



# The unitary patent and the unified patent court: Implications, opportunities, doubts, and decisions to be made (II)

## ZBM Patents & Trademarks

Barcelona, 27 de febrero de 2023

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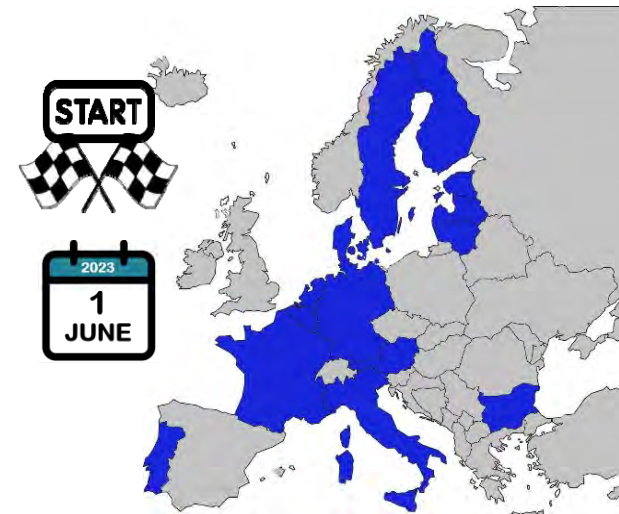
Montserrat Jané / Noemí Daviu

# Some highlights of the UPC

- **International court** common to a number of **EU states** that will allow to attack, defend and enforce patents granted by the European Patent Office (EPO) centrally through a **single court action**

- Initially will have effect in 17 countries
- The territorial scope of the UPC decisions will change over time as countries ratify

- System based on a **blend of procedural rules and practices** from different European legal systems
- **Independent** of the European Patent Office (EPO) and the national courts

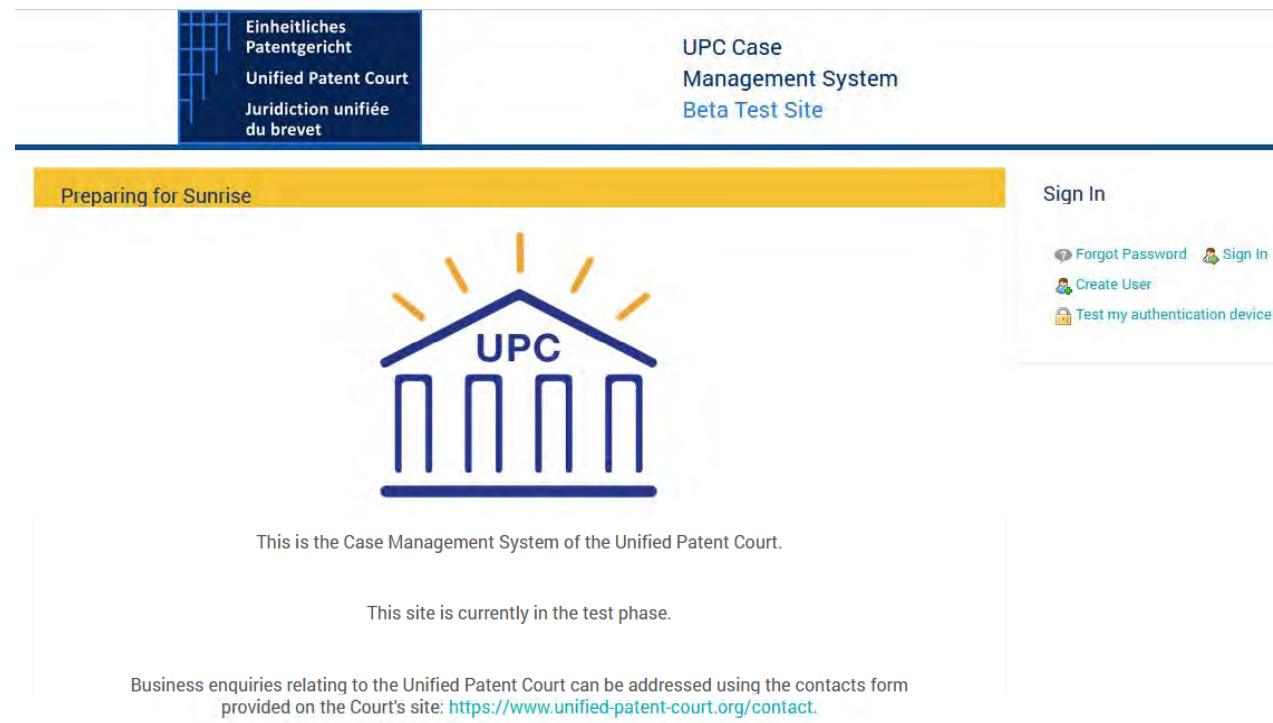


Austria France Sweden Belgium Denmark  
Malta Luxembourg Portugal Finland Bulgaria  
Netherlands Italy Estonia Lithuania Latvia  
Slovenia Germany




# Some highlights of the UPC

- **European Patent Attorneys** with appropriate qualifications (as well as **lawyers** authorized to practise in a court of a contracting MS) may act as representatives for parties before the UPC
- Fully electronic court: All documents will be filed through a digital platform (Case Management System, CMS) accessible via smart cards of qualified EU trust service providers



# Competence of the UPC

Court	Patent type	Action type
 <b>UPC</b>	<ul style="list-style-type: none"> <li>■ EP Patents with Unitary Effect + Supplementary Protection Certificate (SPCs)</li> <li>■ “Classic” EP-bundle patents in UPC countries + SPCs</li> </ul>	<ul style="list-style-type: none"> <li>■ Infringement actions</li> <li>■ Declarations of non-infringement</li> <li>■ Provisional and protective measures and injunctions</li> <li>■ Revocation actions</li> <li>■ Counterclaims for revocation</li> <li>■ Damages or compensation derived from provisional protection</li> <li>■ Prior use</li> <li>■ Compensation for licenses EP-UE</li> <li>■ EPO decisions on EP-UE</li> </ul>



The **national courts** will remain competent for actions relating to patents and SPCs which do not come within the exclusive competence of the Court

