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FCDO UKRAINE IP COURT PROJECT

UK technical assistance project to support
the establishment and operation
of the High Intellectual Property Court in Ukraine



FINAL REPORT AND RECOMMENDATIONS

prepared by the Centre for Commercial Law Studies,
Queen Mary University of London

London, September 2020

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ABOUT THE PROJECT

The Project has been implemented by the Centre for Commercial Law Studies, Queen Mary University of London (CCLS) with the support from the UK Government's Foreign Commonwealth and Development Office and the UK Embassy in Kyiv. The Project commenced in March 2018 and has provided assistance to the Government of Ukraine with the creation of a new IP Court that matches the best international practices and standards. The main areas of the Project's work were the preparation of the Project's Recommendations and Road Map on legislative and procedural changes necessary for the effective operation of the new IP court and the delivery of an advanced training programme on international IP law and practice for current and future IP judges in Ukraine.

CCLS has brought together a team of senior academics and researchers including Project Co-Directors, Professor Ioannis Kokkoris and Dr Noam Shemtov, Project Manager Ms Maria Tymofienko and Research Coordinator Dr Olga Gurgula. The research team included international and Ukrainian experts including Judge Moskalenko, Dr Anna Stefan, Mr Maciej Padamczyk, Ms Marie White, Ms Alina Trapova, Ms Lisa Maria Ulrike Schuldes, Mr Gerhardus Hartman, Mr Stanislas Labonne. The Project has also been assisted by local coordinator in Ukraine Ms Olena Vardamatska.

The Project team has benefited from invaluable advice from a specially created International Advisory Board (IAB), chaired by Lord Neuberger, former President of the UK Supreme Court. Other members of the IAB include well-known international and Ukrainian judges and experts, namely the Right Honourable Lord Kitchin, Justice of the Supreme Court (UK), His Honour Judge Hacon, Presiding Judge of the Intellectual Property and Enterprise Court (UK); His Honour Michael Fysh QC SC, Intellectual Property chambers in Lincoln's Inn (UK); Professor Spyros Maniatis, Director of the British Institute of International and Comparative Law (BIICL, UK); Professor Sir William Blair, formerly presiding Judge of the Commercial Court (UK); Bogdan Lvov, Vice-President of the Supreme Court, President of the Economic Cassation Court (Ukraine); Mr Igor Benedysiuk, Judge of the Supreme Court (Ukraine); Dr Olena Orliuk, Director of the Scientific Research Institute of Intellectual Property of National Academy of Law Sciences of Ukraine (Ukraine); Honorable Kathleen M. O'Malley, US Court of Appeals for the Federal Circuit (US); Mr Pierre Véron, Member of the Paris Bar, Honorary President European Patent Lawyers Association (EPLAW) (France); Judge Rian Kalden, Dutch Court of Appeal (Netherlands); Dr. Klaus Bacher, Presiding judge, X. Civil Senate (Patent Law), German Federal Court of Justice (Germany); Mr William Chandler, Chairman, Technical Board of Appeal, European Patent Office (EU); Prof. Dr.iur. J.D., LL.M. Alexander Von Muhlendahl, Attorney-at-Law at Bardehle Pagenberg (Germany).

The Project's Recommendations and Road Map were prepared on the basis of a gap analysis of the Ukrainian legislation and court procedure as well as extensive consultations with stakeholders in Ukraine through seminars, round tables, face-to-face and written interviews. The Final Recommendations are also based on a comparative study of the key IP jurisdictions, namely the US, the UK, Germany, France and the Netherlands, which has been prepared as part of the Project. Members of the IAB have provided invaluable feedback and comments during the preparation of the Final Recommendations and Road Map.

The Project team has visited Ukraine on many occasions during the two and a half year duration of the Project and has created a continuous and productive dialogue with key stakeholders in Ukraine including the representatives of the President's Office, the Parliament, the Supreme Court, the High Council of Justice, the High Qualification Commission of Judges and the National School of Judges as well as representatives of the business and lawyers associations such as the Ukrainian National Bar Association, the Association of Lawyers of Ukraine, and the European and American Chambers of Commerce. The Project Team has liaised closely with civil society organisations and the international partners including the British embassy in Kyiv, the EU Delegation and the US embassy in Kyiv, who are supporting judicial reform in Ukraine.

The Project has delivered an advanced three-week online training programme on international IP law and practice to 100 current and future IP judges as well as members of the Appeal Chamber of the IP Office. The trainers who delivered the programme are internationally acclaimed and well-known IP judges, academics and practitioners. The participants gave a very high appraisal scores and positive feedback on the usefulness of the training towards their day-to-day duties and their commitment to implementing the knowledge and skills obtained in the course of the training to improve the standards of IP adjudication in Ukraine.

The Recommendations and the Road Map provide the Government of Ukraine with a guidance on setting up a successful and effective IP Court which, if implemented, will be instrumental in assisting Ukraine with establishing an adequate level of IP protection according to international best practices and Ukraine's obligations under the Ukraine-EU Association Agreement and TRIPS Agreement. The IP Court will be the essential step in creating professional, transparent and predictable IP adjudication in Ukraine that will contribute to improved levels of business confidence, more attractive investment conditions and development of a commercial environment that incentivises innovation and creativity, while stimulating economic growth and prosperity.

FOREWORD

The United Kingdom's judiciary has a long history and plays a central role in our political system and economic life. It also plays a role abroad and the choice of international businesses to resolve and settle their disputes in UK courts is testament to the judiciary's reliability, expertise, professionalism, and independence.

As part of Britain's role as a force for good in the world, the Foreign, Commonwealth and Development Office (FCDO) looks for opportunities to promote an exchange of knowledge and skills between judges and legal professionals so as to assist with judicial reform and strengthen the rule of law.

I am delighted that our embassy in Kyiv has been able to support Ukraine in this regard through our partnership with Queen Mary University of London focussing on intellectual property law and the creation of a High Intellectual Property Court.

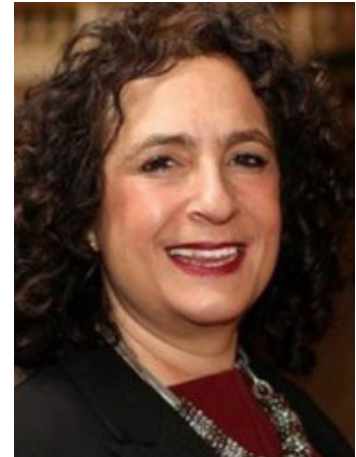
The completion of this project and report is particularly timely, as our two countries have just signed a historic Political, Free Trade and Strategic Partnership Agreement which will open new avenues for deepening cooperation between our governments, businesses, and people and the creation of a High Intellectual Property Court will serve to accelerate these exchanges.

Intellectual property law is closely linked to creativity, innovation, economic growth, and prosperity, but these benefits will only materialise if intellectual property law is properly enforced by independent courts. Ukraine has thriving technology and creative sectors and there is significant potential for these to grow, as well as room for much higher levels of foreign investment, but these industries will not grow as fast as they could, nor will they move up the value chain, without a strong system of intellectual property law enforcement. When I speak to British investors, I know that the judiciary and legal protection of their investments and intellectual property rights are amongst their primary concerns.

We hope that the work undertaken with the guidance of the distinguished International Advisory Board, consisting of international judges and experts and chaired by former President of the UK's Supreme Court Lord Neuberger, will assist Ukraine to establish a truly successful High Intellectual Property Court. This will be a positive sign to international investors and partners that Ukraine is open for business. I also hope that the innovative online training, which was led by renowned experts in the field and covered a wide range of essential topics, will equip current and future intellectual property judges in Ukraine with further skills to strengthen intellectual property rights and support the country's economic development.

The United Kingdom is proud to have funded this initiative and we will continue to support reform and strengthening of Ukraine's judiciary. I would like to thank Queen Mary University of London for all their hard work and expertise, without which this project would not have been possible.

Sincerely yours, Melinda Simmons



Her Excellency Melinda Simmons
UK Ambassador to Ukraine

FOREWORD

It is hard to over-estimate the importance to a country of having a top quality cadre of respected and trusted IP judges. A reliable and respected IP court system, which is expert, efficient and effective, is of enormous value to a country, both nationally and internationally, and in terms of its contribution to the political health and economic prosperity.

It has been my pleasure to chair the International Advisory Board, set up by the Centre for Commercial Law Studies at Queen Mary University of London, to assist the Government of Ukraine to achieve its ambition to set up a world-class IP Court. I would like to thank each and every member of our distinguished Board for sharing their extensive knowledge, experience and advice to help Ukraine create a fair, professional and independent system of IP adjudication.

I have had the pleasure of visiting Ukraine on several occasions and I have found it very encouraging to meet Ukrainian IP judges and candidate judges, experts and officials. They all demonstrated their commitment and determination to create an IP Court that will follow and apply the best international practices and procedures, and will consequently play a vital part in supporting the development and expansion of the creative and innovative sectors of the Ukrainian economy.

Throughout my judicial career, which culminated in being President of the UK Supreme Court, I have been a firm believer in the proposition that independent, competent, and respected judges administering justice for all in open court impartially and free of outside pressures is the most fundamental feature of the rule of law. And the rule of law is in turn fundamental to a modern civilised society. But it is also fundamental to economic success. People will be very reluctant to invest in businesses in a country where they cannot trust the government not to confiscate their property and cannot trust the courts to enforce their contractual and other rights according to the law.

The need for international confidence in a country's courts system is ever more important in an increasingly global world, and that is especially true in the field of Intellectual Property. All areas of IP, not just patents, but also in this age of electronic global communications, trade marks, design right and copyright, are actually or potentially international in their reach. And the importance and value of IP rights is more fundamental than ever to many businesses, and IP protection is therefore a vital factor for investors. Accordingly, sensible national IP laws administered by expert, independent, respected IP judges sitting in trusted courts whose orders are enforced, is vital for any country seeking to be, and to be seen as being, a successful functioning 21st century democracy and a successful and thriving economy. And this is especially important for Ukraine with its proud record of innovative ideas and inventions.

I and all the members of the International Advisory Board hope that our efforts and assistance will lead to tangible results and that the process of setting up the IP Court will be finalised and the Court will be operational soon. We hope that in the near future the judges of the new IP court will form a highly respected part of the European and International judges' community sharing their experience and challenges in creating a fair and strong system of enforcement of IP rights for the benefit of dynamic, creative and innovative sectors of Ukrainian economy.

Sincerely yours, Lord Neuberger



Lord Neuberger
Chairman of the International
Advisory Board, Ukraine IP Court
Project, formerly the President of
the UK Supreme Court

FOREWORD

With this letter I would like to express my respect and sincere gratitude for the work completed to improve the legislation on intellectual property rights protection in Ukraine within the framework of the UK FCDO Queen Mary University Project to support the establishment and operation of the Intellectual Property Court in Ukraine.

I would like to especially thank the organisers for delivering the online training on the practical issues of intellectual property law enforcement, which took place in July and September this year, with an audience of more than 100 judges and lawyers from different parts of Ukraine.

As is proven by the international experience, effective law enforcement is only possible when there is a specialised court.

On 29 September 2017, the President of Ukraine signed the Decree «On the Establishment of the High Court of Intellectual Property».

Having established the High Court of Intellectual Property, Ukraine followed the international trend in many countries, where intellectual property cases are considered by specialised courts. As we know there are around 90 countries in the world that have specialised IP courts. Although such courts are established in different legal, economic, cultural and historical backgrounds, the aim of creating such a court is the same: to strengthen the specialisation of judges in intellectual property law disputes, to ensure the harmonisation of court practice, to improve the predictability of litigation in intellectual property rights disputes, as well as to reduce the risks of judicial failure, thus ensuring a due level of protection and enforcement of intellectual property rights.

Today it is extremely important to accelerate the completion of the selection of judges to the High Court of Intellectual Property and to start its operation without further delay and address the necessary organisational, financial and logistical issues associated with the operation of the Court.

In order to achieve this, the Verkhovna Rada of Ukraine, the Parliament of Ukraine, included in its Agenda of legislative activities the priority to adopt the Law of Ukraine «On the High Court of Intellectual Property», which shall determine its legal status and organisational principles of its operation as a new institution of the Ukrainian judicial system.

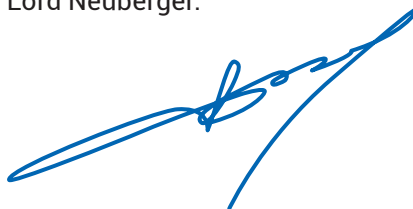
In this regard, it is necessary to implement the Final Recommendations the on improvement of the Ukrainian legislation, prepared by the Project related to the establishment and operation of the High Court of Intellectual Property in Ukraine with the assistance from the Foreign Commonwealth and Development Office of the United Kingdom.

It is also important to point out that we fully support the approach that the Project's Recommendations are aimed at improving future procedures of the High Court of Intellectual Property, while the ongoing selection of judges to the High Court of Intellectual Property in Ukraine should be completed according to the existent procedure.

In relation to the above, I would like to emphasise once again the importance for conducting such training programmes, which are aimed at exchanging experience with international fellow judges and deepening the knowledge of the judges who consider intellectual property disputes in Ukraine, as well as further the professional education of judges.

We greatly appreciate the initiative to provide technical assistance for the establishment of the High Court of Intellectual Property and would like to express our sincere gratitude to the UK Government, Ambassador Extraordinary and Plenipotentiary of the United Kingdom Ms Melinda Simmons and members of the International Advisory Board chaired by Lord Neuberger.

Sincerely yours, Ruslan Stefanchuk



Dr Ruslan Stefanchuk
First Deputy Speaker
of the Parliament of Ukraine

FOREWORD

I would like to congratulate the organisers and participants of the Project.

It is with great pleasure that I would like to take this opportunity to share with you my thoughts and thank you for the completed work.

The cooperation with the International Advisory Board, chaired by Lord Neuberger, has been an extraordinary and valuable experience.

I would like to express my respect for your support of the development of the judicial system and the legislation of Ukraine, which relates to the establishment of the High Court of Intellectual Property, and your efforts in this regard!

The Project team, in particular the International Advisory Board, carried out a great amount of creative work, which was incorporated into the Recommendations on the Improvements of Ukrainian Law Related to the Establishment and Operation of the IP Court in Ukraine and the regulation of its operation by relevant procedural rules.

My colleagues and I have carefully studied this document, including the Road Map for the implementation of the Recommendations.

I would like to take this opportunity to highlight the relevance of the Recommendations in particular on the following issues: injunctions, the elimination of a potential conflict of jurisdictions between the High Court of Intellectual Property and administrative courts, as well as other state institutions; ensuring the rights of physical persons in the commercial litigation process.

The implementation of some of the Recommendations will require additional comprehensive research of the provisions of the Commercial Code of Procedure, other procedural laws and case law of the Supreme Court.

However, I am pleased to point out that some of the issues raised in the Recommendations have already been resolved by amendments to the current legislation.

It is also worth mentioning nowadays the importance of having the possibility to conduct hearings through videoconference, although these changes have not been implemented yet largely due to technological lagging behind in Ukraine, but it is very much our ambition to have video-conferencing available to the parties.

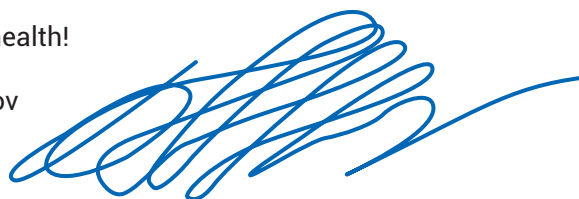
I must also mention the high importance of the online training and testing. This was a stimulating opportunity to test one's knowledge outside the usual scope of cases and expand the existing knowledge by learning from international experience.

It was particularly relevant for new judges and candidate judges, who I hope in the nearest future will become judges. Such training delivered by international experts has been an extraordinary opportunity to gain new knowledge and improve their expertise in the area of intellectual property law.

I sincerely hope that it will be only a short time between the completion of the Recommendations and their actual implementation, and I am confident that the efforts of the Project will contribute to the start of the operation of the High Court of Intellectual Property in the nearest future.

I wish you all success and health!

Sincerely yours, Bogdan Lvov



Judge Bogdan Lvov
Vice-President of the Supreme
Court and Head of the Economic
Cassation Court

FOREWORD



Professor Ioannis Kokkoris
Co-Director, Ukraine IP Court
Project, Chair in Law and
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Dr Noam Shemtov
Co-Director, Ukraine IP Court Project,
Reader in Intellectual Property and
Technology Law (CCLS, Queen
Mary University of London)

This year we are celebrating THE 40th Anniversary of the Centre for Commercial Law Studies (CCLS) at Queen Mary University. We are based in the heart of London's legal district at Lincolns Inn Fields, surrounded by legal chambers and the Royal Courts of Justice. At CCLS we focus on delivering postgraduate education, continuing professional training as well as cutting-edge research. Our approach is unique as we are bringing together world-class academics and leading practitioners, who deliver training on the most pertinent and practical issues faced by businesses, legal professionals, judges and governments around the world. By bringing academia and practice together, CCLS has become a world leader in commercial law and research training students, professionals, judges and government officials on various aspects of commercial law.

CCLS hosts the Queen Mary Intellectual Property Research Institute (QMIPRI), which is one of the world's leading institution that undertakes research and advocacy in intellectual property law and related areas of commercial law. QMIPRI has provided advice and consulting work for many international organisations such as WIPO, UNCTAD, UK Government, the European Parliament, the European Patent Office and the European Commission as well as for non-governmental organisations.

CCLS also has a vibrant PhD research community that brings together researchers from across the world. We are very proud of one of our PhD Candidates, Ms Maria Tymofienko, who initiated the approach for this technical assistance project to assist the Government of Ukraine with setting up its Intellectual Property Court, funded by the UK Government. Maria has been managing the Project since its launch in 2018 and played a vital role navigating the complex stakeholder relationships in the fluid political environment of Ukraine.

The Project research was coordinated by CCLS PhD Graduate Dr Olga Gurgula who managed a team of international experts and researchers including CCLS LLM students and Ukrainian experts. Before embarking on her PhD at CCLS, Olga has been a practicing IP lawyer in Ukraine and her understanding and experience of the complexities of the Ukrainian legal system has been invaluable to the Project.

The Project Team also greatly benefited from the advice of the International Advisory Board, chaired by Lord Neuberger, former President of the UK Supreme Court. It has been a unique and fascinating experience to draw on expertise of leading international judges and experts, who generously provided their time and advice helping us develop our Project's Recommendations for the Government of Ukraine taking into account the most up to date international practices on IP adjudication tailored for Ukraine's legal and courts system.

The Project team adapted to the enormous challenges faced by Covid-19 pandemic and ensured the successful delivery of the training programme for over 100 Ukrainian IP judges, candidates to the new IP Court and members of the Appeal Chamber at the IP Office, via a bespoke online training platform. We are delighted to present for your attention our Final Project report covering the activities and results of our work over the last two and a half years. The report includes an overview of the reasons behind the creation of the specialised IP Court in Ukraine and its history; the Project Recommendations and Road Map that provides a comprehensive analysis of the Ukrainian legislation and court proceedings and suggests ways to improve the operation of the new Court. The report also includes an in-depth comparative study of leading international IP jurisdictions, which we hope will provide a useful benchmark for Ukraine's evolving system of IP adjudication.

It has been truly exciting and interesting to share our knowledge and expertise with Ukraine, a country with incredible innovative and creative potential, to enable it to establish a world class IP Court. We have very much enjoyed the many opportunities to visit Ukraine and to engage with its highly professional and dynamic judicial and legal community. We hope that our work has laid a solid foundation for the creation of a highly professional and effective IP Court that will become a lasting success story for Ukraine and its judiciary.

Sincerely yours, Professor Ioannis Kokkoris and Dr Noam Shemtov



Noam Shemtov

ABOUT THE PROJECT TEAM

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ACKNOWLEDGMENTS

We wish to thank the UK Foreign Commonwealth and Development Office for supporting our work and funding this Project and to the UK Ambassador to Ukraine, Her Excellency Melinda Simmons, and her team at the Embassy in Kyiv, who provided diplomatic and strategic support as well as advocacy at the highest governmental levels.

We would also like to thank the Members of the International Advisory Board (IAB) who have been very generous with their time and advice throughout the Project. In particular, we would like to thank the IAB Chairman, Lord Neuberger, for his help establishing the Board, and for his professional and expert leadership.

We wish to express our deep appreciation to all the Ukrainian IP judges, experts and lawyers who contributed to this report and participated in the discussions and round tables and who shared their views, suggestions and concerns in relation to the establishment of the new IP Court. We would also like to thank the American Chamber of Commerce and the Ukrainian Bar Association for providing a platform for these discussions and meetings. We also particularly wish to thank the many legal experts who gave their time to answer our questionnaire and who shared their experience in relation to the new Commercial Procedural Code, while providing their own opinions and valuable ideas.

Finally, we are grateful to Mr Stefanchuk, First Deputy Speaker of the Parliament of Ukraine, Mr Bogdan Lvov, Vice-President of the Supreme Court and the Head of the Economic Cassation Court, Mr Ihor Benedysiuk, Judge of the Supreme Court and Dr Olena Orliuk, Director of the IP Institute at the National Academies of Sciences for their driving support and commitment to the establishment of the new IP Court in Ukraine.

LIST OF ABBREVIATIONS

BGH	Federal High Court of Justice ('Bundesgerichtshof')
BPatG	Federal Patent Court ('Bundespategericht')
CA	Court of Appeal ('Cour d'appel')
CAFC	Court of Appeal for the Federal Circuit
CCA	Constitution of the Courts Act ('Gerichtsverfassungsgesetz')
CCP	Code of Civil Procedure ('Code de procédure civile')
CDPA	Copyright, Designs and Patents Act
CJEU	Court of Justice of the European Union
CJO	Code of Judicial Organisation ('Code de l'organisation judiciaire')
CPC	Commercial Procedural Code of Ukraine (‘Господарський процесуальний кодекс України’)
CPR	Civil Procedure Rules
DCCP	Dutch Code of Civil Procedure ('Wetboek van Burgerlijke Rechtsvordering')
ECHR	Convention for the Protection of Human Rights and Fundamental Freedoms
ECoHR	European Court of Human Rights
EU	European Union
EUIPO	European Union Intellectual Property Office
EEA	European Economic Area
FRAP	Federal Rules on Appellate Procedure
FRCP	Federal Rules of Civil Procedure
FRE	Federal Rules of Evidence
HDC	District Court of The Hague

ICC	International Chamber of Commerce
IPI	International Intellectual Property Institute
IP	Intellectual Property
IPC	Intellectual Property Code ('Code de la propriété intellectuelle')
IPEC	Intellectual Property Enterprise Court
IOP	Internal Operating Procedures of the Court of Appeal for the Federal Circuit
LG	'Landgericht'
PI	Preliminary injunction
PD	Practice Direction
PQE	Post Qualification Experience
RCP	Rules of Civil Procedure ('Zivilprozessordnung')
OLB	'Oberlandesgericht'
TGI	'Tribunal de grande instance'
TRO	Temporary restraining order
TRIPS	The Agreement on Trade-Related Aspects of Intellectual Property Rights
UK	United Kingdom
UKIPO	United Kingdom Intellectual Property Office
US	United States
USC	United States Code
USPTO	United States Patent and Trademark Office

EXECUTIVE SUMMARY OF FINAL RECOMMENDATIONS

As a result of the comprehensive judicial reform, Ukraine has set out to establish the new specialised Intellectual Property Court (the **IP Court**). While the creation of the IP Court may be considered as highly desirable, our analysis of Ukrainian Law on the establishment of the IP Court, and the procedural law that will be applied by this Court (the **Ukrainian Report**), identifies certain issues that may impinge on the effective functioning of the newly established IP Court. These issues, identified in the Ukrainian Law Report, were further analysed as part of our comparative study of best practices in a number of mature IP jurisdictions, namely the US, the UK, Germany, France and the Netherlands (the **Comparative Study**). Based on the findings of the Comparative Study, in this report, we offer recommendations (the **Recommendations**) on possible ways to improve the Ukrainian legal framework related to the establishment and operation of the new IP Court.¹ The Recommendations consist of two parts: (1) the first part focuses on the issues related to the establishment of the IP Court, while (2) the second part elaborates on the recommendations related to the procedures that the IP Court will apply. The Recommendations, furthermore, include a road map for implementing the Recommendations, inter alia, through the changes to the existent legal framework, administrative acts or court practice (the **Road Map**).

1.1. Recommendations on the Establishment and Effective Functioning of the IP Court

According to the Law on the Judicial System, the new IP Court will operate as the court of the first and second (appellate) instances. Due to the creation of the two judicial instances within one court, we have emphasised the importance of implementing certain measures that would guarantee the right to fair trial before an independent and impartial tribunal; for example, by physically separating the two instances.

The selection criteria for IP judges may also be revised. Specifically, we recommend adjusting the selection criteria by establishing more rigorous requirements for IP judges of the Appellate Chamber than for the first instance IP judges. This may bring the selection criteria for IP judges in conformity with the provisions of the Law on the Judicial System, which sets more rigorous requirements for appellate judges at all other types of courts. In addition, we recommend establishing a general requirement of possessing an adequate knowledge in the field of IP for all candidates, which would ensure that the IP Court comprises experienced IP judges who will deliver high quality IP adjudication. However, considering the current state of IP specialisation in Ukraine and the fact that it may be difficult to recruit sufficient number of IP experts, we recommend reserving the possibility of appointing judges and lawyers who, while they may not have an extensive IP experience, nevertheless are highly qualified. In addition, we recommend introducing the institution of 'scientific advisors', i.e. technical or scientific experts, who may be appointed to advise the court on specific matters within the scope of their expertise. Finally, we recommend considering the possibility of reserving a certain number of posts for IP judges with a relevant technical or scientific background. We would like to highlight that the Recommendations regarding the revision of the general and specific criteria for IP judges are developed with the objective of improving future selections to the IP Court, which will be held after the current selection process is completed. These Recommendations are not aimed at amending the current selection process and may not be applied to the candidates that are already taking part in this selection process.

The decision to locate the IP Court in Kyiv has cast doubts on the effective access to justice. We, therefore, recommend several options that may facilitate such access. First, we recommend establishing the obligation of the IP Court to conduct court hearings via videoconferences if a party has demonstrated sufficient grounds. Further, if the case has a clear regional connection and if the trial via videoconferencing is not practical, e.g., because of the number of parties or amount of evidence, we recommend that the hearings may be conducted in the region in question. For that purpose, the IP Court could use a building of the local civil or commercial courts, and in case of a significant increase in the number of IP litigations, permanent regional divisions of the IP Court may be established in major Ukrainian cities. Finally, we recommend increasing the number of judges by at least two panels in the first instance, and one panel in the Appellate Chamber of the IP Court.

¹ It is important to note that these Recommendations are developed with the objective of improving the IP Court set up in its future operation, and not for the purpose of introducing changes to the processes that have already taken place, such as the selection of IP judges. Otherwise, the retrospective changes may impede the successful and speedy completion of the establishment of the IP Court, compromising the constitutional principle of legal certainty, as well as having a negative effect on the judicial reform in general and on the IP enforcement system in particular.

1.2. Recommendations Regarding Certain Provisions of the Rules of Procedure

With respect to the composition of the IP Court, we recommend amending the current mandatory requirement of a three-judge panel hearing of all IP disputes at first instance, and instead establishing that first instance IP disputes may be dealt with by a single judge as a default option. In certain instances, for example due to the complexity of the case, the case may be referred to a panel of three judges. We also recommend that under certain circumstances a party may have the right to request the judge allocated to hear the dispute to transfer the case to a three-judge panel, either before or during the preparatory proceedings. Where the case was allocated to a panel of three judges, we recommend that certain procedural matters may nevertheless be resolved by a single judge. We believe that such measures will facilitate effective consideration of IP disputes by the IP Court and at the same time unburden its docket.

The exclusive jurisdiction of the IP Court also requires clarification. Specifically, we recommend that any appeals against the decisions regarding the refusal to register an IP right may fall within the jurisdiction of the IP Court. We also recommend that the IP Court may be competent in relation to tax and customs disputes that involve an IP element. However, the jurisdiction of the IP Court would only comprise disputes where IP specialisation is necessary to resolve the dispute. We also recommend that the recognition of a trade mark as well-known, in cases where there is a dispute, falls within the exclusive jurisdiction of the IP Court, while cases where there is no dispute may remain under the jurisdiction of the Appellate Chamber of the Ministry of Economic, Trade and Agricultural Development of Ukraine. The appeals against the decisions of the Ministry in this regard may fall within the jurisdiction of the IP Court. Furthermore, we recommend that the Commercial Procedural Code of Ukraine ('CPC') may be amended by adding to the list of disputes that fall within the jurisdiction of the IP Court disputes related to all relevant copyright holders who have the right to refer their disputes to the IP Court. We also recommend that the CPC may be amended by adding to disputes on 'entering into, modification, termination and execution of an agreement concerning the exercise of intellectual property rights...' also disputes concerning the recognition of IP-related agreements as invalid, and the possibility to recognise an invalid IP-related contract as valid.

As regards evidence, we recommend that the procedure and the form of submitting electronic evidence are clearly defined. Electronic evidence may be allowed to be submitted in any form, provided it enables a reliable authentication that the piece of evidence is what it is claimed to be. We also recommend clarifying the circumstances in which the IP Court has the unilateral power to appoint an expert. In such cases, an expert may, nevertheless, be appointed upon prior consultation with the parties.

Furthermore, as the current CPC provisions on preliminary injunctive reliefs lack clarity and have resulted in such reliefs being difficult to obtain, we believe that these provisions may be amended. We recommend that the CPC may be revised by explicitly including the following three factors² that are typically considered by the courts in the selected IP jurisdictions when granting a preliminary injunctive relief, i.e. balance of convenience, urgency of the threat and the likelihood of success. In addition, the provisions of the CPC may be clarified by explicitly stating that all applications for a preliminary relief filed before the commencement of the main proceedings should be filed with the IP Court. As regards the provision on cross-undertaking, we recommend that the IP Court may have the discretion to grant a preliminary injunctive relief without ordering a cross-undertaking, taking into account the facts of the case, the purpose of cross-undertakings, and the financial circumstances of the plaintiff. We also recommend extending the list of cross-undertakings by supplementing it with, for example, the provision of non-monetary undertakings, as well as the possibility to impose an obligation on the plaintiff to perform or refrain from performing certain actions until the final decision. Such an option may be used as an alternative to a monetary undertaking, or applied only in circumstances where the claimant offers sufficient evidence that they are unable to provide a monetary undertaking. Finally, we recommend limiting the court's power to cancel a previously granted preliminary injunctive relief of its own volition by indicating in the CPC that the court has the power to revoke a preliminary injunctive relief at the request of one of the party, and based on the grounds for such a revocation specified in the law, such as, for example, change of circumstances, or failure to commence main proceedings.

² The said three factors may serve as a non-exhaustive list of considerations that a court may take into account when deciding on granting an injunctive relief.

As to security for costs, we recommend that the IP Court may be granted wide discretion in deciding on such matters. Specifically, the court may be allowed to take matters such as financial hardship into account when deciding on granting such a bond. Concerning the amount of security for costs, the court may be able to decide on the amount of legal fees based on an average level of legal fees on the market, rather than basing its order on the specific legal fees of the defendant's attorneys.

With respect to a new simplified procedure in the CPC in the form of a court order, which is currently unavailable to natural person IP owners without entrepreneurial status, we recommend amending this provision by providing the right to file an IP-related lawsuit to all interested parties, including natural persons without such a status.

Finally, we recommend providing the possibility to challenge the decisions of the Appellate Chamber of the IP Court before the Supreme Court unless the case is insignificant, i.e. the value of the claim does not exceed two to five minimum living wages. When the said threshold is met, cassation may be allowed only if one of the conditions set in the CPC is met; i.e. if the case involves, inter alia, matters of fundamental importance for the uniform application of law, the case is of significant public interest or has an exceptional importance for the applicant.

The successful implementation of these Recommendations will greatly contribute to the efficient functioning of the IP Court, as well as the IP enforcement system in general.

INTRODUCTION

International practice demonstrates that the establishment of IP Courts is essential to deepen judges' and courts' specialisation, improve the level of judges' qualification in the area of IP rights, and ensure uniformity of court practice and predictability of decisions.³ We think that the creation of the IP Court in Ukraine will facilitate adequate level of IP rights protection and effective functioning of the IP dispute resolution system.

The legislative framework for the functioning and operation of the IP Court is already established in Ukraine.³ In particular, on 29 September 2017, the President of Ukraine issued a Decree "About The Establishment of the High IP Court». Later, on 3 October 2017, the Parliament of Ukraine adopted amendments to the Commercial Procedural Code of Ukraine, which established the procedure for resolving disputes at the new IP Court.

On 20 September 2017, the State Courts Administration issued a Decree N929 "About the appointment of a number of judges to the High IP Court", in which it stipulated that there will be 21 judges at the IP Court. On 30 September 2017, the High Qualification Commission of Judges of Ukraine (HQCJ) took a decision N98/zp-17 announcing the selection process of 21 judges to the IP Courts (first instance). Later, on 5 October 2018, the selection of 9 judges to the Appellate Chamber (second instance) of the IP Court was announced.

The selection for vacant positions started in October 2018, but it has not been completed due to the dismissal of HQCJ members. The appointment of the new HQCJ members will enable the setting up of the IP Court. Moreover, it is important to address a number of operational, financial and technical issues to ensure the functioning of the IP Court such as the allocation of premises for the IP Court, the establishment of the IP Court's administration, the allocation of funds for judges' and administrative personnel salaries.

The Recommendations and Road Map of the Project were prepared in order to ensure the effective operation of the IP Court by introducing changes to the legislative framework of the IP Court. However, they are not intended to delay the setting up of the IP Court.⁴ The suggestions as to the selection of judges should be applied if there will be a need to increase the number of judges in the future. We think that the introduction of retrospective changes may impede the successful and speedy completion of the establishment of the IP Court and may compromise the constitutional principal of legal certainty, as well as have a negative effect on the judicial reform in general and on the IP enforcement system in particular.

³ The findings of the Comparative Study are incorporated in the Final Recommendations discussed below. For the complete Comparative Study report see Annex 1.

⁴ The findings in the Ukrainian Law Report are incorporated in the Final Recommendations discussed below.

I. CREATION OF THE SPECIALISED IP COURT IN UKRAINE

The establishment and effective operation of an IP court is a policy driven decision which aims at encouraging innovation, facilitating investment and guaranteeing the protection of the IPRs holders' interests. A number of studies on specialised IP courts suggest that the establishment of such courts may have a range of positive outcomes for the IP enforcement system.⁵ One of the main societal advantages of the establishment of a specialised IP court is that it signals to the public that the state is interested in, and will protect, intellectual property.⁶ This may increase faith in the intellectual property system as a whole and encourage investment and innovation.⁷ Another positive outcome envisaged by the creation of a specialised court is that it is more capable of keeping abreast of developments in its specific areas of law than the non-specialised courts.⁸ In addition, the increase in the level of judicial expertise may result in less reliance on technical experts in decision making, which in turn improves the quality and impartiality of such decisions.⁹ Moreover, greater consistency and more uniform jurisprudence within these matters could result as IP disputes would be adjudicated by fewer judges, each possessing a greater level of experience in such disputes.¹⁰ There would also be less chance of specialist courts generating conflicting precedents due to misunderstandings of technicalities in complex IP disputes.¹¹ Case outcomes may, therefore, become more predictable. This, in turn, may improve business confidence, reduce the caseload of an IP court and the duration of the proceedings for litigants.¹² Moreover, it may enable parties to settle their disputes because the likely outcome of the dispute may be possible to predict due to the consistent application of precedent.¹³

In Ukraine, the creation of a specialised IP court is an important element of the current judicial reform that is aimed at improving the operation of the judicial system in general, as well as the functioning of the IP enforcement system. Such improvement forms part of Ukraine's international obligations. In particular, Ukraine is a party to a number of bilateral and multilateral international treaties which regulate the protection of intellectual property rights,¹⁴ including the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs).¹⁵

Under these various international instruments, Ukraine is obliged to provide efficient protection and enforcement of intellectual property rights within its territory. For example, under Article 41(1) TRIPs, members of this agreement have undertaken to '...ensure that enforcement procedures ... are available under their law to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements'. Under a more recent international treaty, namely the Association Agreement signed between Ukraine and the European Union,¹⁶ Ukraine has undertaken to provide '... measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights'.¹⁷ While none of its international obligations of ensuring efficient protection and enforcement of intellectual property rights requires Ukraine to establish a specialised IP court in order to fulfil these obligations,¹⁸ the

⁵ See e.g. Markus B. Zimmer, 'Overview of Specialised Courts' (2009) 2(1) *International Journal for Court Administration* <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2896064> (accessed 23 September 2020); Jacques de Werra, 'Specialised Intellectual Property Courts - Issues and Challenges, Global Perspectives for the Intellectual Property System' (2016) 2 CEIPI-ICTSD; IPI and USPTO, 'Study on Specialized Intellectual Property Courts' (2012); IIC, 'Adjudicating Intellectual Property Disputes' (2016) <<https://iccwbo.org/publication/adjudicating-intellectual-property-disputes-an-icc-report-on-specialised-ip-jurisdictions/>> (accessed 23 September 2020).

⁶ IPI and USPTO (n 5) 6.

⁷ *ibid.*

⁸ Werra (n 5) 24.

⁹ *ibid.*

¹⁰ *ibid.* 25.

¹¹ *ibid.*

¹² *ibid.*

¹³ *ibid.* Along with the advantages of establishing specialised IP courts, experts also highlight some potential drawbacks. This, for example, includes narrow focus of specialised courts, i.e. such courts may place too much importance on the IP dimension of the litigation at hand, while not giving enough consideration to other dimensions such as e.g. contract and competition law in transactional disputes. Another drawback discussed is accessibility, as specialised courts may be situated in one fixed location which is inaccessible to many based in other parts of the country, and thus creating a barrier to justice for some litigants. For a detailed discussion on this matter, see e.g. Zimmer (n 5) 3-4; Werra (n 5) 26.

¹⁴ For example, Bern Convention for the Protection of Literary and Artistic Works (1886) on 31 May 1995, entered into force for Ukraine on 25 October 1995; Madrid Agreement Concerning the International Registration of Marks (December 25, 1991); Paris Convention for the Protection of Industrial Property (December 25, 1991); Patent Cooperation Treaty (December 25, 1991) (for a detailed list of all IP related Ukrainian laws and international treaties see <<https://www.wipo.int/wipolex/en/profile.jsp?code=ua>>) (accessed 23 September 2020).

¹⁵ Ukraine joined the Agreement on Trade-Related Aspects of Intellectual Property Rights (1994) on 16 May 2008.

¹⁶ 'Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part' (L 161/3 OJEU dated 29.5.2014), in which Chapter 9 'Intellectual Property' contains a comprehensive list of substantive provisions on various types of intellectual property, as well as procedural provisions on IP enforcement (the '**Association Agreement**').

¹⁷ Article 230 of the Association Agreement.

¹⁸ See, for example, Article 41(5) TRIPs, according to which '[i]t is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general'.

establishment of such a court has been viewed as being an effective way of improving the IP enforcement system.¹⁹ It was received positively by Ukrainian legal professionals as well as the academic community and is expected to become an effective and valuable tool for IP rights holders.²⁰

In particular, it is believed that the creation of a specialised IP court will improve the IP enforcement system in Ukraine by decreasing the duration of court proceedings and simultaneously increasing the quality of decisions in IP cases.²¹ This, it is hoped, will be achieved, inter alia, by selecting and training skilled judges within specific areas of IP specialisation, as well as by developing a uniform and consistent judicial practice.

1.1. Legal framework on the establishment of the IP Court in Ukraine

1.1.1. Developments leading to the establishment of the IP Court in Ukraine

As early as the 1990s, it became apparent that the Ukrainian judicial system, which had been inherited from the Soviet Union with only minor amendments, did not adequately reflect changes in the free market economy and, as a result, there was a need for the development of a new judicial system to accommodate them.²² This also concerned IP disputes that were traditionally considered by three different types of courts: commercial, civil and administrative. While providing a number of options for resolving IP disputes, the system had a significant disadvantage: it routinely generated confusion as to the jurisdiction of those courts in IP disputes. It also frequently resulted in lengthy judicial processes and different court practices when considering identical IP issues. In addition, different courts and procedures, as well as uneven levels of expertise of judges, have often led to unpredictable and inconsistent outcomes in IP disputes.²³ Therefore, it has long been argued by the legal community that the creation of IP specialisation is necessary to overcome these problems.²⁴

The idea of a specialised IP court was first officially advanced in the 2001 Presidential Decree 'On measures relating to the protection of intellectual property in Ukraine'.²⁵ In particular, the possibility of creating a specialised patent court was to be analysed as part of a range of measures aimed at strengthening IP protection.²⁶ At the same time, ideas advancing IP specialisation in the Ukrainian courts had started to take shape in the form of judicial training in the early 2000s. This was aimed at providing a uniform IP background to the judges operating in different courts. While only a small fraction of judges received such training, it nevertheless had a positive effect on the quality of decisions and this was particularly in evidence in the commercial courts. Further steps towards specialisation were taken in 2003 when specialised judicial

¹⁹ See e.g. M. Pototsky and M. Zakharenko, 'A specialised court that considers disputes related to intellectual property in Ukraine: a mistake or necessity?' (2014) Legal Bulletin 204 (discussing whether the creation of a specialised IP court will make the IP protection system in Ukraine more effective).

²⁰ Tetiana Pashkovska, 'The Intellectual Property High Court is on the Finish Line' (2017) Yurydychna Gazeta <<http://yur-gazeta.com/publications/actual/vishchyy-intelektualniy-sud-na-finishniy-pryamiy.html>> (accessed 23 September 2020). A number of the respondents to our questioner also expressed their positive attitude towards the creation of the IP Court in Ukraine.

²¹ The decision to create a specialised IP court in Ukraine was also an issue of intense debate. Some experts emphasise that 'the policy choice to create such a court should be based on an informed and transparent analysis of the situation in the country.' See Democracy Reporting International 'Ukraine's new Intellectual Property High Court: implications for the justice system' (May 29, 2018) <https://democracy-reporting.org/ukraines-new-high-intellectual-property-court-implications-for-the-justice-system/#_ftn8> (accessed 23 September 2020) referring to Werra (n 5) 31. They argue that this standard was not sufficiently met in Ukraine because the policy choice to establish the IP Court was not supported by convincing evidence and was not preceded by broad public discussion and consultation with regards to the advantages and disadvantages of creating such specialised court. They also note that '[t]he explanatory note to the Law "On the Judiciary and Status of Judges" justifies the creation of the court by referring generally to the positive experience of other European countries with intellectual property courts, without explaining further the details of these experiences and why they are relevant for Ukraine' (ibid).

²² After Ukraine seceded from the Soviet Union it took the course towards a new market economy. This resulted in the adoption of new laws, which regulated the whole range of new rights in society. For example, these included the Law of Ukraine 'On the Property' (7 February 1991, N 697-XII), which for the first time established the right to private property. In addition, the Law of Ukraine, 'On Commercial Entities' (19 September 1991, N 1576-XII), which for the first time provided the possibility to establish private legal entities. These and other laws envisaged inter alia judicial mechanisms of protecting rights provided in these laws. This in turn required relevant changes in the then judicial system, as these laws essentially created new categories of cases, which did not exist before. Therefore, the need to reform the judicial system did not generate any objection and discussion, as this was the logical consequence of the new substantive laws, which came into force at that time. See e.g. Decree of the Parliament of Ukraine, 'On the Recommendations to the Parliamentary hearings "Protection of intellectual property in Ukraine: problems of legislative framework and its enforcement"' (N 1243-V, 27 June 2007).

²³ This problem, for example, was acknowledged in Decree 'On the Recommendations to the Parliamentary hearings "Protection of intellectual property in Ukraine: problems of legislative framework and its enforcement"' (n 22) ('...it is necessary to take further steps in relation to implementing IP specialisation in courts. It is therefore necessary to resolve the problem of the appropriate identification of courts' jurisdiction relating to specific categories of cases. Not all the courts of civil jurisdiction have implemented sufficient specialisation and training of judges to ensure effective IP dispute resolution').

²⁴ Svitlana Parkhomchuk, 'Ways of introducing Bodies of Patent Jurisdiction into the Ukrainian Judicial System' (2012) Problems of Civil and Commercial Law in Ukraine <http://kul.kiev.ua/images/chasop/2012_2/228.pdf> (accessed 23 September 2020); The National Strategy for the Development of the Sphere of Intellectual Property in Ukraine for the Period up to 2020 (2014, unofficial text) <<https://uba.ua/documents/ip-strategy28082014.pdf>> (accessed 23 September 2020).

²⁵ Decree of the President of Ukraine 'On measures relating to the protection of intellectual property in Ukraine' (No.285/2001, dated 27 April 2001) <<http://zakon2.rada.gov.ua/laws/show/285/2001>> (accessed 23 September 2020).

²⁶ There is no information on further developments in this regard from the 2001 Decree. However, the need for the creation of a specialised IP court was also stated in the 'Concept of the development of the state system of IP protection during 2009-2014', approved by the Board of the State Department of Intellectual Property. Protocol № 11 dated 11 March 2009.

chambers were created in the High Commercial Court of Ukraine (the cassation instance at that time), including the creation of a chamber to consider IP related disputes.²⁷

The discussions regarding IP specialisation have also included suggestions that, to enhance the effectiveness and quality of IP adjudication, such cases should belong to the jurisdiction of only one type of court.²⁸ As statistically most of the IP cases were considered by commercial courts,²⁹ the suggestions centred on the idea that IP disputes should fall within the jurisdiction of these courts.³⁰ This idea gained ground and formed part of the 2007 recommendations for the improvement of IP protection to be considered by the Parliament.³¹ In particular, as the result of the Parliamentary hearings, it was decided to look at the possibility of transferring IP disputes to the jurisdiction of the commercial courts due to the higher level of IP expertise of the commercial court judges.³² As will be seen from the following sections, this has eventually resulted in the establishment of the IP Court within the system of the commercial courts, as well as the development of the IP Court's procedural rules within the general rules of the Commercial Procedural Code applied by the commercial courts.

As a consequence, over the last decade the discussion on how to improve the quality of IP disputes can be resolved into two main choices: the establishment of a separate IP court or the introduction of IP chambers within the local and appellate courts. Eventually, the first, namely the establishment of a separate IP court, was adopted.³³

1.2. Judicial reform in Ukraine and the establishment of the IP Court

As was noted earlier, there has been an understanding that the entire Ukrainian judicial system needs further extensive reforms. The first substantial reform in this area was undertaken in 2010-2013 and included the creation of an additional instance between the appellate courts and the Supreme Court of Ukraine in the form of three specialised high courts (administrative, commercial, and civil and criminal). This reform thus created a four-tier court system, as well as significantly curtailed the Supreme Court's juridical power.

In 2014, the President of Ukraine established a council on judicial reform. Its main task has been to develop a judicial reform strategy, which would strengthen the independence of the courts, as well as increase public trust in the Ukrainian judicial system. A significant step towards such a reform was the adoption of the Law 'On Ensuring the Right to a Fair Trial', which came into force on 29th March 2015.³⁴ This law introduced certain changes to the structure of the Ukrainian judicial system as well as several procedural codes. Further, on 20th May 2015, the Presidential decree outlined the strategy for this judicial reform.³⁵ On 2nd June 2016 the Parliament of Ukraine adopted two laws which set in train the current judicial reform. The first introduced changes to the provisions related to justice within the Constitution of Ukraine.³⁶ The second law, namely the Law 'On the Judicial System and the Status of Judges' (**the Law on the Judicial System**), amended the judicial system itself.³⁷ These laws began a root and branch transformation of the Ukrainian judicial system and the administration of justice generally.

The new Law on the Judicial System is a major overhaul of Ukraine's judiciary. It replaces the four-tier court system with a three-tier one. It also introduces major changes to the structure and jurisdiction of the Supreme Court of Ukraine, and creates two new specialised courts, including the IP Court. The latter, under the Law on the Judicial System, was to be established within 12 months of the date when the Law came into force, i.e. September 2017. However, although the IP Court has been formally established, it is not yet operational.³⁸

²⁷ Order of the High Commercial Court 'On the Establishment of the Judicial Chambers in the High Commercial Court of Ukraine' (N 18, 7 February 2003) <<http://zakon5.rada.gov.ua/laws/show/v0018600-03>> (accessed 23 September 2020).

²⁸ Y. Neclesa, 'Problems of Realisation of the Patent Justice in Ukraine' (2018) 3 Comparative-analytical law 115 (http://pap.in.ua/3_2018/32.pdf) (accessed 23 September 2020).

²⁹ For example, in 2016, out of 997 IP related lawsuits 647 were filed with commercial courts. See Nina Kucheruk, 'IP High court: Who? When? Where?' (18 October 2017) Yurydychna Gazeta <<http://yur-gazeta.com/publications/practice/sudova-praktika/vishchiiy-ipsud-hto-de-koli.html>> (accessed 23 September 2020).

³⁰ Neclesa (n 28).

³¹ Decree 'On the Recommendations to the Parliamentary hearings "Protection of intellectual property in Ukraine: problems of legislative framework and its enforcement"' (n 22).

³² *ibid* recommendation 3. The allocation of IP cases within the jurisdiction of the commercial courts was also actively discussed by the legal community. See e.g. the discussion during the round table 'Patent Court: pros and cons' held on 27 October 2015 by the Ukrainian Bar Association <<http://vgsu.arbitr.gov.ua/news/1851/>> (accessed 23 September 2020).

³³ While the legal community had diverse views as to whether the creation of a separate IP court was justified, and whether the establishment of a more in-depth specialisation within the current judicial system was the optimal means of facilitating this, the majority of IP professionals, academics and members of the Parliament supported the creation of a court. See e.g. Pashkovska (n 20).

³⁴ Law of Ukraine 'On Ensuring the Right to a Fair Trial' (№ 192-VIII, 12 February 2015) <<http://zakon2.rada.gov.ua/laws/show/192-19>> (accessed 23 September 2020).

³⁵ Decree of the President of Ukraine 'On the Strategy to Reform the Judicial System and Related Legal Institutions in 2015-2020' (№ 276/2015, 20 May 2015) <<http://zakon3.rada.gov.ua/laws/show/276/2015>> (accessed 23 September 2020).

³⁶ Law of Ukraine, 'On the Amendments to the Constitution of Ukraine (Regarding Justice)' (№ 1401-VIII, 2 June 2016) <<http://zakon3.rada.gov.ua/laws/show/1401-19>> (accessed 23 September 2020).

³⁷ Law of Ukraine 'On the System of Justice and the Status of Judges' (№ 1402-VIII, 2 June 2016) <<http://zakon3.rada.gov.ua/laws/show/1402-19>> (hereinafter referred to '**the Law on the Judicial System**').

³⁸ Article 15 of Section XII 'Final and Transitional Provisions' of the Law On the Judicial System.

II. THE FINAL RECOMMENDATIONS

2.1. Recommendations on the establishment and effective functioning of the IP Court

The Ukrainian Report identifies several provisions in Ukrainian Law on the establishment of the IP Court that may affect its effective functioning. This section provides recommendations concerned with the improvement of the setup of the IP Court based on best practices in the leading IP jurisdictions analysed in the Comparative Study.

2.1.1. Recommendations on the structure of the IP Court

According to the Law on the Judicial System, the IP Court will act as a first instance court, hearing specific categories of cases that fall within its jurisdiction.³⁹ The Law also states that the Appellate Chamber of the IP Court will be created within the Court.⁴⁰ This means that, unlike other appellate courts in Ukraine, the appellate instance will be created as part of a single court with the first instance rather than as a separate appellate court. Hence, the new IP Court will operate as the court of the first and second (appellate) instances.⁴¹ While a clear separation between the first instance and the Appellate Chamber, as well as independent performance of their functions, are expected, the creation of the two judicial instances within one court may raise concerns as to the impartiality and independent review of the first instance judges' decisions by the Appellate Chamber judges. Specifically, such a structure may be viewed, alongside certain other factors, to be in contravention of the right to a fair trial guaranteed by Article 7(1) of the Law on the Judicial System,⁴² which corresponds to the right to an independent and impartial tribunal guaranteed under Article 6 of the Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR).⁴³

This, in turn, may result in an increased number of challenges by the parties arguing the violation of the rights to a fair trial and impartiality and independence of judges, requesting the removal of such judges or setting aside their decisions. This may have a negative effect on the efficiency of court proceedings.

Our analysis of the structures of the specialised IP courts and the courts that are competent to hear IP cases⁴⁴ reveals that, in the majority of the selected jurisdictions,⁴⁵ separate appellate courts hear appeals on the decisions of courts of first instance.⁴⁶ Such a separation of courts of first and appellate instances in all these jurisdictions safeguards and ensures the right of the parties to a fair trial by an independent and impartial tribunal. The fact that appellate judges sit in different buildings, and in some jurisdictions in different cities, further ensures the impartiality and independence of appellate judges.⁴⁷

³⁹ Article 31(2) of the Law on the Judicial System.

⁴⁰ Article 31(4) of the Law on the Judicial System. See also Article 25(3) CPC.

⁴¹ It must be noted that another specialised and newly established Ukrainian Anticorruption Court has the same structure, as the new IP Court. See Article 31(4) of the Law on the Judicial System.

⁴² According to Article 7(1) of the Law on the Judicial System '[e]veryone is guaranteed the protection of his rights, freedoms and interests within a reasonable time by an independent, impartial and fair tribunal established by law'.

⁴³ The right to an independent and impartial tribunal is protected under Article 6 of the Convention for the Protection of Human Rights and Fundamental Freedoms. According to the jurisprudence of the European Court of Human Rights (ECtHR), 'impartiality must be assessed both by means of a subjective test [...], and by means of an objective test, which consists of ascertaining whether the judge offered guarantees sufficient to exclude any legitimate doubt in this respect' (Judgment of the ECtHR of 17.06.2003 in *Pescador Valero v. Spain*, no 62435/00). The objective test takes into account the 'appearance' surrounding the adjudication process, in accordance with the adage 'justice must be seen to be done' (Council of Europe, Guide to Article 6 of the European Convention on Human Rights. Right to fair trial (civil limb), 2019, p 49, available at <https://www.echr.coe.int/Documents/Guide_Art_6_ENG.pdf>, accessed 23 September 2020). When carrying out the objective test in relation to a judge reviewing a judgment of a first instance court, the ECtHR will take into account a variety of factors, including the character of relationship between the judge that issued the decision in question and the judge that reviewed it, as well as whether the judges shared substantial information about the case (Judgment of the ECtHR of 19.05.2005, no 63151, case of *Steck-Risch and others v. Liechtenstein*). Whereas the fact of sharing an office or being work colleagues does not amount, as such, to a violation of the Convention, if it results in the creation of appearance of a non-professional environment within a court, which could compromise the objectively understood impartiality of the court, it may constitute one of the grounds for the application to the ECtHR.

⁴⁴ Both types of courts, i.e. the specialised IP courts and the courts that are competent to hear IP cases, will be referred to in this report as 'the specialised IP courts'.

⁴⁵ An exception to this general rule can be found in the UK, where certain appeals are filed within the same court of first instance. In general, all appeals against the judgments of the specialised IP courts (i.e. the Patents Court, the IPEC in multi-track claims and the general Chancery Division of the High Court) are generally brought to the Court of Appeal. However, appeals against the decisions of a district judge in the IPEC small claims track must be brought to an enterprise judge, i.e. a judge of the IPEC multi-track. Nevertheless, these two levels of the IPEC are kept separate. Specifically, jurisdiction of the district and enterprise judges are clearly defined. Moreover, they sit in different buildings: the enterprise judges hear cases in the Rolls Building in London, while the small claims track cases are heard in the Thomas More Building in London. For more detail see Part II, Section 2.1 of the Comparative Study.

⁴⁶ See Parts IV and V, Sections 1.1 and 2.2 of the Comparative Study (e.g., in France, appeals against the decisions of the Paris tribunal that has exclusive jurisdiction to hear certain IP cases are heard by the Paris Court of Appeal. Similarly, the Court of Appeal in The Hague reviews the decisions of the District Court of The Hague that has exclusive jurisdiction over certain IP disputes. In Germany, the Federal Court of Justice of Germany reviews the decision of the Federal Patent Court).

⁴⁷ See Part IV, Section 1.3. of the Comparative Study.

Nevertheless, a two-instances structure of a court may be found within the European judiciary. For instance, the Court of Justice of the European Union comprises of the General Court and the Court of Justice.⁴⁸ Appeals against the decisions of the General Court are considered by the Court of Justice.

Therefore, while the current two-instance structure of the IP Court does not contradict the principles of judicial independence and impartiality as such, we believe that special care must be exercised, and measures must be introduced to guarantee impartiality and fair trial. Therefore, we recommend considering additional safeguards to ensure that the process of reviewing the decisions of the first instance by the appellate IP judges complies with the highest standards of the principles of independence and impartiality, as well as preventing the hindrance of the proceedings based on claims alleging violations of these principles. This may be achieved, *inter alia*, by separating the two instances of the IP Court and accommodating them in different buildings.⁴⁹ We believe that this Recommendation will contribute to the effective functioning of the IP Court ensuring the impartial and independent review of the first instance decisions at the IP Court.

2.1.2. Recommendations on the selection criteria of IP judges

2.1.2.1. Recommendation on the selection criteria for judges at the Appellate Chamber

The Law on the Judicial System provides for the same selection criteria for IP judges both the first and appellate instances.⁵⁰ Specifically, the Law provides that the Appellate Chamber created within the IP Court will consist of the judges selected to the IP Court under the same selection process and according to the same qualification criteria as those appointed as the first instance judges.⁵¹ At the same time, Article 28 of the Law establishes more rigorous selection criteria for judges of appellate courts than for judges of first instance courts concerning all types of courts other than the IP Court. The rationale for higher selection criteria in terms of experience for appellate judges stems from the fact that they are entrusted with a more difficult task, i.e. the revision of a dispute and evaluation of conclusions made by first instance judges. However, as mentioned, the current selection criteria for the appellate IP judges are identical to the selection criteria for the first instance IP judges,⁵² i.e. the requirements established for those candidates who previously did not act as judges and thus will perform this role for the first time. Having different selection criteria for the judges of the Appellate Chamber of the IP Court and the judges of other appellate courts raises concerns as to the consistency within the provisions of the Law on the Judicial System and the likelihood of achieving one of the objectives of setting up the IP Court in the first place - the establishment of a coherent high-level jurisprudence on IP matters.⁵³

The analysis of the selected jurisdictions shows that the requirements for judges in higher instance courts are typically more rigorous than for judges in lower instance courts.⁵⁴

Therefore, we recommend adjusting the selection criteria for the appellate IP judges by establishing more rigorous requirements in line with the general selection criteria set for appellate judges in order to bring them in conformity with the provisions of the Law on the Judicial System. We believe that the implementation of this Recommendation will improve the quality of judicial review at the IP Court.

⁴⁸ European Union, 'Court of Justice of the European Union' <https://europa.eu/european-union/about-eu/institutions-bodies/court-justice_en> (accessed 23 September 2020).

⁴⁹ It would be also sensible to observe the development of the two-level structure of the Anticorruption Court, in order to identify other possible areas of risk

⁵⁰ Article 33 of the Law on the Judicial System.

⁵¹ Article 33 of the Law on the Judicial System.

⁵² Article 69(1) of the Law on the Judicial System.

⁵³ Article 28 of the Law on the Judicial System.

⁵⁴ See Parts I and II, Sections 1.2. of the Comparative Study (e.g., in the US, when evaluating professional qualifications of a judge nominee the requirements are stricter for the higher courts comparing to the lower courts. This especially concerns the Supreme Court nominees. Likewise, in the UK, both formal and informal selection criteria are stricter for judge-candidates to the higher-level courts. Similar approach is taken in other jurisdictions analysed in the Comparative Study).

2.1.2.2. Recommendation on the specific selection criteria for IP judges

According to the Law on the Judicial System, the following candidates may apply to become an IP Court judge: judges, attorneys-at-law and patent attorneys. However, while the requirements for IP professionals such as patent attorneys and attorneys-at-law are quite strict and require at least five years of IP practice with sufficient evidence of such experience,⁵⁵ the threshold for judges is set at a minimum level, i.e. three years of being a judge with no requirement of adjudicating IP cases. The rationale for such different requirements in relation to each category of candidate is unclear. While under the current criteria, candidates such as patent attorneys and attorneys-at-law will possess IP experience, it could be that judge candidates do not have any IP experience at all.⁵⁶ Furthermore, the Law contains no requirements that an IP judge must possess a science-based background nor that at least one judge of a three-judge panel must have such a background.⁵⁷ For some types of disputes that involve technical issues, for example, those relating to pharmaceutical or computer-implemented inventions, a scientific background may be beneficial to fully comprehend the complexity of such disputes. Consequently, a shortage of technically qualified IP judges at both instances may affect the composition of judicial panels for adjudicating technical IP disputes. Therefore, the current selection criteria may result in some of the IP judges lacking sufficient knowledge in IP and/or relevant technical background for the adjudication of complex IP disputes.

The leading IP jurisdictions analysed in the Comparative Study approach the selection criteria of IP judges differently. While the law in those jurisdictions contains no specific criteria on the IP-related knowledge that a candidate for the position of an IP judge must possess, the informal selection criteria take into account their IP experience. As a result, IP judges in all these jurisdictions have considerable knowledge of IP law.⁵⁸ In some jurisdictions, IP judges also have a technical or scientific background.⁵⁹ Such an in-depth IP knowledge enjoyed by IP judges in the mature IP jurisdictions, which, in some jurisdictions, is also supplemented with a technical/scientific background, ensures that IP adjudication in these jurisdictions is of high quality. Additionally, in some jurisdictions the judges are assisted by a special type of court advisors whose role is to explain the technical details of the case to the judge.⁶⁰

Based on the analysis of the selected jurisdictions, we believe that it is important to establish a general requirement of possessing an adequate knowledge in the field of IP for all IP candidates that would ensure that the IP Court comprises of experienced IP judges who will deliver high quality IP adjudication. However, while it would be desirable to have highly experienced IP jurists appointed to the IP Court, in practice it is likely to prove difficult to recruit a sufficient number of such individuals. One of the reasons is that once the IP Court commences its operation and assumes its exclusive jurisdiction over IP disputes, there will be no judges outside of the IP Court, who will consider IP cases and thus judges from other types of courts (such as civil, commercial and administrative) will be unable to meet the mandatory requirement of possessing an IP experience. Furthermore, due to the fact that most of IP cases are concentrated in Kyiv, a lot of experienced lawyers from other regions are not able to practice IP and thus are unable to meet the current requirements of IP experience set in the Law on the Judicial System.⁶¹ Therefore, considering the

⁵⁵ The Law, however, does not specify the type of evidence that may be used to confirm such experience. For example, how many IP cases an attorney should have been involved in, whether the results of these cases are important (the statistics of successful and unsuccessful cases), etc.

⁵⁶ This specific concern was raised by some of the respondents. Explicitly, it was emphasised that the majority of candidates, who are taking part in the selection process to the new IP Court, are judges with no knowledge and experience of IP and that this may result in an even lower quality of IP adjudication than it was before the creation of the IP Court. In addition, the Law does not include such category of candidates as IP academics, although they are entitled to take part in the selection process to the new Supreme Court of Ukraine and are also able to apply for the position of an appellate judge; again the rationale for the divergence in the requirements is unclear (see Article 28 of the Law on the Judicial System). Some of the respondents also mentioned that it would be beneficial to add such categories of candidates as IP lawyers, who are not qualified as attorneys-at-law, as well as court experts with IP experience.

⁵⁷ Democracy Reporting International 'Ukraine's new Intellectual Property High Court: implications for the justice system' (May 29, 2018) <https://democracy-reporting.org/dri_publications/briefing-paper-ukraines-new-high-intellectual-property-court-implications-for-the-justice-system> (accessed 23 September 2020).

⁵⁸ See Parts I and V, Section 1.2. of the Comparative Study (e.g., the majority of the judges of the Court of Appeal for the Federal Circuit ('CAFC') have significant IP background. Likewise, in the Netherlands, most of the IP judges have prior experience of practice as IP/patent litigators or as patent attorneys).

⁵⁹ See Part II, Section 1.2. of the Comparative Study (e.g., in the UK most of the IP judges in the first instance of the specialised IP courts, as well as judges in the Court of Appeal who hear IP cases, have technical/scientific background. In Germany, a unique feature of the Federal Patent Court is that its judges include not only lawyers with IP expertise, but also natural scientists, referred to as 'technical' judges, who sit on all patent cases. As a result, out of the overall number of 102 judges, 55 judges possess life science or technical knowledge (Bundespatentgericht, <https://www.bundespatentgericht.de/DE/dasGericht/Organisation/organisation_node.html>) (accessed 23 September 2020).

⁶⁰ For example, in the UK, the judges may take advantage of the so-called 'assessors' who have expertise in a relevant technical field or, in the Patents Court, 'scientific advisors' who help the court understand the technical aspects of the case (for more information see Part II, Section 2.3 of the Comparative Study).

⁶¹ These concerns were also raised by a number of participants during our presentations of the Preliminary Recommendations in Kyiv, Kharkiv and Lviv in October 2019.

current state of IP specialisation in Ukraine and the fact that it may be difficult to attract a sufficient number of IP experts, eligible candidates may also include judges and lawyers who, while they may not have an extensive IP experience, nevertheless are highly qualified. For example, judges with more than 15 years of judicial experience and lawyers with more than 20 years of experience in litigation may be considered as suitable candidates. This will allow increasing the pool of experts who may qualify to become an IP judge. An additional benefit of this approach is that this may avoid a traditional criticism of specialised IP courts that such courts are prone to develop a 'tunnel vision', i.e. that they may become too narrow in their focus and may place a too much importance on the IP dimension of the litigation at hand, while not giving enough consideration to other aspects such as e.g. contract and competition law in transactional disputes.⁶² Having some judges with the generalist approach may help to avoid this problem.

Based on the analysis of the approaches taken in the leading IP jurisdictions, as well as having regard to the realities of the current IP specialisation in Ukraine, we recommend amending the selection criteria for IP judges.

- 1) First, we recommend that uniform selection criteria are established for all candidates for the position of an IP judge, requiring the possession of substantial knowledge and experience in the field of IP**
- 2) Second, we recommend reserving the possibility of appointing judges and lawyers who, while they may not have an extensive IP experience, nevertheless are highly qualified; for example, judges with more than 15 years of judicial experience and lawyers with more than 20 years of experience in litigation.**
- 3) Third, following the UK model, we recommend establishing the institution of 'scientific advisors', who may be appointed by the IP judges to assist them in understanding technical issues.**
- 4) Fourth, we recommend considering the possibility of reserving certain number of posts for IP judges with a relevant technical or scientific background.**

We believe that the introduction of the requirement of an in-depth knowledge in the field of IP for all IP judges along with establishing the institute of 'scientific advisors', as well as the possibility of appointing judges who themselves possess technical/scientific background to consider technically complex IP disputes will enable the new IP Court to deliver effective and high-quality IP adjudication. Moreover, the possibility of appointing highly qualified judges and lawyers as IP judges may broaden the pool of candidates for the IP Court, as well as may help to avoid a narrow focus of the Court.

We would like to highlight that the Recommendations regarding the revision of the general and specific criteria for IP judges are developed with the objective of improving future selections to the IP Court, which will be held after the current selection process is completed. These Recommendations are not aimed at amending the current selection process and may not be applied to the candidates that are already taking part in this selection process.

⁶² Zimmer (n 5) 3-4; de Werra (n 5) 26.

2.1.3. Recommendation on the location of the IP Court

The decision to locate the IP Court in Kyiv casts doubt on the effective access to justice.⁶³ Particularly, this location may cause difficulties in accessing the IP Court for the majority of Ukrainian citizens from other regions of Ukraine. While some argue that this could be resolved by holding proceedings via videoconferences,⁶⁴ others contend that, in practice, courts often refuse to conduct such videoconferences and generally require the parties to attend hearings in person.⁶⁵ In addition, in some cases, the quality of such videoconferences is very low.⁶⁶ Some also argue that the option of videoconferences will not resolve the problem of access to justice, because the new CPC provides the 'right' and not the 'obligation' of the court to conduct court hearings via videoconferences. As a result, such video conferencing is at the discretion of the court, thereby potentially reducing access. A party may be required to argue why the proceedings should be conducted in that manner, while the other party may object. Finally, videoconferencing may only be used in a specially equipped venue of the court. The number of such venues remains limited. In order to address these difficulties and to improve access to the court system, certain solutions have been already put in motion. Specifically, under a recently developed judicial practice, parties may indicate several courts as potential venues for conducting videoconferencing. This has enhanced the chances of the parties to conduct the proceedings via videoconferencing, because one of these court venues would usually be available.⁶⁷ In addition, as a general rule, the new CPC allows the parties to participate in the proceedings by means of videoconferencing outside of the courts' venues, however, the application of this provision will only be possible after the Unified Court Information and Telecommunication System Act is implemented.⁶⁸ While these developments may enhance the effectiveness of conducting hearings via videoconferencing, and, in turn, may improve access to the IP Court, the system requires further improvement, by, inter alia, introducing the obligation of the court to conduct hearings via videoconferencing if the party demonstrates sufficient grounds, and continuous development of the videoconferencing infrastructure.

The approaches taken in the selected jurisdictions provide some good examples of how access to justice can be ensured. In particular, those jurisdictions that have a specialised IP court (as opposed to those jurisdictions that have allocated an exclusive competence to hear IP cases to non-specialised courts) allow conducting hearings in various locations outside of the court, which increases access to justice for the litigants.⁶⁹ In particular, with respect to conducting hearings outside of a regular venue of an IP court our study identified several approaches. On the one hand, in some jurisdictions IP court judges travel to a location either chosen ad hoc by the court in accordance with the statutory requirements,⁷⁰ or to a specifically designated location, such as a regional division of the IP court.⁷¹ On the other hand, IP cases may be heard at a regional division of an IP court by specially designated judges based at that regional division.⁷²

⁶³ Decree of the President of Ukraine, 'On the Establishment of the High Court on Intellectual Property' (№ 299/2017, 29 September 2017) <<http://zakon2.rada.gov.ua/laws/show/299/2017>> (accessed 23 September 2020).

⁶⁴ Democracy Reporting International (n 57).

⁶⁵ S. Popynachenko, 'The IP High Court: advantages and problematic aspects of its creation' (2018) Prospective directions of scientific thoughts 42; Nina Kucheruk, 'IP High court: Who? When? Where?' Yurydychna Gazeta <<http://yur-gazeta.com/publications/practice/sudova-praktika/vishchiiy-ipsud-hto-de-koli.html>> (accessed 23 September 2020).

⁶⁶ Popynachenko (n 65) 42.

⁶⁷ E.g. see judgment of the Odesa Commercial Court of Appeal of 06 April 2018. Case No. 916/5227/14. <<http://reyestr.court.gov.ua/Review/73247312>> (accessed 23 September 2020).

⁶⁸ Article 197(3) of the CPC. As was mentioned, this provision cannot be applied at the moment, as it depends on the implementation of the Unified Court Information and Telecommunication System Act, which has not been adopted yet. On 13 August 2020, a draft law 'On the amendments to certain legislative acts regarding the phased implementation of the Unified Court Information and Telecommunication System' was registered with the Parliament of Ukraine (the registration number 3985). As of the time of writing, this draft has not been considered by the Parliament. <http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=69679>. In addition, in March 2020, Article 197 CPC was supplemented with the provision that allows to conduct the hearings via videoconferencing outside of the court premises during the COVID-19 pandemic without the use of the Unified Court Information and Telecommunication System. While such changes have improved the possibility of the remote participation in the court hearings, this provision will cease to operate after the end of the lockdown.

