

# UKRAINE'S NEW HIGH INTELLECTUAL PROPERTY COURT: IMPLICATIONS FOR THE JUSTICE SYSTEM <sup>1</sup>

## EXECUTIVE SUMMARY

Judiciary reforms have been on Ukraine's political agenda since the country's independence 25 years ago. The courts have faced almost continuous reform, with periods of higher and lower intensity. The most recent period of intense change started with the 2015 "Presidential Strategy for Reforming the Judicial System, Procedure and Related Institutes", which outlined a number of ambitious reforms to strengthen judicial independence, the rule of law and the protection of human rights.<sup>2</sup> In 2016, the Parliament adopted amendments to the Constitution<sup>3</sup> and the Law "On the Judiciary and Status of Judges".<sup>4</sup> These changes initiated a comprehensive judicial reform as part of the Strategy, including the creation of the High Court for Intellectual Property (hereinafter HCIP).

Unlike most of the changes introduced by the Law and constitutional amendments, the establishment of the HCIP was not preceded by any significant discussions with experts or the public. It was not motivated by any compelling argument, such as a high number of intellectual property (IP) disputes. Indeed, the decision in favour of the HCIP was not a well-thought policy choice, and it risks setting a precedent that could result in a proliferation of

specialised courts and the further compartmentalisation of justice.

It will take time to assess whether the standard assertions that a special judiciary can foster consistency and uniformity in decision-making, eliminate the risk of concurrent jurisdictions and, thus, enhance the protection of IP will prove true for Ukraine's case. The current legal framework for the HCIP raises a number of questions related to rule of law: the envisaged appellate review within the same body is not in line with due process principles; the technical proficiency in the IP field does not seem to be an essential requirement for the selection of judges; and the new jurisdiction of the HCIP, which comprises IP in the broadest meaning of the term, will (at least at the initial phase) lead to jurisdictional confusion. This is unlikely to benefit users of the judicial system and should be considered for further legislative improvements.

## 1. THE POLICY CHOICE

Ukraine is a party to numerous treaties for the protection of various types of IP. These treaties are both multilateral (universal and regional) and bilateral,<sup>5</sup> including treaties administered by the World Intellectual Property

<sup>1</sup> This DRI Briefing Paper has been prepared by *Oksana Iavorska* (LL.M at the University of Strasbourg and University Paris II Panthéon-Assas) and edited by DRI legal experts.

<sup>2</sup> President of Ukraine, Decree of 20 May 2015 No.276/2015 "On the Strategy to Reform the Judicial System and Related Institutes in 2015-2020" (in Ukrainian) <<http://zakon3.rada.gov.ua/laws/show/276/2015>> (accessed 22.04.2018).

<sup>3</sup> Verkhovna Rada of Ukraine, Law of 2 June 2016 No.1401-VIII "On Amending the Constitution (Regarding Justice)" (in Ukrainian) <<http://zakon3.rada.gov.ua/laws/show/1401-19>> (accessed 22.04.2018).

<sup>4</sup> Verkhovna Rada of Ukraine, Law of 2 June 2016 No.1402-VIII "On the System of Justice and the Status of Judges" (in Ukrainian) <<http://zakon3.rada.gov.ua/laws/show/1402-19>> (accessed 02.12.2017).

<sup>5</sup> The Scientific and Research Institute of Intellectual Property, *Ukraine's Treaties in the Sphere of International Property* (in Ukrainian) <[http://ndiiv.org.ua/ua/dijalnist/zakoni\\_ukraini/miznarodni-dogovory/](http://ndiiv.org.ua/ua/dijalnist/zakoni_ukraini/miznarodni-dogovory/)> (accessed 22.04.2018)

Organisation (WIPO)<sup>6</sup> and the World Trade Organisation's Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).<sup>7</sup> They impose upon Ukraine the duty to respect and protect IP but, generally, require no particular (re)arrangement of the judiciary to better perform this duty. For instance, Article 41 of TRIPS provides that Member States shall ensure the enforcement procedures for IP rights.<sup>8</sup> However, para 5 of this Article states that this "does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general." In other words, the treaties on IP impose no institutional obligations to shape the judiciary in any particular way, let alone to establish a separate IP court.

