

Court of Justice EU, 12 September 2019, Bayer v Richter Gedeon



PATENT LAW

Concept of “appropriate compensation” must be given an independent and uniform interpretation:

- When the terms of a provision of EU law makes no express reference to the law of the Member States its meaning and scope must normally be given an independent and uniform interpretation throughout the European Union

Concept of “appropriate”:

- justified in the light of the specific circumstances of the case

While the exercise of their authority to grant such compensation is strictly subject to the preconditions under which either the provisional measures must have been repealed or ceased to be applicable because of any action or omission on the part of the applicant, or it must subsequently be found that there is no infringement or threat of infringement of an intellectual property right, the fact that those conditions are satisfied in a specific case does not mean that the competent national courts will automatically and in any event be obliged to order the applicant to provide compensation:

- Article 9(7) of the Enforcement Directive must be interpreted as not precluding national legislation which provides that a party – even though the patent on the basis of which those had been requested and granted has subsequently been found to be invalid - shall not be compensated for losses which he has suffered due to his not having acted as may generally be expected in order to avoid or mitigate his loss, to the extent that that legislation permits the court to take due account of all the objective circumstances of the case

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Court of Justice EU, 12 September 2019, Bayer v Richter Gedeon

(A Prechal, F. Bilgen, J. Malenovský (Rapporteur), C.G. Fernlund and L.S. Rossi)

JUDGMENT OF THE COURT (Third Chamber)

12 September 2019⁽¹⁾

(Reference for a preliminary ruling — Intellectual property — Patents — Directive 2004/48/EC — Article 9(7) — Placing on the market of products infringing a patent right — Provisional measures — Patent subsequently declared invalid — Consequences — Right to appropriate compensation for losses caused by the provisional measures)

In Case C-688/17,

REQUEST for a preliminary ruling under Article 267 TFEU from the Fővárosi Törvényszék (Budapest High Court, Hungary), made by decision of 9 November 2017, received at the Court on 8 December 2017, in the proceedings

Bayer Pharma AG

v

Richter Gedeon Vegyészeti Gyár Nyrt.,
Exeltis Magyarország Gyógyszerkereskedelmi Kft.,
THE COURT (Third Chamber),

composed of A. Prechal, President of the Chamber, F. Biltgen, J. Malenovský (Rapporteur), C.G. Fernlund and L.S. Rossi, Judges,

Advocate General: G. Pitruzzella,

Registrar: R. Șereș, Administrator,

having regard to the written procedure and further to the hearing on 9 January 2019,

after considering the observations submitted on behalf of:

– Bayer Pharma AG, by E. Szakács, K.J. Tálas and I. Molnár, ügyvédek,

– Richter Gedeon Vegyészeti Gyár Nyrt., by A. Szecskay and G. Bacher, ügyvédek,

– Exeltis Magyarország Gyógyszerkereskedelmi Kft., by K. Szamosi, P. Lukácsi and Á. György, ügyvédek,

– the European Commission, by L. Havas, F. Wilman and S.L. Kaléda, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 11 April 2019,

gives the following

Judgment

1 This request for a preliminary ruling concerns the interpretation of Article 9(7) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (OJ 2004 L 157, p. 45, and corrigendum OJ 2004 L 195, p. 16).

2 The request has been made in the proceedings between Bayer Pharma AG (*‘Bayer’*), on the one hand, and Richter Gedeon Vegyészeti Gyár Nyrt. (*‘Richter’*) and Exeltis Magyarország Gyógyszerkereskedelmi Kft. (*‘Exeltis’*), on the other, concerning the losses that those two companies claim to have suffered due to injunctions issued against them at the request of Bayer.

