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 Schudles, 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
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
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 on the 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
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

CDO Ukraine IP Court Project
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
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Project Coordinator in Ukraine

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LLM (Taras Shevchenko National University), LLM in IP (Université de Nantes, France)
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

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BGH</td>
<td>Federal High Court of Justice ('Bundesgerichtshof')</td>
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<tr>
<td>BPatG</td>
<td>Federal Patent Court ('Bundespatentgericht')</td>
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<tr>
<td>CA</td>
<td>Court of Appeal ('Cour d’appel')</td>
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<td>CAFC</td>
<td>Court of Appeal for the Federal Circuit</td>
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<tr>
<td>CCA</td>
<td>Constitution of the Courts Act ('Gerichtsverfassungsgesetz')</td>
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<td>CCP</td>
<td>Code of Civil Procedure ('Code de procédure civile')</td>
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<td>CDPA</td>
<td>Copyright, Designs and Patents Act</td>
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<tr>
<td>CJEU</td>
<td>Court of Justice of the European Union</td>
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<tr>
<td>CJO</td>
<td>Code of Judicial Organisation ('Code de l'organisation judicaire')</td>
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<tr>
<td>CPC</td>
<td>Commercial Procedural Code of Ukraine ('Господарський процесуальний кодекс України')</td>
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<td>CPR</td>
<td>Civil Procedure Rules</td>
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<tr>
<td>DCCP</td>
<td>Dutch Code of Civil Procedure ('Wetboek van Burgerlijke Rechtsvordering')</td>
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<tr>
<td>ECHR</td>
<td>Convention for the Protection of Human Rights and Fundamental Freedoms</td>
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<td>ECoHR</td>
<td>European Court of Human Rights</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUIPO</td>
<td>European Union Intellectual Property Office</td>
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<td>EEA</td>
<td>European Economic Area</td>
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<td>FRAP</td>
<td>Federal Rules on Appellate Procedure</td>
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<td>FRCP</td>
<td>Federal Rules of Civil Procedure</td>
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<td>FRE</td>
<td>Federal Rules of Evidence</td>
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<td>HDC</td>
<td>District Court of The Hague</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<td>ICC</td>
<td>International Chamber of Commerce</td>
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<td>IIP</td>
<td>International Intellectual Property Institute</td>
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<td>IP</td>
<td>Intellectual Property</td>
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<td>IPC</td>
<td>Intellectual Property Code (‘Code de la propriété intellectuelle’)</td>
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<td>IPEC</td>
<td>Intellectual Property Enterprise Court</td>
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<td>IOP</td>
<td>Internal Operating Procedures of the Court of Appeal for the Federal Circuit</td>
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<td>LG</td>
<td>‘Landgericht’</td>
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<td>PI</td>
<td>Preliminary injunction</td>
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<td>PD</td>
<td>Practice Direction</td>
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<td>Post Qualification Experience</td>
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<td>TGI</td>
<td>‘Tribunal de grande instance’</td>
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<td>Temporary restraining order</td>
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<td>The Agreement on Trade-Related Aspects of Intellectual Property Rights</td>
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<td>UK</td>
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<td>United States Patent and Trademark Office</td>
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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. 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.

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 factors 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.

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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. 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. 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. 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.

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1 The findings of the Comparative Study are incorporated in the Final Recommendations discussed below.
2 For the complete Comparative Study report see Annex 1.
3 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. 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. This may increase faith in the intellectual property system as a whole and encourage investment and innovation. 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. 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. 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. There would also be less chance of specialist courts generating conflicting precedents due to misunderstandings of technicalities in complex IP disputes. 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. 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.

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, including the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs).

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, Ukraine has undertaken to provide ‘... measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights’. 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, the

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7 IPPI and USPTO (n 5) 6.
8 Ibid.
9 ibid.
10 ibid.
11 ibid.
12 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.
15 ‘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’).
16 Article 230 of the Association Agreement.
17 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

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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).


21 A number of the respondents to our questioner also expressed their positive attitude towards the creation of the IP Court in Ukraine.

22 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).

23 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 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).

24 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.’).


27 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

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” (n22).
32 Decree 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).
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. The Law also states that the Appellate Chamber of the IP Court will be created within the Court.

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.

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, 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).

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 cases reveals that, in the majority of the selected jurisdictions, separate appellate courts hear appeals on the decisions of courts of first instance. 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.

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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 Article 31(4) of the Law on the Judicial System. See Article 25(3) CPC.
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 (ECoHR), ‘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 ECoHR 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_Art6_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 ECoHR 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 ECoHR 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 ECoHR.
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. 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. 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. 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. 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, 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.

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.

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.

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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, 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. 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. 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. In some jurisdictions, IP judges also have a technical or scientific background. 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.

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. Therefore, considering the

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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.


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. 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.

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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. 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 videoconferencing, others contend that, in practice, courts often refuse to conduct such videoconferences and generally require the parties to attend hearings in person. In addition, in some cases, the quality of such videoconferences is very low. 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. 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. 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. 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, or to a specifically designated location, such as a regional division of the IP court. 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.

64 Democracy Reporting International (n 57).
66 Popynchenko (n 65) 42.
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://wl1.c1.rada.gov.ua/pls/web2/webproc4_17p2f35f1169679>. 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 proceedings, 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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.

\textsuperscript{73} See Parts III–V, Section 1.3. of the Comparative Study (these are Germany, France and the Netherlands).

\textsuperscript{74} See Parts III and V, Section 2.4.2. of the Comparative Study.

\textsuperscript{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 instance and nine at the Appellate Chamber. 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. 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. 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). 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. 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. 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.

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, 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.
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. In exceptional circumstances, a commercial dispute can be considered by a panel of three judges depending on a category and complexity of the case. 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. 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. 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. 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. In other jurisdictions the default is reverted to a three-judge panel, as is the case in Ukraine. In those jurisdictions, the option of having disputes that are legally and factually not complex heard by one judge is available in suitable circumstances. In some of them, parties may jointly request the court to transfer their dispute to a single judge. 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. 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.

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85 Article 33(1) CPC.
86 The ‘complexity’ criterion is not defined in Article 33(1) CPC, i.e. the provision states that: “any 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 (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).
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. 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. 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, 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. As the CPC does not explicitly mention such cases, they may be considered as remaining formally within the jurisdiction of the administrative courts.

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.

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. 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; 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/73845253> (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 Plant 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).
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/72707299> 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. 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.

(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, 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. 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-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.

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.

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.

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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).


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 Azema and Jean-Christophe Galloux, Droit de la propriete industrielle – Se ed. (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. 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.

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.

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

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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. It states that such a recognition may be performed either by the Appellate Chamber or the court. Thus, under the Ministerial decree of 2005, the Appellate Chamber of the Ministry of Economic, Trade and Agricultural Development of Ukraine (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. 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.

The new CPC establishes that the right to recognise a trade mark as well-known now falls within the jurisdiction of the IP Court. 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 procure of establishing legal facts. 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. 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. 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.

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115 Popynachenko (n 65) 42.
117 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’, the subjects of copyright are authors, their heirs and persons, to whom authors or their heirs transferred their copyright. 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.

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
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. 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.

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.

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 jurisdictions, 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. 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.

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. Conversely, even in the jurisdictions where the court may appoint an expert upon its own volition, the courts rarely do this.

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.

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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 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).

131 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).

132 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. 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; 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). 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. The urgency element, on the other hand, may refer to direct or indirect risk to the claimant’s interests. 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’. 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.

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.

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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). There is, however, no mentioning of the IP Court and its exclusive jurisdiction to hear IP cases in this part of the CPC. 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. 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. 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 jurisdiction or is limited to certain types of relieves. 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.

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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).
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.

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/74565932> (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 moveables. 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.

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. This can be done only upon the request of the party and based on the grounds for such a revocation specified in the law. 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.

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. 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.

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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.\textsuperscript{163} Non-compliance with such a court order may result in the rejection of the lawsuit.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{164} Therefore, in principle, this procedure may also apply to IP licences or IP assignment agreements.

\textsuperscript{160} Article 125(4) CPC.

\textsuperscript{163} Article 125(6) CPC.

\textsuperscript{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 €117,000 and €124,000 on average. Finally, legal fees were lowest in Germany and Austria (€75,000 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).

\textsuperscript{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).

\textsuperscript{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).

\textsuperscript{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. 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. 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(2) CPC, relates to court decisions in ‘insignificant’ cases which include those with monetary claims that do not exceed 500 times the living wage. 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. 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. Therefore, most jurisdictions that introduced special procedures related to small value claims 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. Some jurisdictions, however, have similar grounds for cassation as the general grounds for cassation in Ukraine, without any further limitations.

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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, NF 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 (approx. 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 (approx. 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 CDO Ukraine IP Court Project
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.\(^\text{173}\)

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.


### 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

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<td>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).</td>
<td>Amendments to Art. 33 of the Law on the Judicial System</td>
</tr>
<tr>
<td></td>
<td>3. Establishing the institute of ‘scientific advisors’, who may be appointed by the IP judges to assist them in understanding technical issues</td>
<td>Amendments to Art. 33 of the Law on the Judicial System and Art. 32 CPC</td>
</tr>
<tr>
<td></td>
<td>4. Reserving a certain number of posts for IP judges with a relevant technical or scientific background.</td>
<td>Amendments to Art. 33 of the Law on the Judicial System and Art. 32 CPC</td>
</tr>
<tr>
<td>Title of the recommendation</td>
<td>Content of the recommendation</td>
<td>Specific route for implementing the recommendations</td>
</tr>
<tr>
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</tr>
<tr>
<td>4 On the Location of the IP Court</td>
<td>1. Establishing the obligation of the IP Court to conduct court hearings via videoconferences if a party has demonstrated sufficient grounds.</td>
<td>Amendments to Art. 197 CPC</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>Amendments to Art. 31 of the Law on the Judicial System, Art. 197 CPC</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>Amendments to Art. 31 of the Law on the Judicial System</td>
</tr>
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<td></td>
<td>Taking an appropriate decision by the State Court Administration of Ukraine</td>
<td></td>
</tr>
<tr>
<td>5 On the Number of Judges</td>
<td>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.</td>
<td>Taking an appropriate decision by the State Court Administration of Ukraine</td>
</tr>
<tr>
<td></td>
<td>2. Allowing a single judge to consider certain matters, rather than a panel of three.</td>
<td>Amendments to Art. 33 CPC</td>
</tr>
<tr>
<td>Title of the recommendation</td>
<td>Content of the recommendation</td>
<td>Specific route for implementing the recommendations</td>
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</tbody>
</table>
| **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.  
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.  
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 |
<p>| <strong>7</strong> On the Jurisdiction of the IP Court | | |
| Regarding the Potential Overlap between the Jurisdictions of the IP Court and the Administrative Courts | 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 |
| On the Potential Overlap between the Jurisdictions of the IP Court and other State Authorities | 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 |</p>
<table>
<thead>
<tr>
<th>Title of the recommendation</th>
<th>Content of the recommendation</th>
<th>Specific route for implementing the recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 On the Disputes Concerning Authors’ Rights under Article 20(2)(4) CPC</td>
<td>Disputes related to all relevant copyright holders should fall within the jurisdiction of the IP Court.</td>
<td>Amendments to Art. 20 CPC</td>
</tr>
<tr>
<td>7 On the Disputes Concerning Recognition of Agreements as Invalid</td>
<td>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.</td>
<td>Amendments to Art. 20 CPC</td>
</tr>
<tr>
<td>8 On Evidence in IP Cases</td>
<td>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.</td>
<td>Amendments to Art. 99 CPC</td>
</tr>
<tr>
<td>8 On the Power of the Court to Appoint an Expert Unilaterally Under Article 99 (3) CPC</td>
<td>Clarifying the circumstances in which the IP Court has the unilateral power to appoint an expert.</td>
<td>Amendments to Art. 99 CPC</td>
</tr>
<tr>
<td>9 On Preliminary Injunctive Relief in IP Cases</td>
<td>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.</td>
<td>Amendments to Article 136(2) CPC</td>
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<tr>
<td>Title of the recommendation</td>
<td>Content of the recommendation</td>
<td>Specific route for implementing the recommendations</td>
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<tr>
<td>9 On Potential uncertainty in relation to the procedure for applying for preliminary injunctions before submitting a lawsuit</td>
<td>Specifying that all requests for a preliminary injunctive relief filed before or after filing the main lawsuit should be submitted to the IP Court.</td>
<td>Amendments to Article 138 CPC</td>
</tr>
<tr>
<td>On Cross-undertaking under Articles 139-141 CPC</td>
<td>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.</td>
<td>Amendments to Art. 141 CPC</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>On the Revocation of Preliminary Injunctive Relieves under Article 145(1) CPC</td>
<td>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.</td>
<td>Amendments to Art. 145 CPC</td>
</tr>
<tr>
<td>10 On Security for Costs</td>
<td>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.</td>
<td>Amendments to Art. 125 CPC</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td>Amendments to Art. 126 CPC</td>
</tr>
<tr>
<td>11 On Procedures that are currently unavailable for natural persons</td>
<td>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.</td>
<td>Amendments to Art. 147 CPC</td>
</tr>
<tr>
<td>Title of the recommendation</td>
<td>Content of the recommendation</td>
<td>Specific route for implementing the recommendations</td>
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</tr>
<tr>
<td>12 On the Lack of Cassation for Insignificant Cases</td>
<td>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.</td>
<td>Amendments to Art. 287 CPC</td>
</tr>
</tbody>
</table>
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)