Some of Ukraine's most recent undertakings in the IP field are contained in Chapter 9 of the "Association Agreement between the European Union and Its Member States, of the One Part, and Ukraine, of the Other Part 2014" (hereafter Association Agreement).<sup>9</sup> Section 3 of the Chapter ("Enforcement of Intellectual Property Rights") provides for a number of remedies and measures to be guaranteed to IP right holders, ensuring, for instance, "that the judicial authorities may, at the request of the applicant, issue an interlocutory injunction".<sup>10</sup> However, the Association Agreement is not specific on how such authorities are supposed to be structured.

Therefore, Ukraine has no international legal obligation to establish a separate judicial body for IP. The introduction of the court was instead a result of internal policy-making. The idea to create a specialised IP court was put forward in 2001, when the President signed a decree to strengthen the enforcement and protection of IP.<sup>11</sup> In 2003, the system was changed to include a chamber in the Supreme Commercial Court, a bench of judges in every commercial court of

appeal and a judge in the first instance court specialised in IP matters.<sup>12</sup>

In 2015, the Strategy for Judicial Reform was adopted by Presidential decree.<sup>13</sup> Its main focus is on strengthening judicial independence in order to make it more efficient and accountable and overhauling the justice system. In June 2016, Ukraine adopted a number of legislative measures, including a new version of the Law "On the Judiciary and Status of Judges". These changes initiated a comprehensive process of judicial reform as a part of the Strategy, including the creation of the HCIP.<sup>14</sup>

On 29 September 2017, the President signed Decree No. 299/2017 "On the Establishment of the HCIP".<sup>15</sup> Subsequently, the High Qualification Commission of Judges of Ukraine commenced competitive selection for the HCIP. On 3 October 2017, the Parliament adopted the Law "On Amendments to the Commercial Code of Procedure of Ukraine, Civil Code of Procedure of Ukraine, Administrative Code of Procedure of Ukraine and Other Laws",<sup>16</sup> signifying a large-scale revision of the procedural law, including those parts concerned with IP. The HCIP shall be the first instance court for IP matters. There will be an appeal chamber within the court in order to review its decisions. The Supreme Court of Ukraine will be the highest court of appeal. The new court will be located in Kyiv and it will consist of twenty-one judges.

Notwithstanding the widespread belief that the creation of a specialised court might enhance the efficiency and quality of justice and foster consistency and uniformity in decision-making,<sup>17</sup> the policy choice to create such a court should be based on an informed and transparent analysis of the situation in the country.<sup>18</sup> In Ukraine's case, this standard does not seem to have been sufficiently met. The policy choice in favour of establishing the HCIP does not seem to have been supported by any convincing argument. In fact, the step was not even preceded by any broad

<sup>6</sup> WIPO, *WIPO-Administered Treaties* <<http://www.wipo.int/treaties/en/>> (accessed 22.04.2018).

<sup>7</sup> WTO, *Agreement on Trade-Related Aspects of Intellectual Property Rights* <[https://www.wto.org/english/docs\\_e/legal\\_e/27-trips.pdf](https://www.wto.org/english/docs_e/legal_e/27-trips.pdf)> (accessed 22.04.2018).

<sup>8</sup> "1. Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures 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. 2. Procedures concerning the enforcement of intellectual property rights shall be fair and equitable. They shall not be unnecessarily complicated or costly or entail unreasonable time-limits or unwarranted delays. 3. Decisions on the merits of a case shall preferably be in writing and reasoned. They shall be made available at least to the parties to the proceeding without undue delay. Decisions on the merits of a case shall be based only on evidence in respect of which parties were offered the opportunity to be heard. 4. Parties to a proceeding shall have an opportunity for review by a judicial authority of final administrative decisions and, subject to jurisdictional provisions in a Member's law concerning the importance of a case, of at least the legal aspects of initial judicial decisions on the merits of a case. However, there shall be no obligation to provide an opportunity for review of acquittals in criminal cases. 5. It is understood that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general. Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general".

<sup>9</sup> Association Agreement between the European Union and Its Member States, of the One Part, and Ukraine, of the Other Part 2014 <[https://eeas.europa.eu/sites/eeas/files/association\\_agreement\\_ukraine\\_2014\\_en.pdf](https://eeas.europa.eu/sites/eeas/files/association_agreement_ukraine_2014_en.pdf)> (accessed 22.04.2018).

