

THE SEDONA CONFERENCE WORKING GROUP SERIES

**wgs**

# THE SEDONA CONFERENCE

## *Framework for Analysis for the Efficient Resolution of Disputes before the Forthcoming European Unified Patent Court*

A Project of The Sedona Conference  
Working Group on Patent Litigation  
Best Practices (WG10)

JANUARY 2023 PUBLIC COMMENT VERSION

Submit Comments by March 15, 2023,  
to [comments@sedonaconference.org](mailto:comments@sedonaconference.org)



# The Sedona Conference Framework for Analysis for the Efficient Resolution of Disputes before the Forthcoming European Unified Patent Court

*A Project of The Sedona Conference Working Group on Patent Litigation Best Practices (WG10)*

JANUARY 2023 PUBLIC COMMENT VERSION

**Author:** The Sedona Conference

**Editor-in-Chief:** Matthew Powers

**Managing Editor:** Jim W. Ko

**Chapter Editors:** Philipp Widera Tobias Wuttke

**Contributing Editors:** Rainer Beetz Mikkil Bender  
Koen Bijvank Benjamin Grzimek  
Aloys Hüttermann Vittorio Cerulli Irelli  
Martin Levinsohn Amandine Métier  
Tilman Müller-Stoy Jane Mutimear  
Michael Rüberg Massimo Sterpi

The opinions expressed in this publication, unless otherwise attributed, represent consensus views of the members of The Sedona Conference’s Working Group 10. They do not necessarily represent the views of any of the individual participants or their employers, clients, or any organizations to which they may belong, nor do they necessarily represent official positions of The Sedona Conference.

We thank all of our Working Group Series Annual Sponsors, whose support is essential to our ability to develop Working Group Series publications. For a listing of our sponsors, click on the “Sponsors” navigation bar on the homepage of our website.

## REPRINT REQUESTS:

Requests for reprints or reprint information should be directed to Craig W. Weinlein, Executive Director, The Sedona Conference, at [info@sedonaconference.org](mailto:info@sedonaconference.org) or 602-258-4910.

---

The logo for the Working Group Series (WGS) consists of the letters 'WGS' in a bold, black, sans-serif font. The 'W' and 'G' are connected, and the 'S' is slightly larger and positioned to the right.

Copyright 2023  
The Sedona Conference  
All Rights Reserved.  
Visit [www.thesedonaconference.org](http://www.thesedonaconference.org)

---

## *Preface*

---

Welcome to the January 2023 Public Comment Version of The Sedona Conference *Framework for Analysis for the Efficient Resolution of Disputes before the Forthcoming European Unified Patent Court*, a project of The Sedona Conference Working Group on Patent Litigation Best Practices (WG10). This is one of a series of Working Group commentaries published by The Sedona Conference, a 501(c)(3) research and educational institute dedicated to the advanced study of law and policy in the areas of antitrust law, complex litigation, and intellectual property rights. The mission of The Sedona Conference is to move the law forward in a reasoned and just way.

The mission of WG10 is “[T]o develop best practices and recommendations for patent litigation case management. The Working Group is composed of members of the federal trial and appellate court benches, litigators who primarily represent patentees, and those who primarily represent accused infringers in federal court, the Patent Office, and the ITC.”

The *Framework for Analysis for the Efficient Resolution of Disputes before the Forthcoming European Unified Patent Court* drafting team was launched in 2019 and is led by editors Philipp Widera and Tobias Wuttke. Earlier drafts of this publication were a focus of dialogue at the WG9&10 Joint Annual Meeting in Philadelphia, Pennsylvania, in March 2019; the WG9&10 Joint Annual Meeting, Online, in November 2020; the WG9&10 Joint Annual Meeting, Online, in November 2021; and the WG9&10 Joint Annual Meeting in Boston, Massachusetts, in June 2022.

This *Framework* represents the collective efforts of many individual contributors. On behalf of The Sedona Conference, I thank in particular Matthew Powers, the Chair of WG10, who has served as the Editor-in-Chief of this publication. I also thank everyone else involved for their time and attention during this extensive drafting and editing process, including: Rainer Beetz, Mikkel Bender, Koen Bijvank, Benjamin Grzimek, Aloys Hüttermann, Vittorio Cerulli Irelli, Martin Levinsohn, Amandine Métier, Tilman Müller-Stoy, Jane Mutimear, Michael Rüberg, Massimo Sterpi, Philipp Widera and Tobias Wuttke.

Please note that this version of the *Framework for Analysis for the Efficient Resolution of Disputes before the Forthcoming European Unified Patent Court* is open for public comment through March 15, 2023, and suggestions for improvements are welcome. After the deadline for public comment has passed, the drafting team will review the comments and determine what edits are appropriate for the final version. Please send comments to [comments@sedonaconference.org](mailto:comments@sedonaconference.org).

Craig W. Weinlein  
Executive Director  
The Sedona Conference  
January 2023

## *Foreword*

---

Under the soon-to-be-introduced Unified Patent Court (UPC) system with a current start date of June 1, 2023, a new patent jurisdiction will arise potentially spanning the whole of the European Union (EU). The advantages are obvious: more cost-efficient litigation with the chance of obtaining an EU-wide injunction. Nevertheless, as with all new laws and regulations (let alone courts), there will be significant uncertainty around the first pending proceedings and how they will be managed by the incipient UPC. In order to mitigate these uncertainties, judges and lawyers need not only consider a whole new set of provisions and rules but also the existing case law under the different current European patent law regimes to better understand how to interpret the new rules and resolve the disputes in an efficient but also fair and equitable manner.

All stakeholders involved—patentees, defendants, practitioners, and judges—will look for guidance in the relevant provisions, but also in the body of case law formed by national court practice and decisions. There will be a joint struggle to find the best way to litigate incipient European Patents with unitary effect (EP-UEs)—and also those “traditional” European Patents (EP) that have not been opted out of in time—before the new UPC, keeping in mind the potential competition from national courts for shorter, more effective, and cost-efficient national procedures.

WG10’s overarching Principle for our efforts in this *The Sedona Conference Working Group 10 Framework for Analysis for the Efficient Resolution of Disputes before the Forthcoming European Unified Patent Court* is:

**Principle No. 1 – The accurate and efficient resolution of EU-wide patent disputes before the UPC will be improved by crossfertilization of best practices developed in different jurisdictions attempting to solve the same problems, and the newly-formed UPC addressing these disputes will benefit from having a greater understanding of the different approaches taken across Europe.**

Working Group 10 will update this *Commentary* to reflect the forthcoming case law as it develops.

Editor-in-Chief  
Matthew Powers  
Chair, Working Group 10 Steering  
Committee

Chapter Editors  
Philipp Widera  
Tobias Wuttke

## *Table of Contents*

---

I.	Introduction .....	1
II.	Patent Litigation in Europe After Implementation of the UPC System.....	6
	A. Filing and prosecution strategies under the UPC legal framework.....	6
	B. National patent litigation in parallel to UPC patent litigation.....	7
	1. International jurisdiction of the UPC and <i>lis alibi pendens</i> .....	8
	2. “Torpedo” actions.....	13
	3. The long-arm jurisdiction of the UPC .....	14
	4. Double patenting.....	14
	5. No obligation to concentrate all patents in one action before the UPC.....	15
	C. The impact of the UPC system on licensing and tech-transfer agreements .....	15
	D. European Patents with Unitary Effect: The need for freedom to operate in EPC countries with few validated EP-patents .....	18
III.	Procedural Issues Before the UPC .....	20
	A. The structure of the UPC (Local, Regional, and Central Divisions) .....	20
	B. Case management of UPC litigation.....	22
	C. Legal and technical judges .....	25
	D. Bifurcated vs. nonbifurcated proceedings.....	29
	1. Counterclaim for revocation following a claim for infringement .....	29
	2. Counterclaim for infringement following a claim for revocation .....	30
	3. Actions for invalidity before the EPO and in national courts.....	30
	E. The importance of the language aspect under the UPC system.....	31
IV.	Substantive Patent Issues before the UPC.....	33
	A. Infringement and scope of protection.....	33
	1. Introduction .....	33
	2. Sources of law .....	33
	3. Functional claim construction .....	35
	4. The doctrine of equivalents .....	35
	5. File wrapper estoppel.....	36
	B. Available remedies in (main) infringement actions.....	36
	1. Permanent injunctions.....	37
	2. Award of damages .....	37

