

Specialised IP Rights Jurisdictions in the Member States

A compilation of available studies (Q3 2017)

July 2018

Regulation No 386/2012¹ entrusted the European Union Office for the Protection of Intellectual Property (the EUIPO) with tasks aimed at facilitating and supporting the activities of national authorities, the private sector and the European Union institutions in the fight against infringements of intellectual property (IP) rights. In carrying out these tasks the EUIPO, acting through the European Observatory on Infringements of Intellectual Property Rights (the Observatory), is supporting the enforcement of IP rights and helping combat the growing threat of IP rights infringements.

Considering the mission and the range of activities defined in Regulation No 386/2012, the EUIPO has set out its main goals for the Observatory, which includes the presentation of facts and evidence to be used in the definition of effective IP policies by policy-makers and the creation of resources to sharpen the fight against infringements of IP rights². These goals will be achieved by implementing identified key initiatives, taking into account the input and feedback received from Member States, EU institutions and Observatory stakeholders.

In this vein, LI5 of Work Programme 2017 envisages a study to be prepared by the Observatory analysing the different systems of specialised IP rights courts in the Member States and beyond to understand their impact on IP rights protection better.

The importance of IP rights to businesses has grown and is expected to grow even further. This is reflected by the continuously increasing number of IP rights filings. The existence of legal instruments to protect unregistered IP rights, such as trade secrets, adds importance to specialised IP rights jurisdictions. The table below reflects how filings of IP rights have risen over the last few years.

Type of IP right	2006	2015	Diff
Patent filings received by EU national offices and EPO	275 511	301 513	9.43 %
Trade mark filings received by EU national offices and the EUIPO	655 984	628 620	-4.17 %
Design filings received by EU national offices and the EUIPO	44 662	48 432	8.44 %

The overall increase in IPR-related activities not only reflects the growing importance of IP rights in our economies, but also feeds back into a stronger awareness and consequential further growth of the demand for IP rights. IP rights enforcement is, therefore, at the forefront of attention and deserves much reflection concerning its efficiency, impartiality and predictability. One way of addressing the challenges is to set up specialised IP rights jurisdictions (SIPRJ), in order to resolve IPR-related disputes more efficiently, faster, with better quality, higher consistency and more predictability of outcomes in the eyes of the system's stakeholders.

The results of the IP contribution studies phases 1 (2008-2010) and 2 (2011-2013) have confirmed the importance of IP rights to businesses. In a study published by EPO and the EUIPO in 2013 it found that the contribution made by IPR-intensive industries to the EU economy accounted for 39 % of the EU's economic output and 26 % of employment during the period 2008-2010. The second study, covering the period from 2011-2013, revealed that IPR-intensive industries generated more

¹ Regulation (EU) No 386/2012 of the European Parliament and of the Council of 19 April 2012 on entrusting the Office for Harmonization in the Internal Market (Trade Marks and Designs) with tasks related to the enforcement of intellectual property rights, including the assembling of public and private sector representatives as a European Observatory on Infringements of Intellectual Property Rights (OJ L 129/1, 16.5.2012).

² Multiannual Plan 2014-2018 of the European Observatory on Infringements of Intellectual Property Rights, available at: https://oami.europa.eu/tunnelweb/secure/webdav/guest/document_library/observatory/documents/about_us/observatory_multiannual_plan_en.pdf.

than 42 % of total economic activity (GDP) in the EU, worth EUR 5.7 trillion. They also accounted for most of the EU's trade with the rest of the world and generated a trade surplus. IPR-intensive industries generated 27.8 % of all jobs in the EU. On average, 60 million Europeans were employed by IPR-intensive industries. Furthermore, another 22 million jobs were generated in industries supplying goods and services to IPR-intensive industries. Taking indirect jobs into account, the total number of IPR-dependent jobs thus rose to 82.2 million (38.1 %). Finally, the study revealed that IPR-intensive industries were paying significantly higher wages than other industries, with a wage premium of 46 % over other industries. Comparing the results of this study with those of the 2013 study revealed that the relative contribution of these industries to the EU's economy slightly increased between the two periods, 2008-2010 (2013 study) and 2011-2013 (2016 study).

Without effective enforcement, IP rights are nothing but empty shells³. Countries are, however, free in their policy choice to create specialised courts for IPR-related disputes. The kind of judicial institutions to be put in place in the contracting parties is expressly left open by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement, more specifically Article 41, para. 5, TRIPS). Other bilateral or regional treaties generally do not require the creation of specialised intellectual property courts⁴.

A number of studies have already analysed specialised IPR jurisdictions in Europe and beyond⁵. Three of these studies are from 2016⁶, and are thus both relevant and timely. On this basis, and in order to provide the European Commission with a first assessment during Q3 2017, the Observatory has prepared this compilation of the insights drawn from available studies. At a later stage, the usefulness of further analyses will be assessed.

The purpose of this study is to map the existing specialised IP rights jurisdictions in the EU Member States and draw from the analysis made in studies prepared by the International Intellectual Property Institute (IIPI) together with United States Patent and Trademark Office (USPTO), the International Chamber of Commerce (ICC) and the International Centre for Trade and Sustainable Development (ICTSD) together with the Center for International Intellectual Property Studies (CEIPI). The World Intellectual Property Organization (WIPO) had dedicated a meeting with an exchange of views on the issue in 2016.

Quantitative data on the effects of SIPRJs only exists to a limited extent, but is not reflected in the studies compiled here, which reflect the experience of stakeholders. Where quality, predictability and consistency of case-law outcomes are addressed any quantification would inevitably be difficult. However, the evaluation of the results of the process of specialisation initiated in the UK (England and Wales) shows some quantitative data as does the Portuguese specialisation results, albeit to a lesser extent.

The latest developments in the process of IP rights specialisations in the jurisdictions of the Member States of the EU, that is to say, Portugal (2011) and the United Kingdom (England and Wales) (2010-2013), show a tendency to create specialised courts at first instance that deal with all IP

³ Werra, CEIPI/ICTSD, *Specialised Intellectual Property Courts — Issues and Challenges* (2016).

⁴ Werra, CEIPI/ICTSD, *Specialised Intellectual Property Courts — Issues and Challenges* (2016), p. 18.

⁵ EPO, *Patent Litigation in Europe – An overview of national law and practice in the EPC contracting states* (3rd Edition, 2013); IIPI/USPTO *Study on Specialised Intellectual Property Courts* (2012) at: <http://iipi.org/2012/05/study-on-specialised-intellectual-property-courts-published/and-the-IBAs-International-Survey-Of-Specialised-Intellectual-Property-Courts-And-Tribunals> (2007) at: http://www.ibanet.org/LPD/IP_Comm_Tech_Section/IP_Entrnmnt_Law/Projects.aspx.

⁶ ICC, *Commission on Intellectual Property Task Force on Specialised IP Jurisdictions, Report on Specialised IP Jurisdictions*, [2016]; CEIPI/ICTSD, *Specialised Intellectual Property Courts — Issues and Challenges* (2016); WIPO/ACE/11/7, *Advisory Committee on Enforcement, Mechanisms to Resolve Intellectual Property Disputes in a Balanced, Holistic and Effective Manner* (2016).

rights. Only in the case of the UK does specialisation continue in the appeal instance. Further EU Member States, such as Spain and Sweden, have lately pursued specialisation of IP rights jurisdictions and others are in political discussions on their establishment. Only for Portugal, England and Wales have the results been reported so far.

England and Wales underwent a reform of their IP rights jurisdiction in 2010 and 2013. Civil intellectual property (IP) cases are now heard either in the High Court (HC) or the Intellectual Property Enterprise Court (previously known as the Patents County Court). The Intellectual Property Enterprise Court (IPEC) is a specialist IP court designed for smaller value IP cases. The HC is one of the senior courts in England and Wales and deals with all high value and high importance cases. The Chancery Division within the HC is responsible for IP cases, with several specialist judges available. The Patents Court in the Chancery Division is a specialist court that deals with patent and registered design cases. Appeals from the HC and the IPEC are heard by the Court of Appeal, if permission is granted to appeal by these courts, or by the Court of Appeal itself. A senior judge specialising in IP is available to sit in the Court of Appeal. Decisions from the Court of Appeal can be appealed to the Supreme Court.

In 2012, Portugal established the Intellectual Property Court (Law 46/2011), to which all new IP cases were transferred from the commercial courts. The IP court is competent to assess civil proceedings related to IP rights, internet domain names, or trade names. It may issue injunctions and, where necessary, order measures to preserve evidence or request information.

These two examples will be looked at in greater detail.