<sup>10</sup> Art. 236, para 1.

<sup>11</sup> President of Ukraine, Decree No.285/2001 (in Ukrainian) <<http://zakon2.rada.gov.ua/laws/show/285/2001>> (accessed 22.04.2018).

<sup>12</sup> Supreme Commercial Court of Ukraine, Order of 27 January 2003 (in Ukrainian) <<http://zakon2.rada.gov.ua/laws/show/v0018600-03>> (accessed 22.04.2018).

<sup>13</sup> President of Ukraine, Decree of the President of Ukraine dated 12 January 2015 (in Ukrainian) <<http://zakon0.rada.gov.ua/laws/show/5/2015>> (accessed 22.04.2018).

<sup>14</sup> Verkhovna Rada of Ukraine, Law of Ukraine "On Judiciary and Status of Judges" (in Ukrainian) <<http://zakon3.rada.gov.ua/laws/show/1402-19>> (accessed 22.04.2018).

<sup>15</sup> President of Ukraine, Decree No.299/2017 "On the Establishment of the High Court for Intellectual Property" (in Ukrainian) <<http://zakon2.rada.gov.ua/laws/show/299/2017>> (accessed 22.04.2018).

<sup>16</sup> Verkhovna Rada of Ukraine, Law No.6232 "On Amendments to the Commercial Code of Procedure of Ukraine, Civil Code of Procedure of Ukraine, Administrative Code of Procedure of Ukraine and other Laws" (in Ukrainian) <[http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\\_1?pf3511=61415](http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=61415)> (accessed 22.04.2018).

<sup>17</sup> Markus B. Zimmer, "Overview of Specialised Courts", [2009] *International Journal for Court Administration* <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2896064](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2896064)> (accessed 22.04.2018).

<sup>18</sup> Jacques de Werra, "Specialised Intellectual Property Courts – Issues and Challenges", [2016], Second Issue, *Global Perspectives for the Intellectual Property System*, CEIPI-ICTSD, Issue Number 2, 2016, 31.

discussions, either in general or with specific regard to the court's need, advantages (i.e. improvements in the quality of justice, time and cost efficiency of court proceedings, consistency and uniformity of case law) or disadvantages (i.e. additional costs, the potential for a court to be subject to political or economic influences, discrepancies with other substantive fields of adjudication, such as contracts, torts, corporate rights, taxation, etc.).

The explanatory note to the Law "On the Judiciary and Status of Judges" justifies the creation of the court by referring generally to the positive experience of other European countries with intellectual property courts, without explaining further the details of these experiences and why they are relevant for Ukraine.

According to a 2016 study by the International Bar Association, 19 out of 24 countries reviewed had specialised IP courts: Belgium, Brazil, Chile, China, France, Germany, India, Japan, the Republic of Korea, Mexico, Peru, Portugal, Russia, Spain, Sweden, Switzerland, Thailand, the UK and the USA.<sup>19</sup>

Some of the countries have specialised *patent* courts to deal with legal aspects of inventions, rather than a court for all types of IP (copyright, trademarks, geographical indication, etc.). Examples include the German and Swiss Federal Patent Courts (*Bundespatentgerichte*). The jurisdiction of the future Unified Patent Court for the EU countries will also be limited to inventions and patents.<sup>20</sup> In some countries (such as the UK and Japan), courts tend to have a "technology related" knowledge if not "patent related".<sup>21</sup> This may be explained by the fact that defining the patentability of inventions requires a high-level of technical expertise (just to understand the essence of an invention), while it also follows highly judgment-based criteria like "novelty, usefulness and non-obviousness", which cannot be formalised into any acceptable degree. Separating patent disputes into a specialised jurisdiction is regarded as a practical compromise between the two imperatives.