Legal context

International law

3 The first paragraph of the preamble to the Agreement on Trade-Related Aspects of Intellectual Property Rights (*‘the TRIPS Agreement’*), which constitutes Annex 1C to the Agreement establishing the World

¹ Language of the case: Hungarian

Trade Organisation (WTO), signed in Marrakesh on 15 April 1994 and approved by Council Decision 94/800/EC of 22 December 1994 concerning the conclusion on behalf of the European Community, as regards matters within its competence, of the agreements reached in the Uruguay Round multilateral negotiations (1986-1994) (OJ 1994 L 336, p. 1), provides as follows:

'Desiring to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade.'

4 Article 1(1) of the TRIPS Agreement, entitled 'Nature and Scope of Obligations', provides:

'Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement. Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice.'

5 In Section 3 of the TRIPS Agreement, entitled 'Provisional measures', Article 50(7) provides:

'Where the provisional measures are revoked or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by these measures.'

European Union law

6 Recitals 4, 5, 7, 8, 10 and 22 of Directive 2004/48 state:

'(4) At international level, all Member States, as well as the Community itself as regards matters within its competence, are bound by [the TRIPS Agreement] ...

(5) The TRIPS Agreement contains, in particular, provisions on the means of enforcing intellectual property rights, which are common standards applicable at international level and implemented in all Member States. This Directive should not affect Member States' international obligations, including those under the TRIPS Agreement.

...

(7) It emerges from the consultations held by the Commission on this question that, in the Member States, and despite the TRIPS Agreement, there are still major disparities as regards the means of enforcing intellectual property rights. For instance, the arrangements for applying provisional measures, which are used in particular to preserve evidence, the calculation of damages, or the arrangements for applying injunctions, vary widely from one Member State to another. ...

(8) The disparities between the systems of the Member States as regards the means of enforcing intellectual property rights are prejudicial to the proper functioning of the Internal Market and make it impossible to ensure that intellectual property rights enjoy an equivalent level of protection throughout the Community. ...

...

(10) The objective of this Directive is to approximate legislative systems so as to ensure a high, equivalent and homogeneous level of protection in the Internal Market.

...

(22) It is also essential to provide for provisional measures for the immediate termination of infringements, without awaiting a decision on the substance of the case, while observing the rights of the defence, ensuring the proportionality of the provisional measures as appropriate to the characteristics of the case in question and providing the guarantees needed to cover the costs and the injury caused to the defendant by an unjustified request. Such measures are particularly justified where any delay would cause irreparable harm to the holder of an intellectual property right.'

7 Article 1 of that directive provides:

'This Directive concerns the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights. For the purposes of this Directive, the term "intellectual property rights" includes industrial property rights.'

8 Article 2(3) of that directive, entitled 'Scope', provides:

'This Directive shall not affect:

...

(b) Member States' international obligations and notably the TRIPS Agreement, including those relating to criminal procedures and penalties;

...

9 Chapter II of Directive 2004/48, entitled 'Measures, procedures and remedies', contains Articles 3 to 15 of that directive. Under Article 3, entitled 'General obligation':

'1. Member States shall provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by this Directive. Those measures, procedures and remedies shall be fair and equitable and shall not be unnecessarily complicated or costly, or entail unreasonable time limits or unwarranted delays.

2. Those measures, procedures and remedies shall also be effective, proportionate and dissuasive and shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.'

10 Article 9 of Directive 2004/48, entitled 'Provisional and precautionary measures', provides:

'1. Member States shall ensure that the judicial authorities may, at the request of the applicant:

(a) issue against the alleged infringer an interlocutory injunction intended to prevent any imminent

infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by national law, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the rightholder;

...

(b) order the seizure or delivery up of the goods suspected of infringing an intellectual property right so as to prevent their entry into or movement within the channels of commerce.

2. In the case of an infringement committed on a commercial scale, the Member States shall ensure that, if the injured party demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of his bank accounts and other assets. ...

...

7. Where the provisional measures are revoked or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of an intellectual property right, the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by those measures.'