⁶⁹ See Parts I and II, Section 1.3. of the Comparative Study (e.g. in the US, while the CAFC is located in Washington, D.C., it is also authorised to sit in other cities throughout the US in order to satisfy the needs of the litigants. These sessions can be held in various venues such as state courthouses and law schools. Similarly, in the UK, while all the specialised IP courts are situated in London, they operate under the umbrella name 'the Business and Property Courts', which includes the main London office and regional offices in the six cities (Manchester, Birmingham, Leeds, Cardiff, Newcastle, and Bristol). Therefore, while typically it is the London office that deals with the majority of IP claims at all stages of the proceedings, the district registries may also conduct case management and trial if an appropriate judge is available.

⁷⁰ See Part I, Section 1.3 of the Comparative Study (In the US, the CAFC judges may travel to consider a case outside of the Court's regular venue in Washington D.C. The decision to hold hearings outside Washington D.C. is made by the CAFC with 'a view to securing reasonable opportunity to citizens to appear before the court with as little inconvenience and expense to citizens as is practicable' (28 U.S. Code § 48(d).) Thus, it is for the CAFC to designate a location for an outside-of-Washington hearing. The list of possible areas where a hearing could take place is limited to those indicated in 28 U.S. Code § 48, which include such venues as a courthouse or a law school. For instance, in April 2019, one of the sessions of the court was held in Minneapolis-Saint Paul area law schools and the federal courthouse).

⁷¹ See Part II, Section 1.3 of the Comparative Study (In the UK, IP disputes considered outside of the regular venues of the Intellectual Property Enterprise Court ('IPEC'), the Patents Court or the general Chancery Division are dealt with by the judges of these courts who travel to one of the six Business and Property Court district registries. There are, however, exceptions in relation to the small claims track which are explained below).

⁷² See Part II, Sections 1.3 and 2.1 of the Comparative Study (In the UK IPEC, IP cases allocated to the small claims track, as well as certain procedural matters (allocation of cases and the enforcement of financial issues), can be dealt with by district judges based in one of the six Business and Property Court district registries located outside of London).

Other jurisdictions, notably those that have no specialised IP courts, have allocated an exclusive jurisdiction to hear certain types of IP cases to a number of first instance courts. They have thereby increased the number of courts that can decide on IP disputes, as well as the number of locations in which such hearings are available.⁷³ In addition, as will be seen further, in some jurisdictions, certain measures, such as a preliminary injunctive relief, can be filed with a court other than the specialised IP court that has jurisdiction to hear the main lawsuit. This measure increases both the number of courts that are competent to consider IP-related matters in urgent circumstances, as well as the number of locations where such measures may be requested.⁷⁴

Since the current practice of using videoconferencing in litigation proceedings in Ukraine has produced some positive results in improving access to courts, the system must continue to develop in order to achieve an optimal outcome. However, taking into account best practices in the selected jurisdictions, we believe that the mechanism of videoconferencing on its own will not be able to solve the problem of an effective access to the IP Court. Whereas videoconferences constitute an important factor in making the judiciary more accessible, in certain circumstances this tool may prove less practical, especially in cases that involve a large number of parties or representatives and/or a considerable amount of evidence. This problem may exacerbate with the increased number of litigations, which will likely to occur after the creation of the IP Court. Therefore, in order to enhance access to the IP Court the continuous development of the videoconferencing system may be supplemented by the possibility of holding hearing of the IP Court outside of Kyiv. This could take two forms. Firstly, the IP Court may conduct trials ad hoc in the premises of civil or commercial courts, with the IP judges travelling to a particular location should the need arise. Secondly, permanent regional divisions of the IP Court could be established either within the premises of local commercial courts or in separate buildings. Whichever solution is finally deemed more appropriate, the conduct of hearings outside of Kyiv may be contingent on the party satisfying the court that: 1) there is a 'regional connection' with the city in question; 2) the conduct of hearings via videoconferencing is impractical because of, e.g. the number of litigants or the amount of evidence.⁷⁵ As regards the composition of court at the regional divisions, they may be formed of either the judges of the IP Court, who will be traveling to the regional divisions to consider a case allocated to such judges based on the general rules of case allocation or of the specially appointed judges that will be based at these regional divisions permanently. The choice of the most appropriate solution may be made in accordance with the amount of litigation in general and in the respective districts.

Based on these findings, we recommend amending the provisions related to the location of hearings:

- 1) First, to enhance access to justice, we recommend establishing the obligation of the IP Court to conduct court hearings via videoconferences if a party has demonstrated sufficient grounds.**
- 2) Second, in the future, in order to enhance access to the IP Court, we recommend making available hearings outside of Kyiv, e.g. in Odessa, Lviv, Dnipropetrovsk, and Kharkiv. This could take two forms: 1) the IP Court conducting ad hoc hearings in the premises of civil or commercial courts in these cities, or 2) the creation of regional divisions of the IP Court based in the cities on a permanent basis, either within the premises of local commercial courts or in separate buildings. Such hearings outside of Kyiv may only be allowed where it is proved that: 1) there is a 'regional connection' with the city in question; and 2) hearings via videoconferencing is impractical because of, e.g. the number of litigants or the amount of evidence.**
- 3) Should the regional divisions of the IP Court be established, we recommend that the cases at these regional divisions be heard either by the IP Court judges who will travel to such regional divisions to consider a case or by judges who will be appointed to these regional divisions on a permanent basis.**

We believe that the implementation of these Recommendations will improve litigants' access to justice.

⁷³ See Parts III-V, Section 1.3. of the Comparative Study (these are Germany, France and the Netherlands).

⁷⁴ See Parts III and V, Section 2.4.2. of the Comparative Study.

⁷⁵ See Part II, Section 1.3. of the Comparative Study (e.g. in the UK, a case can be managed or heard in any of the regional offices if there is a 'regional connection' to the region at stake, such as, for example, if one or more of the parties has an address or registered office in the area; one or more witnesses are in the area or the location of the dispute is in the area (JudiciaryUK, 'The Business and Property Courts in Leeds' (JudiciaryUK, 6 December 2017) <<https://www.judiciary.uk/wp-content/uploads/2017/12/leeds-bpc-brochure-20171211.pdf>> (accessed 23 September 2020)).

2.1.4. Recommendations on the number of judges

The number of judges in the IP Court will be 21 at the first instance⁷⁶ and nine at the Appellate Chamber.⁷⁷ The current number of IP judges has raised doubts as to whether this number of the IP judges will be sufficient to ensure an effective and speedy judicial process.⁷⁸ According to the Ukrainian Unified States Register of Court Decisions, between 2006-2015, the total amount of IP cases considered by commercial, civil and administrative courts was 18,104.⁷⁹ Considering that the IP judges will hear cases in panels of three, amounting to seven panels in the first instance and three panels in the Appellate Chamber, this casts doubt on the ability of the IP Court to perform its judicial functions in an effective and timely manner. For illustration, it has been suggested that in 2016 the total amount of IP disputes filed with the first instance courts was 997 (647 of which were filed with the commercial courts and 350 with the civil courts).⁸⁰ If the IP Court is to consider this amount of cases a year, this means it will need to resolve approximately 83 cases in the first instance each month. With the current number of panels, this will result in three cases to be resolved by each panel per week. It appears that the current number of panels will have difficulty to efficiently adjudicate the projected caseload on time.

In general, the number of IP judges in the analysed jurisdictions is higher.⁸¹ This is especially true in jurisdictions with no specialised IP courts, in which the burden of a large number of IP disputes is shared between a number of designated courts.⁸² As will be discussed further, additional measures have been implemented in the selected jurisdictions, which improve the effectiveness of IP adjudication, e.g. some cases can be decided by a single judge rather than a panel of three judges.⁸³

Therefore, in order to ensure the efficient adjudication of IP disputes by the IP Court in Ukraine:

- 1) First, we recommend increasing the number of judges. Specifically, we recommend adding at least two more panels for the first instance of the IP Court,⁸⁴ and one more panel for the Appellate Chamber.**
- 2) Second, we recommend implementing alternative mechanisms, such as allowing a single judge to consider certain matters, rather than a panel of three (this Recommendation will be discussed in further detail below).**

We believe that the implementation of these Recommendations will ensure that the IP Court adjudicates IP matters in an effective and timely manner.

⁷⁶ Order of the State Court Administration of Ukraine 'On the Establishment of the Quantity of Judges in the IP High Court' <https://dsa.court.gov.ua/userfiles/file/DSA/DSA_2017_all_docs/17ordersmarch/N_929.pdf> (accessed 23 September 2020), approved by the Decision of the High Judicial Council (№ 3065/0/15-17, 30 September 2017).

⁷⁷ Upon the Petition by Head of the State Judicial Administration of Ukraine (№ 8-13462/1820, July 2018).

⁷⁸ T. Shtefurko, 'Who will protect the authors' rights? Advantages and Disadvantages of an 'Intellectual' Court' (2017) ZIK <https://zik.ua/news/2017/11/13/hto_zahystyt_avtorski_prava_plyusy_i_minusy_intelektualnogo_sudu_1204385> (accessed 23 September 2020).

⁷⁹ O. Orlyuk, 'IP Protection in the context of Euro integration' (2016) 58-74; Popynachenko (n 65) 41.

⁸⁰ Kucheruk (n 65). According to a more recent court statistic on IP litigation, in 2017 the number of IP disputes at the commercial courts was the following: 816 proceedings out of which 535 were decided, while at the civil courts – 477 proceedings out of which 206 were decided. In 2018, the commercial courts commenced 722 proceedings in IP cases out of which 454 were decided, while the civil courts had 460 IP proceedings out of which 200 were decided (see the court analytical data <https://court.gov.ua/inshe/sudova_statystyka/analit_tabl_2018> (accessed 23 September 2020). While there could be observed a slight decrease in the number of IP cases in the last two years as compared to e.g. 2016, it is expected that with the establishment of the IP Court and the commencement of its operation the number of IP disputes will increase significantly.

⁸¹ See Part II, Section 1.3. of the Comparative Study (e.g., in the UK, the High Court comprises 15 specialised IP judges; four judges sit in the IPEC, and six judges in the Patents Courts. The UK Court of Appeal consists of 42 judges).

⁸² See Part III, Section 1.3. of the Comparative Study (e.g., in Germany, the number of judges, who deal with IP disputes in the regional courts varies, for example, while in Düsseldorf there are 11 judges who deal with patent and utility model disputes and four judges for copyright disputes, in Mannheim six judges deal with IP disputes. The Federal Patent Court currently employs 102 judges).

⁸³ See Sections 2.1. and 2.4.1. of the Comparative Study.

⁸⁴ This Recommendation is closely related to the Recommendation concerning the composition of the IP Court (see Section 2.2.1.). With respect to the latter, we recommend, as a default option, that cases in the first instance may be considered by a single judge rather than by a panel of three judges (as it is currently the case). The implementation of the Recommendation about a single judge may unburden the first instance of the IP Court and thus may make the increase of the number of judges in that instance less urgent. Such changes, however, will not affect the Recommendations regarding the Appellate Chamber of the IP Court, where cases will be considered by the panel of three judges. Article 33(1) CPC.

2.2. Recommendations regarding certain provisions of the rules of procedure

In the Ukrainian Report, we have identified several provisions in the Commercial Procedural Code (the ‘CPC’) that may affect the effective IP adjudication process, and thus require clarification and/or adjustment. In this section, we provide recommendations on how the judicial process of the IP Court may be improved based on best practices in the mature IP jurisdictions analysed in the Comparative Study.

2.2.1. Recommendations on the collegial consideration of IP cases in the IP Court

As a general rule, in Ukraine, cases in the commercial courts of first instance are considered by a single judge.⁸⁵ In exceptional circumstances, a commercial dispute can be considered by a panel of three judges depending on a category and complexity of the case.⁸⁶ However, while the IP Court will consider cases under the rules of commercial procedure, the CPC provides that a panel of three judges will consider all IP cases in the first instance as a default option.⁸⁷ Such changes are aimed to improve the quality of adjudication in IP disputes. This change could create a significant backlog, as the currently envisaged 21 judges in the first instance would be able to hear a much lower number of cases if every hearing had to be conducted in a panel of three. In turn, this may affect the speed of court proceedings, thereby leading to a more time-consuming consideration of IP cases.⁸⁸ This, for example, may impact on the effectiveness of certain measures, which should be considered and resolved by the Court within a short time. For instance, such measures as preliminary injunctive relieves, especially in cases when such applications are filed with the IP Court before or simultaneously with a lawsuit, may be affected.

The composition of the court in the selected jurisdictions analysed in the Comparative Study varies. The analysis demonstrates that in the majority of the jurisdictions, IP disputes are considered by a single judge at first instance as the default option.⁸⁹ In some of these jurisdictions, however, there is a possibility to have the case heard by a three-judge panel in suitable circumstances, typically in more complex disputes.⁹⁰ In other jurisdictions the default is inverted to a three-judge panel, as is the case in Ukraine.⁹¹ In those jurisdictions, the option of having disputes that are legally and factually not complex heard by one judge is available in suitable circumstances.⁹² In some of them, parties may jointly request the court to transfer their dispute to a single judge.⁹³ Furthermore, in those jurisdictions where a panel of three judges decides IP disputes, preliminary measures may, nevertheless, be considered by a single judge, e.g., by the president of the court or the chair of the three-judge panel.⁹⁴ Alternatively, in some jurisdictions, the president of the court may appoint a ‘motions panel’ of three judges that can review motions filed before the main lawsuit is filed with the court.⁹⁵

⁸⁵ Article 33(1) CPC.

⁸⁶ The ‘complexity’ criterion is not defined in Article 33(1) CPC, i.e. the provision states that: ‘[a]ny dispute that falls within the jurisdiction of the court of first instance, depending on a category and complexity of the case, may be heard collectively by a panel of three judges, with the exception of cases dealt with in order and summary proceedings’. A similar approach is taken in the jurisprudence of the administrative courts under Articles 33(1) and 33(2) of the Code of Administrative Proceedings. In other types of proceedings, the law provides for collegial consideration by a panel of three judges, or by a panel formed of a judge and two jurors, only in specified circumstances. For example, in the civil procedure, the latter form of a panel deals with disputes concerning recognition that an individual is missing, declaration of death, adoption of a child, and with respect to a compulsory psychiatric intervention (Article 293(4) of the Civil Procedure Code). In criminal proceedings, (apart from cases considered by the Anticorruption Court) only two types of cases may be considered by a three-judge panel: 1) cases concerning offences subject to imprisonment for a period exceeding 10 years; and 2) cases concerning offences subject to life imprisonment (Article 31 of the Criminal Procedure Code).

⁸⁷ Articles 33(2) and 33(3) CPC. At the appellate instance, IP disputes will also be considered by a panel of three judges. At the cassation instance, the decisions of the lower courts will be reviewed by a panel consisting of an uneven number of judges, i.e. three or more. Under Article 33(11) CPC, it is also possible for a dispute to be considered by a larger panel. This may be required, for example, when a dispute is particularly complex.

⁸⁸ This issue was also raised by several respondents emphasising that the collegial consideration of IP cases at the first instance may complicate such cases logistically, as well as significantly extend the time for resolving a case.

⁸⁹ See Parts I, II, and V, Section 2.1. of the Comparative Study (e.g., in the US, the UK, the Netherlands and at the civil chambers of the regional courts in Germany (subject to certain exceptions), cases are heard by a single judge).

⁹⁰ See Parts III and V, Section 2.1. of the Comparative Study (e.g. German and Dutch law provides such a possibility. Note, however, that in Germany most courts will apply the exception, thus making the three-judge consideration a prevailing approach in practice; see also footnote 92).

⁹¹ See Part IV, Section 2.1. of the Comparative Study (e.g. in France).

⁹² See Parts III and IV, 2.1. of the Comparative Study (e.g., in Germany, if envisaged by a case allocation plan, regional courts review IP disputes in a three-judge panel. However, even if a dispute must be dealt with by a three-judge panel, the case may nonetheless still be transferred to a single judge when it is not characterised by any special factual or legal difficulty or if the legal aspects of the case do not constitute any fundamental significance. Similarly, in France, where IP disputes are generally heard by a three-judge panel at the tribunals, the president of the court or the president of the panel may delegate any matter to a single judge, provided that it would be appropriate for the case to be heard by a single judge).

⁹³ See Part III, Section 2.1. of the Comparative Study (e.g., at the commercial chambers of the regional courts in Germany, where IP disputes are usually heard by a three-judge panel, the parties may jointly authorise the president of a chamber to decide a case on the merits).

⁹⁴ See Part IV, Section 2.1. of the Comparative Study (e.g., in France, the presidents of the tribunals may decide on a preliminary injunctive relief in an *inter partes* proceeding, and in an *ex parte* proceeding in cases where the main proceedings have not yet commenced. Similarly, in Germany, in cases of urgency, the presidents of both civil and commercial chambers at the regional courts may decide on a preliminary injunctive relief).

⁹⁵ See Part I, Section 2.1. of the Comparative Study (This approach is taken in the US at the CAFC. Specifically, every month the CAFC chief judge appoints a ‘motions panel’ of three judges assigned on a rotating basis to review motions received during the prescribed month. These panels, in general, will hear those motions that are filed before the parties’ briefs have been delivered to the ‘merits panel’).

Based on these considerations, we recommend amending the provision of the CPC regarding the composition of courts:

- 1) First, we recommend that IP disputes at the first instance may be considered by a single judge as a default option. In certain cases, for example, due to the complexity of the case, the case may be referred to a panel of three judges. Specifically, once the judge is allocated a case, he/she then can decide on whether, due to the complexity of the case, it should be referred to a panel of judges. In this respect, it would be useful to develop guidance that would assist in defining the level of complexity of an IP dispute. The initial allocation of a case to a single judge, as well as the subsequent reallocation to a panel would be conducted by the automatic allocation system.
- 2) We recommend that the parties have the right to request the judge allocated to hear the dispute to transfer the case to a three-judge panel before or during the preparatory proceedings.
- 3) We recommend defining a list of procedural matters that can be resolved by a single judge in the circumstances where the case was allocated to a panel of three judges. For example, this may include the resolution of matters that require urgency, such as a preliminary injunctive relief.

2.2.2. Recommendations on the jurisdiction of the IP Court

In Ukraine, the jurisdiction of the IP Court under Article 20(2) CPC covers a wide scope of IP and unfair competition disputes. While the wording of this provision implies that the list of cases specified in the CPC is not exhaustive, cases which are not explicitly mentioned may risk being considered as falling under the jurisdiction of the courts that heard such cases prior to the enactment of the CPC. Moreover, some disputes are not included in Article 20(2) CPC. For certain types of disputes, this may create jurisdictional confusion.

It is worth noting that the analysis of the selected jurisdictions revealed that the allocation of IP disputes between the specialised IP courts and other types of courts typically takes into account several factors. First, when determining the jurisdiction of a specialised IP court, it is considered whether an IP issue in a dispute relates to private law (i.e. civil and commercial law) or public law. Specifically, IP disputes between private parties are typically considered to be a matter of private law and thus fall within the jurisdiction of the specialised IP courts, while issues that arise from the exercise of powers by state authorities fall outside the jurisdiction of such courts. The latter, for example, includes tax or customs disputes, even if they are IP-related. Secondly, the analysed jurisdictions tend to have two different approaches when defining the breadth of subject-matters that fall within the jurisdiction of the specialised IP courts. Some jurisdictions take a liberal approach when defining what qualifies as an IP dispute within the ambit of private law. In such jurisdictions, most cases that involve IP matters, including a remote relation to IP rights such as contractual interpretation of IP licensing agreements, will fall within the jurisdiction of the specialised IP courts.⁹⁶ On the other hand, some jurisdictions take a more restrictive approach as to what constitutes an IP dispute. In those jurisdictions, these will be the disputes comprising IP-related matters stemming directly from the statutes that regulate IP rights (i.e. a patent act), such as the validity or infringement of an IP right, and closely related matters of non-IP nature.⁹⁷ While the approaches to defining whether an IP-related matter falls within the jurisdiction of a specialised IP court differ, it appears that most of the analysed jurisdictions tend towards the broad approach, which includes matters not strictly related to IP rights.

2.2.2.1. Recommendations regarding the potential overlap between the jurisdictions of the IP Court and the administrative courts

The analysis of the provisions of the CPC concluded that the jurisdictions of the IP Court and the administrative courts may potentially overlap with respect to certain types of IP disputes, which are not specifically mentioned in the CPC, in particular:

⁹⁶ See Part III, Section 2.2. of the Comparative Study (e.g. in Germany).

⁹⁷ See Parts I and IV, Sections 2.2. of the Comparative Study (e.g. in US and France).

(i) Recommendations on the IP disputes related to the refusal to register an IP right

While Article 20(2)(2) CPC provides that the IP Court may consider disputes regarding the registration of IP rights,⁹⁸ this provision does not mention appeals on the refusal to register an IP right. Potentially, appeals on the refusal to register an IP right may be covered by the phrase 'disputes concerning registration...of IP rights'. In the case of the refusal of registration, however, this provision can also be construed as not including such disputes, as the registration has not occurred, and therefore there is no dispute concerning registration as such. The lack of reference to such a dispute may, therefore, create confusion as to which court should consider such cases. Under the Administrative Procedural Code, these cases have fallen within the jurisdiction of the administrative courts, on the grounds of being appeals on decisions, actions or inaction of state authorities.⁹⁹ As the CPC does not explicitly mention such cases, they may be considered as remaining formally within the jurisdiction of the administrative courts.¹⁰⁰

The common feature in all the jurisdictions analysed as part of the Comparative Study is that the appeals against the decisions of an IP office, including the refusal to register an IP right, fall within the jurisdiction of courts that are competent to consider IP disputes, either at the first or appellate level.¹⁰¹

Based on the analysis of best practices in the selected jurisdictions, we recommend that the appeals against the decisions regarding the refusal to register an IP right should fall within the jurisdiction of the IP Court. We believe that the implementation of this Recommendation will eliminate the confusion as to which court the party ought to refer its lawsuit should it wish to contest the refusal to register its IP right.

(ii) Recommendations on customs- and tax-related disputes with an IP element

(a) Disputes concerning the intersection of IP-related and customs border matters

This category of IP-related disputes concerns challenges against the decisions of customs authorities. One type of such cases involves disputes where the customs authority has already cleared goods, and the IP right holder has subsequently detected that such goods may infringe their IP rights. As a result, the IP right holder requests the court to cancel such a customs clearance of the declarant's goods. Currently, such cases fall within the jurisdiction of the administrative courts. However, the analysis in such cases is centered on the assessment of goods cleared by the customs authority and whether they infringe the right holder's IP rights. To establish this, the court must possess an in-depth understanding of IP law in order to assess adequately such issues.

Another category relates to the registration of IP protected objects in the customs' register.¹⁰² A customs authority may refuse the application for such registration, and the IP right holder may appeal to the court against the decision. As a general rule, such cases fall within the jurisdiction of the administrative courts. However, as with the previous category of cases, adjudication requires a detailed analysis of the relevant IP rights. In particular, the court must assess the object for which registration is requested; whether any patents and trademark certificates exist that support registration; whether there is any other right holder who challenges these patents and trademark certificates;¹⁰³ whether there are sufficient grounds for the refusal to include an IP-protected object on the register, etc. Such cases require a thorough analysis of IP-related matters, as well as an in-depth understanding of IP law.

⁹⁸ E.g. disputes concerning third party challenges on the registration of an IP right based on its violation of their own IP right.

⁹⁹ Article 19(1) of the Administrative Procedural Code.

¹⁰⁰ See e.g. Decision of the District Administrative Court of Kyiv (17 July 2018) regarding the annulment of the decision on the refusal to register a trade mark under the application for the registration m201409130 and the obligation to undertake such registration of a trade mark (Case № 826/4752/16) <<http://reyestr.court.gov.ua/Review/75362535>> (accessed 23 September 2020); Decision of the Kyiv Appellate Administrative Court (3 May 2018) on the annulment of the state registration of a trade mark <<http://reyestr.court.gov.ua/Review/73842538>> (accessed 23 September 2020).

¹⁰¹ See Parts I and III, Section 2.2. of the Comparative Study (e.g., in Germany, the review of the decisions of the German IP Office and the Federal Patent Variety Office fall under the jurisdiction of the Federal Patent Court, i.e. the first instance specialised IP court. On the other hand, in the US, the CAFC, i.e. the appellate instance specialised IP court, is exclusively competent to hear appeals from the USPTO's Trademark Trial and Appeal Board and the Patent Trial and Appeal Board).

¹⁰² Decree of the Ministry of Finance of Ukraine, 'On the approval of the Registration Procedure of the Intellectual Property Rights in the Customs Register' (N648, 30.04.2012) <<http://zakon.rada.gov.ua/laws/show/z1034-12#n20>> (accessed 23 September 2020).

¹⁰³ For example, in case N 804/576/16 considered by the Dnipropetrovsk District Administrative Court a patent protected object, which was requested to be included in the customs' register of IP objects, was already protected by a registered trade mark, and the owner of such a trade mark was brought to the court proceedings as a third party. The trade mark owner consequently challenged the patent in a separate proceeding, and the patent was eventually invalidated. On the basis of this decision, the administrative court in turn rejected the inclusion of an IP object into the customs' register on the basis that the patent was invalid. (<<http://reyestr.court.gov.ua/Review/72707259>> accessed 23 September 2020).

The analysis of the selected jurisdictions shows that IP-related disputes that concern challenges against the decisions of customs authorities, in general, fall outside of the jurisdiction of the specialised IP courts, and instead are considered by either civil, administrative or criminal courts, even if a challenged decision involves an IP-related matter.¹⁰⁴ Some limited involvement of the specialised IP courts is nevertheless possible in some jurisdictions. Specifically, if the administrative court finds that its ruling depends on IP-related matter that can only be resolved by the IP court, it may ask the IP court to rule on this matter as a prejudicial question.¹⁰⁵

(b) Disputes concerning cancellation of royalty tax notices

This type of case includes the assessment of whether a certain payment can be considered a royalty. According to the Tax Code of Ukraine, royalties are not subject to VAT,¹⁰⁶ i.e. a company that receives a royalty is not required to pay VAT on the amount of that royalty. However, as a result of a tax audit, the tax authorities may decide that the money received by the company is not a royalty and, therefore, may require the company to pay VAT accordingly. The company may consequently challenge this decision before the court. Currently, such cases fall within the jurisdiction of the administrative courts.¹⁰⁷ However, often an in-depth understanding of IP law is essential in order to establish, inter alia, whether the object of a royalty is IP protected; whether the company has the relevant IP rights to such an object; and whether the sums of money were paid for the use of this object. In essence, the subject matter in this type of case is an IP- rather than a tax-related one and, therefore, knowledge of tax law may be secondary.

In the analysed jurisdictions, tax disputes, including IP-related tax disputes, fall outside of the exclusive jurisdiction of the specialised IP courts. Instead, the general rules of allocating jurisdiction between different types of courts apply to this type of dispute. As a result, despite such disputes involve matters related to IP rights, they are reviewed by various types of courts, including civil, administrative or special types of courts.¹⁰⁸

One of the reasons why the specialised IP courts do not deal with tax and customs disputes in these jurisdictions is that the objectives of tax and customs laws are different from those of IP law. Indeed, in some cases the administrative courts may decide to deviate from a standard understanding of certain terms in IP law for the purpose of tax law.¹⁰⁹

Based on the foregoing analysis, when allocating the jurisdiction with respect to customs and tax disputes it is important to take into account two following issues. On the one hand, customs and tax cases require the court to decide on an individual's public law liability. Therefore, such disputes usually fall under the jurisdiction of a separate branch of judiciary, i.e. administrative courts that are vested with the authority to decide disputes concerning public policy considerations on the basis of administrative procedures specifically designed for this type of dispute. On the other hand, as could be seen from the examples discussed above, some customs and tax cases require an in-depth analysis of IP law, i.e. the task that is carried out most accurately by the specialised IP courts. Therefore, in order to achieve an effective and quality adjudication in tax and customs disputes with an IP element, the court that has jurisdiction to consider such disputes must balance between preserving the public policy considerations specific to tax and customs law, while possessing an in-depth knowledge and understanding of IP law.

¹⁰⁴ See Part I, Section 2.2. of the Comparative Study (An exception to this approach can be found in the US, where appeals against the decisions of a customs enforcement authority, the U.S. Customs and Border Protection, first fall within the jurisdiction of the Court of International Trade, and the judgments of the latter are then reviewed by the CAFC. However, while the CAFC has an exclusive competence to consider IP disputes, this Court is also competent to hear other non-IP matters. Therefore, the reason why the CAFC reviews these types of disputes is because they fall within its jurisdiction as one of the matters it is competent to review, and not because they are IP-related. Nevertheless, it is worth noting that one of the aims of such broad jurisdiction of the CAFC was to avoid a 'tunnel vision' and a narrow focus in its practice that may be developed by a classic specialised IP court, which would place too much importance on the IP dimension of the litigation at hand, while not giving enough consideration to other aspects of law. As could be seen from the CAFC practice, this aim has been successfully fulfilled by such an approach).

¹⁰⁵ See Part IV, Section 2.2. of the Comparative Study (e.g., in France, appeals against the decisions of the customs administration are heard either by the civil or administrative courts, depending on the nature of the appeal. The administrative court may ask the civil court to rule on this matter as a prejudicial question if the administrative court finds that its ruling depends on a matter that can only be resolved by the civil court, e.g., an intellectual property matter. In such circumstances, the tribunal that has exclusive jurisdiction over that specific IP right will decide on the question).

¹⁰⁶ Article 196.1.6 of the Tax Code of Ukraine (2 December 2010 № 2755-VI with amendments).

¹⁰⁷ See e.g. Order of the District Administrative Court of Kyiv of 3 March 2017 on the recognition and annulment of tax notifications-decisions (Case № 826/19290/16) <<http://reyestr.court.gov.ua/Review/65132642>> (accessed 23 September 2020).

¹⁰⁸ See Part I, Sections 2.2. of the Comparative Study (e.g. such as the Court of Federal Claims in the US).

¹⁰⁹ See Part IV, Section 2.2. of the Comparative Study (e.g. in France, the so-called 'fiscal intellectual property law' has been developed, which is a part of the administrative law regime, and remains under the jurisdiction of the administrative and general tribunals, rather than under the exclusive jurisdiction of the designated tribunals. The competent courts may establish separate definitions of IP terms for tax law purposes, for instance, a trade mark was defined as 'a sign by means of which a producer characterises his or her products and a trader characterises the objects of his or her trade'. In contrast, the definition of a trade mark in the French Code of Intellectual Property is 'a sign that serves to distinguish products or services of a physical or legal person from those of another physical or legal person'. In addition to the differences between the wordings of the definitions, for the purpose of tax law the registration of a trade mark is not required. In other words, a transaction relating to a trade mark would be considered valid for the tax law purposes even without the registration of a trade mark, which is generally required under IP law (see Jacques Azéma and Jean-Christophe Galloux, *Droit de la propriété industrielle* - 8e éd. (8e édition, Dalloz 2017) 1.2, §1).

We believe that it would be appropriate to extend the jurisdiction of the IP Court to customs and tax disputes involving an IP element. This is because one of the main goals of establishing the IP Court in Ukraine is to create a specialised institution that would develop high quality adjudication in disputes related to IP, which is not restricted to any specific type of IP dispute.¹¹⁰ Therefore, there are no structural and/or institutional obstacles that would *prima facie* prevent the extension of the IP Court's jurisdiction to such disputes. Specifically, with respect to the delineation of jurisdictions between the IP Court and the administrative courts, we believe that the jurisdiction of the IP Court may cover only those customs and tax disputes that comprise IP-related matters stemming from the IP law statutes, and thus require the application of IP law.¹¹¹ On the basis of this mode of delineation one can adopt a narrow or broad understanding of a tax or customs dispute involving an IP element. A narrow understanding would cover only the disputes that comprise the IP-related matter stemming directly from an IP statute, and in which the application of IP law is necessary to resolve the dispute. That would be the case, for instance, with the above-mentioned dispute over VAT on royalties provided that the tax authority contested e.g. the validity of the IP right to which the royalty refers. In this example, the IP matter stems directly from IP law and the application of the law is necessary to resolve the dispute, as the tax law liability of the parties depends on the validity of the IP right in question. A broad understanding would comprise also those disputes where an IP element is even indirectly derived from IP law and the application of such law is not necessary to resolve the dispute. Following this approach, the IP Court would also be competent in relation to disputes where the case concerns VAT on royalties, and while the validity of an IP right is not contested, the parties, for example, contest the legality of the conduct of the tax authorities or the date of accrual of tax liability under the provisions of the tax law. In this instance, the IP element is only incidental, and the IP law does not have to be applied to resolve the case. We believe that, given the exceptional character of extending the jurisdiction of the IP Court to customs and tax disputes and the necessity to reflect the public law nature of this type of disputes, a narrow understanding of what constitutes an IP dispute would be a more appropriate solution.

In Ukraine, customs- and tax-related disputes involving IP elements currently fall within the jurisdiction of the administrative courts. The analysis of the selected jurisdictions demonstrates that a similar approach to allocating jurisdiction in this type of dispute is also taken in the selected jurisdictions. Specifically, the specialised IP courts that are competent to consider IP disputes are not competent to hear customs- or tax-related disputes, even if they are IP-related. However, because the creation of the IP Court in Ukraine primarily aims to allocate an exclusive jurisdiction to this Court over IP-related disputes and, considering that such customs and tax IP-related disputes may require a thorough analysis of IP matters, for which an in-depth understanding of IP law is necessary, we suggest considering the following:

- 1) We recommend that the IP Court may be competent in relation to tax and customs disputes that involve an IP element. The jurisdiction of the IP Court would only comprise disputes where IP specialisation is necessary to resolve the dispute.**
- 2) We recommend to clearly define the jurisdictions of the IP Court and the administrative courts. Specifically, we recommend that the narrow understanding of an IP dispute may be adopted, i.e. only those customs and tax disputes that comprise the IP-related matters stemming directly from an IP law statute and thus require the application of IP law to resolve the dispute. This will ensure that the tax and customs disputes are considered by the IP Court only when an IP element of a dispute is essential for the outcome of the case.¹¹²**

We believe that the implementation of the above Recommendations may improve the quality of adjudication in customs and tax disputes with an IP element.

¹¹⁰ This differs from the aim of establishing some IP courts that have jurisdiction over specific types of IP disputes, for example, the Federal Patent Court in Germany.

¹¹¹ See Parts I, III and IV, Section 2.2 of the Comparative Study. In Germany, trade mark disputes comprise all disputes that are at least partially governed by the Trade Mark Act, e.g. claims related to transfer, charge, formation or licensing of a right protected under trade mark law. In France, a dispute concerning a contract over an IP right will constitute an IP dispute only when the court must apply substantive IP provision, for example, where the determination of the contractual obligations requires the assessment of validity of an IP right (see also note 128). In a similar fashion, in the US, the court that determines whether the dispute at hand is an IP dispute or not, it must assess whether a cause of action arises under the IP laws, or whether the cause of action is based upon, e.g., contract law.

¹¹² The narrow understanding of what is an IP dispute would also be in line with the exceptional character of the IP Court's jurisdiction in customs and tax cases, as exceptions are generally interpreted narrowly.

2.2.2.2. Recommendations on the potential overlap between the jurisdictions of the IP Court and other state authorities

In Ukraine, the recognition of a trade mark as well-known may be conducted in two types of proceedings. Firstly, when there is no dispute between the parties, the recognition may be performed upon the request of a trade mark owner. Second, if there is a dispute between the parties, such recognition is performed in court proceedings as part of the resolution of such a dispute. Article 25 of the Law 'On Trademarks' defines which state authority has the power to recognise a trade mark as well-known.¹¹³ It states that such a recognition may be performed either by the Appellate Chamber or the court. Thus, under the Ministerial decree of 2005,¹¹⁴ the Appellate Chamber of the Ministry of Economic, Trade and Agricultural Development of Ukraine¹¹⁵ (the **Ministry**) has the right to recognise a trade mark as well-known. Such a recognition is performed upon the request of a trade mark owner. As far as the courts are concerned, under the previous procedural laws, if there was no dispute, the recognition of a trade mark as well-known was performed by the civil courts in accordance with a special type of a civil procedure that regulates the establishment of legal facts upon the request of an interested party.¹¹⁶ When the recognition of a trade mark as well-known formed part of a dispute, the jurisdiction of the court was established based on the general rules of jurisdiction in force at that time.¹¹⁷

The new CPC establishes that the right to recognise a trade mark as well-known now falls within the jurisdiction of the IP Court.¹¹⁸ However, the CPC does not define the procedure for such recognition by the IP Court. In cases where there is a dispute between the parties, the recognition of a trade mark as well-known by the IP Court would be conducted under the general rules of procedure that govern the adjudication of commercial disputes. It is, however, unclear under what procedure such recognition should be performed in cases where there is no dispute. In many cases, a trade mark owner unilaterally requests the court to recognise a trade mark as well-known. As was mentioned above, under the previous procedural laws, such requests were considered by the civil courts under a special civil procedure of establishing legal facts.¹¹⁹ However, the CPC does not envisage such a separate procedure. As a result, if an IP owner were to petition the IP Court to recognise a trade mark as well-known in cases where there is no dispute, the general procedure for considering disputes between the parties would not apply to such requests.¹²⁰ It is also worth mentioning that Ukrainian law does not provide a possibility of obtaining a declaratory judgement. The absence of a separate procedure for recognising a trade mark as well-known in the CPC may force the owner of a trade mark to contrive a dispute in order to recognise their trade mark as well-known in the IP Court. In addition, two state authorities, i.e. the Ministry and the IP Court, currently have the power to recognise a trade mark as well-known without any delimitation of their respective jurisdictions.

The analysis of the selected jurisdictions shows that none of them has a special procedure for the official recognition of trade marks as well-known where there is no dispute between the parties.¹²¹ In practice, the notoriety of trade marks is assessed either by the IP offices as part of the opposition proceedings or by the courts in the infringement or invalidity proceedings.¹²²

¹¹³ The Law of Ukraine 'On the Protection of Right for Signs on Goods and Services' (15 December 1993, N 3689-XII).

¹¹⁴ Decree of the Ministry of Education and Science of Ukraine, 'On the Approval of the Order on the Recognition of a trade mark as well-known in Ukraine by the Appellate Chamber of the State Department of Intellectual Property' (N 228, 15.04.2005) <<http://zakon.rada.gov.ua/laws/show/z0471-05>> (accessed 23 September 2020). This chamber is now renamed as being part of the Ministry of Economic, Trade and Agricultural Development of Ukraine.

¹¹⁵ The former Ministry of Economic Development and Trade of Ukraine.

¹¹⁶ In addition to the proceedings, where the court hear disputes between the parties, Article 293 of the Civil Procedural Code establishes 'Separate Proceedings'. This is a special type of civil proceedings, where the court hears cases related to the confirmation of existence or absence of certain legal facts. Article 293(2)(5) in particular provides the right to establish a legal fact.

¹¹⁷ Specifically, in the past the jurisdiction of a court was established on the basis of the parties to the disputes (i.e., subject to some exceptions, natural persons litigated their disputes in the civil courts and legal entities - in the commercial courts; where a state authority was a party to a dispute, such a dispute was considered by the administrative courts). However, the new procedural rules, and the new CPC in particular, establish the courts' jurisdiction on the basis of a subject-matter of a dispute without taking into account the type of the parties to the dispute.

¹¹⁸ Article 20(2)(3) CPC.

¹¹⁹ Article 293 of the Civil Procedural Code.

¹²⁰ Popynachenko (n 65) 42.

¹²¹ Jurisdictions in which the law establishes a special procedure on the recognition of a trade mark as well-known when there is no dispute include China, Japan, the Czech Republic, Belarus, Bulgaria and Ukraine. See Clark W Lackert, Maren C Perry, 'Protecting well-known and famous marks: a global perspective' (King & Spalding LLP, 2008). <http://www.buildingipvalue.com/08_global/63-66KingSpalding.pdf> (accessed 23 September 2020).

¹²² See Parts I and II, Section 2.2. of the Comparative Study (e.g., in the US, the recognition is conducted by the USPTO as part of the opposition proceedings, and by the district courts in the infringement or invalidity proceedings. Similarly, in the UK, trade marks are recognised as well-known on a case-by-case basis by either the UKIPO in the opposition proceedings, or the IPEC and the general Chancery Division in the infringement or invalidity proceedings).

Based on the analysis of the selected jurisdictions, as well as the currently established practice in Ukraine, we recommend the following:

- 1) First, we recommend that the recognition of a trade mark as well-known in cases where there is a dispute may fall within the exclusive jurisdiction of the IP Court, as currently envisaged by the CPC.
- 2) Second, since the Ministry has already implemented a specific procedure in cases where there is no dispute and has developed a positive practice of applying this procedure, we recommend that such cases may remain within the jurisdiction of the Ministry. The appeals against the decisions of the Ministry would fall within the jurisdiction of the IP Court.

We believe that the implementation of these Recommendations will allow to avoid overlapping jurisdictions of the two different bodies. It will also avoid implementing extensive amendments to the CPC in the form of a separate procedure on the recognition of a trade mark as well-known in situations where there is no dispute.

2.2.2.3 Recommendations on the disputes that are not included in Article 20(2) CPC

While Article 20(2) CPC contains a comprehensive list of IP-related disputes, some disputes in which IP rights play a key role are not mentioned in this list. This may create a jurisdictional confusion concerning certain types of disputes. These particularly include:

(i) Recommendations on the disputes concerning authors' rights under Article 20(2)(4) CPC

While this provision covers disputes related to authors' rights (the rights of the creator of a work), it does not mention the rights of other lawful copyright owners. According to the Law of Ukraine 'On Copyrights and Related Rights',¹²³ the subjects of copyright are authors, their heirs and persons, to whom authors or their heirs transferred their copyright.¹²⁴ Therefore, the provision in Article 20(2)(4) CPC that only refers to authors, without mentioning other lawful copyright holders, may result in only disputes related to authors' rights falling within the jurisdiction of the IP Court, while the Court would not consider disputes related to the rights of other lawful copyright owners. This is important, because, as mentioned above, the author is not the only person who can be a lawful owner of the copyright; others may include an employer, lawful successors of the author, or other third parties who have lawfully acquired the copyright.

The analysis of the selected jurisdictions shows that neither of these jurisdictions makes the competence of the specialised IP courts dependent on whether the claimant is the author of the copyright (i.e., the creator of a work) or another copyright holder.¹²⁵

Based on the analysis of the selected jurisdictions, we recommend amending Article 20(2)(4) CPC by adding to the list of disputes that fall within the jurisdiction of the IP Court all relevant copyright holders who have the right to refer their disputes to the IP Court. We believe that the implementation of this Recommendation will allow broadening the scope of the rightsholders who have the right to refer their copyright disputes to the IP Court, as well as avoiding overlapping jurisdictions regarding copyright disputes between the IP Court and other types of courts.

(ii) Recommendations on the disputes concerning recognition of agreements as invalid

¹²³ The Law of Ukraine 'On Copyright Rights and Related Rights' dated 23 December 1993, №3792-XII.

¹²⁴ *ibid* Article 7.

¹²⁵ See Parts I and II, Section 2.2. of the Comparative Study (e.g., in the US, the exclusive jurisdiction of the district courts comprises 'any civil action arising under any Act of Congress relating to [...] copyrights'. In the UK, the CPR 63 and PD 63, that establish the exclusive jurisdiction of the IPEC and the general Chancery Division, refer only to claims relating to copyright, without any reference to a particular type of copyright owner. A similar approach is taken in other jurisdictions, i.e. none of them makes the fact of being an author of the copyright as a condition of the legal standing in a copyright dispute).

According to Article 20(2)(5) CPC disputes regarding 'entering into, modification, termination and execution of an agreement concerning the exercise of intellectual property rights...' fall within the jurisdiction of the IP Court. This provision, however, does not mention disputes on the validity of such agreements.¹²⁶ Furthermore, this provision does not mention the possibility to recognise an invalid contract as valid, even though this possibility is envisaged in Article 215(2) of the Civil Code of Ukraine.¹²⁷

The analysis of the selected jurisdictions revealed that while approaches to allocating the jurisdiction over agreements concerning IP rights vary, none of them divide the jurisdiction over IP-related disputes concerning the validity of agreements and disputes related to 'entering into, modification, termination and execution of an agreement' between different courts. Thus, in most of these jurisdictions, the approach to allocating these disputes between the specialised and general courts is based on the connection of the dispute to the substantive provisions of IP laws. While the allocation of jurisdiction may differ based on the construction of the degree of such a connection, in principle, the approaches are similar, i.e. if the matter concerns application of the IP law provisions, it will be considered an IP dispute and thus will fall within the jurisdiction of the specialised IP courts. On the other hand, if the matter concerns a pure question of contract law, the general courts will be competent to consider such disputes.¹²⁸

Based on the analysis of the selected jurisdictions, we recommend including disputes related to the assessment of the validity of an IP-related contract to the list of disputes that fall within the jurisdiction of IP Court. It is sensible since all other types of disputes related to IP agreements, such as 'entering into, modification, termination and execution of an agreement concerning the exercise of intellectual property rights...' are due to fall within the jurisdiction of the IP Court. Therefore, based on the above considerations:

- 1) We recommend that Article 20(2)(5) CPC may be amended by including in the list of disputes that fall within the jurisdiction of the IP Court disputes concerning the recognition of IP-related agreements as invalid, as well as the possibility to recognise an invalid IP-related contract as valid.**

We believe that the implementation of this Recommendation will allow avoiding a clash of competences between the jurisdictions of the IP Court, the commercial courts and the civil courts.

2.2.3. Recommendations regarding evidence in IP cases

2.2.3.1. Recommendations regarding evidence in an electronic form under Article 96(2) CPC

This provision relates to evidence in an electronic form. This type of evidence is very important for IP disputes because often it can be the only way of proving an IP infringement. For example, when films and sound recordings are placed on The Internet without a copyright holder's permission, or goods containing a third party's trademark without its permission are sold via online stores, evidence in an electronic form may be the primary source of proving an infringement of IP rights. However, uncertainty may arise as to whether the procedure for submitting evidence in an electronic form complies with Article 96 CPC. According to this provision, evidence in an electric form must be submitted to the court in an original form, or an electronic copy certified by an electronic digital signature. Moreover, this provision specifies that while submitting electronic evidence is permissible in a printed copy that must be certified in accordance with the law, the court upon the request of another party or on its own volition may request the party to submit electronic evidence in an original form. If the original form is not submitted such evidence will not be considered. This provision may, therefore, cause difficulty in fulfilling the requirements of the form for submitting such evidence, especially concerning evidence pertaining to the content or appearance of a website. While the CPC requires that electronic evidence must be submitted in an original form or an electronic copy certified by an electronic digital signature, it does not provide any clarification on how this should be fulfilled in practice.

¹²⁶ Lack of such disputes in Article 20(2)(5) CPC was specifically mentioned by one of the respondents.

¹²⁷ For example, when a minor enters into a contract, which under the law they have no legal capacity to enter into, such a contract is considered invalid. However, under Article 221(1) of the Civil Code of Ukraine, such a contract may be recognised as valid if it is subsequently approved by the parents of a minor (or adopting parents) or one of them. See also Article 221(2) that allows recognising a contract made by a minor as valid by the court.

¹²⁸ See Part IV, Section 2.2. of the Comparative Study (e.g., in France, an IP dispute is defined as any dispute that requires the court to apply special provisions of IP law. On this basis the jurisdiction related to IP disputes is distinguished from general contractual disputes. Specifically, a dispute concerning an IP-related contract will only constitute an IP dispute and thus fall within an exclusive jurisdiction of a designated court, where the court must apply special IP law provisions).

In the majority of the selected jurisdiction, the analysis of best practices shows that there is no requirement to submit electronic evidence in an original form or its certification with an electronic signature.¹²⁹ Instead, the main issue is typically the authenticity of such evidence, which must be proved if another party contests said authenticity. Therefore, in all the analysed jurisdictions, essentially any form of electronic evidence that accurately reflects the information relied upon will normally be admissible (e.g. none of the jurisdictions precludes a party from relying on a screenshot in order to prove online infringement). If the authenticity of such evidence is contested, then the law provides various methods of authentication.¹³⁰

Based on the analysis of the selected jurisdictions, we recommend that the procedure and the form of submitting electronic evidence is clearly defined. Electronic evidence may be allowed to be submitted in any form, provided it enables a reliable authentication that the piece of evidence is what it is claimed to be. We believe that the implementation of this Recommendation will bring clarity into proceedings conducted before the IP Court.

2.2.3.2. Recommendations regarding the power of the court to appoint an expert unilaterally under article 99 (3) CPC

This provision allows the court to decide unilaterally on the initial appointment of an expert or an expert institution, and to request their expert opinion. Specifically, under this provision, the court has the right to choose an expert at its discretion without any consultation with the parties to a dispute.

While approaches vary, in the majority of the selected jurisdictions, such an appointment is conducted upon consultation with the parties.¹³¹ Conversely, even in the jurisdictions where the court may appoint an expert upon its own volition, the courts rarely do this.¹³²

Based on the analysis of the selected jurisdictions, we recommend clarifying the circumstances in which the IP Court has the unilateral power to appoint an expert. In such cases, an expert may, nevertheless, be appointed upon prior consultation with the parties. The initial selection and appointment of an expert upon the court's own volition, without any discussion of this matter with the parties, may interfere with the adversarial nature of the proceedings as envisaged under the new CPC. Therefore, the implementation of this Recommendation will ensure that such a process will comply with the spirit of the CPC.

2.2.4. Recommendations on a preliminary injunctive relief in IP cases

2.2.4.1. Recommendations on the grounds for granting a preliminary injunctive relief under Article 136(2) CPC

Article 136(2) CPC provides that the court may issue a preliminary injunctive relief if failure to issue such an injunction may significantly complicate or make it impossible to enforce the court's decision. It is, however, unclear how to determine what 'complicate' means, whether the complication is significant, and what other elements should be demonstrated by the applicant in order to satisfy the requirement for the grant of a preliminary relief. As a result, it may be difficult to obtain such a preliminary relief.

The analysis of the selected jurisdictions shows that a preliminary injunctive relief is not considered an exceptional remedy to be granted only in situations of significant difficulty or impossibility of the future enforcement of the main claim.¹³³

¹²⁹ See Part I, Section 3.1. of the Comparative Study (Even in the US, where the requirement of an original form is present, the FRE rules on providing originals are rather lenient as they state that accurate duplicates are considered to be originals for admissibility purposes, summaries of voluminous materials are also allowed, as well as duplicates of a hard drive).

¹³⁰ See Part I, Section 3.1. of the Comparative Study.

¹³¹ See Parts III and V, Section 3.3. of the Comparative Study (e.g., in Germany and in the Netherlands, the appointment of experts is within the court's discretion and typically takes place after consultation with the parties).

¹³² See Parts I and II, Section 3.3. of the Comparative Study (e.g., in the US, the courts may appoint any expert of its own choosing unilaterally, however, they very rarely exercise this prerogative as they are reluctant to interfere with the adversarial system. The courts, therefore, usually avoid taking the risk of influencing the jury, which may take the view that the court-appointed expert is authoritative and impartial. Similarly, in the UK, while the court may appoint an expert on its own initiative, in practice this happens very rarely (in civil disputes this is usually limited to interpreters and shorthand writers). However, judges in the UK may nominate the so-called 'assessors' or, in the Patents Court 'scientific advisors', who assist the court in dealing with matters in which they have skills and experience, for example, by helping the court understand the reports of the parties' experts or by answering the judges' questions on technical subjects (see Part II, Section 2.3 of the Comparative Study).

¹³³ See Sections 2.4.1. of the Comparative Study.

That is the case even in the common law countries, where the grant of a relief is a discretionary power of the judge.¹³⁴ While each jurisdiction has its particularities as to the specific grounds for granting various types of preliminary injunctive relieves, all the analysed jurisdictions carefully consider whether the detriment that the defendant will suffer because of the grant of the measure is offset, given the time contingencies, by the urgent interests of the plaintiff. Specifically, despite various approaches to evaluating the grounds for granting a preliminary injunctive relief, the analysis reveals that in the selected jurisdictions, the courts, in general, tend to rely on the following three factors when assessing whether to grant a relief: 1) balance of interests of the parties (i.e. balance of convenience), including, for example, adequacy of damages;¹³⁵ 2) urgency of the threat to the claimants interests; and 3) *prima facie* strength of the plaintiff's factual and legal assertions (i.e. likelihood of success).¹³⁶ The application of these grounds reflects the main aim of such preliminary measures, which is to avoid the risk of injuring the interests of the plaintiff while also protecting the interests of the defendant by ensuring that the grant of a preliminary measure is just.

These criteria are intended to cover all possible factors that might be relevant to deciding on the grant of an injunction. At the same time, it is important to note that they do not amount to a decision on the substance of the claims before the final judgment. In particular, the likelihood of success aims at evaluating whether the apparent strength of the arguments of the claimant is sufficient to justify the risk of unjustified loss for the defendant should the measure granted is proved unfounded. A preliminary injunction is not treated as *res judicata*, it may be set aside in the main judgment, and the defendant has the right to claim a compensation for any losses suffered. Moreover, the three criteria discussed above may be further qualified to make the grant of an injunction either easier or more difficult, depending on the policy preferences of the legislator. For instance, the likelihood of success may be qualified as 'substantial' or, to the contrary, the parties may only be obliged to prove that success is more likely than not.¹³⁷ The urgency element, on the other hand, may refer to direct or indirect risk to the claimant's interests.¹³⁸ The urgency element may be also defined with reference to the 'frustration' of or 'significant difficulties' in the enforcement of the claim, or to the necessity of preventing the 'impending force'.¹³⁹ Alternatively, the choice may be left to the judiciary, which may adopt varying criteria depending on the type of a dispute, taking into account the particularity of a certain type of IP right or industry.¹⁴⁰

While in many cases preliminary injunctive measures may be the only viable way to protect the interests of the IP rightholder, the current provision of the CPC makes it very difficult to obtain such a relief. Based on the analysis of the selected jurisdictions, we therefore recommend amending the CPC provision related to the grounds for granting a preliminary injunctive relief in IP disputes.

- 1) We recommend that Article 136(2) CPC may be revised by explicitly including in a non-exhaustive manner the three factors above that may be considered by the IP Court when granting a preliminary injunctive relief, i.e. balance of convenience, urgency of the threat and likelihood of success. These factors may be further qualified to make the grant of an injunction either easier or more difficult, depending on the policy considerations by means of a direct stipulation in the CPC or by case law.**

We believe that the implementation of this Recommendation will improve the effectiveness of IP adjudication by the IP Court.

¹³⁴ See Sections 2.4.1. of the Comparative Study (Note that in the US, preliminary injunctions are often described as 'extraordinary remedies' (see e.g., Morton Denlow, 'The Motion for a Preliminary Injunction: Time for a Uniform Federal Standard' (2003) 22 REV. LITIG. 495, and case law cited therein). However, none of the four grounds for the grant refers to 'significant difficulties' or 'impossibility' and the circuit courts apply the grounds with varied rigidity).

¹³⁵ See Part II, Section 2.4.1. of the Comparative Study. In the UK, balance of convenience and adequacy of damages are both part of the equitable test for the grant of interim injunctions. Balance of convenience comprises an analysis of particular factual circumstances in which the injunction is sought and the subsequent assessment of the equity considerations underlying these circumstances. In order to define the adequacy of damages criterion the court determines what type of loss that may occur and whether it could be recovered at the time the main judgment is rendered. Whereas treated separately in the UK, both criteria involve a factual analysis aimed at assessing whether the grant of an injunction would be fair in the light of the interest of the parties. As a result, it may be reasonable to use the 'adequacy of damages' as an element of the balance of convenience criterion.

¹³⁶ See Sections 2.4.1 of the Comparative Study.

¹³⁷ See Part I, Section 2.4.1. of the Comparative Study (In the US, the applicant does not have to demonstrate 'substantial likelihood of success on the merits, but rather the lower standard of demonstrating that the success is more likely than not').

¹³⁸ See Part III, Section 2.4.1. of the Comparative Study (The distinction between 'direct' and 'indirect' risk is present in German law. Thus, in Germany a regulatory injunction may be granted also in cases of indirect, but concrete, threat of infringement).

¹³⁹ These terms where applied by the German legislator in relation to two types of preliminary injunctions (see Part III, Section 2.4.1 of the Comparative Study).

¹⁴⁰ See Part II, Section 2.4.1 of the Comparative Study (In the UK, the grant of an interim injunction in a patent dispute is more likely if the patent was granted in the pharmaceutical or agrochemical industry; in relation to other types of industries the courts usually assume the adequacy of damages and refuse the grant of a preliminary relief. This correlation is patent-specific and does not apply to other types of IP rights.)

2.2.4.2. Recommendations regarding potential uncertainty in relation to the procedure for applying for preliminary injunctions before submitting a lawsuit

Article 20(2) CPC includes a list of cases that fall within the jurisdiction of the IP Court. The subsequent Articles 27-30 CPC establish territorial jurisdiction of the courts (i.e. which court to choose when filing a lawsuit), including general *territorial jurisdiction*, which is determined based on the defendant's place of domicile, or exclusive (*territorial*) *jurisdiction* in relation to the specific types of cases. For example, a corporate dispute between shareholders of a company will be considered under the rules of exclusive (territorial) jurisdiction by the court where the company is domiciled (and not by the court of the defendant's domicile, i.e. territorial jurisdiction).¹⁴¹ There is, however, no mentioning of the IP Court and its exclusive jurisdiction to hear IP cases in this part of the CPC.¹⁴² This may create some confusion as to the choice of the court when resolving an IP dispute. For example, it could be understood that all cases, including IP cases, should be referred to the court based on territorial or exclusive jurisdiction, but not to the IP Court. Although such an exclusive jurisdiction seems to be implied from Article 20(2) CPC, this omission may, nevertheless, affect other procedural actions of the parties to an IP dispute, such as filing a request for a preliminary injunctive relief.

In particular, the party can request the court to issue a preliminary injunction before or after the filing of a lawsuit with the court. The CPC establishes specific rules concerning the filing of a request for a preliminary injunction *before* submitting the lawsuit.¹⁴³ It states that such a request should be filed in accordance with the rules of territorial jurisdiction established in the CPC discussed above. This implies that the request for preliminary injunctions should be submitted to the court where the defendant's place of domicile is, or to another court under exclusive (territorial) jurisdiction in some specific (non-IP) cases. Concerning any non-IP cases, this would mean that a preliminary injunction will be issued by the same court, which will consider the case, as the lawsuit must be submitted within ten days of the request for a preliminary injunction being filed to the same court. However, concerning IP cases, this may mean that, while the lawsuit must be submitted to the IP Court, the request for a preliminary injunction prior to the submission of a lawsuit must be submitted to another court based on the rules of *territorial jurisdiction*.

In the selected jurisdictions, the approaches as to which court may consider a request for a preliminary injunctive relief filed before the commencement of the main proceedings vary. In the majority of the analysed jurisdictions, such a request must be filed with the court that has jurisdiction to consider the main proceedings.¹⁴⁴ On the other hand, some of the analysed jurisdictions allow for the requests for a preliminary injunctive relief to be filed with a different court to that which has jurisdiction to consider the main lawsuit. Such a jurisdiction to decide on a preliminary injunctive relief is established either on the basis of general rules of jurisdiction¹⁴⁵ or is limited to certain types of relieves.¹⁴⁶ Therefore, in the analysed jurisdictions, there is no confusion as to which court has jurisdiction to consider such a request.

Considering the aims of the judicial reform in Ukraine, and that the new IP Court is designed to improve the quality and uniformity of IP jurisprudence, the current procedure that potentially allows granting a preliminary injunctive relief by any district court in accordance with territorial jurisdiction may have a negative effect both on the outcome of a particular case as well as on the rationale for the creation of the new IP Court in general. Based on the analysis of the selected jurisdictions, we therefore recommend the following:

- 1) We recommend that Articles 27-30 CPC may be clarified by specifying that all requests for a preliminary injunctive relief filed before or after filing the main lawsuit must be submitted to the IP Court.**

We believe that the implementation of these Recommendations will improve the effectiveness of IP adjudication by the IP Court.

¹⁴¹ Exclusive jurisdiction of the commercial courts under Article 30(6) CPC.

¹⁴² Article 27 CPC.

¹⁴³ Article 138 CPC.

¹⁴⁴ See Part I, II and IV, Section 2.4.2 of the Comparative Study (e.g., in the US, if the request is applied for before the main lawsuit is filed, it must be brought to the court that is competent to deal with the main lawsuit. Similar approach is taken in the UK and France).

¹⁴⁵ See Part V, Section 2.4.2. of the Comparative Study (e.g. in the Netherlands, preliminary measures requested before commencing the main proceedings may be filed either with the court where the defendant has its domicile or place of business or with the court where the requested measure will take effect. In addition, the seizure of goods and evidentiary measures may be granted by the court within territorial jurisdiction of which the goods and evidence are located).

¹⁴⁶ See Part III, Section 2.4.2. of the Comparative Study (e.g. in Germany, in principle, a preliminary injunctive relief requested before the commencement of the main proceedings must be submitted to the court in which the main proceedings will take place. In exceptional circumstances, i.e. where a specific type of a preliminary injunctive relief in the form of injunctions and solely in urgent cases, a local court in the district of which the object of the litigation is located may issue an injunction).

2.2.4.3. Recommendations on cross-undertaking under Articles 139-141 CPC

Typically, in commercial litigation the court requires the party applying for a preliminary injunctive relief to provide the other side with a 'cross-undertaking in damages', i.e. an undertaking to compensate the other party for any pecuniary harm that the injunction may cause should the court decide at a later date that the injunction should not have been granted or have been discharged.¹⁴⁷ Thus, Article 139(1)(6) CPC requires that when applying for a preliminary injunctive relief, the plaintiff must also provide suggestions as to cross-undertaking. Failure to provide such suggestions on cross-undertaking may result in a refusal to consider an application for such a relief.¹⁴⁸ Similarly, failure to provide cross-undertaking within the terms established by the court may result in the cancellation of a preliminary injunctive relief imposed earlier.¹⁴⁹ While providing safeguards for the defendant against any damages caused by an injunction serves a desirable objective, this provision may have an adverse effect on specific categories of plaintiffs in IP disputes - natural persons, such as authors or inventors, who may not be able to offer a cross-undertaking to the extent necessary to compensate for a potential loss by the defendant, e.g. if the defendant is a multinational corporation. This may have a chilling effect on such plaintiffs, which in turn could put the effective enforcement of a final decision at risk.

In general, the approach to granting cross-undertaking is similar in the analysed jurisdictions. In most of these jurisdictions, it is decided by the court based on the circumstances of the parties. Moreover, while in most of the selected jurisdictions the courts are not required to take into account the financial circumstances of the plaintiff when deciding on a cross-undertaking,¹⁵⁰ the courts generally have wide discretion in this matter.¹⁵¹ Furthermore, in some jurisdictions, the courts do take financial circumstances of certain categories of plaintiffs into account when deciding on a cross-undertaking.¹⁵² Finally, in some jurisdictions, in addition to the provision of a financial undertaking, the courts may also request the provision of non-monetary obligations by the plaintiff.¹⁵³ The non-monetary obligations essentially perform a similar role to the monetary cross-undertaking, as they allow the defendant to be compensated for any losses she or he might suffer as a result of a grant of a preliminary injunction. At the same time, they provide a greater flexibility in cases where the claimant does not possess a sufficient financial means to provide a cross-undertaking.

Based on the analysis of the selected jurisdictions and Ukrainian realities, we recommend the adoption of a more flexible approach when deciding on cross-undertakings.

- 1) First, we recommend that the IP Court, considering the facts of the case, the purpose of cross-undertakings, and the financial circumstances of the plaintiff, may be able to grant a preliminary injunctive relief without ordering a cross-undertaking.**

¹⁴⁷ Andrew Perkins, 'Guide To Injunctions' (3 March 2018) <<https://www.ashfords.co.uk/news-and-events/general/guide-to-injunctions>> (accessed 23 September 2020).

¹⁴⁸ Article 140(7) CPC.

¹⁴⁹ Such practice has already been developed by the commercial courts. When an application for a preliminary injunction does not contain a specific cross-undertaking by the plaintiff, courts typically decide that such an application does not meet the requirements of Article 139 CPC and therefore reject the application for preliminary injunctions. See e.g. Decision of the Commercial Court of Kyiv (11 June 2018) in relation to the patent infringement (Case № 910/7714/17) <<http://reyestr.court.gov.ua/Review/74569832>> (accessed 23 September 2020).

¹⁵⁰ See Part II, Section 2.4.3 of the Comparative Study (e.g. in the UK, as a matter of principle, financial circumstances of the applicant cannot serve as a reason for the court not to require cross-undertaking).

¹⁵¹ See Part I, Section 2.4.3. of the Comparative Study (e.g., in the US, cross-undertaking is not obligatory, and the courts are vested with a large discretion as to whether or not to oblige the party to post a bond, as well as to the amount of the bond itself).

¹⁵² See Part I, Section 2.4.3. of the Comparative Study (e.g. in the US, there are several groups of applicants in relation to which the courts are usually hesitant to grant the bond – these are indigenous litigants and citizen groups enforcing the National Environmental Policy Act. The courts found that where an indigenous litigant is unable to furnish a security due to the financial circumstances, a bond should not be required).

¹⁵³ See Parts II, III and IV, Section 2.4.3. of the Comparative Study (e.g., in Germany, the applicant may provide jewelry or antiques, or any other form of undertaking agreed by the parties, such as a lien on a car. In France, the security may also be in any form, e.g., delivery of movables. In addition, in the UK, cross-undertaking takes the form of a contractual relationship between the parties under which the respondent will have the right to sue for contractual damages if the preliminary measure granted by the court is later revoked).

- 2) Second, we recommend extending the list of cross-undertakings by supplementing it with, for example, the provision of non-monetary undertakings, as well as the possibility to impose an obligation on the plaintiff to perform certain actions or refrain from such a performance until the final decision.¹⁵⁴ This solution may be used as an alternative to a monetary undertaking, or applied only in circumstances where the claimant offers sufficient evidence that their unable to provide a monetary undertaking.

We believe that the implementation of these Recommendations, considering the interests of both parties when granting cross-undertakings, will increase the effectiveness of preliminary injunctive measures. We also believe they will have a positive effect on the effective enforcement of decisions in IP disputes.

2.2.4.4. Recommendations on the revocation of preliminary injunctive reliefs under Article 145(1) CPC

Article 145(1) CPC authorises the court to cancel a previously granted preliminary injunctive relief on its own volition. While this provision provides the court with such a power, it does not specify the grounds on which such a decision can be made, leaving unlimited discretion to the court in this matter.

In most of the analysed jurisdictions, the law does not provide the court with the power to revoke a preliminary injunctive relief upon its own initiative.¹⁵⁵ This can be done only upon the request of the party and based on the grounds for such a revocation specified in the law.¹⁵⁶ Even in those jurisdictions where the courts have such a power, the law provides specific grounds based on which the granted relief can be revoked by the court unilaterally, thus limiting the power of the court to revoke such measures.¹⁵⁷

We therefore recommend amending Article 145(1) CPC by indicating that the court has the power to revoke a preliminary injunctive relief upon the request of the party and based on the grounds for such a revocation specified in the law.¹⁵⁸ Such grounds may include the following: (a) change of circumstances, especially if the grounds on which the relief was granted ceased to exist, (b) failure to commence the main proceedings, especially if the injunction was granted *ex parte*; (c) where the preliminary injunctive relief no longer serves its purpose or where its purpose has already been fulfilled; (d) where the relief interferes with the legitimate interests of third parties; and (e) where the conditions set out in the order granting the relief, such as the provision of security, were not fulfilled.

¹⁵⁴ Non-monetary obligations, such as the imposition of an obligation to perform certain actions or refrain from such a performance until the final decision, can be found in Article 137 CPC, which lists measures that can be ordered by the court as a preliminary injunctive relief. Therefore, we believe that the court should also have the power to use such measures when deciding on cross-undertakings. The analysis of the selected jurisdictions shows that non-monetary measures are also available in such proceedings.

¹⁵⁵ See Parts I, III, IV, and V, Section 2.4.4. of the Comparative Study (this is the case in the US, Germany, France, and the Netherlands. Note, however, that in the US the revocability of a preliminary injunctive relief by the court *sua sponte* depends on a legal provision on which the revocation is based and on a particular circuit court, as the jurisprudence varies between the circuits).

¹⁵⁶ See Parts I, III and IV, Sections 2.4.4. of the Comparative Study (e.g. in the US, the law establishes specific grounds under which the court may dissolve or modify the relief upon the application of a party. These include cases where the grounds on which the relief was granted ceased to exist, where changes in the law occurred, where the prospective application of the injunction is no longer equitable, and where the court needs to ensure that any injunctive relief granted fully vindicates the rights accorded by the underlying judgment. Similarly, in Germany, the relief can be revoked if there is a change of circumstances. This will be the case where the grounds on which the order was issued have been conclusively dealt with, or if the applicant has failed to file the main claim within the period prescribed by the court. Likewise, in France, a measure granted *inter partes* cannot be revoked by the court that granted it, unless there have been a change of circumstances).

¹⁵⁷ See Part II, Section, 2.4.4. of the Comparative Study (e.g. this is the approach taken in the UK, where a preliminary injunctive relief may be discharged before the final decision is delivered by the court. However, the law provides specific grounds for such a revocation, including the fact that the injunction was granted without a notice despite that the notice was required, the claimant failed to comply with the undertakings incorporated into the order, there was a material change in circumstances, there was an unreasonable interference with the rights of innocent third parties, and when there is a serious delay by the applicant in pursuing the action. In addition, the court can suspend the operation of an injunction at any time in order to ensure that the operation is just and convenient (or proportionate).)

¹⁵⁸ See Parts I, III and IV, Sections 2.4.4. of the Comparative Study (e.g. in the US, the law establishes specific grounds under which the court may dissolve or modify the relief upon the application of a party. These include cases where the grounds on which the relief was granted ceased to exist, where changes in the law occurred, where the prospective application of the injunction is no longer equitable, and where the court needs to ensure that any injunctive relief granted fully vindicates the rights accorded by the underlying judgment. Similarly, in Germany, the relief can be revoked if there is a change of circumstances - in particular, where the grounds on which the order was issued have been conclusively dealt with, or if the applicant has failed to file the main claim within the period prescribed by the court. Likewise, in France, a measure granted *inter partes* cannot be revoked by the court that granted it, unless the circumstances have changed).

2.2.5. Recommendations on security for costs

One of the novel provisions in the CPC is the reimbursement of the parties' legal fees. While in the previous versions of the CPC such fees were capped at a level that was specifically established by the law (and this level was fairly marginal), the new provisions of the CPC allow for the recovery of legal fees, which can be calculated on the basis of an agreement between the party and its attorney-at-law. Overall, this may be seen as a positive development for commercial litigation, as legal fees can be substantial, and the winning party can now recover its legal costs. It may, however, harm natural persons who are IP owners. In particular, the CPC allows the defendant, in certain circumstances, to ask the court for an order requesting the plaintiff to provide security for costs, which include the defendant's legal fees.¹⁵⁹ Non-compliance with such a court order may result in the rejection of the lawsuit.¹⁶⁰ This may allow for abuse of process by defendants in cases when a natural person owning IP rights sues a company for the infringement of his/her IP rights. In such cases, the provision of security for costs incurred by companies and calculated based on new rules may prove to be an insurmountable burden for some natural person IP right holders, or even SMEs. It could thus have a chilling effect on natural persons and SMEs by discouraging them from referring their cases to the IP Court in the first place.¹⁶¹

In most of the analysed jurisdictions, while the financial circumstances of the plaintiff are generally not taken into account, the grant of security for costs is a discretionary matter.¹⁶² Moreover, some of the analysed jurisdictions explicitly take into account the financial circumstances of plaintiffs and may refrain from ordering the provision of security for costs if the plaintiffs can demonstrate that they are unable to provide sufficient security.¹⁶³

Based on the analysis of the selected jurisdictions, as well as considering the Ukrainian realities, we recommend the following.