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00 - 11:00</td>
<td>Session 1</td>
<td>(1 h)</td>
</tr>
<tr>
<td>11:00 - 11:15</td>
<td>Q&amp;A</td>
<td>(15 min)</td>
</tr>
<tr>
<td>11:15 - 11:40</td>
<td>Break</td>
<td>(25 min)</td>
</tr>
<tr>
<td>11:40 - 12:40</td>
<td>Session 2</td>
<td>(1 h)</td>
</tr>
<tr>
<td>12:40 - 12:55</td>
<td>Q&amp;A</td>
<td>(15 min)</td>
</tr>
<tr>
<td>12:55 - 14:30</td>
<td>Lunch</td>
<td>(1 h 35 min)</td>
</tr>
<tr>
<td>14:30 - 15:30</td>
<td>Session 3</td>
<td>(1 h)</td>
</tr>
<tr>
<td>15:30 - 15:45</td>
<td>Q&amp;A</td>
<td>(15 min)</td>
</tr>
<tr>
<td>15:45 - 16:10</td>
<td>Break</td>
<td>(25 min)</td>
</tr>
<tr>
<td>16:10 - 17:10</td>
<td>Session 4</td>
<td>(1 h)</td>
</tr>
<tr>
<td>17:10 - 17:30</td>
<td>Q&amp;A</td>
<td>(15 min)</td>
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</table>
### WEEK 1

#### Day 1: Opening remarks

**Monday, 6 July**

<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker/Role</th>
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</thead>
<tbody>
<tr>
<td>10:00-10:10</td>
<td>Melinda Simmons, UK Ambassador to Ukraine</td>
</tr>
<tr>
<td>10:10-10:20</td>
<td>Dr Ruslan Stefanchuk, Deputy Speaker of the Rada</td>
</tr>
<tr>
<td>10:20-10:30</td>
<td>Lord Neuberger, former President of the Supreme Court in the UK</td>
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</tbody>
</table>

#### Day 1: Part I - Substantive issues of EU IP Law

**Introduction to Intellectual Property Rights**

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Speaker/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:30-11:00</td>
<td>International and European IP legal framework. The role of IP in supporting Growth and Development in Tech-intensive industry.</td>
<td>Dr Noam Shemtov, CCLS, Queen Mary University of London, UK</td>
</tr>
<tr>
<td>11:00-11:15</td>
<td>Q&amp;A</td>
<td></td>
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<tr>
<td>11:15-11:40</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>11:40-12:40</td>
<td>Ukraine National Strategy for Intellectual Property; Purpose and Structure</td>
<td>Mr Ronald Marchant, Former Head of the UK IPO</td>
</tr>
<tr>
<td>12:40-12:55</td>
<td>Q&amp;A</td>
<td></td>
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<tr>
<td>12:55-14:30</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>14:30-15:30</td>
<td>Creative industries and Economic, Social and Cultural development – A perspective from WIPO</td>
<td>Mr Dimiter Gantchev, WIPO, Deputy Head of the creative Industries department, Switzerland</td>
</tr>
<tr>
<td>15:30-15:45</td>
<td>Q&amp;A</td>
<td></td>
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<tr>
<td>15:45-16:10</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>16:10-17:10</td>
<td>The Role of Intellectual Property in Generating Growth in the Digital Creative Economy</td>
<td>Mr Dimiter Gantchev, WIPO, Deputy Head of the creative Industries department, Switzerland</td>
</tr>
<tr>
<td>17:10-17:30</td>
<td>Q&amp;A</td>
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#### Copyright (Day 1)

**Tuesday, 7 July**

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Speaker/Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>10:00-11:00</td>
<td>International context: International and EU Copyright legal framework</td>
<td>Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LLM, PhD (London), Advocate Court of Appeal Egypt</td>
</tr>
<tr>
<td>11:00-11:15</td>
<td>Q&amp;A</td>
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<tr>
<td>11:15-11:40</td>
<td>Break</td>
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<tr>
<td>Time</td>
<td>Session Description</td>
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<tr>
<td>11:40-12:40</td>
<td>Subject matter of Copyright: Comparative perspective from France, Netherlands, UK and EU</td>
<td>Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LLM, PhD (London), Advocate Court of Appeal Egypt</td>
</tr>
<tr>
<td>12:40-12:55</td>
<td>Q&amp;A</td>
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<tr>
<td>12:55-14:30</td>
<td>Lunch</td>
<td></td>
</tr>
<tr>
<td>14:30-15:30</td>
<td>The concept of originality: Copyright v droit d'auteur and EU law</td>
<td>Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LLM, PhD (London), Advocate Court of Appeal Egypt</td>
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<tr>
<td>15:30-15:45</td>
<td>Q&amp;A</td>
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<tr>
<td>15:45-16:10</td>
<td>Break</td>
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<tr>
<td>16:10-17:10</td>
<td>Authorship/Ownership: Copyright v droit d'auteur</td>
<td>Dr Makeen F Makeen LLB (Cairo), Senior Lecturer at SOAS, University of London, LLM, PhD (London), Advocate Court of Appeal Egypt</td>
</tr>
<tr>
<td>17:10-17:30</td>
<td>Q&amp;A</td>
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**Copyright (Day 2)**

**Wednesday, 8 July**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session Description</th>
<th>Presenter</th>
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</thead>
<tbody>
<tr>
<td>10:00-11:00</td>
<td>Scope of protection and exploitation</td>
<td>Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy</td>
</tr>
<tr>
<td>11:00-11:15</td>
<td>Q&amp;A</td>
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</tr>
<tr>
<td>11:15-11:40</td>
<td>Break</td>
<td></td>
</tr>
<tr>
<td>11:40-12:40</td>
<td>Exceptions, limitations and orphan works</td>
<td>Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy</td>
</tr>
<tr>
<td>12:40-12:55</td>
<td>Q&amp;A</td>
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<tr>
<td>12:55-14:30</td>
<td>Lunch</td>
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<tr>
<td>14:30-15:30</td>
<td>The nexus between Copyright and other IP rights</td>
<td>Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy</td>
</tr>
<tr>
<td>15:30-15:45</td>
<td>Q&amp;A</td>
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<tr>
<td>15:45-16:10</td>
<td>Break</td>
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<tr>
<td>16:10-17:10</td>
<td>The nexus between Copyright and other IP rights</td>
<td>Judge Emanuela Germano Cortese, President of the Specialised IP Chamber, Appeal Court of Turin, Italy</td>
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<tr>
<td>17:10-17:30</td>
<td>Q&amp;A</td>
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## Trade Marks (Day 1)

### Thursday, 9 July

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
</tr>
</thead>
</table>
| 10:00-11:00   | • 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   | • 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

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>10:00-11:00</td>
<td>Conflict between Trade marks Geographical Indications, Designations of Origin and Traditional Speciality Guaranteed (TSG)</td>
<td>Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain</td>
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<tr>
<td>11:00-11:15</td>
<td>Q&amp;A</td>
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<td>11:15-11:40</td>
<td>Break</td>
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<tr>
<td>11:40-12:40</td>
<td>• Revocation and invalidity proceedings</td>
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<tr>
<td></td>
<td>• The trade mark is invalid</td>
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<td></td>
<td>• The trade mark has not been &quot;genuinely &quot;used</td>
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<td>• The trade mark has been filed in bad faith</td>
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<td>• The trade mark conflicts with earlier trade marks</td>
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<td>• The trade mark conflicts with personality rights (name and likeness)</td>
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<td>• Conflict with copyright</td>
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<td></td>
<td>• Conflict with other IP rights</td>
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<td></td>
<td>Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain</td>
<td></td>
</tr>
<tr>
<td>12:40-12:55</td>
<td>Q&amp;A</td>
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<tr>
<td>12:55-14:30</td>
<td>Lunch</td>
<td></td>
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<tr>
<td>14:30-15:30</td>
<td>• Scope of protection: the scope of the monopoly</td>
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<tr>
<td></td>
<td>• Exceptions and limitations: freedom of religion, freedom of expression, the right to parody</td>
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<tr>
<td></td>
<td>Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain</td>
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<tr>
<td>15:30-15:45</td>
<td>Q&amp;A</td>
<td></td>
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<td>15:45-16:10</td>
<td>Break</td>
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<tr>
<td>16:10-17:10</td>
<td>• Enforcement of trade mark rights in the context of online infringement: intermediaries liability and blocking orders</td>
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<td>• Preserving and obtaining evidence</td>
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<td>Mr Stefan Martin, Member of the Boards of Appeal, EUIPO, Spain</td>
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<tr>
<td>17:10-17:30</td>
<td>Q&amp;A</td>
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</tbody>
</table>

**WEEK 2**

**Day 1**
Unfair Competition (German jurisdiction)
Dr Alexander Von Muhlendahl, Professor Dr iur. JD, LLM, Attorney-at-Law at Bardehle Pagenberg, Germany

**Monday 14 September**
• 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
<table>
<thead>
<tr>
<th>Date and Time</th>
<th>Topic</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 3</td>
<td>Designs Registered and Unregistered (EU)</td>
<td></td>
</tr>
<tr>
<td>Wednesday 16</td>
<td>Subject matter</td>
<td>Mr Gwilym Roberts, Chairman Kilburn &amp; Strode, IP litigator, UK</td>
</tr>
<tr>
<td>Days 4-5</td>
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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


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

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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.
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. 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. 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, professional competence and judicial temperament of the nominees. There are certain procedural differences in the evaluation process as far as investigations of the Supreme Court nominees and lower court nominees are concerned. 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. Experience, political ideology and personal loyalties have all played a role in the nomination process. Diversity in the sense of ethnicity and gender have also been relevant factors. While there are no specific IP-related or technical selection criteria for the CAFC judges, 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).

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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/backgrounder-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’).
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’; ‘Supreme Court Appointment Process: President’s Selection of a Nominee’ (n 16).
17 ‘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.
18 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 Jurisdiction Center, ‘Patent Pilot Program: Five-Year Report’ (Federal Jurisdiction Center) (2016) <https://www.fjc.gov/content/316142/patent-pilot-program-five-year-report> (accessed 23 September 2020).
1.3. Location of the IP court and number of judges

There are presently 94 district courts organised geographically,\textsuperscript{21} with a total of 673 district judges as of 2018.\textsuperscript{22} As was mentioned above, the 12 circuit courts are also organised geographically. Some circuit courts have courthouse venues in more than one location.\textsuperscript{23} The number of judges in the circuit courts vary — for example, the Fourth Circuit has 15 active judges\textsuperscript{24} and the Ninth Circuit has 29 active judges.\textsuperscript{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.\textsuperscript{26} Finally, the Supreme Court is located in Washington D.C. and has nine justices.\textsuperscript{27}

The CAFC is also located in Washington, D.C., where it holds regular sessions once a month to hear oral arguments.\textsuperscript{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,\textsuperscript{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’.\textsuperscript{30} The rationale behind such flexibility with respect to the location of the CAFC is that it must satisfy the needs of the litigants.\textsuperscript{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.\textsuperscript{32}

The sessions that take place outside of Washington can be held in various venues such as state courthouses and law schools.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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 States\textsuperscript{37} or chief judge of the CAFC.\textsuperscript{38}

\textsuperscript{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).
\textsuperscript{26} ibid.
\textsuperscript{27} ibid.
\textsuperscript{30} 28 U.S. Code § 48(a), Rule 47(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.
\textsuperscript{31} 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).
\textsuperscript{33} 28 U.S. Code § 48(d).
\textsuperscript{35} Gugliuzza (n 31).
\textsuperscript{37} i.e., the chief judge of the Supreme Court.
\textsuperscript{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. In addition, some circuit courts, such as the Second, Third, Eighth, Ninth and Tenth, use videoconferencing to conduct hearings. While some sources indicate that the CAFC also employs technology for oral hearings, it seems that it is not used frequently as a matter of current practice.

As was mentioned above, the CAFC is comprised of 12 active judges. The 12 judges of the CAFC are supported by six senior judges. 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. 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.

II. Rules of procedure

IP disputes in the federal courts at each level are governed by the Federal Rules of Civil Procedure (FRCP) and the Federal Rules of Evidence (FRE). 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.

2.1. Composition of the court in IP cases

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

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28 Winston (n 36) 830.
29 ibid.
30 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.
41 ibid.
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).
45 In the counts presented in this document senior judges are not included unless the context suggests otherwise.
46 28 U.S. Code § 44(c).
48 Rule 1 FRCP.
49 Rule 101(a) FRE.
51 Freer (n 1) 15.
52 Rule 38 FRCP.
55 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. 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’. An exception to this is the Ninth Circuit, which has the highest number of judges, 29 in total, and therefore, en banc hearings in this circuit are heard by the chief judge and ten active judges. Opinions delivered en banc carry more weight and are usually decided only after a panel has first heard the case and rendered a judgement. In addition, while at an appeal level motions are normally considered by a panel, a circuit judge may also act alone in any motion. 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. 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. 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. 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.

As one of the circuit courts, cases in the CAFC are usually also heard by a panel of three judges. The CAFC chief judge appoints a ‘motions panel’ every month and designates a lead judge. Such motions panels comprise three judges assigned on a rotating basis to review motions received during the prescribed month. 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. Whether motions are heard by the motions panel or the merits panel depends on when the motion is filed. Generally, motions filed before the delivery of appellate briefs to the merits panel are heard by the motions panel. 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. The CAFC can also sit in an expanded panel format. 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. Yet, over the years sitting as an expanded panel has become less common for the CAFC. 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.

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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 (e).
58 Rule 35-3 FRAP.
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.
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.
76 Rule 12(1) and Rule 12(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. 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. 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. 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. 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.

