at creating in each Member State a judicial body (community or national) responsible for dealing with preliminary rulings from courts within their territorial jurisdiction (national or regional). These courts would have been nearer to national courts and would have saved translation costs but these courts should have been able to submit questions to the Court of Justice to preserve uniformity. RASMUSSEN, ‘Remedying the crumbling EC judicial system’, (2000) CMLR, 1083-1111.
84 WEILER, Epilogue cit., 223.
technical, having the less general impact. At the same time, the Nice Treaty aims to make a balance between the need to preserve uniformity, providing for the review of the Court of Justice on the rulings of the Court of First Instance, and the need not to make the trial too long, therefore considering the review exceptional (in case of serious risk of the unity or consistency of Community law being affected) or up to the Court of First Instance evaluation. Finally, the Court of Justice role of “Supreme Court” would secure uniformity and legal certainty, even if limitations to questions essential for the Community order are necessary, either in the case of review of judicial panel rulings or in the case of preliminary rulings review because delay adversely affects justice. Moreover, the problem of overloading the system would be addressed: the Court of Justice has mainly to settle preliminary questions and direct actions (compared to appeals against Court of First Instance decisions) and therefore the possibility to assign these proceedings to the Court of First Instance would reduce the burden of the Court of Justice. As for the Court of First Instance, the Civil Servant Tribunal and the potential Industrial Property Court would also alleviate its overload since disputes on these matters are increasing, but this would be compensated by attributions on direct actions and preliminary rulings.

Therefore, notwithstanding criticism on improvisation, experimental nature of some provisions, lack of improvement as regards important issues such as independence of the judicial system, the Nice Treaty is at least a step forward that makes possible to restructure the judicial architecture and that improves the protection of individuals through the introduction of private party litigation. Decentralisation by subject-matter and a set of far-reaching and flexible Treaty provisions seem to be the right way forward, also considering that the need to look at the foundations and the coherence of the system is crucial, but the judicial system is always evolving since it depends on expanding EU competences.

However, looking at the future, while other type of judicial panel have been suggested, no material steps have been taken yet: potential fields would be competition (a panel would deal with annulment actions against Commission decisions in merger cases and in proceedings finding unlawful agreements or abuses of dominant position); antidumping, state aids, common custom tariff, VAT and taxation, agriculture and social security. All of these require expertise and specialisation, so the creation of judicial panels could improve that, but it is equally important not to lose sight of the structure as a whole, so as to preserve the unity and coherence of the case law, and to consider the substance of these matters and the links with other matters. First, matters are to be well defined: some authors underlined the risk of creating blocs and obstacles in defining jurisdiction, a risk that, of course, exists. In the case of civil servant disputes, the issue is so specific that it is a bloc in itself (and in most cases not of fundamental constitutional importance). As for intellectual property, the definition of jurisdiction would be more difficult, especially as regards exclusive rights that even if at the

85 In this sense CONDINANZI, ‘225’ in A. TIZZANO (ed.), op. cit., 1048.
87 Annual report 2006 of the Court of Justice.
88 Only intellectual property accounted for 33% in 2006. Annual report 2006 of the Court of First instance, 178.
91 FORWOOD, ‘The judicial architecture of the European Union – the challenges of change’ in M. HOSKINS, W. ROBINSON (eds), A true European, (Hart, 2003), 89.
92 Ibidem, 89.
93 KAPTEYN, op. cit., 150.
94 LAVRANOS, op. cit., 265.
core of these rights, are so interwoven with the free movement of goods that risk of fragmentation within judicial panels of this basic principle is to be deeply taken into account. In other cases also, such as agriculture and social security, it would be very difficult to define an appropriate jurisdiction, and the problem would even deepen given that EU competences are expanding on non-economic issues, such as fundamental rights. Moreover, some areas need not to be defined too narrowly, as it is the case of intellectual property where the Industrial Property Court would serve to enhance coherence. Secondly, even if well defined, the resulting panels would require intrinsic mechanisms of interaction between them so as to pre-empt the risk of fragmentation: intellectual property and competition are good examples of this need of interaction, as show disputes dealing with Commission decisions (under Articles 81 and 82 EC) on the compatibility of intellectual property with antitrust rules and disputes dealing with similar facts but where the legal basis appealed referred to exhaustion and competition respectively.

That is why, in the long run, one should consider improving specialisation within a body of general jurisdiction and, maybe, combining specialisation with regional decentralisation: establishing a central division in Luxembourg with more general jurisdiction than a specific area but specialised sections and some regional chambers. Decentralisation by region is risky as regards uniformity and it is difficult to divide the Union into appropriate regions; however, this is a risk that it is worth taking if we are to bring the courts nearer to the citizens (also considering the extension of private parties’ litigation in the future) as long as uniformity is safeguarded and legal certainty ensured. Moreover, if national judges are considered Community judges, all the more so for courts within that legal system. In this regard, if it is crucial to lay down good rules, it is also important to create an integrated case law which would be the result of the different cultures and the expression of a common legal culture; it is therefore important that, in centralised Court, judges are coming from different systems and all judicial cultures (the “Unity in diversity principle”). Secondly, it would be opportune to enhance the dialogue between Community and national judges so that national judges apply uniformly Community law. Nice did not give more detailed consideration to the vital role of national courts but the relation between the Court of Justice and its national counterparts is fundamental since some of the most decisive constitutional issues of European system depend on a relationship of trust, confidence and credibility between them. In this regard, although very slowly implemented by Member States, also Courts such as the


97 A. Arnulf, op. cit., 155.

98 Scorey, op. cit., 229.

99 Both the Patent Court proposal (p. 7) and the Civil Servant Tribunal (Art. 3.1 Annex) provide to “ensure a balanced composition on as broad a geographical basis as possible among nationals of the Members States and with respect to the national legal systems represented”. See also Niedermann, ‘Surveys as evidence in proceedings before OHIM’, (2006) IIC, 260; Mastroianni, Il trattato cit., 25-26 and 42-48.


101 Johnston, op. cit., 520.

102 Weiler, op. cit., 220.
Community Trademark Courts provided for by Regulation 40/94 (as well as other similar Courts that may be established in the future), which are national courts specifically designated to enforce community rights, should be promoted and interaction between these and Community courts should be enhanced.