- 1) We recommend that the CPC provides the IP Court with wide discretion in deciding on security for costs. Specifically, the Court may be allowed to take matters such as financial hardship into account when deciding on granting such a bond, as well as its amount. Concerning the latter, the court may be able to decide on the amount of legal fees based on an average level of legal fees on the market rather than basing its order on the specific legal fees of the defendant's attorneys.**

We believe that the implementation of these Recommendations will improve the effectiveness of IP adjudication by the IP Court.

2.2.6. Recommendations on the CPC's simplified procedures that are currently unavailable for natural persons

Some of the procedures established by the CPC may not be available to natural person IP owners. For example, the CPC implements a new simplified procedure in the form of a court order, which provides for speedy enforcement of a contract by means of debt collection should the debt amount be insignificant.¹⁶⁴ Therefore, in principle, this procedure may also apply to IP licences or IP assignment agreements.

¹⁵⁹ Article 125(4) CPC.

¹⁶⁰ Article 125(6) CPC.

¹⁶¹ There are no statistics on legal fees in relation to IP disputes in Ukraine. By way of an example, the findings of EU Commission on the European patent litigation demonstrate that legal fees may be substantial. Thus, legal fees incurred by companies per litigation in patent cases were on average, € 230,000 per case in a single Member State. Legal fees in patent litigation before UK courts were particularly high, with an average of € 993,000 per litigation. The second highest average legal fees were incurred in patent litigation in the Netherlands and France (an average of € 476,000 and € 449,000 per litigation). In Italy, Belgium and Spain, legal fees in patent cases ranged between € 111,000 and € 124,000 on average. Finally, legal fees were lowest in Germany and Austria (€ 76,000 and € 46,000). (EU Commission 'Pharmaceutical Sector Inquiry Final Report' (8 July 2009) pages 235-236, available <http://ec.europa.eu/competition/sectors/pharmaceuticals/inquiry/staff_working_paper_part1.pdf> accessed 23 September 2020).

¹⁶² See Parts II and III, Section 2.5 of the Comparative Study (e.g., in the UK, the court may order security for costs if, having regards to all the circumstances of the case, it is satisfied that it is just to make such an order, or where there is a reason to believe that the plaintiff will be unable to compensate the defendant's costs if ordered to do so. However, in case the court orders to provide security for costs, it has discretion regarding the amount of such a security, as well as the manner and time within which the security must be given. In Germany, security for costs may only be granted against foreign claimants and the law provides the list of exceptions where such an order cannot be made. However, the courts generally do not consider financial circumstances of the plaintiff).

¹⁶³ See Parts I and V, Section 2.5 of the Comparative Study (e.g., in the US, the grounds for granting security for costs vary between the federal circuits, and the courts, in general, are vested with wide discretion in deciding on this matter. In most general terms, if the court identifies actual financial hardship on the part of the appellant that would prevent him/her from pursuing the appeal, the bond would not be demanded. Nonetheless, the evidence must be provided that would prove the financial hardship is indeed present. In the Netherlands, the law provides that security for costs will not be granted in cases where such requirements would impede effective access to justice. This must be proved by the plaintiff by a detailed description of his/her financial circumstances).

¹⁶⁴ Articles 147(1) and 148(1) CPC.

For example, if the counterparty to such an IP agreement fails to fulfil its financial obligations under the contract (e.g. royalty payments), the other party could refer to this procedure in order to enforce the payment swiftly under the contract. However, the CPC specifically states that such measures are available only to legal entities and natural persons with entrepreneur status.¹⁶⁵ This implies that natural persons without entrepreneurial status are excluded from utilising this expeditious procedure.

In general, the law in the selected jurisdictions does not contain such exclusions and provides equal opportunity for all plaintiffs, irrespective of their legal status, to refer their disputes to and seek remedies from the court that has jurisdiction to consider a specific IP dispute.

Therefore, based on the analysis of the selected jurisdictions, we recommend amending this provision by providing the right to file an IP-related lawsuit to all interested parties, including natural persons. We believe that the implementation of this Recommendation will improve access to justice to all IP rightholders.

2.2.7. Recommendations on the lack of cassation for insignificant cases

According to the CPC, the general grounds for cassation to the Supreme Court are incorrect application of substantive law or violation of procedural law.¹⁶⁶ The CPC, however, contains a list of exceptions, in which decisions of lower courts cannot be subject to cassation. One such exception, according to Article 287(3)(2) CPC, relates to court decisions in 'insignificant' cases which include those with monetary claims that do not exceed 500 times the living wage.¹⁶⁷ Decisions in such cases can only be subject to cassation if they involve, inter alia, matters of fundamental importance for the uniform application of law, the case constitutes a significant public interest or has an exceptional importance for the applicant. As a result, this provision may potentially prevent many decisions of the Appellate Chamber of the IP Court from being challenged in the Supreme Court, as many of the IP cases may be qualified as 'insignificant' according to the new CPC and may not meet the required threshold for cassation even where the appellant instance clearly misapplied substantive law or carried out a procedural violation that had impacted the outcome of the case.¹⁶⁸ After all, the complexity and significance of an IP dispute in many cases may not necessarily be reflected in its monetary value.

In principle, the establishment of a high threshold for cassation, in general, is in line with the approaches taken in the majority of the analysed jurisdictions and may be even considered as more lenient.¹⁶⁹ Therefore, most jurisdictions that introduced special procedures related to small value claims¹⁷⁰ allow the decisions delivered by the appellate instance to be challenged in cassation if the general grounds for cassation are met, e.g. if the case has significant importance.¹⁷¹ Some jurisdictions, however, have similar grounds for cassation as the general grounds for cassation in Ukraine, without any further limitations.¹⁷²

¹⁶⁵ Article 147(3) CPC. An entrepreneurial status is a formal legal status that can be obtained by means of the state registration in accordance with the Law of Ukraine 'On the State Registration of Legal Entities, Natural Persons-Entrepreneurs and Civil Organisations' (15 May 2003, № 755-IV) <<https://zakon.rada.gov.ua/laws/show/755-15>> (accessed 23 September 2020). This special status allows a natural person to conduct commercial (business) activities without establishing a legal entity.

¹⁶⁶ Article 287(2) CPC.

¹⁶⁷ According to the 2020 State Budget, as of 1 January 2020 this equals 1,051,000 Hryvnas (appx. 35,000 GBP).

¹⁶⁸ For example, one of the respondents gave an example related to a case on the recovery of compensation for the infringement of an author's property right in the amount of 72,000 Hryvnas (appx. 2,100 GBP) that will fall within this category of 'insignificant' cases and will thus not be subject to cassation.

¹⁶⁹ Parts I, II and III, Section 6 of the Comparative Study (e.g., in the US, the Supreme Court considers only cases that have national significance, may lead to harmonisation of conflicting decisions in the federal circuit courts, and/or could have precedential value irrespective of the monetary value of the lawsuit. In the UK, the Practice Direction 3.3.3 requires that the appeal against the decisions of the Court of Appeal must raise an arguable point of law of general public importance irrespective of the monetary value of the lawsuit. Likewise, in Germany, under § 543 ZPO, the appeal on points of law is admissible if the legal matter is of fundamental significance, or the further development of the law or the interests in ensuring uniform adjudication require a decision to be handed down by the court hearing the appeal on points of law. German procedural law does not impose any requirements concerning the value of the claim in relation to appeals on points of law as such, but normal appeals will generally be subject to the threshold of EUR 600 unless the first instance court decides otherwise; this, in practice, affects the value of claims in cassation proceedings. A so-called leapfrog appeal is subject to the statutory requirement of EUR 600; the first instance court may not allow a party to file the leapfrog appeal when the statutory requirement is not met.

¹⁷⁰ See Parts II, III and V, Section 6 of the Comparative Study (these include the UK, Germany and the Netherlands).

¹⁷¹ In the UK, such claims are brought in the IPEC small claims track when the value of the claim does not exceed £10,000. Appeals against such judgments are filed to the multi-track section at the IPEC and are currently heard by Judge Hacon, who acts as the enterprise judge. The decisions of the enterprise judge, in turn, are reviewed by the Court of Appeal that acts as the court of cassation in this case. In Germany, the local courts exercise jurisdiction over disputes concerning copyright and related rights, in which the value of a claim does not exceed EUR 5,000. The regional courts act both as the first instance court and as the courts of appeal reviewing certain decisions of the local courts. Appeals against all decisions of the regional courts and certain decisions of the local courts may be filed with the higher regional courts, and the decisions of the latter may then be appealed to the BGH that acts as the court of cassation.

¹⁷² See Parts IV and V, Section 6 of the Comparative Study (e.g. France and the Netherlands).

In one jurisdiction, which does not allow for appeals against the decision in small value claims, the law limits such appeals to a specific amount, which is indeed 'insignificant' comparing to a minimum living wage in that jurisdiction.¹⁷³

Since one of the key objectives of the new IP Court is to develop coherent IP jurisprudence, and considering the fact that the Court will consist of the newly appointed IP judges, it may be reasonable to consider lowering the bar for cassation in IP cases. In particular, it may be reasonable to increase the role of the Supreme Court in overseeing the practice of the new IP Court by revising its application of substantive and procedural laws until the coherent IP jurisprudence is developed. It is important to emphasise that the exclusion in relation to the availability of cassation in small value claims would apply only to IP disputes. Since the new IP Court was created with one of the main objectives to develop a coherent IP jurisprudence, it is particularly important that erroneous judgements by the appellant instance, which would otherwise be allowed to stay and tilt the said jurisprudence in an undesirable manner, would be reviewed by the Supreme Court and would be rectified where necessary. This would clearly contribute to the emergence of coherent and effective IP jurisprudence. We believe that the policy preferences adopted by the Ukrainian government reinforce and support the reduction of the threshold for cassation in relation to IP disputes. The Ukrainian government has demonstrated continuous interest in the strengthening of the IP enforcement mechanisms, what is evidenced, above all, by the decision to establish the IP Court. The decision of the Ukrainian government constitutes a reflection of the established set of policy priorities, which in turn address the needs of the judicial system and the national economy. The fact that this particular field of law requires a separate judicial institution also explains why IP disputes require a particular attention from the Supreme Court, especially in the early stages of the IP Court functioning.

Therefore, we recommend amending Article 287 CPC considering the following:

- 1) We recommend providing the possibility to challenge the decisions of the Appellate Chamber before the Supreme Court unless the case is insignificant, i.e. the value of the claims do not exceed 2-5 minimum living wages. In such cases cassation may be allowed only if the threshold set in Article 287(3)(2) CPC is met, i.e. if the case involves, inter alia, matters of fundamental importance for the uniform application of law, the case constitutes a significant public interest or has an exceptional importance for the applicant.

We believe that the implementation of these Recommendations will improve the effectiveness of the IP adjudication and improve access to justice.

¹⁷³ See Part V, Section 6 of the Comparative Study (e.g. in the Netherlands, if the alleged value of an IP infringement claim is below EUR 25,000, such a case may be brought before a small claims chamber of the district courts. An appeal against a judgment of the district court is only available if the claim exceeds EUR 1,750). As of August 2019, the monthly Dutch minimum wage of 18 years old employee was EUR 767.50. Thus, the 'insignificant' cases are those the amount of which is only double of the monthly minimum wage, as oppose to the Ukrainian standard, where an 'insignificant' case does not exceed 100 living wages.

CONCLUSIONS TO THE FINAL RECOMMENDATIONS

We believe that the establishment of the specialised IP Court in Ukraine will lead to high quality jurisprudence signaling to individuals and businesses that their investments in IP will be effectively protected. Such a result can be seen from the analysis of the selected jurisdictions, which consistently increase the specialisation of their judiciaries in the field of IP; this, in turn, positively influence the quality of IP jurisprudence in these jurisdictions. Our analysis of the mature IP jurisdictions reveals that a specialised experience and knowledge of IP judges allow them to deal with IP cases in an efficient and speedy manner and deliver more accurate judgments.¹⁷⁴ In addition, the establishment of a specialised IP judiciary entails the creation of a subject-matter expertise that supports the emergence of an innovation-friendly environment.¹⁷⁵

The Ukrainian Law Report identifies potential concerns that might arise in the course of the establishment and functioning of the IP Court. The Recommendations presented in this report address these concerns. They are based on the detailed analysis of best practices in the selected jurisdictions discussed in the Comparative Study that provided solid grounds for recommending how to address the problems identified in the Ukrainian Law Report. The Recommendations were divided into two parts. The first part comprises Recommendations relating to the establishment and functioning of the IP Court. In this regard, we have recommended considering additional safeguards to ensure that the process of reviewing the decisions of the first instance by the appellate IP judges complies with the highest standards of the principles of judicial independence and impartiality. We have also recommended the increase in the number of IP judges, the development of the videoconferencing system, as well as the introduction of additional regional divisions to support the IP Court in Kyiv. The implementation of these solutions will ensure the effective functioning of the IP Court and make it more accessible to the members of the public.

The second part of the Recommendations covers the rules of procedure before the IP Court. In this regard, we recommended that, as a general rule, the IP disputes may be dealt with by a single judge, rather than a panel of three judges; the latter would only be engaged in more complex cases. This will facilitate a more effective consideration of IP disputes by the IP Court and will allow the court more effectively to address the relevant caseload. We have also recommended to clarify the exclusive jurisdiction of the IP Court by removing the potential overlap between the jurisdictions of the IP Court, the administrative courts and other state authorities. For example, we recommended extending the jurisdiction of the Court to customs and tax disputes involving an IP element, as well as to appeals against the decisions on the refusal to register an IP right and disputes related to the assessment of the validity of an IP-related agreements. In relation to the law on evidence, we recommended that admission of electronic evidence maybe allowed regardless of the form of such evidence. As regards experts, we suggested to clarify the grounds on which the Court may nominate an expert unilaterally. The Recommendations concerning preliminary injunctive reliefs, cross-undertakings and security for costs list some new approaches for granting of such measures, which will bring clarity into proceedings conducted before the IP Court and bring them closer to best practices identified in the selected jurisdictions. Finally, in order to addresses the problem of the quality of judgments in IP cases, we recommended the reduction of the monetary threshold for cassation in small value IP disputes. We are of the view that the successful introduction of these Recommendations will contribute to the efficient functioning of the IP Court, as well as the IP enforcement system in general.

¹⁷⁴ IIPi/USPTO, 'Study on Specialised Intellectual Property Courts' (2012); Jay P. Kesan and Gwendolyn G. Ball, 'Judicial experience and the efficiency and accuracy of patent adjudication: an empirical analysis of the case for a specialised patents trial court' (2011) 24/2 Harvard Journal of Law & Technology.

¹⁷⁵ EUIPO, 'Specialised IP Rights Jurisdictions in the Member States. A compilation of available studies' (Q3 2017) July 2018.

IV. ROAD MAP ON IMPLEMENTING THE RECOMMENDATIONS ON THE IMPROVEMENTS OF UKRAINIAN LAW RELATED TO THE ESTABLISHMENT AND OPERATION OF THE IP COURT IN UKRAINE

	Title of the recommendation	Content of the recommendation	Specific route for implementing the recommendations	
			Legislative amendments	Practice/ other
1	On the Structure of the IP Court	Separating the two instances of the IP Court and accommodating them in different buildings.		Taking an appropriate decision by the State Court Administration of Ukraine.
2	On the Selection Criteria for Judges at the Appellate Chamber	Adjusting the selection criteria for the appellate IP judges by establishing more rigorous requirements in line with the general selection criteria set for appellate judges.	Amendments to Art. 33 of the Law on the Judicial System	
3	On the Specific Selection Criteria for IP Judges	1. Uniform selection criteria for all candidates for the position of an IP judge, requiring the possession of substantial knowledge and experience in the field of IP.	Amendments to Art. 33 of the Law on the Judicial System	
		2. Reserving the possibility of appointing judges and lawyers, who, while may not have an extensive IP experience, nevertheless are highly qualified (e.g. judges with more than 15 years of judicial experience and lawyers with more than 20 years of experience in litigation).	Amendments to Art. 33 of the Law on the Judicial System	
		3. Establishing the institute of 'scientific advisors', who may be appointed by the IP judges to assist them in understanding technical issues	Amendments to Art. 33 of the Law on the Judicial System and Art. 32 CPC	
		4. Reserving a certain number of posts for IP judges with a relevant technical or scientific background.	Amendments to Art. 33 of the Law on the Judicial System and Art. 32 CPC	

	Title of the recommendation	Content of the recommendation	Specific route for implementing the recommendations	
			Legislative amendments	Practice/ other
4	On the Location of the IP Court	1. Establishing the obligation of the IP Court to conduct court hearings via videoconferences if a party has demonstrated sufficient grounds.	Amendments to Art. 197 CPC	
		2. If the trial via videoconferencing would not be practical (e.g., because of the number of the parties or amount of evidence) and if the case has a clear regional connection, we recommend that the hearings may be conducted in the region in question. For that purpose, the IP Court could use a building of the local civil or commercial courts.	Amendments to Art. 31 of the Law on the Judicial System, Art. 197 CPC	
		3. In case of a significant increase of the number of IP litigations – permanent regional divisions of the IP Court may be established in major Ukrainian cities. videoconferencing would not be practical (e.g., because of the number of the parties or amount of evidence) and if the case has a clear regional connection, we recommend that the hearings may be conducted in the region in question. For that purpose, the IP Court could use a building of the local civil or commercial courts.	Amendments to Art. 31 of the Law on the Judicial System	
5	On the Number of Judges	1. Increasing the number of judges by adding at least two more panels for the first instance of the IP Court and one more panel for the Appellate Chamber.		Taking an appropriate decision by the State Court Administration of Ukraine.
		2. Allowing a single judge to consider certain matters, rather than a panel of three.	Amendments to Art. 33 CPC	

	Title of the recommendation	Content of the recommendation	Specific route for implementing the recommendations	
			Legislative amendments	Practice/ other
6	On the Collegial Consideration of IP Cases in the IP Court	1. IP disputes may be considered by a single judge at first instance as a default option. In certain cases, for example, due to the complexity of the case, the case may be referred to a panel of three judges.	Amendments to Art. 33 CPC	
		1.1. Developing guidance that would assist in defining the level of complexity of an IP dispute.		
		2. The party may have the right to request the judge allocated to hear the dispute to transfer the case to a three-judge panel before or during the preparatory proceedings.	Amendments to Art. 33 CPC	
		3. Defining a list of procedural matters that can be resolved by a single judge in the circumstances where the case was allocated to a panel of three judges.	Amendments to Art. 33 CPC	
7	On the Jurisdiction of the IP Court			
	<i>Regarding the Potential Overlap between the Jurisdictions of the IP Court and the Administrative Courts</i>	1. Appeals against the decisions on the refusal to register an IP right may fall within the jurisdiction of the IP Court.	Amendments to Art. 20 CPC	
		2. The IP Court may be competent in relation to tax and customs disputes that involve an IP element. However, the jurisdiction of the IP Court would only comprise disputes where IP specialisation is necessary to resolve the dispute.	Amendments to Art. 20 CPC	
	<i>On the Potential Overlap between the Jurisdictions of the IP Court and other State Authorities</i>	1. The recognition of a trade mark as well-known in cases where there is a dispute may fall within the exclusive jurisdiction of the IP Court.	Amendments to Art. 20 CPC	
		2. Cases where there is no dispute on the recognition of a trade mark as well-known may remain within the jurisdiction of the Appellate Chamber of the Ministry of Economic, Trade and Agricultural Development of Ukraine (the Ministry).	Amendments to Art. 20 CPC	

	Title of the recommendation	Content of the recommendation	Specific route for implementing the recommendations	
			Legislative amendments	Practice/ other
7		3. Appeals against the decisions of the Ministry may fall within the jurisdiction of the IP Court.	Amendments to Art. 20 CPC	
	<i>On the Disputes Concerning Authors' Rights under Article 20(2)(4) CPC</i>	Disputes related to all relevant copyright holders should fall within the jurisdiction of the IP Court.	Amendments to Art. 20 CPC	
	<i>On the Disputes Concerning Recognition of Agreements as Invalid</i>	Disputes concerning recognition of IP-related agreements as invalid as well as recognition invalid IP-related contracts as valid may be included to the jurisdiction of the IP Court.	Amendments to Art. 20 CPC	
8	On Evidence in IP Cases			
	<i>On evidence in an electronic form under Article 96(2) CPC</i>	Electronic evidence may be allowed to be submitted in any form, provided it enables a reliable authentication that the piece of evidence is what it is claimed to be.	Amendments to Art. 99 CPC	The Supreme Court's legal position in this regard is also possible (in its decision on a relevant case)
	<i>On the Power of the Court to Appoint an Expert Unilaterally Under Article 99 (3) CPC</i>	Clarifying the circumstances in which the IP Court has the unilateral power to appoint an expert.	Amendments to Art. 99 CPC	
9	On Preliminary Injunctive Relief in IP Cases			
	<i>On the Grounds for granting a preliminary injunctive relief under Article 136(2) CPC</i>	Explicitly including to the CPC in a non-exhaustive manner the three factors that may be considered by the IP Court when granting a preliminary injunctive relief, i.e. balance of convenience, urgency of the threat and the likelihood of success.	Amendments to Article 136(2) CPC	

	Title of the recommendation	Content of the recommendation	Specific route for implementing the recommendations	
			Legislative amendments	Practice/ other
9	<i>On Potential uncertainty in relation to the procedure for applying for preliminary injunctions before submitting a lawsuit</i>	Specifying that all requests for a preliminary injunctive relief filed before or after filing the main lawsuit should be submitted to the IP Court.	Amendments to Article 138 CPC	
	<i>On Cross-undertaking under Articles 139-141 CPC</i>	The IP Court, considering the facts of the case, the purpose of cross-undertakings, and the financial circumstances of the plaintiff, may be able to grant a preliminary injunctive relief without ordering a cross-undertaking.	Amendments to Art. 141 CPC	
		The list of cross-undertakings may be extended by supplementing it with the provision of non-monetary undertakings, as well as the possibility to impose an obligation on the plaintiff to perform certain actions or refrain from such a performance until the final decision.		
	<i>On the Revocation of Preliminary Injunctive Reliefs under Article 145(1) CPC</i>	The IP Court may have the power to revoke a preliminary injunctive relief upon the request of the party and based on the grounds for such a revocation specified in the law.	Amendments to Art. 145 CPC	
10	On Security for Costs	1. The IP Court may be allowed to take matters such as financial hardship into account when deciding on granting such a bond, as well as its amount.	Amendments to Art. 125 CPC	
		2. The IP Court may be able to decide on the amount of legal fees based on an average level of legal fees on the market rather than basing its order on the specific legal fees of the defendant's attorneys.	Amendments to Art. 126 CPC	
11	On Procedures that are currently unavailable for natural persons	Providing the right to file an IP-related lawsuit in the proceedings in the form of a court order to all interested parties, including natural persons without entrepreneurial status.	Amendments to Art. 147 CPC	

	Title of the recommendation	Content of the recommendation	Specific route for implementing the recommendations	
			Legislative amendments	Practice/ other
12	On the Lack of Cassation for Insignificant Cases	Providing the possibility to challenge the decisions of the Appellate Chamber before the Supreme Court unless the case is insignificant, i.e. the value of the claims do not exceed 2-5 minimum living wages. In such cases cassation may be allowed only if the threshold set in Article 287(3)(2) CPC is met, i.e. if the case involves, inter alia, matters of fundamental importance for the uniform application of law, the case constitutes a significant public interest or has an exceptional importance for the applicant.	Amendments to Art. 287 CPC	



British Embassy
Kyiv



Centre for Commercial Law Studies



FCDO UKRAINE IP COURT PROJECT

UK technical assistance project to support
the establishment and operation
of the High Intellectual Property Court in Ukraine

Annex 1: Online training programme for the Ukrainian Judiciary on International IP Law and Practice

prepared by the Centre for Commercial Law Studies,
Queen Mary University of London

London, May 2020

Outline

- The programme will be open to current IP judges, candidates for the High Intellectual Property Court and Members of the IP Appeal Chamber at the Ministry for Economic Development, Trade and Agriculture;
- Partners for the programme include the Supreme Court and the Ministry for Economic Development, Trade and Agriculture;
- The programme will be delivered by leading international experts in IP litigation, including judges, practitioners and academics;
- The content of the training is a combination of law, procedure and practice;
- The programme will be streamed online over a three-week period utilising a closed YouTube channel and Zoom with simultaneous interpretation to/from Ukrainian;
- Participants will be required to pass a series of online multiple choice tests in order to receive a Graduation Certificate;
- Participants will be invited to register via email and will be provided with secure login details to access the programme website.

Daily Schedule (Kyiv time, Ukraine, UTC+3)

10:00 - 11:00	Session 1	(1 h)
11:00 - 11:15	Q&A	(15 min)
11:15 - 11:40	Break	(25 min)
11:40 - 12:40	Session 2	(1 h)
12:40 - 12:55	Q&A	(15 min)
12:55 - 14:30	Lunch	(1 h 35min)
14:30 - 15:30	Session 3	(1 h)
15:30 - 15:45	Q&A	(15 min)
15:45 - 16:10	Break	(25min)
16:10 - 17:10	Session 4	(1 h)
17:10 - 17:30	Q&A	(15 min)

WEEK 1		
Day 1: Opening remarks		
Monday, 6 July		
10:00-10:10	Melinda Simmons, UK Ambassador to Ukraine	
10:10-10:20	Dr Ruslan Stefanchuk, Deputy Speaker of the Rada	
10:20-10:30	Lord Neuberger, former President of the Supreme Court in the UK	
Day 1: Part I - Substantive issues of EU IP Law		
Introduction to Intellectual Property Rights		
10:30-11:00	International and European IP legal framework. The role of IP in supporting Growth and Development in Tech-intensive industry.	Dr Noam Shemtov, CCLS, Queen Mary University of London, UK
11:00-11:15	Q&A	
11:15-11:40	Break	
11:40-12:40	Ukraine National Strategy for Intellectual Property; Purpose and Structure	Mr Ronald Marchant, Former Head of the UK IPO
12:40-12:55	Q&A	
12:55-14:30	Lunch	
14:30-15:30	Creative industries and Economic, Social and Cultural development – A perspective from WIPO	Mr Dimiter Gantchev, WIPO, Deputy Head of the creative Industries department, Switzerland
15:30-15:45	Q&A	
15:45-16:10	Break	
16:10-17:10	The Role of Intellectual Property in Generating Growth in the Digital Creative Economy	Mr Dimiter Gantchev, WIPO, Deputy Head of the creative Industries department, Switzerland
17:10-17:30	Q&A	
Copyright (Day 1)		
Tuesday, 7 July		
10:00-11:00	International context: International and EU Copyright legal framework	Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LL.M, PhD (London), Advocate Court of Appeal Egypt
11:00-11:15	Q&A	
11:15-11:40	Break	

11:40-12:40	Subject matter of Copyright: Comparative perspective from France, Netherlands, UK and EU	Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LL.M, PhD (London), Advocate Court of Appeal Egypt
12:40-12:55	Q&A	
12:55-14:30	Lunch	
14:30-15:30	The concept of originality: Copyright v droit d'auteur and EU law	Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LL.M, PhD (London), Advocate Court of Appeal Egypt
15:30-15:45	Q&A	
15:45-16:10	Break	
16:10-17:10	Authorship/Ownership: Copyright v. droit d'auteur	Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LL.M, PhD (London), Advocate Court of Appeal Egypt
17:10-17:30	Q&A	
Copyright (Day 2)		
Wednesday, 8 July		
10:00-11:00	Scope of protection and exploitation	Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy
11:00-11:15	Q&A	
11:15-11:40	Break	
11:40-12:40	Exceptions, limitations and orphan works	Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy
12:40-12:55	Q&A	
12:55-14:30	Lunch	
14:30-15:30	The nexus between Copyright and other IP rights	Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy
15:30-15:45	Q&A	
15:45-16:10	Break	
16:10-17:10	The nexus between Copyright and other IP rights	Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy
17:10-17:30	Q&A	

Trade Marks (Day 1)		
Thursday, 9 July		
10:00-11:00	<ul style="list-style-type: none"> • Introduction to the EUTM • Introduction to the EUTM • Subject matter: different types of trade marks that can constitute a trade mark 	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
11:00-11:15	Q&A	
11:15-11:40	Break	
11:40-12:40	Distinctive character	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
12:40-12:55	Q&A	
12:55-14:30	Lunch	
14:30-15:30	Descriptive and generic trade marks including the issue of acquired distinctiveness	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
15:30-15:45	Q&A	
15:45-16:10	Break	
16:10-17:10	<ul style="list-style-type: none"> • The rejection of functional Trade marks • Trade marks, public order and morality • The rejection of trade marks infringing article 6 ter of the Paris Convention: flags, emblems ect... 	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
17:10-17:30	Q&A	
Trade Marks (Day 2)		
Friday, 9 July		
10:00-11:00	Conflict between Trade marks Geographical Indications, Designations of Origin and Traditional Speciality Guaranteed (TSG)	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
11:00-11:15	Q&A	
11:15-11:40	Break	

11:40-12:40	<ul style="list-style-type: none"> • Revocation and invalidity proceedings • The trade mark is invalid • The trade mark has not been “genuinely “used • The trade mark has been filed in bad faith • The trade mark conflicts with earlier trade marks • The trade mark conflicts with personality rights (name and likeness) • Conflict with copyright • Conflict with other IP rights 	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
12:40-12:55	Q&A	
12:55-14:30	Lunch	
14:30-15:30	<ul style="list-style-type: none"> • Scope of protection: the scope of the monopoly • Exceptions and limitations: freedom of religion, freedom of expression, the right to parody 	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
15:30-15:45	Q&A	
15:45-16:10	Break	
16:10-17:10	<ul style="list-style-type: none"> • Enforcement of trade mark rights in the context of online infringement: intermediaries liability and blocking orders • Preserving and obtaining evidence 	Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain
17:10-17:30	Q&A	
WEEK 2		
Day 1	Unfair Competition (German jurisdiction)	Dr Alexander Von Muhlendahl, Professor Dr iur. JD, LL.M, Attorney-at-Law at Bardehle Pagenberg, Germany
Monday 14 September	<ul style="list-style-type: none"> • Background, historical context • History of German unfair competition legislation • The European Union context • The current legal situation in Germany • The structure of the UWG • Application in practice 	
Day 2	Trade Secrets (EU)	Mr John Hull, Teaching Fellow in Intellectual Property in Business at the Centre for Commercial Law Studies, Queen Mary University of London, Solicitor of the Supreme Court (England), UK

Tuesday 15 September	<ul style="list-style-type: none"> • Fundamentals of trade secrets and the new EU trade secrets and the new EU trade secrets regime • How courts analyse trade secrets cases in the UK • The main threat to any business's secrets-its employees • Trade secret litigation, obtaining evidence, court procedures, remedies (based on English law and procedure) 	
Day 3	Designs Registered and Unregistered (EU)	Dr David Musker, Professor of International Design Law at the Centre for Commercial Law Studies at Queen Mary University of London, Chartered Patent Attorney, European Patent Attorney, Patent Attorney Litigator, European Trade Mark and Design Attorney, UK
Wednesday 16	<ul style="list-style-type: none"> • Subject matter • Requirements for protection • Scope, Infringement, Unregistered Designs Ownership • Authorship, Ownership, Invalidity 	
Days 4-5	Patents	Mr Gwilym Roberts, Chairman Kilburn & Strode, IP litigator, UK
Thursday-Friday, 17-18 September	<ul style="list-style-type: none"> • Subject matter, validity and entitlement • Patent Protection, Entitlement and Exploitation 	
WEEK 3		
Part II - Procedural issues in different jurisdictions and Plant varieties protection		
Day 1-2	The German perspective	Dr Klaus Bacher, Presiding judge, X. Civil Senate (Patent Law), German Federal Court of Justice, Germany
Monday 21 September – Tuesday 22 September	<ul style="list-style-type: none"> • Case management • Permanent and interim injunctions • Cross-undertaking in damages • Security for costs • Evidence • Experts • Pre-action evidence gathering 	
Day 3	Plant Varieties (EU)	Dr Graham Dutfield, Professor of International Governance at the School of Law, University of Leeds, UK

Wednesday 23 September	<ul style="list-style-type: none"> • Introduction to innovation in plant breeding: classical breeding and biotechnology • Intellectual property rights in plant improvement: the UPOV system, and the interaction of plant variety protection with (a) patent law, and (b) seed regulation • Judicial issues surrounding validity and enforcement of rights in plant intellectual property 	
Day 4	The US Perspective	Honorable Kathleen M. O'Malley, US Court of Appeals for the Federal Circuit, US
Thursday 24 September	<ul style="list-style-type: none"> • IP protection in the United States: History and Structure • IP Remedies in the United States: Equitable Relief • IP Remedies in the United States: Damages • The Use of Experts in U.S. IP litigation 	
Day 5	The UK Perspective	Rt. Hon. Lord Justice Arnold, Court of Appeal of England & Wales, UK
Friday 25 September	<ul style="list-style-type: none"> • Interim injunctions • Cross - undertaking in damages • Security for costs • Expert evidence • Remedies 	



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FCDO UKRAINE IP COURT PROJECT

UK technical assistance project to support
the establishment and operation
of the High Intellectual Property Court in Ukraine

Annex 2: Comparative Study of Best Practices in Leading IP Jurisdictions

prepared by the Centre for Commercial Law Studies,
Queen Mary University of London

London, September 2020

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AIM OF THE COMPARATIVE STUDY

In our analysis of the Ukrainian law on the establishment of the IP Court and the procedural law that will be applied by this Court (the **Ukrainian Law Report**) we have identified certain issues that may impinge on the effective functioning of the newly established IP Court.

The aim of the **Comparative Study** is to address the issues identified in the Ukrainian Law Report by providing a detailed analysis of the best practices from the leading IP jurisdictions: United States, United Kingdom, Germany, France and the Netherlands. In particular, the study of the selected jurisdictions is divided into two groups in accordance with the methodology adopted in the Ukrainian Law Report. The first group relates to the organisation of IP courts in these jurisdictions, comprising issues such as the structure of the court, qualifications and the number of judges. The second group covers procedural matters, such as composition of the court, jurisdiction, admissibility of evidence, and preliminary injunctive reliefs.

The conclusions of the analysis of best practices in the leading IP jurisdictions are used as guidelines for preparing the **Recommendations**, which are aimed to improve the Ukrainian legal framework related to the establishment and operation of the new IP Court. The ultimate purpose of the Comparative Study is thus to provide the necessary expertise to maximise the benefits of the specialised IP Court in Ukraine.

PART I – COMPARATIVE STUDY OF IP COURTS – THE US

I. Judicial system and judges

1.1. Structure of the judicial system and the IP court

The US judicial system has a dual court model, with courts at both the federal and state levels, and the Supreme Court of the United States (the 'Supreme Court') at the top. These two systems employ two different sets of applicable rules, i.e. the state court system is governed by state civil procedure rules adopted in a specific state, while the federal court system is governed by federal laws. Depending on the specific IP issue at stake and, in particular, what piece of legislation it is governed by – state or federal rules – a case can be heard in either the state or federal court system. It is also possible that both federal and state courts would have jurisdiction over an IP issue, leading to a concurrent jurisdiction.

The state courts have general jurisdiction over disputes that do not fall within the jurisdiction of federal courts.¹ The federal court system has special limited jurisdiction, which covers issues related to a 'federal question' (usually, where the dispute involves provisions of federal law) and 'diversity of citizenship' (disputes between two parties from different states).

The federal court system operates on three levels: district courts, appellate courts (also called 'circuit courts') and the Supreme Court. The district courts are the first instance or trial courts.² While the judges in the district courts are generalists, some of them can develop a certain level of expertise in IP disputes, as they may hear such cases fairly regularly.³ The circuit courts are the second instance courts. There are currently 12 regional circuit courts and the Court of Appeal for the Federal Circuit (the 'CAFC'). The latter has exclusive jurisdiction over certain types of IP cases that covers the entire territory of the US. The 12 circuit courts are organised geographically, i.e. each circuit court hears all types of cases on appeal from the district courts within its circuit.⁴ Decisions by the circuit courts are binding only upon a particular circuit, which may sometimes lead to conflicting decisions delivered by the different circuit courts on the same matter (the so-called 'circuit split').⁵ The CAFC, which was established in 1982 by the Federal Courts Improvement Act of 1982,⁶ represents an exception to this geographical division. It is vested with jurisdiction over specific types of disputes, including certain IP-related matters.⁷ The main rationale for vesting the CAFC with exclusive jurisdiction over a specific subject matter was the expectation that this will create a uniformity and reliability in the interpretation of the law.⁸ The internal structure of the CAFC is the same as in all other circuit courts. It does not have appellate and cassation chambers, as it is itself a second instance court. The Supreme Court is the final instance court in the United States. It hears appeals from all circuit courts, including the CAFC.⁹

¹ Richard D Freer, *Civil Procedure*, Third Edition (3 ed., Wolters Kluwer 2012).

² 'Court Role and Structure' (United States Courts) <<https://www.uscourts.gov/about-federal-courts/court-role-and-structure>> (accessed 23 September 2020).

³ Megan Woodhouse, 'Shop 'til You Drop: Implementing Federal Rules of Patent Litigation Procedure to Wear Out Forum Shopping Patent Plaintiffs', 99 GEO L J 227 (2010) 246.

⁴ 'US Federal Courts Circuit Map' (Uscourts.gov) <https://www.uscourts.gov/sites/default/files/u.s._federal_courts_circuit_map_1.pdf> (accessed 23 September 2020).

⁵ John C Busby, 'Circuit Split' (Legal Information Institute, Law Cornell) <https://www.law.cornell.edu/wex/circuit_split> (accessed 23 September 2020).

⁶ The CAFC was established under Article III of the Constitution and was formed from the merger of the United States Court of Customs and Patent Appeals and the appellate division of the United States Court of Claims.

⁷ Types of IP disputes that fall within the jurisdiction of the CAFC will be discussed in more detail in Section 2.2.

⁸ Howard T Markey, 'The Phoenix Court' [1982] 10 American Intellectual Property Law Association Quarterly Journal 227, 230-31.

⁹ 28 U.S. Code § 1254.

1.2. Criteria for selection of judges

The selection criteria for judges in the state courts vary widely from state to state. There are no IP-specific selection criteria for the federal judges, including judges selected to the CAFC. All federal judges are appointed by the president of the United States upon the advice and consent of the Senate.¹⁰ The Senate Judiciary Committee (a standing committee of 22 senators) would usually conduct confirmation hearings for each nominee. The American Bar Association, through its Standing Committee on the Federal Judiciary, is also involved in the process: it evaluates the professional qualifications of all nominees at all levels.¹¹ The committee is composed of 15 members, most of whom are judges at circuit level. The goal of the committee is to evaluate professional qualifications of the nominees, while their political ideology and philosophy are not taken into account. Therefore, the Bar Association's Standing Committee essentially evaluates the integrity,¹² professional competence¹³ and judicial temperament of the nominees.¹⁴ There are certain procedural differences in the evaluation process as far as investigations of the Supreme Court nominees and lower court nominees are concerned.¹⁵ A final indication from the American Bar Association that a candidate is well-qualified is not a requirement to confirm the nominee, but a positive outcome of this investigation plays a role in the overall political process of appointing a nominee and his or her confirmation by the Senate. The final step in the selection process of judges is a vote in the Senate.

While specific details as to selection criteria employed by the president when appointing a judge are not publicly available, it is widely known that the process is highly political, and takes into account various factors.¹⁶ Experience, political ideology and personal loyalties have all played a role in the nomination process.¹⁷ Diversity in the sense of ethnicity and gender have also been relevant factors.¹⁸ While there are no specific IP-related or technical selection criteria for the CAFC judges,¹⁹ some CAFC judges have significant IP and technical background, which include, inter alia, private practice experience, scientific education, and experience as patent examiners and agents at the United States Patent and Trademark Office (USPTO).²⁰

¹⁰ 28 U.S. Code § 133 (regarding district courts); 28 U.S. Code § 44 (regarding the circuit courts); Art II, Sec 2, Cl 2 of the United States Constitution 1787 (regarding the Supreme Court). For a general overview, refer to 'FAQs: Federal Courts' (US Courts) <<https://www.uscourts.gov/faqs-federal-judges>> (accessed 23 September 2020).

¹¹ 'The American Bar Association's Standing Committee on the Federal Judiciary' (American Bar Association) <https://www.americanbar.org/groups/committees/federal_judiciary/about_us/> (accessed 23 September 2020).

¹² American Bar Association, 'Standing Committee on the Federal Judiciary – What it is and how it works' (American Bar Association) <https://www.americanbar.org/content/dam/aba/administrative/government_affairs_office/background-8-19-2020.pdf> (accessed 23 September 2020) (where 'integrity' is understood as 'the nominee's character and general reputation in the legal community, as well as the nominee's industry and diligence').

¹³ *ibid* (where 'professional competence' is understood as 'intellectual capacity, judgement, writing and analytical abilities, knowledge of the law, and breadth of professional experience').

¹⁴ *ibid* (where 'judicial temperament' is understood as 'the nominee's compassion, decisiveness, open-mindedness, courtesy, patience, freedom from bias and commitment to equal justice under the law').

¹⁵ 'ABA Standing Committee on the Federal Judiciary – Evaluations of Nominees to the Supreme Court of the United State' (American Bar Association) <<https://www.americanbar.org/content/dam/aba/uncategorized/GAO/fjcsctousprocess.pdf>> (accessed 23 September 2020).

¹⁶ 'How Judges And Justices Are Chosen' (US History) <<https://www.ushistory.org/gov/9d.asp>> (accessed 23 September 2020); Congressional Research Service, 'Supreme Court Appointment Process: President's Selection Of A Nominee' (2018) <<https://fas.org/sgp/crs/misc/R44235.pdf>> (accessed 23 September 2020), which underlines that two specific considerations have driven the president's choices for Supreme Court nominees: political interests and the desire to demonstrate that 'a search was successfully made for a nominee having the highest professional qualifications'.

¹⁷ 'Supreme Court Appointment Process: President's Selection of a Nominee' (n 16).

¹⁸ 'How Judges And Justices Are Chosen' (n 16), which notes that in 1967, President Lyndon Johnson appointed the first African American to the Supreme Court, namely Justice Thurgood Marshall. In 1981, President Ronald Reagan appointed the first woman to the Supreme Court, namely Justice Sandra Day O'Connor. Since then, most recent presidents seem to have appointed members of various ethnic minority groups and women to district courts and circuit courts.

¹⁹ Once in service, there are no regular qualification tests that judges must undertake in order to confirm their qualification. This is valid for all types of matters. With respect to district courts, one of the known training programmes is the Patent Pilot Programmes (PPP), which was launched in 2011 as a ten-year long project that addresses the assignment of patent cases to certain U.S. district courts. The overall aim is to funnel patent cases to a specified number of judges so that there is more consistency in the decisions and so that these judges become more skilled in patent law. It is still in a trial period and is not nationwide. See more at Federal Judicial Center, 'Patent Pilot Program: Five-Year Report' (Federal Judicial Center) (2016) <<https://www.fjc.gov/content/316142/patent-pilot-program-five-year-report>> (accessed 23 September 2020).

²⁰ International Intellectual Property Institute and United States Patent and Trademark Office, 'Study on Specialized Intellectual Property Courts' (2012) <<https://iipi.org/wp-content/uploads/2012/05/Study-on-Specialized-IPR-Courts.pdf>> accessed 23 September 2020; 'Sharon Prost, Chief Judge' (United States Court of Appeals for the Federal Circuit) <<http://www.cafc.uscourts.gov/judges/sharon-prost-chief-judge>> (accessed 23 September 2020).

1.3. Location of the IP court and number of judges

There are presently 94 district courts organised geographically,²¹ with a total of 673 district judges as of 2018.²² As was mentioned above, the 12 circuit courts are also organised geographically. Some circuit courts have courthouse venues in more than one location.²³ The number of judges in the circuit courts vary – for example, the Fourth Circuit has 15 active judges²⁴ and the Ninth Circuit has 29 active judges.²⁵ As of 2018, the total number of judges at an appeal level is 179, whereof 167 sit in the regional circuit courts and 12 active judges sit in the CAFC.²⁶ Finally, the Supreme Court is located in Washington D.C. and has nine justices.²⁷

The CAFC is also located in Washington, D.C., where it holds regular sessions once a month to hear oral arguments.²⁸ Furthermore, while it is prescribed that the CAFC would sit in the District of Columbia, it can also sit in other places specified in the law,²⁹ as well as ‘may hold “special sessions” at any place within its circuit as the nature of the business may require, and upon such notice as the court orders’.³⁰ The rationale behind such flexibility with respect to the location of the CAFC is that it must satisfy the needs of the litigants.³¹ Specifically, it is important to ensure a reasonable opportunity for citizens to appear before the court with as little inconvenience and expense for them as practicable.³²

The sessions that take place outside of Washington can be held in various venues such as state courthouses and law schools.³³ This in turn helped to expose the Court to its national jurisdiction and facilitated the fulfilling of its obligation to accommodate the needs of all litigants.³⁴ However, over time, fewer sessions outside of Washington are taking place (usually once a year), and in many cases in cities considered to be technology centres such as Palo Alto, Houston and Atlanta.³⁵ As a result of this, some argue that the Court should lower its litigation costs in order to fulfil its statutory duty, because requiring all litigants to travel to Washington D.C. is far from cost efficient.³⁶ In addition to the possibility for the CAFC to sit in different locations, it is also possible to temporarily assign district and circuit judges from other courts to act as judges of the CAFC; such judges can be assigned by the Chief Justice of the United States³⁷ or chief judge of the CAFC.³⁸

²¹ US Courts, ‘Federal Court Finder’ (US Courts) <<https://www.uscourts.gov/federal-court-finder/search>> (accessed 23 September 2020).

²² US Courts, ‘Authorized Judgeships’ (US Courts) <<https://www.uscourts.gov/sites/default/files/allauth.pdf>> (accessed 23 September 2020).

²³ For example, the Ninth Circuit has its main seat in the James R. Browning Courthouse in San Francisco, and additional venues in Los Angeles, Portland and Seattle (United States Court of Appeals for the Ninth Circuit <<https://www.ca9.uscourts.gov/information/locations.php>> accessed 23 September 2020).

²⁴ United States Court of Appeals for the Fourth Circuit <<http://www.ca4.uscourts.gov/judges/judges-of-the-court>> (accessed 23 September 2020).

²⁵ United States Court of Appeals for the Ninth Circuit <https://www.ca9.uscourts.gov/content/view_db.php?pk_id=0000000898> (accessed 23 September 2020).

²⁶ *ibid.*

²⁷ Supreme Court of the United States <<https://www.supremecourt.gov/about/biographies.aspx>> (accessed 23 September 2020).

²⁸ Cowen Wilson et al., ‘The United States Court of Claims: A History - Part II - Origin, Development, Jurisdiction 1855-1978’ (1978) 124-131.

²⁹ 28 U.S. Code § 48(a); Rule 47.1(b) of the Federal Circuit Rules, which states that ‘the court may hold sessions in any place named and permitted in U.S. Code 28 § 48’. A list of sessions that took place outside of Washington can be found here: <http://www.cafc.uscourts.gov/sites/default/files/the-court/Judges_by_designation_2018.pdf> accessed 23 September 2020.

³⁰ According to 28 U.S. Code § 48(b) each circuit court, including the CAFC, may hold ‘special sessions’ at any place within its circuit as the nature of the business may require, and upon such notice as the court orders. Furthermore, according to 28 U.S. Code § 48(e) in the case of ‘emergency conditions’ when no location within the respective circuit is reasonably available where such a session could be held, each circuit court may hold a session at any place within the US outside its circuit upon satisfying certain conditions listed in 28 U.S. Code § 48(f).

³¹ Paul R Gugliuzza, ‘Rethinking Federal Circuit Jurisdiction’ (2012) 100 *The Georgetown Law Journal* 1437, 1458.

³² 28 U.S. Code § 48(d).

³³ Federal Rules on Appellate Procedure, Practice notes to Rule 34; ‘Federal Circuit Schedules April [2019] Session for the Minneapolis-Saint Paul Area’ (United States Court of Appeals for the Federal Circuit) <<http://www.cafc.uscourts.gov/announcements/federal-circuit-schedules-april-session-minneapolis-saint-paul-area>> accessed 23 September 2020; ‘Federal Circuit Schedules October [2018] Session for Chicago’ (United States Court of Appeals for the Federal Circuit) <<http://www.cafc.uscourts.gov/sites/default/files/announcements/2018/PublicNotice-October2018Session-08202018.pdf>> accessed 23 September 2020.

³⁴ Markey (n 8) 235.

³⁵ Gugliuzza (n 31).

³⁶ Elizabeth I Winston, ‘Differentiating the Federal Circuit Symposium: Evolving the Court of Appeal for the Federal Circuit and Its Patent Law Jurisprudence’ [2011] *Missouri Law Review* 813, 829-830.

³⁷ i.e., the chief judge of the Supreme Court.

³⁸ 28 U.S. Code §291 and 292.

Another possibility to increase access to the CAFC is by remote communication. In particular, the discussion of any matter that may aid in disposing of the proceedings, including simplifying the issues and discussing a settlement, can be conducted by telephone.³⁹ In addition, some circuit courts, such as the Second, Third, Eighth, Ninth and Tenth, use videoconferencing to conduct hearings.⁴⁰ While some sources indicate that the CAFC also employs technology for oral hearings,⁴¹ it seems that it is not used frequently as a matter of current practice.⁴²

As was mentioned above, the CAFC is comprised of 12 active judges.⁴³ The 12 judges of the CAFC are supported by six senior judges.⁴⁴ With respect to the latter, when eligible, judges may decide to take senior status, which permits them to continue to serve on the Court while handling fewer cases than a judge in active service. All active judges have a strict residency requirement obliging them to live within 50 miles of the District of Columbia in order to serve on the CAFC.⁴⁵ Such proximity usually helps newer judges learn many unfamiliar legal subjects, which also results in active judges working together more closely, collegially and continually, than if the judges were scattered in different locations.⁴⁶

II. Rules of procedure

IP disputes in the federal courts at each level are governed by the Federal Rules of Civil Procedure (FRCP)⁴⁷ and the Federal Rules of Evidence (FRE).⁴⁸ All appeal proceedings, including those in the CAFC, are also governed by the Federal Rules on Appellate Procedure (FRAP). In addition, there are two further sets of rules that govern particular proceedings at the CAFC: (i) the Court's Internal Operating Procedures (IOP), and (ii) the consolidated Federal Circuit Rules of Practice and Federal Rules of Appellate Procedure. With regard to the latter consolidated set of rules, some provisions of the FRAP are not applicable to the CAFC or have been replaced by the corresponding Federal Circuit Rules. This is clearly indicated in the consolidated document of the Federal Circuit Rules of Practice and Federal Rules of Appellate Procedure.⁴⁹

2.1. Composition of the court in IP cases

Cases at a district level are heard by a single judge.⁵⁰ At this level, there is the possibility to have cases heard by a jury.⁵¹ Specifically, patent,⁵² trade mark⁵³ and copyright cases⁵⁴ can be adjudicated by a jury as long as the question to be determined is one of fact and not of law.

³⁹ Winston (n 36) 830.

⁴⁰ *ibid.*

⁴¹ Refer to the rule 52 (a)(3)(K) of the 2016 consolidated Federal Circuit Rules of Practice and Federal Rules of Appellate Procedure, according to which the court may charge and collect a fee of \$200 per remote location for counsel's requested use of videoconferencing equipment in connection with each oral argument; the 2010 annual report of the CAFC also notes as follows: 'We have even added videoconferencing capability in both courtrooms, affording the option in the future to hear arguments presented from remote sites.' (See more at 'Judicial Conference for the United States Court of Appeals for the Federal Circuit - Chief Judge Paul R Michel - State of the Court' (United States Court of Appeals for the Federal Circuit, 20 May 2010) <<http://www.cafc.uscourts.gov/sites/default/files/announcements/2010/stateofthecourt10.pdf>> accessed 23 September 2020.

⁴² Winston (n 36).

⁴³ United States Court of Appeals for the Federal Circuit' (United States Court of Appeals for the Federal Circuit) <<http://www.cafc.uscourts.gov/judges/sharon-prost-chief-judge>> accessed 23 September 2020.

⁴⁴ Beginning at age 65, an active judge may take 'senior status'. In this capacity the judge will provide volunteer service to the court, dealing with fewer cases than an active judge (see United States Courts (FAQs: Federal Judges)

<<https://www.uscourts.gov/faqs-federal-judges#faq-What-is-a-senior-judge?>> accessed 23 September 2020).

In the counts presented in this document senior judges are not included unless the context suggests otherwise.

⁴⁵ 28 U.S. Code § 44(c).

⁴⁶ Paul R. Michel, 'Past, Present, and Future in the Life of the U.S. Court of Appeals for the Federal Circuit' (2010) 59 American University Law Review 1199, 1203.

⁴⁷ Rule 1 FRCP.

⁴⁸ Rule 101(a) FRE.

⁴⁹ FRAP and Federal Circuit Rules (consolidated document with practice notes) (1 December 2018), foreword.

⁵⁰ Freer (n 1) 15.

⁵¹ Rule 38 FRCP.

⁵² Jennifer Miller, 'Should juries hear complex patent cases?' [2004] 3 Duke Law & Technology Law Review 1 – 20.

⁵³ Hana Financial Inc v Hana Bank. 574 US (2015).

⁵⁴ Feltner v Columbia Pictures Television 523 U.S. 340 (1998), where the Supreme Court held that the Seventh Amendment provided that the right to a jury trial should be granted in all issues related to an award of statutory damages under the Copyright Act. In this case, the Court traced practices over a long historical period and concluded that juries have consistently been deciding copyright damages questions.

At an appeal level, cases are usually heard by a panel of three.⁵⁵ In rare cases, it is also possible for a case at an appeal level to be heard by all active judges. This process is called an 'en banc hearing'.⁵⁶ An exception to this is the Ninth Circuit, which has the highest number of judges, 29 in total,⁵⁷ and therefore, en banc hearings in this circuit are heard by the chief judge and ten active judges.⁵⁸ Opinions delivered en banc carry more weight and are usually decided only after a panel has first heard the case and rendered a judgement.⁵⁹ In addition, while at an appeal level motions are normally considered by a panel, a circuit judge may also act alone in any motion.⁶⁰ However, there are some limits as to how far a single judge can act on such a motion. For example, a circuit judge may not dismiss or otherwise determine an appeal.⁶¹ Usually, such single judge motions are limited to non-dispositive matters, where the party that files a particular motion does not intend to dispose of all or part of the claims in its favour.⁶² Similarly, motions for stay in exceptional cases, in which time requirements make the procedure carried out by a panel impracticable, can also be considered by a single judge.⁶³ The types of motions falling within this category include: a stay of the judgement or order of a district court pending appeal; approval of a bond or other security provided to obtain a stay of judgement; or an order suspending, modifying, restoring or granting an injunction while an appeal is pending.⁶⁴

As one of the circuit courts, cases in the CAFC are usually also heard by a panel of three judges.⁶⁵ The CAFC chief judge appoints a 'motions panel' every month and designates a lead judge.⁶⁶ Such motions panels comprise three judges assigned on a rotating basis to review motions received during the prescribed month.⁶⁷ Another type of panel that considers cases are 'merits panels', which consist of three or more judges assigned to consider briefs, hear oral arguments if any, decide cases, and render an appropriate opinion.⁶⁸ Whether motions are heard by the motions panel or the merits panel depends on when the motion is filed.⁶⁹ Generally, motions filed before the delivery of appellate briefs⁷⁰ to the merits panel are heard by the motions panel.⁷¹ On the other hand, if the motion is filed after the briefs have been delivered to the merits panel, the merits panel generally will decide the motion.⁷² The CAFC can also sit in an expanded panel format.⁷³ Since its formation, the Court has often sat in a five-judge panel format. While the reasons for choosing this format are unclear, a likely explanation is that the courts replaced by the CAFC in 1982 had the power to sit as an expanded panel with five presiding judges.⁷⁴ Yet, over the years sitting as an expanded panel has become less common for the CAFC.⁷⁵ Finally, it is also possible to have a case heard by the entire circuit ('en banc'). Among the reasons for en banc action the CAFC notes, in a non-exhaustive manner, the necessity for securing or maintaining uniformity of decisions, the involvement of a question of exceptional importance, or the initiation, continuation, or resolution of a conflict with another circuit.⁷⁶

⁵⁵ 28 U.S. Code § 46 (b).

⁵⁶ 28 U.S. Code § 46 (c); this type of hearing is not favoured, however, and ordinarily will not be ordered unless: 1) en banc consideration is necessary to secure or maintain uniformity of the court's decisions; or 2) the proceeding involves a question of exceptional importance (FRAP, rule 36).

⁵⁷ 28 U.S. Code § 44 (a).

⁵⁸ Rule 35-3 FRAP.

⁵⁹ Lee Epstein and Stefanie A. Lindquist, *The Oxford Handbook of U.S. Judicial Behavior* (Oxford University Press 2017), 200, footnote 15.

⁶⁰ Rule 27(c) FRAP; see also Rule 25 (a)(3) FRAP, which allows any motion to be filed with a single judge, provided that a motion requests relief that may be granted by a single judge.

⁶¹ Rule 27(c) FRAP.

⁶² 'Seventh Circuit Civil Appeals: Motions' (Practical Law) Note Number 7-603-1068; 'Eleventh Circuit Civil Appeals: Motions' (Practical Law) Note Number W-001-1389.

⁶³ Rule 8(a)(2)(D) and Rule 18 (a)(2)(D) FRAP.

⁶⁴ Rule 8(a)(2)(D) in conjunction with Rule 8(a)(2) and Rule 8(a)(1) FRAP. According to Rule 8(a)(1) of FRAP a party must ordinarily take an action first at the district level regarding these grounds. Yet, a party can seek relief at the circuit court provided that one of the grounds in Rule 8(2)(A) of FRAP is satisfied, i.e. moving first in the district court would be impracticable; or the district court denied the motion or failed to afford the relief requested and the party is now providing reasons given by the district court for its action.

⁶⁵ Rule 47(2)(a) of the Federal Circuit Rules of Practice and Federal Rules of Appellate Procedure.

⁶⁶ Rule 2(1) of the IOP.

⁶⁷ *ibid* Rule 1(2).

⁶⁸ *ibid* Rule 1(2).

⁶⁹ *ibid* Rule 2(4).

⁷⁰ An appellate brief is a brief instigating the appellate proceedings and the appellant's response.

⁷¹ Rule 2(4) and Rule 2(6) of the IOP.

⁷² *ibid* Rule 2(6) and Rule 2(7).

⁷³ 28 U.S. Code § 46 (b).

⁷⁴ Winston (n 36), 822.

⁷⁵ Kenneth R Adamo and others, 'Survey of the Federal Circuit's Patent Law Decisions in 2000: Y2K in Review' (2001) 50 *American University Law Review* 1435, 1631

⁷⁶ Rule 13(1) and Rule 13(2) of the IOP.

When a case is decided by the CAFC, the panel may determine that its decision will add significantly to a body of law, and thus it issues a precedential opinion. Decisions that do not add significantly to the body of law are issued as non-precedential.⁷⁷ The CAFC has developed criteria according to which it would decide whether to issue a precedential opinion, which includes, for instance, test cases; cases that establish a new rule of law; if an existing rule of law is criticised, clarified, altered or modified; if an existing rule of law is applied to facts significantly different from those to which that rule has previously been applied, etc.⁷⁸ Such a division into precedential and non-precedential has been undertaken to ease the workload of the Court, as only precedential opinions involve the full reasoning of the Court.⁷⁹ In essence, non-precedential opinions do not state the facts or summarise the parties' arguments, or restate facts that parties already know. Such opinions merely indicate to the losing party why its arguments were not persuasive.⁸⁰ Importantly, the fact that an opinion is non-precedential does not mean that the case at hand is unimportant, but it merely indicates that the case does not add significantly to the body of law or does not qualify under the criteria for precedential opinions.⁸¹

In the Supreme Court, all the nine justices of the Court usually consider all cases. Whenever a justice has not taken part in the consideration or the discussion of the case, the opinion of the Court states it explicitly together with any concurring or dissenting judge. A single judge of the Court may, however, rule on procedural motions, such as emergency motions to stay lower court proceedings.⁸²

2.2. Jurisdiction in IP cases

As noted above, the federal courts have a limited special jurisdiction, also called 'exclusive subject matter jurisdiction'.⁸³ The rationale behind this is that the federal courts are the respective forum for resolving exclusive disputes arising under any Act of Congress.⁸⁴

The jurisdiction of the district courts as far as IP disputes are concerned is defined exhaustively.⁸⁵ It encompasses patents,⁸⁶ patent designs,⁸⁷ copyrights,⁸⁸ trade marks,⁸⁹ unfair competition,⁹⁰ plant variety protection⁹¹ and mask works.⁹² Specifically, with respect to patents and copyrights, the US Constitution requires that the US Congress shall have the power 'to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.'⁹³ This constitutional provision, often called the 'Patent Clause', the 'Copyright Clause', or more generally, the 'Intellectual Property Clause', has given rise to the Patent Act⁹⁴ and the Copyright Law Act.⁹⁵ These Acts of Congress bring in patent and copyright law issues under the umbrella of the federal system.⁹⁶ Plant variety protection and mask works are also governed by the federal legislation, which also brings them under the jurisdiction of the federal district courts.⁹⁷

⁷⁷ The terminology here (precedential and non-precedential) does not have the same meaning as 'precedent' would have when one examines the differences between common law and civil law systems.

⁷⁸ Rule 10(4) of the IOP.

⁷⁹ *ibid* Rule 10(1).

⁸⁰ *ibid*.

⁸¹ *ibid* Rule 10(3).

⁸² Rule 23 of the Rules of the Supreme Court of the United States.

⁸³ Freer (n 1) 166.

⁸⁴ State courts have 'general subject matter jurisdiction', meaning that they can hear any claim, excluding those over which the federal courts have exclusive subject matter jurisdiction. According to Article VI, cl 2. Of the United States Constitution 1787, the Constitution and federal law serve as the 'supreme Law of the Land', meaning that when state law and federal law clash the latter prevails.

⁸⁵ 28 U.S. Code § 1338. Note that cybercrime and information security are not considered IP disputes and there are no specialised courts for such matters. Cybercrime is mainly a criminal law issue, which can be prosecuted under various federal pieces of legislations such as the Computer Fraud and Abuse Act (18 U.S. Code § 1030) and the Wiretap Act (18 U.S. Code § 2511). Regarding information security, while there is no single Act of Congress in this field, various sector-specific statutes govern the issue on a federal level, such as the Gramm–Leach–Bliley Act (15 U.S. Code § 6801), the Health Information Portability and Accountability Act (42 U.S. Code § 1320d–6), and the Federal Trade Commission Act (15 U.S. Code § 45). As a result, cybercrime and information security is under the jurisdiction of the federal courts.

⁸⁶ US Patent Act 1952 (35 U.S. Code).

⁸⁷ Section 171 of the US Patent Act 1952; 'Intellectual Property: Overview by Practical Law Intellectual Property & Technology' (Practical Law) Note Number 8-383-4565 (patent designs apply to new, original, and ornamental designs of manufactured articles).

⁸⁹ US Trademark Act of 1946 (15 U.S. Code) (also called the Lanham Act).

⁹⁰ 28 U.S. Code § 1338(a), which specifies that district courts shall have original jurisdiction over any civil action asserting a claim based on unfair competition law when joined with a substantial and related claim under the copyright, patent, plant variety protection or trademark laws; the relevant Act of Congress in relation to unfair competition is the US Trademark Act of 1946 (15 US Code) and in particular Section 43(a).

⁹¹ Plant Variety Protection Act of 1970 (7 U.S. Code §§ 2321-2582).

⁹² The Semiconductor Chip Protection Act 1984 (17 U.S. Code §§ 901-914); 'Intellectual Property: Overview' (Practical Law) Note Number 8-383-4565 (mask works are 'collections of templates (photographic masks) used to create complex electronic circuits on semiconductor chips').

⁹³ Article I, Section 8, cl 8 of the United States Constitution 1787.

⁹⁴ 35 U.S. Code.

⁹⁵ 17 U.S. Code.

⁹⁶ It must be noted that, certain issues arising prior to 1978 (the year when the Copyright Act came into force) could still be subject to state law. Thus, if the issue is not covered by the Act and if there is a state law that covers the issue, the case will be tried in the state court.

⁹⁷ 28 U.S. Code § 1338; the Plant Variety Protection Act of 1970; the Semiconductor Chip Protection Act 1984.

As far as trade marks are concerned, it is possible to obtain a federal trade mark by virtue of an application to the USPTO, which covers the entire territory of the US. In parallel to this, it is also possible to obtain a state trade mark in any state of choice.⁹⁸ Any dispute arising from a USPTO trade mark must be heard by the federal courts. Any disputes with respect to a state trade mark are heard in the courts of the state that issued the trade mark. Section 43(a) of the US Trademark Act is the legal basis for bringing a claim for unfair competition, namely unregistered trade mark infringement, false advertising, false designation of origin and false endorsement.⁹⁹ Thus, as a federal piece of legislation, disputes arising under Section 43(a) of the Trademark Act could be brought within the federal court system.¹⁰⁰ If a dispute concerns a USPTO mark as well as common law trade marks or state trade marks and there is a connection amongst all of the marks, then the entire case can be heard in a federal court, which will address the common law and state trade marks.¹⁰¹ Issues pertaining to the status of a patent or a federal trade mark would be resolved within the dispute-resolution system integrated in the USPTO.¹⁰² In addition, there is no separate procedure for the recognition of trade marks as 'well-known'. Instead, the recognition is conducted by the USPTO as part of opposition proceedings,¹⁰³ and by the district courts in infringement and invalidity proceedings.¹⁰⁴ Finally, under the Defend Trade Secrets Act of 2016, parties in claims arising under that Act have the choice between bringing their claims under state or federal laws. In that sense, the Act supplements but does not pre-empt state law.¹⁰⁵

The jurisdiction over IP-related agreements is allocated between the federal and state courts depending on whether the dispute is an IP or a contract law one. The allocation of the dispute will depend on 'the case made and relief demanded by the plaintiff'.¹⁰⁶ Thus, the jurisdiction of the federal courts is established if the case requires the construction of the IP laws.¹⁰⁷ The trial court must, therefore, 'review and analyse the plaintiff's pleadings' and dedicate special attention to the relief requested by the plaintiff when 'making the determination as to whether a cause of action arises under the IP laws, or is a cause of action based upon a licensing agreement'.¹⁰⁸ Typical examples of causes of action arising under the IP laws are the questions of inventorship/authorship, infringement, validity and enforceability of IP rights.¹⁰⁹ However, in addition to such clear-cut examples of IP disputes, the federal courts will also be competent in non-IP questions, such as, for example, a 'question of contract law [which] must be decided prior to reaching the [IP-related] question'.¹¹⁰ For instance, a breach of a patent licence will be a patent dispute where the court would need to assess what products fall under this licence, or whether the defendant has trespassed into the patent protected field. On the other hand, if the question of the patent scope had already been determined in previous infringement proceedings and/or if the court only needs to construe the term of the licence to determine the scope of the defendant's contractual responsibility, the federal court will decline jurisdiction as the matter would essentially be one of contract law and not patent law.¹¹¹ The decisive factor is, therefore, whether the application of patent law is required to solve the case.¹¹²

⁹⁸ Applications for state trademarks need to be directed to the respective trademark office of the specific state. Issues pertaining to state trademarks are resolved within the state court system. This dual system is valid only for trademarks and is not the case for patents, which are governed entirely by the federal rules; 'State Trademark Information Links' (USPTO)

<<https://www.uspto.gov/trademarks-getting-started/process-overview/state-trademark-information-links>> accessed 23 September 2020.

⁹⁹ 15 U.S. Code § 1125.

¹⁰⁰ Note that certain unfair competition law issues could also come within the scope of the state court system jurisdiction, what leads to the federal and state courts having concurrent jurisdiction in this field. In practice though, most lawsuits are brought in the federal courts, as federal judges are said to have greater familiarity with the Trademark Act

('Trademark: Overview by Practical Law Intellectual Property & Technology' (Practical Law) Practice Note 9-512-8249).

¹⁰¹ Olivia Baratta and Theodore H. Davis, 'Trademark enforcement in the United States' (Lexology, 12 November 2018)

<<https://www.lexology.com/library/detail.aspx?g=f5642fe8-f8a8-47e7-8c38-dd8c8ab3d0a9>> accessed 23 September 2020.

¹⁰² One should refer to the USPTO's first instance, and, if unsatisfied with the decision of the officer, an appeal can be filed with either the Patent Trial and Appeal Board or the Trademark Trial and Appeal Board, depending on the subject matter at stake.

¹⁰³ USPTO, 'Well-known marks' (USPTOGOV)

<<https://www.uspto.gov/trademark/laws-regulations/office-policy-and-international-affairs-well-known-marks>> accessed 23 September 2020.

¹⁰⁴ *Empresa Cubana del Tabaco v Culbro Corp.*, 399 F.3d 462 (2d Cir. 2005).

¹⁰⁵ In practice, it is claimed that the federal courts may be a more desirable forum for parties as they have a heightened pleading standard, which may prompt more precise factual allegations to support a given case. In particular, in the federal courts the plaintiff must show entitlement to a relief, which is contrasted with some state courts where a blanket assertion may suffice, as per Rule 8(a)(2) FRCP. (*Bell Atlantic Corp. v Twombly*, 550 U.S. 544, 555 (2007)); Jesse Salen and Rebecca Edelson, 'The Federal Defend Trade Secrets Act vs The California Uniform Trade Secrets Act' (Sheppard Mullin, 21 July 2016)

<<https://www.intellectualpropertylawblog.com/archives/the-federal-defend-trade-secrets-act-vs-the-california-uniform-trade-secrets-act>> accessed 23 September 2020.

¹⁰⁶ *Healy v Sea Gull Specialty Co.* 35 S.Ct. 658, 659.

¹⁰⁷ *New Marshall Engine Co. v Marshall Engine Co.*, 223 U.S. 473, 478 (1912); Amelia Rinehart, 'The Federal Question in Patent-License Cases' [2014] 90(1) *Indiana Law Journal* 8.

¹⁰⁸ *Air Prod. & Chemicals, Inc. v Reichhold Chemicals, Inc.*, 755 F.2d 1559, 1562 (Fed. Cir. 1985).

¹⁰⁹ *Bd. of Regents ex rel. Univ of Tex. v Nippon Tel. & Tel. Corp.*, 414 F.3d 1358, 1363 (Fed. Cir. 2005).

¹¹⁰ *Air Prod. & Chemicals, Inc.* (n 108).

¹¹¹ Rinehart (n 107) 9.

¹¹² *Gjerlov v Schuyler Laboratories* 131 F.3d 1016, 1024, 1025 (Fed. Cir. 1997).