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.

2.2. Jurisdiction in IP cases

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

The jurisdiction of the district courts as far as IP disputes are concerned is defined exhaustively. It encompasses patents, patent designs, copyrights, trade marks, unfair competition, plant variety protection and mask works. 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.’ This constitutional provision, often called the ‘Patent Clause’, the ‘Copyright Clause’, or more generally, the ‘Intellectual Property Clause’, has given rise to the Patent Act and the Copyright Law. These Acts of Congress bring in patent and copyright law issues under the umbrella of the federal system. 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.

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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 legislation 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–Billey 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.
89 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 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’).
92 Article I, Section 8, cl 8 of the United States Constitution 1787.
93 35 U.S. Code.
94 17 U.S. Code.
95 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.
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. 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. 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. 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. 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. 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, and by the district courts in infringement and invalidity proceedings. 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.

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’. Thus, the jurisdiction of the federal courts is established if the case requires the construction of the IP laws. 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. Typical examples of causes of action arising under the IP laws are the questions of inventorship/authorship, infringement, validity and enforceability of IP rights. 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.’ 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. The decisive factor is, therefore, whether the application of patent law is required to solve the case.

88 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).
91 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).
93 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.
95 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.
96 Healy v Sea Gull Specialty Co. 35 S.Ct. 658, 659.
99 Bd. of Regents ex rel. Univ. of Tex. v Nippon Tel. & Tel. Corp., 414 F.3d 1358, 1363 (Fed. Cir. 2005).
100 Air Prod. & Chemicals, Inc. (n 108).
101 Rinehart (n 107) 9.
102 Gjelov 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.\textsuperscript{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.\textsuperscript{114} As was discussed above, the CAFC is an appellate court with jurisdiction over various issues, including certain IP rights.\textsuperscript{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.”\textsuperscript{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.\textsuperscript{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.\textsuperscript{118} The CAFC, however, is not competent to review any appeals in criminal cases, including IP-related.\textsuperscript{119}

That said, the CAFC’s patent law jurisdiction seems to have been the main driving force behind the formation of the Court.\textsuperscript{120} Therefore, unsurprisingly, nearly all of the IP cases involve patents,\textsuperscript{121} which has led to enhancing uniformity and predictability of patent law litigation.\textsuperscript{122} Importantly, following the America Invents Act of 2011, slight amendments to the jurisdiction of the CAFC were introduced.\textsuperscript{123} As a result, the CAFC must hear all appeals where the original action or counterclaim arose under patent law.\textsuperscript{124} Eventually, even if all patent law issues have been disposed of at the district court level, the CAFC may still have jurisdiction.\textsuperscript{125} The CAFC also hears appeals from the USPTO’s Trademark Trial and Appeal Board,\textsuperscript{126} the Patent Trial and Appeal Board,\textsuperscript{127} the Court of Appeals for the Federal Circuit (CAFC),\textsuperscript{128} and the Patent Trial and Appeal Board (PTAB),\textsuperscript{129} the latter bringing appeals from the USPTO’s Trade Mark Trial and Appeal Board,\textsuperscript{130} the Court of Appeals for the Federal Circuit (CAFC),\textsuperscript{131} and the Patent Trial and Appeal Board (PTAB).\textsuperscript{132}

\textsuperscript{113} 28 U.S. Code § 1291.

\textsuperscript{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 was vested jurisdiction with. (ibid 815, footnote 9).


\textsuperscript{118} 28 U.S. Code § 1295.

\textsuperscript{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).


\textsuperscript{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).


\textsuperscript{123} Also called the Leahy-Smith America Invents Act 2011.

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

\textsuperscript{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.

\textsuperscript{126} 28 U.S. Code § 1295(a)(6)(B); Section 21 of the US Trademark Act of 1946.

\textsuperscript{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.\(^\text{128}\) It also has jurisdiction to hear appeals from the Court of Federal Claims,\(^\text{129}\) which, together with the CAFC, was also established by the Federal Courts Improvement Act of 1982.\(^\text{130}\) Additionally, appeals related to plant variety disputes also fall within the CAFC jurisdiction.\(^\text{131}\)

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.\(^\text{132}\) Further appeals against judgements of the Court of International Trade are then reviewed by the CAFC.\(^\text{133}\) 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.\(^\text{134}\) 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.\(^\text{135}\) 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.\(^\text{136}\) The Supreme Court only hears appeals on constitutional or federal law issues, and the admission of such appeals is subject to juridical discretion.\(^\text{137}\) 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 FRED establishes the rules on evidence. These are applicable in all federal district and circuit courts.\(^\text{138}\) 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.\(^\text{139}\) The default limits of discovery are usually provided by the court.\(^\text{140}\) However, parties can, and often do, request that the court modify or supplement those limits.\(^\text{141}\) 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.\(^\text{142}\)

**\(^\text{128}\)** 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.

**\(^\text{129}\)** 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).


**\(^\text{131}\)** 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 non-obstant or a new 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)).

**\(^\text{132}\)** 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.

**\(^\text{133}\)** 28 U.S. Code § 1296(a)(5).

**\(^\text{134}\)** ibid.


**\(^\text{136}\)** 28 U.S. Code § 1254.


**\(^\text{139}\)** Rule 101(a) and Rule 1101 FRE.

**\(^\text{140}\)** Rule 26 FRCP.

**\(^\text{141}\)** Title V FCPR.


**\(^\text{143}\)** Freer (n 1) 385.
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. 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. 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. Therefore, the FRE rules on providing originals are rather lenient, as they state that accurate duplicates are originals for admissibility purposes, summaries of voluminous materials are also allowed, as well as duplicates of a hard drive.

Apart from the requirement that evidence must be in their original forms, another important requirement is that evidence must be authenticated. This is important in situations where one party provides evidence (including in an original form) and another party contests its authenticity. 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. 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. Authentication has traditionally been referred to as the ‘proof of authorship or personal connection to a writing.’ 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. One way of authentication is by a witness with personal knowledge that the item is what the proponent claims it is. This can be the author of an email, tweet or text message, or the owner of the social media website. This is said to be the easiest way to authenticate digital evidence and the least likely to be challenged. Alternatively, the FRE refers to the distinctive characteristics of the item itself. 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. 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. Another way of authentication is by an expert witness.

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.
150 Rule 901(a) FRE.
152 Rule 901(a) FRE.
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)
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

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164 ibid.
165 Rule 902 FRE.
166 ibid Rule 902(13).
167 ibid Rule 902(14).
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.
173 Rule 702 FRE.
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 statute or other written instruments such as deeds, contracts or tariffs. 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.’ 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. These relate to issues in which the conclusion is a legal one, but it must be supported through questions of fact. 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, a second and secondary indicia such as commercial success and copying. 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. 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. 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.

2.3.3. Power of the court to appoint an expert unilaterally
The court may appoint any expert that the parties agree upon or of its own choosing unilaterally. 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. 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. 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.

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’). 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. The decision regarding the grant of IPs or the refusal of such grant can be appealed before the final decision. A respondent may also file a motion for reconsideration of the granted PIs. 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.

\[^{176} ‘Expert Legal Testimony’ (n 174), 799.\]
\[^{177} Teva Pharm. United States Inc. v Sandoz 135 S. Ct. 831 (2015); as to contracts, see Mashburn v Wilson, 701 P.2d 67 (Colo.App.1984).\]
\[^{178} Teva (n 177) 837; Winans v New York & Erie R. Co., 21 How. 88, 100–101, 16 L.Ed 68 (1859).\]
\[^{179} ‘Expert Legal Testimony’ (n 174).\]
\[^{181} Graham v John Deere Co., 383 U.S. 1 (1966).\]
\[^{183} Rule 52(a) FRCP.\]
\[^{184} Daubert v Merrell Dow Pharm., Inc., 509 U.S. 579 (1993).\]
\[^{185} Rule 706 FRE.\]
\[^{186} ‘Expert Q&A: Trends in Daubert Challenges’ (Practical Law) Note Number 0-588-1186.\]
\[^{187} Monolithic Power Sys., Inc. v Q2 Micro Int'l Ltd., 558 F.3d 1341, 1348 (Fed. Cir. 2009).\]
\[^{189} Rule 65 FRCP.\]
\[^{190} U.S. Philips Corp. v KBC Bank, 590 F.3d 1091, 1093–94 (9th Cir. 2010).\]
\[^{191} 28 U. S. Code § 1292(a)(1).\]
\[^{192} Rule 59(e) FRCP.\]
\[^{193} School Dist. No. 1 Jv v ACandS, Inc., 5 F.3d 1255, 1263 (9th Cir.1993); Smith v Clark Cty. Sch. Dist., 727 F.3d 950, 955 (9th Cir. 2013).\]
Alternatively, TROs preserve the status quo until the court decides whether to issue a PI. 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. 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. 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. 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. The decision to grant a TRO or a refusal in such a grant is typically not appealable.

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. All circuit courts have adopted the same conditions, or conditions that are substantially identical. 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.' 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. 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. Further, it is often said that irreparable harm is the most important prerequisite for obtaining a preliminary injunctive relief. 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. Examples from trade mark jurisprudence on what may qualify as irreparable harm include showing likelihood of confusion or an immediate loss of reputation. While the grounds for issuing a TRO are the same as the grounds for a PI, 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.

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.
203 Amazon.com v Barnesandnoble.com, Inc., 239 F.3d 1343, 1350; Genentech, Inc. v Novo Nordisk, A/S 108 F.3d 1361, 1364.
204 ibid.
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).
209 ibid.
210 ibid.
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).
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,\textsuperscript{213} the risk that the injunction would cause the defendant to go out of business,\textsuperscript{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),\textsuperscript{215} or whether the injunction would interfere with a defendant corporation making necessary or routine decisions regarding the operation of their business.\textsuperscript{216}

Finally, the public interest requirement is often weighed equally for both sides,\textsuperscript{217} or has little weight in the assessment.\textsuperscript{218} This factor has nonetheless been emphasised by the Supreme Court.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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,\textsuperscript{222} or the sliding-scale test in which all four factors are balanced against one another.\textsuperscript{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.\textsuperscript{224} However, it may be accepted by the court beforehand when the early filing was due to the ‘exigencies of time’\textsuperscript{225} and where the contents of the documents filed were sufficient to commence the action.\textsuperscript{226} Whether the filing of the complaint is an absolute prerequisite depends on the local rules binding the court in question,\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.’\textsuperscript{230} The situation is the same as far as patents are concerned.\textsuperscript{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.\textsuperscript{232}

\textsuperscript{213}Falcon Stainless, Inc. v Rino Cos., 2008 WL 5179037, 9 (C.D. Cal. Dec. 9, 2008).
\textsuperscript{215}Caterpillar Inc. v Walt Disney Co., 287 F. Supp. 2d 913, 922-23 (C.D. Ill. 2003)).
\textsuperscript{217}Bernhardt v Cnty. of Los Angeles, 339 F.3d 920, 932 (9th Cir. 2003).
\textsuperscript{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.
\textsuperscript{221}Jack Guttman, Inc. v Kopykake Enter., Inc., 302 F.3d 1352, 1356 (Fed. Cir. 2002).
\textsuperscript{222}Reilly v City of Harrisburg 858 F.3d 173, 177–79 (3d Cir. 2017).
\textsuperscript{225}Stewart v United States Immigration & Naturalization Serv., 762 F.2d 193, 198 (2d Cir. 1985).
\textsuperscript{226}‘Preliminary Injunctive Relief: Procedure for Obtaining Preliminary Injunctive Relief (Federal)’ (n 201).
\textsuperscript{227}Studebaker Corp. v Gittin 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).
\textsuperscript{228}‘Preliminary Injunctive Relief: Procedure for Obtaining Preliminary Injunctive Relief (Federal)’ (n 201).
\textsuperscript{229}In accordance with 28 U.S. Code § 1991(b).
\textsuperscript{230}Rule 65(c) FRCP.
\textsuperscript{231}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.
\textsuperscript{233}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,\textsuperscript{233} as well as the amount of the bond itself.\textsuperscript{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.\textsuperscript{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.\textsuperscript{236} Such considerations stemmed from the court’s equitable discretion rather than any statutory basis.\textsuperscript{237} Overall, no Supreme Court ruling exists on this matter, so the practices vary significantly among courts.\textsuperscript{238} One of the factors taken into account when determining whether to issue a bond includes the likelihood of harm to the party enjoined.\textsuperscript{239} In another case, where the defendant did not request a bond, no bond was required.\textsuperscript{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.\textsuperscript{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),\textsuperscript{242} or where other changes in the law occurred.\textsuperscript{243} Moreover, the relief can be dissolved where the prospective application thereof is no longer equitable,\textsuperscript{244} and modified where the court needs to ensure that the measure granted fully vindicates the rights accorded by the underlying judgement.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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;\textsuperscript{248} in this instance the courts are required to notify the parties beforehand.\textsuperscript{249} Finally, in relation to revocation of a preliminary injunctive relief under Rule 65(b)(4), a motion of one party is always required.

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\textsuperscript{233} American Code v Bensinger, 282 F.2d 829 (2d Cir. 1960); Northwestern Bell Tel. Co v Bedco of Minnesota, Inc., 501 F. Supp. 299, 304 (D. Minn. 1980).


\textsuperscript{236} Denny v Health and Social Servs. Bd. (n 223).

\textsuperscript{237} ibid.

\textsuperscript{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’.

\textsuperscript{239} ibid.

\textsuperscript{240} Rule 60(b) FRCP; Transportation, Inc. v Mayflower Serv, Inc. 769 F.2d 952, 954 (4th Cir. 1985).