Hungarian law

11 Article 18(1) and (2) of the találmányok szabadalmi oltalmáról 1995. évi XXXIII. törvény (Law No XXXIII of 1995, on the protection of inventions by means of patents), provides that the protection conferred by a patent commences on publication of the application and its effects are retroactive to the date of the application. That protection is provisional and becomes final only once the applicant obtains a patent for his invention.

12 Article 156(1) of the polgári perrendtartásról szóló 1952. évi III. törvény (Law No III of 1952 on Civil Procedure) provides:

'The court may make order a provisional measure applied for in an application or counterclaim or an application for provisional measures, where such a measure is necessary to prevent imminent loss or to preserve the status quo of the matter in dispute, or to preserve a better right of the applicant, where the loss caused by the measure does not outweigh the expected benefit of the measure. ... The applicant must demonstrate that the facts on which the application is based are plausible.'

13 Under Article 339(1) of the polgári törvénykönyvről szóló 1959. évi IV. törvény (Law No IV of 1959, on the Civil Code; 'the Civil Code'):

'Any person who unlawfully causes harm to another must provide a remedy for that harm. A person is relieved of that obligation if it is demonstrated that the person concerned acted as would generally be expected in the circumstances in question.'

14 Article 340(1) of the Civil Code provides:

'The injured party is under an obligation to act as would generally be expected in the circumstances in question in order to avoid or to mitigate the loss. A party shall not be compensated for loss resulting from the injured party's failure to comply with that obligation.'

The dispute in the main proceedings and the questions referred for a preliminary ruling

15 On 8 August 2000, Bayer filed an application for a patent relating to a pharmaceutical product containing a contraceptive ingredient at the Szellemi Tulajdon Nemzeti Hivatala (National Intellectual Property Office, Hungary; 'the Office'). The Office published that application on 28 October 2002.

16 Richter, in November 2009 and August 2010, and Exeltis, in October 2010, began marketing contraceptive pharmaceutical products in Hungary ('the products at issue').

17 On 4 October 2010, the Office granted Bayer a patent.

18 On 8 November 2010, Richter filed an application with the Office for a declaration of non-infringement seeking to establish that the products in question did not infringe Bayer's patent.

19 On 9 November 2010, Bayer applied to the referring court, the Fővárosi Törvényszék (Budapest High Court, Hungary) for provisional measures to prohibit Richter and Exeltis from placing on the market the products at issue. Those applications were rejected on the ground that the plausibility of the infringement had not been demonstrated.

20 On 8 December 2010, Richter and Exeltis submitted an application for a declaration of invalidity of Bayer's patent to the Office.

21 On 25 May 2011, Bayer submitted further applications for provisional measures before the referring court, which, by enforceable orders of 11 July 2011, entering into force on 8 August 2011, prohibited Richter and Exeltis from putting the products in question on the market, and also requiring them to provide guarantees.

22 On 11 August 2011 Bayer initiated infringement proceedings against Richter and Exeltis before the referring court. Those proceedings were suspended until a final decision is issued in the proceedings for the declaration of the invalidity of Bayer's patent.

23 Having heard appeals by Richter and Exeltis against the orders of 11 July 2011, the Fővárosi Ítéletábla (Budapest Regional Court of Appeal, Hungary), on 29 September and 4 October 2011 respectively, set aside those orders on the grounds of procedural defects and referred the case back to the referring court.

24 By orders of 23 January 2012 and 30 January 2012, the referring court refused Bayer's applications for provisional measures. Whilst it took into account that Richter and Exeltis had entered the market in infringement of the patent, the referring court held that, having regard, in particular, to the advanced stage of the proceedings for a declaration of invalidity of Bayer's patent and for revocation of an equivalent European patent, the adoption of such measures could

not be deemed to be proportionate. By decision of 3 May 2012, the Fővárosi Ítéltábla (Budapest Regional Court of Appeal) upheld those two orders.