In terms of the legal standing in IP litigation, the US law does not distinguish between claimants being natural persons and claimants having the status of a legal person. In particular, according to Title 22 of the United States Code §1338, the original jurisdiction of district courts comprises 'any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trade marks'. Such a general wording of this provision allows all types of claimants entitled to IP protection to defend their rights before district courts, regardless of their legal status. In addition, in relation to copyright, such a wording also does not allow for a differentiation between claimants being authors of the work and other types of copyright owners such as successors in title. That is confirmed by Title 17 US Code §501(b), according to which 'the legal or beneficial owner of an exclusive right under a copyright' is entitled to institute an action for infringement with the competent court.

At an appeals level, disputes are generally brought to the respective circuit court according to the geographical arrangement, unless the case falls under the exclusive jurisdiction of the CAFC.¹¹³ Except for the Supreme Court, the CAFC is the only appellate level court bearing the power to set precedents over the territory of the entire United States.¹¹⁴ As was discussed above, the CAFC is an appellate court with jurisdiction over various issues, including certain IP rights.¹¹⁵ It is worth noting that the CAFC was not created as a specialised IP Court, and thus its jurisdiction is not limited to only IP disputes. It was rather envisaged as a court with a 'varied docket spanning a broad range of legal issues and types of cases.'¹¹⁶ This approach was due to the strong concern that specialised court judges might develop a form of 'tunnel vision' and lose their generalist perspective, which is essential in ensuring that the law develops in accordance with other fields of jurisprudence'.¹¹⁷ Consequently, the CAFC does not decide IP disputes only. Instead, it deals with various other issues which fall well outside the ambit of IP law, and tackles issues, including but not limited to, international trade, government contracts, veterans' benefits and federal personnel.¹¹⁸ The CAFC, however, is not competent to review any appeals in criminal cases, including IP-related.¹¹⁹

That said, the CAFC's patent law jurisdiction seems to have been the main driving force behind the formation of the Court.¹²⁰ Therefore, unsurprisingly, nearly all of the IP cases involve patents,¹²¹ which has led to enhancing uniformity and predictability of patent law litigation.¹²² Importantly, following the America Invents Act of 2011, slight amendments to the jurisdiction of the CAFC were introduced.¹²³ As a result, the CAFC must hear all appeals where the original action or counterclaim arose under patent law.¹²⁴ Eventually, even if all patent law issues have been disposed of at the district court level, the CAFC may still have jurisdiction.¹²⁵ The CAFC also hears appeals from the USPTO's Trade mark Trial and Appeal Board,¹²⁶ the Patent Trial and Appeal Board,¹²⁷

¹¹³ 28 U.S. Code § 1291.

¹¹⁴ Winston (n 36), 814. This nation-wide jurisdiction has raised issues regarding the overload of this Court, namely whether the Court would be able to handle in a timely manner all the cases it would be vested jurisdiction with. (ibid 815, footnote 9).

¹¹⁵ 28 U.S. Code § 1292(c) and § 1295 (a)(1); 'Court Jurisdiction | US Court Of Appeals For The Federal Circuit' (US Court of Appeals for the Federal Circuit) <<http://www.cafc.uscourts.gov/the-court/court-jurisdiction>> accessed 23 September 2020.

¹¹⁶ The Senate Report concerning the Federal Courts Improvement Act of 1982 that established the Federal Circuit (Report Nr. 97-275) 6.

¹¹⁷ Timothy B. Dyk, 'Federal Circuit Jurisdiction: Looking Back And Thinking Forward' [2018] 67 American University Law Review 974; Commission on revision of the Federal Court Appellate System, Structure and internal procedures: Recommendations for change (1975), reprinted in 67 F.R.D. 195, 369-71, 234; Paul R. Michel, 'Past, Present, and Future in the Life of the U.S. Court of Appeals for the Federal Circuit' (2010) 59 American University Law Review 1199, 1200.

¹¹⁸ 28 U.S. Code § 1295.

¹¹⁹ The Federal Circuit's website's in 'frequently asked questions' says: 'Even though this court has no criminal jurisdiction, we frequently get this question.' (See here: <<http://www.cafc.uscourts.gov/the-court/faqs>> accessed 23 September 2020).

¹²⁰ Pauline Newman, 'The Federal Circuit: Judicial Stability or Judicial Activism?' (1993) 42 AM. U. L. REV 683, 684-85.

¹²¹ ibid; Timothy B. Dyk, 'Thoughts on the Relationship Between the Supreme Court and the Federal Circuit' [2016] 16(1) Chicago-Kent Journal of Intellectual Property 78 (the total time devoted to patent docket likely exceeds 80%); Anita B. Polott and Rachel E. Fertig, '2017 Trademark law decisions of the Federal Circuit' [2018] 67 American University Law Review 1357 (in 2017, only 11 trademark cases have been decided by the CAFC, whereas some involved patent issues). The 2018 CAFC statistics note that 29% of the appeals concerned patent law cases stemming from district courts, while 38% related to patent law cases on appeal from the USPTO and only 2% concerned trademarks (United States Court of Appeals for the Federal Circuit – Appeals filed by category in 2018 - <http://www.cafc.uscourts.gov/sites/default/files/the-court/statistics/CaseloadbyCategory2018_-_Final.pdf> accessed 23 September 2020).

¹²² Beighley Jr George C, 'The Court of Appeals for the Federal Circuit: Has it Fulfilled Congressional Expectations?' [2011] 21(3) Fordham Intellectual Property, Media and Entertainment Law Journal 671, 704.

¹²³ Also called the Leahy-Smith America Invents Act 2011.

¹²⁴ Section 19(b) of the Leahy-Smith America Invents Act 2011, amending 28 U.S. Code § 1295(a)(1).

¹²⁵ This aspect was highly criticised in the recent Oracle America, Inc. v Google, Inc., No. 17-1118 (Fed. Cir. 2018), which eventually ended up in the CAFC as Oracle's lawsuit originally contained a patent claim. The case upon appeal, however, pertained entirely to copyright law and, in particular, software and fair use.

¹²⁶ 28 U.S. Code § 1295(a)(4)(B); Section 21 of the US Trademark Act of 1946.

¹²⁷ 28 U.S. Code § 1295(a)(4)(A); Sections 145 and 146 of the US Patents Act 1952.

as well as the US International Trade Commission.¹²⁸ It also has jurisdiction to hear appeals from the Court of Federal Claims,¹²⁹ which, together with the CAFC, was also established by the Federal Courts Improvement Act of 1982.¹³⁰ Additionally, appeals related to plant variety disputes also fall within the CAFC jurisdiction.¹³¹

Customs matters involving IP rights, which are enforced by the US Customs and Border Protection, fall within the jurisdiction of the Court of International Trade.¹³² Further appeals against judgements of the Court of International Trade are then reviewed by the CAFC.¹³³ As was mentioned above, while the CAFC has the exclusive competence to consider certain IP disputes such as patents, this court is also competent to hear other non-IP matters. Therefore, the CAFC reviews these customs disputes not because they are IP-related, but because they fall within its exclusive jurisdiction as one of those matters it is competent to review.¹³⁴ On the other hand, tax matters, including appeals against the decisions of the tax enforcement authority, i.e. the Internal Revenue Service, are dealt with by the United States Tax Court, the district courts, the Court of Federal Claims, and the bankruptcy courts.¹³⁵ None of these courts can be considered as a part of the specialised IP judiciary, although the district courts may hear IP cases.

Finally, decisions in IP-related disputes decided by the CAFC or any other circuit court can be appealed to the Supreme Court.¹³⁶ The Supreme Court only hears appeals on constitutional or federal law issues, and the admission of such appeals is subject to juridical discretion.¹³⁷ As a result, petitions for writ of certiorari are often denied; the specific conditions for the writ application are further described below.

2.3. Evidence in IP cases

The FRE establishes the rules on evidence. These are applicable in all federal district and circuit courts.¹³⁸ In the US litigation procedure, a key phase is the discovery stage at the trial level. This is a pre-trial phase of litigation, during which the parties disclose to each other evidence, information and documents that may be relevant to the claims and defences in the case. The discovery stage is generally supervised by the parties themselves and has a very general involvement from the court.¹³⁹ The default limits of discovery are usually provided by the court.¹⁴⁰ However, parties can, and often do, request that the court modify or supplement those limits.¹⁴¹ While it can be very expensive and time consuming, the benefits of the discovery stage to the parties are vast as it renders parties better prepared for trial.¹⁴²

¹²⁸ The U.S. International Trade Commission is an independent, quasi-judicial federal agency within the executive branch vested with broad investigative responsibilities on trade matters. As far as IP is concerned, the Commission adjudicates cases involving imports that allegedly infringe IPRs. The legal basis for these actions is Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. §1337), which makes unfair methods of competition and unfair acts involving the importation and sale of certain articles in the U.S. unlawful. Such unfair acts under Section 337 investigations include patent, trademark, and copyright infringement, as well as other types of unfair competition, such as antitrust violations and trade secret misappropriation. That said, the vast majority of investigations are based on allegations of patent infringement. The primary remedy under Section 337 is an exclusion order, which would stop infringing imports from entering the United States. Section 337 investigations include trial proceedings before administrative law judges and review by the Commission with a further appeal to the CAFC. The Commission has adopted its own rules of procedure. For more details see: United States International Trade Commission, Section 337 Rules <https://www.usitc.gov/intellectual_property/section_337_rules.htm> accessed 23 September 2020.

¹²⁹ 28 U.S. Code § 1498. The Court of Federal Claims has jurisdiction, among other things, over monetary claims against the United States founded upon either the Constitution or any act of Congress, which may include lawsuits against the government regarding infringement of copyright, rights related to protected plant varieties, mark works and other protected designs (U.S. Code 28 § 1491).

¹³⁰ The Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (1982) (codified as amended in scattered sections of 28 U.S.C.).

¹³¹ These include appeals from a final decision of a district court related to plant variety in any civil action arising under the Plant Variety Protection Act of 1970 as per 28 U.S. Code § 1295(a)(1), which also includes any civil action in which a party has asserted a compulsory counterclaim arising under the Plant Variety Protection Act, appeals against a declaration of openness to a wide use of a plant variety as per 7 U.S. Code § 2404 in conjunction with 7 U.S. Code § 2461, appeals against refusal of application for plant variety protection by the Plant Variety Protection Office as per 7 U.S. Code § 2443 in conjunction with 7 U.S. Code § 2461, appeals concerning re-examination of after use as per 7 U.S. Code § 2501 in conjunction with 7 U.S. Code § 2461, appeals against an order of the Secretary of Agriculture concerning false marking as per 7 U.S. Code § 2568 in conjunction with 7 U.S. Code § 2461 and appeals against a decision of the District Court for the District of Columbia in a civil action against a Secretary of Agriculture as per 7 U.S. Code § 2462 in conjunction with 28 U.S. Code § 1295(a)(1).

¹³² 28 U.S. Code § 1581 in conjunction with Section 515 of the Tariff Act 1930 (U.S. Code 19 § 1515); the Court of International Trade was established 28 U.S. Code Chapter 11.

¹³³ 28 U.S. Code § 1295(a)(5).

¹³⁴ *ibid.*

¹³⁵ 26 U.S. Code §6213(a); 28 U.S. Code § 1491. For further information see Gerald A Kafka, 'Choice Of Forum In Federal Civil Tax Litigation (Part 1)' (The Practical Tax Lawyer, Winter 2011) <<https://www.lw.com/thoughtLeadership/3980-ChoiceOfForumInFederalCivilTaxLitigation-Part1->>> accessed 23 September 2020.

¹³⁶ 28 U.S. Code § 1254.

¹³⁷ Rules of the Supreme Court of the United State, Rule 10; 'Court Role And Structure - Supreme Court' (US Courts) <<http://www.uscourts.gov/FederalCourts/UnderstandingtheFederalCourts/SupremeCourt.aspx>> accessed 23 September 2020; 'Understanding the Federal Courts – Administrative Office of the US Courts' (US Courts) <<https://www.uscourts.gov/sites/default/files/understanding-federal-courts.pdf>> accessed 23 September 2020, 1.

¹³⁸ Rule 101(a) and Rule 1101 FRE.

¹³⁹ Rule 26 FRCP.

¹⁴⁰ Title V FCPR.

¹⁴¹ Lawrence K. Kolodney, 'A guide to patent litigation in federal court' (Fish & Richardson, 2018) <<https://www.slideshare.net/LarryKolodney/a-guidetopatentlitigationinfedcourt2016>> accessed 23 September 2020.

¹⁴² Freer (n 1) 385.

District courts admit a wide variety of evidence, including written evidence, oral witness statements, evidence in electronic form, audio/video materials and expert evidence. Evidence must be relevant in the sense that it has any tendency to make an argument more or less probable than it would be without the evidence.¹⁴³

2.3.1. Evidence in electronic form

The FRE apply to electronic evidence in the same way they apply to more traditional forms of evidence. Importantly, the FRE require that evidence must be submitted in an original form in order to prove content of a writing, recording, or photo.¹⁴⁴ It seems that the issue of what can be considered as an original form of electronic evidence is fairly settled in the US. Thus, while there have been some cases where parties sought to avoid admission of computer printouts, claiming them to be mere copies of the original computer records, courts have generally rejected this argument and admitted the printouts as original records and not copies.¹⁴⁵ In fact, the FRE explicitly accord with this approach, as they state that as far as electronically stored information is concerned, an 'original' means any printout, or other output readable by sight, if it accurately reflects the information.¹⁴⁶ Therefore, the FRE rules on providing originals are rather lenient, as they state that accurate duplicates are originals for admissibility purposes,¹⁴⁷ summaries of voluminous materials are also allowed,¹⁴⁸ as well as duplicates of a hard drive.¹⁴⁹

Apart from the requirement that evidence must be in their original forms, another important requirement is that evidence must be authenticated.¹⁵⁰ This is important in situations where one party provides evidence (including in an original form) and another party contests its authenticity.¹⁵¹ In this situation, the document will need to be authenticated according to the FRE rules. Essentially, the party offering the evidence must demonstrate that the evidence is what it is claimed to be.¹⁵² There has been a significant struggle on behalf of the judiciary as to when and how electronic evidence should be considered to have passed this hurdle.¹⁵³ Authentication has traditionally been referred to as the 'proof of authorship or personal connection to a writing'.¹⁵⁴ In this context, the FRE provides for a non-exhaustive list of ways to authenticate evidence, which is also applicable to digital evidence such as emails, tweets, text messages, social media postings, blogs, and websites.¹⁵⁵ One way of authentication is by a witness with personal knowledge that the item is what the proponent claims it is.¹⁵⁶ This can be the author of an email, tweet or text message, or the owner of the social media website.¹⁵⁷ This is said to be the easiest way to authenticate digital evidence and the least likely to be challenged.¹⁵⁸ Alternatively, the FRE refers to the distinctive characteristics of the item itself.¹⁵⁹ In this respect, the content, substance, internal patterns and other distinctive characteristics of the item would be taken as a whole under the specific circumstances, and a decision as to the authenticity of the item would be made. For example, while digital text messages can be authenticated by the testimony of a witness with personal knowledge, authentication can also take place by virtue of the distinctive characteristics of the item, including circumstantial evidence such as the author's screen name, customary use of emoji or emoticons, the author's known phone number, the reference to facts that are specific to the author, etc.¹⁶⁰ Therefore, if a text message is submitted as evidence, the screen with the text message, the name and/or phone number of the person sending the text message, and the date and time the message was sent should be clearly displayed.¹⁶¹ Another way of authentication is by an expert witness.¹⁶²

¹⁴³ Rule 401 FRE.

¹⁴⁴ *ibid* Rule 1002.

¹⁴⁵ *R. v Bell and Bruce* (1982), 35 O.R. (2d) 164 (computer printouts admissible under bank record provisions s.29 of Canada Evidence Act).

¹⁴⁶ Rule 1001(d) FRE.

¹⁴⁷ *ibid* Rule 1003.

¹⁴⁸ *ibid* Rule 1006.

¹⁴⁹ *State v Morris*, No. 04CA0036, 04CA0036, 2005 WL 356801, 356801, at *2 (Ohio Ct. App. Feb. 16, 2005); *Broderick v State*, 35 S.W.3d 67, (Tex. Ct. App. 2000).

¹⁵⁰ Rule 901(a) FRE.

¹⁵¹ Daniel Capra, 'Authenticating Digital Evidence' 69 *Baylor Law Review* 56.

¹⁵² Rule 901(a) FRE.

¹⁵³ *Lorraine v Markel American Insurance Co.*, 241 F.R.D. 534 (D.Md. 2007); American Bar Association, 'Authenticating Digital Evidence' (ABA, 29 June 2017) <https://www.americanbar.org/groups/gpsolo/publications/gp_solo/2014/september-october/authenticating_digital_evidence/> accessed 23 September 2020.

¹⁵⁴ Nicholas F LaRocca Jr, 'Authentication, Identification, and the Best Evidence Rule' (1975) 36 *Louisiana Law Review* 30.

¹⁵⁵ Rule 901(b) FRE.

¹⁵⁶ Rule 901 (b)(1) FRE.

¹⁵⁷ 'Authenticating Digital Evidence' (n 153).

¹⁵⁸ *ibid*.

¹⁵⁹ Rule 901(b)(4) FRE.

¹⁶⁰ American Bar Association, 'Authenticating Digital Evidence at Trial' (ABA, 27 April 2017)

<https://www.americanbar.org/groups/business_law/publications/blt/2017/04/03_soizio/> accessed 23 September 2020.

¹⁶¹ *ibid*.

¹⁶² Rule 901(b)(3) FRE.

For instance, if a personal computer was used to access files stored on a specific USB flash drive, typically a forensic technician would provide a printout from the Windows registry in the personal computer's operating system indicating that a certain USB flash drive was connected to the computer at a given date and time.¹⁶³ The proponent party in this case would ordinarily present live testimony from the forensic technician to establish the authenticity of the printout. The proponent must provide reasonable written notice of the intent to offer the printout at hearing or trial, and make the written certification and printout available for inspection. The opponent must then decide whether to object to such establishment of authenticity.¹⁶⁴

Additionally, certain evidence could be self-authenticated provided that the conditions set out in the FRE are fulfilled, for example, the evidence is available for inspection or a pre-trial challenge.¹⁶⁵ Among such evidence are 'Certified Records Generated by an Electronic Process or System'¹⁶⁶ (these can come in the form of printouts from webpages, or a document retrieved from files stored in a personal computer) and 'Certified Data Copied from an Electronic Device, Storage Medium, or File'.¹⁶⁷ Commonly used storage devices like hard drives, flash drives, and other electronic files are the best fit for this category of evidence. Certified experts are able to determine if the 'hash value' of a file is identical to the original, skipping the necessity for live witness testimony. A hash value is a number that is often represented as a sequence of characters and is produced by an algorithm based upon the digital contents of a drive, medium, or file. If the hash values for the original and copy are different, then the copy is not identical to the original one. If the hash values for the original and copy are the same, it is highly improbable that the original and copy are not identical. Thus, identical hash values for the original and copy reliably attest to the fact that they are exact duplicates.¹⁶⁸ Among the benefits of self-authentication of certain types of electronic data is the fact that parties can save on costs by avoiding payments for forensic experts' travel and in-person testimony. Moreover, the proceedings are certainly expedited as there is less court time spent on authentication of testimony.

2.3.2. Experts

During the discovery stage in preparation for the trial at the district level, evidence could be obtained from third parties such as experts.¹⁶⁹ At this stage, there is also a possibility of 'expert discovery', whereby each party can learn about the expected testimony and opinion of the opponent's experts. The experts must be 'qualified by knowledge, skill, experience, training, or education' in a recognised area of expertise.¹⁷⁰ Expert witnesses are divided into two categories: (a) special knowledge/technical experts who provide analysis concerning technical matters, in which lay persons are not specialised, and (b) damages assistance specialists, who aid the valuation and calculation of damages in a particular field. An expert's opinion is generally considered of equal value to other types of evidence.¹⁷¹ Yet, much depends on the case at hand. If the case is technical and complicated, for example because it involves a patent or trade mark infringement relating to a professional field, expert evidence would be particularly important in order to understand the patent itself or the relevant public/market, respectively. Therefore, when deciding on a case, a judge or jury can accept, reject or give whatever weight they deem appropriate to the testimony and opinion of experts.¹⁷²

An expert witness can be commissioned to testify and offer an opinion concerning technical matters relating to infringement, validity or financial matters related to damages.¹⁷³ Specifically, an expert's testimony is permissible as far as it pertains to questions of fact, not law.¹⁷⁴ For example, in trade mark infringement cases, survey evidence is often presented on issues such as acquired distinctiveness, generic trade marks and likelihood of confusion. Therefore, expert testimony from market research experts, who have conducted consumer surveys regarding the marks in question, will often be crucial.¹⁷⁵

¹⁶³ American Bar Association, 'New Rules for Self-Authenticating Electronic Evidence' (ABA, 22 June 2018) <<https://www.americanbar.org/groups/litigation/committees/trial-evidence/practice/2018/new-rules-electronic-evidence/>> accessed 23 September 2020.

¹⁶⁴ *ibid.*

¹⁶⁵ Rule 902 FRE.

¹⁶⁶ *ibid* Rule 902(13).

¹⁶⁷ *ibid* Rule 902(14).

¹⁶⁸ Christopher B Mueller, Laird C Kirkpatrick and Liesa Richter, *Federal Rules of Evidence: With Advisory Committee Notes and Legislative History: 2019 Statutory Supplement* (Wolters Kluwer Law & Business 2019) 273.

¹⁶⁹ At an appeal level, including the CAFC, there are no witnesses and there is no presentation of evidence. At this point lawyers for each party orally argue the case to the court. The appellate court does not determine what has happened as this is the role of the trial/district court; it only handles questions of law specifically pleaded before it.

¹⁷⁰ Rule 702 FRE.

¹⁷¹ Rule 26(a)(2) FRAP.

¹⁷² 'Patent litigation in the United States: overview' (Practical Law) Note Number 6-623-0657.

¹⁷³ Rule 702 FRE.

¹⁷⁴ 'Expert Legal Testimony' [1984] 97(3) *Harvard Law Review* 797, 798.

¹⁷⁵ Jerome Gilson, 'Experts in Trademark Cases' [1982] 8 *LITIG* 40.

Questions of law, on the other hand, pertain to the legal significance attached to certain sets of facts such as the interpretation of terms of a statute¹⁷⁶ or other written instruments such as deeds, contracts or tariffs.¹⁷⁷ For instance, the Supreme Court stated that while in patent cases an expert can explain 'state of the art' by elaborating upon the meaning of technical terms used in the claim, experts cannot be used to prove 'the proper or legal construction of any instrument in writing.'¹⁷⁸ The latter would be construed as a question of law and thus would fall within the competence of the court. Mixed questions of law and fact are generally permissible.¹⁷⁹ These relate to issues in which the conclusion is a legal one, but it must be supported through questions of fact.¹⁸⁰ For example, the assessment of obviousness of an invention is considered overall a question of law, but it encompasses factual findings such as the scope and content of the prior art, the differences between the prior art and the claims at issue, the level of ordinary skill in the art when the invention was made, and secondary indicia such as commercial success and copying.¹⁸¹ Expert witnesses can provide testimony on these various factual findings, but may not ultimately determine whether these lead to the invention being an obvious one or not. It follows that the line between questions of fact and law is a difficult one to draw. Some scholars have contended that mixed questions of law and fact, such as obviousness in patent law, should be considered as purely questions of fact.¹⁸² The distinction though is important, as findings of facts are subject to clear error review, but an erroneous assessment of law is subject to a review *de novo*.¹⁸³ Moreover, in this process, the federal judge exercises a gatekeeping function in light of Rule 702 FRE in determining the relevance and the reliability of a proposed expert testimony; this is also called a Daubert motion following the leading case on this point.¹⁸⁴

2.3.3. Power of the court to appoint an expert unilaterally

The court may appoint any expert that the parties agree upon or any of its own choosing unilaterally.¹⁸⁵ However, the courts rarely exercise their prerogative to appoint experts unilaterally, as the courts are reluctant to interfere with the adversarial nature of the system. Therefore, they avoid taking the risk of influencing the jury, which may take the view that the court-appointed expert is authoritative and impartial.¹⁸⁶

Nevertheless, the opinion among different courts with respect to appointing experts varies. For example, the CAFC in a case concerning patents stated that appointing court experts unilaterally should be done only in very rare and compelling situations.¹⁸⁷ At the same time, also in a patent case, the District Court of California appointed experts, as the parties' experts 'understandably' became technical advocates for their respective causes.¹⁸⁸

2.4. Preliminary injunctive relief in IP cases

The FRCP provide for two types of preliminary injunctive relief: preliminary injunctions ('PIs') and temporary restraining orders ('TROs').¹⁸⁹ Granting a preliminary injunctive relief in most cases requires a hearing. PIs order a defendant to perform, or refrain from performing, an action until the final judgement. In that sense, the injunctions do not have any set duration, but instead grant an injunctive relief pending the outcome of a decision on the merits of the underlying complaint.¹⁹⁰ The decision regarding the grant of IPs or the refusal of such grant can be appealed before the final decision.¹⁹¹ A respondent may also file a motion for reconsideration of the granted PIs.¹⁹² For the motion to succeed, the movant must present newly discovered evidence, argue that the court that granted the PIs committed a clear error, contend that the decision must have been manifestly unjust, or there must have been an intervening change in controlling law.¹⁹³

¹⁷⁶ 'Expert Legal Testimony' (n 174), 799.

¹⁷⁷ Teva Pharm. United States Inc. v Sandoz 135 S. Ct. 831 (2015); as to contracts, see Mashburn v Wilson, 701 P.2d 67 (Colo.App.1984).

¹⁷⁸ Teva (n 177) 837; Winans v New York & Erie R. Co., 21 How. 88, 100–101, 16 L.Ed. 68 (1859).

¹⁷⁹ 'Expert Legal Testimony' (n 174).

¹⁸⁰ Howard G. Pollack, 'The admissibility and utility of expert legal testimony in patent litigation' [1992] IDEA: The Journal of Law and Technology 361, 364.

¹⁸¹ Graham v John Deere Co., 383 U.S. 1 (1966).

¹⁸² Ted L. Field, 'Obviousness as Fact: The Issue of Obviousness in Patent Law Should Be a Question of Fact Reviewed with Appropriate Deference' [2017] 27 Fordham Intell Prop Media & Ent LJ 555, 574.

¹⁸³ Rule 52(a) FRCP.

¹⁸⁴ Daubert v Merrell Dow Pharm., Inc., 509 U.S. 579 (1993).

¹⁸⁵ Rule 706 FRE.

¹⁸⁶ 'Expert Q&A: Trends in Daubert Challenges' (Practical Law) Note Number 0-588-1186.

¹⁸⁷ Monolithic Power Sys., Inc. v O2 Micro Int'l Ltd., 558 F.3d 1341, 1348 (Fed. Cir. 2009).

¹⁸⁸ NEC Corp. v Hyundai Elecs. Indus. Co., 30 F. Supp. 2d 546, 554 (E.D. Va. 1998).

¹⁸⁹ Rule 65 FRCP.

¹⁹⁰ U.S. Philips Corp. v KBC Bank, 590 F.3d 1091, 1093-94 (9th Cir. 2010).

¹⁹¹ 28 U. S. Code § 1292(a)(1).

¹⁹² Rule 59(e) FRCP.

¹⁹³ School Dist. No. 1J v ACandS, Inc., 5 F.3d 1255, 1263 (9th Cir.1993); Smith v Clark Cty. Sch. Dist., 727 F.3d 950, 955 (9th Cir. 2013)

Alternatively, TROs preserve the status quo until the court decides whether to issue a PI.¹⁹⁴ This relief can only be requested in conjunction with a PI. Granting a TRO usually requires a hearing. However, unlike PIs, TROs can be issued *ex parte*.¹⁹⁵ A TRO will be granted without notice only if specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard. Furthermore, the movant's attorney must certify in writing any efforts made to give notice and the reasons why it should not be required.¹⁹⁶ In practice, courts are extremely reluctant to grant TROs *ex parte*, and will only do so when notice to the adverse party is impossible because the party's identity is unknown, it cannot be located in time for a hearing, or when such a notice would make further prosecution of the action fruitless.¹⁹⁷ Typically, a TRO expires 14 days after the order is entered. These can be extended by another 14 days by order of the court, or longer as per a request by the parties.¹⁹⁸ The decision to grant a TRO or a refusal in such a grant is typically not appealable.¹⁹⁹

2.4.1. Grounds for granting preliminary injunctive relief

Generally, the grounds for granting both types of preliminary injunctive reliefs are the same. The following four requirements must be satisfied: (i) the plaintiff has demonstrated a reasonable likelihood of success on the merits of the case; (ii) the plaintiff will be irreparably harmed if the injunction is not issued; (iii) the threatened harm to the plaintiff outweighs the harm the injunction may inflict on the defendant; and (iv) the injunction will serve the public interest.²⁰⁰ All circuit courts have adopted the same conditions, or conditions that are substantially identical.²⁰¹

In terms of the substance of these conditions, the courts construe them as follows. When arguing the likelihood of success requirement, the movant need not demonstrate 'substantial likelihood of success on the merits, but rather the lesser standard of demonstrating that success is more likely than not'.²⁰² For example, in the context of patent infringement litigation, in order to demonstrate a likelihood of success on the merits, the plaintiff must show that he or she will likely prove that the defendant infringes the patent, and that the patent will likely withstand the challenges to the validity and enforceability.²⁰³ On the other hand, if the defendant raises a substantial question concerning either of these matters, i.e. asserts that the patentee's position 'lacks substantial merits', the PI should not be issued.²⁰⁴

Further, it is often said that irreparable harm is the most important prerequisite for obtaining a preliminary injunctive relief.²⁰⁵ The harm in question must not be remote or speculative, but actual and imminent, meaning that there must be more than an unfounded fear of harm on the part of the applicant.²⁰⁶ An important aspect is that a preliminary injunctive relief would typically not be issued if the harm can be compensated through monetary damages.²⁰⁷ In these cases, the harm would not qualify as irreparable.²⁰⁸ Examples from trade mark jurisprudence on what may qualify as irreparable harm include showing likelihood of confusion²⁰⁹ or an immediate loss of reputation.²¹⁰ While the grounds for issuing a TRO are the same as the grounds for a PI,²¹¹ when granting TROs there is a particular emphasis on the factor of irreparable harm. This is because at the stage of TROs what is crucial is whether the claim as pleaded in the complaint is substantial and clearly states a cause of action justifying some relief, and not whether it seems likely that the plaintiff will ultimately win. In essence, the court here is concerned with whether there is a real emergency, and how severely the other party will be affected by being restrained even for a brief period of time.²¹²

¹⁹⁴ Garrett v City of Escondido, 465 F. Supp. 2d 1043, 1048-49 (S.D. Cal. 2006).

¹⁹⁵ Rule 65(b)(1) FRCP.

¹⁹⁶ *ibid.*

¹⁹⁷ 'Preliminary Injunctive Relief: Procedure for Obtaining Preliminary Injunctive Relief (Federal)' (Practical Law) Note Number 3-520-9724.

¹⁹⁸ Rule 65(b)(2) FRCP.

¹⁹⁹ Vuitton v White, 945 F.2d 569, 573 (3d Cir. 1991).

²⁰⁰ Seven of the thirteen circuit courts have expressly stated so, while the rest tacitly accept so. See Scotts Co. v United Indus. Corp., 315 F.3d 264, 271 (4th Cir. 2002).

²⁰¹ 'Preliminary Injunctive Relief: Procedure for Obtaining Preliminary Injunctive Relief (Federal)' (Practical Law) Note Number 3-520-9724.

²⁰² Revision Military, Inc. v Balboa Mfg. Co., 700 F.3d 524, 526 (Fed. Cir. 2012).

²⁰³ Amazon Collection, Ltd. v Barnesandnoble.com, Inc., 239 F.3d 1343, 1350; Genentech, Inc. v Novo Nordisk, A/S 108 F.3d 1361, 1364.

²⁰⁴ *ibid.*

²⁰⁵ Earthweb, Inc. v Schlack, No. 99-cv-9302, 2000 WL 1093320, at *2 (2d Cir. May 18, 2000).

²⁰⁶ Janvey v Alguire, 647 F.3d 585, 600 (5th Cir. 2011); Fort v Am. Fed'n of State, Cnty. & Mun. Emps., AFL-CIO, 375 F. App'x 109, 111 (2d Cir. 2010).

²⁰⁷ Thomas J Speiss and Stephen M Levine, 'An Analysis of the Factors That Determine When and How to Resolve a Trademark Dispute' (2004) 11 Richmond Journal of Law & Technology 45.

²⁰⁸ Boivin v US Airways, Inc., 297 F. Supp. 2d 110, 118-19 (D.D.C. 2003).

²⁰⁹ Thomas McCarthy, McCarthy on Trademarks and Unfair Competition (4th ed., 2005) 30:30.

²¹⁰ Rodeo Collection, Ltd. v W. Seventh, 812 F.2d 1215, 1220 (9th Cir. 1987).

²¹¹ While the CAFC has not expressly ruled on whether the grounds for TROs are the same as those for PI, the Court of Federal Claims has held so. (See Safeguard Base Operations, LLC v United States, 140 Fed. Cl. 670, 686 (2018); Wallace Asset Mgmt., LLC v United States, 125 Fed. Cl. 718, 732 (2016)).

²¹² Bernard J. Nussbaum, 'Temporary Restraining Orders and Preliminary Injunctions - The Federal Practice' [1972] 26 Sw LJ 265, 271.

As for the balancing between the harm inflicted on the plaintiff against the harm suffered by the defendant as a result of an injunctive relief, the courts usually assess such aspects as the size and strength of the parties,²¹³ the risk that the injunction would cause the defendant to go out of business,²¹⁴ whether the defendant has made substantial investment in the activity sought to be enjoined by the plaintiff (such as the sale of allegedly infringing products),²¹⁵ or whether the injunction would interfere with a defendant corporation making necessary or routine decisions regarding the operation of their business.²¹⁶

Finally, the public interest requirement is often weighed equally for both sides,²¹⁷ or has little weight in the assessment.²¹⁸ This factor has nonetheless been emphasised by the Supreme Court.²¹⁹ Three structural elements forming the public interest factor include: the nature of the parties involved, underlying cause of action and the scope of the proposed injunction.²²⁰

Various approaches towards the balancing of the four requirements have been adopted. The CAFC applies the sequential test, whereby all four need to be present.²²¹ Other courts have applied the threshold test, in which an applicant only needs to prove the first two factors and the court would then weigh these against the latter two,²²² or the sliding-scale test in which all four factors are balanced against one another.²²³

2.4.2. Application for preliminary injunctive relief before submitting a lawsuit

In general, the motion for a preliminary injunctive relief has to coincide with or be preceded by the filing of the complaint commencing the action.²²⁴ However, it may be accepted by the court beforehand when the early filing was due to the 'exigencies of time'²²⁵ and where the contents of the documents filed were sufficient to commence the action.²²⁶ Whether the filing of the complaint is an absolute prerequisite depends on the local rules binding the court in question,²²⁷ given that preliminary injunctive reliefs, in cases where they are applied for before the complaint is filed, must be brought to the court that is competent to deal with the main complaint.²²⁸

2.4.3. Cross-undertaking

If a preliminary injunctive relief is granted, the plaintiff will usually have to post a bond for securing any costs or damages that the defendant could suffer in case the relief is later proved unfounded, i.e. improperly granted.²²⁹ This kind of cross-undertaking in the US is called 'injunction bond'. There have been different interpretations regarding its nature (mandatory or optional). Both the Copyright Act and the Trademark Act state that a preliminary injunctive relief may be granted, 'on such terms as [the court] may deem reasonable.'²³⁰ The situation is the same as far as patents are concerned.²³¹ It must be noted though that in patent infringement cases a bond would sometimes be required from the defendant as an alternative to the injunction.²³²

²¹³ Falcon Stainless, Inc. v Rino Cos., 2008 WL 5179037, 9 (C.D. Cal. Dec. 9, 2008).

²¹⁴ Va. Carolina Tools, Inc. v Int'l Tool Supply, Inc., 984 F.2d 113, 120 (4th Cir. 1993); CDI Energy Servs. v W. River Pumps, Inc., 567 F.3d 398, 403 (8th Cir. 2009).

²¹⁵ Caterpillar Inc. v Walt Disney Co., 287 F. Supp. 2d 913, 922-23 (C.D. Ill. 2003)).

²¹⁶ Kitazato v Black Diamond Hospitality Invs., LLC, 655 F. Supp. 2d 1139, 1148-49 (D. Haw. 2009).

²¹⁷ Bernhardt v Cnty. of Los Angeles, 339 F.3d 920, 932 (9th Cir. 2003).

²¹⁸ Mason v Minn. State High Sch. League, 2003 WL 23109685, 3 (D. Minn. Dec. 30, 2003).

²¹⁹ Winter v Nat. Res. Def. Council, Inc., 555 U.S. 7, 20 (2008).

²²⁰ MD Moore, 'The Preliminary Injunction Standard: Understanding the Public Interest Factor' [2019] (117) Mich L Rev 939, according to which if one of the parties is a public body, the public interest is more likely to be taken into consideration; where both parties are public bodies, courts are less likely to engage in rigorous public interest analysis; however, where there are third parties likely to be affected, the policy interest becomes more important again. A more rigid assessment of public interest is more likely if the underlying cause of action is of public importance, for instance, if it involves constitutional considerations, or where the motions are based on legislation that involves public interest issues (such as the environment). As to the scope, it is noted that the broader the injunction the more extensive the inclusion of public interest.

²²¹ Jack Guttman, Inc. v Kopykake Enter., Inc., 302 F.3d 1352, 1356 (Fed. Cir. 2002).

²²² Reilly v City of Harrisburg 858 F.3d 173, 177-79 (3d Cir. 2017).

²²³ Rachel A. Weisshaar, 'Hazy Shades of Winter: Resolving the Circuit Split over Preliminary Injunctions' [2012] 65 Vand. L. Rev 1011, 1018; S. Glazer's Distribs. of Ohio, LLC v Great Lakes Brewing Co., 860 F.3d 844, 849 (6th Cir. 2017).

²²⁴ Lee H. Rosenthal, David F. Levi, John K. Rabiej, Federal Civil Procedure Manual, Juris Publishing, 2015, 419; FRCP, rule 65(a)(2);

Stewart v United States Immigration & Naturalization Serv., 762 F.2d 193, 198 (2d Cir. 1985).

²²⁵ 'Preliminary Injunctive Relief: Procedure for Obtaining Preliminary Injunctive Relief (Federal)' (n 201).

²²⁶ Studebaker Corp. v Gittlin 360 F.2d 692 [1966], (here, the first document filed with the court was

"an order to show cause, supported by an extensive affidavit", and the actual complaint was filed three days later).

²²⁷ 'Preliminary Injunctive Relief: Procedure for Obtaining Preliminary Injunctive Relief (Federal)' (n 201).

²²⁸ In accordance with 28 U.S. Code § 1391(b).

²²⁹ Rule 65(c) FRCP.

²³⁰ Section 502 of the Copyright Act 1976, and Section 1116(a) of the Trademark Act; Orantes-Hernandez v Smith, 541 F. Supp. 351 (C.D. Cal. 1982), where it was held that posting a bond was not mandatory.

²³¹ Paul Marotta, 'The Injunction Bond in High Technology Litigation: The Need for Reform' [1988] 4(1) Santa Clara High Technology Law Journal 24.

²³² Westinghouse Air-Brake Co. v Burton Stock Car Co., 77 F. 301 (1st Cir. 1896).

It appears that the courts are vested with a wide discretion as to whether or not to oblige the party to post a bond,²³³ as well as the amount of the bond itself.²³⁴ Generally, federal courts have recognised two particular circumstances in which the requirement to post a bond may hinder public interest litigants' access to court: these are claims brought by indigenous litigants and cases brought by citizen groups enforcing the National Environmental Policy Act.²³⁵ In such cases, courts have decided not to require bonds. The financial resources of the litigant have been considered as a relevant factor in cases related to indigents, where courts have stressed that the applicant is a poor individual, unable to furnish security and thus a bond was not required.²³⁶ Such considerations stemmed from the court's equitable discretion rather than any statutory basis.²³⁷ Overall, no Supreme Court ruling exists on this matter, so the practices vary significantly among courts.²³⁸ One of the factors taken into account when determining whether to issue a bond includes the likelihood of harm to the party enjoined.²³⁹ In another case, where the defendant did not request a bond, no bond was required.²⁴⁰ In a situation in which the PI causes the defendant to change its name, marketing and related business activities, courts generally require a substantial bond to be posted.²⁴¹

2.4.4. Revocation of preliminary injunctive relief on the court's initiative

A court that granted a preliminary injunctive relief may dissolve or modify the relief where the grounds on which it was granted ceased to exist (the four criteria mentioned above can no longer be established),²⁴² or where other changes in the law occurred.²⁴³ Moreover, the relief can be dissolved where the prospective application thereof is no longer equitable,²⁴⁴ and modified where the court needs to ensure that the measure granted fully vindicates the rights accorded by the underlying judgement.²⁴⁵

Whether the motion of a party is an absolute prerequisite for the amendment or cancellation of the relief depends on the type of relief, time of the decision, the type of provision giving grounds to the amendment or cancellation, and in certain instances on the jurisprudence of the circuit court that decides on the relief. For example, under Rule 59(d) FRCP, within 28 days from the issuing of an order granting a preliminary injunction, the court, on its own, may order a new trial for any reason enlisted in the FRCP that can be invoked by a party in a motion for a new trial.²⁴⁶ In addition, after giving a notice to the parties and an opportunity to be heard, the court may grant a timely motion for a new trial for a reason not stated in the motion. In either event, the court must specify the reasons in its order.²⁴⁷ Apart from that, under Rule 65(b)(3), the court must dissolve a TRO, even absent a motion, where the movant has not proceeded with the motion on a hearing which was set following the grant of the injunction. As regards the revocation or modification of preliminary injunctions under Rule 60(b) FRCP, despite the fact that the literal wording of the provision requires a motion of a party, certain circuits have allowed the courts to vacate or modify preliminary injunctions sua sponte;²⁴⁸ in this instance the courts are required to notify the parties beforehand.²⁴⁹ Finally, in relation to revocation of a preliminary injunctive relief under Rule 65(b)(4), a motion of one party is always required.

²³³ American Code Co. v Bensinger, 282 F.2d 829 (2d Cir. 1922); Northwestern Bell Tel. Co. v Bedco of Minnesota, Inc., 501 F. Supp. 299, 304 (D. Minn. 1980)

²³⁴ Hoechst Diafoil Co. v Nan Ya Plastics Corp., 174 F.3d 411, 421 (4th Cir.1999); Moltan Co. v Eagle-Picher Indus., Inc., 55 F.3d 1171, 1176 (6th Cir.1995).

²³⁵ Reina Calderon, 'Bond Requirements under Federal Rule of Civil Procedure 65(c): An Emerging Equitable Exemption for Public Interest Litigants' (1985) 13 Boston College Environmental Affairs Law Review 125, 136, where she refers, among other cases, to Denny v Health and Social Servs. Bd., 285 F. Supp. 526, 527 (E.D. Wis. 1968); Bass v Richardson, 338 F. Supp. 478 (S.D.N. Y. 1971); Bartels v Biernat, 405 F. Supp. 1012 (E.D. Wis. 1975); West Virginia Highlands Conservancy v Island Creek Coal Co., 441 F.2d 232 (4th Cir. 1971); Natural Resources Defense Council Inc., v Morton, 337 F. Supp. 167 (D.D.C. 1971), 458 F.2d 827 (D.C. Cir. 1972).

²³⁶ Denny v Health and Social Servs. Bd (n 232).

²³⁷ Calderon (n 235).

²³⁸ There are also vast differences between the state and federal court practice, for example in Illinois a 'party's limited financial resources can provide good cause for requiring no bond' (Save the Prairie Society, 338 Ill. App. 3d at 804); See also Gold v Ziff Communications Co., 196 Ill. App. 3d 425, 436 (1st Dist. 1989), which states that where the 'imposition of [a] bond would be an undue hardship on plaintiff in a preliminary injunction, it is not an abuse of discretion not to order the imposition of bond'.

²³⁹ International Control Corporation v Vesco & Co., Inc. 490 F.2d 1334, 1356 (2d Cir. 1974), cert. denied, 417 U.S. 932 (1974), cert. denied, 434 U.S. 1014 (1978).

²⁴⁰ U.S. v Onan, 190 F.2d 1, 7 (8th Cir. 1951), cert. denied, 342 U.S. 869 (1951).

²⁴¹ Morton Denlow, 'Preliminary Injunctions: Look before You Leap' (2002) 28 LITIG 8.

²⁴² Knapp Shoes, Inc. v Sylvania Shoe Mfg. Corp., 15 F.3d 1222, 1225 (1st Cir. 1994).

²⁴³ Salazar v Buono, 559 U.S. 700 (2010).

²⁴⁴ Rule 60(b) FRCP; Transportation, Inc. v Mayflower Serv, Inc. 769 F.2d 952, 954 (4th Cir. 1985).

²⁴⁵ Transportation, 954; United States v United Shoe Corp., 391 U.S. 244, 248-49.

²⁴⁶ Rule 59(d) FRCP. According to Rule 59(a) FRCP the motion of a party may invoke: A) after a jury trial, any reason for which a new trial has heretofore been granted in an action at law in federal court; or B) after a nonjury trial, any reason for which a rehearing has heretofore been granted in a suit in equity in federal court.

²⁴⁷ *ibid.*

²⁴⁸ Dr. Jose S. Belaval, Inc. v Perez-Perdomo, 465 F.3d 33, 37 (2006), and the jurisprudence cited therein.

²⁴⁹ Moore v Tangipahoa Parish School 864 F. 3d 401 (2017).

2.5. Security for costs

The purpose of the security for costs is to protect the rights of 'the appellees brought into appeals courts by such appellants'.²⁵⁰ At the district level, the law does not provide a possibility to request security for costs.²⁵¹ Hence, security for costs is available at the appellate level only.²⁵² However, as the notice of appeal must be filed with the district court, it is the district court that decides the question of security for costs for the purpose of the appeal proceedings that will follow. In particular, '[i]n a civil case, the district court may require an appellant to file a bond or provide other security in any form and amount necessary to ensure payment of costs on appeal.'²⁵³ Thus, upon receiving a notice from the district clerk, respondents have the opportunity to ask the district court for security for costs with regard to the upcoming appeal. The district court decision in this respect can be further appealed to the circuit courts.²⁵⁴

As for the factors taken into account when determining this issue, the practice varies widely, as the courts are vested with wide discretion.²⁵⁵ While the practice has not been entirely harmonised among courts, financial considerations seem to play an important role in determining whether or not to issue a bond.²⁵⁶ In essence, if the district court identifies actual financial hardship on the part of the appellant that would prevent him or her from pursuing the appeal, the bond would not be demanded.²⁵⁷ Nonetheless, the appellee must provide the court with some documentation certifying that the financial hardship is indeed present.²⁵⁸ In addition to financial hardship, when deciding whether to require the bond the courts assess also the risk of non-payment in the event that the appellants lose their appeal, any previous bad faith or vexatious conduct on the part of the appellants, and the likely merits of the appeal.²⁵⁹

As for the actual amount of the bond, district courts may set the amount to cover all costs listed in Rule 39 of the FRAP, including the preparation and transmission of the record, the reporter's transcript, premiums paid for bonds and the filing fee.²⁶⁰ In addition, while some circuits (the First, Second, Sixth, Ninth and Eleventh) also add to this amount the attorney's fees, the CAFC and the Third Circuit do not.²⁶¹ Finally, certain district courts interpret Rule 7 of the FRAP so as to assume discretion to grant the so-called 'appeal bond', which is imposed against the objectors appealing against final settlements in class actions, due to the fact that the appeal stays the entry of the final judgement and the payment to all class members; this type of bond covers also costs not enumerated in Rule 39 of the FRAP, such as settlement administration costs.²⁶²

2.6. Cassation in small value claims

There is no special procedure for small value IP-related claims in the US federal courts. The Supreme Court generally admits cassations, made in the form of the so-called writ of certiorari, irrespective of the value of the lawsuit, only if the case in question has national significance, may lead to harmonising of conflicting decisions in the federal circuit courts, and/or could have precedential value.²⁶³

²⁵⁰ *Adsani v Miller* 139 F.3d 67 (1998).

²⁵¹ This is because in the US, costs are not awarded in the first instance. This is different to the appellate proceedings, where the appellee may claim costs upon winning as per U.S. Code 28 §1912. Security for costs is an important aspect at the circuit level as 'in the United States, where legal aid is not generally available, appeals provide opportunity for wealthy parties to prevent poor parties from ever succeeding to rights found in first instance.' (See more at Robert M Belden, 'Protecting Winners: Why FRAP 7 Bonds Should Include Attorney Fees Note' (2015) 10 *Cornell Law Review*.)

²⁵² Rule 3 FRAP.

²⁵³ Rule 7 FRAP.

²⁵⁴ *Tennille v Western Union Co.*, No. 13-1378 (10th Cir. 2014).

²⁵⁵ John A. Gliedman, 'Access to Federal Courts and Security for Costs and Fees' [2000] 74(4) *St John's Law Review* 961.

²⁵⁶ For decisions on circuit court level consider *Azizian v Federated* 499 F.3d 950, 961 (9th Cir. 2007), regarding the attorney fees to be included as part of the bond, where financial hardship may indicate that a party's right to appeal has been unduly burdened; *Int'l. Floor Crafts, Inc. v Dziemit* 420 Fed. Appx. 6, 19 (1st Cir. 2011). For decisions on district court level, consider *Fourth District Sky Cable, LLC v Coley* (Civil Action No. 5:11cv00048 (W.D. Va. Jan. 30, 2017), as well as *Wolfchild v Redwood Cnty.* 112 F. Supp. 3d 866, 879 (D. Minn. 2015), where the appellant's financial ability to post a bond together with the risk that the appellant would not pay appellee's costs if the appeal loses were among some of the factors taken into account when the court exercised its discretion.

²⁵⁷ *Adsani* (n 250).

²⁵⁸ *ibid.*

²⁵⁹ Alex Kozinski and John K Rabiej, *Federal Appellate Procedure Manual* (Juris Publishing, Inc 2014), 65; *Noatex Corp. v Kings Const. of Houston*, 732 F.3d 479 (2013); *Dennings v Clearwire Corp.* 928 F. Supp. 2d 1270 (W.D. Wash. 2013).

²⁶⁰ *Kozinski and Rabiej* (n 259) 65.

²⁶¹ *ibid.*

²⁶² *ibid* 66.

²⁶³ United States Courts, 'Supreme Court Procedures', available at <<https://www.uscourts.gov/about-federal-courts/educational-resources/about-educational-outreach/activity-resources/supreme-1>> accessed 23 September 2020.

PART II – COMPARATIVE STUDY OF IP COURTS – UK

I. Judicial system and judges

1.1. Structure of the judicial system and the IP courts

The specialised IP judiciary in the UK comprises the Patents Court, the Intellectual Property Enterprise Court (the 'IPEC'), and the general Chancery Division of the High Court (the 'general Chancery Division').²⁶⁴ All of the aforementioned courts are parts of the High Court and may deal with all types of IP disputes. Allocation and transfer of IP disputes between them depends on the type of IP right in question, the value of the claim and the complexity of the dispute. The Patents Court and the general Chancery Division deal with complex claims of greater value in the so-called multi-track.²⁶⁵ A claim allocated to the IPEC may either be dealt with by an enterprise judge – the main judge of the court – in the multi-track, or by a district judge in a small claim track, which allows for more efficient conclusion of proceedings.²⁶⁶ In addition, less complex disputes concerning certain types of IP rights may be considered by ten designated County Court hearing centres in the multi-track.²⁶⁷ Appeals against judgements issued by the Patents Court, the IPEC,²⁶⁸ and the general Chancery Division are generally submitted to the Court of Appeal.²⁶⁹ As a matter of exception, appeals against the decisions of a district judge in the IPEC small claims track must be brought to the enterprise judge, i.e. a judge of the IPEC who hears claims in the multi-track. While such appeals must be brought within the same court of first instance, certain measures were introduced to keep the instances separate. In particular, the jurisdiction of the district and enterprise judges are clearly defined.²⁷⁰ Moreover, the judges are located in different buildings: the enterprise judge hears cases in the Rolls Building in London, and the small claims track cases are heard in the Thomas More Building in London.²⁷¹ There are no specialised IP appeal courts or IP chambers within the Court of Appeal or the Supreme Court. Nonetheless, judges who hear IP appeals are typically highly experienced in such matters.²⁷² Appeals against the decisions of the County Court hearing centres lie to the High Court.²⁷³

²⁶⁴ HM Courts & Tribunals service, 'Chancery Guide' (Gov uk, February 2020) <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/869071/chancery-guide-eng.pdf> accessed 23 September 2020.

²⁶⁵ Rule 63.1(3) of the Civil Procedure Rules (CPR).

²⁶⁶ *ibid* Rules 63.1(3) and 63.27.

²⁶⁷ The County Court is the main first instance forum in relation to small civil, i.e. contract and tort, claims (Section 15 of the County Court Act 1984). For more information on the County Court see Courts and Tribunals Judiciary, 'County Court', <<https://www.judiciary.uk/you-and-the-judiciary/going-to-court/county-court/>>, accessed 23 September 2020.

²⁶⁸ This will be the case for judgements of IPEC's multi-track. For appeals regarding decisions of IPEC's small claims track see below and Section 2.6.

²⁶⁹ Exceptionally, in particularly important cases, appeals can be brought directly to the Supreme Court (also called 'leapfrog appeal'). For more detail see Section 2.6.

²⁷⁰ Rule 63.19(2) CPR, according to which unless the court orders otherwise the district judges deal with a) allocation of claims to the small claims track or multi-track; b) claims allocated to the small claims track; and c) all proceedings for the enforcement of any financial element of an Intellectual Property Enterprise Court judgment. On the other hand, the enterprise judges deal with all the other cases.

²⁷¹ HM Courts & Tribunals Service, 'The Intellectual Property Enterprise Court Guide', <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/823201/intellectual-property-enterprise-guide.pdf>, accessed 23 September 2020.

²⁷² Further detail on this in Section 1.2. and Section 2.1 Composition of the court in IP cases.

²⁷³ Paragraph 3.5 PD52A.

Certain types of IP-related disputes may be considered by the Copyright Tribunal.²⁷⁴ Appeals from the decisions of the tribunal on any point of law can be brought to the High Court.²⁷⁵ In practice, however, it is unusual for a decision to be successfully appealed.²⁷⁶ Further appeals are possible to the Court of Appeal, and thereafter to the Supreme Court.²⁷⁷

In addition, certain patent and unregistered design disputes can also be considered by the Comptroller General of Patents, Designs and Trade Marks,²⁷⁸ based on special statutory provisions.²⁷⁹ In general, decisions of the Comptroller may be appealed against to the High Court in relation to patents,²⁸⁰ and to the High Court or the so-called 'appointed persons'²⁸¹ in relation to trade marks and registered and unregistered designs,²⁸² and to the Plant Varieties and Seeds Tribunal in relation to plant varieties.²⁸³ There are no specialised courts of any form for criminal IP cases.

1.2. Criteria for selection of judges

In the UK, there are no IP-specific selection criteria for a candidate for the position of an IP judge.²⁸⁴ Nonetheless, while IP experience is not formally required, it is taken into account when a candidate for the position of an IP judge is considered.²⁸⁵ The selection of judges is the responsibility of the Judicial Appointment Commission, and is based on an open competition.²⁸⁶ Following the competition the Commission recommends candidates for appointment.²⁸⁷ The appointments are made by the queen upon the advice of the Lord Chancellor.

As was already mentioned, while the law does not formally require the candidate for an IP judge to possess specialised IP-related knowledge or experience, in the course of the recruitment process the Judicial Appointment Commission may impose informal requirements whereby the appointment of IP judges is contingent on such knowledge and experience. Some IP judges also possess a scientific/technical background. While there is no formal requirement that judges must have such a background, in practice it may prove essential. That is because cases in the Patents Court are categorised according to how technical their subject matter is on a scale of 1-5, and typically judges who sit on category 4 and 5 cases must have science degrees or be 'suitably qualified deputy High Court judges'.²⁸⁸ As a result, only specially trained judges of the Patents Court or deputy High Court judges may hear cases involving technical knowledge.

²⁷⁴ The Copyright Tribunal is an administrative body that resolves commercial licensing disputes between copyright owners or collecting societies and the copyright material users. The chairman of the Copyright Tribunal and deputy chairmen are appointed by the Lord Chancellor. On the other hand, the lay members of the Tribunal are appointed by the Secretary of State for Business, Innovation and Skills (Sections 145 and 146 of the Copyright, Designs and Patents Act 1988 ('CDPA')). While the Copyright Tribunal is not institutionally linked to any of the IP courts (Ch VIII CDPA), its chairman, Judge Hacon, is also the presiding judge of the IPEC, and the Tribunal's secretary is a staff member of the UK Intellectual Property Office. However, that does not affect the impartiality of the Tribunal, as its decisions are appealed to the general Chancery Division, rather than to the IPEC (Halsbury's Laws of England/Copyright (Volume 23 (2016))5. The Copyright Tribunal/(12) Appeals/1099. Appeal to the court on a point of law).

²⁷⁵ Section 152(1) CDPA.

²⁷⁶ *CSC Media Group v Video Performance* [2011] EWCA Civ 650, [2011] All ER (D) 273 (May).

²⁷⁷ See Section 2.6.

²⁷⁸ In the UK, the Comptroller General of Patents, Designs and Trade Marks is the sole public authority responsible for the operation of the UK Intellectual Property Office and supervising the quality of its accounting and financial reporting. The Comptroller General is responsible for the decisions issued under the Patents Act 1977 (Section 130 of the Patents Act 1977) and the Plant Varieties Act 1997 (Section 45 of the Plant Varieties Act 1977), and in his capacity as trade marks registrar (Section 62 of the Trade Marks Act 1994) and registered designs registrar (Section 44(1) of the Registered Designs Act 1949), for the decisions concerning trade marks and registered designs respectively. In this report, containing excerpts from various statutes, the same authority, i.e. the Comptroller General, is referred to both as a 'Comptroller General' and 'the registrar'.

²⁷⁹ See, for instance, Section 61 of the Patents Act 1977 (contractual authorisation for the comptroller to consider infringement disputes between the patent proprietor and another person), and Sections 72 and 73 of the Patents Act 1977 (statutory authorisation to revoke patents on application or on the comptroller's own initiative).

²⁸⁰ Section 97 of the Patents Act 1977.

²⁸¹ In particular, persons appointed for the specific purpose of deciding appeals from the decision of the Comptroller under Section 27A(1) of the Registered Designs Act 1949 and Section 76(2) of the Trade Marks Act 1994.

²⁸² Section 76(2) of the Trade Marks Act 1994; Section 27A(1) of the Registered Designs Act 1949; Section 251(4) CDPA.

²⁸³ Section 26 of the Plant Varieties Act 1997; note, that the Plant Varieties and Seeds Tribunal has not held a hearing since 1984, which is the result of the introduction of alternative ways of resolving disputes under the regulations on the National Listing and Plant Variety Rights (see UK Government, 'Plant Varieties and Seeds Tribunal: About Us', <<https://www.gov.uk/government/organisations/plant-varieties-and-seeds-tribunal/about>> accessed 23 September 2020).

²⁸⁴ Section 88/schedule 2 of the Senior Courts Act 1984.

²⁸⁵ See, for example, Judicial Appointments Committee, 'Authorisation to sit as a deputy High Court judge, Intellectual Property Enterprise Court' (Judicial Appointments, 30 September 2014) <<https://www.judicialappointments.govuk/news/authorisation-sit-deputy-high-court-judge-intellectual-property-enterprise-court>> accessed 23 September 2020.

²⁸⁶ Courts and Tribunals Judiciary, 'Judicial appointments' <<https://www.judiciary.uk/about-the-judiciary/the-judiciary-the-government-and-the-constitution/jud-acc-ind/jud-appts/>>, accessed 23 September 2020.

²⁸⁷ Judicial Appointment Commission, 'Selection decision', <<https://www.judicialappointments.govuk/selection-decisions/>> accessed 23 September 2020.

²⁸⁸ Chancellor of the High Court, 'Chancellor of the High Court' (Judiciary UK, April 2019) <<https://www.judiciary.uk/wp-content/uploads/2019/04/Patents-Court-Guide-April-2019.pdf>> accessed 23 September 2020, 2; referenced by *Birss J in Electromagnetic Geoservices ASA v Petroleum Geo-Services and Ors* [2016] EWHC 27).

The selection criteria are set out differently depending on the level of judiciary and a specific court at that level. Because the Patents Court and the IPEC are parts of the general Chancery Division, and thus also of the High Court, the law provides the same general selection requirements for the candidates for the position of a judge of these courts.²⁸⁹ Similar requirements, modified accordingly, apply to district and circuit judges, who are not members of the High Court, but may consider IP cases either within the IPEC or in one of the County Court hearing centres.²⁹⁰ The requirements, jointly referred to as 'judicial appointment eligibility condition', comprise of, most notably, a number of years post qualification experience ('PQE'), i.e. years of engagement in 'law-related activities' for a minimum of 20% of each year in the years since qualification.²⁹¹ 'Law-related activities' are defined relatively broadly and include, in a non-exhaustive manner, the following: carrying out of judicial functions, acting as an arbitrator, practising as a lawyer, teaching and researching law, which could be done on a full-time or part-time basis, with or without remuneration and could also be carried out in the United Kingdom or elsewhere.²⁹² The number of PQE years required differs depending on the judicial office in question.²⁹³ For district judges²⁹⁴ and the offices of 'chairman' and 'deputy chairman' of the Copyright Tribunal²⁹⁵ the required PQE is five years, while for circuit judges and the judges of the High Court the threshold is set at seven years.²⁹⁶ As an alternative to the PQE requirement, candidates may base their applications on the fact of holding a specific office. For instance, a circuit judge who has held that office for at least two years may apply for the position of a High Court judge, and High Court judges may apply for the role of the judge of the Court of Appeal.²⁹⁷ Additionally, a person who has held any judicial office is eligible to apply for the roles of 'chairman' or 'deputy chairman' of the Copyright Tribunal or persons appointed to hear and determine appeals under the Trade Marks Act 1994 and under the Registered Designs Act 1949.²⁹⁸ The requirements for appointment to the Court of Appeal are respectively higher: an applicant must be either a High Court judge, or have at least seven years of PQE.²⁹⁹

Therefore, candidates for judges dealing with IP disputes in one of the three courts have to either have a PQE of at least seven years, or at least two years of experience as a circuit judge. However, candidates for district judges, qualified to decide IP disputes at the IPEC or in a County Court hearing centre, will only have to possess a PQE of at least five years.

As was already mentioned, the Judicial Appointment Committee may impose additional requirements pertaining to the specialised IP-related knowledge and experience in the course of recruitment. For example, in a job description for the position of an IPEC deputy judge the Judicial Appointments Committee indicates IP knowledge as a required expertise. The description states that '[a]pplicants for this exercise will be expected to demonstrate the qualities and abilities required of a High Court judge, have knowledge of intellectual property law and practical experience of applying it'.³⁰⁰ As a result, the judicial nominees for positions at the IPEC will usually have prior IP experience. For instance, the currently presiding judge of the IPEC, Judge Hacon, was an IP barrister before becoming a judge and thus had extensive IP experience at the date of his or her nomination to the court.³⁰¹ Similarly, while the law does not require the candidates for the position of an appointed person who reviews appeals from the decisions of the Comptroller General to possess specialised IP knowledge or experience, in a vacancy announcement published on the government website, the Judicial Appointment Committee makes it clear that '[c]andidates must have knowledge of intellectual property law and experience of applying the law'.³⁰²

²⁸⁹ Section 10(3)(c) of the Senior Courts Act 1981.

²⁹⁰ In relation to circuit judges: *ibid* Section 68(1)(a); in relation to district judges, see for example: Rule 63.19 CPR.

²⁹¹ Judicial Appointments Committee, 'Eligibility for legally qualified candidates' (Judicial Appointments) <<https://www.judicialappointments.gov.uk/eligibility-legally-qualified-candidates>> accessed 23 September 2020.

²⁹² Section 52 of the Tribunals, Courts and Enforcement Act 2002.

²⁹³ Judicial Appointment Committee, 'Eligibility' <<https://www.judicialappointments.gov.uk/007-eligibility>> accessed 23 September 2020.

²⁹⁴ Section 9 of the County Courts Act 1984; Judicial Appointments Committee, (n 291).

²⁹⁵ Section 145(3) CDPA.

²⁹⁶ Section 10(3)(c) of the Senior Courts Act 1981.

²⁹⁷ *ibid* Section 10(3)(b-c).

²⁹⁸ Section 77(2) of the Trade Marks Act 1994; Section 27B of the Registered Designs Act 1949.

²⁹⁹ Judicial Appointments Committee, 'Court of Appeal' <<https://www.judicialappointments.gov.uk/court-appeal>>, accessed 23 September 2020.

³⁰⁰ Judicial Appointments Committee (n 285).

³⁰¹ Courts and Tribunals Judiciary, 'His Honour Judge Hacon' (Judiciary UK, 31 July 2015)

<<https://www.judiciary.uk/publications/his-honour-judge-hacon>> accessed 23 September 2020.

³⁰² Judicial Appointments Commission, '00956 Fee-paid Appointed Persons, Appeal Tribunal, Trade Marks and 00957 Fee-paid Appointed Person, Appeal Tribunal, Registered and Unregistered Design' (Judicial Appointments, 16 December 2014) accessed 23 September 2020. <<https://www.judicialappointments.gov.uk/00956-feepaid-appointed-persons-appeal-tribunal-trade-marks-and-00957-feepaid-appointed-person>>

At the Court of Appeal and Supreme Court level, certain judges possess significant IP expertise; some of them also have a scientific/technical background. For example, in the Court of Appeal, Lord Justice Floyd has extensive IP experience. Prior to becoming a Lord Justice of Appeal, he was assigned to the Patents Court and the Copyright Tribunal.³⁰³

LJ Floyd also has a degree in natural sciences. Also, LJ Justice Arnold, recently appointed to the Court of Appeal,³⁰⁴ has an extensive IP experience both as a judge at the High Court's general Chancery Division and the Patents Court, as well as a barrister.³⁰⁵ In the Supreme Court, Lord Kitchin has significant IP experience, having considered numerous IP cases in the Court of Appeal and earlier in the general Chancery Division of the High Court. Lord Kitchin also has a degree in natural sciences. Another Supreme Court judge, Lord Hodge, also has IP experience.³⁰⁶

The Lord Chief Justice and the Senior President of Tribunals are responsible for the arrangements of training for judges pursuant to the Constitutional Reform Act 2005 and the Tribunals, Courts and Enforcement Act 2007.³⁰⁷ These responsibilities are exercised through the Judicial College, which has established a judicial skills and abilities framework for judges. The framework describes the skills and abilities required by judicial office holders, such as knowledge and communication skills.³⁰⁸ All judges have induction training and a programme of continuing education and 'wherever feasible will have the choice in the elements which meet their training needs'.³⁰⁹ The training is undertaken both face-to-face and electronically, and covers three main areas: (i) substantive law, evidence and procedure; (ii) acquisition and improvement of judicial skills (including leadership and management), and (iii) social context (including diversity training).³¹⁰

1.3. Location of the IP Court and number of judges

The general Chancery Division, the Patents Court and the IPEC are situated in London, where most of the IP disputes are decided. These three courts along with certain other specialist courts now operate under the umbrella name 'Business and Property Courts'.³¹¹ These include the main London office and regional offices in six cities where the High Court's district registries are located, namely Manchester, Birmingham, Leeds, Cardiff, Newcastle and Bristol. While the London office deals with all IP claims at all stages of proceedings, the district registries may conduct case management and trials only if an appropriate judge is available.³¹² In order for a case to be heard in any of the regional offices, there must be a 'regional connection' to the region at stake.³¹³ However, since October 2019 IP disputes allocated to the small claims track in the IPEC can be considered by the district judges residing at one of the district registries on a permanent basis.³¹⁴ Importantly, oral testimony of witnesses can be given via video facilities in all specialised IP courts.³¹⁵ As to the other fora for the adjudication of IP disputes, the Copyright Tribunal, the Courts of Appeal and the Supreme Court are also all situated in London. The County Court hearing centres competent to consider IP disputes with the exception of patent, registered design, semiconductor topography and plant variety disputes are located in Birmingham, Bristol, Caernarfon, Cardiff, Leeds, Liverpool, Manchester, Mold, Newcastle upon Tyne and Preston.³¹⁶ However, the hearing centres in Caernarfon, Mold and Preston are not authorised to deal with registered trade mark and Community trade mark disputes.³¹⁷

³⁰³ Courts and Tribunals Judiciary, 'Biographies of the Court of Appeal judges' (Judiciary UK) <<https://www.judiciary.uk/you-and-the-judiciary/going-to-court/court-of-appeal-home/coa-biogs/>> accessed 23 September 2020.

³⁰⁴ Eleonora Rosati, 'Mr Justice Arnold to become Lord Justice Arnold: congratulations!' (IPKat, 16 July 2019) <<http://ipkitten.blogspot.com/2019/07/mr-justice-arnold-to-become-lord.html>> accessed 23 September 2020.

³⁰⁵ Courts and tribunals judiciary, 'Mr Justice Arnold' (Judiciary UK) <<https://www.judiciary.uk/publications/mr-justice-arnold/>> accessed 23 September 2020.

³⁰⁶ The Supreme Court, 'Biographies of the Justices' (The Supreme Court) <<https://www.supremecourt.uk/about/biographies-of-the-justices.html>> accessed 23 September 2020.

³⁰⁷ Courts and Tribunals Judiciary, 'Judicial College' (Judiciary UK) <<https://www.judiciary.uk/about-the-judiciary/training-support/judicial-college/>> accessed 23 September 2020.

³⁰⁸ Courts and tribunals judiciary, 'Judicial Skills and Abilities Framework' (Judiciary UK, 2014) <<https://www.judiciary.uk/wp-content/uploads/2010/05/judicial-skills-and-abilities-framework-2014.pdf>> accessed 23 September 2020.

³⁰⁹ Judicial College, 'Strategy of the Judicial College 2019-2020' (Judiciary UK, November 2017) <<https://www.judiciary.uk/wp-content/uploads/2017/12/judicial-college-strategy-2018-2020.pdf>> accessed 23 September 2020, paras 16-17.

³¹⁰ *ibid* paras 13 and 20.

³¹¹ 'The Business and Property Courts' (Government UK) <<https://www.govuk/courts-tribunals/the-business-and-property-courts>> accessed 23 September 2020.

³¹² Paragraph 25(3) PD 57AA, the Business and Property Courts.

³¹³ Regional connection includes the following: one or more of the parties has an address or registered office in the area; one or more witnesses are in the area; the location of the dispute is in the area; the dispute involves land or other assets in the area; the solicitors are in the area (see more at JudiciaryUK, 'The Business and Property Courts in Leeds' (JudiciaryUK, 6 December 2017) <<https://www.judiciary.uk/wp-content/uploads/2017/12/leeds-bpc-brochure-20171211.pdf>> accessed 23 September 2020).

³¹⁴ 'The Intellectual Property Enterprise Court Guide' (n 271) 3.

³¹⁵ Rule 32.3 CPR.

³¹⁶ Paragraph 16.2 PD 63.

³¹⁷ *ibid*, 16.3.