\textsuperscript{241} Transportation, 954; United States v United Shoe, Inc., 391 U.S. 244, 248–49.

\textsuperscript{242} 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.

\textsuperscript{243} ibid.

\textsuperscript{244} Dr. Jose S. Belaval, Inc. v Perez–Perdomo, 465 F.3d 33, 37 (2006), and the jurisprudence cited therein.

\textsuperscript{245} Moore v Tangipahoa Parish School Bd 84 F. 3d 401 (2017).
2.5. Security for costs

The purpose of security for costs is to protect the rights of ‘the appellees brought into appeals courts by such appellants’. At the district level, the law does not provide a possibility to request security for costs. Hence, security for costs is available at the appellate level only. 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.’ 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.

As for the factors taken into account when determining this issue, the practice varies widely, as the courts are vested with wide discretion. 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. 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. Nonetheless, the appellee must provide the court with some documentation certifying that the financial hardship is indeed present. 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.

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. 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. 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.

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.
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’). 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. 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. 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. Appeals against judgements issued by the Patents Court, the IPEC, and the general Chancery Division are generally submitted to the Court of Appeal. 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. 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. 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.

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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 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.
269 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 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))/S. The Copyright Tribunal ([12] Appeals/1099. Appeal to the court on a point of law).

²⁷⁵ Section 152(1) CDPA.


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 253(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 In Section 88 of the design rules 2001, 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).

²⁸⁵ Section 88 of the design rules 2001, 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).


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

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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.
292 Section 52 of the Tribunals, Courts and Enforcement Act 2002.
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.
300 Judicial Appointments Committee (n 285).
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.  

LJ Floyd also has a degree in natural sciences. Also, LJ Justice Arnold, recently appointed to the Court of Appeal, 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. 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.

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. 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. 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’. 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).

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’. 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. 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. 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. Importantly, oral testimony of witnesses can be given via video facilities in all specialised IP courts. 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. However, the hearing centres in Caernarfon, Mold and Preston are not authorised to deal with registered trade mark and Community trade mark disputes.

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303 Courts and Tribunals Judiciary, ‘Biographies of the Court of Appeal judges’ (Judiciary UK)
304 Eleonora Rosati, ‘Mr Justice Arnold to become Lord Justice Arnold: congratulations!’ (IPKat, 16 July 2019)
310 ibid paras 13 and 20.
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-brocure-20171211.pdf> accessed 23 September 2020).
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. From the judges of the Chancery, six judges are authorised to sit in the Patents Court and one judge — the so-called enterprise judge — in the IPEC. 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. The Copyright Tribunal consists of a chairman, two deputy chairmen and seven lay members. The Court of Appeal presently has 42 judges and 12 judges sit in the Supreme Court.

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. There is no jury in IP cases. 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. 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. The number of judges depends on the complexity of the case and the existence of any additional arrangements, which may be introduced by the Master of Rolls for the purpose of any particular proceedings. As a result, in practice a case will typically be heard by a panel of three judges. Finally, the Supreme Court typically considers cases in a panel of five.

311 ibid.
314 ‘Biographies of the Justices’ (n 306).
318 Section 54(3–4) of the Senior Courts Act 1981.
319 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’.
320 Master of Rolls, besides other things, acts as the president of the civil division on the Court of Appeal.
321 Section 54(3–4) of the Senior Courts Act 1981.
322 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 Middlmiss and Laura Balfour, Slaughter and May’ (n 324).
323 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 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 CPR\textsuperscript{324} and the Practice Direction 63\textsuperscript{325} 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.\textsuperscript{326} 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.\textsuperscript{327}

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.\textsuperscript{328} Parties to a dispute may agree, however, that the IPEC shall have jurisdiction to award damages or profits in excess of £500,000.\textsuperscript{329} 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:\textsuperscript{330} (i) the case does not concern patents, registered designs, semiconductor topography rights or plant varieties;\textsuperscript{331} (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.\textsuperscript{332}

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.\textsuperscript{333} 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.\textsuperscript{334}

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.\textsuperscript{335} 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.\textsuperscript{336} 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.\textsuperscript{337}

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\textsuperscript{324} Rule 63.1 CPR.
\textsuperscript{325} Paragraph 16.1 PD 63.
\textsuperscript{326} 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 CDPA, 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.
\textsuperscript{327} 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).
\textsuperscript{328} ibid Rule 63.13.
\textsuperscript{329} ibid Rule 63.17A(3).
\textsuperscript{330} ibid Rule 63.27(a).
\textsuperscript{331} ibid Rule 63.13 in conjunction with Rules 63.2 and 63.27(a).
\textsuperscript{332} ibid Rules 63.27(b)-(d).
\textsuperscript{333} ibid Rule 63.2.
\textsuperscript{334} ibid Rule 63.12 and Rule 63.2(1).
\textsuperscript{335} Rule 63.13(c) CPR.
\textsuperscript{336} Rule 30.3(c-d) CPR, for more information see Angela Fox, Intellectual Property Enterprise Court: Practice and Procedure, (Sweet & Maxwell 2016).
\textsuperscript{337} Rule 63.16 CPR.
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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.\footnote{ibid [2-006].} As a result, while the County Court and the Queen's Bench Division of the High Court\footnote{Government, ‘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.} have general jurisdiction to hear and determine any action based on contract and tort law,\footnote{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).} 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.\footnote{Rule 63.18(1)(a) CPR.} The recognition of trade marks as ‘well-known’ is undertaken on a case-by-case basis.\footnote{Paragraph 9.1 PD 30.} Therefore, it is up to the Comptroller, the IPEC or the general Chancery Division to determine whether a trade mark is well-known.

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.\footnote{Rule 63.18(1)(b) in conjunction with Rule 30.5 CPR.} 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.\footnote{Rule 30.5 CPR.} The recognition of trade marks as ‘well-known’ is undertaken on a case-by-case basis.\footnote{Paragraph 16.1(12) of Practice Direction 63 in conjunction with Rule 63.13 CPR.} 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.\footnote{Reckitt & Colman Ltd v Borden Inc. [1990] 1 All E.R. 873.} 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.\footnote{Paragraph 16.1(12) of Practice Direction 63 in conjunction with Rule 63.13 CPR.} A judge sitting in the County Court\footnote{Rule 30.3(2) CPR.} or the general Chancery Division may order the proceedings to be transferred to the IPEC.\footnote{Rule 30.5 CPR.} This may be done by means of an application by the parties\footnote{ibid Rule 30.5(2-3).} to a judge sitting in the County Court or the general Chancery Division respectively, requesting the transfer of proceedings to the IPEC.\footnote{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.} 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.\footnote{Rule 63.18(1)(a) CPR.} 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.\footnote{Rule 30.5 CPR.}

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.\footnote{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.\textsuperscript{264} Specifically, the tribunal will be competent in relation to, for example, applications to determine amount of equitable remuneration,\textsuperscript{265} references of licensed schemes,\textsuperscript{266} applications to settle royalties or other sums payable for lending of certain works,\textsuperscript{267} and to settle terms of copyright licence available as of right.\textsuperscript{268} There are two tracks at the Copyright Tribunal, the small applications track and the standard applications track.\textsuperscript{269} 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.\textsuperscript{270} 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.\textsuperscript{271} 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.\textsuperscript{272} 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.\textsuperscript{273} 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.\textsuperscript{274} 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.\textsuperscript{275} 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.\textsuperscript{276} 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.\textsuperscript{277} If a party is not satisfied with a decision of the Tribunal, it may file an appeal with the High Court.\textsuperscript{278} 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.\textsuperscript{279} Furthermore, the Comptroller can decide disputes on infringement claims and revocation counterclaims concerning patents if so authorised by the parties.\textsuperscript{280} Finally, a party to a dispute concerning an unregistered design may refer the dispute to the Comptroller.\textsuperscript{281} 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.\textsuperscript{282}

\textsuperscript{265} Section 93C CDPA.
\textsuperscript{266} Section 118ff. CDPA.
\textsuperscript{267} Section 142 CDPA.
\textsuperscript{268} Section 144(4) CDPA.
\textsuperscript{269} Rule 17(1) of the Copyright Tribunal Rules 2010, SI 2010/791.
\textsuperscript{270} ibid Rule 17(2).
\textsuperscript{271} ibid Rule 17(3).
\textsuperscript{272} ‘The Copyright Tribunal—purpose and procedure – produced in partnership with Bird & Bird’ (LexisPSL) Practice notes.
\textsuperscript{273} Section 97(1) of the Patents Act 1977.
\textsuperscript{274} Section 76(2) of the Trade Marks Act 1994; Section 27A Registered Designs Act; Section 251(4) CDPA.
\textsuperscript{275} Section 76(3) of the Trade Marks Act 1994; Section 27A (2) Registered Designs Act; Section 251(4) of the CDPA.
\textsuperscript{276} Section 76(4) of the Trade Marks Act 1994; Section 27A (4) of the Registered Designs Act; Section 251(4) CDPA.
\textsuperscript{277} Section 27(1) of the Plant Varieties Act 1997.
\textsuperscript{278} Section 45(1) of the Plant Varieties Act 1997 in conjunction with Section 11(1) of the Tribunals and Inquiries Act 1992.
\textsuperscript{279} Sections 72, 48, 46(3) and 40 of the Patents Act 1977.
\textsuperscript{280} Section 61(3) of the Patents Act 1977.
\textsuperscript{281} Section 246 CDPA.
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. 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, 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. 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. 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.

### 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. 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. 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. Also, Practice Direction 32 stipulates the requirements in relation to witness statements and corresponding exhibits in civil proceedings.

An important stage in an IP dispute is the disclosure stage, during which a party discloses documents relevant to a dispute. 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). 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. Disclosure is ordered by the court and can take place even before a litigation starts.

### 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. Related 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. 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, it qualifies as hearsay and the statutory obligations are not complied with, or the admission of it would cost disproportionate costs.

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

388 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).

389 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.

As a general rule, the authentication hurdle will be passed when evidence is identified to be what it purports to be. Therefore, any document or copy must be authenticated in order to be admitted. Such terms as a ‘document’ and ‘copy’ include electronic documents and copies of electronic documents. Therefore, the authentication requirement also applies to evidence in electronic form. 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. 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, 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. In practice, authentication does not raise any specific problems and, thus, it is typically admitted, deemed or presumed. 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. Therefore, if both parties and the court accept the authenticity of the evidence, it will be admitted without any need of additional proof.

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. 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. The ‘native format’ is defined as an electronic document stored in the original form in which it was created by a computer software program. 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. Websites, including social media such as Facebook, Twitter and LinkedIn, all fall within the definition of a ‘document’. Therefore, for disclosure purposes, the metadata related to the creation of such a document should be preserved. If searchable versions of documents exist, these should be provided. 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. In order to ensure compliance with these rules, companies might introduce British Standard ‘BS 10008:2008 Evidential weight and legal admissibility of electronic information’. 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).

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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’.
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)’).
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.
415 Rule 31.4 CPR.
416 ibid Rule 33.
417 Paragraph 34 of the Practice Direction 31B.
418 ibid paragraph 31(1).
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.\(^\text{421}\) 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,\(^\text{422}\) 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.\(^\text{423}\) 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,\(^\text{424}\) and, therefore, expert evidence must constitute the independent work of an expert unbiased by the ‘exigencies of litigation’.\(^\text{425}\) Moreover, expert evidence must be restricted to what is ‘reasonably required to resolve the proceedings’,\(^\text{426}\) and is admissible only upon the court’s permission.\(^\text{427}\)

Experts may provide opinion evidence and evidence on questions of fact.\(^\text{428}\) 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’.\(^\text{429}\) 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.\(^\text{430}\) For example, expert evidence of fact may involve the assessment of the ‘slope of the pavement’ on which the fall took place,\(^\text{431}\) or of how a machine is configured and works, or how a motorway is built.\(^\text{432}\) However, an expert may not substitute the court in determining a matter of law such as a question of patent claim construction.\(^\text{433}\) An expert is also not allowed to determine a mixed question of facts and law.\(^\text{434}\) Furthermore, it is for the court to make a finding of fact, i.e. to conclude that a fact was proved.\(^\text{435}\) This is due to the fact that the legal standard of proof is different from the scientific standard.\(^\text{436}\) 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.\(^\text{437}\)

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.\(^\text{438}\) Instead, they merely assist the court in dealing with a matter in which the assessors and scientific advisors have skills and experience.\(^\text{439}\) For example, in patent cases, scientific advisors are appointed to help the court understand the expert report or answer the judges’ questions.\(^\text{440}\)

\(^\text{421}\) The latter will be discussed in Section 2.3.3.
\(^\text{422}\) ‘Expert evidence: an overview’ (Practical Law) Note Number 1-203-0900.
\(^\text{423}\) Rule 35.5(1) CPR.
\(^\text{424}\) ibid Rule 35.3.
\(^\text{426}\) Rule 35.1 CPR.
\(^\text{427}\) ibid; Sime (n 425).
\(^\text{428}\) Kennedy v Cordia (Services) [2016] I.C.R. 325.
\(^\text{429}\) ibid [38].
\(^\text{430}\) ibid [41].
\(^\text{431}\) ibid [41].
\(^\text{432}\) ibid [41].
\(^\text{433}\) Technip France Sa’s Patent [2004] R.P.C. 46; Molnycke 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’ (Molnycke 73).
\(^\text{434}\) ‘Expert evidence: an overview’ (n 422). In Graves v Brouwer, [2015] EWCA Civ 575 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.
\(^\text{435}\) ‘Expert evidence: an overview’ (n 422).
\(^\text{436}\) Wood v Ministry of Defence [2011] All ER (D) 66 (Jul), [60].
\(^\text{437}\) Stagecoach South Western Trains Ltd v Ms Kathleen Hind [2014] EWCH 1891 [89].
\(^\text{438}\) ‘Expert evidence: an overview’ (n 422).
\(^\text{439}\) Rule 35.15 CPR.
\(^\text{440}\) ‘Patent litigation in the UK (England and Wales): overview by Susie Middlemass 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. 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. 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. 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’. In practice, therefore, the appointment of experts upon the court’s own initiative would be limited to interpreters and shorthand writers, as well as assessors and scientific advisors if the court considers that it is expedient to do so. 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. 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’.