25 By decision of 14 June 2012, the Office granted in part the application for a declaration of invalidity in respect of Bayer's patent submitted by Richter and Exeltis. Following a further application by Richter and Exeltis, the Office withdrew its decision of 14 June 2012 and, by decision of 13 September 2012, declared that patent invalid in its entirety.

26 By order of 9 September 2014, the referring court set aside the Office's decision of 13 September 2012. It also varied the Office's decision of 14 June 2012 and declared Bayer's patent invalid in its entirety.

27 By order of 20 September 2016, the Fővárosi Ítéltábla (Budapest Regional Court of Appeal) upheld that order.

28 On 3 March 2017, the referring court terminated the infringement proceedings between Bayer and Exeltis following Bayer's withdrawal from those proceedings.

29 By decision of 30 June 2017, the referring court definitively dismissed the claim for infringement brought by Bayer against Richter on the grounds of Bayer's patent having been definitively declared invalid.

30 Richter, by a counterclaim brought on 22 February 2012, and Exeltis, by a counterclaim lodged on 6 July 2017, requested that Bayer be ordered to provide compensation for the losses they claim to have suffered as a result of the provisional measures referred to in paragraph 21 of the present judgment.

31 Before the referring court, Bayer submitted that those claims should be rejected, arguing that Richter and Exeltis themselves caused the losses they claim to have suffered by having intentionally and unlawfully placed the products in question on the market. In accordance with Article 340(1) of the Civil Code, there is therefore no justification for their claim for compensation for these losses.

32 In that context, the referring court considers, in essence, that, in the absence of any provision in Hungarian law specifically governing the situations referred to in Article 9(7) of Directive 2004/48, the general rules of the Civil Code relating to liability and compensation must be interpreted in the light of that provision. However, the referring court first raises questions regarding the scope of the rule contained in Article 9(7) of that directive and asks, in particular, whether that provision merely guarantees the defendant a right to compensation or whether it also defines the content of that right. Secondly, the referring court asks whether Article 9(7) of that directive precludes the national court, applying a provision of the civil law of a Member State, from examining the defendant's role in the losses occurring.

33 In those circumstances, the Fővárosi Törvényszék (Budapest High Court, Hungary) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

'1. Should the expression 'provide ... appropriate compensation' referred to in Article 9(7) of Directive

[2004/48/EC], be interpreted to mean that Member States must establish the substantive rules of law on the liability of parties and the amount and method of compensation, by virtue of which the courts of the Member States can order applicants to compensate defendants for losses caused by measures which the court subsequently revoked or which subsequently lapsed due to an act or omission by the applicant, or in cases in which the court has subsequently found that there was no infringement or threat of infringement of an intellectual property right?

2. If the answer to the first question referred for a preliminary ruling is in the affirmative, does Article 9(7) of [Directive 2004/48/EC] preclude opposition to the legislation of a Member State by virtue of which the rules to be applied to the compensation referred to in that provision of the Directive are the general rules of that Member State on civil liability and compensation according to which the court cannot oblige the applicant to provide compensation for losses caused by a provisional measure which was subsequently held to be unfounded due to the invalidity of the patent, and which were incurred as a result of the defendant's failure to act as would generally be expected in the circumstances in question, or losses for which the defendant is responsible for that same reason, provided that, when requesting the provisional measure, the applicant acted as would generally be expected in those circumstances?'

Consideration of the questions referred

34 By its questions, which it is appropriate to examine together, the referring court asks, in essence, whether Article 9(7) of Directive 2004/48, and in particular the concept of 'appropriate compensation' referred to in that provision, must be interpreted as precluding national legislation which provides that a party shall not be compensated for losses which he has suffered due to his not having acted as may generally be expected in order to avoid or mitigate his loss and which, in circumstances such as those in the main proceedings, results in the court not making an order for provisional measures against the applicant obliging him to provide compensation for losses caused by those measures even though the patent on the basis of which these were requested and granted has subsequently been found to be invalid.