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1 Definitions and Methodology

For the purposes of this study the Observatory will follow the definition of specialised intellectual property rights jurisdictions (SIPRJ) used by the ICC⁷. Accordingly, an SIPRJ is defined as a tribunal or court, or a permanent division or a chamber within a civil or commercial court or administrative body having exclusive authority to hear IPR-related disputes or a particular kind of IPR-related dispute. These include those that turn around the enforcement and validity of IP rights, such as trade marks, industrial designs, trade dress, utility models, patents, the design of integrated circuits, plant variety rights, copyright and indications of origin and those dealing with related unfair competition issues. They do not include criminal or administrative jurisdictions deciding on customs actions. The study, therefore, is limited to civil and commercial jurisdictions.

The study will compile the results of studies from the IIPi/USPTO, ICC and ICTSD/CEIPI as well as the information gathered from the 2016 WIPO report⁸. Additionally, it will assess in further detail the experience of SIPRJs in the UK (England and Wales) and Portugal through case studies, and try to draw conclusions from the data available.

2 Existing Studies on Specialised IP Rights Jurisdictions

The Observatory identified three existing studies and a WIPO report, both relevant in terms of time and content. Their conclusions are summarised briefly below.

2.1 International Intellectual Property Institute/US Patent and Trademark Office

‘Study on Specialised Intellectual Property Courts’ (2012)

2.1.1 Purpose and methodology of the study

The joint report of the IIPi and the USPTO studies the effect of SIPRJs on the adjudication of IPR-related disputes. The study aims to further the development of SIPRJs by examining their advantages and disadvantages and their contributions to the efficient and effective adjudication of IPR-related disputes by developing a set of best practice guidelines for the establishment and administration of SIPRJs. The study seeks to assist countries that are considering establishing SIPRJs or countries that wish to improve upon their existing regimes by qualifying the impact of SIPRJs on improving judicial expertise, increasing the efficiency of the decision-making process and producing consistent case outcomes.

The study catalogues SIPRJs in countries throughout the world, and assesses their effectiveness through a series of case studies. The case studies were chosen to represent various types of specialised IP rights courts and to ensure geographic and economic diversity. Through the case

⁷ ICC, Commission on Intellectual Property Task Force on Specialised IP Jurisdictions, Report on Specialised IP Jurisdictions, [2016].

⁸ WIPO/ACE/11/7, Advisory Committee on Enforcement, Mechanisms to Resolve Intellectual Property Disputes in a Balanced, Holistic and Effective Manner (2016); IIPi/USPTO Study on Specialised Intellectual Property Courts (2012) at: <http://iipi.org/2012/05/>; ICC, Commission on Intellectual Property Task Force on Specialised IP Jurisdictions, Report on Specialised IP Jurisdictions, [2016]; CEIPI/ICTSD, Specialised Intellectual Property Courts — Issues and Challenges (2016).

studies experts attempted to analyse the impact of SIPRJs on producing consistent case outcomes in similar factual situations, the level of IP rights expertise in the judiciary and the conduct of commerce in IPR-dependent sectors.

The report concluded that a positive correlation exists between SIPRJs and the efficient and effective resolution of IPR-related disputes. It also revealed that both internal and external factors to the SIPRJs play a role in their success. Countries should consider these factors and their own limitations when deciding on the establishment of an SIPRJ (see below for more details).

The study updated the first published analysis of this kind produced by the International Bar Association (IBA) in 2007, which surveyed IP rights practitioners, judges, policy-makers, and public officials throughout the world on SIPRJs in their countries. However, the information contained in the IIPi/USPTO study was gathered predominantly from internet sources and did not include a formal survey component.

The study catalogues SIPRJs in 90 countries from Asia and Oceania, Europe, the Middle East, Northern Africa, North and South America, the Caribbean and Sub-Saharan Africa. An updated repository as to subsequent changes has been made publically available by IIPi⁹. Of the 90 SIPRJs identified, 10 were chosen to be the subject of more detailed case studies. The candidate countries for the case studies were selected to represent a range of geographic locations, levels of economic development and types of SIPRJ: Andean Community, Greece, Malaysia, Mexico, Kenya, South Africa, Thailand, United Kingdom, Japan and the United States of America. IIPi engaged experts in each of the chosen jurisdictions to author the case studies assessing the impact of that jurisdiction's specialised body on the adjudication of IPR-related disputes, taking into account the specific characteristics of their country or region. The experts were asked to gather and examine information on the specialised IP rights system and analyse its effect on producing consistent case outcomes in similar factual situations, the level of IP rights expertise in the judiciary and the conduct of commerce, particularly in IPR-dependent sectors. They were also asked to assess the advantages and disadvantages of the specialised IP rights judicial system, focusing on the characteristics of the jurisdiction that make it effective or ineffective, and recommend ways in which other jurisdictions could benefit from either establishing or refraining from the establishment of similar systems.

2.1.2 Conclusions

The study concluded that specialised IP rights jurisdictions have many advantages. They benefit IP rights owners and governments alike as they are more efficient and expedient. While all countries must consider their own needs and priorities, such as case workloads and financial limitations, it was found advisable for governments to consider developing and maintaining some form of SIPRJ.

The key findings of the study are summarised below.

Improved expertise of adjudicating judges

Due to the complexity of the laws governing IP rights and the technologies protected by those laws, highly experienced judges are often needed to assure timely adjudication, as well as accurate and consistent case outcomes. Even though it was highlighted that the creation of an SIPRJ on its own would not ensure an increase in competence and expertise, such creation would still increase judicial exposure to IP rights laws and issues by funnelling cases to a limited number of judges.

⁹ <http://iipi.org/map/map.htm>.

Furthermore, the existence of an SIPRJ facilitates the appointment of judges with specialised knowledge of IP rights issues.

Constantly evolving areas of law, such as IP rights, require judicial and practitioner expertise in order to adapt to changing technologies and issues. The establishment of an SIPRJ produces more knowledgeable judges and practitioners, who are able to manage and preside over IP rights matters better.

Court specialisation in turn tends to lead to the specialisation of legal representatives too. This increases the demand for IP rights training in tertiary education and academic research, which ultimately results in an increased general awareness of IP rights.

Improved pending times

Specialised IP rights courts often make faster and more effective decisions. Judges in specialised courts are generally encouraged to have specialised knowledge and they are able to understand the procedures and technicalities associated with IP rights cases better. Furthermore, specialist judges are able to recognise case patterns and legal issues better, which combine to reduce delays and facilitate more efficient case handling. This, in turn, would promote confidence in IP rights litigation.

With the creation of SIPRJs governments can design specialised rules and procedures that may be uniquely suited to IPR-related disputes. These rules can help manage complex issues of IP rights litigation, for example, by allowing courts to appoint associate judges or experts with technical knowledge to assist the presiding judge. Since IPR-related disputes often concern new or rapidly evolving subject matter and are often time-sensitive, procedures for fast-tracking appeals can expedite the adjudication of IPR-related disputes. These rules and procedures increase judicial efficiency and encourage IP rights holders to invest by better ensuring that their disputes will be swiftly resolved.

Better and more coherent practice definition

Certain SIPRJs, such as administrative courts, can help ensure that only strong IP rights titles are granted. Established, coherent case-law from SIPRJ rulings can be integrated better into practice guidelines for examiners since it becomes easier to extract standing case-law, where fewer courts rule on the same issues. Better practice guidelines improve the level of scrutiny in granting IP rights titles. Consequently, the confidence of IP rights practitioners and holders improves as their IPR will eventually be upheld in court. This minimises the risk of later litigation and makes it easier for small- and medium-sized enterprises to protect their IP rights without expensive court proceedings.

Predictability of case-law

The creation of SIPRJs increases the consistency of case outcomes, since the number of judges writing opinions is limited as well as the likelihood of conflicting judgments from multiple jurisdictions. The higher level of judicial expertise that SIPRJs may provide increases the judges' familiarity with the relevant case-law. This further improves consistency. Consistency increases the predictability of case outcomes, which in turn reduces litigation, as it becomes clearer to potential litigants to assess the merits of their case.

Socio-economic environment for the protection of IP rights

Establishing an SIPRJ raises the profile of IP rights within a country since it signals that the government considers it an important area to protect. Greater awareness of IP rights stigmatises the actions of those who knowingly infringe on them, and this social pressure decreases the likelihood of infringing activities and improves the investment environment since it enhances confidence in commercial and business communities as to the legal framework within which they develop their activity.

Points to be taken into account before establishing an SIPRJ

Although many benefits accrue to countries that create and maintain an SIPRJ, governments need to consider their country's specificities in order to assess their usefulness.