The extent to which a country is active in patenting inventions is also a relevant question. In 2016 (the last year for which statistics are available), the highest number of patent applications (1,338,503) was registered in China. The number of patent applications filed with the Japan Patent Office (JPO) was 318,381 in 2016. In the USA, the number of applications was 605,571. For the same year, patent applications in Germany totalled 67, 899. The UK had 22,059, Belgium 1,173, Switzerland 1,771, Spain 2,922, Portugal 751. Ukraine had 4, 095 in the same year.<sup>22</sup>

However, sheer volumes of patent filings or other IP statistics is not necessarily the defining factor for whether or not a country should have an IP court. Due to the diversity of legal systems and cultures, it is difficult to single out a universal method to establish whether or not an IP court will be able to promote innovation and social welfare. Each of the jurisdictions, researched in the 2016 study by the International Bar Association, based its choice to establish a specialised IP court on a number of factors, including economics, the legal system and societal characteristics. It is of high importance, however, that any choice regarding IP litigation be preceded by a transparent and broad discussion among the stakeholders, interested professionals and society in general. At the same time, there were a few calls (albeit sporadic before 2016)<sup>23</sup> for a new specialised court by legal professionals, including judges of Ukraine's Supreme Commercial Court, lawyers, practitioners and scholars.<sup>24</sup>

Court statistics also fail to offer any convincing argument for the creation of the HIPC. According to the Unified State Registry of Court Decisions of Ukraine, there were 18,104 cases regarding intellectual property matters between 2006 and 2015.<sup>25</sup> Specialisation might be more desirable in other complex areas of law where the number of cases was equal or higher, like tax law.<sup>26</sup> Moreover, this new court will require significant budget allocations<sup>27</sup> that might instead be used for other purposes, especially if there is hardly any immediate work for the new court.<sup>28</sup>

This new element of the judicial system was introduced as a *fait accompli*. While the economic and social effects of the

<sup>19</sup> International Bar Association, *Survey of Specialised Intellectual Property Courts and Tribunals*, 2007

<https://www.ibanet.org/Document/Default.aspx?DocumentId=7F5A1221-6C07-4CE7-A628-1F457A2433A5> (accessed 22.04.2018).

<sup>20</sup> See Art. 32 of the Agreement on the Unified Patent Court <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=C:2013:175:0001:0040:EN:PDF> (accessed 22.04.2018).

<sup>21</sup> Intellectual Property High Court, Jurisdiction <http://www.ip.courts.go.jp/eng/aboutus/jurisdiction/index.html> (accessed 22.04.2018).

<sup>22</sup> Data available on request from the WIPO IP Statistical Data Centre <https://www3.wipo.int/ipstats/index.htm?tab=patent> (accessed 22.04.2018).

<sup>23</sup> See, e.g.: Tetiana Pashkovska, "A Patent Court in Ukraine: Will One Have to Wait?", [4 November 2017] *lurydychna Gazeta* (in Ukrainian) <http://yur-gazeta.com/publications/events/patentniy-sud-v-ukrayini-dovedetsya-pochehati.html> (accessed 22.04.2018); The National Strategy for the Development of the Sphere of Intellectual Property in Ukraine for the Period till 2020 (Draft, unofficial text), 29 August 2014 (in Ukrainian) [http://search.ligazakon.ua/L\\_doc2.nsf/link1/NT1009.html](http://search.ligazakon.ua/L_doc2.nsf/link1/NT1009.html); Svitlana Parkhomchuk, "Ways to Introduce Patent Jurisdiction Bodies into Ukraine's Judicial System" [24 April 2012] *Issues in Civil and Commercial Law of Ukraine* (in Ukrainian) [http://kul.kiev.ua/images/chasop/2012\\_2/228.pdf](http://kul.kiev.ua/images/chasop/2012_2/228.pdf); and "In the Focus of Attention—the Practice of Adjudicating IP Cases," 28 December 2015 (in Ukrainian) [http://www.uipv.org/ua/index.html?\\_m=publications&\\_t=rec&id=3530](http://www.uipv.org/ua/index.html?_m=publications&_t=rec&id=3530) (all accessed 22.04.2018).

<sup>24</sup> Tetiana Pashkovska, "The High Court on Intellectual Property is on the finish line", [2017] *lurydychna Gazeta* (in Ukrainian) <http://yur-gazeta.com/publications/actual/vishchiiy-intelektualniy-sud-na-finishniy-pryamiy.html> (accessed 22.04.2018).