# Proceedings before the UPC

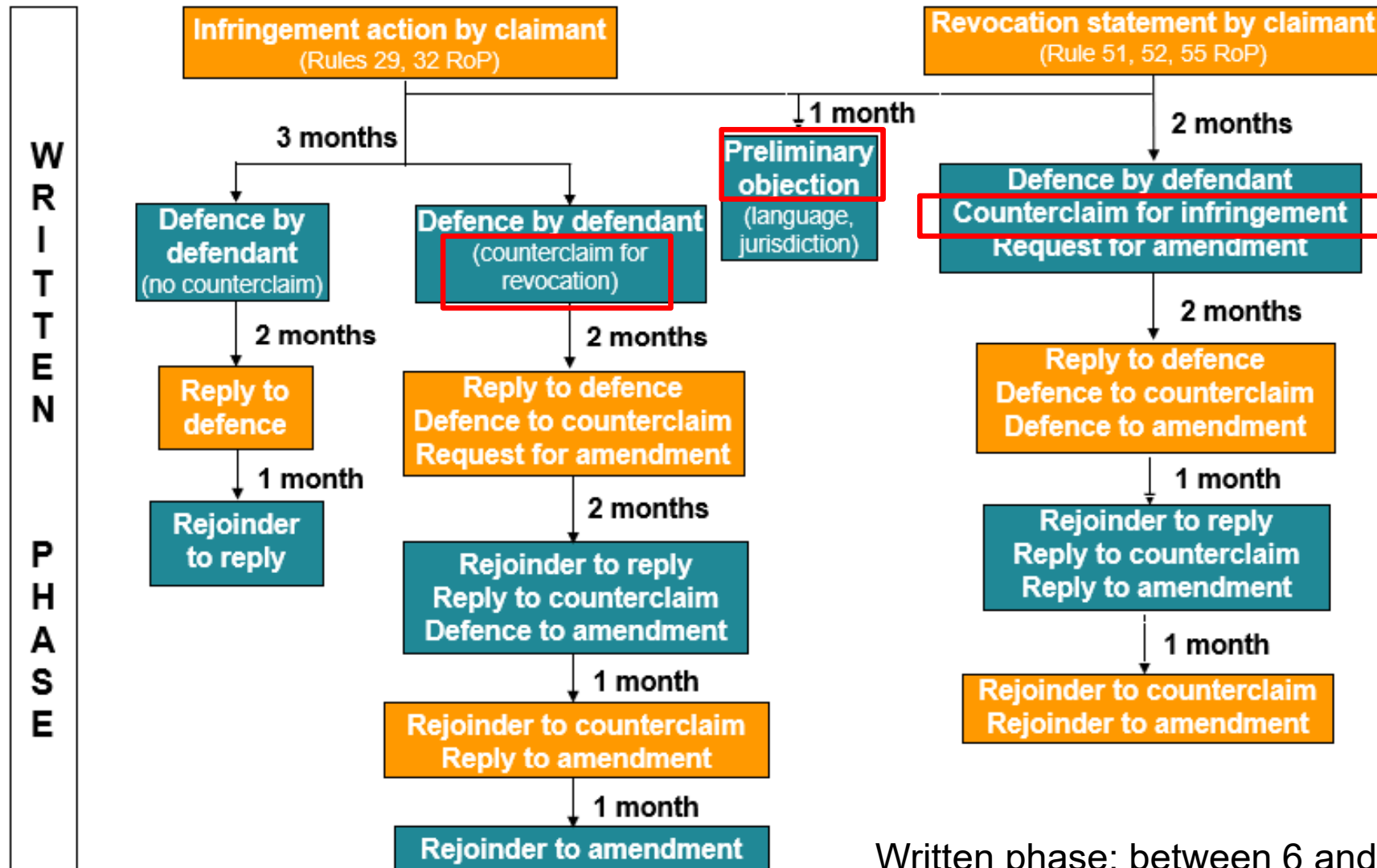
- Mainly written proceedings
  - **Front loading system** (set out the full case as early as possible)
- The procedure before the Court of First instance will have 3 main phases:
  - **written phase**
    - exchange of written pleadings between parties
  - **interim procedure**
    - Judge Rapporteur will explore with the parties the possibility for a settlement, including through mediation, and/or arbitration
  - **oral hearing** (for an ordinary patent case it will last 1 day)



# Proceedings before the UPC

- By default hearings to be held in person
  - But the Court has discretion to allow parties, representatives, experts or witnesses to attend the oral hearing by **video conference**
- Public proceedings unless the Court decides to make them confidential
- Hearing of a witness likely to be exceptional
- **Very quick decisions** (12-14 months) of **direct application**
- Award of damages and decision on costs may follow

# Time schedule for a typical infringement or revocation action



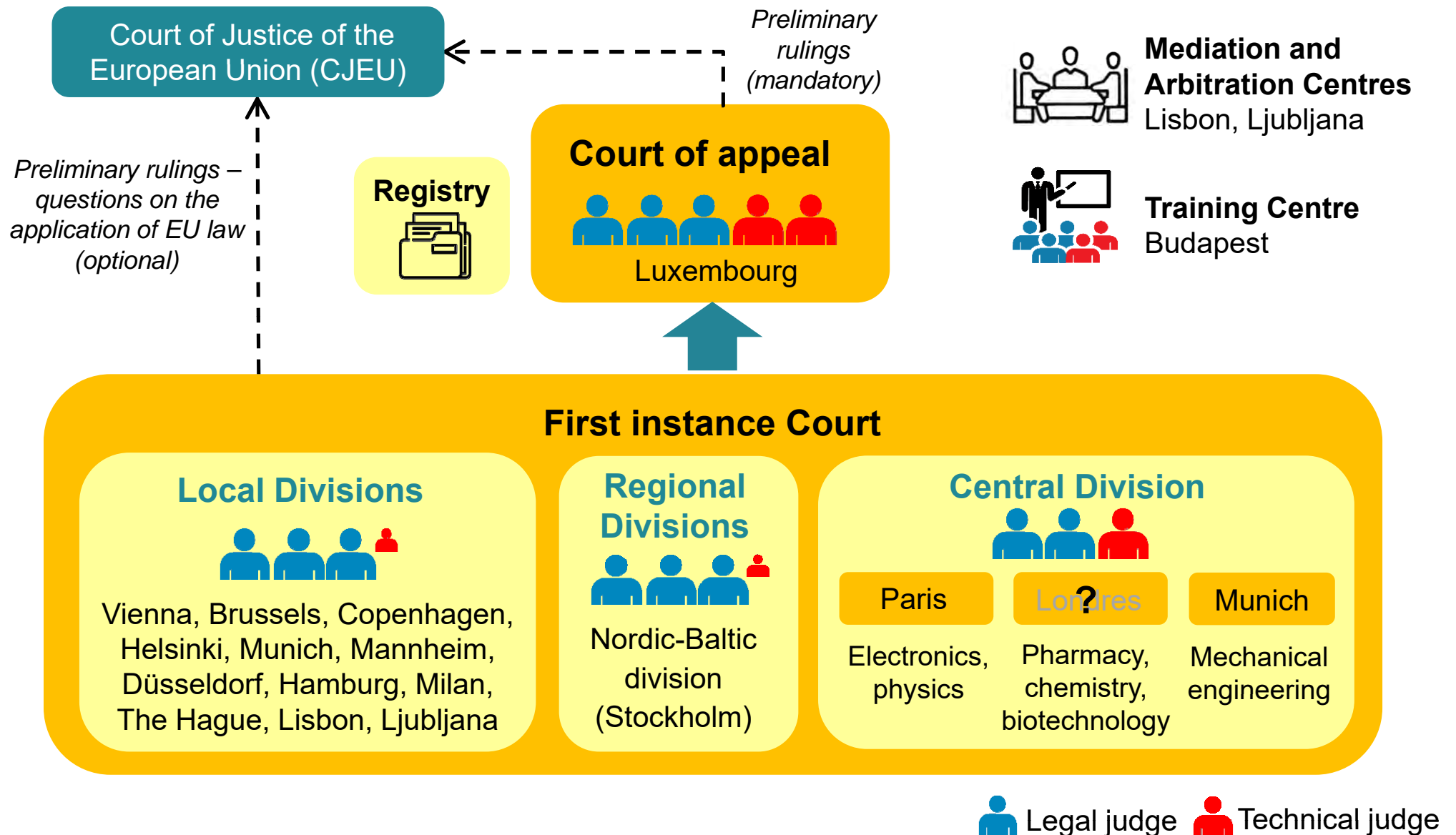
Written phase: between 6 and 9 months

# UPC Court fees

- Court fees to self-sustain the Court and allow for fair access to justice:
  - **fixed fee** for all actions (infringement, DNI: 11,000 EUR, revocation: 20,000 EUR)
  - **value-based fees** for actions whose value is above 500,000 EUR
  - **value-based fees** increase with the value of the action (maximum of 325,000 EUR for action value higher than 50 Mio EUR)
- Reduction or reimbursement of fees in certain cases
- In general, the **losing party will bear legal costs and other expenses** of the winning party (reasonable and proportionate costs) up to a ceiling
- Guidelines of the Administrative Committee for determination of Court fees and ceiling of recoverable costs of the successful party
- The costs of **legal services** (lawyers, patent attorneys) will be the most significant