- There are costs associated with setting up an SIPRJ: infrastructure costs, the training of judges and lawyers and the recruitment of administrative and enforcement personnel. In some jurisdictions, there may be insufficient IP rights litigation to justify such costs. It needs to be seen, however, that such lack of litigation may well just be the result of an inefficient and ineffective system of judicial review. Also, while IP rights case workloads may not justify the establishment of an independent court that exclusively hears IP rights cases, specialised divisions or judges may still be a feasible avenue with similar benefits.
- Specialised courts are of little benefit if judges qualified to adjudicate on IP rights issues are not available.
- IP rights litigation may be isolated to a country's commercial centres, in which case an SIPRJ in these focus areas may suffice.
- In countries where territorial and geographical issues preclude a centralised court, cases could be assigned to a number of specially educated judges when they occur on the ordinary judicial circuit. Also, special IP rights divisions may be established in districts that receive the greatest number of IP rights cases.

Arguments that counter any form of specialisation

Certain recurring counter-arguments were discarded or were found to have simple remedies.

Critics of specialised jurisdictions contend that such bodies are more likely to become biased. Court impartiality may be at risk due to the likelihood that only a few judges and attorneys specialise in IP rights, thereby potentially biasing court personnel and judges who consistently interact with a limited group of attorneys and judges. However, the study did not find any evidence to support such a claim. Proper oversight and an effective appeals process should remedy such concerns.

There is some argument that specialisation can lead judges to losing sight of how IP rights law fits into the larger fabric of a legal system, resulting in judges either under-emphasising or, more likely, over-emphasising the importance of IP rights ('tunnel vision'). In addition, extreme specialisation can narrow a judge's view and prevent him or her from accepting or integrating developments from other areas of law. The study found that such concerns could be mitigated by having specialised IP rights judges to adjudicate on general matters. Furthermore, even if judges were not assigned to non-IPR cases, many IPR-related disputes did indeed involve multiple causes of action and issues that further implicated other legal areas.

Recommendations for implementation

Based on the case studies, the report recommends a number of practices for establishing an SIPRJ.

- **Appointment of judges with an IP background**

Knowledgeable judges increase the efficiency of IP rights case resolution and reduce the likelihood of review on appeal, thereby saving time and money. As the majority of cases that come before first instance SIPRJs are decided by a single judge, it is important that judges are qualified to deliberate over the highly complex, and often technically challenging cases that come before them. This is especially true in patent infringement cases. In determining whether infringement has occurred, priority should first be given to judges whose background and technical experience is commensurate with the subject matter of the case. This may not be feasible in all jurisdictions. Technical experts may provide the added value in such cases so long as the judge possesses legal expertise regarding IP rights law. The importance of protecting IP rights should be reflected in the quality of judges that are appointed to the court and the prestige associated with the position.

- **Single judge adjudication, not jury**

In the majority of the case studies, jury trials have been replaced with a trial by single judge. Normally, a single judge decides a case in the court of first instance, while on appeal there is likely to be a minimum of three judges hearing the case. This approach may minimise costs and increase judicial expertise by keeping the overall number of specialised judges required down.

- **Availability of continuous training**

IP rights laws and the technologies they protect are constantly evolving. As such, IP rights judges must undergo regular training and education to keep up with these developments and to remain properly qualified to adjudicate IP cases. Without continuous training and education, specialised judges may be less equipped to hear new issues, and the court may become less efficient and consistent.

- **Judicial turnover needs to be anticipated and prepared**

One downside of specialisation is that it may cause the judge's job to become repetitive, reducing their mental stimulation and causing burnout. Additionally, some judges may fear that their career development might be hindered if they stayed in a specialised position for too long. For these reasons, the tenure of specialised IP rights judges can be short, which makes it important for the courts to have a mechanism for efficient training of replacement judges. Courts can also reduce losing knowledgeable judges in specialised IP rights courts by raising the prestige of the position, either through salary increases, or through appellate level specialisation.

- **Availability of technical experts**

No matter the type of system that a country ultimately chooses, judges need to be provided with access to technical experts to assist with more nuanced issues that often arise during IP rights litigation. These experts should be available to the judges at multiple stages of the trial and provide the judge with a fair and neutral viewpoint on technical matters.

- **Evaluation of costs**

In judging whether a country should invest in a specialised IP rights court, it is advisable to first undertake a survey to determine the number of IP rights cases that are either pending, or that are likely to arise under a new legal regime. If the number is small, and the ordinary courts are already able to expeditiously settle the cases, then there is less reason to create a specialised court. However, increased judicial expertise may have other benefits, such as increased predictability of case outcomes. A middle ground, and a possible way to minimise the initial costs of moving to a specialised regime, would be to create a specialised IP rights division within an existing court structure.

2.2 International Chamber of Commerce, Commission on Intellectual Property Task Force on Specialised IP Jurisdictions

'Report on Specialised IP Jurisdictions' (2016)

2.2.1 Purpose and methodology of the study

ICC has prepared its study to assist countries in their consideration of whether, and how, to establish or improve SIPRJs so as to enhance overall efficiency and expertise in IP-related trials. The report provides an overview of the structures and trial procedures of SIPRJs in various jurisdictions around the world, with a view to contributing to a better understanding of the current landscape of SIPRJs and the way they function. It intends to build on and complement work already done by the IBA and by the UPSTO and the IIPI in this area by exploring more specific issues related to the functioning of SIPRJs.

The report is based on a survey of ICC members that aimed to obtain first-hand information from parties and practitioners on the litigation mechanisms in their countries for resolving IPR-related disputes. The respondents were attorneys or IP practitioners with hands-on litigation experience and expertise in IP rights. Information was obtained from a diverse group of 24 countries from Europe, Asia, and North, Central and South America. The report sought to provide an overview of the structures and trial procedures of SIPRJs in various jurisdictions around the world. It addressed the rationale for setting up SIPRJs, their structure and competence, the composition of tribunals, doctrines and rules on evidence, rules for the representation of parties, as well as the execution of judgments. Among the issues surveyed, particular attention was paid to the standing and qualification of representatives of parties in the SIPRJs and the selection of judges for SIPRJs. The report was prepared based on an analysis of the information from the survey, complemented by additional arguments from the contributors to the project. It was reviewed by the ICC Commission on Intellectual Property and the wider ICC membership.

2.2.2 Conclusions

The report sees the rationale of the specialisation process in the rapid progress of the global innovative economy, the importance of IP rights to businesses and the number of IP rights applications and registrations. As a consequence of the increase in IP rights filings the number of IPR-related disputes has also risen. All these developments have raised entrepreneurial and public awareness of the importance of IP rights and their enforcement, which in turn has fed back into the filing activity. Furthermore, the increase in awareness has led to further reflection on the efficiency, impartiality and predictability of court trials for IPR-related disputes.

Among the primary motivations cited for the establishment of SIPRJs was the desire to develop IP rights expertise with specialised judges and unify court practices with respect to IP rights cases, improve the consistency of court judgments and the predictability of litigation outcomes and, ultimately, enhance the effectiveness of the enforcement of IP rights. SIPRJs are seen as a prerequisite for improving the overall climate of respect, protection and enforcement of IP rights.

Although in different countries SIPRJs have been created in contexts of diverse legal, economic, cultural and historical frameworks, they have often been established for similar reasons. Still, the form that SIPRJs have taken and the scope of their competence varies widely from country to country. The report draws the following general conclusions on the establishment of SIPRJs.

Improved quality and efficiency of dispute resolution

SIPRJs may help improve the efficiency and quality of IPR-related litigation processes and outcomes. Reasons identified in favour of the establishment of SIPRJs include developing IP expertise in courts, unifying standards of trials and simplifying proceedings, enhancing the efficiency and accuracy of trials and ensuring the predictability and consistency of case outcomes.

Socio-economic environment for IP rights protection

Still, the need for and the form SIPRJs take depend on each country's specificities. The number of disputes and the level of technical sophistication may require more or less elaborate structures with larger or smaller numbers of dedicated staff.

Proper trial mechanisms and judicial expertise appear essential to the benefits of SIPRJs. In the event that SIPRJs make sense in a specific jurisdiction, their success will depend on the overall mechanism. SIPRJs need to be staffed with knowledgeable judges with access to expertise in all technical issues.

Structure and organisation of SIPRJs

The ICC reports on three forms of organisation of SIPRJs as revealed by the survey results.

