



**COUNCIL OF
THE EUROPEAN UNION**

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ADD 1**

PI 124

ADDENDUM TO THE NOTE

From: Presidency

To: Council

No. prev. doc.: 15565/10 PI 132

No. Cion prop.: 11805/10 PI 77 + ADD 1 + ADD 2

Subject: Proposal for a Council Regulation on the translation arrangements for
the European Union patent
- Political orientation

After the meeting of the COREPER of the 5th of November, the Presidency would like to propose additional elements concerning three issues that are contained in the Political orientation that is submitted to the Competitiveness Council of the 10th of November 2010 (see doc. 15395/10).

1. Compensation of costs for translations of applications filed in national languages and for the additional translation into a national language (points 1.2. & 6 of document 15395/10)

The Commission's proposal already foresees that the costs of the translations of applications filed in national languages into the language of proceedings should be fully compensated, beyond what is currently compensated for European patents. At the request of some delegations, the Belgian Presidency has proposed that the compensation for the costs of translations should be available from the very beginning of the procedure before the EPO.

The original application in a national language can also be used for the translation into the required second language, which can thus be provided at minimal costs.

It is currently foreseen that the necessary arrangements shall be established by the Member States through the Select Committee of the Administrative Council of the EPO. However, some delegations have suggested that a provision concerning this compensation of costs should be included into the text of the Regulation. The Presidency thinks that indeed such a provision could be useful in order to provide Member States and their SMEs with a guarantee concerning the compensation of translation costs.

Such a provision in the text of the Regulation could foresee that the Commission and the EPO shall cooperate to design appropriate financial and technical arrangements to ensure the compensation of costs for translations filed in non EPO languages at the beginning of the procedure before the EPO and make the necessary proposals to be enacted in accordance with point 38 of the Council conclusions of 4 December 2009 (see doc. 17229/09).

2. Additional translation arrangements (points 4 & 5 of document 15395/10)

Among the Presidency's first set of elements for compromise proposed to the Council of 11 October 2010 figures a translation into English for patents granted in one of the two other EPO languages. This translation would be included in the publication of the EU patent specification. It would be for information purposes only (point 4 of the political orientation).

Among its second set of elements for compromise proposed to the Council of 10 November figures an additional translation for patents granted in English into one other EU official language, at the choice of the applicant. Like the first translation it would be included in the publication of the EU patent specification and would be for information purposes only.

At the meeting of Coreper on 5 November 2010, different delegations expressed different views as to the time period during which these translations would have to be provided and as to the modalities for prolonging or terminating this period. On the basis of these discussions the Presidency proposes the following arrangements as a compromise.

For all patents, regardless in which language they are granted, a full and manual translation into one other official EU language at the choice of the applicant would have to be provided during a period of 12 years after the entry into force of the EU Patent Regulation and the Regulation on the Translation Arrangements for the EU patent. The initial 12 years' period would be automatically prolonged for another 12 years in the absence of a decision by the Council to be taken by unanimity to terminate it.

At the latest 1 year before the end of this period, the Commission in cooperation with the EPO and on the basis of a broad survey among users of the patent system would establish a report on the evolution of costs for the manual translation into the second language, the languages used for this translation, the utilisation and consultations of the manual translation into the second language and the availability and quality of machine translations. On the basis of this report the Commission could make a proposal to the Council to simplify the translation arrangements and to terminate the requirement to provide a manual translation into the second language.

During an initial period of 6 years the above foreseen translation into the second language would have to be English for patents granted in one of the other two EPO languages. This requirement would come automatically to an end in the absence of a Council Decision to be taken by unanimity prolonging it. Thereafter any EU language could be chosen by the patent holder for the translation into the second language.

At the latest 1 year before the end of the initial 6 years' period the Commission, in cooperation with the EPO and on a broad survey among the users of the patent system, would establish a report on the availability and quality of machine translations into all official EU languages, on the frequency of their use and on possible deficiencies. On the basis of this report, the Commission could make a proposal to the Council to prolong the requirement to use English for the translation into the second language.

3. Legal certainty and protection for third parties (point 7 of document 15395/10)

Pursuant to Art. 13 of Directive 2004/48/EC on the Enforcement of Intellectual Property Rights, an infringer of an intellectual property right is liable for damages if he has knowingly or with reasonable grounds to know, engaged in the infringing activity¹.

In the absence of a translation in his own language, the alleged infringer may have acted in good faith and may have had no reasonable grounds to know that he was infringing a patent. Consequently, the competent court may consider that, until the moment the alleged infringer was provided with such a translation pursuant to Art. 4 §1, he should not be held liable for damages.

The Presidency has already proposed that this could be clarified in a recital. Some delegations, however, have asked to rather include such a provision in the legal text of the proposed Regulation on the Translation Arrangements for the EU patent.

The Presidency thinks that such a provision could indeed be included into the text of the Regulation in order to provide for a uniform protection of good faith infringers throughout the European Union.

¹ See also Art. 45 §1 of the TRIPS Agreement.

To this end, a new paragraph 4 could be added in Art. 4. This paragraph could read as follows:

"In case of a legal dispute concerning a claim for damages, the competent judicial authorities shall take into consideration that the alleged infringer before having been provided with the translation referred to in paragraph 1 may have acted in good faith."

In addition a recital could clarify that the assessment by the competent court has to be carried out based on the circumstances of each individual case. The recital could also give some explanations concerning the elements which the competent court should consider such as whether the alleged infringer is an SME or whether it is an international company, the working language of the company, the language in which the patent is granted and the available translation published by the EPO together with the patent specification. Such a recital could read as follows:

"The competent judicial authorities should assess on the basis of the circumstances of the individual case whether the alleged infringer before he had been provided with a translation in his own language acted in good faith and had no reasonable grounds to know that he was infringing the patent. The competent judicial authorities should consider in particular whether the alleged infringer is an SME or an international company, the language in which the patent is granted and the translation published by the EPO together with the patent specification."

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