# Court structure

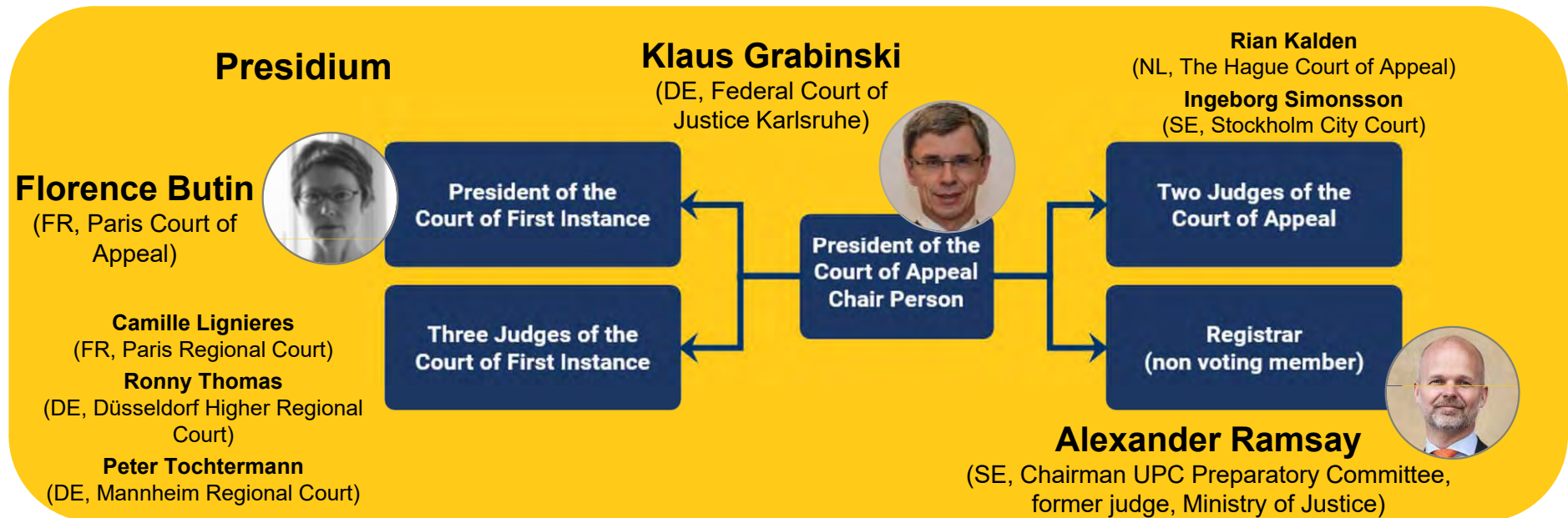


# The Registry plays a key role

- Responsibilities of the Registry:
  - Maintain the **records of all cases** before the Court
  - Serve the Statement of claim and all further pleadings upon the parties
  - Examine the formal requirements of written pleadings and if needed invite to correct deficiencies
  - keep **lists of the pool of judges, patent attorneys** entitled to represent parties before the Court, and experts
  - Publish **notifications and withdrawals of opt-outs** and notify the EPO
  - publish Court decisions and annual reports

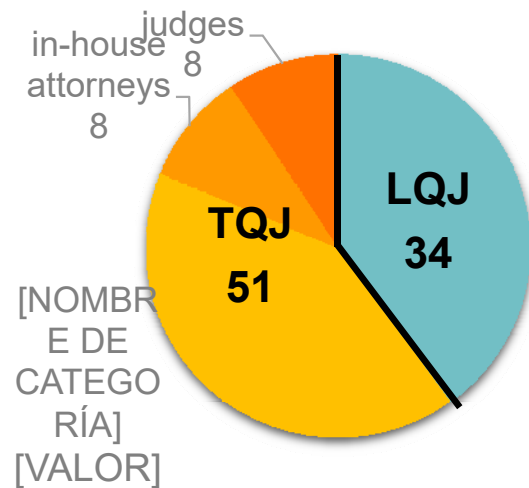
# Appointed UPC judges

- Expected decisions of **quality** (specialized judges with legal or technical background) and **harmonized** (appealable decisions)
- On 19.10.2022 the list of **85 appointed judges** and the composition of its Presidium (responsible for the management of the Court) was announced

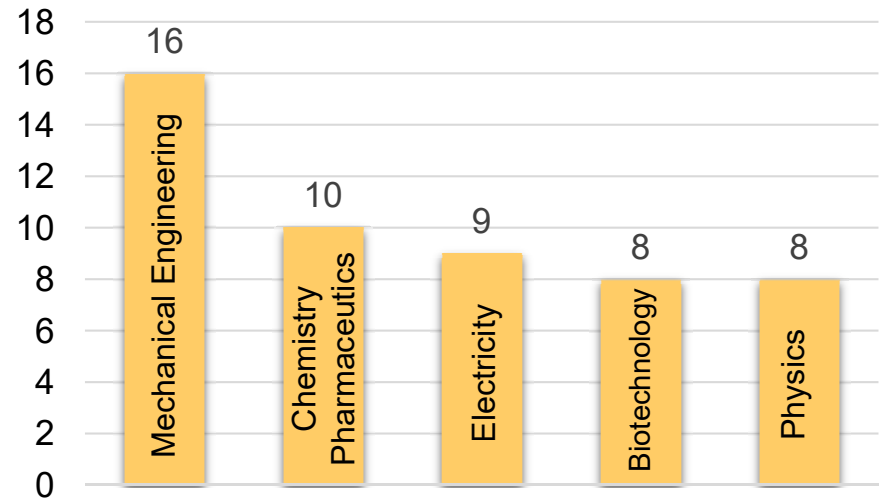


# Appointed UPC judges

The appointed judges include both legally qualified judges (LQJ) and technically qualified judges (TQJ)

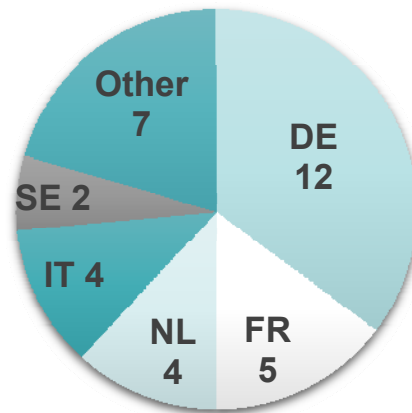
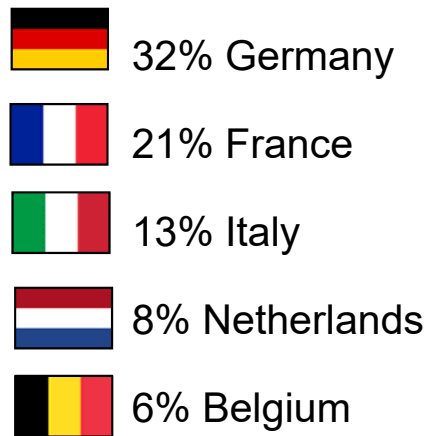


In-house attorneys: CSL Behring, Airbus, Bose, 3M, Agva-Gevaert, Lundbeck, Orange, Nokia