Mostly countries opted for the establishment of **specialised chambers or divisions within existing civil or commercial courts** that hear IP rights cases exclusively or in addition to other disputes. The infrastructure of the existing judiciary can thus be used. The organisational costs potentially related to the creation of new structures for the SIPRJs are consequently reduced. Also, and because IPR-related disputes are frequently related to entrepreneurial activities, strengthening IP rights expertise within commercial courts is often sought to provide businesses with better access to justice in IPR-related matters. Some countries also have established **separate stand-alone courts** specialised in IPR-related disputes. This applies mostly for patent disputes, more specifically for disputes on patent validity. The reason seems to be that such cases require specialised technical expertise. Yet, some countries refer all IPR-related disputes to stand-alone SIPRJs. Many countries have **administrative agencies dealing with IP rights cases** through administrative procedures and have appellate boards reviewing such decisions.

SIPRJs hear cases either as court of first instance, appeal court or court of last resort. Ultimate authority is often vested in a higher court or even the unspecialised Supreme Court.

The competence of SIPRJs varies with regards to the kind of IP rights. Some SIPRJs only hear cases on specific IP rights, that is to say, usually patents. In some jurisdictions the types of cases that fall within the exclusive competence are limited, such as only invalidation or infringement actions. Additionally, in some jurisdictions a monetary value of the dispute triggers competence of certain courts.

The specialisation of judges itself gives judges the opportunity to deal exclusively or mainly with IP rights and thus already brings with it the gradual development of expert knowledge. The report identified three types of judges that may be members of the competent tribunal of an SIPRJ: legally qualified judges, with an appropriate legal qualification; technically qualified judges, who, in addition to an appropriate legal qualification also have a technical qualification; and lay judges, who do not have to have any legal qualification but are citizens appointed to the tribunal through a specific appointment process.

The composition of SIPRJs with judges varies both between country and with regard to the specific instances within each country. All countries with SIPRJs have at least legally qualified judges appointed to the competent tribunals. Some rely on technically qualified judges in their SIPRJs, and even fewer rely on lay judges. Juries are exclusively used in the USA in SIPRJ proceedings. Technical experts, unlike technically qualified judges, are not members of the decision-making panel hearing the dispute. However, in most countries the competent tribunal may count on the support of technical experts, which can be appointed by the tribunal or the parties. The involvement of technical experts and/or technically qualified judges is mostly limited to instances dealing with facts, that is to say, usually at first instance.

The report identifies as principal motivation for having technically qualified judges the avoidance of technical experts during the procedure and to keep the duration and costs of the procedure within foreseeable limits. Since technical experts (and expert witnesses) do not need to have a legal qualification, the choice of individuals and their potential level of expertise in the specific field of technology is naturally much broader.

Court procedures

The different procedures for IP rights cases, according to the ICC, can be roughly divided into three groups corresponding to the forms of SIPRJ-organisation identified.

General, civil or commercial courts use general court procedure, with certain specifics codified in the relevant procedural and/or IP law. The situation is similar in stand-alone IP courts, while administrative bodies follow specific administrative rules codified in the relevant administrative and IP laws. Despite considerable differences in the actual process and course of proceedings, the survey revealed a wide consensus among the surveyed countries on the basic principles and doctrines applied in IPR-related non-criminal court procedures, including for the provision of evidence.

All of the surveyed countries with SIPRJs allow for preliminary injunctions in IPR-related cases. The vast majority of the surveyed countries provide for ex-parte preliminary injunctions, with the rationale that any notice to the defendant of such an impending injunction involves the risk of destruction of evidence by the defendant. Only a few countries exclusively provide for *inter partes* preliminary injunctions, on the basis that an ex-parte preliminary injunction also carries the risk of irreparable harm to the defendant. No special mechanisms have been identified for the execution of judgments by SIPRJs, which are thus subject to the normal routes of execution.

Representation

Individuals or entities authorised to represent parties before SIPRJs follow three basic characteristics. In some countries only one category of representatives is allowed, while other countries allow simultaneous representation by individuals or entities of more than one category in the same case.

Attorneys-at-law can represent parties in IP rights litigation.

Qualified IP practitioners, that is to say, patent and trade mark attorneys/agents that are not qualified attorneys, are also admitted to plea in some countries in IP rights litigation (Germany, Japan, the Republic of Korea, and Switzerland in administrative proceedings and the following court proceedings; UK in IPEC). Since IP litigation often presents sophisticated technical issues they are found to require the involvement of technical experts and/or IP practitioners before SIPRJs. Countries that extensively make use of technical witness statements use IP rights practitioners less (countries with a common-law tradition, such as the UK and India). Consequently, IP rights practitioners have traditionally had less involvement in court litigation in countries with a common-law tradition.

Individuals or entities who are neither attorneys-at-law nor IP rights practitioners (e.g. corporate in-house counsel or staff members, social organisations and individual citizens) can represent parties in only a few countries (China, Russia, Mexico, Peru and Sweden). The rationale for allowing such a broad range of representatives includes scarcity of IP rights specialists and a reduction of costs thus increasing access to justice.

2.3 Center for International Intellectual Property Studies/International Centre for Trade and Sustainable Development 'Specialised Intellectual Property Courts — Issues and Challenges' (2016)

2.3.1 Purpose and methodology of the study

The study's starting point is the assumption that the lack of enforcement of any particular legal system puts its very relevance into question: without effective enforcement granted rights become worthless. Therefore, the study analyses the issue of SIPRJs through general academic review as well as four case studies from emerging countries: Brazil, China, India and Uganda. The study is based on publicly available data and did not involve stakeholders through systematic questionnaires.

2.3.2 Conclusions

Increasing specialisation of IPRJs worldwide

The study reveals that the goal of creating SIPRJs is not necessarily seen as increasing the level of IP rights protection, but ensuring an efficient and equitable dispute resolution mechanism that is conducted by expert judges for the benefit of all stakeholders: IP rights owners, users of goods and services and society as a whole. The goal of finding a balanced system between competing interests would reflect the essence of the ongoing work of WIPO's development agenda. In sum, the balance of competing interests should also be implemented in the mechanisms by which IPR–

related disputes are resolved. This would ensure that all interests are duly considered in an equitable manner. Any decision to establish SIPRJs should reflect this balance and be taken on the basis of thorough analysis in the light of the situation prevailing in the relevant jurisdiction.

Diversity of cases leads to the establishment of different resolution mechanisms

According to the study, the diversity of IPR-related disputes would make it difficult to give a simple and unique answer to the question of whether it is advantageous or necessary to establish specialised IP rights jurisdictions. As examples of this diversity, the study names the field of copyright law (and of related rights), disputes that arise from the determination of tariffs and the remuneration of copyright-protected works (or of the objects protected by related rights); the grant of compulsory licences under patent law with specific substantive and procedural rules; and the remuneration owed to employees as a result of the inventions that they have made for the benefit of their employer. Further diversity of IPR-related disputes would result from the various types of legal proceedings that are available: IPR-related disputes can be submitted in civil, criminal and administrative proceedings or in proceedings dealing with border measures. Furthermore, IPR-related disputes frequently arise in a transactional context, which can generate complex legal questions at the intersection of different legal areas, including competition law, contract law and private international law. Finally, the digital environment may also call for specific regulations and/or enforcement mechanisms.

Consequently, national or regional lawmakers and regulators have structured their IPR-related dispute resolution systems differently. There is no unique prevailing system. However, a trend towards specialisation or centralisation of certain types of IPR-related disputes is found to be perceivable at global level. Given the diversity of the subject matter, there is no single method for establishing an efficient IP rights jurisdictional system that promotes innovation and social welfare. Differences are reported in the scope of the jurisdictional power of specialised IP rights jurisdictions: some bodies have jurisdiction over all types of IPR-related disputes, others focus on patent disputes and leave the other types of IPR-related disputes to (non-specialised) courts of general jurisdiction. Similarly, certain specialised IP rights jurisdictions have exclusive competence for particular types of legal issues, such as disputes relating to the validity of the IP rights. Civil disputes may exclude criminal matters. Diversity is also reported with regard to the jurisdictional level at which the specialisation is implemented: some specialised IP rights jurisdictions have been instituted at first instance and others as second instance appeal bodies. It is underlined that an analysis of specialised IP rights jurisdictions should not neglect the growing importance of alternative dispute resolution (ADR) mechanisms for solving IPR-related disputes.

SIPRJ impact on innovation

The study does not see clear evidence that SIPRJs promote innovation more effectively vis-à-vis non-specialised jurisdictions. However, obviously a sufficient level of experience and expertise among the courts and judges can significantly improve the quality of justice in IPR-related disputes. Even though specialisation may contribute to improving the management and enforcement of IP, specialist jurisdictions would by no means be the sole example, and not even the most important one. In practice, other mechanisms enhancing specialisation are easier to implement and may represent a first step toward deeper specialisation, such as by concentrating cases in some courts or judges to respond to the complexities of IP litigation. So, the creation of specialist IP benches within regular courts or just informally assigning IP cases to selected judges is seen as a very effective avenue.