<sup>25</sup> Pavlo Chernyshukneed, "Experience of Patent Court in Europe", [2017] *lurydychna Gazeta* (in Ukrainian) <http://yur-gazeta.com/golovna/dosvid-patentnih-sudiv-u-krayinah-evropi.html> (accessed 22.04.2018). On the contrary, the German Federal Court every year receives around 3,500 cases. In the United States of America, between 2006 and 2012, 23,014 cases were filed to the United States Court of Appeals for the Federal Circuit.

<sup>26</sup> *Ibid.*

<sup>27</sup> According to Zenoviy Kholodnyuk, Head of the State Court Administration of Ukraine, the amount of UAH 29,000,000 are included in the state budget for establishing the IP court. The monthly salary will be equivalent of 30 minimum salaries (currently UAH 111,690 or EUR 3,440). Available in Ukrainian: <http://www.justicereformukraine.eu/uk/%D0%B2-%D1%83%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D1%96-%D0%B2%D0%BF%D0%B5%D1%80%D1%88%D0%B5-%D1%81%D1%82%D0%B2%D0%BE%D1%80%D1%8E%D1%82%D1%8C-%D0%B2%D0%B8%D1%89%D0%B8%D0%B9-%D1%81%D1%83%D0%B4-%D0%B7/> (accessed 22.04.2018).

<sup>28</sup> Andriy Stelmashchuk and Maksym Maksymov, "Judicial Reform in Ukraine", *International Litigation Newsletter*, September 2016, 27.

HCIP remains to be seen, the policy process through which it was introduced risks bringing about the proliferation of specialised courts. If there is a court for IP cases, why not have one for tax disputes (which are, in fact, much more numerous)<sup>29</sup> or restore a whole separate branch for military courts (an idea already re-introduced into public discourse)?<sup>30</sup>

Given that the process was officially launched and the legal framework was set out in the newly adopted legislation, it is important to shed some light on the legal consequences that the introduction of this new element is likely to have on the whole judicial system.

## 2. NEW LEGAL FRAMEWORK FOR THE HCIP: ITS DRAWBACKS, RISKS AND WAYS OUT

**Delimitation of jurisdiction:** The jurisdiction of the Court is defined in the new “Code on Commercial Procedure” (hereafter the Code) which was adopted on 3 October 2017 and entered into force on 15 December 2017. Article 21 of the Code lists the following subject-matters:

- IP rights to inventions, utility models, industrial designs, trademarks, business names and other IP rights, including the right of prior use;
- Registration of IP rights, the invalidation, prolongation and early termination of patents, certificates and other acts certifying IP rights;
- Determining whether a trademark is well-known;
- Copyright and related rights, including disputes regarding the collective management of copyright and related rights;
- Concluding, amending, terminating and executing agreements for IP rights management and franchising agreements; and
- Protection against unfair competition such as unlawful usage of a trademark or a product by another manufacturer; copying the outer appearance of a product; collecting, disclosing and using commercial secrets; judicial review of the decisions by the Antimonopoly Committee of Ukraine in the abovementioned cases.

It should be noted that the recent procedural law reform was marked by the transition from a (mostly) parties-based to subject matter-based delimitation of specialised jurisdictions, primarily between “civil-criminal” and commercial courts. As can be seen, the HCIP’s jurisdiction is also subject matter-based delimitation, which is likely to bring about numerous difficulties in determining the proper

venue for issues, especially in complex cases. For example, the last item from the above list also vests the HCIP with limited judicial review over some decisions of Ukraine’s main body supervising economic competition, even though judicial review is normally reserved for administrative courts.

In addition, Article 21 of the Code prohibits collating cases of various jurisdictions, while Article 3 determines that the HCIP shall examine cases that fall within its jurisdiction in accordance with the procedure defined in the said Code. Hence, the question may soon arise whether IP cases qualify as a different type of justice for the purpose of this prohibition or whether they should be regarded as a “subtype” of commercial cases. Even the fairly straightforward distinctions between the jurisdictions of “civil/criminal,” commercial and administrative courts that existed before the procedural law reform have given rise to confusions. It can therefore be reasonably expected that the new, more complicated subject-matter approach will be followed by a surge in jurisdictional confusions – at least at the initial stage. This is unlikely to benefit users of the judicial system.