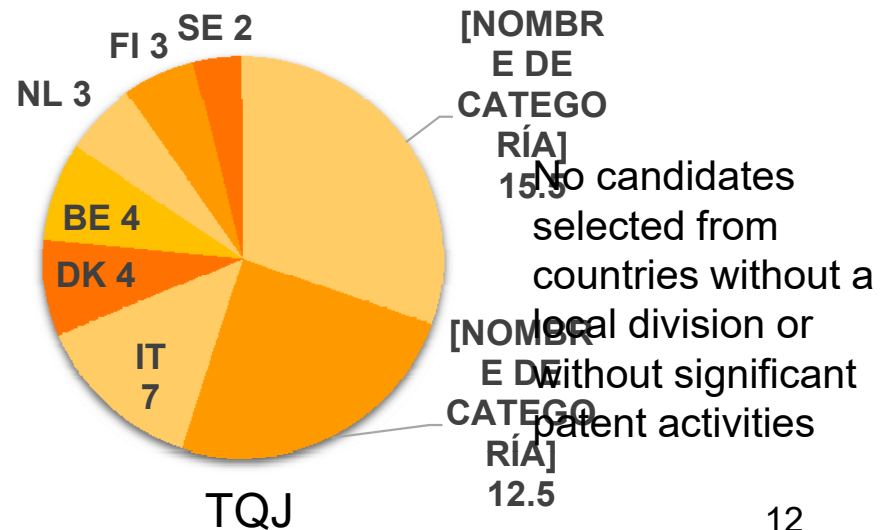


TQJ by technical area

Nationality UPC judges



LQJ



TQJ

# Nationality of the appointed LQJs by division

In local divisions (LD)

- with <50 cases/year for 3 successive years: 1 national + 2 not nationals
- with  $\geq 50$  cases/year for 3 successive years: 2 nationals + 1 not national

Central Division Paris 

Central Division Munich 

Local division Vienna 

Local division Brussels 

Local division Copenhagen 

Local division Helsinki 

Local division Paris 

Local division Düsseldorf 

Local division Hamburg 

Local division Mannheim 

Local division Munich 

Local division Milan 

Local division The Hague 

Local division Lisbon 

Local division Ljubljana 

Nordic-Baltic Regional  
Division (EE, LT, LV, SE) 

Court of Appeal 

Complete list of appointed judges:

<https://www.unified-patent-court.org/en/news/unified-patent-court-judicial-appointments-and-presidium-elections>

# Languages

	Local / Regional division	Central Division (CD)
Court of First Instance	<ul style="list-style-type: none"><li>■ Official local or designated regional language(s)</li><li>■ EPO languages if designated</li><li>■ Under certain conditions: the language of grant</li></ul>	<ul style="list-style-type: none"><li>■ Language of grant</li></ul>
Court of Appeal	<ul style="list-style-type: none"><li>■ Language of Court of First Instance</li><li>■ If parties agree, the language of grant</li><li>■ “Exceptionally”, Court of Appeal may designate another language with the consent of parties</li></ul>	

- Claimant chooses language → Language of the proceedings
- Registrar will maintain a list of languages used by LD/RD

# Competence Court First Instance

## ■ Infringement, injunctions, damages\*

Local / Regional division (LD, RD)	Central Division (CD)
<ul style="list-style-type: none"><li>■ Place of infringement occurs</li><li>■ Place of residence or place of business of the defendant or one of the defendants</li></ul>	<ul style="list-style-type: none"><li>■ Defendant has no residence or place of business in a Contracting member state</li><li>■ Contracting member state concerned has no LD or RD</li><li>■ If a revocation action is pending before the CD, an infringement action (same parties, same patent) <b>may be</b> brought to the CD (alternatively: LD or RD)</li></ul>
<ul style="list-style-type: none"><li>■ Same division where a previous action* is pending (same parties, same patent)</li><li>■ If an action* is brought before several different divisions (same parties, same patent), the division first seized shall be competent</li></ul>	

# Competence Court First Instance

- Revocation, declaration of non-infringement (DNI)

Central Division (CD)	Local / Regional division (LD, RD)
<ul style="list-style-type: none"><li>■ Competent division except in special cases</li></ul>	<ul style="list-style-type: none"><li>■ If an infringement action has been brought before a LD or RD (same parties, same patent) the action <b>must be brought</b> to the same LD or RD</li></ul>

- Parties may agree upon Division of choice, including the Central Division




# Examples of jurisdiction - infringement actions

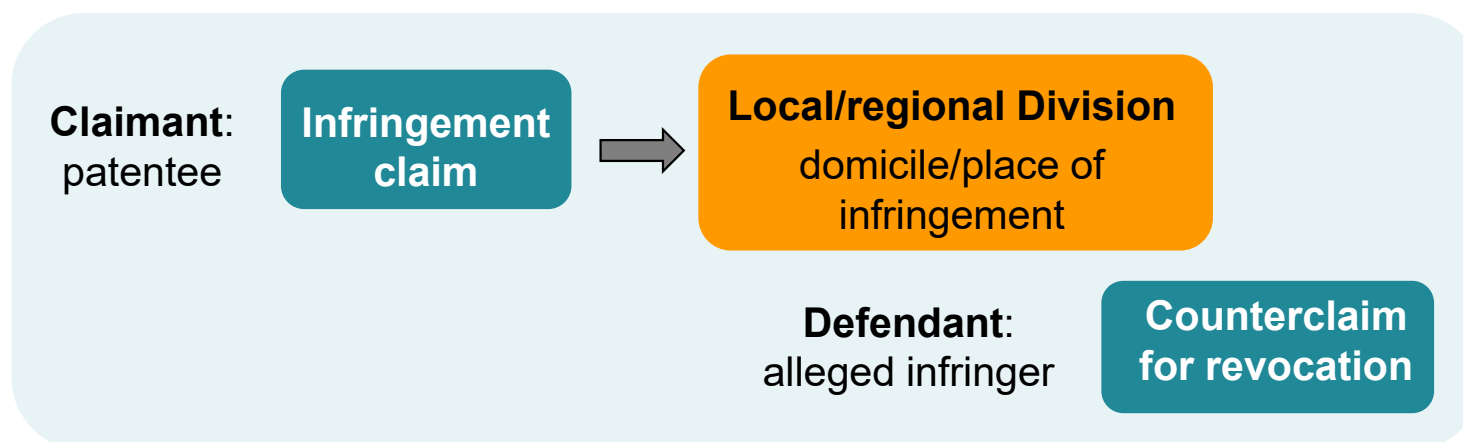
<b>Defendant's domicile in a UPC MS</b>	<ul style="list-style-type: none"><li>■ P is the owner of a UP</li><li>■ AI (based in FR) sells potentially infringing products in FR and DE</li><li>■ P may file an infringement action (both for FR and DE) either in:<ul style="list-style-type: none"><li>■ FR local division (domicile of defendant, place of infringement) or</li><li>■ DE local division (place of infringement)</li></ul></li></ul>
<b>Defendant's domicile outside the UPC MS</b>	<ul style="list-style-type: none"><li>■ P is the owner of a UP</li><li>■ AI (based in CN) sells potentially infringing products in FR and DE</li><li>■ P may file an infringement action in:<ul style="list-style-type: none"><li>■ FR or DE local divisions (place of infringement)</li><li>■ Central Division (domicile outside the UPC territory)</li></ul></li></ul>
<b>Subsequent infringement actions (same case, same parties)</b> Art. 33(2) UPCA	<ul style="list-style-type: none"><li>■ P is the owner of a UP</li><li>■ AI (based in FR) sells potentially infringing products in FR</li><li>■ P files an infringement action in FR local division</li><li>■ Later AI starts selling the products in IT and DE<ul style="list-style-type: none"><li>■ New infringement actions with respect to IT and DE must be brought before the FR local division</li><li>■ Any actions filed in IT or DE will be declared inadmissible</li></ul></li></ul>