Advantages of SIPRJs

The study sees various advantages in establishing SIPRJs. These are seen in improvements in the **quality of justice, time and cost efficiencies** of proceedings, as well as **consistency and uniformity**.

- **Quality of justice**

The expertise of the court is seen to be of particular importance in IPR-related disputes, because the courts are frequently requested to render decisions on an application for prompt and effective temporary relief through provisional measures. SIPRJs may be better able to keep pace with the dynamic developments of IP law and to adapt quickly. However, the establishment of SIPRJs should not be viewed as a self-sufficient and free-standing policy instrument, but rather as *one* tool in the overall IP/innovation policy toolbox. It should consequently be complemented with policy instruments in order to promote creativity, foster innovation, and improve the quality of justice in IPR-related disputes. Increasing expertise and knowledge about IP issues can be achieved by fostering opportunities for participation and for transparency in the judicial process. This can occur either *during* the course of litigation (such as admitting the filing of *amicus curiae* in IP rights litigation) or after litigation by publishing the decisions rendered in IP rights cases, and by making available databases of IP rights cases, thereby increasing transparency of the IP rights litigation system in the relevant country and making these useful resources available to interested parties (including foreign courts and judges). Promoting international exchanges between judges and courts dealing with IP cases further fosters expertise building.

SIPRJs will also be less prone, due to the technical complexity of disputes, to rely and delegate their decision-making powers to technical experts. However, the expertise of the judiciary also depends on the turnover of judges. SIPRJs reportedly improve time and cost efficiency of the proceedings. SIPRJs promote consistency and uniformity in the law through more predictable court outcomes.

- **Procedural advantages**

The creation of centralised specialised IP rights jurisdictions avoids or reduces the risk of forum shopping. Specialisation allows for the adoption of special procedural rules tailored to the specificities of IPR-related disputes. Specialisation may result in a more efficient management of cases, allowing judges to provide direction and guidance to the parties so that proceedings are conducted more efficiently. Procedural tools, such as non-binding preliminary opinions, may promote amicable settlements. Finally, SIPRJs are perceived as raising the image of IP rights protection within a country.

- **Conditions for benefits realisation**

How advantageous it is to establish SIPRJs in a given jurisdiction depends on a number of factors that are not limited to IP rights issues: economics, the legal system and societal characteristics. Certain practices for establishing SIPRJs have been recommended: (1) appointment of judges with a representative level of expertise in the relevant areas; (2) depending on the technicality of the disputes at issue, this would require considering a combination of judges with legal and technical expertise; (3) trying IP cases by judges rather than juries; and (4) providing adequate continuous training for the judges. It should be emphasised that the study does not recommend the creation of SIPRJs in all circumstances.

Disadvantages of SIPRJs

The study also contemplates the possible disadvantages of SIPRJs.

- **Costs of operations**

Disadvantages of SIPRJs may be seen in the costs of their creation and operation. The legitimacy and proportionality of such costs would depend in particular on the caseload and on the way these costs can be mitigated through resources that are already available. The assessment of the potential costs associated with the establishment of a specialised IP court should also include an evaluation of the costs of identifying, attracting, and retaining judges. Where appropriate human resources are lacking this would constitute a major hurdle, potentially inhibiting the establishment of specialised IP rights jurisdictions. However, no specific quantitative elements are given in the study.

- **Centralisation of operations**

Access to justice may be hampered where centralisation of SIPRJs requires litigants to travel far afield.

- **Conflicts of interest**

A limited pool of experts who could be considered for appointment at an SIPRJ makes it even more necessary to adopt appropriate rules and principles governing conflicts of interests. Any conflicts must be treated with the utmost care, particularly in cases where part-time judges are appointed.

- **Influence and ‘tunnel vision’**

Concerns have also been raised that SIPRJs may become subject to political or economic influences and may develop a ‘tunnel vision’ deriving from mainstream legal and societal movements. The focus of specialised courts may indeed be or become too narrow, and courts may not fully take into account the broader legal and policy framework that surrounds IPR-related disputes. The argument is further made that ‘[j]udicial specialisation reduces the cross-pollination of legal ideas’. An appeal to higher, not specialised, instances may, however, help remedy any such ‘tunnel vision’.

- **Procedural obstacles**

Finally, the establishment of specialised IP rights jurisdictions may create difficulties in the distinction between special (IPR-related) jurisdictional and general jurisdictional powers of other (non-IPR) jurisdictions.

2.4 World Intellectual Property Organization — Advisory Committee on Enforcement

‘Mechanisms to Resolve Intellectual Property Disputes in a Balanced, Holistic and Effective Manner’ (WIPO/ACE/11/7, 2016)

2.4.1 Purpose and methodology of the Report

At its eleventh session the Advisory Committee on Enforcement (ACE) organised an exchange of information on the national experience relating to institutional arrangements concerning IP enforcement policies and regimes, including mechanisms to resolve IPR-related disputes in a balanced, holistic and effective manner. In its report, WIPO presents the contributions of six Member States on their experience with judicial systems of IPR-related dispute resolution (Pakistan, Portugal, the Russian Federation, South Africa, Thailand, and the United Kingdom). The report also includes summaries of two reports on SIPRJs from observers: the report issued by the ICC in April 2016, as well as a joint study published in March 2016 by the CEIPI and the ICTSD. The studies have already been presented in further detail in this report (see above).

2.4.2 Conclusions

WIPO concluded that the contributions presented underscored the importance of a balanced, holistic and effective IPR-related dispute resolution. The judicial mechanisms put in place by Member States would exemplify this. Mechanisms discussed included the establishment of SIPRJs; the promotion of specialist judges within generalist courts; the appointment of associate judges, as well as advisory boards or court experts with relevant technical expertise. Furthermore, the report pointed out that some jurisdictions were introducing reforms to enhance access to justice, by regulating recoverable costs, damages, and enhancing case management.

It is recognised that the appropriate judicial mechanism for IPR-related dispute resolution needs to be determined by a number of factors, including the general judicial structure in place in the country, the IP rights caseload, the applicable social and economic variables, the level of development and the availability of human and other resources.

3 Case Studies

In order to add further detail to their practical implementation and concrete results of SIPRJs two case studies have been prepared on the most recent examples of specialisation of IP rights jurisdictions in the EU: the UK (England and Wales) and Portugal. In England and Wales SIPRJs existed before, but the process of specialisation was given further impetus between 2010 and 2015. In Portugal, the specialisation of IPR-related disputes started in 2011. Other more recent developments, such as Spain (April 2017), cannot be assessed as yet.

3.1 Specialised IP rights jurisdictions in England and Wales

3.1.1 Purpose and objectives of the reform(s)

Following the Intellectual Property Court Users Committee's final report in 2009 and the Jackson Review¹⁰ of the Civil Litigation Costs published in 2010, the Intellectual Property Enterprise Court (IPEC) (until October 2013 known as the Patents County Court) had undergone a series of comprehensive reforms¹¹. The reforms aimed at improving access to justice, especially for SMEs. This was sought through streamlining the court's procedures, lowering the costs of litigation, and speeding up the resolution of claims at both the IPEC 'streamlined multi-track' (MT) level and the newly inaugurated small-claims track level. The reforms sought to achieve a greater separation in practice between the types of cases heard at the IPEC and those heard at the HC and Patents Court (PHC) so that the IPEC would hear less complex claims than those heard at the HC/PHC, while also offering litigants a speedier resolution with both limited recoverable costs and damages awards.

3.1.2 Description of the reform(s)¹²

In a common-law system, such as that in England and Wales, judicial precedents are binding where there has been no major codification of the law. The law is developed by judges in court, who apply statute, precedent and common sense to the facts presented to them. When delivering judgment, judges explain the reasons behind their decision. These reasons form the legal principle behind a binding precedent. Once a point of law has been decided in one case, it must be applied in all future cases containing the same material facts. A court must follow the precedents from a higher court, or, generally, a court of the same level, but they are not bound to follow decisions from courts lower in the hierarchy.

The Intellectual Property Enterprise Court (IPEC) and the Patents Court in the Chancery Division

In England and Wales civil intellectual property cases are heard in one of two courts, the HC and the Intellectual Property Enterprise Court (previously, to the last reform, known as the Patents County Court (PCC)¹³). There is no specialised IP criminal court in the UK, instead criminal IP cases (including counterfeiting and piracy) are heard in the general criminal courts. The HC is one of the senior courts in England and Wales and deals with all high value and high importance cases. The Chancery Division is responsible for IP cases, and several specialist Justices are available. The Patents Court in the Chancery Division is a specialist court that deals with patent and registered design cases. The IPEC is a specialist IP rights jurisdiction designed for smaller value IP cases.