3.	Communication of information .....	38
4.	Compensation .....	39
5.	Corrective measures .....	39
6.	Publication of decision .....	39
7.	Provisional and protective measures .....	40
C.	Available defences for defendant .....	41
1.	Introduction .....	41
2.	Formal grounds for defence .....	41
3.	Noninfringement.....	43
4.	Entitlement to use .....	43
5.	Antitrust defences .....	44
6.	Exhaustion of rights.....	45
7.	Limitations and forfeiture .....	45
8.	Entitlement suits.....	46
9.	Revocation counteractions.....	46
D.	Revocation actions .....	47
1.	Grounds for revocation.....	47
2.	Competence .....	48
3.	Relationship to EPO opposition proceedings .....	49
4.	Procedural steps.....	49
5.	Strategic considerations for where to challenge validity of EP-UEs .....	49
6.	Counterclaims for infringement / separate actions for infringement .....	51
E.	Amending the patent-in-suit before the UPC .....	51
1.	Introduction .....	51
2.	Amendments and requirements .....	51
3.	Language.....	52
4.	The effect of granted amendments.....	52
5.	When to file proposed amendments .....	52
6.	Risks .....	52
F.	Declaration of noninfringement actions (DNI) before the UPC.....	53
1.	Requirements .....	53
2.	Competence—Interaction with infringement actions .....	54
3.	Procedural steps.....	55

4.	Strategic considerations .....	56
G.	Evidence proceedings before the UPC .....	56
1.	Rules governing evidence.....	56
2.	Reversal of the burden of proof.....	57
3.	Confidentiality measures .....	57
4.	Obtaining and gathering evidence .....	58
5.	Interplay with national systems .....	61
H.	Procedures for the determination of damages and compensation before the UPC.....	62
I.	Cost awards before the UPC .....	63
J.	Provisional and protective measures .....	64
V.	Enforcing a Judgement of the UPC under the National Procedural Rules.....	66
A.	Requirements for enforcing a UPC judgement.....	66
1.	Starting point: Recast Brussels I.....	66
2.	Enforcement under the UPCA regime .....	66
B.	Mitigation possibilities for the defendant .....	68
1.	Formal requirements of enforcement .....	68
2.	Appeal (or rehearing) and suspensive effect.....	68
3.	Patent revocation or amendment.....	69
4.	National enforcement remedies .....	69
5.	Security.....	70
6.	Decision by default.....	70
7.	Settlement.....	70
8.	Modification of the infringing product .....	70
9.	Protective letter.....	70
C.	Remedies for wrongful enforcement.....	70

***Framework for Analysis for the Efficient  
Resolution of Disputes before the  
Forthcoming European Unified Patent Court  
“At a Glance”***

---

Principle No. 1 – The accurate and efficient resolution of EU-wide patent disputes before the UPC will be improved by crossfertilization of best practices developed in different jurisdictions attempting to solve the same problems, and the newly-formed UPC addressing these disputes will benefit from having a greater understanding of the different approaches taken across Europe. ....iii



# I. Introduction

---

Increasingly, multinational corporations with global patent portfolios are seeking to enforce their portfolios on multiple fronts across different patent jurisdictions around the world. In turn, companies that expect to be asked to license such global portfolios are considering strategies to limit their exposure by steering dispute resolution to more favorable venues.

Currently, a patentee<sup>1</sup> cannot enforce its patents in the whole of the European Union (EU) with one action. Even though the term “European Patent” (EP) suggests a European-wide protection, an EP is in fact a bundle of various national patents in territories that are within and outside of the EU. Accordingly, each national court of each member state of the EU can only decide about the infringement or validity of the respective national part of the EP. Even though there are exceptions to this rule, an infringement action must principally be filed in each of the member states of the EU in which the patentee wishes to enforce its rights, irrespective of whether the defendant<sup>2</sup> and the alleged infringing act are identical in each jurisdiction. Most of the largest global patent cases are filed in a handful of venues—with the key EU venues being Germany, the Netherlands, and France—due to perceived advantages (e.g., quality, timing, costs, or available remedies). Nevertheless, the need to file separate patent infringement actions under in part totally different substantive and procedural law regimes opens the question whether individual EU countries will remain attractive venues of choice for the enforcement of global patent disputes for patentees in the future.

The Unified Patent Court (UPC) system will provide a completely new playing field for international patent litigation. The various courts scattered throughout Europe that are about to be established and that jointly form the UPC will decide infringement and validity of European Patents with unitary effect (EP-UEs)<sup>3</sup> and, during a transitional period, all other EPs within its jurisdiction which have not been opted-out from the competence of the UPC.

The first attempt to generate a unitary patent system which would span the European Economic Community<sup>4</sup> (EEC) was the 1975 “Convention for the European Patent for the common market,” or “(Luxembourg) Community Patent Convention.”<sup>5</sup> However, ratification by all then EEC member states could not be achieved. The main reasons for the failure were the anticipated additional costs (due in part to the requirement of full translation of the whole patent document into all languages of the EEC) and the planned dispute resolution process, under which a patent-in-suit might be

---

<sup>1</sup> As used herein, the term “patentee” covers all persons or entities having the right to assert a patent before a national court or the UPC (i.e., covering proprietors and exclusive licensees) unless the terms “proprietor” or “(non)exclusive licensee” are expressly used.

<sup>2</sup> For the sake of simplicity, this *Framework* consistently uses the term “defendant” to represent both defendants (after infringement action is filed) and alleged infringers (covering potential defendants as well before any infringement action is filed).

<sup>3</sup> European Patents with Unitary Effect (EP-UEs) are sometimes referred to as Unitary Patents (UPs). This paper, however, consistently uses the acronym EP-UE throughout.

<sup>4</sup> The EEC was the predecessor of the European Union, the latter of which was formally established in 1993.

<sup>5</sup> Available at <https://op.europa.eu/en/publication-detail/-/publication/b884b73a-8a0b-4c34-b1de-f4de8c5fa6df/language-en>.

declared null and void by a single ordinary court and in effect invalidated across the complete territory of the EEC.<sup>6</sup>

The second attempt was made in 2000 when the European Commission (EU Commission), one of the legislative bodies of the then European Community,<sup>7</sup> published a proposal for a community patent.<sup>8</sup> Essentially, the already existing European Patent Convention (EPC),<sup>9</sup> which was independent from the European Community, was to be connected with the future common European Community patent system. According to this proposal, the European Community was to become a member of the EPC and bring into existence a single European Community patent. Furthermore, the aim was to set up a common court for intellectual property matters consisting of first instance divisions and boards of appeal having sole jurisdiction over patent matters. After this proposal was revised in March 2004,<sup>10</sup> it looked as if it would be ratified and the European Community patent system would launch. However, European Community member states again could not come to agreement on the issues of translation and an effective court system.<sup>11</sup> After further deliberation, the Council of the European Union, one of the legislative bodies of the European Union (EU), agreed in December 2009 on a concept for an EU Patent Regulation<sup>12</sup> that included the creation of a court for EPs and unitary EU Patents (the precursor of the European Patent with unitary effect).

In parallel with this development, the member states of the EPC worked on the European Patent Litigation Agreement aiming at generating a European Patent Court. Even though the EU Commission was in favor of the EU being part of the Litigation Agreement system, the Court of Justice of the European Union found the agreement noncompliant with EU law due to the lack of a mechanism for courts to make referrals to the Court of Justice of the European Union.<sup>13</sup> Additionally, Italy and Spain disagreed with the planned for language regime of the three official languages of the EPC: German, English, and French.

---

<sup>6</sup> Horst-Peter Götting, *Das EU-Einheitspatent - Das Ende einer „unendlichen Geschichte“?*, ZEuP, Vol. 22, No. 2349-370 (2014).

<sup>7</sup> The European Economic Community was renamed the “European Community” (EC) in 1993.

<sup>8</sup> European Commission, Proposal for a Council Regulation on the Community patent, COM(2000) 412 final — 2000/0177(CNS) (Aug. 1, 2000), <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2000:0412:FIN:EN:PDF>.

<sup>9</sup> The European Patent Convention, <https://www.epo.org/law-practice/legal-texts/epec.html>, [hereinafter *EP Convention*] is a multilateral treaty originally signed by 16 countries in 1973 and instituted the European Patent Organisation. This provided an autonomous legal system according to which European Patents (EPs) are granted.

<sup>10</sup> Council of the European Union, Preparation of the Meeting of the Council on 11 March 2004 – Community patent, 7119/04 (Mar. 8, 2004), <https://data.consilium.europa.eu/doc/document/ST-7119-2004-INIT/en/pdf>.