P: patentee, AI: alleged infringer

# Forum shopping within the UPC

 <b>Patentee (licensee) Infringement</b>	<b>Alleged infringer Revocation, DNI</b>
<ul style="list-style-type: none"><li>■ Almost <b>any Division</b> (LD, RD, CD) can be selected if infringement occurs in several countries<ul style="list-style-type: none"><li>■ Division of a country in which favorable case law of the national courts exists, especially if the panel includes two national judges</li><li>■ Division having more experienced judges</li><li>■ Division having a convenient language</li></ul></li></ul>	<ul style="list-style-type: none"><li>■ <b>No choice</b> of forum: Central Division or LD/RG chosen by patentee/licensee</li><li>■ No choice of language</li></ul>

# Infringement and validity – combined actions



## Local/regional Division may:

- proceed with infringement & counterclaim for revocation (+TQJ)

*Unified proceedings before LD/RD*

- refer counterclaim for revocation to Central Division and stay/proceed with infringement

*Bifurcation*

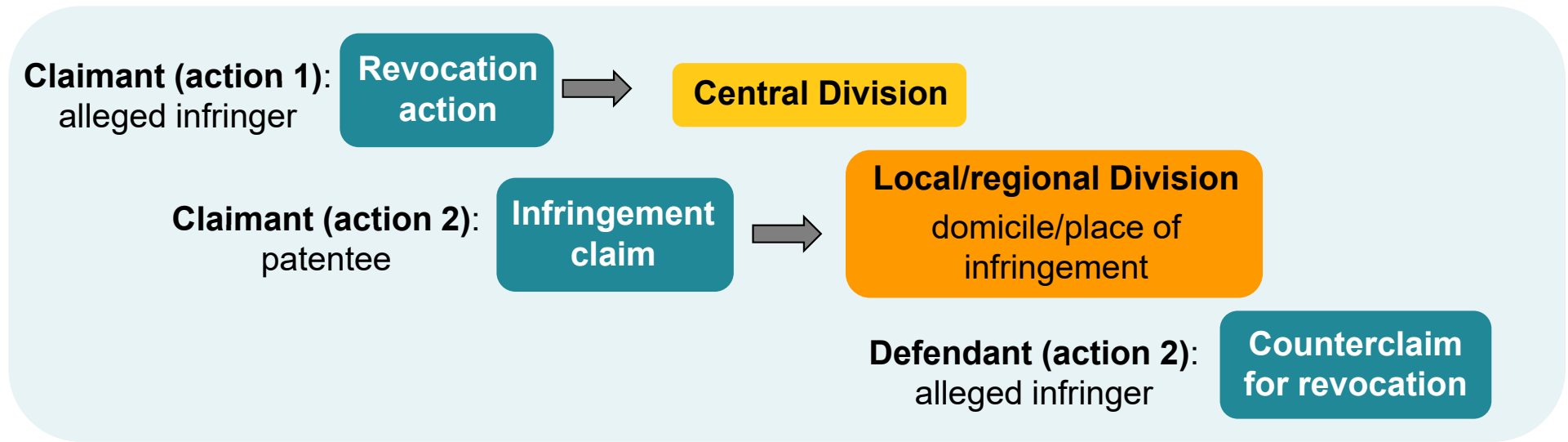
- refer counterclaim for revocation & infringement to Central Division (agreement of the parties)

*Unified proceedings before CD*



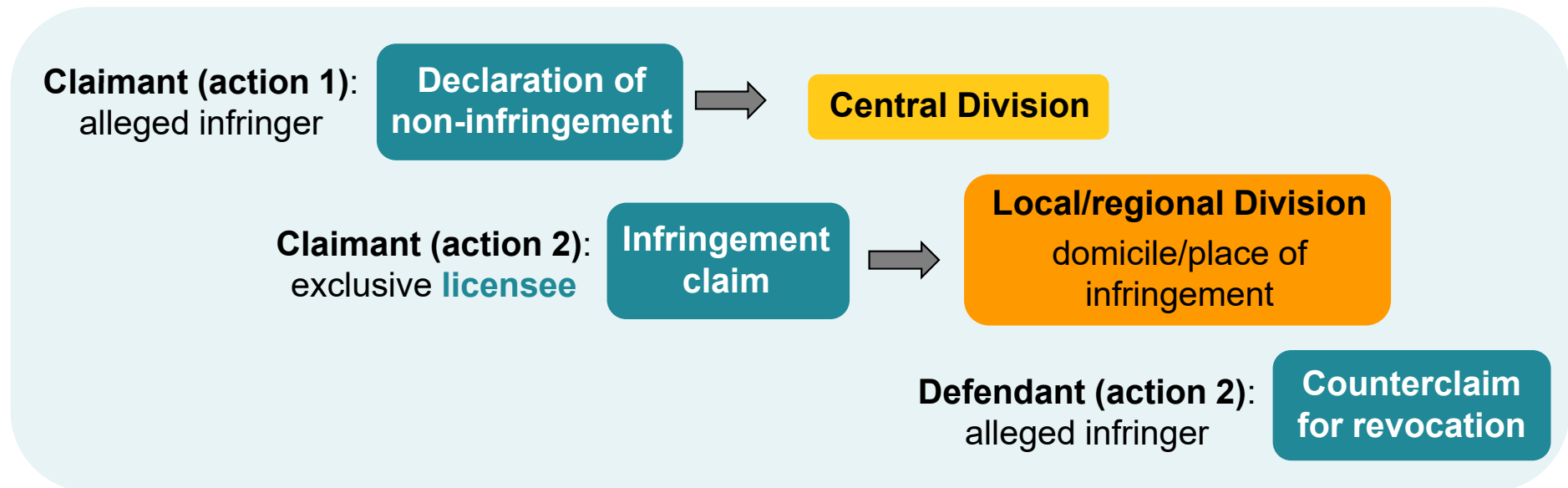
If language LD/RD is not the language of grant, parties may have to provide translations if requested