The fact that the HCIP’s jurisdiction encompasses IP in the broadest sense of the term is also noteworthy given the above observations that it is usually the specificity of patent law which caused other countries to establish similar courts.

**Due process:** Creating a specialised court could raise a number of due process issues.<sup>31</sup> Firstly, there will, as indicated above, be an appeals chamber within the HCIP that will review cases of the new court. The judges of the appeals chamber of the HCIP will be chosen from among the judges of the court. Hence, the judges of the HCIP will decide who will review their cases on appeal. This could undermine the right to fair trial by impartial and independent tribunal proclaimed in Article 10 of the Universal Declaration of Human Rights<sup>32</sup> and Article 6 of the European Convention on Human Rights.

Secondly, the risk of intense lobbying by specialised interest group on behalf of candidates friendly to its interest should always be borne in mind when dealing with specialised jurisdictions.<sup>33</sup> As a consequence, the independence and impartiality of judges of the HCIP might be compromised.<sup>34</sup>

In Germany, appeals are submitted to the Federal Supreme Court or Higher District Court. Judges that review these cases are only legally (not technically) qualified. The UK’s

<sup>29</sup> An unsophisticated search request for tax cases at [reyestr.court.gov.ua](http://reyestr.court.gov.ua) yields 857,533 documents of which 236,753 are judgments.

<sup>30</sup> Public Relations Department of the Armed Forces of Ukraine, “Military Courts May Be Renewed as Soon as Early 2018,” 21 December 2017 (in Ukrainian) <<http://www.mil.gov.ua/news/2017/12/21/vijskovi-sudi-mozhut-buti-ponovleni-vzhe-na-pochatku-2018-roku/>> (accessed 22.04.2018).

<sup>31</sup> Markus B. Zimmer, *Op. cit.*, 4.

<sup>32</sup> “Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him”.

<sup>33</sup> Markus B. Zimmer, *Op. cit.*, 4: “Such lobbying is undertaken in the interest of a potential payback through favorable decisions in future cases. Moreover, where such specialised interest groups repeatedly appear before the judges of the

specialised court, they gain an advantage over litigants who may appear with much less frequency. The due process considerations are compounded when these attorneys who appear in the court frequently are personally acquainted with the judges and the idiosyncrasies of the court’s policies, rules, jurisdiction, and governing law; they have a distinct advantage over others who, for lack of experience and opportunity, lack such familiarity.”

<sup>34</sup> Lurydychna Gazeta, “IP Court: Who? Where? And When?” [2017] Lurydychna Gazeta (in Ukrainian, paywalled) <http://yur-gazeta.com/publications/practice/sudova-praktika/vishchii-ipsud-hto-dekoli.html> (accessed 22.04.2018).

specialised IP courts (trial and appellate courts) are designed so that judges of the appellate court spend up to two thirds of their time on non-IP cases.<sup>35</sup>

In order to enhance the administration of justice, it is important to assign an appeal function to a non-specialised court. This will help to ensure the impartiality and independence of judges and also incentivise the HCIP to render decisions “cognisant of the broader policy context and societal environment when rendering IP decisions”.<sup>36</sup> It will also ensure that this new judicial institution will function within a general framework of fundamental principles and values of democratic society.<sup>37</sup>

To minimise the risk of undue process and isolation of the HCIP, the review of its cases should be assigned to generalist judges. Their analysis will be based on broader perspective, as they are exposed daily to a wide variety of legal issues and litigants.<sup>38</sup> This will especially balance the risk of the court being trapped by its professional “clientele” and developing “tunnel vision”.<sup>39</sup>

**Qualification of judges:** The High Qualification Commission of Judges of Ukraine commenced a process of competitive selection to the HCIP to fill the 21 positions for judges. The candidates for these positions had to submit their applications between 1 and 15 December 2017. As of 27 March 2018, Ukraine’s High Qualification Commission of Judges accepted 219 applications.<sup>40</sup> The whole selection procedure is expected to be completed by the end of 2018.<sup>41</sup> The new court will hear cases in three-judge benches. Article 33 of the Law “On the Judiciary and Status of Judges” specifies entry requirements for future judges:

- three years of work experience as a judge;
- or five years of work experience as a patent attorney;
- or five years of work experience as an attorney in intellectual property law;
- or five years of overall experience in all the above-mentioned positions.