<sup>11</sup> See Horst-Peter Götting, *supra* note 6.

<sup>12</sup> Council of the European Union, Proposal for a Council Regulation on the Community patent – General approach, 16113/09 (Nov. 27, 2009), <https://data.consilium.europa.eu/doc/document/ST-16113-2009-ADD-1/en/pdf>.

<sup>13</sup> Opinion Pursuant to Art. 218(11) Treaty on the Functioning of the European Union (TFEU), Opinion 1/09 (E.C.J. Mar. 8, 2011), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:62009CV0001&rid=4>.

In order not to stall the development of an EU-wide patent system, the EU Commission and the Council decided in 2011 to make use of the so-called “enhanced cooperation” mechanism.<sup>14</sup> In the sense of a “two-speed Europe,” this instrument opened up the possibility of achieving greater integration even if, in the absence of a consensus among all EU member states, only some of them want to participate in a legislative process. Spain and Italy filed a complaint before the Court of Justice of the European Union against the adoption of the “enhanced cooperation” mechanism in relation to patent matters, but the court dismissed their objections as unfounded in April 2013.<sup>15</sup> In this case, “enhanced cooperation” means that it enters into force only when it has been ratified by thirteen EU member states, including those three with the most valid EPs in the year preceding the year of signature of the Agreement on the Unified Patent Court (UPCA).<sup>16</sup> At that time, those three EU member states were Germany, the United Kingdom, and France.

- This so-called “EU Patent Package” lays the groundwork for the creation of unitary patent protection in the EU, consisting primarily of three pillars: the EU Unitary Patent Regulation,<sup>17</sup> the EU Translation Regulation,<sup>18</sup> and the UPCA:
- As a consequence of the link to the European Patent Convention, the European Patent with unitary effect is a European Patent that has unitary effect as from the date of grant of the EP. “Unitary effect” means the EP is in effect in the combined territory of each member state of the EU participating in the UPC system (as if it was one country). It is issued as part of the bundle of national patents as far as the non-participating member states of the EU and the remaining non-EU European Patent Convention countries are concerned.<sup>19</sup> For this reason, the EU Unitary Patent Regulation speaks of a “European Patent with unitary effect”. The prerequisite for this is that a European Patent has to have been granted according to the rules of the EPC. The EP-UE is thus dependent on the underlying EP.

---

<sup>14</sup> Council of the European Union, Council Decision of 10 March 2011 authorising enhanced cooperation in the area of the creation of unitary patent protection, 2011/167/EU, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011D0167&from=EN>.

<sup>15</sup> Kingdom of Spain & Italian Republic v. Council of the European Union, Joined Cases C-274/11 and C-295/11 (CJEU Dec. 11, 2012), <https://curia.europa.eu/juris/document/document.jsf?jsessionid=F44C99206065F55B9FC1E8C7462FD524?text=&docid=131666&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=718226>.

<sup>16</sup> Agreement on a Unified Patent Court, EU 2013/C 175/01 [hereinafter *UPC Agreement*], [https://www.unified-patent-court.org/sites/default/files/upc\\_documents/agreement-on-a-unified-patent-court.pdf](https://www.unified-patent-court.org/sites/default/files/upc_documents/agreement-on-a-unified-patent-court.pdf).

<sup>17</sup> Regulation (EU) No. 1257/2012 of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection [hereinafter *Unitary Patent Regulation*], Art. 8(2) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012R1257>.

<sup>18</sup> Regulation (EU) No. 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements [hereinafter *EU Translation Regulation*], <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32012R1260>.

<sup>19</sup> For example, the result of an EP-UE could be the grant of a bundle of patents consisting of the following national patents: Norway and Switzerland (both not members of the EU), Spain (currently not participating in the EU Patent Package) and the European Union.

- The EU Translation Regulation provides that no further translations are required once the patent specification of an EP-UE has been published. Further translations are required only in case of litigation and during the transitional period.
- The newly setup UPC system consists of two instances, namely a court of first instance and a court of appeal. The court of first instance comprises a central division and local and regional divisions.

Further complaints by Spain against the so-called “EU Patent Package” were dismissed by the Court of Justice of the European Union, but a major setback for this project occurred in Germany. In 2017, a constitutional complaint against the nationally necessary approval act for incorporating the UPCA into law was filed before the German Federal Constitutional Court. In February 2020, the court allowed the complaint and declared the approval act null and void.<sup>20</sup> The approval act would have transferred sovereign rights to the newly created UPC, thus effecting a substantive constitutional amendment. However, according to the court, this lacked the necessary approval of a two-thirds majority of all members of the *Bundestag* (Parliament) and the *Bundesrat* (Federal Council). The unanimous resolution of the Parliament, at which only 35 parliamentarians were present, was therefore not sufficient. Accordingly, Germany (as one of the necessary signatory countries) was not able to ratify the UPCA. However, only a couple of months after this decision, the Parliament and the Federal Council adopted the approval act with the required two-thirds majority. A further constitutional complaint against the approval act is still pending. In the meantime, the Federal Constitutional Court has in preliminary proceedings already decided that the complaint is obviously inadmissible.<sup>21</sup> Accordingly, Germany was finally able to ratify the UPCA but as of today, it has not submitted its ratification deed with the Registry of the UPC. This was expected to happen in December 2022 but will likely be delayed by another two months due to the postponement of the official start date of the UPC from April 1, 2023, to June 1, 2023.

After the threshold of the required number of signatories was met in January 2022, a pertinent question remains, namely whether the withdrawal of the United Kingdom from the EU (“Brexit”) will have a detrimental effect on the start of the UPC system. While it has been debated whether the UK can still be a member of the system even after Brexit,<sup>22</sup> the actual problem is that the UK withdrew its previous ratification of the UPCA and its signature of the so-called Protocol to the Agreement on a Unified Patent Court on provisional application (“PAP-Protocol”).<sup>23</sup> The PAP-Protocol is pivotal for the entering into force of the EU Patent Package. According to the PAP-Protocol, however, the United Kingdom is explicitly listed as a necessary signatory. Nevertheless, without even addressing this potential pitfall, the Council of the European Union simply declared

---

<sup>20</sup> BVerfG, 2 BvR 739/17 (German Federal Constitutional Court Feb. 13, 2020), [https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/EN/2020/02/rs20200213\\_2bvr073917en.html](https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/EN/2020/02/rs20200213_2bvr073917en.html).

<sup>21</sup> BVerfG, 2 BvR 2216/20. (German Federal Constitutional Court June 23, 2021), [https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/EN/2021/06/rs20210623\\_2bvr221620en.html](https://www.bundesverfassungsgericht.de/SharedDocs/Entscheidungen/EN/2021/06/rs20210623_2bvr221620en.html).

<sup>22</sup> Ansgar Ohly & Rudolf Streinz, *Can the UK Stay in the UPC System after Brexit?*, 12(3) J. OF INTELL. PROP. L. & PRAC. 245 (2017), <https://doi.org/10.1093/jiplp/jpx006>.

<sup>23</sup> Council of the European Union, Protocol to the Agreement on a Unified Patent Court on provisional application (PPA) (Jan. 19, 2022), <https://www.consilium.europa.eu/en/documents-publications/treaties-agreements/agreement/?id=2015056>.

that the PAP-Protocol entered into force in January 2022.<sup>24</sup> It remains to be seen whether this declaration will carry the day at the end of the first proceedings before the newly created UPC, where it can be expected that the losing parties will challenge the decisions before any available national or supranational courts.

The three main instruments setting up and defining the details of the UPC system—the UPCA, the Statute of the Unified Patent Court,<sup>25</sup> and the Rules of Procedure of the Unified Patent Court<sup>26</sup>—will likely have to be applied in the first “real” cases for the first time with the launch of the UPC, now expected in June 2023. Apart from this, provisions in EU regulations already in force will also be applicable, e.g., the Unitary Patent Regulation governing translations of EP-UEs<sup>27</sup> or Recast Brussels I concerning the enforcement of decisions.<sup>28</sup>

Every aspect of patent litigation and civil procedure will be the subject of intense discussions in the first few years of the forthcoming UPC before any sort of established case law is developed.

---

<sup>24</sup> *Id.*

<sup>25</sup> *UPC Agreement*, *supra* note 16, Annex I.