# Infringement and validity – combined actions



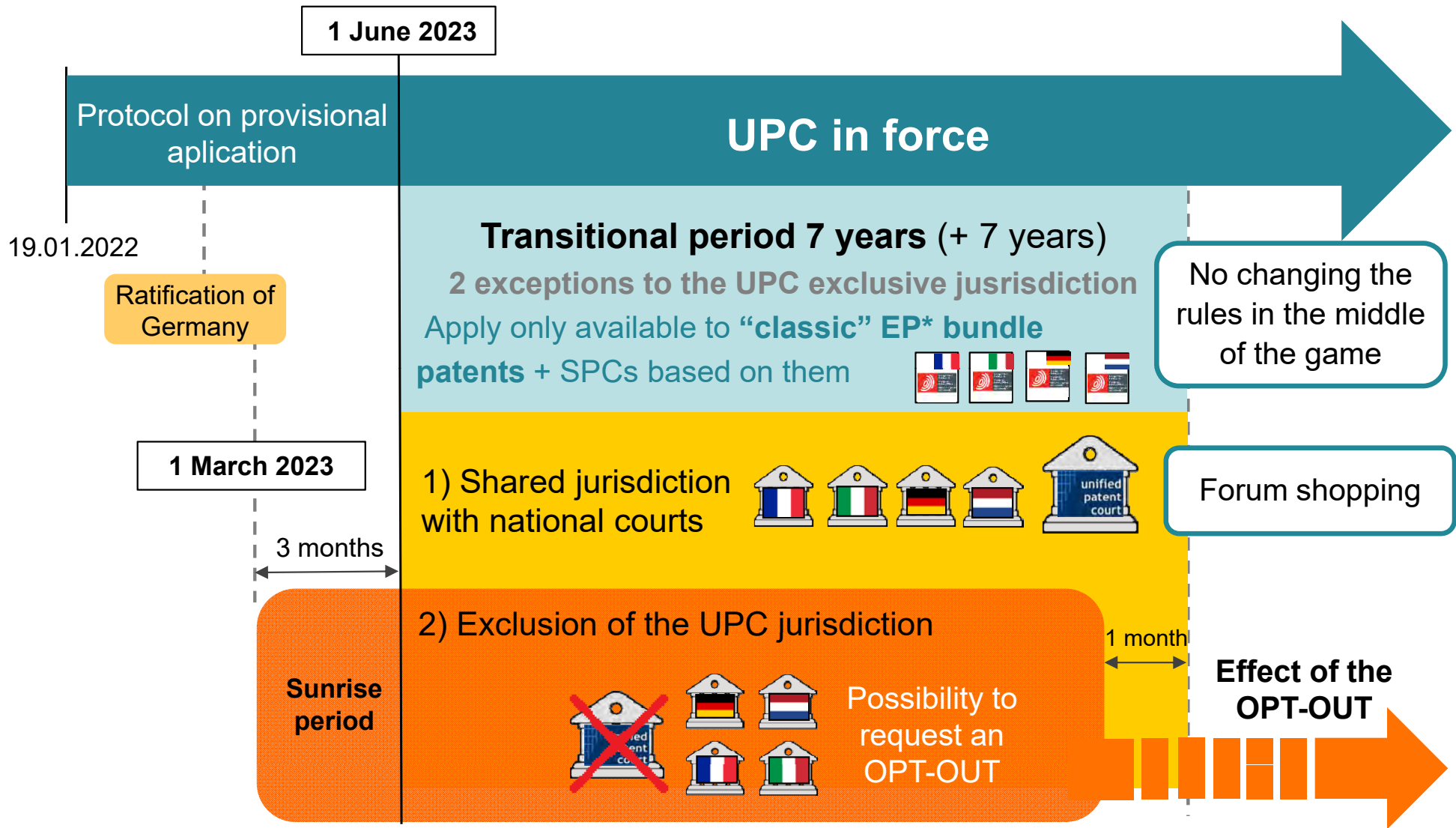
- If **no counterclaim** for revocation is filed: *Bifurcation*
- If **counterclaim for revocation** is filed: discretion of LD/RG for *Unified proceedings* (likely at LD/RD) or *bifurcation*
  - Central Division **must stay** revocation pending a decision of LD/RD
  - LD/RG should take into consideration how far the revocation action in the central division was advanced prior to the stay

# Infringement and DNI – combined actions



- If the action for infringement is started within 3 months, DNI **must be stayed**
  - If started outside the 3 month period, CD and LD/RD **may agree** on the possibility of a stay of one action
- If a counterclaim for **revocation** is filed, the **proprietor** will become a **party** to the revocation proceedings as defendant

# Transitional period



\*UPC participating countries

# Uncertainties during the transitional regime

## ■ Article 83 UPCA – transitional regime:

Parallel  
jurisdiction

1. *During a transitional period of seven years after the date of entry into force of this Agreement, an **action for infringement or for revocation of a European patent** or an action for infringement or for declaration of invalidity of a **supplementary protection certificate issued** for a product protected by a European patent **may still be brought before national courts** or other competent national authorities*

Opt-out

3. *Unless an action has already been brought before the Court, a proprietor of or an applicant for a **European patent granted or applied** for prior to the end of the transitional period under paragraph 1 and, where applicable, paragraph 5, as well as a holder of a **supplementary protection certificate** issued for a product protected by a European patent, shall have the **possibility to opt out from the exclusive competence of the Court**. To this end they shall notify their opt-out to the Registry by the latest one month before expiry of the transitional period. The opt-out shall take effect upon its entry into the register.*

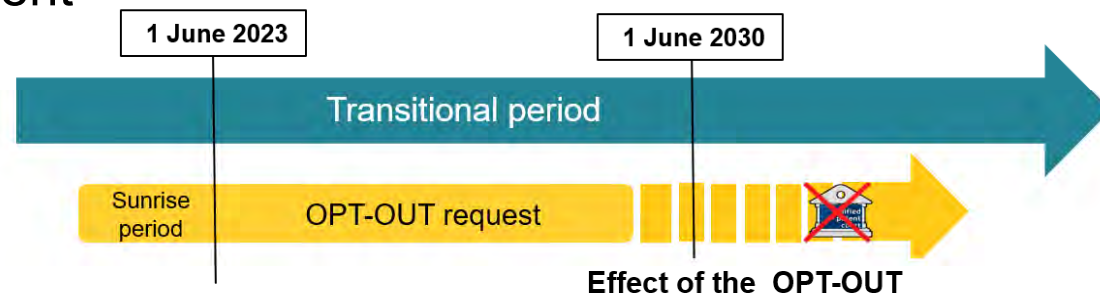
# Uncertainties during the transitional regime

- During the transitional period, when a patent is **opted out or the case is brought before a national court**, does this mean that:
  - while the UPC is no longer competent in that specific case, the Agreement itself remains applicable (national court would be obliged to apply the provisions of the Agreement)?
- In its Interpretative note (Consequences of the application of Article 83 UPCA of 29.01.2014), the Preparatory Committee said that
  - the transitional regime aims at allowing parties for a limited period of time to **continue the current practice**, and that therefore, the **Agreement no longer applies** and the national court would have to apply the applicable national law
  - The same applies to SPCs



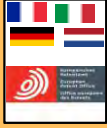














# Uncertainties during the transitional regime

- Actions subject to parallel jurisdiction during the transitional period
  - Art. 83(1) UPCA: **an action for infringement or for revocation** of a European patent or SPC may still be brought before national courts or other competent national authorities
  - What about other actions, e.g., a declaration of non-infringement?
    - Preparatory Committee: **choice of forum for all actions** that are normally dealt with by the UPC
- Exclusion of jurisdiction (opt-out) - Will the opt-out survive the transitional period?
  - Preparatory Committee: removal of the UPC jurisdiction **for the whole life** of that patent