As for the numbers of judges, the Chancery Division as a whole comprises 15 judges.³¹⁸ From the judges of the Chancery, six judges are authorised to sit in the Patents Court³¹⁹ and one judge – the so-called enterprise judge – in the IPEC.³²⁰ In addition to this one judge at the IPEC, who is a judge of the High Court, there are also three district judges, which makes the total number of judges at the IPEC four.³²¹ The Copyright Tribunal consists of a chairman, two deputy chairmen and seven lay members.³²² The Court of Appeal presently has 42 judges,³²³ and 12 judges sit in the Supreme Court.³²⁴

II. Rules of procedure

The rules of procedure in IP matters are set by the civil procedure rules (CPR) and the corresponding Practice Directions. In addition, a specialised IP procedure within the Rules (Part 63 along with the Practice Direction 63) applies as a *lex specialis*. Certain procedural provisions are also included in the IP statutes, such as the Patents Act 1977, the Trade Marks Act 1994, the Copyright, Designs and Patents Act 1988 (CDPA), Registered Designs Act 1949 and the Plant Varieties Act 1997.

2.1. Composition of the court in IP cases

Intellectual property cases at first instance, including at the IPEC, the Patents Court, the general Chancery Division, and the designated County Court hearing centres, are heard by a single judge.³²⁵ There is no jury in IP cases.³²⁶ In the IPEC, a specific composition depends on the track to which the case is allocated, i.e. the multi-track or the small claims track. Multi-track cases in the IPEC are heard either by Judge Hacon or one of the deputy judges and recorders, who are intellectual property specialists.³²⁷ Small claims cases are heard by one of the three district judges sitting in London or by one of the district judges sitting at the district registries. The Copyright Tribunal, in general, sits in panels of three.

Appeals at the Court of Appeal may be heard by one or more judges.³²⁸ The number of judges depends on the complexity of the case³²⁹ and the existence of any additional arrangements, which may be introduced by the Master of Rolls³³⁰ for the purpose of any particular proceedings.³³¹ As a result, in practice a case will typically be heard by a panel of three judges.³³² Finally, the Supreme Court typically considers cases in a panel of five.³³³

³¹⁸ Government UK, 'Chancery Division of the High Court' (GOVUK)

<<https://www.govuk/courts-tribunals/chancery-division-of-the-high-court>> accessed 23 September 2020.

³¹⁹ Government UK 'Chancery and Patents Court Judges' (GOVUK), <<https://www.gov.uk/guidance/chancery-judges>>, accessed 23 September 2020.

³²⁰ Courts and Tribunals Judiciary, 'Intellectual Property Enterprise Court – Judges' (Judiciary UK) <<https://www.judiciary.uk/you-and-the-judiciary/going-to-court/high-court/courts-of-the-chancery-division/intellectual-property-enterprise-court/judges/>> accessed 23 September 2020.

³²¹ *ibid.*

³²² Section 145 CDPA; see Government UK, 'Copyright Tribunal – Membership',

<<https://www.govuk/government/organisations/copyright-tribunal/about/membership>>, accessed 23 September 2020.

³²³ Courts and Tribunals Judiciary, 'Senior Judiciary' (Judiciary UK, 25 June 2019)

<<https://www.judiciary.uk/about-the-judiciary/who-are-the-judiciary/senior-judiciary-list/>> accessed 23 September 2020.

³²⁴ 'Biographies of the Justices' (n 306).

³²⁵ HM Courts & Tribunals Service, 'The Patents Court Guide', available at

<<https://www.judiciary.uk/wp-content/uploads/2019/04/Patents-Court-Guide-April-2019.pdf>>, accessed 23 September 2020; Government UK, 'Intellectual Property Enterprise Court Guide' (n 271); HM Courts & Tribunals Service, 'Chancery Guide' (n 264); HM Courts & Tribunals Service, 'County Court' (n 267).

³²⁶ 'Patent litigation in the UK (England and Wales): overview by Susie Middlemiss and Laura Balfour, Slaughter and May' (Practical Law Note Number 3-623-0277).

³²⁷ Courts and tribunals judiciary, 'Intellectual Property Enterprise Court – Judges' (Judiciary UK, 2014) <<https://www.judiciary.uk/you-and-the-judiciary/going-to-court/high-court/courts-of-the-chancery-division/intellectual-property-enterprise-court/judges/>> accessed 23 September 2020.

³²⁸ Section 54(3-4) of the Senior Courts Act 1981.

³²⁹ See, for example, *Coldunell Ltd v Gallon and another* [1986] 1 All ER 429, where the Court of Appeal stated that 'if counsel are of the view that points of real difficulty arise, it is always open to them to apply to the registrar for the hearing to take place before a court of three'.

³³⁰ Master of Rolls, besides other things, acts as the president of the civil division on the Court of Appeal.

³³¹ Section 54(3-4) of the Senior Courts Act 1981.

³³² Judiciary UK, 'Court of Appeal Judges' (Judiciary UK, February 2015), <<https://www.judiciary.uk/about-the-judiciary/who-are-the-judiciary/judicial-roles/judges/coa-judges/>> accessed 23 September 2020, according to which '[a]ll Judges of the Court of Appeal possess equal power, authority and jurisdiction. Lord/Lady Justices normally sit in panels of three, and the decision of each judge carries equal weight so that a dissenting judgment may be issued'; This is also the case in patent disputes (See 'Patent litigation in the UK (England and Wales): overview by Susie Middlemiss and Laura Balfour, Slaughter and May' (n 324)).

³³³ The Supreme Court, 'Panel numbers criteria' (Supreme Court UK) <<https://www.supremecourt.uk/procedures/panel-numbers-criteria.html>> accessed 23 September 2020, according to which cases can be heard in panels with more than five judges if the Court is being asked to depart, or may decide to depart from a previous decision, if a case is of high constitutional importance, if a case is of great public importance, if a case is to be reconciled with a conflicting decision of the House of Lords, Judicial Committee of the Privy Council and/or the Supreme Court has to be reconciled or if a case raises an important point in relation to the European Convention on Human Rights.

2.2. Jurisdiction in IP cases

The allocation of IP cases between the three specialised first instance courts, i.e. the Patents Court, the IPEC and the general Chancery Division, is carried out in accordance with the two criteria: (a) the type of the IP right, and (b) the value of the claim. Under the first criterion, namely the type of the IP right, the CPR³³⁴ and the Practice Direction 63³³⁵ provide an exhaustive list of types of IP rights falling within the scope of the special IP procedure, and allocate each type of IP to one of the courts.³³⁶ In general, patents, registered design, semiconductor topography and plant variety disputes are considered by either the IPEC or the Patents Court, whereas the rest of IP disputes are considered either by the IPEC or the general Chancery Division. Under the second criterion, i.e. the value of the claim, subject to the exceptions explained below, the IPEC is competent in all the disputes where the amount or value of the claim does not exceed £500,000. The Patents Court and the general Chancery Division deal with certain types of disputes where the value of the claim exceeds the said threshold.³³⁷

Thus, in accordance with the foregoing criteria, the IPEC hears a broad set of claims relating to patents, designs, copyright, trade marks, semiconductor topography rights, plant variety rights as well as other IP rights set out in Practice Direction 63, provided that the amount or value of the claim does not exceed £500,000.³³⁸ Parties to a dispute may agree, however, that the IPEC shall have jurisdiction to award damages or profits in excess of £500,000.³³⁹ As was mentioned above, there are two types of procedures in the IPEC, the multi-track or the small claims track. While the multi-track is the default option, a case will be allocated to the small claims track if the following conditions are jointly fulfilled:³⁴⁰ (i) the case does not concern patents, registered designs, semiconductor topography rights or plant varieties;³⁴¹ (ii) the value of the claim does not exceed £10,000; (iii) the particulars of the claim state that the claimant wishes the claim to be allocated to the small claims track, and (iv) no objection to the claim being allocated to the small claims track was raised by the defendant in the defence.³⁴²

The Patents Court hears claims relating to patents, UK registered designs, the use of technical information by Crown contractors for production and supply of defence materials, Community registered designs, semiconductor topography rights and plant varieties, provided that the amount or value of the claim exceeds £500,000.³⁴³ The general Chancery Division will be competent where the claim concerns a type of IP that does not fall within the jurisdiction of the Patents Court, such as copyrights or trade marks, and the amount or value of the claim exceeds £500,000.³⁴⁴

The jurisdiction of the IP courts in relation to patents, registered designs, semi-conductor topographies and plant varieties is exclusive. In relation to other IP disputes, as was already mentioned, the claims may also be filed with one of the designated County Court hearing centres where there is also a Chancery District Registry.³⁴⁵ While the choice of venue is generally left to the claimant, the fact that the case is complex or requires specialised knowledge can be a factor in transferring the case subject to the rules described below.³⁴⁶ The County Court hearing centres will generally hear smaller and less complex cases, requiring a lesser degree of specialisation; the centres are not competent to consider appeals against the decision of the comptroller.³⁴⁷

³³⁴ Rule 63.1 CPR.

³³⁵ Paragraph 16.1 PD 63.

³³⁶ Rule 63.1 CPR, which lists all of the following: registered intellectual property rights such as patents, registered designs, registered trade marks; unregistered intellectual property rights such as copyright, design right, the right to prevent passing off; and the other rights set out in Practice Direction 63, namely copyright, rights in performances, rights conferred under Part VII CDPDA, design right, Community design right, association rights, moral rights, database rights, unauthorised decryption rights, hallmarks, claims in respect of technical trade secrets, passing off, protected designations of origin, protected geographical indications and traditional speciality guarantees, registered trade marks and Community trade marks.

³³⁷ For the purposes of determining the amount or the value of a claim, a claim for interest other than interest payable under an agreement, or for costs, is disregarded (Rule 63.17(A)(2) CPR).

³³⁸ *ibid* Rule 63.13.

³³⁹ *ibid* Rule 63.17A(3).

³⁴⁰ *ibid* Rule 63.27(a).

³⁴¹ *ibid* Rule 63.13 in conjunction with Rules 63.2 and 63.27(a).

³⁴² *ibid* Rules 63.27(b)-(d).

³⁴³ *ibid* Rule 63.2.

³⁴⁴ *ibid* Rule 63.12 and Rule 63.2(1).

³⁴⁵ Rule 63.13(c) CPR.

³⁴⁶ Rule 30.3(c-d) CPR; for more information see Angela Fox, *Intellectual Property Enterprise Court: Practice and Procedure*, (Sweet & Maxwell 2016).

³⁴⁷ Rule 63.16 CPR.

The so-called ancillary matters, i.e., matters not related to IP as such but necessary to resolve an IP dispute, may be considered by an IP Court.³⁴⁸ As a result, while the County Court and the Queen's Bench Division of the High Court³⁴⁹ have general jurisdiction to hear and determine any action based on contract and tort law,³⁵⁰ disputes over agreements concerning IP rights, including disputes over the breach or validity of such an agreement, will generally be subject to the jurisdiction of one of the specialised IP courts.³⁵¹

Due the fact that in the UK there is no separate piece of legislation related to unfair competition, such disputes are resolved under the common law doctrine of passing off.³⁵² Passing off disputes are expressly listed in the CPR and, similar to other types of IP rights explained above, are decided either by the general Chancery Division, the IPEC or the County Court hearing centres, depending on the value of the claim.³⁵³ The recognition of trade marks as 'well-known' is undertaken on a case-by-case basis.³⁵⁴ Therefore, it is up to the Comptroller, the IPEC or the general Chancery Division to determine whether a trade mark is well-known.

As was already mentioned, an IP dispute may be transferred between specialised and non-specialised courts, as well as within the specialised IP courts' structure. The High Court may order proceedings in any Division of the High Court to be transferred to another Division.³⁵⁵ For example, a judge dealing with claims in a specialist list, such as the IPEC or the Patents Court, may order proceedings to be transferred to or from that list. An application for the transfer of proceedings to or from a specialist list must be made to a judge dealing with claims in that list.³⁵⁶ A judge sitting in the County Court³⁵⁷ or the general Chancery Division may order the proceedings to be transferred to the IPEC.³⁵⁸ This may be done by means of an application by the parties³⁵⁹ to a judge sitting in the County Court or the general Chancery Division respectively, requesting the transfer of proceedings to the IPEC.³⁶⁰ When deciding whether to order the transfer of proceedings to the IPEC, the court takes into account whether a party can only afford to bring or defend the claim in the IPEC, whether the claim is appropriate to be determined by the IPEC having regard, in particular, to the value of the claim (including the value of an injunction), the complexity of the issues and the estimated length of the trial.³⁶¹ Similar factors are taken into account when deciding whether to transfer the cases between the County Court hearing centres and the High Court. In this respect the court will consider, for example, the financial value of the claim and the amount in dispute, the availability of a judge specialising in the type of claim in question, and in particular the availability of a specialist judge sitting in an appropriate regional specialist court, or the complexity of the case.³⁶²

The jurisdiction of the specialised IP Courts in the UK is not dependent on the legal status of the claimant; this applies equally to the proceedings in the small claims track before the IPEC. Neither Rule 63 CPR nor Practice Direction 63 refers to the legal status of the claimant. Similarly, the law does not make the jurisdiction of the IP courts dependent on whether the claimant is the author of the copyright, i.e., the creator of a work. The CDPA, defining the legal standing in the case of copyright infringement, refers to an 'owner' of copyright, which implies that the act does not preclude other types of copyright owners such as successors in title, employees or exclusive licensees, from filing claims in the specialised IP court.³⁶³

³⁴⁸ *ibid* [2-006].

³⁴⁹ Government UK, 'Queen's Bench Division: bring a case to the court' (GOVUK, 25 February 2019)

<<https://www.gov.uk/guidance/queens-bench-division-bring-a-case-to-the-court>> accessed 23 September 2020.

³⁵⁰ Section 15(1) of the County Courts Act 1984; in assessing whether an action is based on contract, the courts must look at the substance of the matter rather than the technical form of the pleadings (*Sachs v Henderson* [1902] 1 K.B. 612).

³⁵¹ *Massimo Osti SRL v Global Design and Innovation Ltd and another* [2018] EWHC 2263 (Ch); *Scomadi Ltd v RA Engineering Co Ltd* [2018] F.S.R. 14; *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Ltd and others* - [2010] All ER (D) 85 (Jun); see also *Fox* (n337).

³⁵² *Reckitt & Colman Ltd v Borden Inc.* [1990] 1 All E.R. 873.

³⁵³ Paragraph 16.1(12) of Practice Direction 63 in conjunction with Rule 63.13 CPR.

³⁵⁴ *Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* [2008] EWHC 3032.

³⁵⁵ Rule 30.5 CPR.

³⁵⁶ *ibid* Rule 30.5(2-3).

³⁵⁷ The County Court is a first instance court that hears civil cases (See more at Courts and tribunals judiciary, 'County Court' (Judiciary UK) <<https://www.judiciary.uk/you-and-the-judiciary/going-to-court/county-court/>> accessed 26 August 2019).

³⁵⁸ Rule 63.18(1)(a) CPR.

³⁵⁹ *DKH Retail Ltd v Republic (Retail) Ltd* [2012] EWHC 877 (Ch).

³⁶⁰ Rule 63.18(1)(b) in conjunction with Rule 30.5 CPR.

³⁶¹ Paragraph 9.1 PD 30.

³⁶² Rule 30.3(2) CPR.

³⁶³ Sections 16, 92(1), 96(1) and 101 CDPA.

The Copyright Tribunal considers commercial licensing disputes between copyright owners or collecting societies and the copyright material users.³⁶⁴ Specifically, the tribunal will be competent in relation to, for example, applications to determine amount of equitable remuneration,³⁶⁵ references of licensed schemes,³⁶⁶ applications to settle royalties or other sums payable for lending of certain works,³⁶⁷ and to settle terms of copyright licence available as of right.³⁶⁸ There are two tracks at the Copyright Tribunal, the small applications track and the standard applications track.³⁶⁹ When allocating an application, the tribunal take into account: (i) the financial value of the application to each of the parties; (ii) whether the facts, legal issues, relief requested or procedures involved are simple or complex; (iii) the importance of the outcome of the application to the other licensees or putative licensees of a licensing body.³⁷⁰ Applications in which the facts and legal issues are simple and the financial value is less than £50,000 to each party are considered in the small applications track.³⁷¹ In practice, the small application track is likely to apply only to such applications that have no ramifications for the rates payable by other licensees (for example a refusal by the licensing body to grant a licence to an individual licence applicant) or references concerning very limited scheme.³⁷² The standard track applies to all other applications. In borderline cases, the tribunal may request the parties to choose the track they consider to be the most appropriate before allocating the application.

Appeals against the decisions of the Comptroller in relation to patents may be submitted only to the High Court.³⁷³ At the same time, appeals against the decisions of the Comptroller in relation to trade marks, designs and unregistered designs may be brought either to the High Court or to an appointed person, i.e., a special official appointed solely for the purpose of deciding appeals against the decisions of the Comptroller.³⁷⁴ Where an appeal is made to an appointed person, he or she may refer the appeal to the High Court if: (i) it appears that a point of general legal importance is involved; (ii) the Comptroller requests that it be so referred, or (iii) such a request is made by any party to the proceedings before the Comptroller in which the decision appealed against was made.³⁷⁵ Before referring the case to the High Court, the appointed person shall give the appellant and any other party to the appeal an opportunity to make representations as to whether the appeal should be referred to the High Court. Where an appeal is made to an appointed person and he or she does not refer it to the court, the case will be heard by the appointed person.³⁷⁶ In such cases, the decision will be final with no opportunity for further appeal. In relation to plant varieties, appeals against the decisions of the Comptroller lie to the Plant Varieties and Seeds Tribunal.³⁷⁷ If a party is not satisfied with a decision of the Tribunal, it may file an appeal with the High Court.³⁷⁸

In addition to its power to grant or refuse a grant of an IP right, the Comptroller General of Patents, Designs and Trade Marks also has jurisdiction over certain matters relating to patents and unregistered designs, including the revocation of patents as invalid, the grant of compulsory licenses, the settlement of terms of license of rights and the award of compensation to employees.³⁷⁹ Furthermore, the Comptroller can decide disputes on infringement claims and revocation counterclaims concerning patents if so authorised by the parties.³⁸⁰ Finally, a party to a dispute concerning an unregistered design may refer the dispute to the Comptroller.³⁸¹ In practice, the disputes are rarely referred to the Comptroller as he or she lacks the authority to grant an injunctive relief, and in cases when a dispute is lost this will give no grounds for estoppel.³⁸²

³⁶⁴ Government UK, 'Copyright Tribunal' <<https://www.gov.uk/government/organisations/copyright-tribunal#content>> accessed 23 September 2020.

³⁶⁵ Section 93C CDPA.

³⁶⁶ Section 118ff. CDPA.

³⁶⁷ Section 142 CDPA.

³⁶⁸ Section 144(4) CDPA.

³⁶⁹ Rule 17(1) of the Copyright Tribunal Rules 2010, SI 2010/791.

³⁷⁰ *ibid* Rule 17(2).

³⁷¹ *ibid* Rule 17(3).

³⁷² 'The Copyright Tribunal—purpose and procedure – produced in partnership with Bird & Bird' (LexisPSL) Practice notes.

³⁷³ Section 97(1) of the Patents Act 1977.

³⁷⁴ Section 76(2) of the Trade Marks Act 1994; Section 27A Registered Designs Act; Section 251(4) CDPA.

³⁷⁵ Section 76(3) of the Trade Marks Act 1994; Section 27A (2) Registered Designs Act; Section 251(4) of the CDPA.

³⁷⁶ Section 76(4) of the Trade Marks Act 1994; Section 27A (4) of the Registered Designs Act; Section 251(4) CDPA.

³⁷⁷ Section 27(1) of the Plant Varieties Act 1997.

³⁷⁸ Section 45(1) of the Plant Varieties Act 1997 in conjunction with Section 11(1) of the Tribunals and Inquiries Act 1992.

³⁷⁹ Sections 72, 48, 46(3) and 40 of the Patents Act 1977.

³⁸⁰ Section 61(3) of the Patents Act 1977.

³⁸¹ Section 246 CDPA.

³⁸² Lionel Bently and Brad Sherman, *Intellectual Property Law* (4th edition, Oxford University Press 2014) 1223.

It is important to note that only civil IP disputes fall within the jurisdiction of the specialised IP courts. Therefore, disputes relating to information security and cybercrime are not heard by these courts.³⁸³ In the same vein, IP-related administrative disputes, such as tax and customs cases, fall outside of the jurisdiction of the specialised IP courts. Consequently, appeals against the decisions of the Border Force and Her Majesty's Revenue and Customs (HMRC), i.e. the bodies competent to deal with customs enforcement of IP rights,³⁸⁴ are reviewed by either the administrative or criminal courts. Specifically, the administrative branch (First-tier Tribunals and Upper Tribunals) would usually deal with the decisions of the above two bodies.³⁸⁵ However, where a claimant contends the seizure of goods by the customs authorities, the so-called 'condemnation proceedings', the claim must be filed with a criminal court – either the High Court (the Queen's Bench division) or a magistrates' court.³⁸⁶ Similarly, the specialised IP courts are not competent to decide on tax cases, even if they involve an IP element; tax related decisions of the HMRC are reviewed by the First-tier Tribunals and Upper Tribunals.³⁸⁷

2.3. Evidence in IP cases

Various forms of evidence can be relied upon in IP disputes. Specific rules exist in relation to using models or apparatus and providing evidence by experiments in patent litigation.³⁸⁸ In this respect, if a case involves substantial and complex experimental evidence, it will not be suitable for the IPEC, and will thus be considered by the general Chancery Division or the Patents Court.³⁸⁹ Specific rules also exist in relation to survey evidence in trade mark litigation, typically used to prove distinctiveness, repute of a mark and the likelihood of confusion or deception.³⁹⁰ Also, Practice Direction 32 stipulates the requirements in relation to witness statements and corresponding exhibits in civil proceedings.³⁹¹

An important stage in an IP dispute is the disclosure stage, during which a party discloses documents relevant to a dispute.³⁹² The general rules concerning disclosure in civil cases are set in Part 31 CPR, while the patent-specific rules can be found in Practice Direction 63 (Rule 63.9).³⁹³ The purpose of the disclosure stage is to ensure that all parties are made aware of all documents that have a bearing on the case.³⁹⁴ Disclosure is ordered by the court and can take place even before a litigation starts.³⁹⁵

2.3.1. Evidence in electronic form

Electronic evidence in the UK is examined from the perspective of its admissibility, authentication and disclosure. Evidence will pass the admissibility hurdle if it is relevant to the case.³⁹⁶ Subject to the rules on authentication and disclosure discussed below, there is no requirement of a specific form in which evidence must be submitted to the court, i.e. there is no requirement that evidence must be submitted in an original form.³⁹⁷ Therefore, if electronic evidence is relevant to the case, it will generally be admitted in any form. However, even relevant evidence may still be excluded if one of the following conditions is fulfilled: the evidence is privileged,³⁹⁸ it qualifies as hearsay and the statutory obligations are not complied with,³⁹⁹ or the admission of it would cost disproportionate costs.⁴⁰⁰

³⁸³ A separate specialised court dedicated to these matters may be introduced in due course. See Government UK, 'World-class fraud and cybercrime court approved for London's Fleetbank House site' (GOVUK, 4 July 2018) <[https://www.gov.uk/government/news/worldclass-fraud-and-cybercrime-court-approved-for-londons-fleetbank-house-site#:~:text=Guidance%20and%20support-,World%2Dclass%20fraud%20and%20cybercrime%20court%20approved%20for%20London's%20Fleetbank,tonight%20\(Wednesday%204%20July\)](https://www.gov.uk/government/news/worldclass-fraud-and-cybercrime-court-approved-for-londons-fleetbank-house-site#:~:text=Guidance%20and%20support-,World%2Dclass%20fraud%20and%20cybercrime%20court%20approved%20for%20London's%20Fleetbank,tonight%20(Wednesday%204%20July)>)> accessed 23 September 2020.

³⁸⁴ Customs and Excise Act 1979, Section 139; Government UK, 'Notice 34: intellectual property rights' (GOVUK, 17 July 2019) <<https://www.gov.uk/government/publications/notice-34-intellectual-property-rights>> accessed 23 September 2020.

³⁸⁵ The First-tier Tribunal and Upper Tribunal (Chambers) Order 2010, Section 7 and Section 13; for more information see Government UK, 'Appeal to the tax tribunal' (GOVUK) <<https://www.gov.uk/tax-tribunal/appeal-to-tribunal>> accessed 23 September 2020.

³⁸⁶ Section 8, Schedule 3 of the Customs and Excise Management Act 1979.

³⁸⁷ Section 7 and Section 13 of the First-tier Tribunal and Upper Tribunal (Chambers) Order 2010; in relation to VAT refer to Section 83 of the Value Added Tax Act 1994.

³⁸⁸ Paragraphs 7.1-7.3 and 8.1 of Practice Direction 63.

³⁸⁹ 'The Intellectual Property Enterprise Court Guide' (n 271) 7. The guidance in this respect is set out in the case of *Interflora Inc. v Marks & Spencer PLC* [2013] WLR(D) 206, [2013] EWHC 1291 (Ch).

³⁹⁰ *Interflora Inc. v Marks & Spencer PLC* [2013] WLR(D) 206, [2013] EWHC 1291 (Ch).

³⁹¹ Exhibits can be letters, documents and other items that are not documents, such as small items placed in an appropriately marked container. Rule 31.2 CPR.

³⁹² Paragraphs 6.1, 6.2 and 6.3 Practice Direction 31B.

³⁹³ Justice.gov.uk, 'Disclosure of documents' (JusticeGovUK, 30 January 2017)

<<https://www.justice.gov.uk/courts/procedure-rules/civil/standard-directions/general/disclosure-of-documents>> accessed 23 September 2020. Rule 31.16 CPR.

³⁹⁴ *Director of Public Prosecutions v Kilbourne* [1973] AC 729. While the judgements concerned a criminal case, the 'relevance' standard established therein is also applied in civil cases (*O'Brien v Chief Constable of South Wales Police* [2005] UKHL 26).

³⁹⁵ The 'best evidence rule' in the UK was considerably limited by *Masquerade Music Ltd & Ors v Mr Bruce Springsteen* [2001] EWCA Civ 563.

³⁹⁶ Evidence is privileged if the law entitles the party that holds the evidence to refuse to divulge its content. That will be the case, for instance, with evidence subject to legal professional privilege (*R. (on the application of Morgan Grenfell & Co Ltd) v Special Commissioners of Income Tax* [2002] UKHL 21).

³⁹⁷ The exclusion of hearsay applies only to limited circumstances, where the party fails to comply with the requirements put forward in the Civil Evidence Act 1995.

³⁹⁸ Stephen Mason, 'The Use of Electronic Evidence in Civil and Administrative Law Proceedings and its Effect on the Rules of Evidence and Modes of Proof' (Council of Europe 2016) CDCJ (2015)14.

As a general rule, the authentication hurdle will be passed when evidence is identified to be what it purports to be.⁴⁰¹ Therefore, any document or copy must be authenticated in order to be admitted.⁴⁰² Such terms as a 'document' and 'copy' include electronic documents and copies of electronic documents.⁴⁰³ Therefore, the authentication requirement also applies to evidence in electronic form.⁴⁰⁴ In this respect, the carrier of electronic documents is irrelevant: generally, courts will accept any carriers as long as the electronic document itself is authenticated. However, rules of the court might specify that a particular form of carrier is required.⁴⁰⁵ The authenticity requirement may be satisfied by presenting documents in their native format (see disclosure requirements below). The authenticity of electronic documents may also be proved by presenting other admissible evidence. For example, in *Nobel Resources SA v Gross*,⁴⁰⁶ SMS messages on a BlackBerry were challenged as inauthentic. Nonetheless, the proponent proved authenticity by presenting technical evidence that it was not possible to alter an SMS message on a BlackBerry once it is received or sent and that it would be very difficult to alter data on a server back-up.⁴⁰⁷ In practice, authentication does not raise any specific problems and, thus, it is typically admitted, deemed or presumed.⁴⁰⁸ Specifically, electronic evidence will be presumed to be authentic if the other party has not questioned the disclosure and thus has not requested that the authenticity of the document is proved at trial.⁴⁰⁹ Therefore, if both parties and the court accept the authenticity of the evidence, it will be admitted without any need of additional proof.⁴¹⁰

If challenged, electronic documents would be presumed authentic, if they are disclosed in accordance with the following principles of disclosure. The rules for disclosure require that evidence is managed efficiently and provided in a format that allows the party receiving the documents to have the same access, search, review and display as the party providing it.⁴¹¹ Disclosure of electronic documents, unless agreed or ordered otherwise, has to be in their 'native format', in a manner which preserves the metadata relating to the creation of the document.⁴¹² The 'native format' is defined as an electronic document stored in the original form in which it was created by a computer software program.⁴¹³ The rationale behind this requirement is that the preservation of the native format allows access to the metadata, which in turn allows the identification of the author, time of creation, etc.⁴¹⁴ Websites, including social media such as Facebook, Twitter and LinkedIn, all fall within the definition of a 'document'.⁴¹⁵ Therefore, for disclosure purposes, the metadata related to the creation of such a document should be preserved.⁴¹⁶ If searchable versions of documents exist, these should be provided.⁴¹⁷ Disclosure of the disclosed documents in an electronic form has to be set out in a continuous table or spreadsheet unless the parties agree otherwise.⁴¹⁸ In order to ensure compliance with these rules, companies might introduce British Standard 'BS 10008:2008 Evidential weight and legal admissibility of electronic information'.⁴¹⁹ That being said, parties usually agree on the manner and scope of discovery of electronic evidence, for example the relevant categories of electronic evidence, the scope of a reasonable search, the tools and techniques to be used to reduce the burden (e.g. limited dates, use of keyword searches, software tools and data sampling).⁴²⁰

⁴⁰¹ 'Admissibility of evidence in civil proceedings' (Practical Law) Note Number 5-562-4665.

⁴⁰² Section 8 of the Civil Evidence Act 1995.

⁴⁰³ Section 13 of the Civil Evidence Act, and Rule 31.4 CPR, according to which 'document' means 'anything in which information of any description is recorded', and 'copy', in relation to a document, means 'anything onto which information recorded in the document has been copied, by whatever means and whether directly or indirectly'.

⁴⁰⁴ Stephen Mason and Daniel Seng, *Electronic Evidence* (4th ed., 2017) 204, 48.

⁴⁰⁵ HM Courts & Tribunals Service, 'The Patents Court Guide', (n 325), ('the judges request that all important documents also be supplied to them on a USB stick in a format convenient for the judge's use (normally the current or a recent version of Microsoft Word for Windows or as a text searchable pdf)').

⁴⁰⁶ [2009] EWHC 1435.

⁴⁰⁷ *ibid* [60].

⁴⁰⁸ *ibid*.

⁴⁰⁹ Rule 32.19 CPR.

⁴¹⁰ Mason and Seng (n 404).

⁴¹¹ Paragraph 6(4) of Practice Direction 31B.

⁴¹² Rule 33 CPR.

⁴¹³ *ibid*.

⁴¹⁴ 'Disclosure: electronic disclosure: what is it and how do I deal with it?' (Practical Law) Note Number 6-205-5554. For instance, the native format of a file created in Microsoft Excel is 'XLT' (Civil Evidence for Practitioners 4th Ed., Annex 3 – Glossary of e-Disclosure Terms).

⁴¹⁵ Rule 31.4 CPR.

⁴¹⁶ *ibid* Rule 33.

⁴¹⁷ Paragraph 34 of the Practice Direction 31B.

⁴¹⁸ *ibid* paragraph 31(1).

⁴¹⁹ British Standards Institution (1998) BS 10008:2008 'Evidential weight and legal admissibility of electronic information', available at: <www.bsigroup.com/en-GB/bs-10008-electronic-information-management> accessed 23 September 2020.

⁴²⁰ 'Patent litigation in the UK (England and Wales): overview by Susie Middlemiss and Laura Balfour, Slaughter and May' (n 326).

2.3.2. Experts

There are two types of experts in IP litigation. The first category includes experts, instructed by the parties with the permission of the court or appointed by the court on its own volition. The second category are 'assessors' called upon by the court, or 'scientific advisors' if appointed to assist the Patents Court.⁴²¹ In addition to these two categories of experts, parties may also decide to nominate the so-called 'expert advisors', who cannot provide expert evidence within the meaning of the CPR,⁴²² but can advise the party nominating them on technical issues.

Generally, the expert evidence is given in a written form, unless the court directs otherwise.⁴²³ While the participation of an expert in IP disputes is important, it is not mandatory. The duty of an expert is to help the court in the matter within his or her expertise. This duty overrides any obligations to the party that instructs them,⁴²⁴ and, therefore, expert evidence must constitute the independent work of an expert unbiased by the 'exigencies of litigation'.⁴²⁵ Moreover, expert evidence must be restricted to what is 'reasonably required to resolve the proceedings',⁴²⁶ and is admissible only upon the court's permission.⁴²⁷

Experts may provide opinion evidence and evidence on questions of fact.⁴²⁸ Opinion evidence concerns matters on which experts express their view within their expertise, for example deciding whether a person 'would have been less likely to fall if she had been wearing anti-slip attachments on her footwear'.⁴²⁹ In addition, experts may also provide evidence on questions of facts. In this respect, experts use their special knowledge and experience and draw on the work of others, such as findings of published research or knowledge of a team of people the experts work with.⁴³⁰ For example, expert evidence of fact may involve the assessment of the 'slope of the pavement' on which the fall took place,⁴³¹ or of how a machine is configured and works, or how a motorway is built.⁴³² However, an expert may not substitute the court in determining a matter of law such as a question of patent claim construction.⁴³³ An expert is also not allowed to determine a mixed question of facts and law.⁴³⁴ Furthermore, it is for the court to make a finding of fact, i.e. to conclude that a fact was proved.⁴³⁵ This is due to the fact that the legal standard of proof is different from the scientific standard.⁴³⁶ In particular, an expert may be satisfied that, as a matter of science, a relation between two facts exist, but that does not mean that such a relation will also exist in law.⁴³⁷

On the other hand, as was mentioned above, the role of assessors and scientific advisors differs from that of an expert. Assessors and scientific advisors do not provide expert evidence *stricto sensu*. They do not take an active part in the proceedings, neither are they examined nor cross-examined by the parties.⁴³⁸ Instead, they merely assist the court in dealing with a matter in which the assessors and scientific advisors have skills and experience.⁴³⁹ For example, in patent cases, scientific advisors are appointed to help the court understand the expert report or answer the judges' questions.⁴⁴⁰

⁴²¹ The latter will be discussed in Section 2.3.3.

⁴²² 'Expert evidence: an overview' (Practical Law) Note Number 1-203-0900.

⁴²³ Rule 35.5(1) CPR.

⁴²⁴ *ibid* Rule 35.3.

⁴²⁵ *Whitehouse v Jordan* [1985] 1 WLR 246; Stuart Sime, 'A practical approach to civil procedure' (18th ed., OUP 2015) 385.

⁴²⁶ Rule 35.1 CPR.

⁴²⁷ *ibid*; Sime (n 425).

⁴²⁸ *Kennedy v Cordia (Services)* [2016] I.C.R. 325.

⁴²⁹ *ibid* [39].

⁴³⁰ *ibid* [41].

⁴³¹ *ibid* [41].

⁴³² *ibid* [41].

⁴³³ *Technip France Sa's Patent* [2004] R.P.C. 46; *Molnlycke AB and Another v Procter & Gamble Limited and Others (No. 5)* [1994] R.P.C. 49. In relation to claim construction, the general principle is that the expert is not allowed to decide any question which is 'properly within the province of the judge and should be confined ... to an explanation of the technical terms in the specification' (*American Cyanamid Company v Ethicon Limited* [1979] R.P.C. 215, 251). Therefore, an expert must provide the court with the 'meaning of technical terms', but it is for the judge to 'read the patent through the eyes of those likely to have a practical interest in the subject matter of the patent' (*Molnlycke* 73).

⁴³⁴ 'Expert evidence: an overview' (n 422). In *Graves v Brouwer*, [2015] EWCA Civ 595 the Court of Appeal found that a court cannot treat one sentence of an expert opinion as 'critical to the outcome of the enquiry into causation' (*ibid* [29]). Assessment of causation is based on facts, but requires the taking into account of legal concepts, such as the burden of proof, which remains exclusively within the powers of judges.

⁴³⁵ 'Expert evidence: an overview' (n 422).

⁴³⁶ *Wood v Ministry of Defence* [2011] All ER (D) 66 (Jul), [60].

⁴³⁷ *Stagecoach South Western Trains Ltd v Ms Kathleen Hind* [2014] EWHC 1891 [89].

⁴³⁸ 'Expert evidence: an overview' (n 422).

⁴³⁹ Rule 35.15 CPR.

⁴⁴⁰ 'Patent litigation in the UK (England and Wales): overview by Susie Middlemiss and Laura Balfour, Slaughter and May' (n 326). For example, in *Electromagnetic Geoservices ASA v Petroleum Geo-Services and Ors* [2016] EWHC 27, a scientific advisor was appointed in relation to marine CSEM (controlled source electromagnetic method) to provide the court with a technical introduction as the case was highly technical.

2.3.3. Power of the court to appoint an expert unilaterally

While the court may appoint an expert on its own initiative, in practice this happens very rarely.⁴⁴¹ Where two or more parties wish to submit expert evidence on a particular issue, the court may direct that the evidence on that issue be given by a single joint expert.⁴⁴² If the parties cannot agree on a candidate for a joint expert, the court may select the expert from a list prepared or identified by the parties, or direct that the expert be selected in such other manner as the court sees fit.⁴⁴³ Consequently, given that the court may require the parties to choose an expert jointly under its direction, it would be difficult to 'envisage a situation where a court-appointed expert would be required'.⁴⁴⁴ In practice, therefore, the appointment of experts upon the court's own initiative would be limited to interpreters and shorthand writers,⁴⁴⁵ as well as assessors and scientific advisors if the court considers that it is expedient to do so.⁴⁴⁶ While the decision whether to appoint assessors and scientific advisors is within the discretion of the court, the court always carefully considers whether the potential costs of such an appointment for the parties are proportionate to the benefits of appointing an assessor or scientific advisors.⁴⁴⁷ Therefore, such an appointment would usually take place in cases where the subject matter of the proceedings is 'technically complex or involves a particular activity which will be unfamiliar to the court'.⁴⁴⁸

2.4. Preliminary injunctive relief in IP cases

In the UK, the list of preliminary injunctive reliefs is extensive. The most common types of such reliefs in IP proceedings are interim injunctions,⁴⁴⁹ freezing orders,⁴⁵⁰ orders to deliver up goods,⁴⁵¹ and search orders.⁴⁵² Specifically, an interim injunction is issued prior to the commencement of or during proceedings. It constitutes an order of the court that requires a party either to perform or refrain from performing a specified act.⁴⁵³ Interim injunctions are a discretionary and temporary measure.⁴⁵⁴ Freezing orders, also known as Mareva injunctions, restrain a party from disposing of or dealing with its assets.⁴⁵⁵ Their purpose is, typically, to preserve the defendant's assets until the judgement can be obtained or enforced.⁴⁵⁶ Freezing orders permit all types of assets to be frozen, including bank accounts, shares, motor vehicles and land. It is possible to obtain domestic freezing orders, as well as worldwide freezing orders.⁴⁵⁷ Delivery up orders operate in a similar way to freezing injunctions but require the defendant to deliver up the goods to the claimant or someone else specified in the order, instead of merely restraining the defendant from dealing with the goods or disposing of them. The application for delivery up is often combined with a search order.⁴⁵⁸ Finally, search orders permit the claimants (and their solicitors) to inspect the defendants' premises and to seize or copy an information that is relevant to the alleged infringement. Since the order aims to ensure that evidence is not destroyed, the application is typically made without giving notice to the party.⁴⁵⁹ Failure to comply with the order is a contempt of court, resulting in imprisonment or a fine.⁴⁶⁰ Other types of preliminary injunctive reliefs include, inter alia, detention, custody, preservation, inspection and taking a sample of a relevant property.⁴⁶¹ As this list of reliefs is not exhaustive, the court has the power to grant any remedy not explicitly listed therein.⁴⁶²

⁴⁴¹ 'Expert evidence: an overview' (n 422).

⁴⁴² Rule 35.7 CPR.

⁴⁴³ 'Expert evidence: an overview' (n 422).

⁴⁴⁴ *ibid.*

⁴⁴⁵ *ibid.*

⁴⁴⁶ Section 70 of the Senior Courts Act 1981.

⁴⁴⁷ 'Expert evidence: an overview' (n 422).

⁴⁴⁸ *ibid.*

⁴⁴⁹ Rule 25.1(1)(a) CPR.

⁴⁵⁰ *ibid.* Rule 25.1(1)(f). The essence of a freezing order is to restrain a party from removing assets from the jurisdiction or restraining a party from dealing with any assets whether located within the jurisdiction or not.

⁴⁵¹ *ibid.* Rule 25.1(1)(e).

⁴⁵² *ibid.* Rule 25.1(1)(h). These are also called Anton Piller orders, following the leading case which concerned trade secrets (*Anton Piller KG v Manufacturing Processes Limited* [1976] 1 All ER 779).

⁴⁵³ 'Injunctions: an overview by Stuart Ritchie QC, Fountain Court Chambers and James Bickford Smith, Littleton Chambers' (Practical Law) Note Number 3-619-2826.

⁴⁵⁴ *American Cyanamid v Ethicon* [1975] AC 396, 405. Consequently, if a court has granted an interim injunction and the underlying main claim has been stayed, other than by the agreement between the parties, the interim injunction will be set aside unless the court orders that it should continue to have effect (Rule 25.10 CPR).

⁴⁵⁵ *Mareva Compania Naviera SA v International Bulkcarriers SA* (1975) 2 Lloyd's Rep. 509.

⁴⁵⁶ 'Freezing orders: an overview' (Practical Law) Note Number 8-567-3145.

⁴⁵⁷ *ibid.*

⁴⁵⁸ 'Preserving property and interim delivery up of goods' (LexisPSL) Practice Note.

⁴⁵⁹ *Bently and Sherman* (n 382) 1216.

⁴⁶⁰ *Taylor Made Golf Company v Rata and Rata* [1996] FSR 528, where a fine of £75, 000 was incurred.

⁴⁶¹ Rule 25.1(1) CPR.

⁴⁶² *ibid.* Rule 25.1(3).

An application for a preliminary injunctive relief must be supported by evidence, unless the court orders otherwise.⁴⁶³ The court may grant a preliminary injunctive relief in *inter partes* and *ex parte* proceedings. The latter may be granted upon an application without notice to the affected party if it appears to the court that there is a good reason not to give such a notice.⁴⁶⁴ In such a case, the application must state the reasons why the notice was not given.⁴⁶⁵

2.4.1. Grounds for granting preliminary injunctive relief

The main principle upon which courts will grant any type of preliminary injunctive relief is whether the grant of such a relief would be 'just and convenient'.⁴⁶⁶ The law establishes the following specific grounds for each type of relief.

The grounds for issuing an interim injunction are set out in the leading case of *American Cyanamid v Ethicon*.⁴⁶⁷ According to the ruling, when determining whether or not to grant an interim injunction, the court should assess the following matters. First, is there a serious, or arguable question to be tried?⁴⁶⁸ In other words, there should not be any doubt that the claim is frivolous or vexatious. Furthermore, the strength of the case merits is not relevant, so the assessment should not involve a 'mini-trial'. The threshold at this stage is considered to be rather low.⁴⁶⁹ Second, is it fair to grant interim relief? This element requires a further analysis of the following considerations:

- (a) Will damages be an adequate remedy to the plaintiffs if these are recovered at trial?⁴⁷⁰ This involves an analysis of types of damages that are likely to occur. If damages are an adequate remedy, then the injunction will not be granted. Therefore, the claimant must be truly unable to be compensated with money alone, and the mere difficulty in quantification is not sufficient.⁴⁷¹
- (b) Balance of convenience. At this stage the court will take into account particular factual circumstances in which the injunction is sought, and will then consider where the balance of justice lies in deciding whether to grant the injunction. In case law, these are sometimes referred to as 'special factors'.⁴⁷² Where such factors remain evenly balanced, the court is prudent to preserve the 'status quo'.
- (c) The merits of the case. This requires the assessment of the likelihood of success of the claim (the so-called 'mini-trial'). This last element is considered only as a last resort in a situation in which the foregoing factors imply equal position of the parties. Generally, courts tend to mitigate the balance of convenience element by allowing an analysis of the merits of the case, i.e. the strength of the plaintiff's arguments in cases where it is difficult to strike a just ruling on the basis of the convenience approach.⁴⁷³

Some additional factors may also be taken into consideration. For instance, the conduct of the parties before litigation and, in particular, whether there was any delay on the part of the plaintiff,⁴⁷⁴ whether the respondent had started patent revocation proceedings before launching allegedly infringing goods on the market,⁴⁷⁵ as well as a possible infringement of the freedom of expression.⁴⁷⁶ Furthermore, in patent disputes outside of the pharmaceutical and agrochemicals field, damages to the claimant and a final injunction are almost always adequate, and therefore interim injunctions are usually refused.⁴⁷⁷ In the pharmaceutical and agrochemicals field, on the other hand, the complex regulatory system for product approval and the severe and irretrievable price decrease that follows after the introduction of a new entrant into a protected market has led to a general requirement that if the defendant has not fully 'cleared the way' of a third party patent, an interim injunction is more likely to be granted.⁴⁷⁸

⁴⁶³ *ibid* Rule 25.3(2).

⁴⁶⁴ *ibid* Rule 25.3(1).

⁴⁶⁵ *ibid* Rule 25.3(3).

⁴⁶⁶ Section 37(1) of the Senior Courts Act 1984.

⁴⁶⁷ *American Cyanamid* (n 454) 396.

⁴⁶⁸ *Mirage Studios and Others v Counter-Feat Clothing Company Limited and Another* [1991] F.S.R. 145, 152.

⁴⁶⁹ John Leubsdorf, 'The Standard for Preliminary Injunctions' [1978] 91(3) *Harvard Law Review* 525-566, 539.

⁴⁷⁰ *Happy Camper Productions Ltd v BBC* [2019] EWHC 558 (Ch).

⁴⁷¹ *Molnlycke Health Care Ab & Anor v BSN* [2009] EWHC 3370 (Pat).

⁴⁷² *American Cyanamid* (n 454) 396, 409.

⁴⁷³ *ibid* 153, according to which the judge held: 'I therefore hold that if this case were to go to trial the plaintiff would establish his right in law to complain of passing off, and on those grounds, since the balance of convenience is so nicely balanced, will grant the interlocutory injunction asked for in this case.'

⁴⁷⁴ *Happy Camper Productions Ltd v BBC* (n 470).

⁴⁷⁵ *Les Laboratoires Servier v KRKA Polska Sp ZoO* [2006] EWHC 2453.

⁴⁷⁶ Section 12(3) of the Human Rights Act 1998.

⁴⁷⁷ 'Interim injunctions' (LexisPSL) Practice Note.

⁴⁷⁸ *SmithKline Beecham plc and others v Apotex Europe Ltd and others* [2006] IP & T 912; *Smithkline Beecham plc v Generics* (UK) Ltd [2001] All ER (D) 325 (Oct).

Furthermore, there are certain modifications and exceptions applicable to IP rights only. In particular, where an interim injunction would be determinative of the action, the American Cyanamid test should not be followed, and the court should thus assess the case in accordance with its merits.⁴⁷⁹

Freezing orders, described as a 'nuclear weapon'⁴⁸⁰ of the law, are seen as a rather extreme and draconian measure.⁴⁸¹ In the assessment of the grounds, the court retains its discretion. In this respect, an application will be refused if the injustice that would be caused to the respondent outweighs the benefit that would be gained by the applicant. Furthermore, the conduct of the applicant will also be taken into account: they should act reasonably, conscientiously and without undue delay.⁴⁸² Case law has laid down the following six conditions for a freezing injunction to be granted:⁴⁸³

- i. The applicant must have a cause of action, that is, an underlying legal or equitable right: 'a pre-existing cause of action against the defendant arising out of an invasion, actual or threatened by him, of a legal or equitable right of the plaintiff for the enforcement of which the defendant is amenable to the jurisdiction of the court'.⁴⁸⁴ The court cannot grant a freezing order unless the applicant has a cause of action; a possible future cause of action will not be sufficient.⁴⁸⁵
- ii. English courts must have jurisdiction to grant a freezing order. The court must either have jurisdiction to hear the substantive claim or have a statutory power to grant the order.
- iii. The applicant must have a good arguable case. The court must be satisfied that the applicant has a good arguable case that he or she is seeking to support with the freezing order. This may be counterclaimed. While it is not necessary to establish that the claim is 'bound to succeed' or has more than a 50% chance of success, a case that is no more than arguable is also not sufficient.⁴⁸⁶ When analysing this element the court takes into account any suggested defence to the claim.⁴⁸⁷ For example, where the underlying claim in support of which the injunction had been sought was based on the proposition that the findings of a foreign court were wrong, the court did not accept that the case was a good arguable one, as such a claim could not succeed unless and until the foreign court order was overturned.⁴⁸⁸
- iv. The existence of assets. The applicant must show *prima facie* evidence that the respondent has assets within the jurisdiction. If the assets within the jurisdiction are insufficient to meet the claim, the court may order an injunction over assets in specific countries, or a worldwide freezing order.⁴⁸⁹
- v. Risk of dissipation. The claimant must show either (a) that there is a real risk that a judgement will not be satisfied, i.e. there is a real risk that, unless restrained by injunction, the defendant will dissipate or dispose of his or her assets other than in the ordinary course of business,⁴⁹⁰ or (b) unless the respondent is restrained by injunction, assets are likely to be dealt with in such a way as to make enforcement of any award or judgement more difficult, unless those dealings can be justified based on normal and proper business purposes.⁴⁹¹ The court applies an objective test and considers the effect of the respondent's actions, not his or her intent. The test is not one of a probability of dissipation.⁴⁹² Risk of dissipation is often difficult to prove, so all circumstances of the case are taken into account. In practice, the courts may be prepared to grant a freezing order even if the evidence of risk of dissipation is 'less than compelling'.⁴⁹³
- vi. The applicant must provide an undertaking in damages.⁴⁹⁴

⁴⁷⁹ Bently and Sherman (n 382) 1216.

⁴⁸⁰ Bank Mellat v Nikpour (1985) FSR 87.

⁴⁸¹ 'Freezing orders: what must be proved?' (Practical Law) Note Number 5-567-4066.

⁴⁸² *ibid.*

⁴⁸³ *ibid.*

⁴⁸⁴ The Siskina [1979] AC 210 per Lord Diplock [256].

⁴⁸⁵ Steamship Mutual Underwriting Association (Bermuda) Ltd v Thakur Shipping Co [1986] 2 Lloyd's Rep 439 (CA).

⁴⁸⁶ The Niedersachsen [1983] 1 WLR 1412.

⁴⁸⁷ Kazakhstan Kagazy plc and others v Arip [2014] EWCA Civ 381.

⁴⁸⁸ Irish Response Ltd v Direct Beauty Products Ltd and another [2011] EWHC 37 (QB).

⁴⁸⁹ Ras Al Khaimah Investment Authority v Bestfort Development LLP [2017] EWCA Civ 1014, where the Court of Appeal has clarified that the correct test for showing that a defendant has assets that would be caught by a world freezing order is whether the applicant has grounds for believing that such assets exist, and not whether the defendant is likely to have such assets.

⁴⁹⁰ The Niedersachsen (n 486).

⁴⁹¹ Motorola Credit Corporation v Uzan and others [2003] EWCA Civ 752.

⁴⁹² Caring Together Ltd v Bauso and others [2006] EWHC 2345 (Ch) (See Briggs J).

⁴⁹³ Macleish Littlestone Cowan & Kemp v Hajibbasi [2006] EWHC 3580 (Ch).

⁴⁹⁴ Details on this can be found in Section 2.4.3.

Further, considering the draconian nature of the measure,⁴⁹⁵ search orders will be made only if the matter is urgent or otherwise desirable in the interest of justice.⁴⁹⁶ Before an order is granted, the courts require claimants to show that they have a particularly strong case of infringement on its face, and that the potential damage to them is very serious. The claimant must also provide evidence that the defendant has incriminating material in their possession and that there is a real possibility that the material will be destroyed.⁴⁹⁷ The search order is subject to some procedural safeguards such as the need for a supervising solicitor (unconnected with the applicant) who is experienced in the operation of search orders.⁴⁹⁸

Finally, delivery up orders are only available in the course of wrongful interference with the goods.⁴⁹⁹ The court has discretion as to whether to issue such order. When deciding whether to make an application for delivery up, the parties should consider whether the goods are, or may become, the subject matter of proceedings for wrongful interference, as well as whether there is a good arguable case for the court to make the order.⁵⁰⁰ There is no requirement for urgency, so the party does not have to show that the goods may be lost or destroyed if the order is not made. Eventually, the court will balance the considerations of both sides.⁵⁰¹

2.4.2. Application for preliminary injunctive relief before submitting a lawsuit

An application for a preliminary injunctive relief can be made before submitting a lawsuit. In general, the court may grant a preliminary remedy before a claim has been made only if the matter is urgent, or it is otherwise desirable to do so in the interests of justice.⁵⁰² For instance, such urgency will be present if there is a real risk that funds will be dissipated or evidence will be destroyed.⁵⁰³ If a request for a preliminary injunctive relief concerning an IP right is filed before submitting the lawsuit, the application should be made to the court that will consider the case on its merits.⁵⁰⁴

2.4.3. Cross-undertaking

Unless specified differently by the court, Practice Direction 25A states that any order for an injunction, freezing order or search order must contain an undertaking by the applicant to the court to pay any damages which the respondent may sustain and which the court considers the applicant should pay, i.e. a cross-undertaking.⁵⁰⁵ Moreover, when the court makes an order for an injunction or freezing order, it should consider whether to require the applicant to pay any damages sustained by a person other than the respondent, including another party to the proceedings or any other person who may suffer loss as a consequence of the order.⁵⁰⁶ In the context of freezing orders, where there are doubts about an applicant's resources, the court has discretion to require either security or the payment of money into the court account to fortify the undertaking. This practice derives from the UK commercial court, but has since been applied universally in all divisions.⁵⁰⁷ In essence, where the party is not able to show sufficient assets for the purpose of the undertakings, particularly the undertaking in damages, a party may be required to reinforce the undertakings by providing security.⁵⁰⁸ The form of security is within the judge's discretion and may for example include a bond issued by an insurance company or a stand-by credit by a first-class bank.⁵⁰⁹ Alternatively, the court may require an undertaking from a more financially secure person or body.⁵¹⁰ As to the assessment of damages, ordinary contractual rules apply, with the exemplary or aggravated damages being available if the applicant acted oppressively.⁵¹¹

⁴⁹⁵ Universal Thermosensors v Hibben [1992] FSR 361.

⁴⁹⁶ Rule 25.2(b) CPR.

⁴⁹⁷ The applicant for a freezing order should disclose all material facts as per CPR Practice Direction 25A, [3.3].

⁴⁹⁸ *ibid* [7.2].

⁴⁹⁹ Section 4(1) of the Torts (Interference with Goods) Act 1977; Rule 25.1(e) CPR.

⁵⁰⁰ Howard E Perry v British Railways Board [1980] 2 All ER 579.

⁵⁰¹ 'Preserving property and interim delivery up of goods' (LexisPSL) Practice Note.

⁵⁰² *ibid*.

⁵⁰³ Andrew Perkins, 'Guide to injunctions' (Ashfords.co.uk, 5 March 2018) accessed 23 September 2020.

<<https://www.ashfords.co.uk/news-and-media/general/guide-to-injunctions>>

⁵⁰⁴ *Ibid*; see Rule 23.2 CPR according to which applications should be done 'to the court where it is likely that the claim to which the application relates will be started, unless there is a good reason to make the application to a different court'.

⁵⁰⁵ Paragraph 5.1 of Practice Direction 25A.

⁵⁰⁶ *ibid* [5.2.].

⁵⁰⁷ 'Undertaking in damages' (Practical Law) Note Number 5-204-1987.

⁵⁰⁸ HM Courts & Tribunals Service, 'The Commercial Court Guide' (2017) <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672422/The_Commercial_Court_Guide_new_10th_Edition_07.09.17.pdf> accessed 23 September 2020, F15.4(a).

⁵⁰⁹ *ibid* F15.4(b).

⁵¹⁰ 'Freezing orders: what must be proved?' (n 456).

⁵¹¹ Hoffmann-La Roche & Co v Secretary of State [1975] AC 295, per Lord Diplock who elaborates that 'the assessment of damages is made upon the same basis as that upon which damages for breach of contract would be assessed if the undertaking had been a contract between the plaintiff and the defendant ...'

In rare cases, an applicant in financial hardship may be able to persuade the court to grant a preliminary injunctive relief without providing cross-undertaking. For instance, in *Allen v Jambo Holdings Ltd*,⁵¹² the court has ruled that mere inability to give a cross-undertaking will not preclude the grant of a relief. However, this authority is not applied regularly in practice.⁵¹³ There are two exceptional types of cases in which an undertaking in damages will not be required: (i) cases brought by the Crown, a local authority, public body or office holder when bringing proceedings to enforce the law (as opposed to bringing proceedings for their own financial benefit), and (ii) matrimonial cases not involving property rights.⁵¹⁴

2.4.4. Revocation of preliminary injunctive relief on the court's initiative

A preliminary injunctive relief may be discharged before the final decision is delivered by consent of the parties, by the court, or upon a respondent's application.⁵¹⁵ There is a variety of grounds on which a preliminary injunctive relief can be revoked, including the following:⁵¹⁶

- 1) the injunction was granted without notice despite the fact that one was required;
- 2) in the context of an application without notice, an inconsistency emerged between the claim and the written evidence provided on an application without notice;
- 3) the claimant failed to comply with the undertakings incorporated into the order;
- 4) the order had an oppressive effect;
- 5) there was a material change in circumstances;
- 6) there was an unreasonable interference with the rights of innocent third parties;
- 7) where the claim is struck out for non-payment of the fees payable at allocation or listing, the interim injunction will lapse 14 days after the claim is struck out;
- 8) where there is a serious delay by the applicant in pursuing the action.⁵¹⁷

Apart from the above, the court can suspend the operation of a relief at any time in order to ensure that the operation is just and convenient (or proportionate).⁵¹⁸

2.5. Security for costs

Rule 25(2) CPR governs the granting of security for costs in all civil cases. A defendant to any claim may apply for security for his or her costs in the proceedings.⁵¹⁹ Such application must be supported by written evidence.⁵²⁰ According to Rule 25.13 CPR, the court may make an order for security for costs under Rule 25.12 CPR if, having regard to all the circumstances of the case, it is satisfied that it is just to make such an order. In addition, some further conditions are set for granting security for costs, for example if the claimant is a company or other body (whether incorporated inside or outside the United Kingdom) and there is a reason to believe that it will be unable to pay the defendant's costs if ordered to do so.⁵²¹ In case the court makes an order for security, it has discretion with regard to the amount of security, the manner in which and time within which the security must be given.⁵²²

The rules are slightly modified in relation to applications made by the defendant against someone other than the claimant.⁵²³ In particular, in addition to the requirement that the court must be satisfied that it is just to make such an order, the order may only be made if, having regard to all the circumstances of the case, the court is satisfied that the person against whom the order is sought: (a) has assigned the right to the claim to the claimant with a view to avoiding the possibility of a costs order being made against him; or (b) has contributed or agreed to contribute to the claimant's costs in return for a share of any money or property which the claimant may recover in the proceedings.

⁵¹² [1980] 1 WLR 1252.

⁵¹³ 'Injunctions: an overview' by Stuart Ritchie QC, Fountain Court Chambers and James Bickford Smith, Littleton Chambers' (n 453).

⁵¹⁴ *ibid.*

⁵¹⁵ *ibid.*

⁵¹⁶ Stuart Sime and Derek French (Eds.), *Blackstone's Civil Practice 2019* (New Edition, Nineteenth Edition, Oxford University Press 2019) 410.

⁵¹⁷ *Hytrac Conveyors Ltd v Conveyors International Ltd* [1983] 1 WLR 44.

⁵¹⁸ *Sime and French* (n 516) 406.

⁵¹⁹ Rule 25.12(1) CPR.

⁵²⁰ *ibid* rule 25.12(2).

⁵²¹ *ibid* rule 25.13(2).

⁵²² *ibid* rule 25.12(3).

⁵²³ *ibid* rule 25.14(1).

2.6. Cassation in small value claims

In general, the Court of Appeal allows appeal from the final decisions of the High Court, irrespective of the value of the claim, only if it raises 'an important point of principle or practice' or if there is a 'compelling reason' for the court to hear it.⁵²⁴ The Supreme Court will admit an appeal against a decision of the Court of Appeal, irrespective of the value of the claims, only if it raises an arguable point of law of general public importance.⁵²⁵ Exceptionally, in particularly important cases, appeals can be brought from a decision of the High Court directly to the Supreme Court (also called 'leapfrog appeal'), in general on the grounds that a point of law of general public importance is involved.⁵²⁶

With respect to small value claims, as was noted above, there are two available tracks within the IPEC: the multi-track, i.e. the default option for IP cases, and the small claim track.⁵²⁷ For cases to fall within the latter track, the value of the claim should not exceed £10,000.⁵²⁸ Such claims are decided by the district judges.⁵²⁹ The judgements made in the small claims track are appealed to the multi-track section of the IPEC, i.e. to the so-called enterprise judge.⁵³⁰ The decisions of the enterprise judge, in turn, are reviewed by the Court of Appeal, which acts as the court of cassation in this case.⁵³¹ The 'leapfrog appeals' to the Supreme Court are only permitted against the decisions of the enterprise judge; however, the first instance decisions of the district judge cannot be appealed directly to the Supreme Court.⁵³²

⁵²⁴ Paragraph 5A of Practice Direction 52C.

⁵²⁵ UK Supreme Court, Practice Direction Applications for Permission to Appeal [3.3.3].

⁵²⁶ Pursuant to Section 12(1) of the Administration of Justice Act 1969, a direct appeal to the Supreme Court against the decision of the High Court may be permitted if either so-called 'relevant conditions' or 'alternative conditions' are satisfied. According to Section 12(3) of the Administration of Justice Act, relevant condition exists if 'a point of law of general public importance is involved in that decision and that point of law either (a) relates wholly or mainly to the construction of an enactment or of a statutory instrument, and has been fully argued in the proceedings and fully considered in the judgment of the judge in the proceedings, or (b) is one in respect of which the judge is bound by a decision of the Court of Appeal or of the Supreme Court in previous proceedings, and was fully considered in the judgments given by the Court of Appeal or the Supreme Court (as the case may be) in those previous proceedings'. Under Section 12(3)(A) of the statute, alternative conditions exist where 'a point of law of general public importance is involved in the decision and (a) the proceedings entail a decision relating to a matter of national importance or consideration of such a matter, (b) the result of the proceedings is so significant (whether considered on its own or together with other proceedings or likely proceedings) that, in the opinion of the judge, a hearing by the Supreme Court is justified, or (c) the judge is satisfied that the benefits of earlier consideration by the Supreme Court outweigh the benefits of consideration by the Court of Appeal'.

⁵²⁷ For a detailed discussion on the difference between the two, as well as the conditions under which cases will fall within the small claim track, refer to Section 2.1.

⁵²⁸ Rule 63.27 CPR.

⁵²⁹ *ibid* Rule 63.19(2).

⁵³⁰ Practice Direction 52A.

⁵³¹ Halsbury's Laws of England, vol. 12A (2015), 24. Appeals and References, 1515. Introduction, footnote 17.

⁵³² Section 15(1) of the Administration of Justice Act 1969.

PART III – COMPARATIVE STUDY OF IP COURTS – GERMANY

I. Judicial system and judges

1.1. Structure of the judicial system and the IP court

In Germany, disputes concerning IP are handled by the general judiciary and by the Federal Patents Court ('Bundespatentgericht', BPatG).⁵³³ The Constitution of the Courts Act 1975 (CCA)⁵³⁴ divides the general judiciary into the local courts ('Amtsgerichte'), the regional courts ('Landgerichte'), the higher regional courts ('Oberlandesgerichte') and the Federal High Court of Justice ('Bundesgerichtshof', BGH).⁵³⁵ Presently, there are 638 local, 115 regional and 24 higher regional courts.⁵³⁶ While the local courts act as first instance courts, the regional courts act as both first instance courts and as courts of appeal reviewing certain decisions of the local courts.⁵³⁷ The higher regional courts review appeals against decisions of the local and regional courts.⁵³⁸ The BGH is the final instance court that reviews appeals against the decisions of the higher regional courts⁵³⁹ and acts as the court of the final instance in registrable IP rights validity proceedings.⁵⁴⁰

At first instance, the majority of IP disputes are exclusively dealt with by certain regional courts. This stems from various provisions in the substantive IP laws that authorise the federal state governments to bestow jurisdiction over disputes concerning certain types of IP rights to one of the regional courts within its territory.⁵⁴¹ Based on these provisions the state governments have designated certain courts in accordance with the principle of the 'concentration of jurisdiction'.⁵⁴² In addition, some of the smaller state governments have transferred, on the basis of agreements concluded with other states, the jurisdiction of their regional courts in IP cases to the courts of other states.⁵⁴³ The state governments may introduce such a concentration of jurisdiction solution in relation to one or more types of IP cases. On the other hand, if a particular type of IP case is not covered by the above concentration arrangement, it remains under the general rules of territorial jurisdiction. Therefore, this may lead to one type of IP case, for example, trade marks, to be allocated to several regional courts within a given state, while another type of IP case, for example, patents, may be allocated to only one regional court within that state.

Consequently, this has resulted in 21 regional courts dealing exclusively with trade marks and 12 regional courts having exclusive jurisdiction over patents.⁵⁴⁴ As far as copyright and related rights are concerned, the state governments are entitled to introduce such concentration of jurisdiction not only at the regional level, but also at the local courts level.⁵⁴⁵

⁵³³ The German terminology referring to the general judiciary is 'ordentliche Gerichtsbarkeit', which is contrasted with the specialised judiciary. The general judiciary is competent in relation to all civil (including IP and commercial) and criminal disputes. It does not cover administrative, financial, labour and social cases (for a diagram of the system see Beck.de, 'Übersicht über den Gerichtsaufbau in der Bundesrepublik Deutschland' (Beck.de, October 2002) <<https://rsw.beck.de/rsw/downloads/gesetzgebung/Gerichtsaufbau.pdf>> accessed 23 September 2020). Germany is a federal state comprised of 16 united states ('Länder' or 'Lands'). The relation between the Federal government and the Lands is regulated in the second part of the German Constitution and is based on the two basic principles: superiority (Article 31 of the German Constitution, whereby federal law has supremacy over the law of the Lands) and subsidiarity of federal law (Article 30, according to which the Lands are competent in any public matter that was not dedicated to the federal government). The scope of competence of the Land governments includes administration of non-federal courts, i.e. the local, regional and higher regional courts, administrative courts (with the exception of the Federal Administrative Court) and financial courts (with the exception of the Federal Financial Court); some matters concerning the status of non-federal judges, however, are left to the federal government (Article 74(1) of the German Constitution).

⁵³⁴ The German terminology is 'Gerichtsverfassungsgesetz'.

⁵³⁵ § 12 CCA.

⁵³⁶ BmJv, 'Gerichte des Bundes und der Länder am 15 Mai 2017 (ohne Dienst- und Ehrengerichtsbarkeit)' (Bundesministerium der Justiz und Verbraucherschutz, 15 May 2017) <https://www.bmju.de/SharedDocs/Downloads/DE/PDF/Anzahl_der_Gerichte_des_Bundes_und_der_Laender.pdf;jsessionid=A712E1604E80C864D5C943979A325E1F1_cid289?__blob=publicationFile&v=2> accessed 23 September 2020.

⁵³⁷ § 72(1) CCA.

⁵³⁸ *ibid* § 119.

⁵³⁹ *ibid* § 133.

⁵⁴⁰ §100 of the Patent Act 1980 ('Patentgesetz'), whereby the BGH acts as a second instance in appeals against decisions from the BPatG. The term used when a decision is examined on appeal in the third instance is 'Revision', which is a type of legal remedy available against final decisions of the local, regional and higher regional courts. It is translated as 'appeal on points of law' as per §133 CCA (The translation of the CCA provision can be found here: <https://www.gesetze-im-internet.de/englisch_gvg/index.html> accessed 23 September 2020).

⁵⁴¹ § 143(2) of the Patent Act 1980; §38(2) of the Variety Protection Act 1997 ('Sortenschutzgesetz'); § 27(2) of the Utility Models Act 1986 ('Gebrauchsmustergesetz'); §52(2) of the Designs Act 2004 ('Designgesetz'); §39 of the Employee Inventions Act 2009 ('Arbeitnehmererfindergesetz') in conjunction with § 143(2) of the Patent Act 1980, § 140(2) of the Trade Marks Act 1994 ('Gesetz über den Schutz von Marken und sonstigen Kennzeichen'); 1987, §11(2) Topographies Protection Act 1987 ('Halbleiterschutzgesetz') in conjunction with § 27(2) of the Utility Models Act 1986; § 13(2) of the Unfair Competition Act 2004 ('Gesetz gegen den unlauteren Wettbewerb').

⁵⁴² Thomas Kaess, '§ 143' in Alfred Keukenschrijver, Rudolf Busse (Eds.) Patentgesetz (8th revised and expanded edition, De Gruyter 2016) 2378.

⁵⁴³ Rudolf Nirk, Eike Ullmann and Karl Bruchhausen, Patent-, Gebrauchsmuster- und Sortenschutzrecht (Müller 2007) 156.

⁵⁴⁴ German Association For Legal Protection and Copyright, 'Gerichtszuständigkeiten' (GRUR, 2017)

<<http://www.grur.org/de/grur-atlas/gerichte/gerichtszustaendigkeiten.html>> accessed 23 September 2020.

⁵⁴⁵ This is the case since copyright and related rights are the only field of IP in which the local courts are competent. As far as the local courts are concerned see § 105(2) Urheberrecht (hereinafter referred to as 'Copyright Act 1965'); see also § 105(1) of the Copyright Act 1965, with respect to the regional courts.

As was mentioned above, the regional courts are the main fora for IP disputes. Within their structure one may distinguish between the general civil chambers and the two special types of civil chambers relevant for IP cases, i.e. the specialised IP chambers and commercial chambers.⁵⁴⁶ It is not mandatory to establish either type of these two special civil chambers; the creation of such chambers depends on the decision of, respectively, the courts' praesidium⁵⁴⁷ and the state governments. The majority of the regional courts, which were designated by the state governments as exclusively competent to adjudicate IP disputes based on the concentration of jurisdiction, have the specialised IP chambers. These specialised IP chambers do not have an express statutory basis, and are established in a 'case allocation plan', an administrative document issued by the praesidium of a regional court,⁵⁴⁸ and deal with all types of IP disputes assigned to them by these case allocation plans. The creation of the commercial chambers is also not mandatory and is left to the discretion of the state governments.⁵⁴⁹ Unlike the special IP chambers, the commercial chambers are established by the state government regulations, rather than by the case allocation plans. Under the Rules of Civil Procedure (RCP),⁵⁵⁰ in addition to commercial disputes the commercial chambers may also deal with certain types of IP disputes, which include trade marks and other signs,⁵⁵¹ unfair competition and registered designs.⁵⁵² Once the commercial chamber has been established, these types of disputes may not be allocated to other chambers by a case allocation plan. Nevertheless, in certain circumstances, the parties may decide to refer their case to a general civil chamber or a specialised IP chamber, if the latter is established.⁵⁵³ Therefore, the allocation between the chambers depends on the provisions of the RCP, a case allocation plan and the will of the parties. To sum up, as a general rule, all IP disputes are decided by a general civil chamber. However, if the case allocation plan establishes a specialised IP chamber, it will deal with all IP disputes allocated to it in the plan. In addition, if a commercial chamber is established within the same regional court, then this chamber will have jurisdiction over all trade marks, registered designs and unfair competition disputes. The parties may, however, request that their case is transferred from the commercial chamber to the specialised IP chamber or the general civil chamber of this regional court.⁵⁵⁴ The specialised IP chambers can also be established in the higher regional courts,⁵⁵⁵ but there are no commercial chambers in these courts.