<sup>26</sup> Rules of Procedure of the Unified Patent Court, [hereinafter UPCA ROP] (July 8 2022), [https://www.unified-patent-court.org/sites/default/files/upc\\_documents/rop\\_en\\_25\\_july\\_2022\\_final\\_consolidated\\_published\\_on\\_website.pdf](https://www.unified-patent-court.org/sites/default/files/upc_documents/rop_en_25_july_2022_final_consolidated_published_on_website.pdf).

<sup>27</sup> *EU Translation Regulation*, *supra* note 18.

<sup>28</sup> Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters (recast), <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R1215> [hereinafter *Recast Brussels I*].

## *II. Patent Litigation in Europe After Implementation of the UPC System*

---

### **A. FILING AND PROSECUTION STRATEGIES UNDER THE UPC LEGAL FRAMEWORK**

When the Unified Patent Court (UPC) system comes into force in June 2023 (assuming no further delays), all patents granted by the European Patent Office (EPO) will fall, in principle, under the jurisdiction of the UPC. However, for a transitional period of a minimum seven years after the initialization of the UPC,<sup>29</sup> European Patent owners or applicants<sup>30</sup> will have the right to “opt out” of the UPC system for their existing EPs or EP applications, i.e., declare that they do not wish the UPC to have jurisdiction over a given patent or application. “Opt-outs” can be declared within the mentioned transitional period at any time until one month before the end of the transitional period.<sup>31</sup> The opt-out remains valid for the entire lifetime of the patent, unless withdrawn.<sup>32</sup> An opt-out can only be declared if there is no pending action involving the underlying patent.<sup>33</sup>

EP applicants have some important strategic decisions to make during as well as after the end of the transitional period, including determining which patents should be opted-out of the UPC system, whether to file divisional applications, and whether one or more divisionals should be opted-out of the system. Some patent family members might be left in the system while opting-out others.

Furthermore, the EP applicant might have the option of applying for a “double protection,” securing patent protection as both a European Patent and as a national patent. The EPC leaves it to each contracting state to regulate whether and under what conditions an invention contained in both a EP application or an EP and a national patent application or a national patent with the same filing or priority date can be protected.<sup>34</sup> For example, the German and French legislatures to date—before the implementation of the UPC—have opted for a prohibition of double protection, so

---

<sup>29</sup> This seven-year period is extendable for another seven years to a maximum of fourteen years. *UPC Agreement*, *supra* note 16, Art. 83(3) and (5).

<sup>30</sup> According to Rule 5(1) UPCA, the “proprietor” of a EP or the “applicant” of a EP application may file the opt-out with the Registry of the Court (of the UPC). \* Rule 8(5)(a) and (b) UPCA stipulate that the material owner is considered “proprietor” or “applicant” (even if not registered). However, Rule 8(5)(c) UPCA provides for a rebuttable assumption that the registered person is the material owner. UPCA ROP, *supra* note 26.

\*The Registry of the Court is located at the Court of Appeal in Luxembourg and has subregistries at every division of the Court of First Instance. The Registry plays a key role in the functioning of the Court. It fulfills administrative and procedural tasks for the Court and is led by the Registrar. More detailed information can be found here: <https://www.unified-patent-court.org/en/registry/presentation>.

<sup>31</sup> *Id.*

<sup>32</sup> According to Rule 5(7) UPCA, the opt-out can be withdrawn after which case a renewed opt-out is no longer possible, *cf.* Rule 5(10) UPCA. UPCA ROP, *supra* note 26.

<sup>33</sup> *Id.*, Rule 5(6).

<sup>34</sup> *EP Convention*, *supra* note 9, Art. 139(3).



granted European Patents currently still trump granted German or French patents.<sup>35</sup> With respect to the UPC system, however, the German and French legislatures have abolished the prohibition of double protection<sup>36</sup> so that EP applicants will then be free to apply for a non-opted-out EP in parallel to a national patent once the UPC comes into force.<sup>37</sup>

Another issue to be decided by patent proprietors is whether to file their applications as European Patent with unitary effect (EP-UE) applications. According to a decision by the President of the EPO, the grant of an EP can be delayed upon request by the EP applicant so that the grant will only be published on or immediately after the date of entry into force of the UPCA.<sup>38</sup> This possibility is open to EP applicants once Germany will have deposited its instrument of ratification of the UPCA.<sup>39</sup> EP-UEs have the disadvantage that no “opt-out” is possible for them.

A more basic consideration for whether to file a request for EP-UE protection is monetary. The “cost/coverage” ratio of EP-UEs is attractive, provided that the coverage in all or a sufficient majority of the (initially) seventeen member states of the UPCA is really needed. Most EPs are validated in France, Germany, and the UK only, and the latter is not part of the UPC system.

Additionally, when deciding on whether to apply for a EP-UE, the possibility to “thin-out” (i.e., allowing some designations to lapse) is no longer available. With EP-UEs, it is “all-in or all-out,” i.e., a selective choice of coverage to save costs is impossible.

A cost factor that weighs in favor of pursuing a EP-UE is the savings in translation and national validation procedures. Apart from the second language, no further translations are needed and costs for national representatives can be avoided.

## **B. NATIONAL PATENT LITIGATION IN PARALLEL TO UPC PATENT LITIGATION**

The procedural framework established by the UPCA creates multiple opportunities for an interaction or conflict between proceedings before national courts and proceedings before the UPC. This interaction—especially, but not restricted to the transitional period—can give rise to an issue of *lis alibi pendens*, which is a principle of comity in private international law that addresses the problem of potentially contradictory judgements in two parallel proceedings. *Lis alibi pendens* permits a court

---

<sup>35</sup> Accordingly, a national German or French patent having the same priority as the EP, to the extent that it protects the same invention as the EP, shall cease to have effect from the date on which the time limit for filing an opposition against the EP has expired without opposition having been filed, or the opposition proceedings having been finally concluded with maintenance of the EP, or the national German patent having been granted after these two dates.

<sup>36</sup> *Cf.* German Law regarding International Treaties in the matter of patents (IntPatÜG), Art. II, § 8.

<sup>37</sup> Amendment to the German Law regarding International Treaties in the matter of patents by law of August 20, 2021, GERMAN LAW GAZETTE, part I, pg. 3914.

<sup>38</sup> *See* Decision of the President of the European Patent Office dated 22 December 2021 concerning the forthcoming introduction of the Unitary Patent and the possibility of requesting a delay in issuing the decision to grant a EP in response to a communication under Rule 71(3) EPC Official Journal (Jan. 2022), <https://www.epo.org/law-practice/legal-texts/official-journal/2022/01/a4.html>.

<sup>39</sup> *Id.*

to refuse to exercise jurisdiction when there is parallel litigation pending in another jurisdiction over the same matter.

## 1. International jurisdiction of the UPC and *lis alibi pendens*

### a. International jurisdiction pre-implementation of the UPC

The framework for determining international jurisdiction for patent cases that has been in place in Europe to date—before the implementation of the UPC—is set forth in the Recast Brussels I regulation of the EU and the Lugano convention.<sup>40</sup> These delineate the circumstances according to which a later seised national court of an EU member state has to stay its proceedings until such time as the jurisdiction of a first seised national court<sup>41</sup> of another EU member state is established:

<b>Two courts from two different member states dealing with . . .</b>	<b>Application of <i>lis alibi pendens</i>:</b>
Same cause of action and same parties (e.g., a typical torpedo-scenario—a Declaration of Noninfringement (DNI)-action before one court and an infringement action before a second court)	Mandatory stay of later proceedings until jurisdiction of first action is decided <sup>42</sup>
Related actions (e.g., a FRAND-determination proceeding before one court and an infringement proceeding before a second court where the FRAND-objection is raised as a defence)	Discretionary stay of the later proceeding until jurisdiction is decided in the first proceeding. <sup>43</sup>
Exclusive jurisdiction of several courts	No jurisdiction for the later seised court. <sup>44</sup>

### b. International jurisdiction post-forthcoming implementation of the UPC

In the runup to the establishment of the UPC, the Recast Brussels I regulation was amended to include Articles 71a–d dealing with the relationship between national courts of EU member states

<sup>40</sup> The Lugano Convention [hereinafter *Lugano Convention*], signed in 2007, provides for mutual recognition and enforcement for a wide range of civil and commercial judgements between EU and European Free Trade Association (EFTA) member states. Available at <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A22007A1221%2803%29>. The EFTA is a regional trade organization established in 1960 consisting of four European states: Iceland, Liechtenstein, Norway, and Switzerland. See <https://eur-lex.europa.eu/EN/legal-content/glossary/european-free-trade-association-efta.html>.