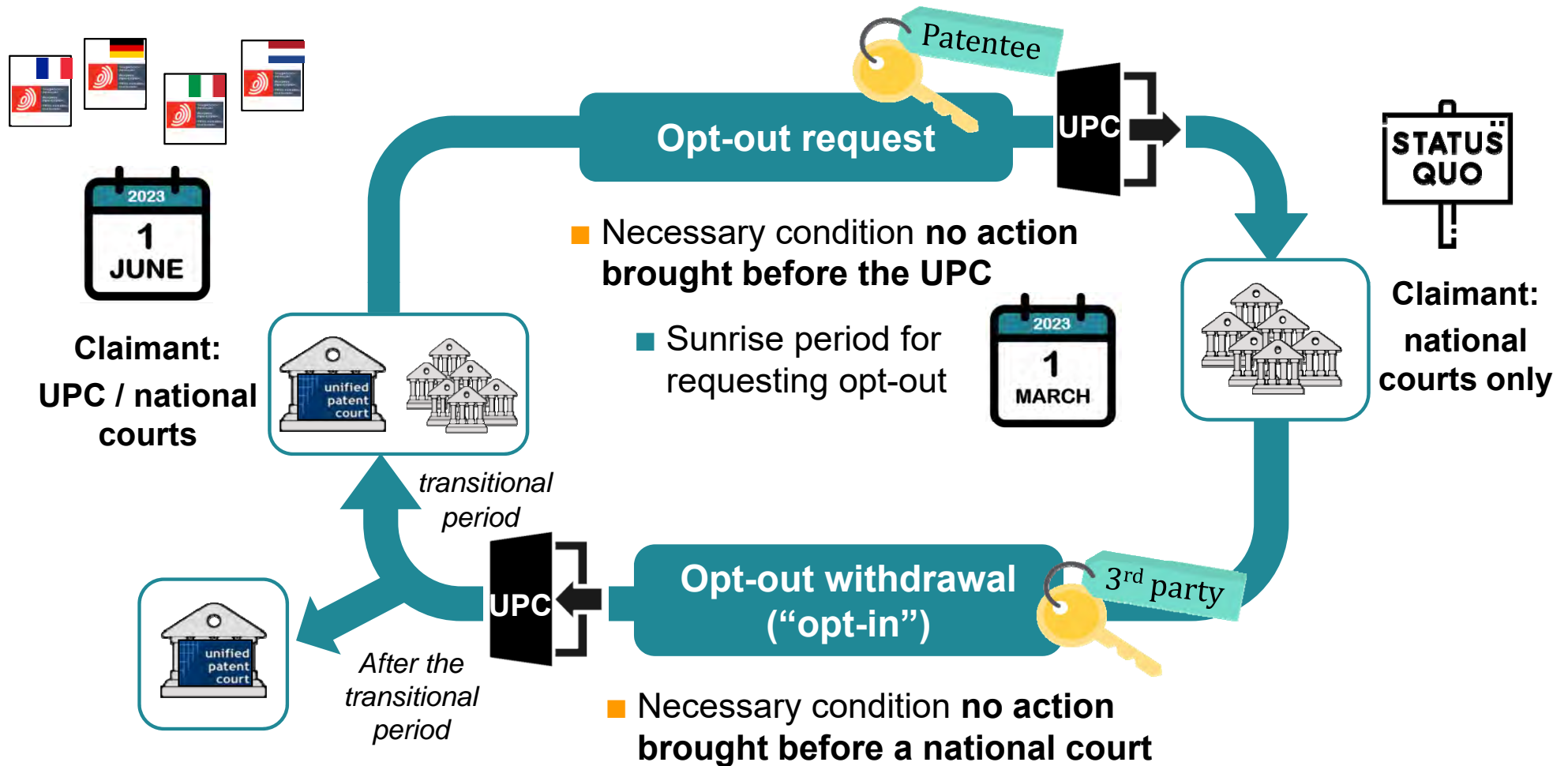


# Which jurisdiction will apply?

- Shared jurisdiction

Patent type (and SPCs)		Transitional period	After transitional period
<b>Unitary patents (EP-UE)</b> 			
<b>Classic EP patents</b> (bundle of validations)	non-participating countries 		
	participating countries (patent <i>with opt-out</i> ) 		
	participating countries (patent <i>without opt-out</i> ) 		
<b>National Patents in European countries</b> 			

# Exclusion of the competence of the UPC (opt-out)



# Basic features of the opt-out

- Available for EP patents, EP patent applications and SPCs
- Must be filed by the **all the actual proprietor(s)** (may not be the one(s) identified in the national registers)
  - For SPCs, opt-out must be requested by the **holder of the SPC**, if different from the proprietor of the patent, **together with the proprietor**
  - The **licensees** cannot request the opt-out
- The application to opt out must be made in respect of **all of the designated/ granted states** (partial opt-out not possible)
- The opt-out is effective from the **date of registration**, not from the date of request
- If withdrawn, **no second opt-out** can be requested



# Uncertainties about the opt-out (I)- All states

If exclusion of UPC is desired: which parts of the EP have to be opted-out?



- Opt out (or opt-in) must be made in respect of **all of the designated/ granted ~~contracting member~~ states** (**Rule 5.1(b)** of the Rules of Procedure amended by Administrative Committee (AC) on 08.07.2022)
  - Not limited to UPC contracting MS (or to EU MS)!!
  - AC: *“This wording is inconsistent with the indivisibility of the application to opt out. It implies that the UPC solely has jurisdiction over UPCA Contracting Member States, which is not the case”*



- What does **“granted states”** mean?
  - Countries in which the patent has been (automatically) **validated**?
  - All **designated countries** at grant (usually all EPC countries), even if the patent has not been validated in these countries?



To be on the safe side, opt out all designated states

# Consequences of new Rule 5.1(b) RoP

- The interpretation of Rule 5.1(b) RoP may make the opt out (or opt-in) request very complex
- Example: European patent which has been transferred after grant
  - EP patent validated in 5 EP states (DE, FR, UK, ES, IT) and then transferred to a new owner
  - Who is the proprietor?
    - With respect to validated states: new owner
    - With respect to all remaining designated states: original proprietor
  - If **granted states = all EPC states**, consent of the current owner for the 5 validations and of the original proprietor for the EPC states in which the patent was not validated is needed

# Uncertainties about the opt-out (II)- representatives during the sunrise period

During the sunrise period, how should the opt-outs by EPAs with appropriate qualifications be filed?

- Opt-out request can be made either by (i) the **appointed representative** or (ii) any other person having a **mandate**
- EPAs with appropriate qualifications may register as representatives during **one year from the entry into force**
- In principle the possibility to **register as a representative** will be available **as of the start of the sunrise period**, but it is unknown when the registration as representative will be effective



To be on the safe side, until this is clarified, use mandate

# Opt-out request (test version)

Einheitliches Patentgericht  
Unified Patent Court  
Jurisdiction unifiée du brevet

UPC Case Management System

ENGLISH NOEMÍ DAVIU  
UPC - EXTERNAL USER

Dashboard Representation REGISTER and Search Opt-out Lists Support center

No. UPC\_APP\_6272/2023 Actions menu Related Proceedings Calendar

Opt-out

- Personal Details ✓
- Patent Data ✓
- Upload Documents ✓
- Declarations ✓
- Review and Lodge ✓

Overview Patents Personal details Documents Activities Log Opt-out status

Registry Number	UPC_APP_6272/2023
Proceeding Type	Opt-out
Documents	3

Case Data

Status of the person lodging the Application	Person authorised to lodge by a mandate
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Official Case Dates

Date of receipt / effective lodging	22/02/23 17:32:02 CET
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FAQ



# Opt-out may be challenged

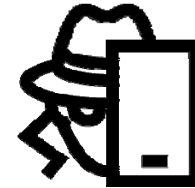
- Registration of the opt-out does not guarantee its validity
- In a DNI or a revocation action against a EP classic patent
  - The Registry will check whether an opt-out has been registered and if so inform the claimant, who may withdraw or amend the request
  - Even if the **patent has been opted-out**, the Registry will not refuse the action. It is **up to the defendant to challenge the jurisdiction** of the UPC by a preliminary objection (within 1 month!)
  - The claimant may reply within 14 days and the judge-rapporteur will decide on the objection as soon as practicable
  - The decision may be appealed (if an appeal is lodged, proceedings at first instance may be stayed)



If the opt-out has not been done correctly, the UPC may be competent

# Unauthorised opt-out (or opt-in)

- Adopted by Administrative Committee in the meeting of 08.07.2022
- The proprietor/applicant of an EP patent or holder of a SPC in relation to which an opt-out (or opt-in) is entered in the register may request **removal** of the entry **of the unauthorised opt-out** (or opt-in) (Rule 5A RoP)
  - Reasons for removal must be included in the request
- The Registrar will decide as soon as practicable
- The decision on the request for removal may be subject to an application for **review** to the **President of the Court of Appeal**
  - within **one month** of the notification of the decision setting out the request, facts, evidence and arguments
  - If the Application for review is allowable, the President of the Court of Appeal will remove the opt-out (or opt-in)