35 In order to answer those questions, it is first necessary to establish whether the Member States must define the content, amount and methods of the concept of 'appropriate compensation' to which Article 9(7) of Directive 2004/48 refers, a premiss which is favoured by the referring court.

36 In that regard, it should be noted at the outset that Article 9(7) of Directive 2004/48 sets out that the judicial authorities shall have the authority to order the applicant, upon request of the defendant, to provide the defendant appropriate compensation for any injury caused by provisional measures where those measures are revoked or where they lapse due to any act or omission by the applicant, or where it is subsequently

found that there has been no infringement or threat of infringement of an intellectual property right.

37 Even though the wording of that provision does not expressly refer to it, it is clear from the overall scheme of Article 9(7) of Directive 2004/48 that it is addressed to the Member States and requires them to provide in their national law for all the measures set out in Article 9, including those laid down in paragraph 7 of that article, as moreover confirmed in recital 22 of that directive.

38 Article 9(7) of Directive 2004/48 must therefore be interpreted as requiring the Member States to authorise, in their legislation, the courts having jurisdiction, to order the applicant, upon the request of the defendant, to provide compensation for losses caused by the provisional measures referred to in that article.

39 It is also apparent from the wording of Article 9(7) of Directive 2004/48 that that authority, first, may be exercised either where the provisional measures are repealed or cease to apply due to an action or omission of the applicant, or where it is subsequently found that there was no infringement or threat of infringement of an intellectual property right. Secondly, that authority must relate to *'any injury'* caused by the measures concerned and, thirdly, the compensation must be in the form of *'appropriate compensation'*.

40 As regards, more particularly, that concept of *'appropriate compensation'*, it should be noted that both the need for uniform application of EU law and the principle of equality require that the terms of a provision of EU law which makes no express reference to the law of the Member States for the purpose of determining its meaning and scope must normally be given an independent and uniform interpretation throughout the European Union; that interpretation must take into account the context of the provision and the objective of the relevant legislation (see [judgment of 21 October 2010, Padawan, C-467/08, EU:C:2010:620](#), paragraph 32 and the case-law cited).

41 Since Article 9(7) of Directive 2004/48 makes no reference to the national law of the Member States in relation to the abovementioned concept of *'appropriate compensation'*, that concept must be given an independent and uniform interpretation, without being able to come within the competence of different Member States.

42 That conclusion is borne out by the objective pursued by Directive 2004/48. Recital 10 of that directive provides that its objective is to approximate legislative systems so as to ensure a high, equivalent and homogeneous level of protection in the internal market.

43 In that regard, recital 7 of Directive 2004/48 notes the existence of major disparities between Member States, particularly with regard to the arrangements for applying provisional measures. In addition, recital 8 of that directive points out that such disparities are prejudicial to the proper functioning of the internal market and make it impossible to ensure that intellectual property rights enjoy an equivalent level of protection throughout the European Union.

44 An interpretation to the effect that the various Member States are free to specify themselves the content, scope and methods for applying the concept of *'appropriate compensation'* referred to in Article 9(7) of Directive 2004/48 would fail to have regard to that objective of equivalence and homogeneity in the high level of protection of intellectual property as sought by the EU legislature.

45 The finding in paragraph 41 above is not such as to misconstrue the obligations under the TRIPS Agreement which binds both the European Union and its Member States and to which Directive 2004/48 refers in several instances.

46 Indeed, the TRIPS Agreement provides, in Article 1(1), *inter alia*, that *'Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice'*. The scope of that general provision also extends to Article 50(7) of that agreement, the wording of which is essentially identical to that of Article 9(7) of Directive 2004/48 and which also refers to the concept of *'appropriate compensation'*.

47 Moreover, that agreement, which, according to the first paragraph of its preamble, seeks to ensure effective and adequate protection of intellectual protection rights, expressly acknowledges, in Article 1(1), that Members are entitled to implement more extensive protection than is required by that agreement.