<sup>41</sup> The court first “seised” is the court in which proceedings are first commenced. The court later seised is the court in which proceedings are subsequently commenced.

<sup>42</sup> *Recast Brussels I*, *supra* note 28, Art. 29(1); *Lugano convention*, *supra* note 40, Art. 27(1).

<sup>43</sup> *Recast Brussels I*, *supra* note 28, Art. 30(1); *Lugano convention*, *supra* note 40, Art. 28(1).

<sup>44</sup> *Recast Brussels I*, *supra* note 28, Art. 31(1); *Lugano convention*, *supra* note 40, Art. 29(1).



and the UPC. The UPC is treated as a court of an EU member state.<sup>45</sup> The above outlined provisions of Recast Brussels I apply when both an (ordinary) court of an EU member state and the UPC are seised.<sup>46</sup> The international jurisdiction of the UPC is now prescribed as follows:<sup>47</sup>

- The UPC has (international) jurisdiction if any local court of a UPC member state has international jurisdiction.<sup>48 49</sup>
- If a defendant is not domiciled within the EU:<sup>50</sup>
  - International jurisdiction is determined pursuant to Art. 4 et seq. Recast Brussels I irrespective of the defendant’s domicile.
  - Preliminary measures<sup>51</sup> by the UPC are admissible even if the courts of a third state (i.e., a non-EU member state) have international jurisdiction regarding main actions.
- The UPC may have international jurisdiction for damages outside the EU.<sup>52</sup>

With this in mind, a first layer of possible interaction is inherent in the jurisdictional framework established by the provision of a transitional regime under Article 83 UPCA, which implies that non-opted-out EPs will be subject to the dual jurisdiction of both the UPC and national courts.<sup>53</sup> Given the dual jurisdiction that exists for non-opted-out patents during the transitional period, there are basically four pathways for prosecuting and litigating patents in member states of the UPCA during the transitional period:

---

<sup>45</sup> *Recast Brussels I, supra* note 28, Art. 71a

<sup>46</sup> *Id.*, Art. 71c.

<sup>47</sup> *Id.*, Art. 71b.

<sup>48</sup> *Id.*, Art. 71b(1).

<sup>49</sup> In this regard, it could be argued that in all instances where a local court of any EU member state would accept jurisdiction based on its private international law rules, the UPC could also accept jurisdiction. For example, Belgian, French, and Luxembourg national laws principally always allow its nationals to seise a national court against non-EU nationals, which could potentially open the floodgates for cross-border injunctions. However, the EU legislator expressly aimed at ruling out this possibility and clarified that the UPC should establish a “close connection” between the respective proceedings and the territory of the EU member state concerned (*cf.* recital 6 of Regulation 542/2014).

<sup>50</sup> *Recast Brussels I, supra* note 28, Art. 71b(2).

<sup>51</sup> According to the Court of Justice of the European Union’s understanding of this term, provisional measures are characterized by the fact that they are intended to prevent a change in the factual or legal situation in order to safeguard rights the recognition of which is otherwise sought before the court having jurisdiction as to the substance of the matter, *cf.* *Reichert & Ors v Dresdner Bank AG*, C-261/90 (E.C.J. 1992)), [https://eur-lex.europa.eu/resource.html?uri=cellar:2b8ccc17-e91-4757-a5d6-d62e870c490f.0002.06/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:2b8ccc17-e91-4757-a5d6-d62e870c490f.0002.06/DOC_1&format=PDF).

Accordingly, the term “preliminary measures” has a broad scope and includes, e.g., proceedings regarding preliminary injunctions, seizure of goods suspected of infringement, and the freezing of bank accounts or other assets. *See also* Chapter IV.B.8. outlining the available provisional measures before the UPC.

<sup>52</sup> *Recast Brussels I, supra* note 28, Art. 71b(3).

<sup>53</sup> *UPC Agreement, supra* note 16, Art. 83(1).

Pathway	Filing Office	Validation <sup>54</sup>	Opt-out	Litigation venue
<b>No. 1</b>	EPO	Nationally	Yes	National courts
<b>No. 2</b> EP-UE	EPO	Nationally	No	UPC / National courts
<b>No. 3</b>	EPO	European Patent with unitary effect ()	Not possible	UPC
<b>No. 4</b>	National Patent Offices	n/a	n/a	National courts

While the first two options will no longer be applicable after the end of the transitional period in certain countries where EPs and national patents may no longer coexist, some countries (e.g., Germany) will still allow for double patent protection with respect to EP-UEs. Additionally, some contracting member states (e.g., France and the Netherlands) have closed the “national route” by entering the Patent Cooperation Treaty,<sup>55</sup> under which international patent applications cannot be nationalized at those members states’ national patent offices.

#### i. **Opting-out of the UPC system**

For patent proprietors, the question whether to opt out of the UPC system for their existing EPs or EP applications is a key strategic decision in preparing for implementation of the UPC. There are two types of opt-outs to choose from: 1.) a “preemptive” opt-out, filed before any action is taken in the case and 2.) an opt-out on a case-by-case basis, filed only after an infringement is identified.

By choosing a preemptive opt-out, the proprietor ensures that competitors do not have the opportunity to block the opt-out by filing a nullity suit before the UPC.<sup>56</sup> Also, since opt-outs can be withdrawn (unless an action has already been brought before a national court<sup>57</sup>), proprietors may still ultimately choose the UPC as their venue.

Disadvantages of choosing a preemptive opt-out include the upfront decision-making and administrative effort required to opt out, the inability to make use of all the advantages of the new

<sup>54</sup> EP validation is the process of converting a single EP Application upon grant into at least one national patent or into a bundle of one or more of the 44 EPO member, extension, and validation states. For EP-UEs, the validation covers the territory of the UPC member states only as of the date of validation. Therefore, an expansion of the UPC area after the validation of a given EP-UE will have no effect on the territorial scope of this EP-UE, so different EP-UEs may have different territorial scopes.

<sup>55</sup> The Patent Cooperation Treaty was signed in the 1970s to provide an economical and streamlined means for the filing of patent applications in several countries. It is governed by the World Intellectual Property Organization and has more than 150 nations as signatories.

<sup>56</sup> Another way to achieve the same ends is the patent owner might take advantage of any national bifurcation where applicable (e.g., Germany). By doing this, the patentee can avoid any risk of a counterclaim of revocation in infringement proceedings.

<sup>57</sup> *UPC Agreement, supra* note 16, Art. 83(4).

system (e.g., the injunction leverage of the broad territorial scope,<sup>58</sup> the rocket docket of the UPC,<sup>59</sup> as well as the attractive cost reimbursement system<sup>60</sup>), and the risk of the proprietor being entirely locked out of the UPC system if a potential defendant files a preemptive action before a national court before the proprietor can withdraw its preemptive “opt-out.”

By choosing to opt out on a case-by-case basis, the patentee benefits from not having to take the upfront administrative action to preemptively opt out. But not filing a preemptive opt-out risks being preempted by a competitor filing a nullity action before the UPC before the proprietor has the opportunity to file its opt-out, which would lock the EP in the UPC system.

By choosing to not opt out either preemptively or on a case-by-case basis, the proprietor benefits by avoiding any risk of being locked out of the UPC system by any preemptive national actions by potential defendants.

## ii. Staying in (i.e., not opting out of) the UPC system

In the absence of opt-outs, proprietors and defendants will be able—during the transitional period—to bring actions in relation to non-opted-out EPs before both the UPC and the national courts.<sup>61</sup>

This flexibility generates a myriad of potential scenarios of parallel proceedings at the UPC and national level, as well as multiple opportunities for forum shopping. This is further exacerbated by the fact that a number of points regarding the relationship between such potential parallel actions on non-opted-out EPs remain uncertain, as the language of Article 83(1) UPCA leaves room for different interpretations.

A first point of uncertainty is whether actions brought before national courts in respect of non-opted-out EPs block the UPC’s jurisdiction altogether or whether parallel proceedings are possible, within the limits of the *lis alibi pendens* provisions of Recast Brussels I.<sup>62</sup> It has been noted that the UPCA does not provide for an all-or-nothing rule, according to which, once litigation has started

<sup>58</sup> See *infra* Section II.B.2 (“Torpedo” actions) for details.

<sup>59</sup> See *infra* Section III.B (Case management of UPC litigation) for details.

<sup>60</sup> See *infra* Section IV.I (Cost awards before the UPC) for details.