Initially, changes to the civil procedure rules came into effect. Active case management (ACM) and new rules on the process and timing of filing claims, defence, counterclaims, etc., was introduced, a

¹⁰ <http://www.judiciary.gov.uk/NR/rdonlyres/8EB9F3F3-9C4A-4139-8A93-56F09672EB6A/0/jacksonfinalreport140110.pdf>.

¹¹ <https://www.justice.gov.uk/downloads/courts/patents-court/intellectual-property-enterprise-court-guide.pdf>.

¹² Submissions of E. Jones and Judge Hacon to WIPO/ACE/11/7, Advisory Committee on Enforcement, Mechanisms to Resolve Intellectual Property Disputes in a Balanced, Holistic and Effective Manner (2016)

¹³ The Patents County Court (PCC) was set up in 1990. It was intended to help SMEs in particular, by reducing the high costs involved with IP litigation at the High Court Patents Court. However, it never fully operated as intended, as the procedures, costs and the value of cases which could be heard in the PCC were largely the same as those in the HC. Changes to the PCC were gradually introduced between 2010 and 2013 leading to the conversion into the IPEC.

maximum duration of two days for the main hearing was set and the recoverable costs scale with a total cap of GBP 50 000 was introduced. These changes more clearly differentiated the PCC from the HC (where costs at that time were estimated to be a minimum of GBP 250 000). This successfully brought more certainty to litigants as to their potential exposure to costs.

A limit on the value of claims heard in the PCC was introduced to further differentiate the PCC from the HC, and to ensure from the outset that lower value IP litigation falls within the jurisdiction of the PCC. It also reduced uncertainty for court users as to the appropriate court avoiding the need for potentially protracted and costly transfer considerations. Following a thorough consultation process the UK government concluded that implementing a GBP 500 000 limit would bring more clarity to the litigation process, and would avoid delays and potentially protracted and costly pre-action disputes over the appropriate forum for the case. This successfully benefited potential litigants and specifically SMEs by helping them to make more informed choices when considering entering into litigation, and thus enabling them to more effectively protect their rights in a contained risk scenario.

A small claims track was introduced to the PCC, to speed up the court process and make it cheaper and easier, particularly for small- and medium-sized enterprises and individuals, to protect their copyright, trade mark and unregistered designs. The small claims track provides a forum with more simplified procedures by which the most straightforward IP claims with a low financial value could be decided without the need for parties to be legally represented, without substantial pre-hearing preparation, without the formalities of a traditional trial and without the parties putting themselves at risk of anything but very limited costs. If all parties agree, the court may deal with the claim without a hearing at all, merely considering the documents in a case and the written arguments of the parties instead.

Claims allocated to the small claims track were initially restricted to those with a value of GBP 5 000 or less. This was raised to GBP 10 000 in 2013. Cost orders here are highly restricted (GBP 260), to ensure that it is only the most straightforward IP claims that are filed in the small claims track. It is suitable for claims where the remedies being sought are damages for infringement, an account of profits, delivery up or destruction of infringing items and/or a final injunction to prevent infringement in the future.

After the PCC was renamed to become the IPEC it was reconstituted as a specialist list within the Chancery Division of the HC. As a specialist list in the Chancery Division the IPEC has the same jurisdiction as the HC. Although based in London, the IPEC will sit outside London if both parties so desire (e.g. to save time or costs).

All of the legal remedies available in the HC are available in the IPEC, including preliminary and final injunctions, damages, accounts of profits, delivery up and disclosure. Search and seizure (Anton Piller) and asset freezing (Mareva) orders are also available.

Any person may represent itself in litigation in the IPEC as a litigant in person. Additionally, patent and trade mark attorneys and solicitors all have rights to represent clients in IPEC. Detailed guides to the IPEC and the small claims track have been produced to help users understand the court procedures, and how to deal with practical aspects of proceedings before the IPEC¹⁴.

¹⁴ Intellectual Property Enterprise Court Guide, <https://www.gov.uk/government/publications/intellectual-property-enterprise-court-guide>; Intellectual Property Enterprise Court: A Guide to Small Claims at <https://www.gov.uk/government/publications/intellectual-property-enterprise-court-a-guide-to-small-claims>.

The Court of Appeal of England and Wales

Appeals from the HC and the IPEC are heard by the Court of Appeal, if permission is granted to appeal by these courts, or by the Court of Appeal itself. A senior Justice specialising in IP is available to sit in on the Court of Appeal. Decisions from the Court of Appeal can be appealed to the Supreme Court, if this is allowed by the Court of Appeal. The Supreme Court is the court of last resort and the highest appellate court in England and Wales. The Supreme Court assumed the judicial functions of the House of Lords in October 2009 and 12 Justices are permanently appointed to sit in on cases that go to the court. Traditionally, only 5 Justices will hear a case, although cases can sometimes be heard by more or fewer Justices. The Supreme Court's focus is on cases that raise points of law of general public importance.

3.1.3 Conclusions

Implications of costs

In the UK (England and Wales) a significant hurdle to businesses enforcing their IP rights was seen in the high costs. Particularly for small- and medium-sized enterprises (SMEs) these were deemed prohibitively high. To help reduce these costs a number of reforms have been undertaken. Some or all of the legal costs within England and Wales are paid for normally by the losing side. Virtually in all civil litigation damages are compensatory, not punitive.

Since 2010 a fixed scale of recoverable costs, capped at GBP 50 000, has been introduced. This has provided more certainty for businesses entering litigation. A cap on damages of GBP 500 000 was introduced to make it easier to identify which cases should most likely be heard in the IPEC. Furthermore, a time-cap of one or two hearing days on cases was introduced to reduce the cost and complexity of cases. Finally, 'proactive case management' was introduced to ensure only relevant evidence would be heard, and its usefulness to the case would justify the cost of producing it. There is no standard disclosure.

According to an evaluation report commissioned by the UKIPO¹⁵, the reforms undertaken by 2013 achieved their objectives. The costs cap and active case management were seen as having the biggest positive impact, and consequently there has been a significant increase in litigation by small business claimants since October 2010. Capping the costs has helped litigants understand their potential exposure to costs before initiating a claim, and has given confidence to parties undertaking litigation before the court, be they claimants or defendants.

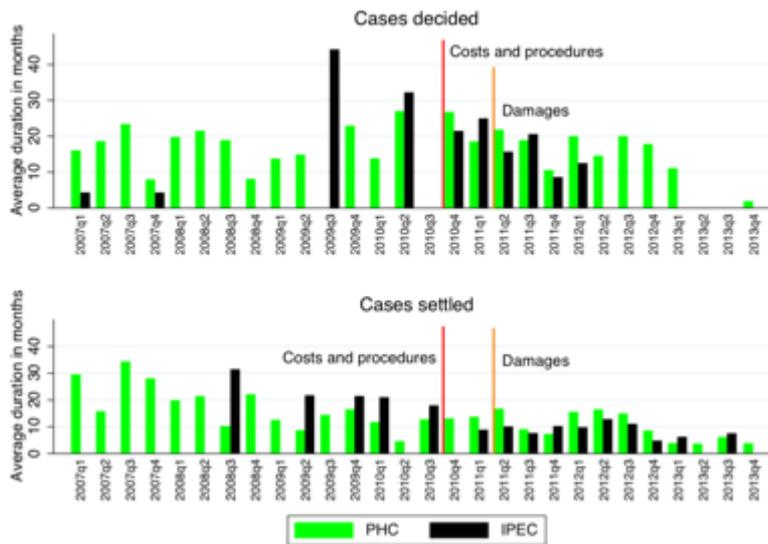
Active case management

Furthermore, with IPEC judges now taking a more hands-on role at the case management stage, including limiting disclosure, expert evidence and the arguments to be made at trial, active case management has resulted in the litigation process becoming more efficient and faster. This is particularly the case with disclosure and the taking of expert evidence as the origin of increasing

¹⁵ 'Evaluation of the Reforms of the Intellectual Property Enterprise Court 2010-2013' by Christian Helmers, Yassine Lefouili and Luke McDonagh, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447710/Evaluation_of_the_Reforms_of_the_Intellectual_Property_Enterprise_Court_2010-2013.pdf.

litigation costs, as well as pendency times. Active case management has led to speedier trials and both parties have a clearer picture of the issues at stake ¹⁶.