48 Those were precisely the choices made by the EU legislature in adopting Directive 2004/48, the principal objective of which, as recalled in paragraph 42 of this judgment, is to ensure, in the legal system of the European Union and its Member States, a high, equivalent and homogeneous level of protection of intellectual property.

49 In the light of the foregoing considerations, the concept of *'appropriate compensation'* must be regarded as an autonomous concept of EU law which must be given a uniform interpretation throughout the territory of the European Union.

50 In that regard, as is apparent from paragraph 38 of the present judgment, Article 9(7) of Directive 2004/48 requires the Member States to provide authority to their national courts to provide the defendant, in accordance with the conditions laid down in that provision, with appropriate compensation.

51 Consequently, it is for those national courts to assess, in the exercise of the powers conferred on them, the specific circumstances of the case before them in order to decide whether it is appropriate to order the applicant to pay to the defendant compensation which must be *'appropriate'*, that is to say, justified in the light of those circumstances.

52 In particular, while the exercise of their authority to grant such compensation is strictly subject to the preconditions under which either the provisional measures must have been repealed or ceased to be applicable because of any action or omission on the part of the applicant, or it must subsequently be found that there is no infringement or threat of infringement

of an intellectual property right, the fact that those conditions are satisfied in a specific case does not mean that the competent national courts will automatically and in any event be obliged to order the applicant to provide compensation for any losses suffered by the defendant as a result of those measures.

53 In the case in the main proceedings, it is common ground, first, that the patent was granted only after Richter had begun marketing the products at issue and that when the claimant in the main proceedings initially applied for the adoption of provisional measures, and, following the refusal of that application, once more requested on 25 May 2011 that such measures be adopted in reaction to that marketing, it was the holder of that patent.

54 Secondly, it is also common ground that, on that same date, the defendants in the main proceedings had, for their part, already submitted an application for a declaration of invalidity of that patent with the Office.

55 Thirdly, it should be recalled that, after having been granted on 11 July 2011 by the referring court, those provisional measures were set aside on 29 September and 4 October 2011 respectively, by the appeal court and that, although it held that the defendants in the main proceedings had entered the market in infringement of Bayer's patent, the referring court did not, following these cases being referred back to it, renew those provisional measures due to the advanced stage of the proceedings for a declaration of invalidity of Bayer's patent and for revocation of an equivalent European patent.

56 Fourthly and finally, the patent was declared invalid, first by decision of the Office of 13 September 2012 and, a second time, by order of the referring court of 9 September 2014.

57 It is apparent from the order for reference and the questions in it that were put to the Court of Justice that, in those circumstances, the national legislation at issue in the main proceedings would not allow a court to order the applicant to provide compensation for the losses caused to the defendant by those provisional measures which had been set aside.

58 It is in this specific context that it is necessary to answer, in the second place, the question whether Article 9(7) of Directive 2004/48, in particular, the concept of '*appropriate compensation*' referred to in that provision, precludes the application, in such circumstances, of national legislation which in essence excludes the defendant from being able to obtain compensation for the losses which he has suffered due to the fact that he did not act as would generally be expected of a person in the situation concerned in order to prevent or mitigate such losses, to the extent that the applicant, when requesting the provisional measures, has himself acted as would generally be expected of a person in the situation concerned.

59 In the absence of an explicit statement in that regard in the wording of Article 9(7) of Directive 2004/48, it must, according to settled case-law, be interpreted in the light of the context and the purpose of the rules of which it forms part (see, to that effect, judgment of 6

June 2018, *Koppers Denmark*, C-49/17, EU:C:2018:395, paragraph 22).

60 As regards that context, it should, first, be noted that it follows from the latter part of recital 22 of Directive 2004/48 that the appropriate compensation laid down in Article 9(7) of that directive is a guarantee which the EU legislature considered necessary to cover the costs and injury to which the defendant is subject following an '*unjustified application*' for provisional measures.