# UPC shared jurisdiction with national courts (non-opted out patents)

- The **Brussels Regulation Ia** No 1215/2012 established the jurisdiction and enforcement of judgments within the EU. Amended (Reg. No 542/2014) to incorporate rules for UPC as common court to several MS
  - UPC takes the place of the national court of a Member State of EU if said Member State participates in the UPCA
- Basic rules for **general jurisdiction**
- 🏠 ■ **EU nationals** can be sued in their EU state of **domicile**
  - Defendants domiciled in an **EU non-UPCA Member State** (e.g., Spain) or in a **Member State of the Lugano Convention** (IS, NO, CH) can only be sued in their respective national court
  - For defendants domiciled **outside the EU and the Lugano area** (Third States), jurisdiction is generally determined under the rules of national law

# UPC shared jurisdiction with national courts (non-opted out patents)

## ■ Basic rules for **special jurisdiction**



- The place where the **harmful event** occurred or may occur

## ■ **Exclusive jurisdiction**



- For **validity** matters only the court of the EU Member State in which a patent is registered has exclusive jurisdiction

### Examples of special jurisdiction

- P is the owner of a classic EP (not opted-out)
  - AI (based in ES) sells potentially infringing products in FR
  - P may file an infringement action **before the UPC** (FR local division) because UPC replaces the FR national courts
- 
- P is the owner of a classic EP (not opted-out)
  - AI (based in ES) sells potentially infringing products in PL
  - **UPC does not have jurisdiction**

# Conflicts UPC-national courts

- **Brussels Regulation Ia** includes rules designed to avoid the same matters being litigated before the courts of different member states, as this can result in conflicting judgments
- ***Lis pendens* rule**: In proceedings brought to different courts involving the **same cause of action** and the **same parties**, the second court **must stay** its proceedings
  - Identity of parties:
    - Licensor ≠ licensee
    - Parent company and wholly owned subsidiary ?
  - Identity of Cause of Action
    - infringement = declaration of non-infringement
    - revocation = counterclaim for revocation
    - infringement ≠ revocation

# Examples of jurisdiction



## Same action & same parties

- P is the owner of a EP (not opted-out)
- AI brings a **declaration of non-infringement** for acts carried out **in NL** before **UPC** (CD)
- P **infringement action before NL court**
  - NL court **must stay/decline jurisdiction**

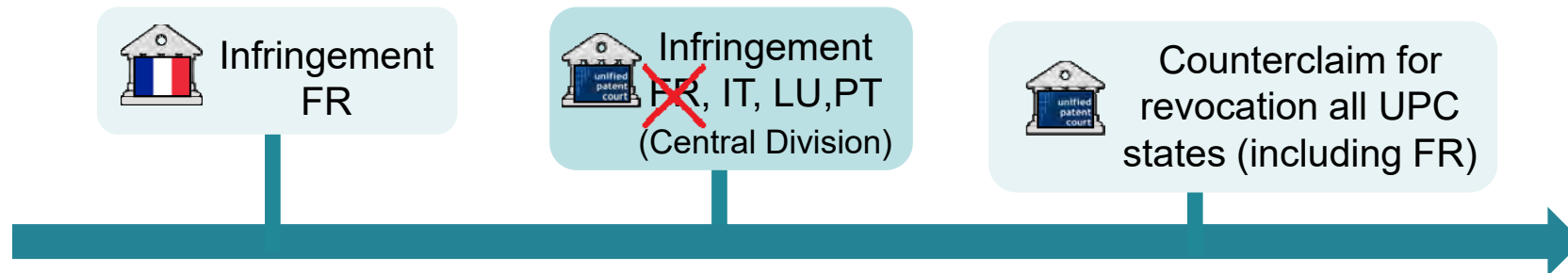
## Related actions

- P is the owner of a EP (not opted-out)
- AI brings a **revocation action before NL court**
  - NL court validity restricted to NL part
- P brings an **infringement action** for acts carried out **in NL** before UPC
  - UPC court **may stay** infringement in NL

# Examples of jurisdiction- First action before a national court

- P is the owner of a EP (not opted-out)
  - P notices that AI (based outside the UPC territory) sells potentially infringing products in FR
  - P brings an **infringement action** against AI before a **FR court**
  - Later P becomes aware of acts of AI in IT, LU, PT
  - P brings an **infringement action** for FR, IT, LU, PT against AI before the **UPC (Central Division)**
  - AI brings a **counterclaim for revocation** before **UPC**
    - To avoid the *lis pendens* rule, is it possible to “carve out” the FR part?
- Same action (infringement FR) same parties
- 
- 

# Mock trial 21.11.2022 - carve-out



- **Carve out** of the FR part in the infringement action is **admissible**
- Claimant **may decide to restrict the claim** territorially (The Court decides in accordance with the requests submitted by the parties and will not award more than is requested)
  - Some rights remain national: prior use right
  - Infringement may take place in some MS only
- Parallel case in Community trade mark (CTM) law: DHL vs Chronopost (C- 235/09, 12 April 2011)
  - Territorial scope of the prohibition may be restricted if the claimant sets a territorial restriction on its application for injunctive relief

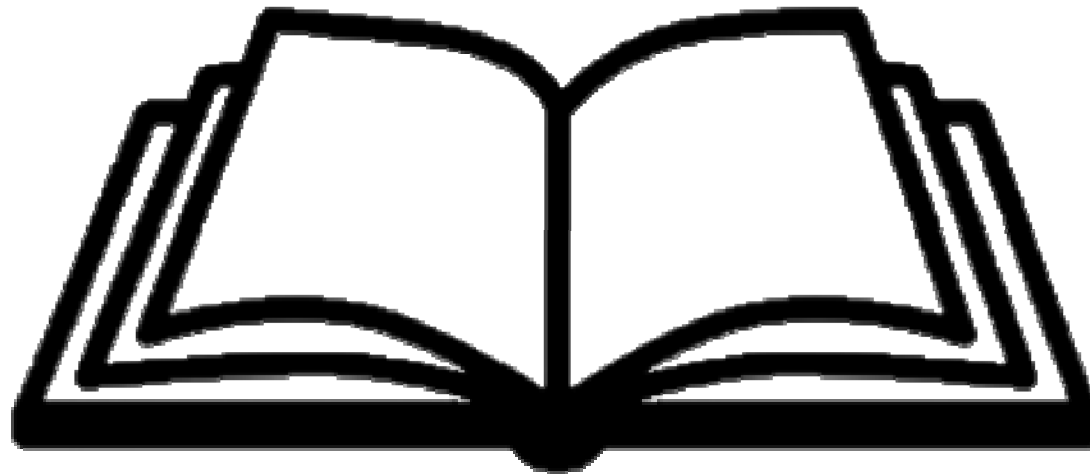


# Mock trial 21.11.2022- other questions

- If the carve-out is admissible, must the UPC stay the infringement action for IT, LU, PT ?
  - UPC deciding on infringement for IT, LU, PT **must not be stayed** (different parts of EP patent, currently national courts do not stay)
- If the carve-out is admissible (no infringement decision for FR part), can the revocation for the FR part still be decided?
  - Before the Central Division it should be possible to deal with the revocation (including the FR part) even if there is no corresponding infringement action for the FR part



4<sup>th</sup> UJUB Mock Trial 21 November 2022:  
<https://www.opinews.com/ujub2022/>



Thank you for your attention

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