The BPatG is a first instance court with the exclusive jurisdiction over certain types of IP cases, most notably validity disputes.⁵⁵⁶ The judges of the BPatG sit in 27 special boards: six Nullity Boards, one Juridical and Nullity Board of Appeal, 12 Technical Boards of Appeal, five Boards of Appeal for Trade Marks, one Board of Appeal for Trade Marks and Designs, one Board of Appeal for Utility Models and one Board of Appeal for Plant Variety cases.⁵⁵⁷ Appeals from the BPatG are filed with the BGH.

The BGH has two IP specialised chambers within its structure: Chamber 1 that deals, among other things, with appeals against the decisions of the BPatG related to copyright, trade marks and unfair competition, and Chamber 10 that considers appeals against the decisions of the BPatG related to patents, utility models, plant variety, topographies.⁵⁵⁸

⁵⁴⁶ § 93(1) CCA; the German terminology is 'Kammern für Handelssachen'.

⁵⁴⁷ A presidium of a regional court is a body comprising the president of the court or a 'supervising judge', who acts as a chairperson, and a specified number of other judges elected by the judges of the court. The number of the elected judges depends on the overall number of judges. Presidia play a significant role in the organisation of the court (see § 21a-j CCA).

⁵⁴⁸ A case allocation plan, promulgated for courts' internal purposes, sets out the composition of the court, the division of judges between various chambers, and the rules of allocation of disputes between the chambers (§ 21e CCA); Bernd Lorenz, 'Behörden und Gerichte für gewerbliche Schutzrechte' (St-sozien, 2010) <https://www.st-sozien.de/fileadmin/user_upload/veroeffentlichungen/Lorenz/JURA_2010_46.pdf> accessed 23 September 2020; Landgericht Düsseldorf, 'Geschäftsverteilungsplan für das Geschäftsjahr 2020' (Landgericht Düsseldorf, 17 December 2019) <https://www.lg-duesseldorf.nrw.de/aufgaben/geschaeftsverteilung/gvp-_rd_2020.pdf> accessed 23 September 2020.

⁵⁴⁹ *ibid* § 93(1).

⁵⁵⁰ Zivilprozessordnung §348.

⁵⁵¹ The German trade marks law protects not only trade marks *sensu stricto*, but also other rights vested in signs, such as 'commercial designations' ('*geschäftliche Bezeichnungen*') and indication of geographical origin as per the Trade Mark Act 1994, § 1.

⁵⁵² § 93, § 95(1)(4)(c) and § 95(1)(5) CCA.

⁵⁵³ *ibid* §§ 96(1) and 98(1) CCA. The claimant might decide to file a claim which would normally be heard by the commercial chamber with a civil (specialised IP) chamber. If that is the case, there are two ways in which the case might proceed. If the defendant accepts the claimant's choice, the case is considered by the civil (specialised IP) chamber. If the defendant opposes, the case will be transferred to the commercial chamber.

⁵⁵⁴ The rules of allocation, including when the parties may request the allocation of a dispute to a general civil or specialised IP chamber, are explained in Section 2.2.

⁵⁵⁵ For example, in Hamburg, the 3rd civil chamber deals with patents, utility models, trade marks, employee inventions and unfair competition, and the 5th civil chamber deals with copyright and designs (See more at Justizportal Hamburg, 'Geschäftsverteilungsplan 2020' (Justizportal Hamburg, 2019) <<https://justiz.hamburg.de/contentblob/14031672/91fd61040b1f08478506f9aa69a3673d/data/geschaeftsverteilungsplan-holg-stand-01-07-2020.pdf>> accessed 23 September 2020). In Munich, the 6th chamber handles patents, utility models, topographies, employees' inventions, trade marks, plant varieties, designs and copyrights, while the 29th chamber deals with designs, copyright, and additionally unfair competition (See more at Justizportal Bayern, 'Geschäftsverteilungsplan 2020' (Justizportal Bayern, 2019) <https://www.justiz.bayern.de/media/images/behoerden-und-gerichte/oberlandesgerichte/muenchen/gvp_2020.pdf> accessed 23 September 2020).

⁵⁵⁶ For the discussion on jurisdiction of the BPatG, see Section 2.2.

⁵⁵⁷ The organisation diagram of the BPatG is available here: Bundespatentgericht, 'Bundespatentgericht – Jahresbericht 2018' (Bundespatentgericht.de, July 2019) <https://www.bundespatentgericht.de/SharedDocs/Downloads/DE/Presse/Jahresberichte/Jahresbericht2018_download.pdf?__blob=publicationFile&v=5>, accessed 23 September 2020, 4.

⁵⁵⁸ Bundesgerichtshof, 'Geschäftsverteilungsplan 2019' (Bundesgerichtshof.de, 2019) <https://www.bundesgerichtshof.de/SharedDocs/Downloads/DE/DasGericht/GeschaeftsvertPDF/2020/geschaeftsverteilung2020.pdf?__blob=publicationFile&v=3> accessed 23 September 2020.

1.2. Criteria for selection of judges

The general provisions enshrined in the German Constitution,⁵⁵⁹ the CCA and the German Judiciary Act,⁵⁶⁰ which regulate the qualification requirements, as well as the rights and duties of the judges,⁵⁶¹ apply to both federal⁵⁶² and non-federal judges.⁵⁶³ According to the Constitution, judges of the federal courts are selected jointly by the competent federal minister⁵⁶⁴ and the committee for the selection of judges consisting of the competent state ministers and an equal number of members elected by the Bundestag.⁵⁶⁵ The process of appointing judges of the non-federal courts is regulated in the constitutions and statutes of the states;⁵⁶⁶ the only applicable piece of federal law in this regard is the Constitution, which states that state judges may be selected, if the law of the state thus provides, jointly by the state Minister of Justice and the committee for the selection of judges.⁵⁶⁷ In practice, the states may also apply other solutions, such as nominating candidates by the higher regional court of the state, by the minister of justice, or jointly by the higher regional court, minister of justice and attorney general.⁵⁶⁸

Under the German Judiciary Act, the general requirements for holding judicial office for both the federal and non-federal courts include, among others, the capability of a judge to uphold at all times the free democratic basic order; the candidate must also possess the necessary social skills and have passed the first state examination and concluded the subsequent preparatory period by taking the second state examination.⁵⁶⁹ In addition to candidates that satisfy the foregoing criteria, other candidates, such as for example professors of law, are deemed to be ex officio qualified to hold judicial office.⁵⁷⁰

There is no requirement to possess any special IP or technical knowledge for general judiciary judges who consider IP disputes. Nevertheless, most of the regional court judges that sit in the special IP chambers and deal with IP disputes typically are experienced in such matters. The same applies to the judges of the specialised IP chambers of the higher regional courts and the BGH, who usually previously held office in the specialised IP chambers of the regional courts before their appointment to the appellate or cassation instances. As for the commercial chambers which may exist at a regional level, in addition to generalist judges the chambers may also employ the so-called 'honorary judges',⁵⁷¹ who are members of the business community and sit as lay members on a panel.

As is the case with other judges, there are no additional requirements in relation to IP knowledge or experience. Such judges are required, among other things, to be registered in the commercial register or in the cooperatives register as a merchant, a member of the board of management or managing director of a corporate entity, or as an officer with a public authority indicated in a statute.⁵⁷² Moreover, a special residential requirement applies to the honorary judges, according to which such judges must live or have a seat of their business, or be an employee of a business with its seat or a branch established in the district of a regional court where they sit as judges.⁵⁷³

A unique feature of the BPatG is that its judges include not only lawyers, but also natural scientists, referred to as 'technical' judges.⁵⁷⁴ In fact, almost half of the BPatG judges possess scientific or technical expertise.⁵⁷⁵ Candidates for the position of technical judge must have passed a final examination at a technical or life science faculty at a German university, a technical or agricultural school, a mining academy, or at an equivalent institution in an EU Member State or in an EEA State. The candidate must also possess at least five years of experience in the field of technical natural science coupled with the required legal knowledge in this respect.⁵⁷⁶

⁵⁵⁹ 'Grundgesetz für die Bundesrepublik Deutschland' 1949 (hereinafter the 'German Constitution').

⁵⁶⁰ 'Deutsches Richtergesetz' 1972 (hereinafter the 'German Judiciary Act').

⁵⁶¹ See, for instance, Article 97 of the German Constitution and §§25 and 38ff of the German Judiciary Act.

⁵⁶² Judges of the BGH, the Federal Administrative Court, the Federal Financial Court and other courts listed in Article 95(1) of the German Constitution.

⁵⁶³ These include the local, regional and higher regional courts. See Article 74(1) of the German Constitution.

⁵⁶⁴ A 'competent Federal Minister' means a minister competent to participate in the selection of judges in accordance with the federal statutory law; a 'competent state Minister' means, accordingly, a minister competent to participate in the selection of judges in accordance with the state statutory law.

⁵⁶⁵ Article 95(2) of the German Constitution.

⁵⁶⁶ Deutscher Bundestag, 'Auswahl und Wahl von Richtern in Deutschland' (2017) WD 7-3000-098/17.

⁵⁶⁷ Article 98(4) of the German Constitution.

⁵⁶⁸ Deutscher Bundestag, (n 566)

⁵⁶⁹ § 9 of the German Judiciary Act.

⁵⁷⁰ *ibid* § 7.

⁵⁷¹ The terminology in German is 'ehrenamtlicher Richter'.

⁵⁷² § 109(1)(3) CCA, according to which such a registration requirement does not apply if the candidate was a member of a management board of a corporate entity established under public law in relation to which specific regulations set out special arrangements.

⁵⁷³ *ibid* § 109(2).

⁵⁷⁴ The German terminology is 'technische Mitglieder' (§ 65(2) of the Patent Act 1980).

⁵⁷⁵ Bundespatentgericht, 'Organisation', <https://www.bundespatentgericht.de/DE/dasGericht/Organisation/organisation_node.html;jsessionid=EF724A830D0A694214C8F29F2E41AEE3.internet542>, accessed 23 September 2020; for more information see Section I.3 Location of the IP court and number of judges.

⁵⁷⁶ *ibid* § 26(3) in conjunction with § 65(2) of the Patent Act 1980.

The technical judges sit on all cases which relate to the properties of an invention, for instance, in proceedings concerning an appeal against the decisions of the German IP Office refusing the registration of a patent.⁵⁷⁷ By contrast, the Boards of Appeal in all trade mark disputes are comprised exclusively of legally trained judges.⁵⁷⁸

While there are no formal requirements for the judicial training, certain initiatives have been introduced that include the initial training of newly appointed judges,⁵⁷⁹ and the continuing education of judges.⁵⁸⁰ The initial training for judges is, to a large extent, informal and carried out by their more experienced colleagues,⁵⁸¹ but may also take the form of compulsory seminars.⁵⁸² The seminars comprise the following subject matters: law, skills (for example rhetorical skills, examining witnesses), organisation and information technology, and some general topics (such as developments in society, legal and ethical problems, etc.).⁵⁸³ For experienced judges the participation in such seminars is voluntary. The training may be organised by the German judges' academy ('*Deutsche Richterakademie*') or by the states.⁵⁸⁴

1.3. Location of the IP court and number of IP judges

As was mentioned earlier, as a result of the concentration of jurisdiction, at first instance there are currently 12 regional courts that have jurisdiction to hear patent infringement cases,⁵⁸⁵ 18 such courts consider design cases and 21 courts consider trade mark matters.⁵⁸⁶ Yet, the majority of cases are heard by four of these courts, the regional courts of Düsseldorf, Hamburg, Mannheim and Munich.⁵⁸⁷ The number of judges who deal with IP disputes in these courts varies. For example, in the regional court in Düsseldorf there are six chambers, each comprising three or four judges. Three of these chambers deal with patent, employees' inventions, utility models and plant varieties disputes; one chamber deals with copyright disputes; one with trade mark disputes; and one with designs. The overall number of judges in the specialised IP chambers in Düsseldorf is 22.⁵⁸⁸

In Hamburg, there are 12 judges⁵⁸⁹ who sit in four chambers that deal with IP disputes: two three-judge chambers that handle disputes concerning various types of IP,⁵⁹⁰ one four-judge chamber that deals with copyright and IT matters, and one three-judge chamber that deals with copyright matters.⁵⁹¹ In Mannheim, there are six IP judges divided into two three-judge chambers that hear disputes concerning various types of IP. At the Munich regional court, there are 10 IP judges who sit in the four specialised IP chambers that handle disputes concerning various types of IP: two four-judge chambers and two three-judge chambers.

There are 24 higher regional courts. Some of them, in particular those that review the decisions of the regional courts that are exclusively competent to deal with IP disputes, have specialised IP chambers. The number of judges in the specialised IP chambers in these courts also varies. For example, there are three chambers (one three-judge, one four-judge and one five-judge chamber) dealing with IP disputes

⁵⁷⁷ *ibid* § 67(1)(2a).

⁵⁷⁸ § 67(1) of the Trade Marks Act 1994.

⁵⁷⁹ Johannes Riedel, 'Training and recruitment of judges in Germany' [2013] 5(2) *International Journal for Court Administration* 1.

⁵⁸⁰ Johannes Riedel, 'Recruitment, Professional Evaluation and Career of Judges and Prosecutors in Germany', *Recruitment, professional evaluation and career of judges and prosecutors in Europe (Lo Scarabeo 2005)* <<http://www.difederico-giustizia.it/wp-content/uploads/2010/09/recruitment-evaluation-and-career.pdf>> 113ff.

⁵⁸¹ *ibid* 93.

⁵⁸² *ibid*.

⁵⁸³ *ibid* 116-117.

⁵⁸⁴ *ibid* 113-114.

⁵⁸⁵ These are located in Düsseldorf, Munich, Nürnberg-Fürth, Hamburg, Mannheim, Frankfurt, Braunschweig, Berlin, Saarbrücken, Leipzig, Magdeburg and Erfurt.

⁵⁸⁶ The full list of competent courts available on the website of the German Association for Legal Protection and Copyright (Deutsche Vereinigung für gewerblichen Rechtsschutz und Urheberrecht (GRUR)) <<http://www.grur.org/de/grur-atlas/gerichte/gerichtszustandigkeiten.html>> accessed 23 September 2020.

⁵⁸⁷ 'Patent litigation in Germany: overview' (Practical Law) Note Number 5-622-3450.

⁵⁸⁸ Landgericht Düsseldorf, (n 548).

⁵⁸⁹ Landgericht Hamburg, 'Geschäftsverteilungsplan 2020' <<https://justiz.hamburg.de/contentblob/14068492/e3d46acf7529dda13a73b6638764dc04/data/geschaeftsverteilungsplan-2020-stand-08-07-2020.pdf>> accessed 23 September 2020.

⁵⁹⁰ These are chamber No. 15 and chamber No. 27 that deal with patents, utility models, topographies, plant varieties, trade marks, unfair competition.

⁵⁹¹ Landgericht Hamburg, (n 589).

⁵⁹² Landgericht Mannheim, 'Geschäftsverteilungsplan 2020' (Landgericht-mannheim.de, 6 December 2019) <<https://landgericht-mannheim.justiz-bw.de/pb/site/jum2/get/documents/jum1/JuM/Landgericht%20Mannheim/LG%20MA%20GVP%202020.pdf>> accessed 23 September 2020.

⁵⁹³ Landgericht München 'Geschäftsverteilungsplan 2020' accessed 23 September 2020.

<<https://www.justiz.bayern.de/gerichte-und-behoerden/landgericht/muenchen-1/verfahren.php#geschaeftsverteilungsplan>>

⁵⁹⁴ The higher regional courts are located in Hamm, Düsseldorf, Köln, München, Bamberg, Stuttgart, Karlsruhe, Frankfurt am Main, Dresden, Celle, Berlin, Nürnberg, Schleswig, Koblenz, Brandenburg, Oldenburg, Naumburg, Jena, Hamburg, Rostock, Zweibrücken, Braunschweig, Saarbrücken, Bremen (see Ulrich Franke [in] *Die Strafprozessordnung und das Gerichtsverfassungsgesetz. Großkommentar De Gruyter* 2010, 577).

at the higher regional court in Düsseldorf,⁵⁹⁵ two four-judge chambers in the Hamburg higher regional court,⁵⁹⁶ and two four-judge chambers at the Munich higher regional court.⁵⁹⁷

The BPatG is located in Munich and currently employs 102 judges, 55 of whom possess scientific or technical expertise.⁵⁹⁸ Finally, the BGH is situated in Karlsruhe and is divided into 17 Boards of Appeal (the so-called 'Senaten'). It currently employs 134 judges. Two out of the 17 BGH Boards (the first and the tenth) are specialised in IP rights, and each board comprises eight judges.⁵⁹⁹

II. Rules of procedure

In Germany, civil, commercial and IP disputes are governed by the Rules of Civil Procedure (RCP),⁶⁰⁰ and the Constitution of Courts Act (CCA).⁶⁰¹ In addition, the substantive law statutes, such as the Patent Act 1980,⁶⁰² the Copyright Act 1965,⁶⁰³ the Trade Marks Act 1994,⁶⁰⁴ Utility Models Act 1986,⁶⁰⁵ Designs Act 2004,⁶⁰⁶ Topographies Protection Act 1987,⁶⁰⁷ Plant Varieties Act 1997,⁶⁰⁸ Employee Inventions Act 2009,⁶⁰⁹ and the Unfair Competition Act 2010⁶¹⁰ also contain certain rules of procedure.

2.1. Composition of the court in IP cases

According to the Rules of Civil Procedure, as a default option at first instance (in the local and regional courts) IP cases are heard by a single judge;⁶¹¹ in practice, however, the courts' praesidium often provide that IP cases are to be dealt with by a panel of three judges in accordance with the principles described below. When a single judge is in charge of a case, he or she directly deals with the case without seeking any prior authorisation from the chamber he or she is part of.⁶¹² This principle does not apply to the commercial chambers, in relation to which special rules were introduced, as discussed below. As was already mentioned, in relation to the general civil and specialised IP chambers at the regional courts, some solutions were introduced allowing for the collegial consideration of cases. Specifically, a case is considered by a three-judge panel, instead of a single judge, if the two following conditions are satisfied. First, the dispute must involve one of the subject matters indicated in § 348 RCP, which comprises all types of IP matters.⁶¹³ Second, the requirement of a three-judge panel must be explicitly set out in the case allocation plan of the respective court. The praesidium of a court may introduce a three-judge panel requirement to consider cases involving difficult and complex legal disputes that require a special training, knowledge or experience; thus, according to the German legislator all IP matters may potentially be of such complexity that they can be dealt with by a three-judge panel.⁶¹⁴ In practice, most regional courts' praesidium introduce the three-judge consideration of IP cases.⁶¹⁵ On the other hand, if according to the statutory provisions or a case allocation plan a dispute must be considered by a three-judge panel, the case may still be transferred to a single judge. This is allowed if a case is not characterised by any factual or legal difficulty, if the legal aspects of the case do not constitute any fundamental significance,⁶¹⁶ or where the oral arguments have not yet been heard on the merits of the case before the panel at the main hearing.⁶¹⁷

⁵⁹⁵ Oberlandesgericht Düsseldorf, 'Geschäftsverteilungsplan für das Geschäftsjahr 2020' (Oberlandesgericht Duesseldorf, 18 December 2019) <https://www.olg-duesseldorf.nrw.de/aufgaben/geschaeftsverteilung/gvp_rechtsprechung/gvp_recht_2020/20191218_GVP_Richter_2020_Endfassung.pdf> accessed 23 September 2020.

⁵⁹⁶ Oberlandesgericht Hamburg (n 555).

⁵⁹⁷ Oberlandesgericht München (n 555).

⁵⁹⁸ Bundespatentgericht (n 575).

⁵⁹⁹ Bundesgerichtshof (n 558).

⁶⁰⁰ Zivilprozessordnung 1950.

⁶⁰¹ Gerichtsverfassungsgesetz 1950.

⁶⁰² Patentgesetz 1980.

⁶⁰³ Gesetz über Urheberrecht und verwandte Schutzrechte 1965.

⁶⁰⁴ Gesetz über den Schutz von Marken und sonstigen Kennzeichen 1994.

⁶⁰⁵ Gebrauchsmustergesetz 1986.

⁶⁰⁶ Designgesetz 2004.

⁶⁰⁷ Halbleiterschutzgesetz 1987.

⁶⁰⁸ Sortenschutzgesetz 1997.

⁶⁰⁹ Arbeitnehmererfindergesetz 2009

⁶¹⁰ Gesetz gegen den unlauteren Wettbewerb 2010.

⁶¹¹ § 348(1) RCP.

⁶¹² Johannes Wittschier, '§ 348' in Hans-Joachim Musielak (Ed.), *Kommentar zur Zivilprozessordnung (ZPO): mit Gerichtsverfassungsgesetz* (Vahlen Franz GmbH 2009) 1185.

⁶¹³ § 348(1)(2f) RCP in conjunction with § 95(1) CCA, and §§ 48(1)(2)(i) and 348(1)(2)(k) RCP, which covers trade mark, design, unfair competition, copyright or related right disputes, or matters under exclusive jurisdiction of the regional courts, i.e. patents, utility models, topography, plant varieties.

⁶¹⁴ Bundestag Drucksache 14/4722 88ff.

⁶¹⁵ See Wolfgang Kellenter and Benedikt Migdal, Hengeller Mueller, 'Patent litigation in Germany: overview' *Practical Law*; Wolfgang Kellenter, Andrea Schlaffge, and Astrid Harmsen, Hengeler Mueller 'Trade mark litigation in Germany overview' *Practical Law*.

⁶¹⁶ A case is of fundamental significance where the decision in this case will change the previous jurisprudence of the court on the legal matter in question; factual and legal complexity is not taken into account (Wittschier, (n 612) 1191).

⁶¹⁷ The transfer to a single judge will also be possible if another main hearing has been ordered. This could be the result of the issuance of a judgment in cases of reservation of rights, partial judgment, or interlocutory judgment as per § 348(a)(1) RCP.

Furthermore, a single judge of a general civil chamber or a specialised IP chamber may request that the case be transferred to a three-judge panel. The grounds for such a request depend on whether the single judge was in charge of the case from the beginning of the proceedings or whether the dispute was transferred to the judge by the three-judge panel at some later point. If the single judge was in charge from the start, he or she may refer the case to the three-judge panel if the case is characterised by special factual or legal difficulties, or the legal problem is of a fundamental significance.⁶¹⁸ On the other hand, where the case was initially allocated to a three-judge panel and it was then transferred to a single judge, the single judge may request the case to be transferred back to the three-judge panel if there is a material change of circumstances. Such a change of circumstances must engender special factual or legal difficulties or result in the legal problem becoming fundamentally significant in the sense explained above.⁶¹⁹ In either case, a single judge may also refer a case to a three-judge panel if this is requested by the parties, on the basis of any of the foregoing grounds.⁶²⁰ After receiving such a request from a single judge, the panel then decides whether the prerequisites are met.⁶²¹

Commercial chambers usually sit in a three-judge panel with one judge (the president of the panel) and two honorary judges, wherein all three judges have the same voting rights.⁶²² The president of the panel is responsible for issues related to the management of the case, which includes referrals, establishing the value of the claim, and costs.⁶²³ However, the president alone cannot make decisions *ad meritum*, and his or her decision-making power as a single judge is limited to the admission of evidence.⁶²⁴ Nevertheless, if the parties thus agree, they may authorise the president to deal with the entire case alone, which includes deciding on the merits of the case.⁶²⁵

In the proceedings concerning preliminary injunctive reliefs, the composition of the court is the same as in the main proceedings.⁶²⁶ However, in all types of chambers discussed above,⁶²⁷ in cases of particular urgency, a preliminary injunctive relief may be issued by the president of a panel alone, provided that such a decision does not require a hearing. A case will be considered as particularly urgent where the delay resulting from the case being dealt with by a three-judge panel might endanger the purpose of the preliminary proceedings.⁶²⁸

In the BPatG, the ruling panels have varying numbers of judges, for example the Nullity Boards sit in panels of five judges, while the Juridical Board of Appeal sits in panels of three judges. At the appeal level, the special IP chambers deliver judgements in panels of three judges.⁶²⁹ Finally, the BGH delivers its rulings in IP disputes in panels of five judges.⁶³⁰

2.2. Jurisdiction over IP cases

At first instance, the jurisdiction over IP disputes is divided between the regional and local courts. The jurisdiction is allocated on the basis of two criteria: (a) the value of the claims, and (b) the type of the IP right. As to the first criterion, the local courts have jurisdiction to hear disputes where the value of a dispute does not exceed EUR 5,000.⁶³¹ Disputes in which the value of the claim exceeds EUR 5,000 fall under the jurisdiction of the regional courts.⁶³² Under the second criterion, the local courts' jurisdiction is limited to disputes concerning copyright and related rights. Accordingly, the regional courts have the exclusive jurisdiction, regardless of the value of a claim, over claims arising from 'legal relationships' established under the Patent Act 1980,⁶³³ the Employee Inventions Act 2009,⁶³⁴ the Utility Models Act 1986,⁶³⁵ the Trade

⁶¹⁸ *ibid* § 348(3); please refer to footnote 616 for the meaning of 'fundamental significance'.

⁶¹⁹ *ibid* § 348a(2).

⁶²⁰ *ibid* § 348(3) and § 348a(2).

⁶²¹ *ibid* § 348(3) and § 348a(2).

⁶²² § 105(1) and (2) CCA.

⁶²³ § 349(2) RCP.

⁶²⁴ *ibid* § 349(1).

⁶²⁵ *ibid* § 349(3).

⁶²⁶ *ibid* § 348.

⁶²⁷ *ibid* § 944.

⁶²⁸ Michael Huber, '§ 921', in Hans-Joachim Musielak (Ed.), *Kommentar zur Zivilprozessordnung (ZPO): mit Gerichtsverfassungsgesetz* (Vahlen Franz GmbH 2009), 2297.

⁶²⁹ § 122(1) CCA.

⁶³⁰ *ibid* § 139(1).

⁶³¹ *ibid* § 23.

⁶³² *ibid* § 71 (1).

⁶³³ § 143(1) of the Patents Act 1980.

⁶³⁴ § 39(1) of the Employee Inventions Act 2009.

⁶³⁵ § 27(1) of the Utility Models Act 1986.

Marks Act 1994,⁶³⁶ Variety Protection Act 1997,⁶³⁷ the Designs Act 2004,⁶³⁸ Topographies Protection Act 1987⁶³⁹ and the Unfair Competition Act 2010.⁶⁴⁰ With respect to copyright and related rights, the regional courts will be competent to hear such cases only when the value of the claim exceeds EUR 5,000.

The exclusive jurisdiction of the regional courts is established in accordance with a particular substantive law provision giving grounds to a claim. For example, with respect to patents, the regional courts are exclusively competent over patent disputes ('Patentstreitsachen').⁶⁴¹ The term 'patent disputes' is interpreted broadly, and is not subject to a strict legal review to avoid additional costs for the parties.⁶⁴² The BGH explained that patent disputes include all disputes that have as their object: a claim or a counterclaim concerning the entitlement to the invention, or a claim resulting from or closely related to such entitlement.⁶⁴³ The meaning of a patent dispute will thus cover claims related to infringement, ownership, inventorship, transfer of a patent, as well as claims regarding licences granted as of right under § 23 of the Patent Act 1980 and compulsory licenses granted under § 24 of the Patent Act 1980.⁶⁴⁴ It is important to note that Germany has the so-called bifurcated system,⁶⁴⁵ according to which disputes regarding the validity of a patent are not considered to be patent disputes and thus fall within the jurisdiction of the BPatG, and not the regional courts. In addition, disputes, in which the relation to the patent-related subject matter is incidental, are also not considered to be patent disputes.⁶⁴⁶ For example, claims concerning the compensation of costs for legal representation against a losing party will only be considered a patent dispute if they involve the assessment of the properties of an invention.⁶⁴⁷ Disputes that are not considered 'patent disputes' fall under the jurisdiction of the German IP Office, the BPatG, as well as the administrative, financial and labour courts. In addition, claims related to 'slavish imitations' prohibited under the Unfair Competition Act,⁶⁴⁸ complaints against an inactivity of the German IP Office, insolvency proceedings, applications for attachment orders against a patent under § 916 RCP, enforcement of judgements related to purely monetary claims, are also not 'patent disputes'.⁶⁴⁹

Similarly, under the Trade Marks Act 1994 the regional courts are exclusively competent over 'trade mark disputes'.⁶⁵⁰ As with patents, the term 'trade mark dispute' is interpreted broadly.⁶⁵¹ Therefore, in addition to all matters directly derived from the Trade Marks Act 1994, the concept of a trade mark dispute also covers all legal transactions which are at least partially governed by the Act, for example claims related to the transfer, charge, formation or licensing of a right protected under trade mark law.⁶⁵² The same applies to the disputes involving legal or business relations which are not directly regulated by the Act, but are linked to the creation or content of rights protected under this Act, for example, coexistence agreements or settlement agreements relating to an alleged infringement of a trade mark.⁶⁵³ The same approach to the jurisdiction of the regional courts is applied to utility models, plant varieties, topographies and design disputes.

The BPatG has jurisdiction in relation to the following matters: (i) review of the decision by the German IP Office and the Federal Plant Variety Office concerning registration of patents, utility models, trade marks, designs, topographies, and plant variety rights;⁶⁵⁴ (ii) applications for declaration of invalidity of rights with respect to national patents, European patents designated to Germany, supplementary protection certificates;⁶⁵⁵ and (iii) issuance and withdrawal of compulsory licences, as well as the assessment of the remuneration for such licences.⁶⁵⁶ As was mentioned above, the jurisdiction of the German courts that deal with IP matters is bifurcated. This means that matters related to infringements and validity fall under the

⁶³⁶ § 140(1) of the Trade Marks Act 1994.

⁶³⁷ § 38 (1) of the Variety Protection Act 1997.

⁶³⁸ § 52(1) of the Designs Act 2004.

⁶³⁹ § 11(2) of the Topographies Protection Act 1987 in conjunction with § 27(1) of the Utility Models Act 1986.

⁶⁴⁰ § 13 of the Unfair Competition Act 2004.

⁶⁴¹ § 143(1) of the Patent Act 1980.

⁶⁴² BGH, 22.02.2011 – X ZB 4/09, [9].

⁶⁴³ BGH, 22.02.2011 – X ZB 4/09, [9]; 22.06.1954 – I ZR 225/53.

⁶⁴⁴ Kaess (n 542) 2370. Note that the issuance of compulsory licenses falls within the jurisdiction of the BPatG.

⁶⁴⁵ § 65(1) of the Patent Act 1980.

⁶⁴⁶ BGH, 20.03.2013 – X ZB 15/12, [10], in fine.

⁶⁴⁷ BGH, 20.03.2013 – X ZB 15/12.

⁶⁴⁸ A type of unfair competition practice, which amounts to introducing an imitation of non-protected inventions.

⁶⁴⁹ Thomas Kühnen, '§ 143' in Rainer Schulte (Ed.), *Patentgesetz mit Europäischem Patentübereinkommen: Kommentar* (10th ed., Heymanns, Carl 2008), 1572.

⁶⁵⁰ § 140(1) of the Trade Marks Act 1994.

⁶⁵¹ BGH, 4.03.2004 – I ZR 50/03, [II]

⁶⁵² *ibid.*

⁶⁵³ *ibid.*

⁶⁵⁴ § 65(1) of the Patent Act 1980; §18(1) of the Utility Models Act 1986; § 66(1) of the Trade Marks Act 1994; § 23(2) of the Designs Act 2004; § 4(4) of the Topographies Protection Act 1987 in conjunction with § 18(1) of the Utility Models Act 1986; § 34(1) of the Variety Protection Act 1997.

⁶⁵⁵ § 65 (1) of the Patent Act 1980; Article 138 of the European Patent Convention 1973; Article II § 6 of the Patent Cooperation Treaty 1978.

⁶⁵⁶ § 24(1) of the Patent Act 1980.

jurisdiction of different courts. The BPatG has exclusive jurisdiction over the question of validity of the property rights of the parties and does not have jurisdiction over any disputes related to infringements of IP rights in, for example, patent and trade mark disputes. The latter, as discussed above, fall under the jurisdiction of the regional courts.⁶⁵⁷ Appeals against BPatG judgements are filed with the BGH.⁶⁵⁸

The jurisdiction of the BPatG and the designated regional courts is not dependent on the legal status of the claimants. As was already explained, the courts assess the substance of the claim, i.e. whether or not it is based on substantive IP law. As a result, IP owners may refer their IP disputes to the designated regional courts irrespective of their legal status. The law also does not make the jurisdiction of the designated local and regional court dependent on whether the claimant is the author of the copyright, i.e., the creator of a work, or other type of copyright owner. For instance, in the § 97 of the Copyright Act 1965, the definition of the legal standing refers to 'the injured party',⁶⁵⁹ rather than to the author. These assertions are confirmed by the provisions of the Act that explicitly authorise, for example, successors in title, to file claims concerning the copyright in question with the competent court.⁶⁶⁰

In Germany, there is no separate procedure for the recognition of trade marks as 'well-known'. Therefore, this is done on a case-by-case basis.⁶⁶¹ As a result of the concentrated jurisdiction, the recognition of well-known trade marks is carried out by the courts designated by the state government as exclusively competent in trade mark disputes. If the notoriety of a trade mark is used as a basis to instigate opposition or invalidity proceedings under § 42 and § 51 of the Trade Marks Act 1994, the case will be considered by the German IP Office and the BPatG in accordance with the bifurcation principle.

As was mentioned above, certain IP disputes, such as claims regarding inactivity of the German IP Office, will qualify as administrative disputes and thus will fall under the jurisdiction of the administrative courts, which belong to a separate branch within the German judiciary.⁶⁶² In most general terms, an administrative dispute is any public law dispute of a non-constitutional nature, insofar as a dispute is not explicitly allocated to another court by a federal statute.⁶⁶³ The qualification of a dispute as administrative, therefore, would depend on the nature of the legal relationship from which the claim is derived.⁶⁶⁴ The central question to be answered is whether the parties to the dispute are in a legal relationship involving superiority of one over the other, where the superior party makes use of the authority assigned to it by virtue of a special administrative provision.⁶⁶⁵

Similar considerations apply to tax and customs disputes with an IP element. Financial disputes are a special form of administrative proceedings, and are characterised as administrative disputes on the basis of the above criteria. Specifically, a 'financial law dispute' is any public law dispute involving administration of taxes or the application of tax law provisions by the tax authorities.⁶⁶⁶ The decisive factor is also the nature of the provision on which the claim is based. Therefore, in such cases as, for example, disputes concerning the reduction of income tax from the exploitation of a patented invention and the qualification of a patent as an 'object of economic value' for tax purposes will fall within the jurisdiction of the financial courts.⁶⁶⁷ Likewise, customs disputes are considered to be administrative disputes. The activity or inactivity of the customs authorities may be challenged at the financial courts.⁶⁶⁸ Exceptionally, the civil courts may be involved in proceedings concerning IP-related customs disputes. For example, a customs authority may issue an order for the confiscation of IP-infringing goods, which then may be challenged by the owner of the confiscated goods. In such case, the IP rightholder has the duty to provide a court order prescribing the impounding of the confiscated products or imposing a restriction over the products.⁶⁶⁹ The rightholder may choose to apply either to a local court for a criminal seizure order or to a regional court for a preliminary injunctive relief order.⁶⁷⁰ If the IP rightholder fails to present a court order to the customs authority, the latter lifts

⁶⁵⁷ The party in question could be either an inventor or an applicant for a compulsory license.

⁶⁵⁸ § 100(1) of the Patent Act 1980.

⁶⁵⁹ The German terminology is: 'der Verletzte'.

⁶⁶⁰ § 30 of the Copyright Act 1965.

⁶⁶¹ OLG Frankfurt, 12.09.2012 – 9 U 36/11, [18]; Sönke Ahrens, *Geistiges Eigentum und Wettbewerbsrecht* (Springer 2015) 73; Friedrich L Ekey et al., *Markenrecht: Markengesetz und Markenrecht ausgewählter ausländischer Staaten* (3rd ed., CF Müller 2014) 1338.

⁶⁶² In Germany the administrative branch comprises administrative courts ('Verwaltungsgerichte'), higher administrative courts ('Oberverwaltungsgerichte') and the Federal Administrative Court ('Bundesverwaltungsgericht'); the financial branch: finance courts ('Finanzgericht') and Federal Financial Court ('Bundesfinanzhof').

⁶⁶³ *Verwaltungsgerichtsordnung*, § 40 of the Rules of Administrative Courts.

⁶⁶⁴ BGH, 24.07.2001 - VI ZB 12/01.

⁶⁶⁵ Kaess (n 542) 2365.

⁶⁶⁶ § 33 of the Rules of Procedure before Financial Courts 2001 ('Finanzgerichtsordnung'), 28.4.1983 – IV R 77/82.

⁶⁶⁷ Kaess (n 542) 2365.

⁶⁶⁸ § 33 and 46 of the Rules of Procedure before Financial Courts 2001.

⁶⁶⁹ § 142a(7) of the Patent Act 1980; § 148(3) of the Trade Marks Act 1994.

⁶⁷⁰ Kühnen (n 649) 1555, 1556.

the confiscation. Such proceedings before the local or regional courts do not constitute an administrative dispute; they are conducted under the criminal or civil rules of procedures respectively and are concerned with whether there was an infringement.

Finally, there are no specialised courts for disputes relating to information security and cybercrime. These are dealt with by the general judiciary in the civil or criminal branch depending on the character of the case.

2.3. Evidence in IP cases

The rules on evidence are established by the RCP. The courts admit various types of evidence, including private and public records, such as electronic documents,⁶⁷¹ evidence taken by visual inspection,⁶⁷² evidence provided by experts,⁶⁷³ witness testimony⁶⁷⁴ and deposition of a party.⁶⁷⁵

2.3.1. Evidence in electronic form

There are no specific requirements that electronic evidence must be submitted in an original form. In particular, any piece of evidence in an electronic form is admissible with no specific limitations set in the law. Such evidence is referred to as 'eye-sight evidence' and must be submitted to the court by producing or transmitting the file containing the piece of information in question, for example on a hard disc, a CD, or by producing a printed picture on a piece of paper.⁶⁷⁶ A screenshot of a website is an admissible form of evidence and may be used to prove an IP infringement.

In addition, there are no specific requirements regarding authentication of evidence, which can be done by any means of presentation of evidence allowed by the law. However, authentication is required where the parties intend the electronic evidence to be qualified as a private document. Such type of evidence possesses special probative value, as it automatically proves that the declarations it contains were made by the party or parties who provided it.⁶⁷⁷ Evidence in the form of an electronic private document must comply with certain statutory requirements.⁶⁷⁸ In particular, the document must bear a qualified electronic signature.⁶⁷⁹ In this respect, the authenticity of a statement in an electronic format after examination of a qualified electronic signature⁶⁸⁰ can only be contested if serious doubts arise as to the statement having been made by the person who relies upon an electronic identification.⁶⁸¹ Alternatively, the person who issued the document in question must have used their dedicated personal account in the 'De-Mail-Service', established by public authorities under the De-Mail Act of 28 April 2011.⁶⁸² It follows that, if a document does not comply with either of the two foregoing requirements, it may only be viewed as regular 'visual evidence', devoid of a special probative value.⁶⁸³

To sum up, German law does not require the parties to present 'original copies' of electronic evidence. If a party wishes to rely on, for example, a screenshot of a website, it may file a CD or a pendrive with a copy of the file containing a screenshot, or simply submit a printout of the screenshot. The court will then evaluate the screenshot in accordance with the general rules of assessment of evidence. If, however, a party intends the electronic evidence to be qualified as a 'private document', he or she should either use the qualified electronic signature or the dedicated 'De-Mail-Service'.

⁶⁷¹ § 415ff RCP.

⁶⁷² *ibid* § 371ff.

⁶⁷³ *ibid* § 402ff.

⁶⁷⁴ *ibid* § 373ff.

⁶⁷⁵ *ibid* § 445ff.

⁶⁷⁶ Michael Huber, (n 628) 1231; see also Georg Alexander Hass, *Internetquellen im Zivilprozess*, Springer 2019, 50.

⁶⁷⁷ Bundestag Drucksache 14/4987 23-25.

⁶⁷⁸ § 371a RCP.

⁶⁷⁹ *ibid* § 371a(1).

⁶⁸⁰ Article 32 of the Regulation 910/2014 of the European Parliament and the Council of 23 July 2014 on electronic identification and trust services for transaction in the internal market [2014] OJ L 257.

⁶⁸¹ § 371a (1) RCP; Regulation No 910/2014 refers to such a person as the 'relying party', which means a natural or legal person that relies upon an electronic identification or a trust service as per Article 3.

⁶⁸² The De-Mail-Service is a system of services on an electronic communication platform, that aims at establishing safe, confidential and transparent circulation of commercial information in the Internet (De-Mail Act 2011, §1).

⁶⁸³ § 416 RCP.

2.3.2. Experts

There are two types of experts that can take part in IP proceedings: experts appointed by the court ('*gerichtlich Sachverständige*' or 'court experts') and experts commissioned by the party ('*Privatgutachter*' or 'party experts').⁶⁸⁴ The task of the court expert is to provide the judges with knowledge concerning technical matters of the case or relevant norms (such as commercial customs or foreign law). Court experts can also assist the court in any other matter related to their professional experience, provided that the court itself does not possess such knowledge or experience.⁶⁸⁵ Each party can submit a written expert opinion by their respective party experts. Such opinions are treated as statements of the parties and do not constitute expert evidence. The probative value of such statements depends solely on the discretion of the court.⁶⁸⁶ The rules governing court expert evidence do not apply to party experts. Moreover, the court does not hear party experts or allow for the cross-examination of an expert commissioned by another party.⁶⁸⁷ In practice, however, if the opinion of a party expert contradicts the analysis prepared by a court expert, the court cannot disregard the party expert opinion.⁶⁸⁸ In this case, the court must request a supplementary opinion of the court expert or summon him or her to provide further explanations during the hearing.⁶⁸⁹ The assessment of the expert opinion, as any other type of evidence, is subject to the discretion of the court.⁶⁹⁰ If the court decides to depart from an expert assessment it must substantiate its decision, making it clear that the diverging assessment was not due to the lack of knowledge of the expert.⁶⁹¹ In very complex cases, if not convinced by the expert's findings, the court may appoint another expert in accordance with § 412 RCP.⁶⁹²

In general, experts may not provide their opinion on the issues of law⁶⁹³ and may not substitute the court in its assessment of legal matters such as interpretation of a contract, patent claim construction,⁶⁹⁴ or the decision whether the invention is patentable or sufficiently disclosed.⁶⁹⁵ For example, the expert may explain objective technical concepts such as prior knowledge of the experts in the field, knowledge, skills, and methodological approaches, which may determine or affect the understanding of the patent claim and the terms used therein.⁶⁹⁶ The expert, however, may not advise the court on how to resolve the matter, including stating or implying that a party is 'entitled to' something, that a claim is 'justified' or that a right is 'conditional' upon something.⁶⁹⁷ The court must be very cautious when delineating the scope of the expert opinion, since the failure to exclude any questions of law is considered a grave judicial error.⁶⁹⁸

2.3.3. Power of the court to appoint an expert unilaterally

It is at the court's discretion to appoint an expert.⁶⁹⁹ The court may appoint an expert if, after consultations with the parties, it considers that an expert's assistance is required with respect to certain aspects of the dispute. Under § 404(3) RCP, if experts have been accredited for certain types of matters, a non-accredited expert shall be selected only if particular circumstances so require.⁷⁰⁰ The court may also decide to replace an already appointed expert with another one.⁷⁰¹ In this case, while the court is encouraged to consult the parties, such a consultation is not formally required.⁷⁰² Even if the consultations with the parties take place, the court is not bound by their opinion unless both parties agree on a specific expert to be appointed. In such a case, the court must appoint the expert agreed upon by the parties.⁷⁰³

⁶⁸⁴ Huber (n 628) 1271-1272.

⁶⁸⁵ *ibid* 1272.

⁶⁸⁶ *ibid* 1272.

⁶⁸⁷ 'Patent litigation in Germany: overview' (n 587).

⁶⁸⁸ BGH, 10.10.2000 – VI ZR 10/00, II.

⁶⁸⁹ Huber (n 628) 1273.

⁶⁹⁰ § 286(1) RCP.

⁶⁹¹ Huber (n 628) 1274.

⁶⁹² *ibid*.

⁶⁹³ The German terminology is 'Rechtsfrage'.

⁶⁹⁴ BGH, 22.12.2009 – X ZR 56/08.

⁶⁹⁵ BGH, 3.2.2015 – X 76/13.

⁶⁹⁶ BGH, 11.10.2005 – X ZR 76/04, [16].

⁶⁹⁷ Uwe Luz, 'Der Sachverständigenbeweis: die Größte Problembaustelle des Baurechts – ein Weckruf' (2017) 1 BauR 14.

⁶⁹⁸ *ibid*.

⁶⁹⁹ § 404(1) RCP.

⁷⁰⁰ In this context accreditation means being officially included in the list of certified experts. The accreditation of experts, including the qualification requirements, is regulated in the federal and state legislation (Huber (n 628) 1277, footnote 11), and is usually supervised by the relevant chambers of industry and commerce. See further information on the website of the Chamber of Industry and Commerce (Industrie- und Handelskammer), 'Fragen zum Sachverständigenwesen' <<https://svvihk.de/svv/content/home/faq.ihk?actionMethod=content%2Fhome%2Ffaq.xhtml%3AlocaleSelector.selectLanguage%28%27de%27%29&cid=171820>>, accessed 23 September 2020.

⁷⁰¹ § 404(1) RCP.

⁷⁰² *ibid* § 404(3).

⁷⁰³ *ibid* § 404(5).

2.4. Preliminary injunctive relief in IP cases

In general, there are two types of preliminary injunctive reliefs in Germany, injunctions and attachment orders. The court can grant a preliminary injunctive relief either in an *ex parte* or *inter partes* proceeding, with certain limitations applicable to the *ex parte* proceedings explained below.

Injunctions ('*einstweiligen Verfügungen*') can be further divided into (i) interim injunctions that secure the future enforcement of non-monetary claims,⁷⁰⁴ and (ii) regulatory injunctions that secure the temporary status of a legal relationship in dispute, provided that this is necessary to avert significant disadvantages, prevent impending force, or for other reasons.⁷⁰⁵ The main distinction between the two types of injunctions, therefore, consists in the fact that while regulatory injunctions aim at provisory regulation of a legal relationship to avoid damages, interim injunctions may only secure enforcement of non-monetary claims.⁷⁰⁶ In particular, the party applying for an interim injunction seeks a warranty that the claim against its opponent will not result in being unenforceable or difficult to enforce. A non-monetary claim encompasses any claim to perform, to abstain from performing or not to interfere with the performance of a given activity.⁷⁰⁷ The purpose of interim injunctions is thus to secure enforcement of such a claim. For example, an interim injunction securing a claim in a particular item may create a lien on that item or order a transfer of property rights over the item to the applicant. On the other hand, the party seeking a regulatory injunction is seeking to receive a temporary judicial regulation of a dispute, which may involve a temporary satisfaction of the applicant in order to avoid imminent damages. This will be the case, for example, where the court temporarily restrains managing powers of a company's board of directors, or orders a party to temporarily abstain from inhibiting its competitors' access to market,⁷⁰⁸ or prohibits certain acts allegedly infringing an IP right.⁷⁰⁹ Attachment orders allow the creditor of a monetary claim to preliminarily secure a future enforcement of the judgement to be obtained in the main proceedings.⁷¹⁰ An attachment order differs from injunctions in that it may only secure monetary claims.⁷¹¹

A peculiarity of the German civil procedure in the area of IP⁷¹² and competition law⁷¹³ is the 'warning'⁷¹⁴ requirement. It means that before applying for a preliminary relief, the applicant must serve the allegedly infringing party with a cease and desist letter. The significance of the warning requirement pertains to the attribution of liability for costs.⁷¹⁵ If an IP rightholder sues without having produced the warning and the defendant immediately acknowledges his or her demands, the IP rightholder will be liable for costs under § 93 RCP.⁷¹⁶ While for the majority of IP rights the warning requirement is deduced from §93 RCP, some statutes specifically regulate this matter.⁷¹⁷ Moreover, a recent judgement of the German Federal Constitutional Court established that the warning obligation could be inferred from the constitutional principle of equality of arms in the civil procedure.⁷¹⁸ The practical application of the judgement is of particular importance to the applications for a preliminary injunctive relief granted *ex parte*, as the Court made it clear that a defendant must either be warned or heard before being ruled against.

Finally, the IP rightholder can request the court to order certain specific measures such as destruction of infringing products, provision of information or documents concerning the infringement, or carrying out an inspection related thereto.⁷¹⁹ Most of these measures may be imposed by means of injunctions. In such cases, the applicant must satisfy the grounds for granting preliminary injunctive relief, which in certain instances are modified accordingly.⁷²⁰

⁷⁰⁴ The German terminology is 'Sicherungsverfügung' as per § 935 RCP.

⁷⁰⁵ The German terminology is 'Regelungsverfügung'; as per § 940 RCP.

⁷⁰⁶ Roderich C Thümmel, 'Zivilprozessordnung und Nebengesetze' in Rolf A Schütze and Bernhard Wieczorek (Eds.), Großkommentar (4th ed., 2014) 164.

⁷⁰⁷ Huber (n 628) 2276.

⁷⁰⁸ *ibid* 2286.

⁷⁰⁹ *ibid* 2291.

⁷¹⁰ The German terminology is 'Arrest' as per § 916 RCP.

⁷¹¹ Huber (n 628) 2241.

⁷¹² Andrea Schmelz-Buchhold, *Mediation bei Wettbewerbsstreitigkeiten* (Herbert Utz Verlag 2010) 178.

⁷¹³ Dieter Wolst, '§ 93' in Hans-Joachim Musielak (Ed.) *Kommentar zur Zivilprozessordnung*, (7th ed., Vahlen Franz GmbH 2009) 434.

⁷¹⁴ Schmelz-Buchhold (n 712) 178.

⁷¹⁵ Kühnen (n 649) 1453.

⁷¹⁶ § 93 RCP, according to which where the defendant has not given cause for an action to be brought, the plaintiff shall bear the costs of the proceedings should the defendant immediately acknowledge the claim.

⁷¹⁷ § 97a of the Copyright Act 1965; § 12(2) of the Unfair Competition Act 2004.

⁷¹⁸ BVerfG, 30.09.2018 – 1 BvR 1783/17.

⁷¹⁹ In relation to patents see § 140a-140c of the Patent Act 1980; in relation to trade marks see § 19a-19c of the Trade Marks Act 1994; in relation to designs see § 43, §§ 46a-46b of the Designs Act 2004; in relation to utility models see §§ 24a-24c Utility Models Act 1989; in relation to plant varieties see §§ 37a-37c of the Variety Protection Act 1997; in relation to copyright see § 98, § 101 and § 101a of the Copyright Act 1965.

⁷²⁰ Certain additional requirements may be imposed. For example, in patent cases, an injunction obliging the respondent to provide information regarding the origin and the channel of commerce of the products used, may only be issued if the infringement is obvious (§ 140b of the Patent Act 1980). The obviousness requirement replaces, in this instance, the urgency requirement further explained below (Kühnen (n 649) 1513).

2.4.1. Grounds for granting preliminary injunctive relief

In essence, a successful application for a preliminary injunctive relief must demonstrate and substantiate two general requirements. First, a party must demonstrate and substantiate an entitlement to a relief, namely that the claimant is the proprietor of an IP right and that the defendant is currently using or is going to use the IP right in question without the claimant's consent. This relates to the substantive assessment of the legal basis underlying the application.⁷²¹ Second, the threat to the applicant's rights must be urgent, i.e. the enforcement of the IP right in preliminary proceedings, as opposed to the main proceedings, must be necessary and justified. These general prerequisites apply to all types of preliminary injunctive reliefs mentioned above. Moreover, both attachments and injunctions are not discretionary remedies, i.e. if the two requirements (entitlement and urgency) are properly demonstrated and substantiated the court must grant the relief. In order to demonstrate these requirements a party must indicate the entitlement, grounds and facts relevant to the matter, while the substantiation, on the other hand, requires presentation of evidence. However, the threshold for substantiation is set lower than for the main proceedings. In this regard, the judge exercises discretion as to the degree of credibility, especially as far as the question of urgency of threat is concerned.⁷²⁷ Moreover, as will be explained in detail below, a preliminary injunctive relief may be granted even if the applicant did not substantiate the application, but only provided security.

The first condition, entitlement, applies to injunctions as follows. For interim injunctions it is required that the applicant must satisfy the court that he or she has a non-monetary claim, i.e., a claim to specific performance of civil law nature,⁷²⁸ such as a claim to perform, abstain from performing, or not to interfere with the performance of certain activities.⁷²⁹ The claim must refer to a specific factual background, and be capable of being enforced.⁷³⁰ A non-monetary claim is, for example, a claim to cease and desist in patent and trade mark disputes.⁷³¹ With respect to the entitlement element in the context of regulatory injunctions, the court must be satisfied that there is a legal relationship between the parties, and that the relationship is in dispute.⁷³² A legal relationship may be established on the basis of a substantive IP right, such as § 139(1) of the Patent Act 1980 or § 14(7) of the Trade Marks Act 1994, where the legal relationship occurs if a third party infringes the IP right.⁷³³ As to the 'dispute' element, it covers not only the circumstances where the respondent denies rights or claims of the applicant, but also situations of even an indirect, but concrete, threat of infringement.⁷³⁴ The entitlement condition as applied to the attachment order requires the applicant to satisfy the court that he or she has a monetary claim against the defendant.⁷³⁵

The second condition is urgency. Several types of urgency are set out in the provisions concerning different types of preliminary injunctive reliefs:

- a) urgency of threat in interim injunctions – the applicant must demonstrate that a change of circumstances might frustrate the realisation of the right enjoyed by an applicant, or might render its realisation significantly more difficult.⁷³⁶ In other words, the threat to the enforcement of the claim must be so urgent, that the applicant cannot be expected to wait until the conclusion of the main proceedings.⁷³⁷ That will be the case, for example, where there is a risk of deterioration, destruction, or other misappropriation of the object in dispute.⁷³⁸ Urgency will not be established where the conduct of the applicant indicates to the contrary. That may be the case where the applicant, while possessing knowledge as to the identity of the infringer and the circumstances of the infringement, delays the application. The threat is assessed objectively.⁷³⁹

⁷²¹ The terminology in German is 'Verfügungsanspruch'.

⁷²² The terminology in German is 'Verfügungsgrund'; Huber (n 628), 2275.

⁷²³ Thümmel (n 706) 165.

⁷²⁴ BGH, 17.07.2001 – X 65/99.

⁷²⁵ Thümmel (n 706) 60ff.

⁷²⁶ BGH, 25.06.2008 – II ZR 133; 4.07.2000 – IV ZR 236/99.

⁷²⁷ Thümmel (n 706) 168.

⁷²⁸ Thümmel (n 706), 164.

⁷²⁹ Huber (n 628), 2276.

⁷³⁰ Thümmel (n 706) 164.

⁷³¹ Kühnen (n 649), 1492.

⁷³² § 940 RCP.

⁷³³ Kühnen (n 649), 1492.

⁷³⁴ Huber (n 628), 2285.

⁷³⁵ § 916 RCP.

⁷³⁶ *ibid* § 935.

⁷³⁷ Thümmel (n 706), 166.

⁷³⁸ Huber (n 628), 2275.

⁷³⁹ Thümmel (n 706), 166.

- b) urgency of threat in regulatory injunctions – the applicant must demonstrate that an injunction will be necessary in order to avert significant disadvantages, to prevent imminent force, or for other reasons; in particular, in the case of existing legal relationships of a long-term nature.⁷⁴⁰ The analysis involves balancing the legally protected interests of the parties.⁷⁴¹ For example, in patent disputes the court weighs the interest of the patent owner in receiving provisory protection against the disadvantages that the alleged infringer may suffer, such as a threat of liquidation, interruption of production, or a risk of employees losing jobs. However, these circumstances cannot prevail in cases of obvious infringement.⁷⁴² Another important factor is the strength of the patent, i.e. whether it is likely to be invalidated.⁷⁴³ In addition, similar to interim injunctions, urgency may be excluded as a result of the applicant's conduct, for example, if the applicant waited for too long to apply for an injunction.⁷⁴⁴ The higher regional courts have found the following situations to be urgent: where the claim for patent invalidity has already been rejected in a separate first instance proceedings, or where the term of patent protection is expiring.⁷⁴⁵ On the other hand, the following will not be considered urgent: where the infringer substantiates that the patent will be invalidated in separate invalidity proceedings, where the scope of the patent had been limited in the course of the proceedings before the IP Office, and where the applicant applied for the same injunction in another court, which had refused it, and the circumstances have not changed.⁷⁴⁶
- c) urgency of threat in attachment orders – an attachment order will be granted if failure to do so would frustrate the enforcement of the claim or make it significantly more difficult.⁷⁴⁷ Essentially, a sufficient threat to the execution of a monetary claim must be established. Such a threat might be caused by the behaviour of the respondent, regardless of its culpability or unlawfulness.⁷⁴⁸ Examples include devaluation or alienation of the respondent's assets, concealment of his or her material situation, or even frequent changes of domicile.⁷⁴⁹ In addition, sufficient threat also covers naturally occurring events or acts of third parties such as fire, storms, boycotts, strikes.⁷⁵⁰ In practice, however, the threat will usually result from the respondent's behaviour or position.⁷⁵¹ Moreover, the threat must be imminent, i.e. this requirement will not be fulfilled, for instance, where the applicant, upon receiving the information as to the deterioration of the respondent's financial situation, has delayed his or her application for a longer period of time.⁷⁵² Finally, the threat must be assessed objectively.⁷⁵³
- d) qualified urgency for *ex parte* injunction applications⁷⁵⁴ – a case will be considered urgent in these circumstances if a potential delay as a result of the procedural aspects related to hearings would undermine the purpose of preliminary proceedings.⁷⁵⁵
- e) qualified urgency in case of application for injunction to local courts (see Part II.4.2. concerning application for injunctive relief).

The urgency requirement is generally not applicable with respect to applications made under the Unfair Competition Act 2004.⁷⁵⁶ The statute introduces the presumption of urgency, which may be rebutted if it is proven that the case is not urgent, for example because the applicant waited too before filing the application.⁷⁵⁷ Where the presumption of urgency applies, applicants need only to substantiate the 'entitlement' element, i.e. satisfy the court that they have the claim.

⁷⁴⁰ § 940 RCP.

⁷⁴¹ Kühnen (n 649) 1492.

⁷⁴² *ibid* 1493.

⁷⁴³ *ibid*.

⁷⁴⁴ *ibid* 1492.

⁷⁴⁵ *ibid* 1493.

⁷⁴⁶ *ibid*.

⁷⁴⁷ § 917 RCP.

⁷⁴⁸ Huber (n 628), 2243.

⁷⁴⁹ *ibid*.

⁷⁵⁰ *ibid*.

⁷⁵¹ Thümmel (n 706) 29.

⁷⁵² *ibid*.

⁷⁵³ *ibid* 30.

⁷⁵⁴ § 937 RCP.

⁷⁵⁵ Huber (n 628) 2281.

⁷⁵⁶ § 12(2) of the Unfair Competition Act 2004. It has been suggested that the provision may be applied per analogiam to trade marks, utility models and copyright. The opinions of the judiciary and the literature remain divided, leaning, however, towards the exclusion of the analogical application of § 12(2) of the Unfair Competition Act 2004 (see Helmut Lieber, Axel Zimmermann, *Die einstweilige Verfügung im Gewerblichen Rechtsschutz*, Verlag C.H. Beck 2009, 35; Friedrich L. Ekey, '§ 14' in (Ed.) Friedrich L. Ekey, Achim Bender, Diethelm Klippe *Markenrecht: Markengesetz und Markenrecht ausgewählter ausländischer Staaten*, CF Müller Verlag, 2nd ed., 2009, 310-311).

⁷⁵⁷ Helmut Lieber, Axel Zimmermann (n 759) 33.

As mentioned, provided that a qualified form of urgency as explained above can be established, any form of a preliminary injunctive relief may be issued without holding a hearing, namely it can be issued *ex parte*⁷⁵⁸. Similar is the situation for attachments, which may be granted *ex parte*, where an element of surprise is required in order to secure the enforcement of a monetary claim.⁷⁵⁹ In either case, it is important to bear in mind the ruling of the Federal Constitutional Court and the warning requirement established therein.

2.4.2. Application for preliminary injunctive relief before submitting a lawsuit

An application for a preliminary injunctive relief can be made before submitting the main lawsuit. In general, such applications should be submitted to the court in which the main proceedings will take place in accordance with the rules of procedure.⁷⁶⁰ If the application is not followed by the filing of the main lawsuit within the period determined by the court, the relief is revoked.⁷⁶¹

However, in attachment proceedings, in addition to the court competent in the main proceedings, the applicant is also entitled to file an application to the local court in the district where the object to be seized is located.⁷⁶² In this case, the main claim and any related application must be filed with the court competent to hear the main claim.⁷⁶³ An injunction may also be issued by the local court in the district where the object of the litigation is located, but solely in urgent cases.⁷⁶⁴

The urgency requirement in such cases, also referred to as qualified urgency, is different from the urgency explained above: in these circumstances, a case will be considered urgent if the application to the competent regional court would cause a significant delay and thus seriously endanger the purpose of the preliminary proceedings.⁷⁶⁵ In practice, such urgency will only rarely occur.⁷⁶⁶ If the request for a preliminary injunctive relief is submitted before the filing of the main lawsuit, the local court, along with the granting of an injunction, must order the party to commence the main proceedings within a specified time period in the court that has jurisdiction to consider such a dispute.⁷⁶⁷ If the applicant fails to do so, the local court that granted the injunction must revoke its order upon the respondent's application.⁷⁶⁸

2.4.3. Cross-undertaking

In accordance with the general principle of the civil procedure, the defendant is entitled to a compensation for the losses he or she suffered as a result of a preliminary injunctive relief that was granted without sufficient grounds. In addition, in certain situations the court may or, depending on the circumstances, must order the claimant to provide a cross-undertaking in the form of security.

If a preliminary injunctive relief proves to have been unfounded, or if such a relief is revoked due to the applicant's failure to file the main lawsuit, the applicant is obliged to compensate the respondent for the damages they suffered. Such damages could be the result of the enforcement of the relief, the provision of security by the defendant in order to avert the enforcement of a preliminary injunctive relief, or to obtain the revocation of the relief.⁷⁶⁹ The same applies where a preliminary relief has been revoked or modified by the court of appeal or cassation.⁷⁷⁰ If, however, the order granting the relief has been affirmed on appeal and reversed or modified thereafter upon further appeals, the injured party will only be able to get redress for unjust enrichment.⁷⁷¹ The liability of the applicant in this respect is strict, i.e. intention or negligence is irrelevant.⁷⁷² A preliminary injunctive relief must be unfounded from the beginning, i.e. from the moment when the order was issued and not when the relief was executed or the decision on compensation was issued.⁷⁷³ Therefore, the duty to compensate cannot be established if a preliminary injunctive relief is revoked due to a change in the circumstances on which the order was based, for example because the case was no longer urgent.⁷⁷⁴

⁷⁵⁸ § 937(2) RCP.

⁷⁵⁹ Huber (n 628) 2248.

⁷⁶⁰ § 919, § 937(1), § 943 and § 802 RCP.

⁷⁶¹ *ibid* § 926 in conjunction with § 936.

⁷⁶² *ibid* § 919.

⁷⁶³ *ibid* § 919, § 937(1), § 943 and § 802.

⁷⁶⁴ *ibid* § 942(1).

⁷⁶⁵ Huber (n 628) 2293.

⁷⁶⁶ *ibid*.

⁷⁶⁷ § 919, § 937(1), § 943 and § 802 RCP.

⁷⁶⁸ *ibid* § 942(3).

⁷⁶⁹ *ibid* § 945(1) in conjunction with § 926(2) and § 942(3).

⁷⁷⁰ *ibid* § 717(2).

⁷⁷¹ *ibid* § 717(3).

⁷⁷² Huber (n 628) 2297.

⁷⁷³ *ibid* 2298.

⁷⁷⁴ § 936 in conjunction with § 927 RCP.

Prior to granting a preliminary injunctive relief the court may request the claimant to provide a cross-undertaking in the form of security, which is lodged with the court in order to secure the defendant's potential claims for damages.⁷⁷⁵ This may occur in the following circumstances. First, and only in relation to attachments, where the entitlement and the grounds for a relief have not been substantiated to the court's satisfaction, the court may still grant the relief against the provision of security for the disadvantages that the opponent risks suffering. In such circumstances the provision of cross-undertaking is mandatory, i.e. if the judge decides to grant a relief despite the applicant's failure to substantiate the application, security must be granted.⁷⁷⁶ While this condition refers to the degree of substantiation, it does not, in any case, relieve the applicant from the responsibility of demonstrating entitlement, grounds and relevant facts.⁷⁷⁷ Secondly, in the case of both attachments and injunctions,⁷⁷⁸ the court may make the issuance of a preliminary injunctive relief dependent on security being provided even if the claim and the reasons for a relief to be issued have been sufficiently substantiated.⁷⁷⁹ An order for security in the latter case may be based on a deterioration of financial circumstances of the applicant, which would put any eventual claim for compensation at risk.⁷⁸⁰

There are different forms of security that may be granted, including a bank guarantee, a payment of a sum of money, emission of securities, or provision of valuable objects such as jewellery and antiques.⁷⁸¹ In addition, the parties may agree on a specific form of security, which the court must then grant.⁷⁸² This may include, for instance, a lien on a car. As to the amount of security, the assessment is at the sole discretion of the court. In this respect, the court must take into account, above all, the purpose of the cross-undertaking, which in the case of § 921 RCP is to secure 'disadvantages that the opponent risks suffering'.⁷⁸³ Nonetheless, the posting of the security does not affect the respondent's right to claim damages

2.4.4. Revocation of preliminary injunctive relief on the court's initiative

The court cannot revoke or suspend its preliminary injunctive relief of its own volition. A relief can only be revoked upon the request of the party. This may be possible if there is a change of circumstances, in particular, where the grounds on which the order was issued have been conclusively dealt with⁷⁸⁴ or the applicant has failed to file the main lawsuit within the period prescribed by the court.⁷⁸⁵

2.5 Security for costs

In general, there is no claim for security for costs, with one exception. Security for costs must be provided upon the request by the defendant if the claimant resides outside the territory of the EU or the EEA.⁷⁸⁶ The court enjoys no discretion in these circumstances, i.e. should the prerequisites be fulfilled and the defendant so requests, the court must order security for costs. The amount of the security to be provided, on the other hand, is at the court's sole discretion in accordance with the statutory provisions⁷⁸⁷ and is based on the estimations as to the amount that the defendant will likely have to pay.⁷⁸⁸

⁷⁷⁵ *ibid* §921 in conjunction with §936.

⁷⁷⁶ *ibid* §921, first sentence.

⁷⁷⁷ Thümmel (n 706) 193.

⁷⁷⁸ *ibid* 289.

⁷⁷⁹ § 921 RCP.

⁷⁸⁰ Huber (n 628) 2249; LG Berlin, 08.5.2014 – 63 T 49/14.

⁷⁸¹ Ulrich Foerste 'Kommentar' in Hans-Joachim Musielak (Ed.) *Kommentar zur Zivilprozessordnung ZPO Gerichtsverfassungsgesetz*, (7th ed., Vahlen Franz GmbH 2009), 488.

⁷⁸² *ibid* 488.

⁷⁸³ Foerste (n 781) 486.

⁷⁸⁴ § 927 in conjunction with § 936 RCP.

⁷⁸⁵ *ibid* § 926 in conjunction with § 936.

⁷⁸⁶ *ibid* § 110, according to which the obligation to provide security will not apply where, due to international treaties, no such security deposit may be demanded, where the decision of reimbursing the defendant's costs incurred in the proceedings would be enforced based on international treaties, where the plaintiff possesses real estate assets or claims secured in rem in Germany that suffice to cover the costs of the proceedings, where counter charges are brought or proceedings have been brought in the courts based on public notice given by a court.

⁷⁸⁷ *ibid* § 112(1).

⁷⁸⁸ *ibid* § 112(2); Foerste (n 781) 496.

2.6. Cassation in small value claims

As noted above, the local civil courts exercise jurisdiction over disputes in which the value of a claim does not exceed EUR 5,000, and which are not covered by the exclusive jurisdiction of the regional courts.⁷⁸⁹ In such cases, the regional courts act as the courts of appeal reviewing the decisions of the local court.⁷⁹⁰ Further appeals are possible to the higher regional courts,⁷⁹¹ and the BGH acts as a final instance court.⁷⁹² An appeal on points of law to the BGH is admissible if the legal matter is of a fundamental significance, or the further development of the law or the interests in ensuring a uniform adjudication require a decision to be held by the court of third instance.⁷⁹³ In general, the law does not impose any requirements concerning the value of the claim in relation to the appeals on points of law. Therefore, any appeals including in the small value claims can be filed with the BGH if they meet the general requirements for such an appeal. However, a standard appeal will generally be permitted only if the value of the claim exceeds EUR 600, unless the first instance court decides otherwise.⁷⁹⁴ This in practice affects the value of claims in cassation proceedings. The threshold of EUR 600 applies also to the leapfrog appeal, i.e. appeals against the decision of the first instance court directly to the BGH.⁷⁹⁵

⁷⁸⁹ For a detailed description on the structure of the courts refer to Section 1.1. Structure of the judicial system and the IP court

⁷⁹⁰ § 72(1) CCA.

⁷⁹¹ *ibid* §119.

⁷⁹² *ibid* § 133.

⁷⁹³ § 543 RCP.

⁷⁹⁴ *ibid* § 511(2) RCP.

⁷⁹⁵ *ibid* § 566 in conjunction with §511(2).

PART IV – COMPARATIVE STUDY OF IP COURTS – FRANCE

I. Judicial system and judges

1.1. Structure of the judicial system and the IP court

In France, the majority of IP-related disputes⁷⁹⁶ are handled by several designated courts within the civil branch of the judicial system.⁷⁹⁷ The civil branch comprises the tribunals,⁷⁹⁸ acting as first instance courts, the courts of appeal⁷⁹⁹ and the Court of Cassation.⁸⁰⁰ Pursuant to the Code of Judicial Organisation 1978 (CJO) ten tribunals were designated in accordance with the rules of concentration explained below to deal exclusively with IP disputes at first instance.⁸⁰¹ Appeals against the decisions of the tribunals are heard by the courts of appeal.⁸⁰² Finally, the Court of Cassation acts as the final instance court.⁸⁰³ In the commercial branch, commercial courts act as first instance courts;⁸⁰⁴ in several districts they are supported by special commercial divisions of the tribunals.⁸⁰⁵ Appeals against decisions of the commercial courts are handled by the courts of appeal, and the Court of Cassation is the final instance court.⁸⁰⁶

In addition to the civil branch of the judicial system, the commercial branch also has jurisdiction to consider some types of IP-related cases, namely disputes concerning unfair competition and trade secrets, provided that certain conditions are fulfilled, most notably, that the parties are 'merchants'.⁸⁰⁷

However, if the case simultaneously involves a question related to an IP right *sensu stricto*, such as, for example, a patent, it will be considered by one of the designated tribunals.⁸⁰⁸ If neither of the conditions mentioned in this paragraph is fulfilled, i.e. the dispute is not between merchants and does not consider IP rights *sensu stricto* these types of cases will generally be considered by the civil courts competent under the general rules of material and territorial jurisdiction.