One of the arguments for a specialised IP court was the necessity of high-level expertise in this very intricate and technical field of law. Although the philosophy of the procedural law reform involved moving to more competitive

pleadings and less interventionist judges, the latter are still supposed to play a sufficiently active role in managing the case and finding the truth. Therefore, the technical competence of a judge is, it is claimed, of the utmost importance.

For example, the German Federal Patent Court hears disputes in benches that consist of three technically qualified judges and two legally qualified judges. The recent creation of the Unified Patent Court is the biggest change in patent law of the last 40 years in Europe. This Court will sit in multinational composition and consist of both legally and technically qualified judges.

The HCIP in Ukraine will consist of twenty-one judges with experience in IP, although there is no requirement that judges have technical knowledge or that a bench of three judges include at least one judge with technical expertise, at least as far as technology-related areas are concerned.

Additionally, a judge needs only three years of experience as a judge regardless of his prior specialisation—very strange lenience given the strong emphasis on the technical proficiency made by proponents of a separate IP court.

**Access to the court:** The HCIP will be located in Kyiv. The fact cases can only be heard in Kyiv causes some concerns regarding access to justice, as the new court will sit far from the domicile of potential parties to intellectual property disputes.<sup>42</sup> It is important to take into account that “by holding court only where the court is physically located [...] the expense and the burden of traveling on non-local litigants may have the potential to create a bias that favours larger and wealthier litigants or those litigants that are resident in the area and need not travel”.<sup>43</sup>

The new Code of Commercial Procedure gives the right to the courts to use video-conferencing for its hearings. However, this is not a requirement and it is likely that non-Kyiv residents will find themselves unjustly disadvantaged in the use of the HCIP.

<sup>35</sup> Michael Fysh, “Intellectual Property and Particularly Patent Litigation in the United Kingdom”, Study on Specialised Intellectual Property Courts, joint project between the International Intellectual Property Institute (IIPI) and the United States Patent and Trademark Office (USPTO), January 2012 <<http://iipi.org/wp-content/uploads/2012/05/Study-on-Specialized-IPR-Courts.pdf>> (accessed 22.04.2018; hereinafter the “IIPI Study”): “Patents judges are a part of the general judicial system and play an active role in deciding non-IPR cases. Depending on the workload, patent judges may spend a third of their time on other work. In the Court of Appeal, about two-thirds of the judges’ time is unrelated to IPR. This approach, where judges are both specialists and generalists, has worked well. It provides judges with a wider perspective which helps them to balance IPR laws in the context of broader commercial law”, 125.

<sup>36</sup> Jacques de Werra, *Op. cit.*, 34.

<sup>37</sup> Jens Schovsbo, Thomas Riis and Clement Salung Petersen, “The Unified Patent Court: Pros and Cons of Specialization – Is There a Light at the End of the Tunnel (Vision)?” (editorial), *International Review of Intellectual Property and Competition Law* 46.3 (May 2015), 271–274 <[http://link.springer.com/article/10.1007/s40319-015-0331-2/fulltext.html?wt\\_mc=alerts.TOCjournals](http://link.springer.com/article/10.1007/s40319-015-0331-2/fulltext.html?wt_mc=alerts.TOCjournals)> (accessed 22.04.2018): “In the recruitment of legally qualified judges, it should be regarded as a particular strength for candidate judges to (also) have a broader (generalist) legal experience. To support legal creativity and the further dynamic development of substantive patent law, the UPC should recognize diversity amongst the judges and the various divisions of the court of first instance as a value”, 274.

<sup>38</sup> Jens Schovsbo, Thomas Riis and Clement Salung Petersen, *Op. cit.*, 271–274; Markus B. Zimmer, *Op. cit.*

<sup>39</sup> Jacques de Werra, *Op. cit.*, 33.

<sup>40</sup> High Qualification Commission of Judges of Ukraine, List of persons admitted by the Commission to participate in the competition for vacancies in the High Court for Intellectual Property (as of 27 March 2018), (in Ukrainian) <[https://vkksu.gov.ua/userfiles/doc/spisok\\_do\\_vs.pdf](https://vkksu.gov.ua/userfiles/doc/spisok_do_vs.pdf)> (accessed 22.04.2018).