<sup>61</sup> It has been noted that the language of Article 83(1) UPCA, albeit apparently limited to actions for infringement and revocation, should be interpreted as extending to actions for declarations of noninfringement, as well as to protective and provisional measures. A different interpretation would imply restricting the choice of forum to just one party and would pose questions of unjustified unequal treatment. See ANG SAR OHLY, THE JURISDICTION OF EUROPEAN COURTS IN PATENT DISPUTES 20, EUROPEAN PATENT ACADEMY (2022), available at <https://www.epo.org/learning/materials/jurisdiction.html>. For the position that the language of Article 83(1) UPCA is a shorthand for referring to any action that comes under the jurisdiction of the UPC, see also Alan Johnson, *Unified Patent Court*, THE PATENT LITIGATION LAW REVIEW (3rd ed. 2019), at 9, available at <https://www.bristows.com/app/uploads/2019/12/Unified-Patent-Court-The-Patent-Litigation-Law-Review-Nov-2019.pdf>, and an introductory document to the UPC prepared by the European Patent Academy of the EPO, at 20, available at [https://e-courses.epo.org/wbts\\_int/litigation/UPCAgreement.pdf](https://e-courses.epo.org/wbts_int/litigation/UPCAgreement.pdf) (last visited Dec. 21, 2022).

<sup>62</sup> *Recast Brussels I*, *supra* note 28, Arts. 29–32.

before a national court under UPCA Article 83(1), an EP would be taken out of the jurisdiction of the UPC entirely.<sup>63</sup>

This would imply the possibility of parallel proceedings before national courts and the UPC concerning the same or different portions of the same non-opted-out EP. Multiple examples can be envisaged, such as national revocation actions of the national portions of a non-opted-out EP after an infringement action has been brought before the UPC or, vice versa, a central revocation action before the UPC after an infringement action has been brought before a national court. Also, under Recast Brussels I, an action based on the same portion of a non-opted-out EP could be brought both before national courts and the UPC, if directed against different parties (e.g., a national infringement action of the national portion of a non-opted-out EP against one defendant and a UPC infringement action of all national portions, including the already asserted national portion, of the same non-opted-out EP against another defendant).

The opposite view has also been expressed, relying on the language of Article 34 UPCA to exclude at least certain instances of parallel proceedings.<sup>64</sup> Article 34 states that decisions of the UPC shall cover all portions of EPs in force in countries participating in the UPCA. This provision is then relied on to suggest that the drafters of the UPCA wished to exclude any possibility of UPC infringement or revocation actions that did not extend to all portions of the non-opted-out EP, thereby excluding UPC jurisdiction or forcing a stay of the UPC action under Article 29 Recast Brussels I where certain portions of the same non-opted-out EP have already become the object of national actions. This interpretation of the drafters' intention underlies the current language of Rule 5.1(b) UPCA, stating that the effects of opt-outs cannot be partitioned and should instead be effective for all designations.

At the same time, it is noted that the argument may not be conclusive, as Article 34 UPCA may tolerate exceptions (e.g., in the event of licenses, different owners, prior use rights, or unpublished prior rights) and may not be a sufficiently reliable basis to exclude the possibility of parallel actions.<sup>65</sup> Furthermore, Article 34 would resolve only part of the problem and would not avoid the possibility of different types of actions brought before the UPC and national courts (e.g., an infringement action before the UPC and revocation actions before the national courts).

In essence, the issue is unclear and will certainly be the object of extensive litigation in the early days of the UPC. Also, no matter the solution early UPC jurisprudence will give to the above issues, it can be predicted that an unintended but likely consequence of this dual jurisdiction will be a race to the courthouse in the event of non-opted-out EPs, to seize the preferred jurisdiction before any preemptive action is filed by the other side. Also, no matter the solution adopted by the early case law of the UPC, tactical preemptive national patent litigation will most likely remain a factor, if only to shield key markets (e.g., where manufacturing takes place) from the jurisdiction of the UPC or to influence UPC proceedings (e.g., relying on the shorter time to trial before certain national courts with a view of creating infringement or validity precedents to be then relied on before the UPC).

---

<sup>63</sup> See OHLY, *supra* note 61, at 20 et seq. See also WINFRIED TILMANN & CLEMENS PLASSMANN, UNIFIED PATENT PROTECTION IN EUROPE: A COMMENTARY 1245 (2018). Multiple practical examples are given in both works.

<sup>64</sup> For a reference to this possible interpretation of UPCA Article 34, see JUSTINE PILA AND PAUL TORREMANNS, EUROPEAN INTELLECTUAL PROPERTY LAW 643 (2016).

<sup>65</sup> Cf. TILMANN & PLASSMANN, *supra* note 63.

These problems will not arise for opted-out EPs (provided that the opt-out is valid), which will only be subject to the jurisdiction of the national courts.

## 2. “Torpedo” actions

A second layer of possible interaction between proceedings before national courts and proceedings before the UPC does not depend on the transitional regime and is inherent in the jurisdictional system under Recast Brussels I. Multiple scenarios can indeed be envisaged of parallel proceedings between the UPC and national courts involving the same cause of action between the same parties as per Article 29 Recast Brussels I or related actions as per Article 30—actions that are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgements.

The typical example of application of Article 29 would be that of so called “torpedo actions,” i.e., noninfringement actions filed before a national court in a noncontracting member state, seeking a declaration of noninfringement (DNI) of a patent that is subject to the jurisdiction of the UPC. As the UPC is deemed to be a court of the contracting member states and is subject to the same obligations under EU law as any national court of the contracting member states,<sup>66</sup> the above *lis alibi pendens* rules of Article 29 apply. Outside the UPC system, a patentee could at least to some extent counter this DNI torpedo by filing a request for preliminary injunction, because Article 35 Recast Brussels I excludes preliminary measures from the *lis alibi pendens* provisions. However, it is not clear whether Article 35 is applicable with respect to the UPC.<sup>67</sup> Accordingly, it might not be possible to respond to a DNI torpedo by filing a request for preliminary measures.

Additional scenarios may arise in situations where the jurisdiction is split among national courts and the UPC, depending on the form of action. By way of example, the UPC has jurisdictions over “related defences” in infringement actions, “including counterclaims concerning licenses.”<sup>68</sup> Such defences may also be the object of main actions before national courts. Again, multiple fact patterns can be envisaged. Immediate examples would include main actions before national courts requesting a declaratory judgement that certain acts are covered by a license or exhaustion or main actions before national courts where the seised court is asked to establish the terms of a license in a competition law or FRAND setting. If the same issue is then brought before the UPC as a defence to an infringement action, the UPC may conclude that UPC proceedings should be mandatorily or discretionarily stayed.<sup>69</sup>

---

<sup>66</sup> *UPC Agreement*, *supra* note 16, Art. 1.

<sup>67</sup> The background for this uncertainty is Article 71c *Recast Brussels I*, *supra* note 28, which with respect to the UPC only refers to Articles 29–32 (i.e., the *lis alibi pendens* rules as outlined above) but expressly not to Article 35. To the extent that Article 71b(2) provides for a similar possibility to file requests for preliminary measures, this provision is (at least based on a literal interpretation) only applicable if a non-EU court accepted jurisdiction for the corresponding main action.

<sup>68</sup> *UPC Agreement*, *supra* note 16, Art. 32(1)(a).

<sup>69</sup> Such a stay would be pursuant to either Article 29 *Recast Brussels I*, *supra* note 28 (if its application is not viewed to be excluded by Article 71(c)(1)) or pursuant to Article 30 *Recast Brussels I* and the general principles governing the *Brussels* regime, driven by the need to avoid irreconcilable judgements.

### 3. The long-arm jurisdiction of the UPC

Based on the above outlined rules on international jurisdiction for the UPC, this court is also vested with long-arm jurisdictional powers.

Recast Brussels I grants the UPC the power to issue preliminary measures even if the courts of non-EU member states have international jurisdiction with respect to main actions.<sup>70</sup> In other words, the UPC has jurisdiction for preliminary measures even if it itself did not have jurisdiction over the main action. Accordingly, this provision could arguably open the doors for cross-border preliminary injunctions with effect in non-EU European Patent Convention members states (e.g., Turkey).<sup>71</sup>

Besides, the UPC may award damages for acts of infringement of EPs that are in force outside the EU.<sup>72</sup> This is new terrain for EU courts that, prior to the establishment of the UPC, could only award damages for acts of infringement occurring on their respective territory. Nevertheless, this provision is unlikely to gain much ground as the hurdles are very high (infringement must occur within the UPC, some property of defendant must be located within a UPC member state, the extra territorial infringement must give rise to damages within the EU, and the dispute must have “sufficient connection” with UPC member state where property is located), and this provision is not applicable to defendants located in the area of the Lugano convention.<sup>73</sup>

### 4. Double patenting

A further layer of possible interaction between proceedings before national courts and proceedings before the UPC derives from the possibility of retaining national patent or utility model rights in parallel with European Patents or European Patents with unitary effect (EP-UEs).<sup>74</sup> The coexistence of EPs or EP-UEs with national rights will allow patentees to bring parallel actions before the UPC and the national courts.