⁷⁹⁶ This excludes unfair competition and trade secrets disputes, which are considered to be part of the commercial law regime and are generally dealt with either by the commercial or the civil branch of the judicial system. See Article L721-1 in conjunction with Articles L420-1ff and L151-1ff of the Code of Commerce 2000 (adopted by Ordonnance n° 2000-912 of 18.09.2000); specific rules of allocation of these types of disputes are further explained below in this part and in Section 2.2.

⁷⁹⁷ In addition to the civil branch, the French judicial system comprises also the commercial, social and criminal branches. For more information on the French judicial system, including the organisational diagram, see Ministère de la Justice, 'Présentation de l'ordre judiciaire' (Justicegouvfr) <http://www.justice.gouv.fr/organisation-de-la-justice-10031/lordre-judiciaire-10033/> accessed 23 September 2020.

⁷⁹⁸ The French terminology is 'tribunaux judiciaires'. Presently, there are 164 tribunals according to the statistical information on the French government's website (see Gouvernement 'Conseil de ministres du 6 janvier 2020: Création des tribunaux judiciaires' (gouvernement.fr) <https://www.gouvernement.fr/conseil-des-ministres/2020-01-06/creation-des-tribunaux-judiciaires?utm_source=emailing&utm_medium=email&utm_campaign=conseil_ministre_20200106>, accessed September 2020). They were introduced as a result of the merger of the two previous forms of judicial organisation: magistrate courts 'tribunaux d'instance' and high courts 'tribunaux de grande instance'. The merger constituted an element of the reform of the justice system introduced by Law n° 2019-222 of 23 March 2019 concerning the planning for years 2018-2022 and the reform of the justice systems (LOI n° 2019-222 du 23 mars 2019 de programmation 2018-2022 et de réforme pour la justice). For more information on the reform see Ministère de la Justice, 'La loi de programmation et de réforme pour la justice' (Justicegouvfr, 6 July 2020) <http://www.justice.gouv.fr/le-garde-des-sceaux-10016/la-loi-de-programmation-et-de-reforme-pour-la-justice-lpj-33022.html> accessed 23 September 2020.

⁷⁹⁹ The French terminology is 'cour d'appel'.

⁸⁰⁰ The French terminology is 'Cour de Cassation'.

⁸⁰¹ The French name of the Act is 'Code de l'organisation judiciaire'; article L211-10 CJO.

⁸⁰² *ibid* Article L311-1.

⁸⁰³ *ibid* Article L411-2.

⁸⁰⁴ Article L721-1 of the Code of Commerce 2000; the French terminology is 'tribunaux de commerce'. Presently, there are 136 commercial courts (Ministère de la Justice, 'Les chiffres clés de la Justice' (Justicegouvfr, 2019) <http://www.justice.gouv.fr/art_pix/CC%202019_V8.pdf> accessed 23 September 2020).

⁸⁰⁵ In certain tribunals additional 'commercial divisions' ('chambres commerciales') were established to deal with commercial disputes where no, or too few, commercial courts are present (Art L731-1 of the Code of Commerce 2000); in contrast to other organisational entities of the tribunals, which are referred to simply as 'a chamber of the tribunal', the commercial divisions have a formally defined specialised character (Art L731-1ff Commercial Code 2000). This will be further elaborated upon in Section 2.2. (see further information at Ministère de la Justice (n 797).

⁸⁰⁶ Ministère de la Justice (n 799).

⁸⁰⁷ Article L721-1 the Code of Commerce 2000; the jurisdiction of the commercial courts (or commercial divisions of tribunals) covers disputes relating to dealings between 'merchants' ('commerçants'; according to Article L121-1 of the Code of Commerce 2000, a 'merchant' is a person or entity who carries out acts of commerce and who make this her or his usual profession), disputes relating to companies and disputes relating to acts of commerce ('actes de commerce'; art L721-3 of the Code of Commerce 2000). In cases where neither of the foregoing conditions is fulfilled, the case will be considered by the civil courts, either under the general rules of jurisdiction or the special rules for IP disputes. In relation to disputes between an employer and an employee, the employment tribunals ('conseils de prud'hommes') are competent if the obligations relating to unfair competition or trade secrets arise under an employment contract (Article L1411-1 of the Labour Code 1973 ('Code du travail')).

⁸⁰⁸ Cass com 16 February 2016, no 14-24.295; Article L716-3 (trade mark); L615-17 (patents); L622-7 (semi-conductor topographies); L521-3-1 (designs); L623-31 (plant varieties); L331-1 (copyright); L622-7 (protection of topographies of semi-conductors) of the Code of Intellectual Property 1992 ('Code de la propriété intellectuelle') (IPC).

As was already mentioned, a certain degree of IP specialisation of the French judiciary is ensured by the concentration of jurisdiction.⁸⁰⁹ Specifically, all IP cases are allocated to one type of court within the civil branch, the tribunals, and within these tribunals, only a limited number of courts are designated by the Council of State⁸¹⁰ and the prime minister to hear IP-related disputes at first instance.⁸¹¹ Every tribunal is divided into chambers.⁸¹² The chambers are referred to merely as the 'chambers of the tribunal'.⁸¹³ However, although this is not required by statute, in practice each chamber is designated to deal with particular types of disputes. As a result, the tribunals designated to consider IP disputes allocate the judges possessing IP knowledge and experience into one or more chambers. For instance, in the Paris tribunal the third chamber hears IP cases.⁸¹⁴

An important organisational role within the structure of a tribunal is fulfilled by the presidents. There are two main types of presidents at a tribunal: a 'president of a tribunal' and a 'president of a chamber'⁸¹⁵. The former ensures the effective operation of the tribunal and exercises a variety of administrative functions, such as allocation of disputes between the chambers, as well as the allocation of cases to a single judge.⁸¹⁶ Pursuant to the Code of Civil Procedure (CCP), a president of a tribunal is also competent to grant a preliminary injunctive relief.⁸¹⁷ On the other hand, a president of a chamber exercises administrative functions within the chamber, and also has the power to allocate disputes within the chamber to a single judge.⁸¹⁸ In addition to the above, the presidents play an important role during hearings, since a panel that considers the case is, as a matter of principle, presided by either a president of a tribunal or a president of a chamber.⁸¹⁹

Appeals against the judgements of the tribunals are heard by the relevant courts of appeal, which are organised geographically, i.e. each Court of Appeal hears all cases within its territorial jurisdiction.⁸²⁰ Accordingly, the courts of appeal with jurisdiction over the regions where the ten designated tribunals are located have exclusive jurisdiction over appeals against the decision of these tribunals. For example, the Paris Court of Appeal hears appeals against decisions of the Paris tribunal. The courts of appeal are divided into chambers.⁸²¹ Those courts of appeal that have jurisdiction to hear appeals in IP disputes also have informal specialist IP chambers.⁸²² For example, in the Paris Court of Appeal chambers 5-1 and 5-2 typically deal with IP disputes. The courts of appeal also have two types of presidents: a president of a Court of Appeal, also called a 'first president', and a president of a chamber at a Court of Appeal. A 'first president' exercises administrative functions and grants applications for a preliminary injunctive relief,⁸²³ while a president of a chamber manages the affairs of his or her respective chamber.⁸²⁴

⁸⁰⁹ Jacques Larrieu and Nicolas Morvilliers, 'La Création des Pôles Spécialisés en Matière de Propriété Intellectuelle et de Concurrence', *La Spécialisation Des Juges* (Presses de l'Université Toulouse 2012).

⁸¹⁰ The Council of State ('Conseil d'État') is one of the central institutions of the French constitutional system. It advises the government on the process of preparing new legislation and constitutes a court of the final instance in the administrative proceedings (for more information see Conseil d'État, 'Les Missions du Conseil d'État' (Conseil d'État) <<https://www.conseil-etat.fr/le-conseil-d-etat/missions>> accessed 23 September 2020).

⁸¹¹ Articles L716-3 (trade mark); L615-17 (patents); L622-7 (semi-conductor topographies); L521-3-1 (designs); L623-31 (plant varieties); L331-1 (copyright); L622-7 (protection of topographies of semi-conductors) IPC. This is done by introducing amendments within the regulatory part of the CJO, adopted by Decree n°78-329 du 16.03.1978. In France, statutory acts are divided into three types: the legislative part ('partie législative'), adopted by the General Assembly and the Senate; the regulatory part ('partie réglementaire'), adopted by a decree of the Council of State or by a decree of the prime minister. The provisions of the legislative part always start with a letter 'L' before the number of the provision, while the provisions of the regulatory part start with 'R', if issued by the Council of State or 'D' if issued by the prime minister.

⁸¹² Article R212-3 CJO.

⁸¹³ 'Chambres du tribunal'.

⁸¹⁴ Ministère de la justice, 'L'organisation du Tribunal de Paris', <<https://www.tribunal-de-paris.justice.fr/75/lorganisation-du-tribunal-de-paris>> accessed 23 September 2020.

⁸¹⁵ The function of the president of the chamber is fulfilled by either a 'first vicepresident' ('premier vice-président'), a vice-president, or by the judge of the chamber that has the higher rank (Article R212-3 CJO).

⁸¹⁶ Yves Strickler, *Procédure civile* (5th ed., Larcier 2014) 243.

⁸¹⁷ Articles 834ff and 845ff CCP. Further details on this will follow in Section 2.1.

⁸¹⁸ *ibid* Article 812.

⁸¹⁹ Article R212-3 CJO. This will be discussed in more detail in Section 2.1.

⁸²⁰ *ibid* Table IV.

⁸²¹ *ibid* Article R312-1.

⁸²² Ministère de la Justice, 'Compétences des chambres' (Cours appel, 3 July 2018) <<https://www.cours-appel.justice.fr/paris/competences-des-chambres>> accessed 23 September 2020.

⁸²³ Article R311-4 CJO.

⁸²⁴ For instance, the presidents of the chambers are involved in the distribution of cases within the chamber (article R312-11-1 CJO).

The Court of Cassation is the final instance court. It has six chambers in total: three civil, one commercial, one social and one criminal.⁸²⁵ While there are no specialised IP chambers within the structure of the Court, copyright disputes are dealt with by the first civil chamber of the Court, whereby, at the time of writing of this report, two of the judges in that chamber, i.e. Alain Girardet and Sophie Canas, specialise in copyright.⁸²⁶ Furthermore, patent, trade marks, designs, geographical indications and protection of semiconductor topography disputes are decided by the commercial chamber,⁸²⁷ in which at least one judge, Sophie Darbois, is specialised in patent and trade mark cases.⁸²⁸

1.2. Criteria for selection of judges

In France, the system of judicial appointments is based on the notion of the 'judicial career' – most of the judges are recruited just after their studies and devote their entire careers to the judicial office.⁸²⁹ The process of nomination is carried out through the so-called 'competitive examination', organised by the National School of Judiciary.⁸³⁰ There are four types of competitive examinations, each dedicated to a different candidates' group. The first examination group comprises university graduates who have completed a four-year university law degree, and involves a series of tests of legal knowledge, open-mindedness, general culture, analytical and communicative skills, and a 31-month long training.⁸³¹ The second examination group is dedicated to candidates with a non-law university degree who have been public officials for at least four years, and involves the same tests and the same amount of training as the first examination group.⁸³² The third examination group comprises candidates from the public or private sector in the fields of law, economics or human sciences. It involves similar, but less theoretical tests, and 31-month long training.⁸³³ The fourth examination group, the so-called 'complementary examination', is dedicated to candidates with a judicial, administrative, economic or social background possessing 'particular qualifications' for the judicial function, and involves only five months of training and a simplified version of the test.⁸³⁴ From the pool of the National School graduates, the Minister of Justice selects candidates and makes a proposal for their appointment.⁸³⁵ The High Council of the Judiciary⁸³⁶ puts forward a positive or negative recommendation on the proposal.⁸³⁷ On the basis of these, the president of the French Republic appoints judges. The nomination process is different in relation to the presidents of the tribunals, presidents of the courts of appeal and judges of the Court of Cassation, who are nominated by the president upon the High Council's proposal.⁸³⁸ Judges who deal with IP disputes do not have to meet any additional selection criteria. In particular, no prior IP-related experience or scientific background is required.⁸³⁹

Judges in France must undertake five days of continuing professional training per year in order to keep abreast of developments in the law.⁸⁴⁰ Specific elements of the training can be chosen by the individual judges, but must be related to their current functions.⁸⁴¹ Consequently, each year judges dealing with IP cases would often undertake at least some training directly related to IP. In this respect, judges may also take advantage of the training at the European level, for example, at the European Union Intellectual Property Office regarding trade marks and designs⁸⁴² or at the European Patent Office regarding patents.⁸⁴³ However, no particular form of training is imposed on the judges.

⁸²⁵ Cour de Cassation, 'About the Court' <https://www.courdecassation.fr/about_the_court_9256.html> accessed 23 September 2020.

⁸²⁶ Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° N8018BUI).

⁸²⁷ Cour de Cassation, 'Compétences des chambres' <https://www.courdecassation.fr/jurisprudence_2/competences_chambres_7467/> accessed 23 September 2020.

⁸²⁸ Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° N8018BUI).

⁸²⁹ 'L'école nationale de la magistrature', Cour de Cassation, 'Le recrutement et l'avancement des juges français' (Cour de Cassation, 10 May 2007) <https://www.courdecassation.fr/IMG/File/pdf_2007/10-05-2007/10-05-2007_mcKee_fr.pdf> accessed 23 September 2020.

⁸³⁰ *ibid* 2.

⁸³¹ *ibid*.

⁸³² *ibid*.

⁸³³ *ibid*.

⁸³⁴ Justicefr, 'ÉTUDIANTS' (École nationale de la magistrature) <<https://www.enm.justice.fr/?q=Devenir-magistrat-etudiants>> accessed 23 September 2020.

⁸³⁵ Conseil Supérieur Magistrature, 'Missions & Attributions' (Conseil Supérieur Magistrature) <<http://www.conseil-superieur-magistrature.fr/le-csm/nos-missions>> accessed 23 September 2020.

⁸³⁶ 'Conseil Supérieur Magistrature' Translation as per the Constitutional Council's website (Conseil Constitutionnel, 'Constitution of October 4, 1958' (Conseil Constitutionnel) <https://www.conseil-constitutionnel.fr/sites/default/files/as/root/bank_mm/anglais/constiution_anglais_oct2009.pdf> accessed 23 September 2020).

⁸³⁷ Article 65 of the French Constitution 1958.

⁸³⁸ SenatFR, 'Projet de loi organique relatif à la carrière des magistrats' (Senatfr) <<https://www.senat.fr/rap/100-075/100-0752.html>> accessed 23 September 2020.

⁸³⁹ Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° N8018BUI).

⁸⁴⁰ ENMJusticefr, 'Accès au droit: comment sont formés les magistrats' (École nationale de la magistrature) <<https://www.enm.justice.fr/actu-24052019-acces-au-droit-comment-sont-formes-les-magistrats>> accessed 23 September 2020.

⁸⁴¹ Article 51-1 of the Décret n°72-355 du 4 mai 1972 relatif à l'École nationale de la magistrature.

⁸⁴² Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° N8018BUI).

⁸⁴³ Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° N8018BUI).

1.3. Location of the IP Court and number of judges

At first instance, the tribunals within the civil branch are exclusively competent to hear IP cases. In particular, ten specifically designated tribunals are competent to hear cases related to copyright,⁸⁴⁴ designs and models,⁸⁴⁵ trade marks and geographical indications. These ten courts are located in Bordeaux, Lille, Lyon, Marseille, Nanterre, Nancy, Paris, Rennes, Strasbourg, and Fort-de-France.⁸⁴⁶ The list of the tribunals competent in relation to plant varieties is identical, with the exception of the tribunals in Fort-de-France and Nanterre, which are replaced by the tribunals in Limoges and Toulouse.⁸⁴⁷ The Paris tribunal has the exclusive jurisdiction to hear disputes related to patents, utility models, supplementary protection certificates, semiconductor topographies protection cases,⁸⁴⁸ EU trade marks and community designs.⁸⁴⁹ In the Paris tribunal⁸⁵⁰ in 2018, out of the 341 judges of the court, 12 judges were dealing with IP disputes.⁸⁵¹

The courts of appeal competent to deal with appeals in relation to copyrights, designs and models, trade marks, and geographical indications are located in Aix-en-Provence, Bordeaux, Douai, Lyon, Versailles, Nancy, Paris, Rennes, Colmar, and Fort-de-France.⁸⁵² Appeals in relation to plant varieties are heard in the same ten courts, but instead of the Fort-de-France Court of Appeal, the competent courts of appeal are located in Limoges and Toulouse. Disputes related to patents, utility models, supplementary protection certificates, semiconductor design protection, EU trade marks and community designs are heard at the Paris Court of Appeal. The Paris Court of Appeal has two chambers, both dealing with appeals concerning decisions issued in disputes involving copyrights, patents, and other industrial property rights, as well as appeals against preliminary injunctive reliefs granted in such disputes.⁸⁵³ Only a limited number of courts of appeal are competent to review decisions of the French IP Office, and these are located in Aix-en-Provence, Bordeaux, Douai, Lyon, Versailles, Nancy, Paris, Rennes, Colmar, and Fort-de-France.⁸⁵⁴

The Court of Cassation is located in Paris. The civil and commercial chambers of the court consider IP cases. According to the most recent sources, the approximate total number of judges in this Court is 225, including at least three judges who specialise in IP.⁸⁵⁵

Finally, there are eight Specialised Interregional Authorities dealing with complex offences involving IP rights infringement. These are located in Paris, Lyon, Marseille, Lille, Rennes, Bordeaux, Nancy and Fort-de-France.⁸⁵⁶

II. Rules of procedure

In proceedings concerning IP rights, the French courts apply the general rules of procedure set out in the Code of Civil Procedure 1974 (CCP),⁸⁵⁷ the Civil Code 1804 and the Code of Judicial Organisation 1978 (CJO).⁸⁵⁸ Furthermore, the Intellectual Property Code 1992 (IPC)⁸⁵⁹ also contains some IP-specific procedures, *inter alia*, for obtaining a title, securing evidence in infringement cases or stopping infringements in relation to patents,⁸⁶⁰ plant varieties,⁸⁶¹ semiconductor topographies,⁸⁶² designs,⁸⁶³ geographical indications,⁸⁶⁴ trade marks,⁸⁶⁵ and copyrights in databases.⁸⁶⁶

⁸⁴⁴ The French terminology is 'propriété littéraire et artistique'.

⁸⁴⁵ Note that in France 'designs' are referred to as 'dessins et modèles'. There is no substantive difference between 'dessin' and 'modèle'.

⁸⁴⁶ Article D211-6-1 and Table VI CJO.

⁸⁴⁷ *ibid* Article D211-5 and Table V

⁸⁴⁸ *ibid* Article D211-6.

⁸⁴⁹ *ibid* Article D211-7.

⁸⁵⁰ At that time the Paris tribunal was referred to as the 'Paris high court' (n 798).

⁸⁵¹ Tribunal de Grande Instance Paris, 'Chiffres clés' <<https://www.tribunal-de-paris.justice.fr/sites/default/files/2020-04/TGI-Depliant-statistiques%202020-VF.pdf>> accessed 23 September 2020; Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° N8018BUI).

⁸⁵² Table IV CJO.

⁸⁵³ The relevant chambers are 5-1 and 5-2 (Cours appel, 'PÔLE 5 - Vie économique' (Cours appel, 3 July 2018) <<https://www.cours-appel.justice.fr/paris/pole-5-vie-economique>> accessed 23 September 2020).

⁸⁵⁴ Article R-419-1 and Table XVI CJO.

⁸⁵⁵ 'Présentation' (Cour de Cassation) <https://www.courdecassation.fr/institution_1/presentation_2845/> accessed 23 September 2020.

⁸⁵⁶ Article D47-3 of the Code of Criminal Procedure 1957.

⁸⁵⁷ Adopted by Decree n° 75-1123 of 05.12.1975.

⁸⁵⁸ Adopted by Decree n°78-329 of 16.03.1978.

⁸⁵⁹ Adopted by Decree n° 92-597 of 1.07.1992.

⁸⁶⁰ Article L-615-3 IPC.

⁸⁶¹ *ibid* Article L623-27.

⁸⁶² *ibid* Article L622-7.

⁸⁶³ *ibid* Article L521-6.

⁸⁶⁴ *ibid* Article L722-3.

⁸⁶⁵ *ibid* Article L716-6.

⁸⁶⁶ *ibid* Article L343-2.

2.1. Composition of the court in IP cases

Generally, at the tribunals, which are exclusively competent in IP disputes at first instance, cases are heard in a panel,⁸⁶⁷ typically comprising a president of the panel⁸⁶⁸ and two judges.⁸⁶⁹ Exceptions to this general rule have been introduced by statutes and court practice for the sake of trial efficiency.⁸⁷⁰ If the object of a dispute or the nature of a legal problem are suitable to be heard by a single judge, the president of a tribunal or another judge delegated by the president for that purpose may delegate any such matter to a single judge.⁸⁷¹ Such decisions of the president are discretionary.⁸⁷² On the other hand, even if the case was allocated to a single judge, the parties have the right to request the transfer of the case back to the panel.⁸⁷³ Such a request may be filed with the president of the tribunal by only one party, i.e. no agreement of the parties is required. Once the president of the tribunal receives such a request, he or she must transfer the case to a panel.⁸⁷⁴ The transfer of the case back to the panel may also be done *ex officio* by the president of the tribunal or the judge delegated by the president for that purpose.⁸⁷⁵ In addition, even if the case is considered by the panel, a so-called 'pre-trial' judge⁸⁷⁶ is designated to deal with most procedural matters, including a preliminary injunctive relief and case management.⁸⁷⁷

Furthermore, as was already noted, the presidents of the tribunals have the power to decide on certain matters unilaterally, including on preliminary injunctive reliefs either *inter partes* or *ex parte*.⁸⁷⁸ The president of the court may delegate other judges to deal with such matters on his or her behalf.⁸⁷⁹ However, the presidents of the tribunals, or the judges thus designated, will only be competent in this respect if the main proceedings have not been commenced.⁸⁸⁰ If the main proceedings are pending, the application will be decided, depending on the type of the measure in question, by the single judge who considers the dispute, a pre-trial judge or by the president of a chamber to which it was allocated.⁸⁸¹

At the appeal level, cases are generally heard by a panel of three judges.⁸⁸² If a case is particularly complex it is heard by a panel of five⁸⁸³ or seven judges,⁸⁸⁴ and where it is re-heard after a ruling of the Court of Cassation, the case is heard by a panel of five judges.⁸⁸⁵ A president of a Court of Appeal has the power to grant preliminary injunctive reliefs during appellate proceedings both *inter partes* and *ex parte*.⁸⁸⁶

As a general rule, the number of judges hearing a case at the Court of Cassation is three.⁸⁸⁷ However, there is a possibility to have the case heard by a five-judge panel in suitable circumstances, typically if the case raises a difficult legal issue.⁸⁸⁸ Exceptionally, significant cases that could lead to a substantial change of precedent may be considered by a panel of 19 judges.⁸⁸⁹

⁸⁶⁷ Article L212-1 CJO.

⁸⁶⁸ The role of the president of the panel is usually fulfilled by the president of the court or by the president of a chamber to which the case was allocated (for more information on the presidents, see Section 1.1).

⁸⁶⁹ *ibid* Article L212-3 in conjunction with R212-7 CJO.

⁸⁷⁰ Strickler (n 816) 63-64.

⁸⁷¹ Article 812ff CPC; Article L212-1ff and R212-9 CJO. Once the case is allocated to a single judge, the president of the tribunal or the president of the chamber decide on the distribution of the case to a particular judge (Article 212-2 CJO).

⁸⁷² Article R212-9 CJO.

⁸⁷³ *ibid* Article L212-2.

⁸⁷⁴ *ibid* Article L212-2.

⁸⁷⁵ *ibid* Articles R212-8 and R212-9.

⁸⁷⁶ 'juge de mise en état'.

⁸⁷⁷ Article 789 CCP.

⁸⁷⁸ *ibid* Articles 834ff and 845ff; this will be expanded upon in Section 2.4.4.

⁸⁷⁹ Article L121-3 CJO, and other specific provisions, for example Article R212-9 CJO in relation to the transfer of cases to a single judge or back to the panel.

⁸⁸⁰ Articles 789, 834 and 845 CCP; for more information see Section 2.4.

⁸⁸¹ *ibid*; for further information see Section 2.4.

⁸⁸² Article L312-2ff CJO.

⁸⁸³ *ibid* Article R312-9.

⁸⁸⁴ *ibid* Article R312-11-1.

⁸⁸⁵ *ibid* Article R312-9.

⁸⁸⁶ *ibid* Article R311-4.

⁸⁸⁷ *ibid* Article L431-1.

⁸⁸⁸ Cour de Cassation, 'L'organisation de la Cour de Cassation' (Cour de Cassation)

<https://www.courdecassation.fr/institution_1/presentation_2845/organisation_cour_cassation_30990.html> accessed 23 September 2020.

⁸⁸⁹ *ibid*.

2.2. Jurisdiction in IP cases

As was mentioned above, IP disputes are within the competence of the civil branch of the French judiciary. An exception to this are unfair competition, which may also be decided by the commercial courts,⁸⁹⁰ unless such disputes are connected to an IP right *sensu stricto* (for example a patent, trade mark etc.). In the latter case, where there is the 'IP connection', one of the tribunals that has the exclusive competence to hear cases related to these IP rights will have the authority to hear the dispute.⁸⁹¹ Insofar as a trade secret dispute may also be qualified as an unfair competition dispute, it may also be considered by the designated tribunals. If a trade secret dispute does not simultaneously constitute an unfair competition dispute, it will be considered by the civil or commercial courts in accordance with the rules explained above.⁸⁹²

There are ten tribunals that have the exclusive jurisdiction over IP disputes.⁸⁹³ Among these courts, the Paris tribunal is exclusively competent to hear disputes related to patents, utility models, supplementary protection certificates or semiconductor design protection,⁸⁹⁴ as well as EU trade marks and Community designs.⁸⁹⁵ Other IP rights, including copyrights, designs, trade marks, geographical indications and plant varieties are allocated among the ten tribunals mentioned above, including the Paris tribunal.⁸⁹⁶ The allocation of disputes among the designated tribunals is carried out in accordance with the rules of territorial jurisdiction.⁸⁹⁷

In France, there is no separate procedure for the recognition of trade marks as 'well-known'. Thus, this is carried out on a case-by-case basis.⁸⁹⁸ Consequently, the ten tribunals dealing with trade mark cases will be exclusively competent to decide on the recognition of trade marks as well-known, together with the French IP Office and the ten courts of appeal.

Appeals against the decisions of the French IP Office concerning grants, refusals to grant and maintenance of legal titles of registered IP rights are heard by the specially designated courts of appeal.⁸⁹⁹ Moreover, the competence of these designated courts of appeal extends to other types of matters, including decisions on the damages caused by wrongful decisions of the IP Office,⁹⁰⁰ or decisions made in the course of proceedings before the IP Office, for example concerning the refusal to admit a French translation of patent documents.⁹⁰¹ The courts of appeal are also exclusively competent to decide on the official recognition of geographical indications.⁹⁰² The jurisdiction of a specific Court of Appeal over such dispute will depend on the domicile of the person filing the application.⁹⁰³

The exact scope of the exclusive jurisdiction of the designated tribunals in relation to each type of IP right is defined by the relevant substantive law provisions.⁹⁰⁴ These provisions are drafted in the same fashion and state that the exclusive jurisdiction of a respective tribunal comprises all civil litigation relating to the IP right in question, including matters that simultaneously include an unfair competition element.⁹⁰⁵ Bearing this in mind, when establishing jurisdiction over an IP-related dispute one must take into account the meaning of the term 'relating to an IP right', and whether the dispute simultaneously covers unfair competition element – the link between IP rights *sensu stricto* and unfair competition disputes.

⁸⁹⁰ As well as the specialised commercial divisions of the tribunals, or by the civil courts competent under the rules of material and territorial jurisdiction established in the Code of Commerce. In general, the jurisdiction of the commercial courts (or commercial divisions of tribunals) covers disputes relating to dealings between 'merchants' ('commerçants'; according to Art L121-1 of the Code of Commerce 2000, a 'merchant' is a person or entity carrying out acts of commerce and who make this her or his usual profession), disputes relating to companies and disputes relating to acts of commerce ('actes de commerce'; Art L721-3 of the Code of Commerce 2000). In cases where neither of the foregoing conditions is fulfilled, the case will be considered by the civil courts, either under the general rules of jurisdiction or special rules for IP disputes. In relation to disputes between an employer and an employee, the employment tribunals ('conseils de prud'hommes') are competent if the obligations relating to unfair competition or trade secrets arise under an employment contract (Art L1411-1 of the Labour Code 1973 ('Code du travail')).

⁸⁹¹ Articles L716-3 (trade mark); L615-17 (patents); L521-3-1 (designs); L623-31 (plant varieties); L331-1 (copyright); L622-7 (protection of topographies of semi-conductors); L331-1 (copyrights) IPC.

⁸⁹² See (n 890).

⁸⁹³ Décret n° 2009-1205 du 9 octobre 2009 fixant le siège et le ressort des juridictions en matière de propriété intellectuelle.

⁸⁹⁴ Article D211-6 CJO.

⁸⁹⁵ *ibid* Article D211-7.

⁸⁹⁶ *ibid* D211-6-1 and Table VI; note, that in relation to plant varieties the list of the competent courts varies slightly (see Section I.3.).

⁸⁹⁷ Articles 42-46 CCP; the circuits assigned to each tribunal are indicated in annexes V and VI to the CJO.

⁸⁹⁸ Cass com 20 March 2012, no 11-10.514.

⁸⁹⁹ Article R411-19 IPC and Annex XVI CJO.

⁹⁰⁰ Cass com 13 May 1997, no 95-13.841.

⁹⁰¹ Cass com 29 November 2011, no 10-25.277.

⁹⁰² Article R411-19 IPC; Article D311-8 CJO.

⁹⁰³ *ibid*.

⁹⁰⁴ Articles L716-3 (trade mark); L615-17 (patents); L521-3-1 (designs); L623-31 (plant varieties); L331-1 (copyright); L622-7 (protection of topographies of semi-conductors); L331-1 (copyrights) IPC.

⁹⁰⁵ *ibid*; 'Les actions civiles et les demandes relatives à [...], y compris lorsqu'elles portent également sur une question connexe de concurrence déloyale'.

Despite a similar wording in the substantive law provisions, there is no single harmonised interpretation of the term 'relating to an IP right'. In the most general terms, the court will treat as disputes relating to IP rights any disputes that require the court to apply substantial provisions of the IP law.⁹⁰⁶ Thus, the typical examples of IP disputes would be infringements and invalidity of IP rights falling within the exclusive jurisdiction of one of the designated tribunals.⁹⁰⁷ Based on these principles, a dispute concerning a contract over an IP right will constitute an IP dispute and not a contract law dispute, if the court must apply a substantive IP law provision. This will be the case, for example, where a determination of the contractual obligations requires the assessment of the validity of an IP right.⁹⁰⁸ In this respect, the Court of Cassation emphasised that the identity of the parties to the dispute is irrelevant, and the fact that a patent proprietor is not a party to a dispute does not exclude the dispute from being 'related to an IP right' and thus within the competence of the designated tribunals.⁹⁰⁹ On the other hand, where a dispute rests on general law of contract, it will not constitute an IP dispute, even if some kind of IP-relation exists, for example, if the case relates to a licensing agreement.⁹¹⁰ The IP-relation will also not be sufficient to justify the jurisdiction of the specialised court where the dispute concerns a contractual obligation of a party to transfer access codes to a copyright-protected database⁹¹¹ or a contractual liability of a party under a publishing contract.⁹¹²

When it comes to a link between IP and unfair competition disputes,⁹¹³ the French law divides the subject matter into three types of disputes: (i) IP *sensu stricto*, i.e. cases concerning only patents, trade marks, copyright and other 'traditional' IP rights; (ii) mixed cases that involve both IP and unfair competition elements; and (iii) unfair competition disputes *sensu stricto*. The first two groups are dealt with by the designated tribunals under the special provisions of the Code of Intellectual Property mentioned above.⁹¹⁴ Unfair competition disputes *sensu stricto* fall outside of the exclusive jurisdiction of the designated tribunals, and instead are considered by the commercial or civil courts competent under the rules of material and territorial jurisdiction established in the Code of Commerce.⁹¹⁵ Consequently, if a case concerns an unfair competition practice such as denigration,⁹¹⁶ which at the same time involves the use of signs similar to the registered trade marks, the dispute will constitute a trade mark dispute, subject to the jurisdiction of the specialised tribunals.⁹¹⁷ If, on the other hand, the denigrating practice has no relation to a trade mark, the dispute will be heard by the commercial or civil courts.

The same rules apply to the relation between *sensu stricto* IP disputes and trade secrets, provided that the violation of a trade secret may also be qualified as an act of unfair competition. If, on the other hand, a trade secret dispute does not involve any element linked to other IP rights, such as for example patent, it will fall outside of the exclusive jurisdiction of the designated tribunals, and will be considered, but by the commercial or civil courts.⁹¹⁸

The jurisdiction of the ten designated tribunals is not dependent on the status of the claimant. Therefore, an IP owner as a natural person may protect his or her right before the specialised IP judiciary. In contrast, the legal status of the claimant is relevant to the assessment whether commercial courts are competent, as one of the grounds justifying the jurisdiction of the courts is that the parties are 'merchants'.⁹¹⁹ The latter will only be of importance in relation to types of disputes that are potentially subject to the jurisdiction of the commercial court, i.e., unfair competition disputes. The law does not make the jurisdiction of the designated tribunals dependent on whether the claimant is the author of the copyright, i.e., the creator of a work, or other type of copyright owner. Article L332-1 IPC, establishing the legal standing in the case of copyright infringement, refers not only to the author but also to parties 'having a right'⁹²⁰ or 'having a cause',⁹²¹ which includes, for instance, successors in title.

⁹⁰⁶ Cass civ (1) 28 June 2018, no 17-28.924.

⁹⁰⁷ Articles L615-17 in conjunction with L615-1 and L615-8-1 IPC.

⁹⁰⁸ Pierre Sirinelli et al., Code de la propriété intellectuelle 2014 (14e édition, Dalloz 2014) 607.

⁹⁰⁹ Cass com 16 February 2016, no 14-24.295.

⁹¹⁰ *ibid.*

⁹¹¹ CA Nancy, 28 March 2018, no 17/02869.

⁹¹² CA Lyon, 6 June 2019, no 19/01253.

⁹¹³ One should note that in France unfair competition is not regulated separately and constitutes a special form of a civil responsibility governed by Article 1240 of the Civil Code Materials of the Court of Cassation, available on the Cour de cassation, 'Concurrence déloyale' (Cour de Cassation, 10 September 2013) <https://www.courdecassation.fr/publications_26/rapport_annuel_36/rapport_2013_6615/livre_4_jurisprudence_cour_6619/arrets_rendus_chambres_6675/activites_economiques_commerciales_financieres_6679/concurrence_deloyale_29243.html> accessed 23 September 2020.

⁹¹⁴ Cass com 16 February 2016, no 14-24.295; Articles L716-3 (trade mark); L615-17 (patents); L521-3-1 (designs); L623-31 (plant varieties); L331-1 (copyright); L622-7 (protection of topographies of semi-conductors) IPC.

⁹¹⁵ Articles L721-3 of the Commercial Code 2000; see (n 890).

⁹¹⁶ The French terminology is 'dénigrement', i.e. public act of unfair criticism towards a competitor (Cass civ (1) 27 November 2013, 12-24.651).

⁹¹⁷ Cass com 20 February 2007, no 04-20646.

⁹¹⁸ Article L721-3ff in conjunction with Article L151-1 of the Commercial Code 2000.

⁹¹⁹ *ibid.*

⁹²⁰ French terminology is 'ayants droit'.

⁹²¹ French terminology is 'ayants cause'.

The designated tribunals do not have exclusive jurisdiction over IP-related administrative and criminal matters.⁹²² Also, cybercrime and information security matters fall outside of their jurisdiction and are heard by the criminal courts.⁹²³ As to the administrative disputes, in France they generally fall within the jurisdiction of the administrative tribunals.⁹²⁴ Disputes over whether a specific subject matter falls within the jurisdiction of the civil or administrative courts are decided by the Conflicts tribunal.⁹²⁵ As the tribunal noted, it is for the administrative judiciary to assess the legality of the activities of public administration,⁹²⁶ and thus in such IP-related cases the exclusive jurisdiction of the designated tribunals is limited. It can also be limited by law.⁹²⁷ According to the general rule, where the civil court faces a question that is within the jurisdiction of the administrative court, i.e., a question concerning the legality of activities performed by the public administration, it must request the competent administrative court to decide on the legality of these activities in the form of a prejudicial question.⁹²⁸ The civil court will be able to decide on a prejudicial question on its own, if a line of jurisprudence expressly and manifestly allows the question to be decided by the civil court and not by the administrative court.⁹²⁹ Conversely, if the administrative court finds that its ruling depends on a matter that can only be resolved by the civil court, for example an IP matter, it may ask the civil court to rule on this matter as a prejudicial question.⁹³⁰ In such circumstances, the tribunal that has exclusive jurisdiction over that specific IP right will decide the prejudicial question referred. Furthermore, the law establishes certain special provisions in relation to patents and plant varieties, i.e. remedies against administrative acts of the minister competent in relation to these types of IP which arise from his or her administrative authority in relation to patents and plant varieties, are expressly excluded from the jurisdiction of the tribunals and fall within the jurisdiction of the administrative courts.⁹³¹

The review of decisions of the customs administration⁹³² in relation to the customs disputes involving an IP element typically fall within the jurisdiction of the civil branch, specifically tribunals. However, in certain circumstances these cases may also be dealt with by the administrative courts⁹³³ or the criminal courts.⁹³⁴ In particular, if the case concerns payments, securities, or reimbursement of debts of any nature enforced by the customs administration or any other customs matter which is not under the jurisdiction of criminal courts, the civil tribunals would be competent.⁹³⁵ Alternatively, if the matter involves an assessment of the legality of an administrative act, it will be dealt with by the administrative courts.⁹³⁶ Furthermore, a specific jurisdictional arrangement was introduced in relation to imports and exports of IP-infringing goods. These activities are prohibited under the general provisions of the Customs Code,⁹³⁷ and the specific provisions of the IPC.⁹³⁸ The prohibited activities may result in the seizure of the imported or exported infringing goods and fines,⁹³⁹ which are enforced by the customs authorities.⁹⁴⁰ The customs authorities will seize the infringing goods only upon a written application of the IP rightholder or the exclusive licensee.⁹⁴¹

⁹²² It must be noted that in France a certain degree of specialisation was introduced in relation to criminal cases concerning IP rights infringement, such as misrepresentation as to the ownership of an IP right or a knowing infringement of an IP right (Article L615-12 and L615-14 IPC in relation to patents. Identical provisions exist in relation to other IP rights). If a case concerning prosecution of an offence punishable under the Intellectual Property Code is of considerable complexity, especially due to the number of the parties accused, the accessories or the geographical extent of the punishable activity, the case may be transferred to the so-called Specialised Interregional Authorities ('jurisdictions interrégionales spécialisées' as per Art 704 of the Code of Criminal Procedure 1957, adopted by Law n° 57-1426 of 31.12.1957). Decisions as to whether to transfer a case are made by the judge of a tribunal upon an application of a prosecutor (art 706-77 of the Code of Criminal Procedure 1957). These authorities are not a separate group of institutions. Instead, they constitute a jurisdictional arrangement allowing tribunals to exercise jurisdiction over many districts in order to ensure greater specialisation (Art 704 of the Code of Criminal Procedure 1957).

⁹²³ Article 323-1ff of the Criminal Code 1992.

⁹²⁴ The French terminology is 'tribunaux administratifs'; Article L311-1 Code of the Administrative Justice 2000, ('Code de justice administrative').

⁹²⁵ The French terminology is 'tribunal des conflits'; The Conflicts Tribunal is an institution composed of an equal number of members of the Council of State and the Court of Cassation. Its task is to decide on competence conflicts between the civil and administrative judiciary (Tribunal conflits, 'Le Tribunal des conflits' (Tribunal Conflits) <<http://www.tribunal-conflits.fr/>> accessed 23 September 2020).

⁹²⁶ Such activities are referred to as 'administrative acts' (the French terminology is 'actes administratifs').

⁹²⁷ Tribunal des Conflits 9 May 2016, C4048.

⁹²⁸ Tribunal des Conflits 17 October 2011, C3828-3829, SCEA du Cheneau c. INAPORC.

⁹²⁹ *ibid.*

⁹³⁰ Article 771-2 of the Code of Administrative Justice 2000.

⁹³¹ Article L615-17 IPC; as an example of the minister's authority one might give the decision to authorise the publication of a patent application under Article L612-9 IPC.

⁹³² The French terminology is 'l'administration des douanes'.

⁹³³ Article 357bis of the Customs Code 1948; Tribunal des Conflits 6 July 2015 no 15-04.012.

⁹³⁴ Article 356-357 of the Customs Code 1948.

⁹³⁵ Article L 357bis of the Customs Code 1948.

⁹³⁶ Tribunal des Conflits 6 July 2015, no 15-04.012.

⁹³⁷ Articles 414 and 428 of the Customs Code 1948, (The French terminology is 'Code des douanes').

⁹³⁸ Articles L722-9 (geographical indications), L716-8 (trade marks), L623-36 (plant varieties) L614-32 (patents), L521-14 (designs), L335-10 (copyright) IPC.

⁹³⁹ The French terminology is 'la retenue'.

⁹⁴⁰ Article 419 of the Customs Code 1948.

⁹⁴¹ Articles L722-9 (geographical indications), L716-8 (trade marks), L623-36 (plant varieties) L614-32 (patents), L521-14 (designs), L335-10 (copyright) IPC.

The customs authorities must then inform the prosecutor, the rightholder (or the licensee) and the owner of the seized goods. Within ten days, counting from the date of the seizure of the goods, the rightholder (or the licensee) must either bring an order issued by the president of the tribunal ordering the seizure of the goods, or start civil or criminal proceedings and present proof that he or she has lodged security to secure the interest of the owner of the seized goods.⁹⁴² The civil claims and applications for a civil preliminary injunctive relief are filed with the designated tribunals.

The jurisdiction over decisions of the tax authorities is split between the administrative courts and the civil branch, or tribunals,⁹⁴³ depending on the type of dispute.⁹⁴⁴ The law does not establish any special jurisdiction of the tribunals over tax matters involving IP rights. In France, the law places the so-called 'fiscal IP law'⁹⁴⁵ within the administrative law rather than private law regime.⁹⁴⁶ As a result, the fiscal IP law remains under the sole jurisdiction of the administrative courts and tribunals, rather than under the exclusive jurisdiction of the designated tribunals. The competent courts may develop separate definitions of IP terms for the purposes of tax law; for instance, a trade mark was defined as 'a sign by means of which a producer characterises his or her products and a trader characterises the objects of his or her trade'.⁹⁴⁷ The registration of such a sign as a trade mark with an IP Office is not required.⁹⁴⁸ The administrative courts and all tribunals are also competent to decide on the question of tax liability resulting from IP rights licensing, independently from the designated tribunals that have exclusive jurisdiction over IP disputes.⁹⁴⁹

2.3. Evidence in IP cases

Under the French law on evidence, each party must prove the facts necessary for the success of his or her claim.⁹⁵⁰ This rule does not apply to cases where a party relies on legal or factual presumptions, some of which are further explained below. In addition, if a party refuses to express its position on a question of fact without a legitimate reason, the court may draw conclusions from such a silence.⁹⁵¹ Evidence may be brought, as a general rule, in any form whatsoever ('principle of liberty of proof').⁹⁵² Also this rule is not absolute and does not apply where a special form of evidence is required, for instance, to prove the conclusion of a legal transaction, which is further explained below. Courts will refuse to admit evidence obtained fraudulently⁹⁵³ and evidence that is not relevant.⁹⁵⁴

2.3.1. Evidence in electronic form

Evidence, including electronic evidence, may be provided by any means whatsoever, unless the law states otherwise.⁹⁵⁵ This is based on the so-called 'principle of liberty of proof',⁹⁵⁶ which in this instance means that the court, in general, may admit any type of electronic evidence provided that it is relevant.⁹⁵⁷ If electronic evidence is taken in the pre-trial phase, the proponent must also have a legitimate interest.⁹⁵⁸ As a result of the principle of liberty of proof, there are no specific rules of authentication of electronic evidence. Therefore, emails exchanged between the parties,⁹⁵⁹ as well as a screenshot of a website,⁹⁶⁰ will constitute sufficient evidence of the contents of the conversation and will be admitted without any further conditions.

⁹⁴² *ibid.*

⁹⁴³ Note that reference here is to all tribunals in France and not only to the specially designated tribunals for IP matters.

⁹⁴⁴ Articles L199 and L281ff of the Book of Fiscal Procedure 1938, (The French terminology is 'Livre de Procédure Fiscale').

⁹⁴⁵ Jacques Azéma and Jean-Christophe Galloux, *Droit de la propriété industrielle* - 8e éd. (8e édition, Dalloz 2017) 1.2, §1.

⁹⁴⁶ Conseil d'État (10-9) 22 February 2017, no 392959.

⁹⁴⁷ Azéma and Galloux (n 945). Compare Article L711-1 IPC, which defines a trade mark as 'a sign that serves to distinguish products or services of a physical or legal person from those of another physical or legal person'.

⁹⁴⁸ Conseil d'État (10-9) 22 February 2017, no 392959.

⁹⁴⁹ Conseil d'État (8-3) 23 December 2011, no 341217.

⁹⁵⁰ Article 9 CCP.

⁹⁵¹ *ibid* Article 11; see, for example, Cass civ (1) 30.05.2005. 02-20.429

⁹⁵² Conseil des ministres, 'Rapport au Président de la République Portant Réforme du Droit des Contrats, du Régime Général et de la Preuve des Obligations' (2016) 2016-131.

⁹⁵³ Cass civ (2) 7 October 2004, n° 03-12.653.

⁹⁵⁴ The French terminology is 'pertinent'; art 143ff. and 202ff CCP; evidence will be relevant where the facts asserted by a party would, if proved, justify its demands (Isabelle Després and Laurent Dargent, *Code de procédure civile 2013 - 104e éd.*, Codes Dalloz Universitaires et Professionnels (104e édition, Dalloz 2012) 228.

⁹⁵⁵ Article 1358 of the Civil Code 1804.

⁹⁵⁶ Conseil des ministres, 'Rapport Au Président de La République Portant Réforme Du Droit Des Contrats, Du Régime Général et de La Preuve Des Obligations' (2016) 2016-131.

⁹⁵⁷ Després and Dargent (n 954).

⁹⁵⁸ The French terminology is 'motif légitime'; Article 145 CCP. The assessment of 'legitimate interest' is under the discretion of the court, which must determine whether the collection of evidence in the pre-trial phase, rather than during the trial, would be 'useful' (Anne-Marie Batut, 'Étude de Mme Anne-Marie Batut, conseiller référendaire à la Cour de cassation' (Cour de Cassation, 1999) <https://www.courdecassation.fr/publications_26/rapport_annuel_36/rapport_1999_91/etudes_documents_93/anne_marie_5790.html> accessed 23 September 2020).

⁹⁵⁹ Cass soc 25 September 2013, n° 11-25884; Cass civ (2) 13 February 2014, no 12-16.839.

⁹⁶⁰ Cass com 15 September 2015, no 14-19.497, concerning a trade mark dispute where infringement was not ultimately established due to the fact that the claimant presented a variety of other evidence which did not amount to a coherent description of the alleged infringement.

The liberty of proof principle applies to electronic evidence⁹⁶¹ and not to electronic documents, such as electronic 'writings' and electronic 'private deeds' which need to be authenticated in the manner described below. A writing 'is a sequence of letters, characters, figures or of any other signs or symbols having an intelligible meaning, regardless of the means on which they are carried'.⁹⁶² It is used to prove the conclusion of a legal transaction such as a contract, or that a declaration has been made.⁹⁶³ In general, because of the breadth of the definition, writings in an electronic form ('electronic writing') will generally be treated as equivalent to paper writings. However, an electronic document⁹⁶⁴ will hold the same probative value as a paper writing, only 'provided that the person who created the document can be duly identified and that [the document] can be established and stored in conditions suitable for securing its integrity'.⁹⁶⁵ Therefore, traditional and electronic writings will be considered as equivalent only if the identification and the integrity requirements are met. The requirements do not relate to the form of evidence as such: the Court of Cassation held that text messages,⁹⁶⁶ screenshots⁹⁶⁷ and emails⁹⁶⁸ may potentially be used as evidence of a legal transaction or declaration. In assessing the identification requirement, the court will look, for example, at how an email is signed; mere initials may not suffice.⁹⁶⁹ In assessing the integrity requirement, the court will determine whether all the essential elements of a legal transaction or a declaration can be identified within the presented electronic evidence.⁹⁷⁰ Importantly, the assessment of these requirements takes place only if one of the parties denies writing something that is attributed to him or her or declares that he or she does not recognise what is attributed to the author of the writing.⁹⁷¹ This procedure, referred to as a 'verification of writings',⁹⁷² is carried out by the first instance judge, who has to assess whether the identification and integrity requirements are fulfilled. The burden of proof rests upon the party which seeks to rely on a particular piece of evidence.⁹⁷³ If the judge is not satisfied that the two requirements are met, then the assertions of the party that presented the evidence are rejected.⁹⁷⁴

Another type of electronic document requiring authentication are private deeds.⁹⁷⁵ They are required to prove, for example, the conclusion of a contract of sale.⁹⁷⁶ To evaluate the authenticity of an electronic private deed, one must assess whether it was made in a way that ensures reliable identification of both the document and the legal transaction to which it refers.⁹⁷⁷ The authenticity is presumed if the document is signed with a qualified electronic signature.⁹⁷⁸

Finally, a party that wants to have electronic evidence admitted may seek the services of bailiffs,⁹⁷⁹ i.e. court officials in charge of serving the pleadings and other court documents, enforcement, and management of hearings. For example, if a party wants to secure evidence from the internet, it may request that a bailiff makes a screenshot of the indicated website. The advantage of securing evidence with the assistance of a bailiff is that there is a rebuttable presumption of reliability of such evidence.⁹⁸⁰

⁹⁶¹ Cass civ (1) 30 September 2010 n° 09-68.555; Cass soc 25 September 2013 n° 11-25884; Cass com 3 May 2012 n° 11-10.508.

⁹⁶² Cour de Cassation, 'Chapitre 2 – Admissibilité des modes de preuve' (Cour de Cassation, 2012) <https://www.courdecassation.fr/2012admissibilite_modes_26241.html> accessed 23 September 2020.

⁹⁶³ For example, if a rupture of business relationship is not preceded by a declaration in the form of a writing, it will constitute a tort under Article L442-6-1 of the Commercial Code 2000 (Cass com 8 December 2015, no 14-18.228).

⁹⁶⁴ The French terminology is 'l'écrit électronique'.

⁹⁶⁵ Article 1366 of the Civil Code 1804.

⁹⁶⁶ Cass civ (1) 11 July 2018, n° 17-10.458.

⁹⁶⁷ Cass com, 8 December 2015, n° 14-18.228; Élise Ternynck. Le juge du contrat de travail et la preuve électronique : essai sur l'incidence des technologies de l'information et de la communication sur le contentieux prud'homal. Université du Droit et de la Santé - Lille II, 2014. 370.

⁹⁶⁸ Cass civ (1) 30 September 2010, n° 09-68.555.

⁹⁶⁹ TGI Paris (4-1) 15 April 2008, n° 07/15347.

⁹⁷⁰ TGI Nanterre (6) 6 January 2006, n° 04/08989.

⁹⁷¹ Article 287 CCP.

⁹⁷² The French terminology is 'vérification d'écriture'.

⁹⁷³ Cass com 8 décembre 2015, n° 14-18.228.

⁹⁷⁴ Després and Dargant (n 954), 287.

⁹⁷⁵ The French terminology is 'acte sous seing privé'.

⁹⁷⁶ Article 1582 of the Civil Code 1804.

⁹⁷⁷ *ibid* Article 1367.

⁹⁷⁸ *ibid* Article 1367 par 2; Decree n° 2017-1416 of 28 September 2017 relating to the electronic signature, Art 1; a 'qualified electronic signature' is a signature created in accordance with the Regulation of the Parliament and the Council of 23 July 2013 no. 910/2014.

⁹⁷⁹ The French terminology is 'huissiers de justice'; Decree n°56-222 of 29 February 1956 concerning the application of the Act of 2 November 1945 in relation to the status of the bailiffs.

⁹⁸⁰ Ordonnance n° 45-2592 du 2 novembre 1945 relative au statut des huissiers, Art 1.

2.3.2. Experts

In France, there are two types of experts: (i) court experts; and (ii) non-court experts, who in turn, can be further divided into unilateral and joint experts.⁹⁸¹ Unilateral experts are hired by one party, while joint experts are hired by both parties when they agree to do so and sign a contract.⁹⁸² Court experts are considered as experts *sensu stricto*, as the special provisions of the CPC on expert evidence apply only to them. They act as court officials and remain independent from the parties and are required to perform their task conscientiously, objectively and impartially.⁹⁸³ Court experts are called to deliver their opinion on the question of fact, which requires specialist knowledge.⁹⁸⁴ Establishing the scope of the court experts' task is within the sole discretion of the court.⁹⁸⁵ The court may order expert testimony to be delivered in the following manner: (i) findings (the French terminology is '*constatation*'), in which an expert reports to the court on a question put forward by the court,⁹⁸⁶ (ii) consultation, usually delivered orally⁹⁸⁷ and requested in simple technical matters,⁹⁸⁸ and (iii) expertise (the French terminology is '*expertise*'), usually prepared in writing,⁹⁸⁹ in which an expert gives his or her opinion on a question of fact relevant to the case at hand.⁹⁹⁰ The CPC establishes a detailed procedure on how to carry out the duty of an expert; during this procedure the parties are permitted to provide their comments.⁹⁹¹ The court is not bound by the assertions or conclusions reached by the court expert.⁹⁹² The conclusions reached by an expert in relation to a particular technical matter are treated as facts, and it is for the court to derive legal conclusions from them.⁹⁹³

Court experts may only address questions of facts which they have been commissioned to assess, and may not determine a question of law.⁹⁹⁴ The court is not allowed to delegate its power to a court expert, for example by ordering an expert to assess 'the responsibility of a party'⁹⁹⁵ or to construe any particular terms within patent claims, as well as to elaborate on the teaching of the claims.⁹⁹⁶ The distinction between assessing facts and determining the law may involve careful consideration on the part of the court. For example, an opinion of a court expert that indicates the use of a surgical adhesive tape before the priority date of a patent for an invention that disclosed such a tape may serve the court as the basis for the invalidation of said patent, and would be permitted as a question of fact.⁹⁹⁷ On the other hand, an expert analysis of the documents seized in the preliminary stage of the proceedings with the purpose of indicating which documents 'could be used as evidence of the infringement of a patent, unfair competition practice or violation of a trade secret' would constitute delegation of the judicial responsibilities to the expert and would thus be prohibited, as only the court may assess the relevance of evidence.⁹⁹⁸ The distinction between the two situations is that in the former case the court only bases its decision on the research provided by the court expert, whereas in the latter, the entire task of assessing the relevance of documents is carried out by the court expert. An expert report that fails to comply with this requirement may be subject to nullification, but the courts are given large discretion in this regard.⁹⁹⁹ When confronted with a report potentially containing determinations of points of law, the court should attempt to carefully identify the factual and legal elements, and reject the report only if the presence of the latter is indisputable.¹⁰⁰⁰

⁹⁸¹ Cour de cassation, 'Bulletin d'information n° 632 du 15/01/2006' (Cour de Cassation, 15 January 2006) accessed 23 September 2020. <https://www.courdecassation.fr/publications_26/bulletin_information_cour_cassation_27/bulletins_information_2006_28/n_632_2006>

⁹⁸² *ibid.*

⁹⁸³ Article 237 CCP.

⁹⁸⁴ *ibid* Article 232.

⁹⁸⁵ Cass civ (1) 26 November 1980, n° 79-13.870.

⁹⁸⁶ The French terminology is '*constatation*'; Article 249 CCP; Déirdre Dwyer, *The Judicial Assessment of Expert Evidence* (1st ed., Cambridge University Press 2008) 198.

⁹⁸⁷ *ibid* Article 258.

⁹⁸⁸ *ibid* Article 256.

⁹⁸⁹ *ibid* Article 282.

⁹⁹⁰ *ibid* Article 263; Dalloz Avocats, 'Fiches d'orientation Expertise (Procédure civile)' (Dalloz Avocats, Septembre 2018) <<https://www.dalloz-avocats.fr/documentation/Document?id=DZ%2FOASIS%2F000453>> accessed 23 September 2020.

⁹⁹¹ *ibid* Article 263ff.

⁹⁹² *ibid* Article 246.

⁹⁹³ Cass com 4 July 1978, n° 77-11.104.

⁹⁹⁴ Article 238 CCP.

⁹⁹⁵ CA Paris 13 March 2002, no 2001/19068 Després and Dargant (n 954) 269.

⁹⁹⁶ TGI Paris (3-1) 14 January 2009, no 05/07419.

⁹⁹⁷ Cass com 9 February 1982, n° 80-15.011.

⁹⁹⁸ Cass com 17 January 2018, n° 15-29.114

⁹⁹⁹ Nicolas Contis and Julie Gayard, 'Invoquer la nullité d'un rapport d'expertise judiciaire' [February 2016] 5 *La semaine juridique* <https://www.lexisnexis.fr/pdf/2016/En_questions.pdf> accessed 23 September 2020.

¹⁰⁰⁰ *ibid.*

2.3.3. Power of the court to appoint an expert unilaterally

Experts can be appointed by the court on its own volition.¹⁰⁰¹ The nomination of experts is within the discretionary power of a judge, who may be acting either *ex officio* or upon the request of the parties. The court may also decide not to have an expert at all, and may also reject an expert proposed by the parties.¹⁰⁰² The court is free to choose any person it sees fit,¹⁰⁰³ as well as free to decide on the number of experts.¹⁰⁰⁴ In exceptional cases, if the law so provides, the court may be obliged to nominate an expert in relation to a particular question.¹⁰⁰⁵ A party may imply the need to nominate an expert, but the court is not bound by such suggestions.¹⁰⁰⁶ Even though in France there is a national list of experts established for the Court of Cassation and separate lists for each Court of Appeal, the fact that an expert is on the list does not affect the courts' discretion. Thus, a court may also choose an expert who is not on a relevant list.¹⁰⁰⁷

2.4. Preliminary injunctive relief in IP cases

Preliminary injunctive reliefs in IP cases are governed by the general CPR as well as the specific procedure for IP disputes.

Under the general civil procedure a preliminary injunctive relief in IP disputes can be obtained both in *inter partes*¹⁰⁰⁸ and *ex parte* proceedings.¹⁰⁰⁹ In *inter partes* proceedings, the following types of preliminary injunctive relief may be granted: (i) general injunctions, permissible in cases of urgency;¹⁰¹⁰ (ii) conservatory injunctions, whereby a judge may order protective measures or measures to restore the parties to their previous state;¹⁰¹¹ and (iii) injunction-provisions, whereby a judge may order the payment of a debt or performance of an obligation.¹⁰¹² The *inter partes* proceedings are a speedy and efficient mechanism to enforce claimants' rights.¹⁰¹³ In the first instance, proceedings before the tribunals, the power to grant a preliminary injunctive relief in *inter partes* proceedings is vested in the president of a tribunal,¹⁰¹⁴ and not with other judges, due to the higher risk resulting from the preliminary character of the proceedings. This is mitigated by the experience and skill of the president of the tribunal.¹⁰¹⁵ Presidents may delegate their powers to other judges¹⁰¹⁶ or refer the decision to grant such a measure to a panel of judges.¹⁰¹⁷ The decision on such a referral is left to the discretion of the president of a tribunal. When the main proceedings are pending, a preliminary injunctive relief is granted either by a pre-trial judge, or a single judge who hears the main dispute.¹⁰¹⁸

A preliminary injunctive relief may also be granted *ex parte*.¹⁰¹⁹ Measures granted in *ex parte* proceedings may take various forms and are not individually listed in the statutes. A president of a tribunal is competent to decide on such matters, if the main proceedings have not been initiated.¹⁰²⁰ If the main proceedings are pending, the application will be decided by the president of the chamber, or a single judge who hears the main dispute.¹⁰²¹

¹⁰⁰¹ Article 232 CCP.

¹⁰⁰² *ibid* Articles 10 and 232; Cass civ (2) 16 December 2004, Bull., II, n° 529, 452.

¹⁰⁰³ *ibid* Article 232.

¹⁰⁰⁴ Cass civ (2) 13 July 2005, n° 03-19.945.

¹⁰⁰⁵ Cass civ (1) 28 March 2000, n° 98-12.806, where this was necessary in the case of a dispute concerning descent of a child.

¹⁰⁰⁶ Cour de Cassation; Bulletin d'information n° 632 du 15/01/2006. Note, however, that the Cour de Cassation 'recommends' (in a non-binding manner) that a party's request for the nomination of an expert be rejected only in specified circumstances, for example in relation to a request in the course of a trial where the judge believes himself to be sufficiently knowledgeable, or where a legitimate reason cannot be established; ('Recommandations de bonnes pratiques juridictionnelles'; 15-16 November 2007, Cour de cassation; Question 2.2; <https://www.courdecassation.fr/venements_23/colloques_4/2007_2254/recommandations_bonnes_pratiques_juridictionnelles_11103.html> accessed 23 September 2020).

¹⁰⁰⁷ Articles 1 and 2 of the Loi n° 71-498 du 29 juin 1971.

¹⁰⁰⁸ The French terminology is 'procédure de référé'; Articles 484ff and 834ff CCP.

¹⁰⁰⁹ The French terminology is 'procédure sur requête'; Articles 493ff and 845ff CCP.

¹⁰¹⁰ Article 834 CCP.

¹⁰¹¹ The French terminology is 'référé-conservatoire'; Article 835(1) CCP; Cour de Cassation, 'Les bonnes pratiques de l'expertise judiciaire civile' (Cour de Cassation, 2007) <https://www.courdecassation.fr/IMG/File/pdf_2007/conf_de_consensus/consensus_synthese_alain_nuee.pdf> accessed 23 September 2020.

¹⁰¹² The French terminology is 'référé-provision'; Article 835(2) CCP.

¹⁰¹³ Yves Strickler, (n 816), whereby statistics show that from 2.665.664 decisions made in civil and commercial cases in 2005, 270.178 were preceded by *inter partes* proceedings.

¹⁰¹⁴ Article 835 CCP.

¹⁰¹⁵ Strickler (n 816), 258.

¹⁰¹⁶ Article 121-3 CCP.

¹⁰¹⁷ *ibid* Article 487.

¹⁰¹⁸ Articles 789 and 813 CCP; CA Paris, 2 July 2014, no 13/02367.

¹⁰¹⁹ *ibid* Article 845.

¹⁰²⁰ *ibid*.

¹⁰²¹ *ibid*.

In addition to the preliminary measures of the general civil procedure mentioned above, a vast range of preliminary injunctive reliefs have been introduced to prevent or prohibit infringement of patents, plant varieties, designs, geographical indications, trade marks, and protection of producers' copyrights in databases.¹⁰²² The provisions establishing these measures constitute a separate regime of enforcement and specify separate grounds for granting.¹⁰²³ These measures must be filed with a president of a tribunal, who has the power to grant a relief either *inter partes* or *ex parte*.¹⁰²⁴ As regards applications filed pending the proceedings on the merits, the rules of composition explained above in relation to injunctions granted under general civil procedure apply. The IP-specific preliminary injunctive reliefs include:¹⁰²⁵

- (a) a prohibitory order – this measure enjoins or prevents the alleged infringer, under penalty of a fine, from carrying out or starting to carry out the allegedly infringing activity;
- (b) an order to lodge security – this measure ensures that the applicant will be indemnified;
- (c) an order to seize the allegedly infringing goods or to place them in the custody of a third party;
- (d) an order to 'preventively seize'¹⁰²⁶ movable or immovable goods in order to secure recoverability of damages from the alleged infringer. In this case, in order to allow the determination of whether the goods in question are indeed infringing the IP right, the court may order the party to provide bank, financial, accountant or commercial documents and make any other relevant information accessible.

Additionally, upon the application of the entitled party, a president of a tribunal may also order a 'probative order' *ex parte*.¹⁰²⁷ This measure allows the party to request a bailiff, accompanied by an expert of the party's choosing, to prepare a detailed description of the infringing goods, with or without the taking of samples, or to seize the goods and any related documentations.¹⁰²⁸ The order may also involve a seizure of the materials and instruments used for the production and distribution of the allegedly infringing goods.¹⁰²⁹

The list of IP-specific measures is different in relation to copyrights other than producers' copyrights on databases.¹⁰³⁰ In this respect, copyright holders can apply for a probative order, allowing them to request a bailiff, accompanied by an expert of the party's choosing, to prepare a detailed description of the infringing goods, with or without the taking of samples, or to seize the goods and any related documentations.¹⁰³² Additionally, the IPC provides for several examples of the other specific orders applicable to copyright infringement, for example, the seizure of the copies constituting an unlawful reproduction of a work, whether already manufactured or in the process of manufacturing, the seizure of receipts from any reproduction, performance or dissemination, by any means whatsoever, of a work of the mind carried out in violation of the copyright, or the suspension of any manufacturing in progress for the unlawful reproduction of a work.¹⁰³² Measures may also involve a seizure of materials and instruments used for the production and distribution of the allegedly infringing goods.¹⁰³³ In addition, the copyright holders, as the holders of any other type of IP right, may apply for a preliminary injunctive relief in accordance with the general rules of procedure.

¹⁰²² Articles L615-3 (patents), L623-27 (plant varieties), L622-7 (semi-conductor topographies), L521-6 (designs), L722-3 (geographical indications), L716-6 (trademarks), L343-2 (copyrights in databases) IPC.

¹⁰²³ Sirinelli et al. (n 908), 473.

¹⁰²⁴ *ibid*; the rules explained below on the applications filed pending the proceedings apply. Note that the *ex parte* proceedings in the area of patents are exceptional and only take place in cases of extreme urgency, when a delay would cause irreparable harm to the rightholder (Sabine Agé and Eddy Prothière, 'Patent litigation in France: overview' (2016) Practical Law Country Q&A 5-622-0668)

¹⁰²⁵ Articles L615-3 (patents), L623-27 (plant varieties), L622-7 (semi-conductor topographies), L521-6 (designs), L722-3 (geographical indications), L716-6 (trademarks), L343-2 (copyrights in databases) IPC.

¹⁰²⁶ The French terminology is 'saisie conservatoire'.

¹⁰²⁷ The French terminology is 'saisie-contrefaçon'.

¹⁰²⁸ Articles L615-5 (patents), L623-27-1 (plant varieties), L622-7 (semi-conductor topographies), L521-4 (designs), L722-4 (geographical indications), L716-7 (trade marks), L343-1 (copyrights in databases), L332-1 (copyrights) IPC.

¹⁰²⁹ *ibid*.

¹⁰³⁰ *ibid* Article L 332-1ff.

¹⁰³¹ *ibid*.

¹⁰³² *ibid*.

¹⁰³³ *ibid*.

2.4.1. Grounds for granting preliminary injunctive relief

(i) Preliminary injunctive relief under the general civil law procedure

With regards to the general civil law procedure rules, the grounds for granting a preliminary injunctive relief depend on the type of measure requested by the applicant. For general injunctions in *inter partes* proceedings, the first requirement to be satisfied is urgency. The assessment of whether an application is urgent is a 'sovereign power of the court', and thus subject to the court's discretion.¹⁰³⁴

As a result, the Court of Cassation will not revoke a preliminary injunction order as long as some consideration has been given to the question of urgency. In this respect, the standard of urgency is very low, i.e. in some cases even mentioning that the relief is granted 'because of urgency'¹⁰³⁵ will generally be sufficient.¹⁰³⁶ An application is urgent where the time required to issue the decision on the merits would compromise the interest of the applicant or lead to an irreversible prejudice.¹⁰³⁷ Therefore, a president of the court must take into account the amount of time that the issuance of the decision in the main proceedings would take.¹⁰³⁸ The focus of the analysis is on the nature of the case and not on the diligence of the parties. Therefore, the delay in applying for the relief does not automatically exclude the urgency. However, an inexplicable delay of, for example, eight weeks on the part of the applicant will not be treated as 'compatible with the urgency invoked by [the applicant]'.¹⁰³⁹ Furthermore, urgency must be present at the moment in which the president of the court makes the decision whether to grant the relief.¹⁰⁴⁰

Once the urgency requirement is established the president of the tribunal must be satisfied that the measure 'does not encounter any serious challenge or [that it] is justified by the existence of the dispute'.¹⁰⁴¹ Thus, the starting point is that the measure applied for must not encounter any 'serious challenge'. This requirement is aimed at avoiding preliminary trials on the merits. In other words, the president may not decide on the matter that will be decided in the main proceedings.¹⁰⁴² This will be the case, for example, when a contract on which the application relies is vague, and requires interpretation by the president.¹⁰⁴³ The serious challenge element may relate to a factual or legal question, including a question of a property right over a thing.¹⁰⁴⁴ Even if the measure applied for encounters any serious challenge, the measure may still be granted provided that the measure is 'justified by virtue of an existing dispute'.¹⁰⁴⁵ This is considered to be the last resort ground, which may be relied upon if the nature of the dispute requires the court to preserve the position of the parties, often exactly because the situation is contentious.¹⁰⁴⁶ For instance, this will be the case in a dispute regarding the suspension of building works, where compliance of the works with the building law requirements is the main contentious aspect in the dispute.¹⁰⁴⁷ The court may also order a seizure of goods, where it appears that it will preserve the rights of the parties.¹⁰⁴⁸ This ground will not entail an early trial on the merits, as the court preserves the rights of the parties rather than decides on the main claim.

As was mentioned above, the second type of an *inter partes* relief in the civil proceedings is a conservatory injunction, which may be granted even where the case presents a serious legal or factual question, i.e. the court is confronted with a 'serious challenge', or where the application is not urgent. An injunction will be granted in order to avoid an imminent damage, or to abate a manifestly illicit hindrance.¹⁰⁴⁹ A risk of imminent damage means that the relief sought in this instance is preventive¹⁰⁵⁰ and its assessment is subject to the discretion of the court.¹⁰⁵¹ Granting the measure must be the only way to avoid the imminent damage. For instance, that will be the case where a court prohibits the distribution of a magazine with the same name

¹⁰³⁴ Cass civ (1) 21 June 1989, no 87-18.210; Després and Dargant (n 954) 692.