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, freezing orders, orders to deliver up goods, and search orders. 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. Interim injunctions are a discretionary and temporary measure. Freezing orders, also known as Mareva injunctions, restrain a party from disposing of or dealing with its assets. Their purpose is, typically, to preserve the defendant’s assets until the judgement can be obtained or enforced.

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. 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. 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. Failure to comply with the order is a contempt of court, resulting in imprisonment or a fine.

Other types of preliminary injunctive reliefs include, inter alia, detention, custody, preservation, inspection and taking a sample of a relevant property. As this list of reliefs is not exhaustive, the court has the power to grant any remedy not explicitly listed therein.
An application for a preliminary injunctive relief must be supported by evidence, unless the court orders otherwise. 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. In such a case, the application must state the reasons why the notice was not given.

### 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’. 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_. 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? 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. 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? 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.

(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’. 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.

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, whether the respondent had started patent revocation proceedings before launching allegedly infringing goods on the market, as well as a possible infringement of the freedom of expression. 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. 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.
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.\textsuperscript{479}

Freezing orders, described as a ‘nuclear weapon’\textsuperscript{480} of the law, are seen as a rather extreme and draconian measure.\textsuperscript{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, conscionably and without undue delay.\textsuperscript{482} Case law has laid down the following six conditions for a freezing injunction to be granted.\textsuperscript{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’.\textsuperscript{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.\textsuperscript{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.\textsuperscript{486} When analysing this element the court takes into account any suggested defence to the claim.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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,\textsuperscript{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.\textsuperscript{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.\textsuperscript{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’.\textsuperscript{493}

vi. The applicant must provide an undertaking in damages.\textsuperscript{494}

\textsuperscript{479} Bently and Sherman (n 382) 1216.
\textsuperscript{480} Bank Mellat v Nikpour (1985) FSR 87.
\textsuperscript{481} ‘Freezing orders: what must be proved?’ (Practical Law) Note Number 5-567-4066.
\textsuperscript{482} ibid.
\textsuperscript{483} ibid.
\textsuperscript{484} The Siskina [1979] AC 210 per Lord Diplock [256].
\textsuperscript{485} Steamship Mutual Underwriting Association (Bermuda) Ltd v Thakur Shipping Co [1986] 2 Lloyd’s Rep 439 (CA).
\textsuperscript{486} The Niedersachsen [1983] 1 WLR 1412.
\textsuperscript{487} Kazakhstan Kagazy plc and others v Arip [2014] EWCA Civ 381.
\textsuperscript{488} Irish Response Ltd v Direct Beauty Products Ltd and another [2011] EWHC 37 (QB).
\textsuperscript{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.
\textsuperscript{490} The Niedersachsen (n 486).
\textsuperscript{491} Motorola Credit Corporation v Uzan and others [2003] EWCA Civ 752.
\textsuperscript{492} Caring Together Ltd v Basso and others [2006] EWHC 2345 (Ch) (See Briggs J).
\textsuperscript{493} Macleish Littlestone Cowan & Kemp v Hajibasi [2006] EWHC 3580 (Ch).
\textsuperscript{494} Details on this can be found in Section 2.4.3.
Further, considering the draconian nature of the measure, search orders will be made only if the matter is urgent or otherwise desirable in the interest of justice. 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. 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.

Finally, delivery up orders are only available in the course of wrongful interference with the goods. 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. 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.

### 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. For instance, such urgency will be present if there is a real risk that funds will be dissipated or evidence will be destroyed. 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.

### 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. 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. 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. 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. 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. Alternatively, the court may require an undertaking from a more financially secure person or body. As to the assessment of damages, ordinary contractual rules apply, with the exemplary or aggravated damages being available if the applicant acted oppressively.
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, 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. 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.

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. There is a variety of grounds on which a preliminary injunctive relief can be revoked, including the following:

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.

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).

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. Such application must be supported by written evidence. 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. 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.

The rules are slightly modified in relation to applications made by the defendant against someone other than the claimant. 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.

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513 ‘Injunctions: an overview’ by Stuart Ritchie QC, Fountain Court Chambers and James Bickford Smith, Litttleton Chambers’ (n 453).
514 ibid.
515 ibid.
516 ibid.
518 Hytrac Conveyors Ltd v Conveyors International Ltd [1983] 1 WLR 44.
519 Sime and French (n 516) 406.
520 Rule 25.12(1) CPR.
521 ibid rule 25.12(2).
522 ibid rule 25.13(2).
523 ibid rule 25.12(3).
524 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.\(^\text{524}\) 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.\(^\text{525}\) 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.\(^\text{526}\)

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.\(^\text{527}\) For cases to fall within the latter track, the value of the claim should not exceed £10,000.\(^\text{528}\) Such claims are decided by the district judges.\(^\text{529}\) The decisions made in the small claims track are appealed to the multi-track section of the IPEC, i.e. to the so-called enterprise judge.\(^\text{530}\) 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.\(^\text{531}\) 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.\(^\text{532}\)

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\(^{524}\) 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.


\(^{532}\) 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). The Constitution of the Courts Act 1975 (CCA) 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). Presently, there are 638 local, 115 regional and 24 higher regional courts. 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. The higher regional courts review appeals against decisions of the local and regional courts. The BGH is the final instance court that reviews appeals against the decisions of the higher regional courts and acts as the court of the final instance in registrable IP rights validity proceedings.

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. Based on these provisions the state governments have designated certain courts in accordance with the principle of the ‘concentration of jurisdiction’. 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. 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. As far as copyright and related rights are concerned, the state governments are entitled to introduce such concentration of jurisdiction not at the regional level, but also at the local courts level.

The state governments may introduce such arrangements in their regional courts. This is the case since copyright and related rights are the only field of IP in which the local courts are competent.

1. 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. 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' praeidium 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 praeidium of a regional court, 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. 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), in addition to commercial disputes the commercial chambers may also deal with certain types of IP disputes, which include trade marks and other signs, unfair competition and registered designs.

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. 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. The specialised IP chambers can also be established in the higher regional courts, 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. 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, one Board 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. 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.

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146 § 93(1) CCA; the German terminology is ‘Kammern für Handelssachen’.
147 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.
148 Presidia play a significant role in the organisation of the court (see § 21a–c CCA).
150 ibid § 93(1).
151 Zivilprozessordnung §348.
152 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.
153 § 93(1)(c) and § 95(1)(G) CCA.
154 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.
155 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.
1.2. Criteria for selection of judges

The general provisions enshrined in the German Constitution, the CCA and the German Judiciary Act, which regulate the qualification requirements, as well as the rights and duties of the judges, apply to both federal and non-federal judges. According to the Constitution, judges of the federal courts are selected jointly by the competent federal minister and the committee for the selection of judges consisting of the competent state ministers and an equal number of members elected by the Bundestag. The process of appointing judges of the non-federal courts is regulated in the constitutions and statutes of the states; 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. 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.

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. 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.

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’, 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. 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.

A unique feature of the BPatG is that its judges include not only lawyers, but also natural scientists, referred to as ‘technical’ judges. In fact, almost half of the BPatG judges possess scientific or technical expertise. 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.

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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.
567 Article 98(4) of the German Constitution.
568 Deutscher Bundestag, (in 556).
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).
576 ibid § 25(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.\textsuperscript{577} By contrast, the Boards of Appeal in all trade mark disputes are comprised exclusively of legally trained judges.\textsuperscript{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,\textsuperscript{579} and the continuing education of judges.\textsuperscript{580} The initial training for judges is, to a large extent, informal and carried out by their more experienced colleagues,\textsuperscript{581} but may also take the form of compulsory seminars.\textsuperscript{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.).\textsuperscript{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.\textsuperscript{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.\textsuperscript{585} 18 such courts consider design cases and 21 courts consider trade mark matters.\textsuperscript{586} Yet, the majority of cases are heard by four of these courts, the regional courts of Düsseldorf, Hamburg, Mannheim and Munich.\textsuperscript{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.\textsuperscript{588}

In Hamburg, there are 12 judges\textsuperscript{589} who sit in four chambers that deal with IP disputes: two three-judge chambers that handle disputes concerning various types of IP\textsuperscript{589}, one four-judge chamber that deals with copyright and IT matters, and one three-judge chamber that deals with copyright matters.\textsuperscript{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

\begin{thebibliography}{9}
\item ibid § 67(1)(2a).
\item § 67(1) of the Trade Marks Act 1994.
\item Johannes Riedel, ‘Training and recruitment of judges in Germany’[2013] 5(2) International Journal for Court Administration 1.
\item ibid 93.
\item ibid.
\item ibid 116-117.
\item ibid 113-114.
\item These are located in Düsseldorf, Munich, Nürnberg-Fürth, Hamburg, Mannheim, Frankfurt, Braunschweig, Berlin, Saarbrücken, Leipzig, Magdeburg and Erfurt.
\item 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/gerichtszustaendigkeiten.html (accessed 23 September 2020).
\item ‘Patent litigation in Germany: overview’ (Practical Law) Note Number 5-622-3450.
\item Landgericht Düsseldorf, (n 548).
\item These are chamber No. 15 and chamber No. 27 that deal with patents, utility models, topographies, plant varieties, trade marks, unfair competition.
\item Landgericht Hamburg, (n 589).
\item <https://www.justiz.bayern.de/gerichte-und-behoerden/landgericht/muenchen-1/verfahren.php?geschaeftsverteilungsplan>
\item These 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, Zwickau, Braunschweig, Saarbrücken, Bremen (see Ulrich Franke [in] Die Strafprozessordnung und das Gerichtsverfassungsgesetz. Großkommentar De Gruyter 2010, 577).
\end{thebibliography}
at the higher regional court in Düsseldorf, two four-judge chambers in the Hamburg higher regional court, and two four-judge chambers at the Munich higher regional court.

The BPatG is located in Munich and currently employs 102 judges, 55 of whom possess scientific or technical expertise. 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.

II. Rules of procedure

In Germany, civil, commercial and IP disputes are governed by the Rules of Civil Procedure (RCP), and the Constitution of Courts Act (CCA). In addition, the substantive law statutes, such as the Patent Act 1980, the Copyright Act 1965, the Trade Marks Act 1994, Utility Models Act 1986, Designs Act 2004, Topographies Protection Act 1987, Plant Varieties Act 1997, Employee Inventions Act 2009, and the Unfair Competition Act 2010 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, 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. 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. 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. In practice, most regional courts’ praesidium introduce the three-judge consideration of IP cases. 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, or where the oral arguments have not yet been heard on the merits of the case before the panel at the main hearing.
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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{620} After receiving such a request from a single judge, the panel then decides whether the prerequisites are met.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{625}

In the proceedings concerning preliminary injunctive reliefs, the composition of the court is the same as in the main proceedings.\textsuperscript{626} However, in all types of chambers discussed above,\textsuperscript{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.\textsuperscript{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.\textsuperscript{629} Finally, the BGH delivers its rulings in IP disputes in panels of five judges.\textsuperscript{630}

\section*{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.\textsuperscript{631} Disputes in which the value of the claim exceeds EUR 5,000 fall under the jurisdiction of the regional courts.\textsuperscript{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,\textsuperscript{633} the Employee Inventions Act 2009,\textsuperscript{634} the Utility Models Act 1986,\textsuperscript{635} the Trade
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’). The term ‘patent disputes’ is interpreted broadly, and is not subject to a strict legal review to avoid additional costs for the parties. 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. 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. It is important to note that Germany has the so-called bifurcated system, 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.

Similarly, under the Trade Marks Act 1994 the regional courts are exclusively competent over ‘trade mark disputes’ As with patents, the term ‘trade mark dispute’ is interpreted broadly. 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. 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. 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; (ii) applications for declaration of invalidity of rights with respect to national patents, European patents designated to Germany, supplementary protection certificates; and (iii) issuance and withdrawal of compulsory licences, as well as the assessment of the remuneration for such licences. 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...
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. Appeals against BPatG judgements are filed with the BGH.

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’, 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.

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. 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. 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. The qualification of a dispute as administrative, therefore, would depend on the nature of the legal relationship from which the claim is derived. 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.

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. 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. Likewise, customs disputes are considered to be administrative disputes. The activity or inactivity of the customs authorities may be challenged at the financial courts. 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. 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. If the IP rightholder fails to present a court order to the customs authority, the latter lifts

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657 The party in question could be either an inventor or an applicant for a compulsory license.
659 The German terminology is: ‘der Verletzte’.
660 § 30 of the Copyright Act 1965.
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.
667 Kaess (n 542) 2365.
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, evidence taken by visual inspection, evidence provided by experts, witness testimony and deposition of a party.

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. 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. Evidence in the form of an electronic private document must comply with certain statutory requirements. In particular, the document must bear a qualified electronic signature. In this respect, the authenticity of a statement in an electronic format after examination of a qualified electronic signature can only be contested if serious doubts arise as to the statement having been made by the person who relies upon an electronic identification. 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. 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.