One may wonder whether the UPC or the national courts may wish to reduce the risk of inconsistent decisions (and avoid a duplicative use of judicial resources) by relying on discretionary stays under Article 30 Recast Brussels I.<sup>75</sup> The legal basis for doing so would require some creative effort, however, as from a formal perspective, the risk of irreconcilable judgements does not exist

---

<sup>70</sup> *Recast Brussels I*, *supra* note 28, Art. 71(b)(2).

<sup>71</sup> The point is controversial, as Art. 71(b)(2) has to be reconciled with the language of Recital 33 of *Recast Brussels I*, which provides that: “where provisional, including protective, measures are ordered by a court of a Member State not having jurisdiction as to the substance of the matter, the effect of such measures should be confined, under this Regulation, to the territory of that Member State.” It can be predicted that the uncertainty will need to be resolved by the CJEU when the first cases arise.

<sup>72</sup> *Id.*, Art. 71b(3).

<sup>73</sup> Article 73(1) *Recast Brussels I*, *supra* note 28, stipulates the primacy of the *Lugano convention*, *supra* note 40, which does not allow for a corresponding long-arm jurisdiction.

<sup>74</sup> *See supra* Section II.B.1 (International jurisdiction of the UPC and *lis alibi pendens*) for the various possibilities of double patenting recognized by various contracting member states.

<sup>75</sup> *Id.*

when the causes of actions (the infringement of the European right and that of the national right) are not related.

If discretionary stays do not become an issue, the existence of parallel rights over the same invention will become another source of tactical litigation for pan-European litigation strategies, multiplying the venues where remedies are sought in hopes of creating influential precedents to be exported in the parallel jurisdiction or reducing the risk of enforcement.

Also, national litigation may be resorted to in situations where it provides tactical advantages, e.g., allowing for broad pretrial discovery measures (as is the case in, e.g., France and Italy with the orders for “*saisie-contrefaçon*” or “*descrizione*” respectively, enabling the holding of an intellectual property right to have the claimed violation of these rights recorded by a bailiff authorized to enter any place where the infringement might be observed and seize the items of evidence of the infringement) or preliminary injunctions before grant (as is possible in Italy on the basis of national or EP applications).

## 5. No obligation to concentrate all patents in one action before the UPC

In this regard, patentees should take into consideration that unlike the rules of procedure in some participating EU member states, including Germany,<sup>76</sup> the UPCA does not require the patentee to include all patents that it considers infringed by a certain product or process in the statement of claims. Thus, the patentee may get a “second bite at the apple” of filing for infringement in the UPC system based on a patent that may otherwise be barred from enforcement due to the aforesaid national rules, and the defendant has no available defence on this ground.

## C. THE IMPACT OF THE UPC SYSTEM ON LICENSING AND TECH-TRANSFER AGREEMENTS

Licensing and tech-transfer agreements are typically broadly drafted and often include provisions on the (co-)ownership of patent applications and patents, prosecution, and enforcement. However, with the new UPC system and the Unitary Patent Regulation implementing enhanced cooperation in the creation of unitary patent protection, some details may need to be addressed in future agreements or may require reconsideration in existing agreements.<sup>77</sup> Particularly, existing agreements are unlikely to have addressed who may decide to register an opt-out or withdraw an opt-out, but this is often a crucial point for exclusive licensees.

For the question of who can bring an action before the court, the UPC system distinguishes three different parties: the proprietor, the exclusive licensee, and the nonexclusive licensee. In the UPC system, the patent proprietor is *prima facie* entitled to bring actions before the court.<sup>78</sup> The holder of an exclusive license is entitled to bring actions under the same circumstances as the patent proprietor, provided that prior notice is given to the proprietor.<sup>79</sup> This right, however, is not given to

---

<sup>76</sup> Patentgesetz [PatG] [German Patent Act], Dec. 16, 1980, § 145 (*Zwang zur Klagekonzentration*), [https://www.gesetze-im-internet.de/englisch\\_patg/englisch\\_patg.html](https://www.gesetze-im-internet.de/englisch_patg/englisch_patg.html).

<sup>77</sup> See *Unitary Patent Regulation*, *supra* note 17.

<sup>78</sup> *UPC Agreement*, *supra* note 16, Art. 47(1).

<sup>79</sup> *Id.*, Art. 47(2).

nonexclusive licensees. The holder of a nonexclusive license is only entitled to bring actions before the court in so far as it is expressly permitted in the license agreement.<sup>80</sup> In addition, the same prior notice obligation as exists for exclusive licensees applies to nonexclusive licensees. Since litigation in the UPC system is likely not expressly mentioned in existing licensing and tech-transfer agreements, this requires a review of the agreements.

Moreover, in any action brought by a licensee, e.g., infringement or a declaration of noninfringement, the proprietor can join the action.<sup>81</sup> The latter is even a requirement if the validity of the patent is challenged.<sup>82</sup> How to deal with the proprietor joining the action in existing license agreements needs to be reviewed.

A complicating factor is that the party who is entitled to bring an action before the court may be at odds with the party who is entitled to opt out or withdraw the opt-out. In principle, only the proprietor may opt-out or withdraw the opt-out,<sup>83</sup> meaning the licensee cannot control this. There can be a conflict if the (exclusive) licensee has the right of enforcement but cannot decide where to bring an action because of a lack of control over the registration or withdrawal of an opt-out. This situation requires coordination between a licensee and the proprietor that may be easier to achieve if it is addressed before the prospect of any litigation. To address this preemptively may be straightforward for new agreements but may require (re)negotiation for existing agreements. For tech-transfer agreements, it is just as important for parties to consider the opt-out, as it is a joint action.<sup>84</sup> Parties could choose a joint opt-out; or they could choose to have the opt-out determination lie with the party entitled to file the patent and impose a duty to cooperate on the other party.

Parties should also consider the provisions of the Unitary Patent Regulation.<sup>85</sup> The Unitary Patent Regulation determines that the holder of an EP-UE has the option to file a statement at the European Patent Office to the effect that the proprietor is prepared to allow any person to use the invention as a licensee in return for appropriate consideration. The license will be treated as a contractual license.<sup>86</sup> Further, if parties cannot agree on the appropriate consideration, the UPC has exclusive competence to establish this.<sup>87</sup> This competence is somewhat remarkable: on the one hand, the court can determine what a reasonable compensation (or royalty) would be for a license of right, but on the other hand, it will not have competence, at least as the object of a main action, to determine a FRAND royalty (as this is not included in Article 32 UPCA).

---

<sup>80</sup> *Id.*, Art. 47(3).

<sup>81</sup> *Id.*, Art. 47(4).

<sup>82</sup> *Id.* Art. 47(5).

<sup>83</sup> Rule 5, UPCA ROP, *supra* note 26.

<sup>84</sup> *Id.*, Rule 5(1).

<sup>85</sup> *See supra* note 17.

<sup>86</sup> *Id.* at Art. 8(2).

<sup>87</sup> *UPC Agreement, supra* note 16, Art. 32(h).



The Unitary Patent Regulation confirms that an EP-UE confers on the proprietor the right to prevent any third party from committing acts throughout the participating member states.<sup>88</sup> The acts that are prescribed are defined by the national law that is applicable to the patent.<sup>89</sup> An EP-UE shall be treated in all participating member states as a national patent of member states whose law is applicable to the patent.<sup>90</sup> This applicable law is cascaded, i.e., determined on an “if–then–else”-basis:<sup>91</sup> First (“*if*”), the applicable law would be that of the member state (a) where the EP applicant has his residence or principal place of business or (b) where the EP applicant has a place of business. Secondly (“*else*”), if neither of these possibilities apply, the applicable law is determined based on the location of the EPO’s headquarters, which is in Munich, so German law is applicable.<sup>92</sup> As such, for example, if the EP applicant has a principal place of business in the Netherlands, Dutch law would apply for determining what an infringing act is. Therefore, parties should carefully consider who is listed on a patent application, and in what order, in existing and future license and tech-transfer agreements.

