

was suggested that this external auditor should contact the Internal Auditors or the By-Laws Committee or the Secretary General.

- In A. 18 BL, the expressions “full members”/“substitute members” (of the commissions) are misleading.

These expressions are also used in connection with the Council Members (see BL, Art. 2.3 for example). Possible other expressions (in Art. 18) have to be considered.

Report of the Litigation Committee (LitCom)

A. Casalonga (FR), Chair

I. Appropriate qualifications and certificate for representation by European patent attorneys (EPLC)

Discussions about this question are continuing within the legal group in charge within the Preparatory Committee.

At present it seems that only a few changes are considered.

A few non-profit organisations authorized to grant the Certificate would be added, for instance, the Academy of European Law (ERA) in Trier and the European Patent Academy of the EPO.

The transitory period in Rule 12 for a request to be entered on the list would be cut down from three years to one year.

Rule 12(2) – possibility to be entered on the list if one has represented a party in patent infringement actions on his own – has not been changed. The **epi** had stressed that this rule is too limited since in many countries patent attorneys are not allowed to represent on their own in infringement cases. It should suffice to have assisted a lawyer.

This seems to be under discussion within the legal group. In case however that mere assistance of a lawyer would be accepted, the required number of infringement actions may need to be increased.

II. Representation by EPAs from non-EU Countries

At the public hearing on the RoP in Trier on 26 November 2014 it was noted that the wording of Rule 286(1) would enable non-EU lawyers to represent parties before the UPC. Thus, a limitation based on nationality has been introduced for lawyers.

Art 1(2)(a) of Directive 98/5/EC contains an inherent limitation on who can be a lawyer. The person must be a national of a Member State. However, Rule 286(1) RoP states “by way of exception”, which means that the definition of the Directive no longer applies. For this reason, a phrase like “having the nationality of a Member State” should be inserted.

At the hearing, some members of the drafting advisory group remarked that there should be a similar limitation on nationality for EPAs.

It was decided by the **epi** Council (C78) that LitCom would prepare a paper stating that representation should not be restricted to EPAs from EU Member States. Arguments for this position are that a lawyer’s title is per definition granted by national law, whereas the qualification as EPA is based on the EPC and thus concerns a unified profession. Art 48(2) UPCA does not include any limitation on nationality. It merely refers to EPAs who are entitled to act as professional representatives before the EPO pursuant to Art 134 EPC and who have appropriate qualifications such as a EPLC.

The LitCom prepared this paper but, after discussion, decided to wait before submitting the paper. In fact, the Preparatory Committee appears to be in line with the **epi**’s opinion. This is reflected by the wording of Rule 286 in the 18th draft of Rules of Procedure before the UPC, recently issued, which is satisfactory in regard of this question.

III. Consultation on Court Fees and Recoverable Costs

The present consultation document on the Rules on Court fees and recoverable costs, which also includes a table of the proposed fees and ceilings for recoverable costs, differs from the previous draft in that for some procedures and actions only a fixed fee and no value-based fee is required, for instance, for a revocation action and counterclaim for revocation.

Two alternatives are proposed in the document. Alternative 1 foresees reimbursements of fees in case of a single judge (R. 370(6)(a)), withdrawal (R. 370(6)(b)) or settlement (R. 370(6)(c)). Alternative 2 contains an exemption of value-based fees for certain legal persons, such as SMEs. Alternative 1 benefits the system by encouraging certain behaviour, while Alternative 2 supports SMEs.

After discussion, The LitCom considered that these two alternatives should be combined.

The LitCom debated the proposed ceilings for the recoverable costs. These apply per instance and party and are hence not dependent on the number of representatives.

After discussion, the LitCom decided that the ceiling should be less progressive. Where the value of the action is more than 30 Million, the ceiling should be 1,5 Million and not 3 Million as proposed in the draft. This would also be in line with the table for the value-based fees.

The recoverable costs and the value of the dispute if there are multiple parties on one side was also discussed. This could happen for instance, in the case of generic companies in a pharmaceutical case that file a revocation action. It was suggested that the UPC should carefully consider such situations of multiple parties in the assessment under Rule 152 which provides that only "reasonable and proportionate costs for representation" can be recovered.

A draft **epi** position paper was prepared on the basis of the discussion held during the meeting of the Litigation Committee. This draft was approved by the President of the **epi** and posted in due time on the UPC website in answer to the consultation. (this paper is available on the **epi** website)

IV. Code of Conduct for UPC Representatives

The Preparatory Committee intends to attach a Code of Conduct (CoC) to the Rules of Procedure (see Rule 290(2)). Within the **epi**, the Professional Conduct Committee (PCC) takes the lead in this regard. The Litigation Committee may assist the PCC by providing ideas and reviewing the draft.

A fundamental question is whether to have separate Codes for lawyers and EPAs or a unified CoC. Furthermore, it must be decided whether there should be a stand alone CoC or a complementary CoC with reference to the existing Codes.

The Litigation Committee is in favor of a single CoC for both lawyers and EPAs. An independent disciplinary body for violations of this code should also be considered.

It was noted that Art 48(3) UPCA only provides for a list of EPAs kept by the UPC Registrar. There is no such list for lawyers (Rule 286 RoP does not foresee any legal consequences). Thus, it is not possible to strike lawyers from the list of representatives. However, according to Rule 291 RoP, a representative may be excluded from proceedings.

It was also stressed that the UPC CoC should address the specific situation of representatives working in industry.

Report of the European Patent Practice Committee (EPPC)

F. Leyder (BE), Chair

This report completed on 12.08.2015 covers the period since my previous report dated 07.05.2015.

The EPPC is the largest committee of the **epi**, but also the one with the broadest remit: it has to consider and discuss all questions pertaining to, or connected with, practice under (1) the EPC, (2) the PCT, and (3) "the future EU Patent Regulation", including any revision thereof, except all questions reserved for other committees: Biotech, OCC, PDC, LitCom, and EPO Finances.

The EPPC is presently organised with six permanent sub-committees (EPC, Guidelines, MSBA, PCT, Trilateral & IP5, and Unitary Patent). Additionally, *ad hoc* working groups are set up when the need arises. Thematic groups are also being set up.

1. Independence of the Boards of Appeal

At the AC meeting of 25-26.03.2015, there was presented a paper (CA/16/15) submitted by the President of the EPO, entitled "Proposal for a structural reform of the

EPO Boards of Appeal (BOA)". On behalf of **epi**, our delegates to the AC meeting expressed that we would not support moving the Boards, even less outside Munich, and that we would need more time to review in detail these proposals

Paper CA/16/15 has been included in the accumulated file for C78, with a request for comments by Council members. An *ad hoc* working group has been set, which prepared a draft answer. Mr Kongstad, Chairman of the Administrative Council, agreed to a meeting on 15.06.2015 with a delegation of **epi**, headed by our President, to exchange views. The final draft was submitted to the EPPC for review. The **epi** response to the consultation is published in this issue.

The *ad hoc* working group will shortly review the Questionnaire on the Reform of the Boards of Appeal of the Association of the Members of the Boards of Appeal of the EPO (available on the AMBA website <http://www.amba-epo.org/reform>).