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’.

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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).
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’). 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. 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. 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. 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. 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. The assessment of the expert opinion, as any other type of evidence, is subject to the discretion of the court. 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. In very complex cases, if not convinced by the expert’s findings, the court may appoint another expert in accordance with § 412 RCP.

In general, experts may not provide their opinion on the issues of law and may not substitute the court in its assessment of legal matters such as interpretation of a contract, patent claim construction, or the decision whether the invention is patentable or sufficiently disclosed. 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. 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. 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.

2.3.3. Power of the court to appoint an expert unilaterally

It is at the court’s discretion to appoint an expert. 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. The court may also decide to replace an already appointed expert with another one. In this case, while the court is encouraged to consult the parties, such a consultation is not formally required. 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.

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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’.
695 BGH, 3.2.2015 – X 76/13.
696 BGH, 11.10.2005 – X ZR 76/04, [16].
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.
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 IP\(^712\) and competition law\(^713\) 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 Thümmel, ‘Zivilprozessordnung und Nebengesetze’ in Rolf A. Schütze and Bernhard Wieczorek (Eds.), Großkommentar (4th ed., 2014) 164.

\(^{707}\) The German terminology is ‘Arrest’ as per § 916 RCP.

\(^{708}\) Huber (n 628) 2276.

\(^{709}\) ibid 2286.

\(^{710}\) ibid 2291.

\(^{711}\) The German terminology is ‘Regelungsverfügung’ as per § 916 RCP.

\(^{712}\) Huber (n 628) 2241.

\(^{713}\) Andrea Schmelz-Buchhold, Mediation bei Wettbewerbsbreitigkeiten (Herbert Utz Verlag 2010) 178.


\(^{715}\) Huber (n 628) 2241.

\(^{716}\) § 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.  
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.

\(^{719}\) 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. 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 relief 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. 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, such as a claim to perform, abstain from performing, or not to interfere with the performance of certain activities. The claim must refer to a specific factual background, and be capable of being enforced. A non-monetary claim is, for example, a claim to cease and desist in patent and trade mark disputes. 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. 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 994, where the legal relationship occurs if a third party infringes the IP right. 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. 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.

The second condition is urgency. Several types of urgency are set out in the provisions concerning different types of preliminary injunctive relief:

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. 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. That will be the case, for example, where there is a risk of deterioration, destruction, or other misappropriation of the object in dispute. 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.

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721 The terminology in German is ‘Verfügungsanspruch’.
722 The terminology in German is ‘Verfügungsgrund’; Huber (n 628), 2275.
723 Thümmel (n 706) 165.
725 Thümmel (n 706) 60ff.
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. The analysis involves balancing the legally protected interests of the parties. 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. Another important factor is the strength of the patent, i.e. whether it is likely to be invalidated. 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. 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. 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.

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. 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. Examples include devaluation or alienation of the respondent’s assets, concealment of his or her material situation, or even frequent changes of domicile. In addition, sufficient threat also covers naturally occurring events or acts of third parties such as fire, storms, boycotts, strikes. In practice, however, the threat will usually result from the respondent’s behaviour or position. 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. Finally, the threat must be assessed objectively.

d) qualified urgency for ex parte injunction applications – 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.

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. 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. 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 Thümmler (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 analagical application of § 12(2) of the Unfair Competition Act 2004 (see Helmut Lieber, Axel Zimmermann, Die einstweilige Verfügung im Gewerblichen Rechtschutz, 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) 43.
As mentioned, provided that a qualified form of urgency as explained above can be established, any form of a preliminary injunction relief may be issued without holding a hearing, namely it can be issued ex parte. 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. 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. If the application is not followed by the filing of the main lawsuit within the period determined by the court, the relief is revoked.

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. In this case, the main claim and any related application must be filed with the court competent to hear the main claim. 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. 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. In practice, such urgency will only rarely occur. 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. If the applicant fails to do so, the local court that granted the injunction must revoke its order upon the respondent’s application.

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. The same applies where a preliminary relief has been revoked or modified by the court of appeal or cassation. 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. The liability of the applicant in this respect is strict, i.e. intention or negligence is irrelevant. 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. 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.

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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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{777} Secondly, in the case of both attachments and injunctions,\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{781} In addition, the parties may agree on a specific form of security, which the court must then grant.\textsuperscript{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’.\textsuperscript{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 with\textsuperscript{784} or the applicant has failed to file the main lawsuit within the period prescribed by the court.\textsuperscript{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.\textsuperscript{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 provisions\textsuperscript{787} and is based on the estimations as to the amount that the defendant will likely have to pay.\textsuperscript{788}

\textsuperscript{775} ibid §921 in conjunction with §936.
\textsuperscript{776} ibid §921, first sentence.
\textsuperscript{777} Thümmel (n 706) 193.
\textsuperscript{778} ibid 289.
\textsuperscript{779} § 921 RCP.
\textsuperscript{780} Huber (n 628) 2249; LG Berlin, 08.5.2014 – 63 T 49/14.
\textsuperscript{782} ibid 488.
\textsuperscript{783} Foerste (n 781) 486.
\textsuperscript{784} § 927 in conjunction with § 936 RCP.
\textsuperscript{785} ibid § 925 in conjunction with § 936.
\textsuperscript{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.
\textsuperscript{787} ibid § 112(1).
\textsuperscript{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.\textsuperscript{789} In such cases, the regional courts act as the courts of appeal reviewing the decisions of the local court.\textsuperscript{790} Further appeals are possible to the higher regional courts,\textsuperscript{791} and the BGH acts as a final instance court.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{795}

\textsuperscript{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
\textsuperscript{790} § 72(1) CCA.
\textsuperscript{791} ibid §119.
\textsuperscript{792} ibid § 133.
\textsuperscript{793} § 543 RCP.
\textsuperscript{794} ibid § 511(2) RCP.
\textsuperscript{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 disputes are handled by several designated courts within the civil branch of the judicial system. The civil branch comprises the tribunals, acting as first instance courts, the courts of appeal and the Court of Cassation. 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. Appeals against the decisions of the tribunals are heard by the courts of appeal. Finally, the Court of Cassation acts as the final instance court. In the commercial branch, commercial courts act as first instance courts, in several districts they are supported by special commercial divisions of the tribunals. Appeals against decisions of the commercial courts are handled by the courts of appeal, and the Court of Cassation is the final instance court.

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’. However, 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.

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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 Ordinance 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.


799 The French name of the Act is ‘Code de l’organisation judiciaire’; article L211-10 CJO.

800 Ibid Article L411-2.


802 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).

803 Ministère de la Justice (n 799).

804 Article L721-1 of 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’)).

805 Cass com 16 February 2016, no 14-24.295; Article L716-3 (trade mark); L615-17 (patents); L622-T (semi-conductor topographies); L521-3-1 (designs); L623-31 (plant varieties); L331-1 (copyright); L622-T (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. 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 State and the prime minister to hear IP-related disputes at first instance. Every tribunal is divided into chambers. The chambers are referred to merely as the ‘chambers of the tribunal’. 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.

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’. 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. Pursuant to the Code of Civil Procedure (CCP), a president of a tribunal is also competent to grant a preliminary injunctive relief. 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. 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.

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. 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. Those courts of appeal that have jurisdiction to hear appeals in IP disputes also have informal specialist IP chambers. 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, while a president of a chamber manages the affairs of his or her respective chamber.

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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 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).
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’, whereas the provisions of the regulatory part start with a ‘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’.
815 The function of the president of the chamber is fulfilled by either a ‘first vice-president’ (‘premier vice-président’), a vice-president, or by the judge of the chamber that has the higher rank (Article R212-3 CJO).
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.
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.\textsuperscript{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 Giradet and Sophie Canas, specialise in copyright.\textsuperscript{826} Furthermore, patent, trade marks, designs, geographical indications and protection of semiconductor topography disputes are decided by the commercial chamber,\textsuperscript{827} in which at least one judge, Sophie Darbois, is specialised in patent and trade mark cases.\textsuperscript{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.\textsuperscript{829} The process of nomination is carried out through the so-called ‘competitive examination’, organised by the National School of Judiciary.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{834} From the pool of the National School graduates, the Minister of Justice selects candidates and makes a proposal for their appointment.\textsuperscript{835} The High Council of the Judiciary\textsuperscript{836} puts forward a positive or negative recommendation on the proposal.\textsuperscript{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.\textsuperscript{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.\textsuperscript{839}

Judges in France must undertake five days of continuing professional training per year in order to keep abreast of developments in the law.\textsuperscript{840} Specific elements of the training can be chosen by the individual judges, but must be related to their current functions.\textsuperscript{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 designs\textsuperscript{842} or at the European Patent Office regarding patents.\textsuperscript{843} However, no particular form of training is imposed on the judges.

\textsuperscript{826} Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° NB018BUU).
\textsuperscript{828} Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° NB018BUU).
\textsuperscript{830} ibid 2.
\textsuperscript{831} ibid.
\textsuperscript{832} ibid.
\textsuperscript{833} ibid.
\textsuperscript{834} ibid.
\textsuperscript{836} Article 65 of the French Constitution 1958.
\textsuperscript{837} SenatFR, 'Projet de loi organique relatif à la carrière des magistrats' (Senatfr) <https://www.senat.fr/rap/l00-075/l00-0752.html> accessed 23 September 2020.
\textsuperscript{839} Article 51-1 of the Décret n°72-355 du 4 mai 1972 relatif à l’Ecole nationale de la magistrature.
\textsuperscript{840} Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° NB018BUU).
\textsuperscript{841} Lexbase Hebdo édition affaires n°429 of 25 June 2015 (n° NB018BUU).
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, designs and models, trade marks and geographical indications. These ten courts are located in Bordeaux, Lille, Lyon, Marseille, Nanterre, Nancy, Paris, Rennes, Strasbourg, and Fort-de-France. 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. The Paris tribunal has the exclusive jurisdiction to hear disputes related to patents, utility models, supplementary protection certificates, semiconductor topographies protection cases, EU trade marks and community designs. In the Paris tribunal in 2018, out of the 341 judges of the court, 12 judges were dealing with IP disputes.

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. 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. 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.

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.

Finally, there are eight Specialised Interregional Authorities dealing with complex offences involving IP rights infringement. These are located in Paris, Lyon, Marseille, Lille, Bordeaux, Nancy and Fort-de-France.

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), the Civil Code 1804 and the Code of Judicial Organisation 1978 (CJO). Furthermore, the Intellectual Property Code 1992 (IPC) also contains some IP-specific procedures, inter alia, for obtaining a title, securing evidence in infringement cases or stopping infringements in relation to patents, plant varieties, semiconductor topographies, designs, geographical indications, trade marks, and copyrights in databases.

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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 D211-6-1
849 Ibid Article D211-7.
850 At that time the Paris tribunal was referred to as the ‘Paris high court’ (n 798).
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.
856 Adopted by Decree n° 75-1123 of 05.12.1975.
857 Adopted by Decree n°78-329 of 16.03.1978.
859 Article L-615-3 IPC.
861 Ibid Article L622-7.
862 Ibid Article L521-6.
863 Ibid Article L722-3.
864 Ibid Article L716-6.
865 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, typically comprising a president of the panel and two judges. Exceptions to this general rule have been introduced by statutes and court practice for the sake of trial efficiency. 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. Such decisions of the president are discretionary. 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. 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. 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. In addition, even if the case is considered by the panel, a so-called ‘pre-trial’ judge is designated to deal with most procedural matters, including a preliminary injunctive relief and case management.

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. The president of the court may delegate other judges to deal with such matters on his or her behalf. 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. 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.

At the appeal level, cases are generally heard by a panel of three judges. If a case is particularly complex it is heard by a panel of five or seven judges, and where it is re-heard after a ruling of the Court of Cassation, the case is heard by a panel of five judges. A president of a Court of Appeal has the power to grant preliminary injunctive reliefs during appellate proceedings both inter partes and ex parte.

As a general rule, the number of judges hearing a case at the Court of Cassation is three. 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. Exceptionally, significant cases that could lead to a substantial change of precedent may be considered by a panel of 19 judges.

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687 Article L212-1 CJO. 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).
688 ibid Article L212-3 in conjunction with R212-7 CJO.
689 Strickler (n 816) 63-64.
690 Article B12ff 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).
691 Article R212-9 CJO.
692 ibid Article L212-2.
693 ibid Article L212-2.
694 ibid Articles R212-8 and R212-9.
695 'juge de mise en état'. Article 789 CCP.
696 ibid Articles 834ff and 845ff; this will be expanded upon in Section 2.4.4.
697 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.
698 Articles 789, 834 and 845 CCP; for more information see Section 2.4.
699 ibid, for further information see Section 2.4.
700 Article L312-2ff CJO.
701 ibid Article R312-9.
702 ibid Article R312-9.
703 ibid Article R312-11-1.
704 ibid Article R312-9.
705 ibid Article R311-4.
706 ibid Article L431-1.
708 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, 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. 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.

There are ten tribunals that have the exclusive jurisdiction over IP disputes. Among these courts, the Paris tribunal is exclusively competent to hear disputes related to patents, utility models, supplementary protection certificates or semiconductor design protection, as well as EU trade marks and Community designs. 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. The allocation of disputes among the designated tribunals is carried out in accordance with the rules of territorial jurisdiction.

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. 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.

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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. 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 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. The courts of appeal are also exclusively competent to decide on the official recognition of geographical indications. The jurisdiction of a specific Court of Appeal over such dispute will depend on the domicile of the person filing the application.