Figure 12: Comparison IPEC/PHC: average duration of cases



Clarifying and limiting claims has also helped parties settle before reaching trial, thereby providing cost savings for both sides.

Access to justice

The evaluation report found that, overall, the reforms have been successful in increasing access to justice for rights holders covering all IP rights, not just for SMEs and individuals, but also for mid-range and large-sized enterprises.

¹⁶ ‘Evaluation of the Reforms of the Intellectual Property Enterprise Court 2010-2013’ by Christian Helmers, Yassine Lefouili and Luke McDonagh, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/447710/Evaluation_of_the_Reforms_of_the_Intellectual_Property_Enterprise_Court_2010-2013.pdf, p. 32.

Table 3: IPEC and PHC/HC: total number of court cases by month, 2009-2013

	IPEC		IPEC & PHC	
	All claimants (1)	(2)	SMEs (3)	Not SMEs (4)
IPEC		-8.333*** (2.191)	-2.428*** (0.862)	-5.904*** (1.873)
Postreform	6.022*** (1.890)	13.782** (6.133)	-0.855 (0.931)	14.637** (5.856)
IPEC×Postreform		2.436 (2.764)	4.711*** (1.128)	-2.274 (2.258)
Month FE	NO	YES	YES	YES
R2	0.172	0.557	0.492	0.632
Number obs.	60	120	120	120

Notes: OLS regression. Dependant variable number of cases by month. The mean of the dependant variable in Column (1) is 11.866, in Column (2) 15.242, in Column (3) 5.100, and in Columns (4) 10.142. All regressions include a constant. Time period 2009-2013 because no data are available for trademarks, design, copyright and database rights at the PHC/HC prior to 2009; trademark case count includes passing-off claims; design cases includes registered and unregistered design rights. Case counts exclude cases brought by Phonographic Performance Ltd. (PPL) and the Performing Rights Society (PRS). Robust standard errors. * significant at 10%, ** at 5%, *** at 1%.

It would seem the reforms have encouraged parties to enter into disputes with, and to seek redress from, potential IP rights infringers, where previously they would have not done so. And, whilst there was a large increase in the quantity of cases filed at IPEC following the implementation of the reforms, this was not due to litigants choosing to use IPEC instead of the HC — in fact, both courts saw an increase in cases during this time. The following tables are taken from the evaluation made by Helmers, Lefouili, McDonagh (p. 17).

Table 1: PCC/IPEC: Case counts, 2007-2013

Year	Patent (1)	Trade mark (2)	Design (3)	Copyright (4)	Database (5)	Total (6)
2007	6	7	7	11	0	31
2008	4	17	3	31	0	55
2009	8	61	16	30	2	117
2010	8	45	18	37	2	110
2011	27	57	27	57	3	171
2012	26	82	39	66	1	214
2013	17	96	49	106	4	272
Total	96	365	159	338	12	970

Notes: Note: trade mark case count includes passing-off claims; design cases includes registered and unregistered design rights. Counts include SCT as follows: 2012: 14 copyright, 1 trade mark case; 2013: 41 copyright, 2 design, 10 trade mark cases; there are an additional 2 SCT cases for which we do not have any information on the IP right involved.

Table 2: PHC/HC: Case counts, 2007-2013

Year	Patent	Trade mark	Design	Copyright	Database	Total	Copyright [◇] excl. PPL	Total [◇]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2007	33					33		33
2008	71					71		71
2009	49	66	14	265	4	398	57	190
2010	50	107	42	156	16	371	68	283
2011	92	107	21	324	22	566	76	318
2012	89	97	13	271	7	477	51	257
2013	61	60	19	241	6	387	77	223
Total	445	437	109	1,257	55	2,303	329	1,375

Notes: No data available for trade marks, design, copyright and database rights prior to 2009; trademark case count includes passing-off claims; design cases includes registered and unregistered design rights.

◇ Copyright case counts exclude music rights collecting society cases.

Overall, the introduction of reforms in the UK (England and Wales) is seen as very positive.

3.2 Specialised IP rights jurisdictions in Portugal

3.2.1 Purpose and objectives of the reform

In 2011, Portugal established the Intellectual Property Court (Law 46/2011), to which all new IP cases were transferred from the commercial courts. This reform resulted from paragraph 7.9 of the Memorandum of Understanding agreed between Portugal, the EU (European Commission and European Central Bank) and the International Monetary Fund (IMF), according to which Portugal agreed to implement two different kinds of specialised courts in the fields of IP and competition law.

The reasons to set up a specialised court for IP matters were mainly seen (i) in the need to clear backlogs of cases pending before the commercial courts; (ii) in reducing pending times and (iii) in improving the quality of decisions in matters related to IP through concentration of cases with exclusive jurisdiction over the entire national territory and the resulting specialisation of judges allowing for permanent acquisition of knowledge and continuous development of expertise. Judicial specialisation was hoped to allow judges to follow legislative changes and the various trends in the interpretation of IP matters more effectively at both the European and international level.

3.2.2 Description of the reform

The IP court started its operations in March 2012 and is located in Lisbon. It is competent to assess civil proceedings related to IP rights, internet domain names, or trade names. The SIPRJ is also competent to hear appeals against decisions of the National Institute of Intellectual Property. It may issue injunctions and, where necessary, order measures to preserve evidence or to request information. Between 2012 and 2014 four judges in total were assigned to the SIPRJ¹⁷.

¹⁷ In September 2016 one of the four judges was removed, again.

In as much as the SIPRJ hears cases against administrative decisions of the National Institute of Intellectual Property, the rules of procedure set forth in the IP code provide a very simplified and written procedure. The judgment is usually rendered without any oral hearing unless the judge decides to hear an expert (Articles 39 to 45 of the IP Code). Such judgments take on average four months to be rendered.

In as much as claims are directed against individuals, the general rules of procedure set forth in the Code of Civil Procedure apply (Articles 552 to 612). Actions follow four procedural steps: (1) the first step is a written procedure; (2) a preparatory hearing is then held; (3) followed by the oral hearing and (4) the final judgment. The written procedure consists of the filing of an application, which is followed by a writ of the defendant in its defense. The applicant may then file a response, which can also be answered by the defendant. In some cases a last response is allowed. During the preparatory hearing the court defines the main issues to be decided and the evidence to be taken during the oral hearing. It is at this stage that the judge can effectively manage the case. The oral hearing will then be held according to this preparatory guidance. The final judgment shall be taken within 30 days after the oral hearing. Such actions on average take 14 months.

In accordance with the general procedural rules time limits for the submission of facts and arguments can be reduced (Articles 552 (2), 573, 584, 585 and 598 Code of Civil Procedure), the judge can effectively apply case management to improve efficiency (Articles 6 and 590 to 598 Code of Civil Procedure). In some cases the judge may order a simplified procedure (Articles 592 and 593 Code of Civil Procedure). The rules of representation are laid down in Articles 40 and 58 Code of Civil Procedure.

Appeals are heard by the second instance court, which is a full instance with review competence both in law and in fact. Its availability depends on a minimum value threshold of the subject matter. In general, claims brought before the court of first instance (District Court) may only be appealed to the Court of Appeal if their value is higher than EUR 5 000 and if the decision is unfavourable to the appellant in more than half of said amount. A further appeal is available to the Supreme Court of Justice, which will review the judgment only on its legality. An appeal to the Supreme Court of Justice is only admissible if the value of the claim exceeds EUR 30 000 and if the decision is unfavourable as to a value of more than EUR 15 000. In exceptional cases a revision can be sought before the same court that issued the decision in first instance (Article 696 of the Code of Civil Procedure).

3.2.3 Evaluation

Specialisation of judges is seen to have improved the quality, predictability and consistency of judgments. The pendency times for the resolution of disputes, including provisional measures, have decreased and backlogs were reduced. The number of actions has increased in general and more specifically as to actions filed by SMEs. However, no specifically dedicated measures have been taken to increase the attractiveness of judicial protection for SMEs. The performance indicators used to assess the effects of the reform are procedural balance and annual resolution rate. The procedural balance is positive when the number of pending cases decreases; it is negative when the number of pending cases increases. The annual resolution rate looks at the number of closed cases during a specific year and compares it with the cases introduced during that year. If it is greater than 100 % then the number of cases closed is higher than the number of new cases brought during that year.

The statistical data between April 2012 and September 2016 is shown below.