61 Recital 22 of Directive 2004/48 states that the provisional measures laid down in Article 9 of that directive are particularly justified where any delay would cause irreparable harm to the holder of an intellectual property right.

62 It follows that a finding that an application for provisional measures is unjustified presupposes, primarily, that there is no risk that irreparable harm may be caused to the holder of an intellectual property right in the event of delay in the adoption of the measures sought by him.

63 In that regard, where defendants market their products even though a patent application has been submitted or there is a patent hindering marketing, which it is for the referring court to ascertain, such conduct may, *prima facie*, be regarded as objectively indicative of the existence of a risk, for the holder of that patent, of irreparable harm in the event of delay in the adoption of the measures sought by that patent holder. Consequently, the application for provisional measures submitted by the latter in response to such conduct cannot be regarded *a priori* as '*unjustified*' for the purposes of Article 9(7) of Directive 2004/48, read in the light of recital 22 of that directive.

64 As regards the fact that the provisional measures at issue in the main proceedings have been repealed, although that may, as stated in paragraph 52 of the present judgment, constitute one of the conditions necessary for the exercise of the authority laid down in Article 9(7) of Directive 2004/48, by contrast, it cannot be regarded in itself as a decisive factor in proving the unjustified nature of the application which gave rise to the provisional measures which have been set aside.

65 A different conclusion could have the effect, in circumstances such as those of the main proceedings, of discouraging the holder of the patent in question from availing himself of the measures referred to in Article 9 of Directive 2004/48 and would thus run counter to the directive's objective of ensuring a high level of protection of intellectual property.

66 Secondly, as regards the applicant's conduct, Article 9(7) of Directive 2004/48 must be read in the light of Article 3 of that directive which sets out a '*general obligation*' governing all of Chapter II of that directive, which includes Article 9 of that directive.

67 According to Article 3(2) of Directive 2004/48, the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by that directive are to be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

68 That provision therefore requires the Member States and, ultimately, the national courts to offer guarantees that, inter alia, the measures and procedures referred to in Article 9 of Directive 2004/48 are not to be abused.

69 To that end, the competent national courts must determine whether, in a given case, the applicant has not abused those measures and procedures.

70 Consequently, it is for the referring court to determine whether the applicant has not abused the measure laid down in Article 9(7) of Directive 2004/48. To that end, the referring court must take due account of all the objective circumstances of the case, including the conduct of the parties.

71 In the light of all the foregoing considerations, the answer to the questions referred is that Article 9(7) of Directive 2004/48, in particular, the concept of ‘*appropriate compensation*’ referred to in that provision, must be interpreted as not precluding national legislation which provides that a party shall not be compensated for losses which he has suffered due to his not having acted as may generally be expected in order to avoid or mitigate his loss and which, in circumstances such as those in the main proceedings, results in the court not making an order for provisional measures against the applicant obliging him to provide compensation for losses caused by those measures even though the patent on the basis of which those had been requested and granted has subsequently been found to be invalid, to the extent that that legislation permits the court to take due account of all the objective circumstances of the case, including the conduct of the parties, in order, inter alia, to determine that the applicant has not abused those measures.

Costs

72 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Third Chamber) hereby rules:

Article 9(7) of Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, in particular, the concept of ‘*appropriate compensation*’ referred to in that provision, must be interpreted as not precluding national legislation which provides that a party shall not be compensated for losses which he has suffered due to his not having acted as may generally be expected in order to avoid or mitigate his loss and which, in circumstances such as those in the main proceedings, results in the court not making an order for provisional measures against the applicant obliging him to provide compensation for losses caused by those measures even though the patent on the basis of which those had been requested and granted has subsequently been found to be invalid, to the extent that that legislation permits the court to take due account of all the objective circumstances of the case, including the

conduct of the parties, in order, inter alia, to determine that the applicant has not abused those measures.

[Signatures]