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. 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. 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.

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690 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’)).
691 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. See (n 890).
692 Decret n° 2009-1205 du 9 octobre 2009 fixant le siège et le ressort des juridictions en matière de propriété intellectuelle.
693 Article D211-6 CJO.
694 Ibid Article D211-7.
695 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.).
696 Articles 42-46 CCP; the circuits assigned to each tribunal are indicated in annexes V and VI to the CJO.
697 Cass com 20 March 2012, no 11-10.514.
698 Article R411-19 IPC and Annex XVI CJO.
701 Article R411-19 IPC; Article D311-8 CJO.
702 Ibid.
703 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.
704 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.\(^{606}\) 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.\(^{607}\) 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.\(^{608}\) 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.\(^{609}\) 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.\(^{610}\) 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 database\(^{611}\) 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.\(^{918}\)

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.

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\(^{606}\) Cass civ (1) 28 June 2018, no 17-28.924.

\(^{607}\) Articles L615-17 in conjunction with L615-1 and L615-8-1 IPC.

\(^{608}\) Pierre Sirinelli et al., Code de la propriété intellectuelle 2014 (14e édition, Dalloz 2014) 607.


\(^{610}\) ibid.

\(^{611}\) CA Nancy, 28 March 2018, no 17/02869.

\(^{612}\) CA Lyon, 6 June 2019, no 19/01253.


\(^{614}\) 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.

\(^{615}\) Articles L721-3 of the Commercial Code 2000; see (n 890).

\(^{616}\) The French terminology is ‘dénigrement’, i.e. public act of unfair criticism towards a competitor (Cass civ (1) 27 November 2013, 12-24.651).

\(^{617}\) Cass com 20 February 2007, no 04-20646.

\(^{618}\) Article L721-3ff in conjunction with Article L151-1 of the Commercial Code 2000.

\(^{619}\) ibid.

\(^{620}\) French terminology is ‘ayants droit’.

\(^{621}\) 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 administration\(^{932}\) 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 courts\(^{933}\) 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 (‘juridictions 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 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.\(^{931}\)

938 The French terminology is ‘tribunaux administratifs’; Article L311-1 Code of the Administrative Justice 2000, (‘Code de justice administrative’).
939 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).
940 Such activities are referred to as ‘administrative acts’ (the French terminology is ‘actes administratifs’).
941 Article 357bis of the Customs Code 1948; Tribunal des Conflits 9 May 2016, C4048.
942 Article 356-357 of the Customs Code 1948.
943 Article L 357bis of the Customs Code 1948.
944 Article L357bis of the Customs Code 1948.
945 Article L357bis of the Customs Code 1948.
946 Article L 357bis of the Customs Code 1948.
947 Article L722-9 (geographical indications), L716-8 (trade marks), L623-36 (plant varieties) L614-32 (patents), L521-14 (designs), L335-10 (copyright) IPC.
948 The French terminology is ‘la retenu’.
949 Article 419 of the Customs Code 1948.
950 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.\textsuperscript{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,\textsuperscript{943} depending on the type of dispute.\textsuperscript{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'\textsuperscript{945} within the administrative law rather than private law regime.\textsuperscript{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'.\textsuperscript{947} The registration of such a sign as a trade mark with an IP Office is not required.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{951} Evidence may be brought, as a general rule, in any form whatsoever ('principle of liberty of proof').\textsuperscript{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 fraudulently\textsuperscript{953} and evidence that is not relevant.\textsuperscript{954}

2.3.1. Evidence in electronic form

Evidence, including electronic evidence, may be provided by any means whatsoever, unless the law states otherwise.\textsuperscript{955} This is based on the so-called 'principle of liberty of proof',\textsuperscript{956} which in this instance means that the court, in general, may admit any type of electronic evidence provided that it is relevant.\textsuperscript{957} If electronic evidence is taken in the pre-trial phase, the proponent must also have a legitimate interest.\textsuperscript{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\textsuperscript{959} as well as a screenshot of a website,\textsuperscript{960} will constitute sufficient evidence of the contents of the conversation and will be admitted without any further conditions.
The liberty of proof principle applies to electronic evidence 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'. It is used to prove the conclusion of a legal transaction such as a contract, or that a declaration has been made. 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 document 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'. 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, screenshots and emails 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. 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. 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. This procedure, referred to as a ‘verification of writings', 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. If the judge is not satisfied that the two requirements are met, then the assertions of the party that presented the evidence are rejected.

Another type of electronic document requiring authentication are private deeds. They are required to prove, for example, the conclusion of a contract of sale. 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. The authenticity is presumed if the document is signed with a qualified electronic signature.

Finally, a party that wants to have electronic evidence admitted may seek the services of bailiffs, 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.

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651 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.
653 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).
654 The French terminology is ‘écrit électronique'.
655 Article 1366 of the Civil Code 1804.
656 Cass com (1) 1 July 2018, n° 17-10.458.
658 Cass civ (1) 30 September 2010, n° 09-68.555.
659 TGI Paris (4-1) 15 April 2008, n° 07/15347.
660 TGI Nanterre (6) 6 January 2006, n° 04/08989.
661 Ibid Article 287 CCP.
662 The French terminology is ‘vérification d’écriture'.
663 Cass com 8 décembre 2015, n° 14-18.228.
664 Després and Dargant (n 954), 287.
665 The French terminology is ‘acte sous seing privé'.
666 Article 1582 of the Civil Code 1804.
667 Ibid Article 1367.
668 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.
669 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.
670 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. 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. 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. Court experts are called to deliver their opinion on the question of fact, which requires specialist knowledge. Establishing the scope of the court experts’ task is within the sole discretion of the court. 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; (ii) consultation, usually delivered orally and requested in simple technical matters; and (iii) expertise (the French terminology is ‘expertise’), usually prepared in writing, in which an expert gives his or her opinion on a question of fact relevant to the case at hand. 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. The court is not bound by the assertions or conclusions reached by the court expert. 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.

Court experts may only address questions of facts which they have been commissioned to assess, and may not determine a question of law. 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’ or to construe any particular terms within patent claims, as well as to elaborate on the teaching of the claims. 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. 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. 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. 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.

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842 ibid.
843 Article 237 CCP.
844 ibid Article 232.
847 ibid Article 258.
848 ibid Article 256.
849 ibid Article 282.
851 ibid Article 263ff.
852 ibid Article 246.
854 Article 238 CCP.
855 CA Paris 13 March 2002, no 2001/19068 Després and Dargent (n 954) 269.
856 TGI Paris (3-1) 14 January 2009, no 05/07149.
860 ibid.
2.3.3. Power of the court to appoint an expert unilaterally

Experts can be appointed by the court on its own volition. 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. 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.

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 and ex parte proceedings. In inter partes proceedings, the following types of preliminary injunctive relief may be granted: (i) general injunctions, permissible in cases of urgency; (ii) conservatory injunctions, whereby a judge may order protective measures or measures to restore the parties to their previous state; and (iii) injunction-provisions, whereby a judge may order the payment of a debt or performance of an obligation. The inter partes proceedings are a speedy and efficient mechanism to enforce claimants’ rights. 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, 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. Presidents may delegate their powers to other judges or refer the decision to grant such a measure to a panel of judges. 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.

A preliminary injunctive relief may also be granted ex parte. 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. 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.
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. These provisions establishing these measures constitute a separate regime of enforcement and specify separate grounds for granting. 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. 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:

(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’ 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. 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. The order may also involve a seizure of the materials and instruments used for the production and distribution of the allegedly infringing goods.

The list of IP-specific measures is different in relation to copyrights other than producers’ copyrights on databases. In this respect, copyright holders can apply for a prohibitory 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. 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. Measures may also involve a seizure of materials and instruments used for the production and distribution of the allegedly infringing goods. 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.

1025 The French terminology is ‘saisie conservatoire’.

1026 The French terminology is ‘saisie-contrefaçon’.

1027 ibid.

1028 ibid Article L 332-1ff.

1029 ibid.

1030 ibid Article L 332-1ff.

1031 ibid.

1032 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.\textsuperscript{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'\textsuperscript{1035} will generally be sufficient.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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]'.\textsuperscript{1039} Furthermore, urgency must be present at the moment in which the president of the court makes the decision whether to grant the relief.\textsuperscript{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'.\textsuperscript{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.\textsuperscript{1042} This will be the case, for example, when a contract on which the application relies is vague, and requires interpretation by the president.\textsuperscript{1043} The serious challenge element may relate to a factual or legal question, including a question of a property right over a thing.\textsuperscript{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'.\textsuperscript{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.\textsuperscript{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.\textsuperscript{1047} The court may also order a seizure of goods, where it appears that it will preserve the rights of the parties.\textsuperscript{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.\textsuperscript{1049} A risk of imminent damage means that the relief sought in this instance is preventive\textsuperscript{1050} and its assessment is subject to the discretion of the court.\textsuperscript{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

\textsuperscript{1034} Cass civ (1) 21 June 1989, no 87-18.210; Després and Dargent (n 954) 692.
\textsuperscript{1035} The French terminology is ‘vu de l’urgence’.
\textsuperscript{1036} Stricker (n 816), 260; Després (n 954) 692.
\textsuperscript{1037} Després and Dargent (n 954) 692.
\textsuperscript{1038} ibid.
\textsuperscript{1039} ibid.
\textsuperscript{1040} ibid.
\textsuperscript{1041} Article 834 CCP. Note that the wording of the provision is referred to as a 'grammatical curiosity' (Stricker (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.
\textsuperscript{1042} Després and Dargent (n 954) 693.
\textsuperscript{1043} Stricker (n 816), 261.
\textsuperscript{1044} ibid.
\textsuperscript{1045} ibid.
\textsuperscript{1046} Després and Dargent (n 954) 694.
\textsuperscript{1047} ibid.
\textsuperscript{1048} ibid.
\textsuperscript{1049} Article 833 CCP.
\textsuperscript{1050} Stricker (n 816) 261.
as that of a competitor. On the other hand, a manifestly illicit hindrance means that the relief sought is to eliminate, rather than prevent the hindrance. A hindrance is a disruptive act of the respondent, and corresponding damage on the part of the applicant. The hindrance must be illicit, that is to say, prohibited by law, custom or morals. 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. 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’. 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.

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. 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, 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. 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.

The assessment of likelihood is left to the court, and involves two steps. 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. As to the first stage, the apparent validity will not be contested unless sufficiently serious and precise arguments to the contrary are presented. 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. 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. 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 CPC.
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 ibid.
1064 ibid.
1065 TGI Paris (5-1) 23 October 2018, n° 18/04944.
1067 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)).
1068 Sirinelli et al. (n 908), 723.
1069 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.\textsuperscript{1068} After assessing these two elements, the court evaluates the proportionality of the requested preliminary relief against the risks that the parties may encounter.\textsuperscript{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.\textsuperscript{1070}

In relation to a probative order,\textsuperscript{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.\textsuperscript{1072} Additionally, the applicant must provide prima facie evidence of infringement.\textsuperscript{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 proceedings\textsuperscript{1076} can be initiated either before or after the commencement of an action on the merits.\textsuperscript{1075} Such applications are generally made to the tribunal which is competent to deal with the main dispute.\textsuperscript{1076} An applicant may also file the application with the tribunal that is not competent to deal with the main dispute,\textsuperscript{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.\textsuperscript{1078} In either case, it is the president of the tribunal that grants the relief.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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

\textsuperscript{1068} Sirinelli et al. (n 908), 723.
\textsuperscript{1069} TGI Paris 22 February 2019, n° 2018/58204.
\textsuperscript{1070} Articles L615-3 (patents), L623-27 (plant varieties), L622-7 (semi-conductor topographies), L521-6 (designs), L722-3 (geographical indications), L716-6 (trademarks), 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.
\textsuperscript{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.
\textsuperscript{1072} ‘Patent litigation in France: overview’ (n 1026).
\textsuperscript{1073} ibid.
\textsuperscript{1074} Després and Dargent (n 954), 453.
\textsuperscript{1075} Articles 484ff and 834ff CCP; Articles 493ff and 845ff CCP.
\textsuperscript{1076} Després and Dargent (n 954) 691.
\textsuperscript{1077} ibid.
\textsuperscript{1078} Cass civ (2) 10 July 1991, no 90-11.815.
\textsuperscript{1079} Article 834 CCP.
\textsuperscript{1080} ibid Articles 42 and 46.
\textsuperscript{1081} Articles R615-2, R622-6 and R623-51 IPC.
on fault. 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.

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 CPC or under the specific provisions applicable to patents, plant varieties, designs, geographical indications, trade marks, and copyrights in databases. 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. The security may be in any form, for example, the delivery of movables, deposition of a sum of money, or a bank guarantee. However, it must be sufficient to cover all restitutions and damages. 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.

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. 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. 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.

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. 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. 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.