	Entered actions	Resolved actions	Balance (%)	Pending actions	Pendency (%)
2012¹⁸	453	134	30	319	100
Ordinary actions	174	31	18	143	
Special actions	19	3	16	16	
Executive actions	1	0	0	1	
Precautionary procedures	156	85	54	71	
Other processes	103	15	15	88	
2013	470	378	80	446	+ 40
Ordinary actions	170	153	90	204	
Special actions	18	18	100	-	
Executive actions	25	5	20	21	
Precautionary procedures	107	129	121	29	
Other processes	150	73	49	192	
2014¹⁹	340	406	119	395	-0,2
Ordinary actions	102	89	87	218	
Special actions	0	0	0	0	
Executive actions	29	6	21	35	
Precautionary procedures	111	104	94	27	
Other processes	98	207	211	115	
2015²⁰	343	443	129	439	+11
Ordinary actions	70	156	223	201	
Special actions	0	3	300	1	
Executive actions	42	22	52	78	
Precautionary procedures	92	110	120	29	
Other processes	139	152	109	130	
2016²¹	628	742	118	429	-2
Ordinary actions	137	254	185	170	
Special actions	0	3	300	1	
Executive actions	89	46	52	101	
Precautionary procedures	158	186	118	22	
Other processes	243	253	104	135	

The procedural balance in 2013 was still negative (below 100 %) since the number of pending cases increased (in that period one to two judges were appointed). The number of applications before the IP court increased also due to the continuous transfer of the entire backlog regarding intellectual property from the national commercial courts to the IP court of Lisbon. As a result, there was a critical period between 2013 and 2014. However, from 2014 to 2016, with three and then four judges, the annual resolution rate became, on average, greater than 100 %. In other words, the SIPRJ was adjudicating more disputes than were brought anew during that period. It is significant to note that the number of newly brought actions also increased over time. What is more, the SIPRJ was recovering the backlog. Since 2014, the temporary increase in the number of judges to four and

¹⁸ Data refers to end of October 2012.

¹⁹ Data refers to end of August 2014.

²⁰ Data refers to end of September 2015.

²¹ Data includes Q4 2015 data until the end of September 2016.

their specialisation showed very positive results. Despite the increased number of applications, the annual resolution rate was greater than 100 %.

4 Overall Conclusions

All of the studies emphasise that specialisation is recommended only in jurisdictions, which presents a certain set of economic, societal and institutional prerequisites. A certain caseload level is required for SIPRJs to work efficiently. The distribution of cases over a country's geography would then either call for the centralised or regional establishment of SIPRJs, which may take the form of specialised instances or specialised chambers/divisions within the general jurisdiction. Even with the beneficial conditions for SIPRJs, in order to reap the benefits of specialisation, the judges' expertise needs to be built and maintained through continuous training.

If the prerequisites are met, then SIPRJs show the following advantages.

- SIPRJs lead to the creation of subject-matter experts/expertise both on and before the bench. These professionals can follow the relatively swift development of innovation in the field more effectively and are better equipped to remain up-to-date with new IP rights issues and laws.
- Enhanced expertise and specialisation tends to lead to an increased demand for IP rights training and a higher awareness of IP rights.
- SIPRJs tend to make faster, more effective decisions following more efficient procedures. They allow governments to create special court procedures to enhance efficiency and accuracy, such as active case management where a knowledgeable judge can give direction to the parties. Such procedural rules should include adequate rules on costs. Since the cost risk of litigation needs to be contained in order to open up the judicial review procedure to individuals, SMEs and other companies are reluctant to enter litigation.
- SIPRJs increase the consistency of case outcomes since the number of judges writing opinions is limited and their expertise as well as their knowledge of previous national case-law and European or international findings is higher. Specialist case-law can be integrated better into practice guidelines for examiners and legal practitioners, providing higher confidence that the IP rights will eventually be upheld in court. Consistency improves the predictability of litigation outcomes, which in turn reduces the need of litigation, as it becomes clearer to potential litigants to assess the merits of their case.
- Specialisation also signals to the public that IP rights will be reinforced and that governments consider it an important area to protect. Greater awareness of IP rights in turn stigmatises infringers and establishes social pressure that decreases the likelihood of infringing activities.

Some risks are also associated with the establishment of SIPRJs. The analysis suggests that SIPRJs are more likely to encounter situations with a conflict of interest. This risk needs to be addressed. Also, the analysis sees a risk in fostering a judicial 'tunnel vision' or of losing sight of how IP rights law fits into the larger legal framework. However, these risks may be remedied by maintaining the right balance between general civil or commercial and IP rights cases in the workload of specialised judges. Finally, non-specialised appeal instances help ascertain the embedment of IP issues in the broader frame of the law.

Annex — Country Table of Specialised IP Rights Jurisdictions²²

COUNTRY	Stand-alone court specialised in IP cases		Specialised IP chamber/tribunal within a general court		General court (not specialised in IP)		Types of IPRs tried by SIPJs
	Invalidity	Infringement	Inv.	Inf.	Inv.	Inf.	
Austria							
1st instance	x			x			P, TD, T, UC, C, IO, C, PV
2nd			x	x			
3rd					x	x	
Belgium							
1st instance			x	x			P - D - TD - T - C - IC - UC - PV - IO
2nd			x	x			
3rd			x	x			
Bulgaria							
1st instance					x	x	P; D; T; C; UC; PV; IC; TD; IO
2nd						x	
3rd					x	x	
Croatia							
1st instance			x	x			P, D, T, C, UC, PV, IC, TD, IO
2nd			x	x			
3rd			x	x			
Cyprus							
1st instance					x	x	
2nd					x	x	
3rd					x	x	
Czech Republic							
1st instance			x	x			P, D, T, C, TD, PV, IO,
2nd			x	x			

²² The table is based on that used in the ICC study by the Commission on Intellectual Property Task Force on Specialised IP Jurisdictions, Report on Specialised IP Jurisdictions. The data was revised and complemented through input from judges of addressed in the EUIPO Observatory Judges Network.

3rd			x	x			<u>UC</u>
Denmark							
1st instance	x	x					
2nd			x	X			P - D - T
3rd					x	x	
Estonia							
1st instance					x	x	
2nd					x	x	
3rd					x	x	
Finland							
1st instance	x	x	x	x			P, D, T, IC, C, UC, PV
2nd							
3rd					x	x	
France							
1st instance			x	x			P - D - T - C - UC
2nd			x	x			- PV - IC - TD - IO
3rd			x	x			
Germany							
1st instance	x		x	x			P - D - T - C - UC - PV - IC - IO
2nd			x	x			
3rd			x	x			
Greece							
1st instance			x	x			
2nd			x	x			
3rd							
Hungary							
1st instance			x	x	x	x	P, D, T, PV, IC, TD, IO, C, UC
2nd			x	x	x	x	
3rd			x	x	x	x	
Ireland							



1st instance				x	x	
2nd				x	x	
3rd				x	x	
Italy						
1st instance		x	x			P, D, T, C, UC,
2nd		x	x			PV, IC,
3rd				x	x	TD; IO
Latvia						
1st instance		x	x	x	x	P - D - T
2nd		x	x	x	x	- PV - IC
3rd				x	x	- IO
Lithuania						
1st instance				x	x	P; D; T;
2nd				x	x	UC; PV;
3rd				x	x	IC; TD; IO; C
Luxembourg						
1st instance				x	x	
2nd				x	x	
3rd				x	x	
Malta						
1st instance				x	x	
2nd				x	x	
3rd						
Netherlands						
1st instance		x	x	x	x	
2nd		x	x			P, D, T, PV, C
3rd		x	x			
Poland						
1st instance		x	x		x	P - D - T
2nd		x	x		x	- C - UC - PV - IC



3rd							- IO
Portugal							
1st instance	x	x					P - D - T - C - UC
2nd					x	x	- PV - IC - TD -
3rd					x	x	IO
Romania							
1st instance			x	x			P; D; T; C;
2nd			x	x			PV; IC; TD; IO;
3rd			x	x			UC
Slovakia							
1st instance			x	x			P, D, T, C, UC,
2nd			x	x			PV, IC, TD, IO
3rd			x	x			
Slovenia							
1st instance			x	x			P, D, T , C, UC,
2nd			x	x			PV, IC, TD, IO
3rd					x	x	
Spain							
1st instance	x	x	x	x			P - D - T - IC, TD, , IO, PV, C - UC
2nd			x	x			
3rd					x	x	
Sweden							
1st instance			x	x	x	x	P, D, T, C, UC, PV, IC & IO, TD
2nd			x	x			
3rd					x	x	
United Kingdom							
1st instance			x	x			P - D - T - C - PV - IC - TD - IO
2nd			x	x			
3rd			x	x			

Specialised IP Rights Jurisdictions in the Member States

A compilation of available studies (Q3 2017)