¹⁰³⁵ The French terminology is 'vu de l'urgence'.

¹⁰³⁶ Strickler (n 816), 260; Després (n 954) 692.

¹⁰³⁷ Després and Dargant (n 954) 692.

¹⁰³⁸ *ibid.*

¹⁰³⁹ *ibid.*

¹⁰⁴⁰ *ibid.*

¹⁰⁴¹ Article 834 CCP. Note that the wording of the provision is referred to as a 'grammatical curiosity' (Strickler (n 816); as is further explained below, the 'serious challenge' constitutes an 'obstacle', while the 'justification by virtue of the existing dispute' constitutes an additional ground on which the injunction may be granted.

¹⁰⁴² Després and Dargant (n 954) 693.

¹⁰⁴³ Strickler (n 816), 261.

¹⁰⁴⁴ Després and Dargant (n 954) 694.

¹⁰⁴⁵ Strickler (n 816) 261.

¹⁰⁴⁶ *ibid.*

¹⁰⁴⁷ Després and Dargant (n 954) 696.

¹⁰⁴⁸ *ibid.*

¹⁰⁴⁹ Article 835 CCP.

¹⁰⁵⁰ Strickler (n 816) 261.

¹⁰⁵¹ Serge Guinchard et al., *Procédure civile* (6 ed., Dalloz 2019) 330.

as that of a competitor.¹⁰⁵² On the other hand, a manifestly illicit hindrance means that the relief sought is to eliminate, rather than prevent the hindrance.¹⁰⁵³ A hindrance is a disruptive act of the respondent, and corresponding damage on the part of the applicant.¹⁰⁵⁴ The hindrance must be illicit, that is to say, prohibited by law, custom or morals.¹⁰⁵⁵ An example of hindrance is the publication of an unauthorised interview or of an article describing how to create a pirate decoder.

An injunction-provision, the final type of an *inter partes* relief within the general civil proceedings, may be granted where the existence of a debt or obligation that the applicant tries to provisionally enforce is not open to a serious challenge.¹⁰⁵⁶ The only condition in this regard is the lack of a 'serious challenge', i.e. absence of a serious legal or factual question; the notion of a 'serious challenge' in this context is exactly the same as in relation to general injunctions (see above). In practice, the applicant must only prove that the debt or obligation in question exists. The respondent may respond to the assertions of the applicant by indicating that the debt of obligation may indeed be 'seriously challenged'.¹⁰⁵⁷ It will not suffice, however, that the defendant denies the existence or enforceability of the debt or obligation, i.e. the court must be satisfied that there is a legitimate basis to such a denial.¹⁰⁵⁸

In relation to the *ex parte* measures, the applicant may base his or her application either on a special provision, such as the IP provisions discussed below, or on Article 845 CPC. Under the latter provision, an *ex parte* measure may be granted if the case is so urgent that the circumstances of the case do not permit the case to be dealt with in an *inter partes* proceedings.¹⁰⁵⁹ Orders granted *ex parte* may be challenged in a special procedure called '*référé-rétraction*'. In the course of the said procedure, instigated on the request of the respondent against whom the injunction was issued, the applicant has to prove, one more time, that the measure in question should be granted under the provision he or she had invoked.

(ii) Specific procedure in IP disputes

Special IP preliminary injunctive reliefs, applicable to patents, plant varieties, designs, geographical indications, trade marks, and producers' copyrights in databases,¹⁰⁶⁰ may be granted *inter partes* or *ex parte*. All these provisions are drafted in an identical manner and set out identical criteria, which depend on the type of measure demanded. The basic ground for granting the prohibitory order, security lodging order, order of seizure and order of preventive seizure, both *inter partes* or *ex partes*, is the likelihood (imminence) of infringement.¹⁰⁶¹ The relief will only be granted where the applicant, having presented reasonably available evidence sufficient to support his or her claims, indicates that infringement has likely emerged or its emergence is imminent.¹⁰⁶²

The assessment of likelihood is left to the court, and involves two steps.¹⁰⁶³ Firstly, analysis of the apparent validity of the IP right in question, and secondly, the likelihood that the respondent has infringed or will infringe this right.¹⁰⁶⁴ As to the first stage, the apparent validity will not be contested unless sufficiently serious and precise arguments to the contrary are presented.¹⁰⁶⁵ It is, therefore, generally for the respondent to deliver such arguments. Nevertheless, in relation to trade marks, for example, the court should verify, on its own initiative, whether the mark in question is registered in relation to the category of goods distributed by the respondent.¹⁰⁶⁶ As to the second stage, the applicant must present reasonably available evidence of the infringement. The infringement may be proved by any means and may be secured by means of a probative order, i.e. through an *ex parte* preliminary injunctive relief.¹⁰⁶⁷ For example, the existence of the packaging of a competitor's product with the applicant's mark on them, or of the

¹⁰⁵² Cass civ (2) 9 March 1978, 76-14.862.

¹⁰⁵³ Strickler (n 816) 261.

¹⁰⁵⁴ *ibid* 262.

¹⁰⁵⁵ *ibid*.

¹⁰⁵⁶ Article 835(2) CCP.

¹⁰⁵⁷ Després and Dargant (n 954) 711.

¹⁰⁵⁸ Strickler (n 816) 265.

¹⁰⁵⁹ Article 845 CCP.

¹⁰⁶⁰ Articles L615-3 (patents), L623-27 (plant varieties), L622-7 (semi-conductor topographies), L521-6 (designs), L722-3 (geographical indications), L716-6 (trademarks), L343-2 (copyrights in databases) IPC.

¹⁰⁶¹ *ibid*.

¹⁰⁶² *ibid*.

¹⁰⁶³ CA Paris (5-1) 23 October 2018, n° 18/04944.

¹⁰⁶⁴ TGI Paris 22 February 2019, n° 2018/58204.

¹⁰⁶⁵ *ibid*; note, however, a second line of jurisprudence that requires assessment as to whether the IP right is 'obviously' invalid ('Patent litigation in France: overview' (n 1026)).

¹⁰⁶⁶ Sirinelli et al. (n 908), 723.

¹⁰⁶⁷ Articles L615-5 (patents), L623-27-1 (plant varieties), L622-7 (semi-conductor topographies), L521-4 (designs), L722-4 (geographical indications), L716-7 (trade marks), L343-1 (copyrights in databases), L332-1 (copyrights) IPC.

presence of the goods with the mark on them in the territories or countries where they are not officially distributed, would be a sufficient evidence.¹⁰⁶⁸ After assessing these two elements, the court evaluates the proportionality of the requested preliminary relief against the risks that the parties may encounter.¹⁰⁶⁹ As was already mentioned, all the measures may be granted *ex parte*. For that purpose, an applicant has to satisfy the court that the circumstances of the case require that the measure was not granted in the *inter partes* proceedings, in particular, that any delay would cause irreparable damage.¹⁰⁷⁰

In relation to a probative order,¹⁰⁷¹ i.e. an *ex parte* relief enabling an IP rightholder to receive evidence of infringement, an applicant must only prove that he or she is the rightholder or an exclusive licensee, and the right is opposable to third parties and in force.¹⁰⁷² Additionally, the applicant must provide *prima facie* evidence of infringement.¹⁰⁷³

To sum up the grounds for granting a preliminary injunctive relief, there are significant differences between the relief granted under the general civil procedure law and under the specialised IP provisions. The general civil procedure makes the grant dependent on urgency of the case, the existence of any serious challenge to the claim, or the threat to enforcement of the claim. Under the specific IP rules, one only needs to assess the apparent validity of the IP right in question, and the likelihood that the respondent has infringed or will infringe this right.

2.4.2. Application for preliminary injunctive relief before submitting a lawsuit

According to the general civil procedure, proceedings for a preliminary injunctive relief in both *inter partes* and *ex parte* proceedings¹⁰⁷⁴ can be initiated either before or after the commencement of an action on the merits.¹⁰⁷⁵ Such applications are generally made to the tribunal which is competent to deal with the main dispute.¹⁰⁷⁶ An applicant may also file the application with the tribunal that is not competent to deal with the main dispute,¹⁰⁷⁷ but that is located within the district where the harmful event on which the application is based emerged, or the requested measure is going to be enforced.¹⁰⁷⁸ In either case, it is the president of the tribunal that grants the relief.¹⁰⁷⁹

As for a special IP preliminary injunctive relief filed before the main proceedings, both *inter partes* and *ex parte* applications must be filed with the court competent to hear the main dispute. As a result, the ten designated tribunals will be exclusively competent in relation to preliminary injunctive reliefs concerning IP rights that fall within their jurisdiction. As a rule, the claimant may elect to file the claim with the court in the district of which the defendant has his or her domicile, the infringing practice occurred or the damage was suffered.¹⁰⁸⁰ An exception to this rule was introduced in relation to probative orders in patents, semiconductor topography and plant variety protection disputes. In this regard, the competent court is one of the designated tribunals within the district where the probative measures are to be carried out.¹⁰⁸¹ While the Paris tribunal has the exclusive jurisdiction in these disputes, this solution was considered appropriate in order to avoid the need for patent owners from other territories, for instance Provence, to travel to Paris for a probative order. Given the urgency of such applications, the necessity to travel such distances would prove highly unpractical.

2.4.3. Cross-undertaking

The party that suffered damages because of the grant of a preliminary injunctive relief is entitled to be reimbursed.¹⁰⁸² The responsibility is based on the assumption that the party taking advantage of such a relief must also bear the consequences in cases when the relief is found unjustified. Such a responsibility is not based

¹⁰⁶⁸ Sirinelli et al. (n 908), 723.

¹⁰⁶⁹ TGI Paris 22 February 2019, n° 2018/58204.

¹⁰⁷⁰ Articles L615-3 (patents), L623-27 (plant varieties), L622-7 (semi-conductor topographies), L521-6 (designs), L722-3 (geographical indications), L716-6 (trademarks), L343-2 (copyrights in databases) IPC.

¹⁰⁷¹ *ibid* Articles L-615-5 (patents), L623-27-1 (plant varieties), L622-7 (semi-conductor topographies), L521-4 (designs), L722-4 (geographical indications), L716-7 (trade marks), L343-1 (copyrights in databases), L332-1 (copyrights) IPC.

¹⁰⁷² 'Patent litigation in France: overview' (n 1026).

¹⁰⁷³ *ibid*.

¹⁰⁷⁴ Després and Dargant (n 954), 453.

¹⁰⁷⁵ Articles 484ff and 834ff CCP; Articles 493ff and 845ff CCP.

¹⁰⁷⁶ Després and Dargant (n 954) 691.

¹⁰⁷⁷ *ibid*.

¹⁰⁷⁸ Cass civ (2) 10 July 1991, no 90-11.815.

¹⁰⁷⁹ Article 834 CCP.

¹⁰⁸⁰ *ibid* Articles 42 and 46.

¹⁰⁸¹ Articles R615-2, R622-6 and R623-51 IPC.

¹⁰⁸² Cour de Cassation, 'Avis de M de Gouttes, premier avocat général' (Cour de Cassation) <https://www.courdecassation.fr/jurisprudence_2/assemblee_pleniere_22/gouttes_premier_389.html> accessed 23 September 2020.

on fault.¹⁰⁸³ The rationale behind this provision is, above all, to protect the party against which the relief was granted from the effects of insolvency of the applicant, as in such a situation no damages could be claimed.¹⁰⁸⁴

In order to secure the defendant's potential claims for damages, prior to granting a preliminary injunctive relief, the court has the discretion to make the enforcement of a preliminary injunctive relief dependent on the lodging of a security under the general principle set out in the CPC¹⁰⁸⁵ or under the specific provisions applicable to patents, plant varieties, designs, geographical indications, trade marks, and copyrights in databases.¹⁰⁸⁶ The special IP provisions, each drafted in the same way, state that the court can make the execution of a measure subject to securities aimed at ensuring the potential indemnification of the defendant if the infringement claim is subsequently judged to be unfounded, or if the measures are revoked. It is the enforcement of the measure that is suspended subject to the provision of security. Therefore, the relief may be granted, but will not be enforced by bailiffs absent evidence that the security has been provided.

The grounds for granting security are not set by the law, and remain subject to the discretion of the court.¹⁰⁸⁷ The security may be in any form, for example, the delivery of movables, deposition of a sum of money,¹⁰⁸⁸ or a bank guarantee. However, it must be sufficient to cover all restitutions and damages.¹⁰⁸⁹ The only statutory requirement concerning the amount of damages is 'sufficiency', i.e. the security must be sufficient to cover all restitutions and damages that might result from the grant of the relief.¹⁰⁹⁰

2.4.4. Revocation of preliminary injunctive relief on the court's initiative

The general civil procedure and specific IP rules apply the same principle: preliminary injunctive reliefs cannot be revoked by the court on its own volition; for this, an application of a party is required. Measures granted *inter partes*, in general, cannot be revoked by the court that granted them, unless there has been a change of circumstances.¹⁰⁹¹ A measure granted *ex parte* may be modified or revoked by the judge that granted it, even if the case has been transferred to the judge ruling on the merits.¹⁰⁹² Additionally, only in relation to IP proceedings, both *inter partes* and *ex parte* measures may be revoked where the main proceedings have not been filed within the prescribed period.¹⁰⁹³

2.5. Security for costs

In France, there are no separate arrangements relating to the costs of the proceedings. The effects of the grant of security for costs may only be achieved within the scope of cross-undertaking described above.

2.6. Cassation in small value claims

There is no small claims procedure in IP disputes in France. However, if the value of the claim does not exceed EUR 5, 000, an appeal to a Court of Appeal against a decision of a tribunal is not permitted.¹⁰⁹⁴ This threshold does not apply to cassation proceedings: cassation to the Court of Cassation is admissible against all first instance judgements that violated the law, regardless of the value of the claim and of the fact that the appeal was not permitted.¹⁰⁹⁵ In such circumstances, cassation constitutes *de facto* a leap frog appeal. Cassation may be based on the following grounds: violation of substantive or procedural law, absence of the legal basis of the challenged judgement, absence of the substantiation of the judgement, or contradiction with another judgement.¹⁰⁹⁶

¹⁰⁸³ Cass civ (2) 22 January 2004, no, 01-00.580.

¹⁰⁸⁴ Serge Guinchard et al., Procédure civile: Droit interne et droit de l'Union européenne (32nd ed., Dalloz 2014) 1352.

¹⁰⁸⁵ Article 517ff CCP. Formerly, before the implementation of the Decree 11 December 2019 reforming the civil procedure (Décret n° 2019-1333 du 11 décembre 2019 réformant la procédure civile), the provision of security was regulated under Article 489 CCP. Although the sources presented in this report were published before the reform, they apply to the new regulation.

¹⁰⁸⁶ Articles L615-3 (patents), L623-27 (plant varieties), L622-7 (semi-conductor topographies), L521-6 (designs), L722-3 (geographical indications), L716-6 (trademarks), L343-2 (copyrights in databases) IPC.

¹⁰⁸⁷ Serge Guinchard et al. (n 1084).

¹⁰⁸⁸ *ibid* 1354.

¹⁰⁸⁹ Article 517 CCP.

¹⁰⁹⁰ *ibid*.

¹⁰⁹¹ Article 488(2) CCP; the change of circumstance will comprise any new element that is likely to affect the order granting the relief or raise objections to the grounds thereof (Cass civ (2) 5 September 2019, no 17-28722); the change of circumstances may only refer to facts that occurred after the order granting the relief, rather than evidence established after the order, but referring to facts that took place or were known beforehand (Cass com 6 July 1993, no 91-15.996 91-16.535); however, courts will treat as a change of circumstances a presentation of an expert's report if the report contains findings that the judge did not have when ruling on the grant on the first place (Cass com, 6 July 1993, no 91-15.996 et 91-16.535).

¹⁰⁹² Article 497 CCP.

¹⁰⁹³ Articles L615-3, L623-27, L521-6, L722-3, L716-6, L343-2 IPC.

¹⁰⁹⁴ Article R211-3-25 CJO.

¹⁰⁹⁵ Article 604ff CCP.

¹⁰⁹⁶ Service-Publique.fr, 'Contester une décision de justice : saisir la Cour de Cassation' (Service-public, 1 January 2020) <<https://www.service-public.fr/particuliers/vosdroits/F1382>>, accessed 30

PART V – COMPARATIVE STUDY OF IP COURTS – THE NETHERLANDS

I. Judicial system and judges

1.1. Structure of the judicial system and the IP court

The Netherlands does not have a single specialised IP court. Therefore, at first instance IP disputes are heard by the district courts, which are organised in several types of divisions: administrative, criminal, family and juvenile, civil and sub-district.¹⁰⁹⁷ IP cases are generally handled by the civil divisions of the district courts.¹⁰⁹⁸ The district court of The Hague (HDC) has a specialised IP chamber¹⁰⁹⁹ with the exclusive jurisdiction at first instance over a number of IP matters.¹¹⁰⁰ The chamber is also known as the 'patents chamber'.¹¹⁰¹ Moreover, the Judiciary Organisation Act also envisages the establishment of a plant breeders' rights chamber within the HDC.¹¹⁰² Claims concerning IP rights that are not covered by the exclusive jurisdiction of the HDC can be heard at any of the 11 district courts. These courts are organised geographically and hear cases in accordance with their territorial jurisdiction. Provided that the claim does not exceed EUR 25,000, IP cases can also be heard at a sub-district sector¹¹⁰³ of the district courts.¹¹⁰⁴ Small IP claims subject to the exclusive jurisdiction of the HDC will usually be decided by a specialised IP judge sitting in the sub-district sector of the HDC.

Appeals from decisions of the district courts are brought before one of the four courts of appeal¹¹⁰⁵ in accordance with the rules of the territorial jurisdiction.¹¹⁰⁶ While there are no specialised IP chambers in most courts of appeal, the informal specialisation is achieved by assigning IP cases to several specialised appellate judges.¹¹⁰⁷ The Court of Appeal in The Hague, which deals with appeals from the HDC and the Rotterdam district court, has a specialised IP chamber, as well as a specialised IP procedure available for litigants.¹¹⁰⁸

A decision of a Court of Appeal may be challenged before the Dutch Supreme Court, which does not have an IP chamber.¹¹⁰⁹ Similar to the practice at the CJEU, the Supreme Court has Advocates General, whose main task is to provide the members of the Supreme Court with independent advice, also known as 'advisory opinion'.¹¹¹⁰ Some of the Advocates Generals and some of the judges assigned to IP cases generally have a robust IP experience.¹¹¹¹

¹⁰⁹⁷ Rechtspraak, 'District courts' (Rechtspraak.nl) <<https://www.rechtspraak.nl/English/Judicial-system-and-legislation/Pages/District-courts.aspx>> accessed 23 September 2020.

¹⁰⁹⁸ Rechtspraak, 'Organisatie rechtbank Den Haag' (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Rechtbanken/Rechtbank-Den-Haag/Over-de-rechtbank/Organisatie/Paginas/default.aspx>> accessed 23 September 2020.

¹⁰⁹⁹ 'Trade mark litigation in the Netherlands: overview' (Practical Law) Note Number W-010-5573.

¹¹⁰⁰ The legal basis for each IP right is specified in the respective substantive law provision and is explained in detail in Section 2.2.

¹¹⁰¹ Rechtspraak, 'Marije Knijff' (Rechtspraak 2010) <<https://www.rechtspraak.nl/Organisatie-en-contact/Rechtspraak-in-Nederland/Rechtshof/Bijzondere-Rechtshof/Paginas/Marije-Knijff.aspx>> accessed 23 September 2020.

¹¹⁰² Article 55a of the Judiciary Organisation Act 1827 ('Wet op de rechterlijke organisatie'), Rechtspraak 'Vorhandeling van zaken per team', see <https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Rechtbanken/Rechtbank-Den-Haag/Regels-en-procedures/Paginas/Behandeling-van-zaken-per-team.aspx>, accessed 23 September 2020.

¹¹⁰³ The Dutch terminology is '*Kantonrechter*'.

¹¹⁰⁴ For detailed information on this see 2.4.6. See more at Rechtspraak, 'Onderwerpen *kantonrechter* (civiel recht)' (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Rechtsgebieden/Civiel-recht/Kantonrechter/Onderwerpen/Paginas/default.aspx#c4a23b56c7cf457f88f671b4c4a1edce>> accessed 23 September 2020.

¹¹⁰⁵ The Hague, Amsterdam, Arnhem-Leeuwarden or 's-Hertogenbosch (Rechtspraak, 'Gerechtshoven' (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Gerechtshoven>> accessed 23 September 2020).

¹¹⁰⁶ Article 60(1) of the Judiciary Organisation Act 1827, ('Wet op de rechterlijke organisatie'); Rechtspraak, 'Gerechtshoven' (n 1105).

¹¹⁰⁷ 'Patent litigation in the Netherlands: overview' (Practical Law) Note Number 7-621-9211.

¹¹⁰⁸ Gerechtshof Den Haag, 'Intellectuele eigendomszaken' <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Gerechtshoven/Gerechtshof-Den-Haag/Over-het-gerechtshof/Organisatie/Paginas/Intellectuele-eigendomszaken.aspx>>, accessed 23 September 2020.

¹¹⁰⁹ Article 79(1) of the Judiciary Organisation Act 1827.

¹¹¹⁰ *ibid* Article 113(2).

¹¹¹¹ Rechtspraak, 'About the Supreme Court' (Rechtspraak.nl) accessed 23 September 2020. <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Hoge-Raad-der-Nederlanden/Supreme-court-of-the-Netherlands>>

1.2. Criteria for selection of judges

There are no specific selection criteria with respect to IP experience or scientific background for judges handling IP cases. Thus, the general requirements for a judge also apply to judges hearing IP cases. The Council for the Judiciary, which forms part of the judiciary, but does not adjudicate cases itself,¹¹¹² is involved in the recruitment and training of judges.¹¹¹³ The appointment of judges is made by the Crown under the aegis of the Minister for the Security and Justice.¹¹¹⁴

Generally, the requirements for a judge include Dutch nationality,¹¹¹⁵ a university degree with 'civil effect',¹¹¹⁶ legal working experience of more than five years after obtaining a degree with civil effect¹¹¹⁷ and experience in writing legal documents, case management and representation of parties in legal proceedings.¹¹¹⁸ That said, most judges who hear IP cases are typically proficient in IP law.¹¹¹⁹ In addition, some of the judges in the IP chamber of the HDC would have a scientific background.¹¹²⁰ In the Netherlands, compulsory training of judges applies only to candidates for the office and is carried out within the framework of the initial training programmes, organised by the Training and Study Centre for the Judiciary, the Netherlands Council for the Judiciary and the courts.¹¹²¹

1.3. Location of the IP court and number of judges

The 11 district courts that have jurisdiction over IP disputes have their principal seats¹¹²² in The Hague, Amsterdam, Gelderland, Limburg, Midden-Nederland, Noord-Holland, Noord-Nederland, Oost-Brabant, Overijssel, Rotterdam, and Zeeland-West-Brabant.¹¹²³ Each district court has a number of additional venues, also called 'subsidiary seats',¹¹²⁴ which are explicitly listed in the Annex to the Judiciary Organisation Act.¹¹²⁵ For example, the subsidiary seats of the HDC are located in Leiden and Gouda.¹¹²⁶ Judges may perform in the subsidiary seats all activities which they are competent to perform in their principal seat of the district court.¹¹²⁷ The same rules regarding subsidiary seats are also applicable to the sub-district sector, i.e. a case can be handled at a sub-district sector at a subsidiary seat.¹¹²⁸ In practice, the courts of first instance of Amsterdam and The Hague have acquired the most IP experience.¹¹²⁹ This is due to the fact that the visual and written media sectors are mainly based in the Amsterdam district, while The Hague has developed an extensive IP expertise due to being exclusively competent in patent and in EU trade mark and design cases.¹¹³⁰ As for the number of judges, the specialised IP chamber of the HDC consists of ten judges.¹¹³¹

¹¹¹² Rechtspraak, 'The Council for the Judiciary' (Rechtspraak.nl) <<https://www.rechtspraak.nl/English/The-Council-for-the-Judiciary#9058a55-5cea-4ae7-ab46-8bf49767aa827268c952-b3a7-439c-9c95-c1a2dd66677a4>> accessed 23 September 2020.

¹¹¹³ Article 91(1)(f) of the Judiciary Organisation Act 1827.

¹¹¹⁴ European Commission, 'Legal professions – Netherlands', (Europeane-justice, 7 October, 2016) <https://e-justice.europa.eu/content_legal_professions-29-nl-en.do?member=1#n02> accessed 23 September 2020.

¹¹¹⁵ A second nationality in addition to the Dutch nationality is not an obstacle.

¹¹¹⁶ The Dutch terminology is 'civiel effect'. A degree with civil effect is awarded to those who have taken a certain number of university courses in Dutch law as part of the law degree. In order to gain access to the legal profession or the judiciary all candidates must possess a degree with civil effect (See more at Nederlandse Orde van Advocaten, 'Rechtenstudie in Nederland' (Advocatenorden) <<https://www.advocatenorde.nl/starten-als-advocaat/rechtenstudie-in-nederland>> accessed 23 September 2020).

¹¹¹⁷ Note that two to five years may be sufficient for certain judicial posts. The Dutch terminology is 'Rechter in opleiding (beperkte werkervaring)' or 'RIO'. See more at Werkenbijderechtspraak.nl, 'Selectieprocedure Rechter in opleiding (beperkte werkervaring)' (Werkenbijderechtspraak.nl) <https://www.werkenbijderechtspraak.nl/wp-content/uploads/2019/05/19.04.19-RVR-Selectieprocedure_beperkt_4-alttext.pdf> accessed 23 September 2020.

¹¹¹⁸ Werkenbijderechtspraak.nl, (n 1117).

¹¹¹⁹ Matthew Bultman, 'Patent Litigation in the Netherlands: What You Need to Know' (LAW 360, 20 August 2018) <<https://www.law360.com/articles/1074513/patent-litigation-in-the-netherlands-what-you-need-to-know>> accessed 23 September 2020.

¹¹²⁰ Rechtspraak, 'Judiciary System in the Netherlands' (Rechtspraak 2010) <<https://www.rechtspraak.nl/SiteCollectionDocuments/The-Judiciary-System-in-the-Netherlands.pdf>> accessed 23 September 2020.

¹¹²¹ Rechtspraak, 'Judicial reform in the Netherlands' (Rechtspraaknl, 2015) <<https://www.rechtspraak.nl/SiteCollectionDocuments/judicial-reform-2015-compleet-alttekst.pdf>> accessed 23 September 2020.

¹¹²² Article 41(1) of the Judicial Organisation Act 1827.

¹¹²³ Rechtspraak, 'Rechtbanken' (Rechtspraak.nl) <<https://www.rechtspraak.nl/organisatie-en-contact/organisatie/rechtbanken>> accessed 23 September 2020.

¹¹²⁴ E-justiceEuropaeu, 'Organisation of justice – judicial systems' (E-justiceeuropaeu, 7 March 2016) <https://e-justice.europa.eu/content_judicial_systems_in_member_states-16-nl-en.do?member=1> accessed 23 September 2020.

¹¹²⁵ Article 41(2) of the Judicial Organisation Act 1827. For a map of all court locations see Rechtspraak, 'Reform of the judicial map' (Rechtspraak.nl, 1 April 2013) <<https://www.rechtspraak.nl/SiteCollectionDocuments/Reform-of-the-Judicial-map-2013.pdf>> accessed 23 September 2020.

¹¹²⁶ Rechtspraak, 'Reform of the judicial map' (Rechtspraak.nl, 1 April 2013) <<https://www.rechtspraak.nl/SiteCollectionDocuments/Reform-of-the-Judicial-map-2013.pdf>> accessed 23 September 2020.

¹¹²⁷ Article 41(5) of the Judicial Organisation Act 1827.

¹¹²⁸ *ibid* Article 47(2).

¹¹²⁹ 'Patent litigation in the Netherlands: overview' (n 1109).

¹¹³⁰ *ibid*.

¹¹³¹ Rechtspraak, 'Intellectuele Eigendom' (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Rechtbanken/Rechtbank-Den-Haag/Over-de-rechtbank/Rechtsgebieden-en-teams/Paginas/Intellectuele-Eigendom.aspx>> accessed 23 September 2020.

The four courts of appeal are located in The Hague, Amsterdam, Arnhem-Leeuwarden and 's-Hertogenbosch. As of November 2017, the courts of appeal employed 110 judges, some of whom have IP experience.¹¹³² Finally, the Dutch Supreme Court is situated in The Hague and currently comprises 36 judges.¹¹³³ The Court's civil chamber that deals with IP cases has 11 judges.¹¹³⁴ Although there are no further formal divisions within the civil chamber, the same judges are usually allocated to particular types of disputes, for instance, Judges E. J. Numann, G. Snijders, and M.V. Polak usually deal with IP disputes.¹¹³⁵

II. Rules of procedure

In IP disputes, the courts apply the general rules of procedure set out in the Dutch Code of Civil Procedure (DCCP). Some procedural provisions may also be found in the IP statutes or international treaties, for example the Dutch Patents Act 1995, the Dutch Copyright Act 1912, the Seeds and Planting Materials Act 2005, and the Benelux Convention of Intellectual Property 2006. Furthermore, the HDC has a set of special rules applicable in IP disputes:

- (i) Regime for accelerated merits proceedings in patent cases¹¹³⁶ - most district court cases concerning patents are brought under this regime;¹¹³⁷
- (ii) Regime for an oral hearing after statement of defence;¹¹³⁸
- (iii) Instructions for the filing of exhibits in IP cases;¹¹³⁹
- (iv) Guidelines concerning indication of costs in IP cases;¹¹⁴⁰
- (v) Regime for *ex parte* measures.¹¹⁴¹

2.1. Composition of the court in IP cases

In the Netherlands, first instance proceedings are usually heard by a single judge.¹¹⁴² A single judge also handles cases at the sub-district sector of the district courts.¹¹⁴³ However, in complex cases a single judge may transfer the case to a panel of three.¹¹⁴⁴ Unlike other IP cases at first instance, a panel of three judges hears patent disputes in the specialised IP chamber of the HDC.¹¹⁴⁵ When a case is heard in a panel of three, a deputy judge may also sit on the panel.¹¹⁴⁶ A deputy judge can also assist a single judge, provided that he or she is a trained or retired judge.¹¹⁴⁷ The deputy judge may not be a practicing lawyer or patent attorney. In practice, he or she would typically be retired, work at the Dutch Patent Office, act as a legal assistant to an Advocate General or the Supreme Court or be engaged in academic activities. In the Netherlands, there is no jury in IP disputes.¹¹⁴⁸

¹¹³² Note that the number is accurate as of November 2017; Jos Puts, 'Funding of the Dutch Judiciary Performance Based Budgeting - Rechtspraak' (Riga, November 2017) <<http://rm.coe.int/presentation-funding-of-the-dutch-judiciary-performance-based-budgeting/168076d495>> accessed 23 September 2020.

¹¹³³ Rechtspraak, 'Raad' (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Hoge-Raad-der-Nederlanden/Over-de-Hoge-Raad/Raad>> accessed 23 September 2020.

¹¹³⁴ *ibid.*

¹¹³⁵ HR, 3.11.2017 (ECLI:NL:HR:2017:2807); 19.07.2019 (ECLI:NL:HR:2019:1237); 5.04.2018 (ECLI:NL:HR:2019:503); 15.04.2016 (ECLI:NL:HR:2016:666).

¹¹³⁶ Rechtspraak, 'Regelingen Bij Octrooizaken - Herziening Versnelde Bodemprocedure in Octrooizaken' (Rechtspraak.nl, 2010) <<https://www.rechtspraak.nl/SiteCollectionDocuments/Reglement-versnelde-regime-in-octrooizaken-VRO-reglement.pdf>> accessed 23 September 2020, whereby all timelines are pre-determined with the aim to issuing a decision within one year. Proceedings are initiated by a detailed writ of summons including a statement of claim, facts, and legal grounds together with all exhibits mentioned therein. The defendant has to respond with his or her statement of defence comprising relevant facts, grounds and also including all exhibits mentioned therein. If any party acts contrary to these precise rules, the case may be removed from the accelerated merits proceedings docket and continued as an ordinary case in the slower docket.

¹¹³⁷ Matthew Bultman (n 1119).

¹¹³⁸ Rechtspraak, 'Regeling pleidooi na antwoord' (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Rechtbanken/Rechtbank-Den-Haag/Over-de-rechtbank/Rechtsgebieden-en-teams/Paginas/Regeling-pleidooi-na-antwoord.aspx>> accessed 23 September 2020.

¹¹³⁹ Rechtspraak, 'Instructies voor het indienen van stukken in IE-zaken' (Rechtspraak.nl, 1 July 2014) <<https://www.rechtspraak.nl/SiteCollectionDocuments/Instructie-indienen-stukken-in-IE-zaken.pdf>> accessed 23 September 2020.

¹¹⁴⁰ Rechtspraak, 'Indicatieterieven in IE-zaken' (Rechtspraak.nl, 1 April 2017) <<https://www.rechtspraak.nl/SiteCollectionDocuments/indicatietarieven-in-ie-zaken-rechtbanken-04-2017.pdf>> accessed 23 September 2020.

¹¹⁴¹ Rechtspraak, 'Reglement maatregelen in de zin van de artikelen 1019b-d Rv en 1019e Rv' (Rechtspraak.nl) <<https://www.rechtspraak.nl/SiteCollectionDocuments/Reglement-maatregelen-in-de-zin-van-de-artikelen-1019b-d-Rv-en-1019e-Rv.pdf>> accessed 23 September 2020.

¹¹⁴² Article 15(1) DCCP.

¹¹⁴³ Article 47(1) of the Judicial Organisation Act 1827. Note, exceptions to this are agricultural cases, which require a panel of three (Article 48(3) of the Judicial Organisation Act 1827).

¹¹⁴⁴ Article 15(2) DCCP.

¹¹⁴⁵ Matthew Bultman, (n 1119).

¹¹⁴⁶ Article 8 of the Judicial Organisation Act 1827.

¹¹⁴⁷ ENCJ, 'Response questionnaire project group Timeliness Raad voor de rechtspraak (The Netherlands)' <https://www.encj.eu/images/stories/pdf/workinggroups/Timeliness/response_questionnaire_timeliness_netherlands.pdf> accessed 23 September 2020.

¹¹⁴⁸ Matthew Bultman (n 1119).

A single judge at first¹¹⁴⁹ and appeal level¹¹⁵⁰ decides on a preliminary injunctive relief,¹¹⁵¹ both *ex parte* and *inter partes*. Appellate proceedings are decided by a panel of three appellate judges.¹¹⁵² At the cassation instance, in principle IP cases are heard by a panel of five, in which one of the five judges acts as a chairperson.¹¹⁵³

2.2. Jurisdiction in IP cases

As was mentioned above, jurisdiction over IP cases at first instance is allocated between the 11 district courts. Within these courts, the IP chamber of the HDC has an exclusive jurisdiction over patents,¹¹⁵⁴ EU trade marks,¹¹⁵⁵ EU designs,¹¹⁵⁶ breeders' rights,¹¹⁵⁷ compensation schemes regarding neighbouring rights such as rights of performers, producers of phonograms and broadcasting organisations,¹¹⁵⁸ private copying compensation,¹¹⁵⁹ topographies¹¹⁶⁰ and challenges to the decisions of the Dutch Patent Office.¹¹⁶¹ In relation to patent disputes, the exclusive jurisdiction of the HDC also covers cases relating to compulsory patent licences.¹¹⁶² Disputes concerning copyright,¹¹⁶³ Benelux trade marks,¹¹⁶⁴ designs, unfair competition activities such as 'slavish imitation', misleading and comparative advertising, trade names and trade secrets, as well as cybercrime matters, are not subject to the exclusive jurisdiction of the HDC and should thus be brought in any of the 11 Dutch district courts, including the HDC, subject to the rules of the territorial jurisdiction.¹¹⁶⁵

The jurisdiction of the district courts is not dependent on the status of the claimant, but on the substance of the claim. As a result, an IP owner may defend his or her rights in court regardless of whether he or she is a natural or a legal person. The law also does not make the jurisdiction of the district courts dependent on whether the claimant is the author, or other type of copyright owner. The Copyright Act 1912 expressly states that copyright protection extends to, for example, the successors in title, who may request a variety of measures before court.¹¹⁶⁶

There is no special procedure for the recognition of trade marks as 'well-known'. Such matters are decided by the 11 district courts and the Benelux Office for Intellectual Property on a case-by-case basis.¹¹⁶⁷ The district courts will decide this matter in the post-registration proceedings, for example infringement proceedings, whereas the Benelux Office for Intellectual Property in the course of, for example, opposition proceedings.

¹¹⁴⁹ Articles 254, 700 and 1019 DCCP.

¹¹⁵⁰ Article 63 of the Judicial Organisation Act 1827.

¹¹⁵¹ *ibid* Article 50 (1) and (2), according to which the judge in a preliminary injunctive relief is also called a 'provisional relief judge' (the Dutch terminology is 'voorzieningenrechter').

¹¹⁵² Article 16 DCCP.

¹¹⁵³ *ibid* Article 17(1); see *MSD v TEVA*, the Dutch Supreme Court, 3 November 2017 (ECLI:NL:HR:2017:2807), which was decided by E.J. Numann as chairman, the four other cassation judges were G. Snijders, M.V Polak, C.E. du Perron and M.J. Kroeze.

¹¹⁵⁴ Article 80 of the Dutch Patent Act 2009.

¹¹⁵⁵ Regulation (EC) 207/2009 as amended by Regulation (EU) 2015/2424 and Regulation (EU) 2017/1001, Article 123 in conjunction with Article 3 of its Dutch Implementation Act.

¹¹⁵⁶ Article 80(1) Regulation (EC) 6/2002, in conjunction with Article 3 of its Dutch Implementation Act.

¹¹⁵⁷ Article 78 of the Seeds and Planting Materials Act 2005. Breeders' rights claims that do not concern the validity of these rights (see Article 94-101 of Regulation (EC) 2100/94 in conjunction with Article 78 of the Seeds and Planting Materials Act 2005).

¹¹⁵⁸ Article 15c of the Neighbouring Rights Act 1993.

¹¹⁵⁹ Article 16g and art 81 of the Dutch Copyright Act 1912.

¹¹⁶⁰ Article 19 of the Dutch Topographies Act 1987.

¹¹⁶¹ Article 81 of the Dutch Patent Act 1995; claims relating to the granting of supplementary protection certificates and the term extension thereof are administrative claims which are subject to the jurisdiction of the administrative chamber of the HDC, which is separate from its civil IP chamber. Note that the HDC may appoint deputy judges or judges from other sections or teams in a multiple chamber case. (See *Rechtspraak, 'Intellectuele Eigendom'* (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Organisatie/Rechtbanken/Rechtbank-Den-Haag/Over-de-rechtbank/Rechtsgebieden-en-teams/Paginas/Intellectuele-Eigendom.aspx>> accessed September 2020).

¹¹⁶² Article 80(c) in conjunction with Article 58 of the Dutch Patent Act 2009. Note that these licenses are granted by a minister on the basis of 'public interest' considerations.

¹¹⁶³ Note, however, that in a very narrow form, the HDC exercises jurisdiction over certain copyright related issues, such as disputes concerning equitable remuneration for certain permitted forms of use of copyright, for example in relation to rights of persons with disabilities (Articles 15e and 16g of the Dutch Copyright Act 1912.). In this regard, no procedural limitation regarding the identity of the claimant is established. For instance, both an author and his or her successor in title may sue for equitable reimbursement in the case of permitted use for the benefit of persons with disabilities (Article 16i of the Copyright Act 1912).

¹¹⁶⁴ Please note that The Netherlands does not have national trade marks as such. In this sense, the 'national' trade mark is the Benelux trade mark, which grants a right for the whole territory of the Benelux, i.e. Belgium, The Netherlands and Luxembourg.

¹¹⁶⁵ *Rechtspraak, 'Rechtbanken'* (Rechtspraak.nl) (n 1123).

¹¹⁶⁶ Articles 1, 2 and, for instance, 15i (claims for equitable remuneration) of the Copyright Act 1912.

¹¹⁶⁷ *Rechtbank Den Haag*, 13 July 2016 (ECLI:NL:RBDHA:2016:8130).

Administrative disputes with an IP connection fall within the jurisdiction of the administrative divisions of the district courts.¹¹⁶⁸ As a result, appeals against the decisions of the Tax and Customs Service, the general tax and customs enforcement authority,¹¹⁶⁹ may be brought before the administrative divisions of the district courts,¹¹⁷⁰ even if they involve an IP element.

Procedurally, two different IP claims may be dealt with in the same proceedings provided they are sufficiently connected, i.e. the claimants and defendants are the same or there is a common factual background or cause of action.¹¹⁷¹ For example, if one claim falls within the exclusive jurisdiction of the HDC's specialised IP chamber, then another sufficiently connected claim may be heard by the HDC's specialised IP chamber as well. Thus, the combination of a patent infringement (that falls within the HDC's IP chamber exclusive jurisdiction) and a trade secret infringement claim (that is not subject to HDC's IP chamber exclusive jurisdiction) may be heard by the HDC. However, if a claim that is not subject to the exclusive jurisdiction is heard by a court other than the HDC, such court cannot hear any claim subject to the exclusive jurisdiction of the HDC's specialised IP chamber regardless of the connection between the claims. This rule applies also to EU and Benelux rights.¹¹⁷² If a court is not competent to decide a particular case, it should transfer the case to the competent court.¹¹⁷³ For example, if a district court different to the HDC seizes a claim concerning infringement or revocation of a patent or EU trade mark or design, that court must transfer the case to the HDC. The judge of the court to which the case is referred, in this case the HDC, is bound by the order of the referring court.¹¹⁷⁴

2.3. Evidence in IP cases

In the Netherlands, evidence may be furnished by any means, unless the law provides otherwise.¹¹⁷⁵ Thus, as a matter of principle, the Dutch law does not impose any limitations on admissibility of evidence,¹¹⁷⁶ leaving the assessment of admissibility to the judge.¹¹⁷⁷ However, exceptions to this general principle were introduced where the legislator found that a particular fact requires a special form of evidence, mainly for the sake of certainty for third parties.¹¹⁷⁸

2.3.1. Evidence in electronic form

Electronic evidence has the same probative value as other types of evidence, and for that purpose may be used in the same manner. This derives from the principle of liberty of proof.¹¹⁷⁹ As a result, the Dutch jurisprudence has admitted screenshots as evidence of IP rights infringement.¹¹⁸⁰ The Dutch courts may introduce their own rules concerning the form of presenting evidence. For example, the IP chamber of the HDC has established that 'web pages should preferably be digitised by a screenshot via a so-called PDF printer (e.g. PDFcreator, Cute PDF or Adobe Professional)'.¹¹⁸¹

Furthermore, there are no specific provisions regarding authentication, which can be done by any means of presentation of evidence allowed by the law, and is ultimately subject to the discretion of the court. The reason for this lack of specific rules lies in the obligation of the court to explain in the judgement the criteria used in assessing the evidence. The burden of proof in this respect is on the parties.¹¹⁸⁴

¹¹⁶⁸ The Dutch terminology is 'bestuursrechter'; Article 8(1)(2) General Administrative Act 1992 ('Algemene wet bestuursrecht').

¹¹⁶⁹ Rijksoverheid, 'Organogram ministerie van Financiën' (Rijksoverheid)

<<https://www.rijksoverheid.nl/ministeries/ministerie-van-financien/organisatie/organogram>> accessed 23 September 2020.

¹¹⁷⁰ In relation to tax disputes refer to Article 26 of the General Tax Act 1959 ('Algemene wet inzake rijksbelastingen') in conjunction with Articles 8(1)-(2) and 8:2 of the General Administrative Act 1992 (Algemene wet bestuursrecht); in relation to customs refer to Article 8(2) of the General Customs Act 2008 ('Algemene douanewet') in conjunction with Article 26 of the General Tax Act 1959 and Articles 8(1)-(2) of the General Administrative Act 1992.

¹¹⁷¹ Articles 217-220 DCCP.

¹¹⁷² Articles 4.6(4) and 4.6(5) of the Benelux Convention of Intellectual Property 2006.

¹¹⁷³ Article 270(1) DCCP.

¹¹⁷⁴ *ibid* Article 270(3).

¹¹⁷⁵ *ibid* Article 152(1).

¹¹⁷⁶ Maarten van Stekelenburg, *De betere byte in de strijd om het gelijk* (Eburon Delft 2009) 48.

¹¹⁷⁷ Article 152(2) DCCP; van Stekelenburg (n 1176) 46.

¹¹⁷⁸ van Stekelenburg (n 1176).

¹¹⁷⁹ Article 152(1) DCCP.

¹¹⁸⁰ Rechtbank Midden-Nederland, 6.03.2019 (ECLI:NL:RBMNE:2019:960); 13.03.2019 (ECLI:NL:RBMNE:2019:1068), concerning copyright infringement.

¹¹⁸¹ Special proceedings rules of the IP Chamber of the HDC, paras 2.2-3.

¹¹⁸² Article 152(2) DCCP.

¹¹⁸³ HR, 4.06.1993 (ECLI:NL:HR:1993:ZC0986); 7.04.1995 (ECLI:NL:HR:1995:ZC1702); 29.06.2001 (ECLI:NL:HR:2001:AA9560); van Stekelenburg (n 1176) 60.

¹¹⁸⁴ *ibid* 64.

While there are no authentication requirements with regards to electronic evidence, specific authentication requirements apply in relation to evidence presented in the form of a 'writing', and private deeds. Thus, a piece of evidence in the form of a 'writing' may assist in establishing, for example, the conclusion of a contract of lease.¹¹⁸⁵ A document created electronically may be considered as 'electronic writings', and thus possess the same probative value provided that: (i) the document remains accessible for parties; (ii) the authenticity of the document is sufficiently guaranteed; (iii) the moment of conclusion of the document can be determined with sufficient certainty; and (iv) the identity of the parties can be established with sufficient certainty.¹¹⁸⁶ A private deed is a signed written document which constitutes a type of 'compelling evidence'.¹¹⁸⁷ The court usually accepts its content unless proof to the contrary is presented by one of the parties.¹¹⁸⁸ A private deed allows the party that relies on it to prove, subject to evidence to the contrary, that the declaration contained in the deed is authentic, i.e. that it was actually made by the party that signed it.¹¹⁸⁹ A private deed made in an electronic form must store the contents of the deed in a manner that makes this content accessible for future use, namely for the period for which the deed is intended to serve, and an unchanged reproduction of the contents of the deed must be possible.¹¹⁹⁰ Moreover, the electronic signature with which the deed is signed must satisfy the requirements of Article 15(a) of the Civil Code.¹¹⁹¹

2.3.2. Experts

Expert evidence in civil proceedings may be delivered by an expert nominated by the court upon its own volition or upon the parties' request ('court-appointed experts')¹¹⁹² or by an expert commissioned by the party ('party expert').¹¹⁹³ The task of evaluating the evidence falls on the judge.¹¹⁹⁴ As a result, it is always for the court to determine the probative value of the expert's conclusions. These conclusions are not binding, but if the court decides not to take them into account the rejection must be substantiated.¹¹⁹⁵

Experts provide their opinion on specialist, for example technical, matters.¹¹⁹⁶ Their main function is thus to provide opinions on questions of fact. They may also give an opinion on a mixed question of facts and law,¹¹⁹⁷ but in general are not permitted to take a stance on the point. However, in rare circumstances the court may ask an expert to deliver his or her opinion on a question of law.¹¹⁹⁸ For example, in a judgement of 2 February 1990, the Dutch Supreme Court affirmed the decision of the Court of Appeal where an expert's opinion was admitted on the question of interpretation of the statutory term 'containment', which was used in 1904 legislation.¹¹⁹⁹ The purpose of the opinion was to determine how the meaning of the term had changed through time.¹²⁰⁰ As to the interpretation of foreign law, while it is also generally the task of the court to decide on the interpretation of foreign law, an expert may be asked to deliver his or her opinion on the matter.¹²⁰¹ Moreover, it is customary that parties provide legal opinions in that respect.

Party experts are commonly relied upon in IP disputes. In particular, parties typically support their statements of claim or defence with expert opinions from their own party experts. A party may request the court to order a hearing on which the party expert will be heard.¹²⁰² A court may also, on its own volition or upon a party's application, request a party expert to provide further oral or written explanations.¹²⁰³

¹¹⁸⁵ Articles 6:227a and 7:317 of the Dutch Civil Code.

¹¹⁸⁶ *ibid* Article 6:227a.

¹¹⁸⁷ The Dutch terminology is 'dwingend bewijs'.

¹¹⁸⁸ Article 151(1)-(2) DCCP.

¹¹⁸⁹ *ibid* Article 157(2).

¹¹⁹⁰ *ibid* Article 156a(1).

¹¹⁹¹ The method used for the authentication of the electronic signature must be sufficiently reliable, considering the purpose for which the electronic data were used, as well as all other circumstances of the situation.

¹¹⁹² Article 194 DCCP.

¹¹⁹³ *ibid* Article 200.

¹¹⁹⁴ *ibid* Article 152(2).

¹¹⁹⁵ HR, 12.07.2002 (ECLI:NL:HR:2002:AE1532).

¹¹⁹⁶ PHR, 14.12.2018, (ECLI:NL:PHR:2018:1410).

¹¹⁹⁷ G. de Groot, *Het deskundigenadvies in de civiele procedure*, Deventer: Kluwer, 2008, available at (Vrije Universiteit Amsterdam, 2008) <<https://research.vu.nl/en/publications/het-deskundigenadvies-in-de-civiele-procedure>> accessed 23 September 2020, 164-165.

¹¹⁹⁸ G. de Groot and N.A. Elbers, 'Inschakelen van deskundigen in de rechtspraak - Verslag van een onderzoek naar knelpunten en verbetervoorstellen' (Vrije Universiteit Amsterdam) <<https://research.vu.nl/ws/portalfiles/portal/2415539/Rapport.pdf>> accessed 23 September 2020, 27.

¹¹⁹⁹ HR, 02.02.1990 (ECLI:NL:HR:1990:ZC8398, NJ 19910).

¹²⁰⁰ PHR, 14.12.2018, (ECLI:NL:PHR:2018:1410).

¹²⁰¹ Groot and Elbers (n 1198), 28.

¹²⁰² Article 200(1 and 3) DCCP.

¹²⁰³ *ibid* Article 200(4).

2.3.3. Power of the court to appoint an expert unilaterally

A court may appoint an expert on its own volition.¹²⁰⁴ While the court consults the parties in this regard,¹²⁰⁵ the parties' opinions are not binding for the court.¹²⁰⁶

2.4. Preliminary injunctive relief in IP cases

Preliminary injunctive relief measures, regardless of the type, are generally granted by a 'preliminary relief judge' of the competent court.¹²⁰⁷ Dutch Law provides for the possibility to obtain a preliminary injunctive relief in the form of:¹²⁰⁸

- (i) an *inter partes* injunction, in the so-called '*kort geding*' proceedings;¹²⁰⁹
- (ii) seizure of infringing goods;¹²¹⁰
- (iii) seizure of evidence of infringement;¹²¹¹
- (iv) *ex parte* injunction in the case of an IP right infringement.¹²¹²

The purpose of *kort geding* proceedings is to permit the parties to receive a provisional ruling with the same content as the one in the main proceedings, where the time constraints do not allow waiting for the end of the main proceedings.¹²¹³ The provisional ruling does not bind the court ruling on the merits,¹²¹⁴ and the main proceedings must be started within a period of six months.¹²¹⁵ In practice, however, parties often consider the outcome of *kort geding* as a final result of litigation.¹²¹⁶ Types of measures granted in the *kort geding* proceedings include:

- (i) an injunction ordering a respondent to cease or refrain from performing certain infringing activities;¹²¹⁷
- (ii) a recall of infringing products;
- (iii) an obligation to disclose details regarding suppliers and customers;
- (iv) an obligation to disclose details regarding numbers and profits; and,
- (v) a payment of an advance on damages, but only in exceptional cases.

The *kort geding* proceedings are instigated on the application of the claimant. The starting of this type of proceedings is not automatic: the claimant is free to start main proceedings instead. The defendant is bound by the claimant's application in the sense that if the statutory conditions are met, for example the case is urgent, he or she cannot demand the instigation of the main proceedings. The *kort geding* proceedings are short and straightforward. A hearing date is routinely granted on the basis of an elaborate draft writ including statement of claim, factual allegations and reference to evidence in exhibits.¹²¹⁸ The next step is serving the defendant with the writ along with the exhibits, i.e. all evidence to support or substantiate allegations or assertions.¹²¹⁹ The defendant is subsequently ordered to file any exhibits within one or two weeks before the hearing. The defendant can also file a written statement of defence. The last phase is the oral hearing. The judge will normally render his or her written decision in two to four weeks. If there is an immediate threat of infringement, for example an intended product launch, the judge may also render an oral interim decision directly at the hearing. Importantly, a preliminary injunctive relief may be granted by a different judge from the single judge who considers a case in the merits proceedings or the judges forming the panel that decides on the merits.

¹²⁰⁴ *ibid* Article 194(1).

¹²⁰⁵ RM Hermans, 'Redenen waarom overleg met partijen over de benoeming van deskundigen wenselijk is' (NavigatorNL - Wolters Kluwer, 1 November 2011) <https://www.navigator.nl/document/idfa3caf705493466eb405fb28ce562a86/het-onderzoek-in-de-enqueteprocEDURE-serie-van-der-heijden-instituut-nr-145-322-redenen-waarom-overleg-met-partijen-over-de-benoeming-van-deskundigen-wenselijk-is?ctx=WKNL_CSL_2490> accessed 23 September 2020.

¹²⁰⁶ Groot and Elbers (n 1198), 26.

¹²⁰⁷ The Dutch terminology is 'voorzieningenrechter'; Article 50 and 60 of the Judicial Organisation Act 1827.

¹²⁰⁸ George Cumming, *Enforcement of Intellectual Property Rights in Dutch, English, and German Civil Procedure* (Wolters Kluwer Law & Business 2008), 118ff.

¹²⁰⁹ Article 254 DCCP.

¹²¹⁰ Articles 700ff and 730ff DCCP; article 2.22(2) and 3.18(2) of the Benelux Convention on Intellectual Property Rights 2006; Article 70(9) of the Seed and Planting Materials Act 2005; Article 14(9) of the Agricultural Quality Act 1971; Article 28 of the Copyright Act 1912; Article 17(2) Neighboring Rights Act 1993; Article 70(7) of the Patent Act 1995, or Article 843a DCCP.

¹²¹¹ Articles 1019b, 1019c and 709(3) DCCP.

¹²¹² *ibid* Article 1019e.

¹²¹³ Félicie Schneider, *Die Leistungsverfügung im niederländischen, deutschen und europäischen Zivilprozessrecht* (Hohe Siebeck 2013) 75.

¹²¹⁴ Jeroen Chorus et al., *Introduction to Dutch Law* (5 ed., Wolters Kluwer 2016) §7.22.

¹²¹⁵ 'Patent litigation in the Netherlands: overview' (n 1109); Cumming (n 1208) 181.

¹²¹⁶ Jeroen Chorus et al. (n 1214).

¹²¹⁷ The breach of such an order will lead to civil penalties (Marieke van Hooijdonk and Peter V Eijvoogel, *Litigation in the Netherlands: Civil Procedure, Arbitration and Administrative Litigation* (2 ed., Wolters Kluwer 2009) 9.1.3).

¹²¹⁸ Rechtspraak, 'Spoedprocedure (*kort geding*) civiele rechter' (Rechtspraak.nl) <<https://www.rechtspraak.nl/Organisatie-en-contact/Rechtsgebieden/Civiel-recht/Civiele-rechter/procedures/Paginas/Civiel-recht-kort-geding.aspx#62bbe7af-3218-4b06-8a13-12b3897f012ef4c35da0-db5e-4baf-8754-8058da8dfca11>> accessed 23 September 2020.

¹²¹⁹ *ibid*.

The second type of preliminary injunctive relief is an order to seize the products that allegedly infringe IP rights.¹²²⁰ This type of relief will almost routinely be granted within a couple of days without undue delay.¹²²¹ On the basis of this order, a bailiff (assisted by the police, if necessary) can enter the premises of an alleged infringer, describe the stock (numbers and product codes), physically seize it and store it elsewhere.¹²²² The order to seize must be followed by the filing of a claim commencing the infringement proceedings on the merits within the time frame set by the court, which spans typically from 6 to 12 weeks.¹²²³ These measures are considered 'conservatory', in the sense that the owner of the seized products is no longer entitled to trade in the products pending the conclusion of the infringement proceedings on the merits. The owner of the products can try to get a preliminary seizure or attachment lifted in summary injunction proceedings pursuant to Article 705(2) DCCP.

Another type of preliminary relief is a seizure of evidence, which allows the securing of evidence of IP rights infringement.¹²²⁴ In essence, a bailiff (if necessary, with the assistance of the police), usually accompanied by a forensic and technical expert, can enter the premises of an alleged infringer and make copies of the available evidence and/or describe the processes observed.¹²²⁵ The relief can also include an order for the party-to-be-seized to cooperate by providing necessary passwords and log-in codes.¹²²⁶

Finally, a variety of measures can be ordered through an *ex parte* injunction, for example an order to block proxy addresses where copyright was infringed,¹²²⁷ or to prohibit infringement subject to a daily fine.¹²²⁸ In patent cases, *ex parte* injunctions are exceptional, which is due to the fact that the court poses very strict requirements concerning urgency.¹²²⁹ The *ex parte* injunctions are particularly relevant in the so-called 'repeat' cases. For example, a pharmaceutical originator company that holds a patent over a medical product, after winning a litigation against a generic company, in which the court held the patent to be valid, and that a generic version of the medical product infringes the originator's patent, would then sue another generic company alleging a patent infringement and requesting the court to grant an injunction against this generic company.¹²³⁰

2.4.1. Grounds for granting preliminary injunctive relief

Inter partes injunctions will be granted 'in all urgent cases where, in view of the interests of the parties, an immediate measure is required'.¹²³¹ On the basis of this provision, the jurisprudence has identified two general requirements: (i) urgency; and (ii) likelihood of success.¹²³² The question of urgency requires consideration of the interests of the parties, assessed according to the situation at the time of the judgement.¹²³³ The court assumes that urgency exists as long as sufficiently convincing evidence is presented, or where the infringement was continuing for a longer period of time.¹²³⁴ Second, the assessment of interests of the parties necessitates an analysis of the likelihood of success. As a result, the court must assess the legal basis on which the claimant relies.¹²³⁵ For instance, the court must determine whether the IP right is valid and infringed.¹²³⁶ The court will consider, for example, whether the defendant presented convincing evidence that there is a serious chance of revocation in proceedings on the merits or in the EPO opposition proceedings.¹²³⁷

The grounds for granting an order for seizure of infringing goods depend on the provision that the applicant invokes as a legal basis.¹²³⁸ In relation to IP rights, the provisions of the substantive acts require urgency

¹²²⁰ Articles 700ff and 730ff DCCP; Article 2.22(2) and 3.18(2) of the Benelux Convention on Intellectual Property Rights 2006; Article 70(9) of the Seed and Planting Materials Act 2005; Article 14(9) of the Agricultural Quality Act 1971; Article 28 of the Copyright Act 1912; Article 17(2) Neighbouring Rights Act 1993; Article 70(7) of the Patent Act 1995, or Article 843a DCCP.

¹²²¹ Article 20 DCCP; M Meijssen and A W Jongbloed, 'Conservatoir beslag in Nederland' (Rechtspraak.nl, 6 January 2010) <<https://www.rechtspraak.nl/SiteCollectionDocuments/RM-Conservatoir-beslag-in-Nederland.pdf>> accessed 23 September 2020, 26ff;

¹²²² Rechtspraak, 'De beslagsyllabus' (Rechtspraak.nl, August 2019) <<https://www.rechtspraak.nl/SiteCollectionDocuments/Beslagsyllabus.pdf>> accessed 23 September 2020.

¹²²³ *ibid* pp 18 and 60.

¹²²⁴ Article 1019b-d DCCP.

¹²²⁵ 'De beslagsyllabus' (n 1222).

¹²²⁶ *ibid*.

¹²²⁷ Rechtbank 's-Gravenhage, 10.05.2012, (ECLI:NL:RBSGR:2012:BW5407).

¹²²⁸ Rechtbank 's-Gravenhage, 22.02.2008, (ECLI:NL:RBSGR:2008:BC4990).

¹²²⁹ Dirk Visser, *Kroniek van de Intellectuele Eigendom* (Nederlands Juristenblad 2009) 916-917.

¹²³⁰ Rechtbank 's-Gravenhage, 5.10.2009 (KG RK 09-2584).

¹²³¹ Article 254 DCCP.

¹²³² HR 15.04.2016, (ECLI:NL:HR:2016:666).

¹²³³ Rechtbank Den Haag, 16.07.2019, (ECLI:NL:RBDHA:2019:6968), [4.2].

¹²³⁴ HR, 23.01.1998, (ECLI:NL:HR:1998:ZC2553).

¹²³⁵ HR 21.04.1995, (ECLI:NL:HR:1995:ZC1705); 15.04.2016, (ECLI:NL:HR:2016:666).

¹²³⁶ Rechtbank Den Haag, 14.11.2017, (ECLI:NL:RBDHA:2017:13109).

¹²³⁷ Case C-616/10 Solvay SA v Honeywell Fluorine Products Europe BV and Others [2012] ECLI:EU:C:2012:445, paras 49-50.

¹²³⁸ 'De beslagsyllabus' (n 1222).

or likelihood of success.¹²³⁹ In such cases, the court assesses the interests of the parties based on the documents presented by the applicants. These documents must include information indicating the nature of the goods and the rights invoked by the applicant to justify the seizure.¹²⁴⁰ Upon receiving the order of seizure, the party against which it was issued may request the court to have the order revoked.¹²⁴¹ The court will then assess the substantive basis of the application, for example whether the rights are valid and infringed.¹²⁴²

As to the order to seize evidence of infringement, apart from substantiating the existence of IP rights and infringement thereof, an assessment of proportionality and necessity of the measure is required.¹²⁴³ In particular, the courts will assess whether the invasiveness of the measure requested is justified in light of the alleged infringement, and whether there is any less invasive measure available,¹²⁴⁴ i.e. whether the seizure is indeed necessary.¹²⁴⁵

Finally, an *ex parte* injunction may be obtained if an IP proprietor can demonstrate: (i) a *prima facie* valid title; (ii) a *prima facie* (threat of) infringement; and (iii) irreparable harm should the IP rightholder have to await the outcome of proceedings on the merits.¹²⁴⁶ The third condition requires assessment of the urgency of the applicant's request and the seriousness of the damage he or she might suffer, i.e. the case must be so urgent, that absent the grant of *ex parte* injunction, irreparable damage would occur.¹²⁴⁷ In practice, if sufficient proof of infringement is established, it is for the respondent to explain why the case is not urgent and the irreparable harm will not occur.¹²⁴⁸

2.4.2. Application for preliminary injunctive relief before submitting a lawsuit

All preliminary injunctive relief measures can be granted before submitting the main lawsuit with the court. An application must be followed by the commencement of the infringement proceedings on the merits. In relation to *ex parte* measures the timeframe is 6 to 12 weeks,¹²⁴⁹ while in relation to *inter partes* measures it is six months.¹²⁵⁰ As for the court competent to deal with the application preceding the lawsuit, this will depend on the type of measure requested. *Inter partes* injunctions in *kort geding* proceedings and *ex parte* injunctions in IP-related proceedings are granted either by the court where the defendant has his or her domicile or his or her place of business, or where the infringement occurred.¹²⁵¹ This does not apply to the disputes subject to the exclusive jurisdiction of the HDC, which must always be filed with the said court. The seizure of goods and evidentiary measures are granted by the court in whose district the goods and evidence are located.¹²⁵²

2.4.3. Cross-undertaking

In principle, no cross-undertaking is required on the part of the applicant for a preliminary injunctive relief. However, a similar effect may be achieved by a court's order to provide security¹²⁵³ or to compensate the respondent if the measure proves unfounded.¹²⁵⁴ The provision of a security may be ordered in the proceedings concerning the grant of seizure of goods and *ex parte* injunctions.¹²⁵⁵

The main factor to be taken into account is the solvency of the applicant, and more specifically whether he or she would be able to compensate the respondent if the measure proves unfounded. As a result, the security will not be granted where the applicant possesses sufficient financial resources to compensate the other party for damages suffered as the result of an injunction.¹²⁵⁶

¹²³⁹ Articles 700ff and 730ff DCCP; Articles 2.22(2) and 3.18(2) of the Benelux Convention on Intellectual Property Rights 2006; Article 70(9) of the Seed and Planting Materials Act 2005; Article 14(9) of the Agricultural Quality Act 1971; Article 28 of the Copyright Act 1912; Article 17(2) of the Neighboring Rights Act 1993; Article 70(7) of the Patent Act 1995, or Article 843a DCCP.

¹²⁴⁰ M Meijssen and A W Jongbloed (n 1221) 26ff.

¹²⁴¹ Article 705 DCCP.

¹²⁴² Rechtbank Den Haag, 20.10.2016, (ECLI:NL:RBDHA:2016:12658).

¹²⁴³ Rechtbank Oost-Brabant, 23.03.2019, (ECLI:NL:RBOBR:2019:1783).

¹²⁴⁴ Rechtbank Oost-Brabant, 23.03.2019, (ECLI:NL:RBOBR:2019:1783) [3.2.7], [5.1].

¹²⁴⁵ 'De beslagsyllabus' (n 1222) 53.

¹²⁴⁶ Article 1019e DCCP.

¹²⁴⁷ Rechtbank 's-Gravenhage 22.02.2008, (ECLI:NL:RBSGR:2008:BC4990); Rechtbank Arnhem, 12.11.2010 (ECLI:NL:RBARN:2010:BO7612).

¹²⁴⁸ Rechtbank 's-Gravenhage, 10.05.2012, (ECLI:NL:RBSGR:2012:BW5407).

¹²⁴⁹ Article 1019i DCCP; 'De beslagsyllabus' (n 1222) 18, 60.

¹²⁵⁰ 'Patent litigation in the Netherlands: overview' (n 1109); Stefan Luginbuehl, European Patent Law: Towards a Uniform Interpretation, Edward Elgar Publishing 2011, p 68.

¹²⁵¹ Articles 99-102 DCCP.

¹²⁵² *ibid* Article 700.

¹²⁵³ *ibid* Article 701(1) and 1019e(2).

¹²⁵⁴ *ibid* Article 1019g.

¹²⁵⁵ *ibid* Article 701(1) and 1019e(2).

¹²⁵⁶ Rechtbank 's-Gravenhage of 7.11.2011, (ECLI:NL:RBSGR:2008:BG3868); 02.06.2009 (KG RK 09-1374).

In an IP dispute, a party against which a seizure order, an evidentiary measure, an *ex parte* injunction, or an *inter partes* injunction has been issued, can request the court to order the person who has applied for such a measure to adequately compensate the damage caused by this measure.¹²⁵⁷ This will be possible in particular, if the measure has been wrongly issued. The provision thus establishes a situation in which a respondent who wins the main proceedings or succeeds in getting the preliminary relief revoked can request the reimbursement for damages suffered as a result of the issuance of the measure in the first place.¹²⁵⁸

2.4.4. Revocation of preliminary injunctive relief on the court's initiative

The court that granted a preliminary injunctive relief, either *inter partes* or *ex parte*, does not have the authority to revoke such a relief on its own volition.

2.5. Security for costs

In the Netherlands, defendants can raise a motion for security for costs only against foreign claimants.¹²⁵⁹ The provision will not apply where it is plausible that the foreign claimant will be able to compensate for the costs without granting a security.¹²⁶⁰ In order to take advantage of this exception, the claimant must provide specific information of the possible ways of enforcement available in the Netherlands in relation to the claimant,¹²⁶¹ for instance, declare that he or she possesses shares in Dutch companies.¹²⁶² Sufficient grounds for the exception will not exist where the claimant only states that he or she has debtors in the Netherlands, without specifying their names and the amount of the debt.¹²⁶³ The exception does not require a guarantee that the claimant will pay full costs, rather only a degree of plausibility that he or she will be able to do so.¹²⁶⁴

Another exception to the obligation of providing security is if requiring security would impede effective access to justice for the claimant.¹²⁶⁵ In this regard, the claimant must present the court with a detailed description of his or her financial status, explaining why the provision of a security will impede his or her access to justice.¹²⁶⁶ A mere reference to a 'loss of control over assets' will not suffice.¹²⁶⁷ In addition, a number of international treaties prevent security for costs from being imposed on the claimant, if the Netherlands and the state where such a foreign claimant is domiciled are both signatories.¹²⁶⁸ As a result, security for costs cannot be imposed on claimants from, inter alia, EU Member States.

¹²⁵⁷ Article 1019g DCCP.

¹²⁵⁸ Rechtbank Den Haag, 01.06.2016, (ECLI:NL:RBDHA:2016:5773).

¹²⁵⁹ Article 224 DCCP.

¹²⁶⁰ *ibid* Article 224(2c).

¹²⁶¹ Gerechtshof Amsterdam, 15.08.2018, (ECLI:NL:GHAMS:2018:2953); 28.08.2018 (ECLI:NL:GHAMS:2018:3117).

¹²⁶² Rechtbank Amsterdam, 23.08.2017, (ECLI:NL:RBAMS:2017:6533).

¹²⁶³ Rechtbank Rotterdam, 03.04.2019, (ECLI:NL:RBROT:2019:3181).

¹²⁶⁴ Gerechtshof 's-Hertogenbosch, 06.10.2009, (ECLI:NL:GHSHE:2009:BK7393).

¹²⁶⁵ Article 224(2d) DCCP.

¹²⁶⁶ HR, 14.06.2019 (ECLI:NL:PHR:2019:622).

¹²⁶⁷ *ibid*.

¹²⁶⁸ The Hague Convention on Civil Procedure 1954; The Hague Service Convention 1965.

2.6. Cassation in small value claims

If the alleged value of an IP infringement claim is below EUR 25,000,¹²⁶⁹ such a case may be brought before a small claims chamber within the district courts (the '*kantonrechter*').¹²⁷⁰ The chamber will thus deal with cases for damages below an amount of EUR 25,000, but not with cases where the value of the claim cannot normally be evaluated, such as a claim for prohibition of infringement. The small claims chamber jurisdiction is also available for claims that fall under the exclusive jurisdiction of the IP chamber of the HDC. In these cases, a judge of the IP chamber will sit as a judge in the small claims chamber. An appeal against the judgement of the district court is only available if the claim exceeds EUR 1,750.¹²⁷¹

An appeal must be filed with the Court of Appeal in accordance with the rules of the territorial jurisdiction within three months.¹²⁷² It is also possible to appeal in cassation to the Dutch Supreme Court.¹²⁷³ The law does not provide any limitations concerning the availability of cassation in the small value claims. However, where the cassation is filed against a judgement to which an appeal was not or could not be filed, the appealing party may rely only on the following grounds for cassation: (a) failure to demonstrate the grounds on which the judgement or order is based; (b) the judgement was not made publicly; (c) incompetence; or (d) exceeding jurisdiction.¹²⁷⁴

¹²⁶⁹ Article 79(2) in conjunction with Article 93(2) DCCP. In such cases, Dutch Law allows parties to initiate civil proceedings in person without the representation by a counsel.

¹²⁷⁰ *ibid.*

¹²⁷¹ *ibid* Article 332.

¹²⁷² *ibid* Article 339(1).

¹²⁷³ *ibid* Article 398.

¹²⁷⁴ Article 80 of the Judiciary Organisation Act 1827.

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