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1082 Cass civ (2) 22 January 2004, no. 01-00.580.
1083 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.
1084 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.
1086 ibid 1354.
1087 ibid 1354.
1088 Article 517 CCP.
1089 ibid.
1090 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).
1091 Article 497 CCP.
1092 Articles L615-3, L623-27, L521-6, L722-3, L716-6, L343-2 IPC.
1093 Article R211-3-25 CJO.
1094 Article 517 CCP.
1095 ibid.
1096 Article 488(2) CCP.
1098 ibid 1354.
1099 Article 517 CCP.
1100 ibid.
1101 ibid.
1102 ibid.
1103 ibid.
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.\textsuperscript{1097} IP cases are generally handled by the civil divisions of the district courts.\textsuperscript{1098} The district court of The Hague (HDC) has a specialised IP chamber\textsuperscript{1099} with the exclusive jurisdiction at first instance over a number of IP matters.\textsuperscript{1100} The chamber is also known as the ‘patents chamber’.\textsuperscript{1111} Moreover, the Judiciary Organisation Act also envisages the establishment of a plant breeders’ rights chamber within the HDC.\textsuperscript{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 sector\textsuperscript{1103} of the district courts.\textsuperscript{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 appeal\textsuperscript{1105} in accordance with the rules of the territorial jurisdiction.\textsuperscript{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.\textsuperscript{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.\textsuperscript{1108}

A decision of a Court of Appeal may be challenged before the Dutch Supreme Court, which does not have an IP chamber.\textsuperscript{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’.\textsuperscript{1110} Some of the Advocates Generals and some of the judges assigned to IP cases generally have a robust IP experience.\textsuperscript{1111}

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\textsuperscript{1099} ‘Trade mark litigation in the Netherlands: overview’ (Practical Law) Note Number W-010-5573.
\textsuperscript{1100} Article 113(2).
\textsuperscript{1103} The Dutch terminology is ‘Kantorechter’.
\textsuperscript{1105} For detailed information on this see 2.4.6. See more at Rechtspraak, ‘Onderwerpen kantorechter (civiel recht)’ (Rechtspraak.nl) <https://www.rechtspraak.nl/Organisatie-en-contact/Rechtsgebieden/Civiel-recht/Kantorechter/Onderwerpen/Paginas/default.aspx#f671bc4ca1edc4e> accessed 23 September 2020.
\textsuperscript{1107} Article 60(1) of the Judiciary Organisation Act 1827, (‘Wet op de rechterlijke organisatie’), Rechtspraak, ‘Gerechtshoven’ (n 1105).
\textsuperscript{1108} Article 79(1) of the Judiciary Organisation Act 1827.
\textsuperscript{1109} ibid Article 113(2).
\textsuperscript{1110} Rechtspraak, ‘About the Supreme Court’ (Rechtspraak.nl) accessed 23 September 2020.
\textsuperscript{1111} Rechtspraak, ‘Onderwerpen kantorechter (civiel recht)’ (Rechtspraak.nl) accessed 23 September 2020.
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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 Gauda.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

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1113 Article 91(1)(f) of the Judiciary Organisation Act 1827.
1115 A second nationality in addition to the Dutch nationality is not an obstacle.
1116 The Dutch terminology is ‘civil 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, ‘Rechtstenstudie in Nederland’ (Advocatenordenl) <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 ‘RO’. See more at Werkenbijrechtspraak.nl. ‘Selectieprocedure Rechter in opleiding (beperkte werkervaring)’ (Werkenbijrechtspraak.nl) <https://www.werkenbijrechtspraak.nl/wp-content/uploads/2019/05/19.04.19-RVR-Selectieprocedure_beperkt_4-alltext.pdf> accessed 23 September 2020.
1118 Werkenbijrechtspraak.nl, (n 1117).
1122 Article 41(1) of the Judicial Organisation Act 1827.
1127 Article 41(5) of the Judicial Organisation Act 1827.
1128 ibid Article 47(2).
1130 ibid.
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

1134 Ibid.
1136 Rechtspraak, ‘Regelingen Bij Octrooizaken - Herziening Versnelde Bodenprocedure in Octrooizaken’ (Rechtspraak.nl, 2010) <https://www.rechtspraak.nl/SiteCollectionDocuments/Reglement-versneld-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).
1141 Article 15(1) DCCP.
1142 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).
1143 Article 15(2) DCCP.
1144 Matthew Bultman, (n 1119).
1145 Article 8 of the Judicial Organisation Act 1827.
1147 Matthew Bultman (n 1119).
A single judge at first\(^{1149}\) and appeal level\(^{1150}\) decides on a preliminary injunctive relief\(^{1151}\) both \textit{ex parte} and \textit{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\(^{1159}\), topographies\(^{1160}\) 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.

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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.
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.
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 a deputy judge 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, in example for 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.
Administrative disputes with an IP connection fall within the jurisdiction of the administrative divisions of the district courts. As a result, appeals against the decisions of the Tax and Customs Service, the general tax and customs enforcement authority, may be brought before the administrative divisions of the district courts, 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. 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. If a court is not competent to decide a particular case, it should transfer the case to the competent court. 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.

2.3. Evidence in IP cases

In the Netherlands, evidence may be furnished by any means, unless the law provides otherwise. Thus, as a matter of principle, the Dutch law does not impose any limitations on admissibility of evidence, leaving the assessment of admissibility to the judge. 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.

2.3.1. Evidence in electronic form

Electronic evidence has the same probative value as other types of evidence, and for that purpose, the Dutch jurisprudence has admitted screenshots as evidence of IP rights infringement. 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)’. 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.

**Footnotes:**

1168 The Dutch terminology is ‘bestuursrecht’: Article 8(1)(2) General Administrative Act 1992 (‘Algemene wet bestuursrecht’).
1171 Articles 217-220 D CCP.
1172 Articles 4.6(4) and 4.6(5) of the Benelux Convention of Intellectual Property 2006.
1173 Article 270(1) D CCP.
1174 ibid Article 270(3).
1175 ibid Article 152(1).
1177 Article 152(2) D CCP; van Stekelenburg (n 1176) 46.
1178 ibid Article 152(1) D CCP.
1179 Article 152(1) D CCP.
1181 Special proceedings rules of the IP Chamber of the HDC, paras 2.2-3.
1182 Article 152(2) D CCP.
1184 ibid 54.
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. 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. A private deed is a signed written document which constitutes a type of ‘compelling evidence’. The court usually accepts its content unless proof to the contrary is presented by one of the parties. 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. 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. Moreover, the electronic signature with which the deed is signed must satisfy the requirements of Article 15(a) of the Civil Code.

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’) or by an expert commissioned by the party (‘party expert’). The task of evaluating the evidence falls on the judge. 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.

Experts provide their opinion on specialist, for example technical, matters. 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, 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. 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. The purpose of the opinion was to determine how the meaning of the term had changed through time. 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. 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. 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.

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).
1201 Article 200(1 and 3) DCCP.
1202 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. While the court consults the parties in this regard, the parties’ opinions are not binding for the court.

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. Dutch Law provides for the possibility to obtain a preliminary injunctive relief in the form of:

(i) an inter partes injunction, in the so-called ‘kort geding’ proceedings;
(ii) seizure of infringing goods;
(iii) seizure of evidence of infringement;
(iv) ex parte injunction in the case of an IP right infringement.

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. The provisional ruling does not bind the court ruling on the merits, and the main proceedings must be started within a period of six months. In practice, however, parties often consider the outcome of kort geding as a final result of litigation. 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;
(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. 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. 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).
1206 Groot and Elbers (n 1198), 26.
1207 The Dutch terminology is ‘voorzieningenrechter’; Article 50 and 60 of the Judicial Organisation Act 1827.
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.
1214 ‘Patent litigation in the Netherlands: overview’ (n 1109); Cumming (n 1208) 181.
1215 Jeroen Chorus et al. (n 1214).
1216 The breach of such an order will lead to civil penalties (Marijke van Hooijdonk and Peter V Eijssvoogel, Litigation in the Netherlands: Civil Procedure, Arbitration and Administrative Litigation (2 ed., Wolters Kluwer 2009) 9.1.3).
1218 ibid.
The second type of preliminary injunctive relief is an order to seize the products that allegedly infringe IP rights.\textsuperscript{1220} This type of relief will almost routinely be granted within a couple of days without undue delay.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{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.\textsuperscript{1225} The relief can also include an order for the party-to-be-seized to cooperate by providing necessary passwords and log-in codes.\textsuperscript{1226}

Finally, a variety of measures can be ordered through an \textsc{ex parte} injunction, for example an order to block proxy addresses where copyright was infringed,\textsuperscript{1227} or to prohibit infringement subject to a daily fine.\textsuperscript{1228} In patent cases, \textsc{ex parte} injunctions are exceptional, which is due to the fact that the court poses very strict requirements concerning urgency.\textsuperscript{1229} The \textsc{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.\textsuperscript{1230}

### 2.4.1. Grounds for granting preliminary injunctive relief

\textit{Inter partes} injunctions will be granted ‘in all urgent cases where, in view of the interests of the parties, an immediate measure is required’.\textsuperscript{1231} On the basis of this provision, the jurisprudence has identified two general requirements: (i) urgency; and (ii) likelihood of success.\textsuperscript{1232} The question of urgency requires consideration of the interests of the parties, assessed according to the situation at the time of the judgement.\textsuperscript{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.\textsuperscript{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.\textsuperscript{1235} For instance, the court must determine whether the IP right is valid and infringed.\textsuperscript{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.\textsuperscript{1237}

The grounds for granting an order for seizure of infringing goods depend on the provision that the applicant invokes as a legal basis.\textsuperscript{1238} In relation to IP rights, the provisions of the substantive acts require urgency

\begin{itemize}
  \item \textsuperscript{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.
  \item \textsuperscript{1222} ibid pp 18 and 60
  \item \textsuperscript{1223} Article 1019b-d DCCP.
  \item \textsuperscript{1224} ‘De beslagsyllabus’ (n 1222).
  \item \textsuperscript{1225} ibid.
  \item \textsuperscript{1226} Rechtbank ‘s-Gravenhage, 10.05.2012, (ECLI:NL:RBGS:2012:BW5407).
  \item \textsuperscript{1228} Dirk Visser, Kroniek van de Intellectuele Eigendom (Nederlands Juristenblad 2009) 916-917.
  \item \textsuperscript{1229} Rechtbank ‘s-Gravenhage, 5.10.2009 (KG RK 09-2584).
  \item \textsuperscript{1230} Article 254 DCCP.
  \item \textsuperscript{1233} HR 23.01.1998, (ECLI:NL:HR:1998:ZC2553).
  \item \textsuperscript{1236} Case C-616/10 Solvay SA v Honeywell Fluorine Products Europe BV and Others [2012] ECLI:EU:C:2012:445, paras 49-50.
  \item \textsuperscript{1237} ‘De beslagsyllabus’ (n 1222).
\end{itemize}
or likelihood of success.\textsuperscript{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.\textsuperscript{1240} Upon receiving the order of seizure, the party against which it was issued may request the court to have the order revoked.\textsuperscript{1241} The court will then assess the substantive basis of the application, for example whether the rights are valid and infringed.\textsuperscript{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.\textsuperscript{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,\textsuperscript{1244} i.e. whether the seizure is indeed necessary.\textsuperscript{1245}

Finally, an \textit{ex parte} injunction may be obtained if an IP proprietor can demonstrate: (i) a \textit{prima facie} valid title; (ii) a \textit{prima facie} (threat of) infringement; and (iii) irreparable harm should the IP rightholder have to await the outcome of proceedings on the merits.\textsuperscript{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 \textit{ex parte} injunction, irreparable damage would occur.\textsuperscript{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.\textsuperscript{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 \textit{ex parte} measures the timeframe is 6 to 12 weeks,\textsuperscript{1249} while in relation to \textit{inter partes} measures it is six months.\textsuperscript{1250} As for the court competent to deal with the application preceding the lawsuit, this will depend on the type of measure requested. \textit{Inter partes} injunctions in \textit{kort geding} proceedings and \textit{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.\textsuperscript{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.\textsuperscript{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 security\textsuperscript{1253} or to compensate the respondent if the measure proves unfounded.\textsuperscript{1254} The provision of a security may be ordered in the proceedings concerning the grant of seizure of goods and \textit{ex parte} injunctions.\textsuperscript{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.\textsuperscript{1256}

\textsuperscript{1239} Articles 700ff and 730ff DCCP; Articles 2.23(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.

\textsuperscript{1240} M MeijSEN AND A W Jongbloed (n 1221) 26 ff.

\textsuperscript{1241} Article 705 DCCP.


\textsuperscript{1243} Rechtbank Oost-Brabant, 23.03.2019, (ECLI:NL:RBOBR:2019:1783).

\textsuperscript{1244} Rechtbank Oost-Brabant, 23.03.2019, (ECLI:NL:RBOBR:2019:1783) [3.2.7], [5.1].

\textsuperscript{1245} ‘De beslagsylabus’ (n 1222) 53.

\textsuperscript{1246} Article 1019e DCCP.


\textsuperscript{1249} Article 1019i DCCP; ‘De beslagsylabus’ (n 1222) 18, 60.


\textsuperscript{1251} Articles 99-102 DCCP.

\textsuperscript{1252} ibid Article 700.

\textsuperscript{1253} ibid Article 701(1) and 1019e(2).

\textsuperscript{1254} ibid Article 1019g.

\textsuperscript{1255} ibid Article 701(1) and 1019e(2).

\textsuperscript{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. 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.

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. 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. 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, for instance, declare that he or she possesses shares in Dutch companies. 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. 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.

Another exception to the obligation of providing security is if requiring security would impede effective access to justice for the claimant. 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. A mere reference to a ‘loss of control over assets’ will not suffice. 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. As a result, security for costs cannot be imposed on claimants from, inter alia, EU Member States.

1257 Article 1019g DCCP.
1259 Article 224 DCCP.
1260 ibid Article 224(2c).
1265 Article 224(2d) DCCP.
1267 ibid.
2.6. Cassation in small value claims

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 within the district courts (the ‘kantonrechter’). 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.

An appeal must be filed with the Court of Appeal in accordance with the rules of the territorial jurisdiction within three months. It is also possible to appeal in cassation to the Dutch Supreme Court. 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.

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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.