<sup>41</sup> High Qualification Commission of Judges of Ukraine, “Qualification assessment has been launched within the competition for the High Court for Intellectual Property” (in Ukrainian), <<https://vkksu.gov.ua/ua/news/priznatchieno-kwalifikacijnie-ociniuwannia-u-miezach-konkursu-do-wishtchogo-sudu-z-pitan-intieliektualnoi-wlasnosti/>> (accessed 22.04.2018).

<sup>42</sup> “IP Court: Who? Where? And When?”

<sup>43</sup> Markus B. Zimmer, *Op. cit.*, 4.

Ensuring access to justice for small innovators and enterprises is crucial for promoting innovation.<sup>44</sup> The access to the HCIP can be improved by permitting the court to sit and hold hearings in other places where the litigants are located. Alternatively, the use of video conferencing should be required for oral hearings with witnesses, experts and parties to increase the quality of the process and to provide a necessary level of access to justice.<sup>45</sup>

**Potential litigants can invite an external expert:** Article 70 of the new Code of Commercial Procedure permits the appointment of an expert to clarify issues in IP disputes – not only by the court, but also by the parties to a dispute. This partially undermines the rationale behind singling out a specialised IP court in Ukraine that itself is expected to provide high-level expertise and thus reduce costs for litigants. While this provision might be considered as giving more freedom to the parties and enhancing the quality of decision-making, it will also require additional cost, so that only wealthier litigant can benefit from it.

**Ambiguous description:** The HCIP will be the first instance court. However, describing the court as “high” is rather misleading. In a note explaining the Law “On the Judiciary and Status of Judges” there is no clarification of why the legislators chose to give this name to the court. The ambiguous title might confuse potential litigants who are unfamiliar with all the peculiarities regarding this new judiciary institution.

### 3. CONCLUSIONS

Legal expertise in the sphere of intellectual property is a valuable asset. There is a broad range of policy solutions to enhance the quality of justice for IP disputes. They vary from using generalist courts to the establishment of specialised ones. Many countries have opted for establishing specialised benches within regular (general) courts. This was the path Ukraine had been following prior to the recent judicial reform and the creation of the HCIP.

There are some standard arguments in favour of a separate intellectual property court. Firstly, it purportedly enhances the protection of intellectual property, bringing the benefits of increased investments. Secondly, it is claimed that jurisdiction over these matters will be better defined, eliminating the risk of concurrent jurisdictions. Thirdly, the realisation of more consistent and uniform decision-making is also asserted.

In Ukraine’s case, however, the establishment of the HCIP is not an example of a well-thought through policy for shaping the country’s reformed judiciary. The decision was not preceded by any broad discussion or defined by any compelling argument, such as a high number or complexity

of IP disputes, that would justify the investment being made. Such a regrettable approach to policy-making in the important sphere of justice may open the door for the proliferation of specialised courts and a further compartmentalisation of justice.

## DEMOCRACY REPORTING INTERNATIONAL

Democracy Reporting International (DRI) is a non-partisan, independent, not-for-profit organisation registered in Berlin, Germany. DRI promotes political participation of citizens, accountability of state bodies and the development of democratic institutions world-wide. DRI helps find local ways of promoting the universal right of citizens to participate in the political life of their country, as enshrined in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

<http://www.democracy-reporting.org>

This publication has been prepared within the project “Going Beyond Kyiv: Empowering Regional Actors of Change to Contribute to Key Political Reforms in Ukraine”. The project is funded by the Federal Foreign Office of Germany. DRI and the authors are exclusively responsible for the contents of this publication which should in no way whatsoever be regarded as reflecting the views and positions of the Federal Foreign Office of Germany.



<sup>44</sup> Reference can be made to the interesting statements made by Lord Woolf in the report “Access to Justice – Final Report” <<http://webarchive.nationalarchives.gov.uk/+http://www.dca.gov.uk/civil/final/contents.htm>>, and particularly in Chapter 19 (dealing with “Specialist Jurisdictions”) <<http://webarchive.nationalarchives.gov.uk/+http://www.dca.gov.uk/civil/final/sec4d.htm#c19>> (both accessed 22.04.2018).

<sup>45</sup> IBA Survey, at 37; IIPJ Study, 7.