Turning to the question of how national German law treats national German patents as an object of property, one has to bear the following principles in mind:

- Principle of definiteness: On the one hand, national German law requires that an assignment of rights in rem—and patents are considered to be rights in rem—needs to be “definite.” This means that third parties must be put in a position to clearly and unambiguously assess which rights in rem were fully or partially assigned from one party to another. An assignment that violates this principle of definiteness is null and void.<sup>93</sup>
- No legal form requirement: On the other hand, national German law does not require any legal form (i.e., written form, notarization, etc.) for a valid assignment of a national patent (or any other rem right with the exception of real estate). This applies also to partial assignments or the grant of licenses. Thus, an oral agreement to transfer a national German patent constitutes a valid assignment. The same is true for the assignment of the right to claim a priority. However, the party who asserts in court that such oral assignment took place bears the burden of proof. It is certainly recommended to document in writing that an assignment took place (whereby the principle of definiteness needs to be observed in such written deeds).
- Fate of the sublicense if the main license lapses: Pursuant to the case law of the German Federal Supreme Court,<sup>94</sup> the sublicense remains in effect even

---

<sup>88</sup> See *Unitary Patent Regulation*, *supra* note 17, Art. 5

<sup>89</sup> *Id.* at Art. 7; see also the confluence with *UPC Agreement*, *supra* note 16, Arts. 25–27.

<sup>90</sup> *Unitary Patent Regulation*, *supra* note 17, at Art. 7.

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> BÜRGERLICHES GESETZBUCH [BGB] [GERMAN CIVIL CODE], § 134.

<sup>94</sup> German Federal Supreme Court, decisions of 19 July 2012, docket no. I ZR 70/10 - *M2Trade* and I ZR 24/11 - *Take Five*.

though the main license lapses (e.g., if it was terminated for cause). Thus, proprietors that wish to avoid the consequences of this case law must include corresponding termination mechanisms in their licensing agreements.

#### **D. EUROPEAN PATENTS WITH UNITARY EFFECT: THE NEED FOR FREEDOM TO OPERATE IN EPC COUNTRIES WITH FEW VALIDATED EP-PATENTS**

One of the effects of EP-UEs will be more valid patents in countries where only a fraction of granted EPs have been validated so far.<sup>95</sup> For example, in 2020, 133,715 European Patents were granted by the EPO. However, only 27,135 EPs were validated in Austria, which amounts to about 20 percent of the granted patents. With the introduction of EP-UEs, it is expected that the number of active EPs in countries such as Austria, Bulgaria, Estonia, and Portugal will increase drastically. Accordingly, a freedom-to-operate analysis will be much more complex in these countries in the future.

Another challenge when conducting a freedom-to-operate analysis in the future is that EP-UEs will most likely have a different territorial scope, depending on the date when the EP-UE is granted. It is currently envisaged that EP-UEs will cover the seventeen member states when the UPC system comes into force. However, additional member states will likely join the unitary patent system after the start of the system. Therefore, the territorial scope of those EP-UEs, which were already requested when the UPC system started, will remain restricted to the seventeen member states initially participating (contrary to EU Trademarks and Community Designs, whose territorial scope grows or diminishes, which could readily be seen after the United Kingdom left the European Union). EP-UEs that are requested a few years later may cover more countries. Accordingly, for each EP-UE it will be necessary to check when its unitary effect was granted and which countries were covered by the respective request at the date of grant of the EP-UE.

Particularly challenging during the transitional period will be the proprietor's option to opt out of the jurisdiction of the UPC and to withdraw such an opt-out again. Thus, for example, if a specific patent is opted out of the UPC, when the freedom-to-operate analysis is conducted, an infringement analysis has to be completed in view of the case law of the respective national courts having jurisdiction. However, the proprietor of a specific patent could choose to withdraw the opt-out and file an infringement action with the UPC on the next day. If so, the case law of the UPC will suddenly be much more relevant than national case law. Accordingly, third parties who conduct a freedom-to-operate analysis will be well advised to prepare for both scenarios, i.e., under the jurisdiction of national courts and under the jurisdiction of the UPC.

Other procedural measures may also be appropriate. For example, not all national infringement courts in the participating member states accept protective letters. Thus, if the proprietor opts out a specific patent, it may not be possible for a defendant to validly file a protective letter with the competent court in a critical jurisdiction. But if the proprietor subsequently withdraws the opt-out, it may become highly advisable for the defendant to file a protective letter with the UPC. Parties conducting a freedom-to-operate analysis should monitor the opt-out status of each identified patent in order to take such appropriate procedural measures in a timely manner.

---

<sup>95</sup> For a description of patent validation in Europe, *see supra* note 54.

A party conducting a freedom-to-operate analysis should be mindful of the fact that specific countries may be covered twice. This is especially true for Germany, in which, to date, so-called “double protection” by an EP bundle patent and a national German patent for the same subject matter is prohibited. As such, any German patent to date automatically loses its legal effect if an EP bundle patent is granted for the same subject matter.<sup>96</sup> With regards to EP-UEs, however, as stated above, the applicable German law is different—Germany will uphold such a prohibition of double protection only for those EPs that were opted out according to Article 83(3) UPCA. Accordingly, in the future, it will be possible that national German patents and EP-UEs covering Germany will coexist. Thus, when conducting a freedom-to-operate analysis, it will be necessary to assess freedom to operate for the territory of Germany not only for the EP-UE but also a national counterpart that may have the same or a different scope of protection.

Additionally, in several EP member states (e.g., Germany, Austria, and France), it is possible to gain utility model protection in addition to patent protection for the same or a similar subject matter. Accordingly, when conducting a freedom-to-operate analysis for EP member states in the future, it will be necessary to assess freedom to operate for EP-UEs, corresponding national patents, or related national utility models. For example, due to a different scope of protection or a diverging interpretation, there may be freedom to operate with respect to one specific IP right, but not with respect to related IP rights having a similar or even identical scope of protection.

---

<sup>96</sup> For discussion of double patenting in Germany, *see supra* Section II.A (Filing and prosecution strategies under the UPC legal framework).

### *III. Procedural Issues Before the UPC*

---

#### **A. THE STRUCTURE OF THE UPC (LOCAL, REGIONAL, AND CENTRAL DIVISIONS)**

It is safe to assume that we will see diverging case law and case management (in particular concerning the grant of term extensions pursuant to Rule 9) among the various local and regional divisions and the central division of the UPC. Inconsistencies will likely persist indefinitely, as has been the case for example in Germany, where we still witness today inconsistent case law and case management between the Regional Courts in Düsseldorf, Mannheim, and Munich. This will inevitably lead to forum shopping. One can only make an educated guess as to which of the various UPC divisions will be the most patentee-friendly forum. Nonetheless, patentees are best served identifying the main factors for determining which UPC division will be the best venue for their enforcement actions.

As of today, the following venues will be available for starting an infringement action before the UPC when implemented:

##### Local divisions:<sup>97</sup>

- Austria: Vienna
- Belgium: Brussels
- Denmark: Copenhagen
- Finland: Helsinki
- France: Paris
- Germany: Düsseldorf, Hamburg, Mannheim, Munich
- Italy: Milan
- Netherlands: The Hague
- Portugal: Lisbon
- Slovenia: Ljubljana

##### Regional divisions:

- Sweden Nordic-Baltic<sup>98</sup>: Stockholm , Riga, Tallinn and Vilnius

##### Central divisions:

---

<sup>97</sup> <Host Country>: <Seat(s)>

<sup>98</sup> Covering Sweden, Latvia, Estonia, and Lithuania.

- Paris, Munich

The local jurisdiction of the above divisions for the respective action is governed by Article 33 UPCA. Principally, infringement actions can be brought either before the local/regional division hosted by the contracting member state where the infringement occurs<sup>99</sup> or before the local/regional division hosted by the contracting member state where the defendant has its residence or place of business<sup>100</sup>. In case, no local or regional division is competent, the action has to be filed with the central division.<sup>101</sup> Revocation actions, generally, have to be brought before the central division,<sup>102</sup> unless both parties agree to bring a revocation action before a division of their choice.<sup>103</sup> Additionally, any counterclaims for revocation also have to be brought before the same local or regional division.<sup>104</sup>

The composition of the panels of these UPC divisions will impact the outcome of a given UPC case, because each UPC judge will likely decide cases similarly to how the judge decided national litigation cases prior to becoming a UPC judge. The primary legal sources for patent law are Article 69(1)<sup>105</sup> European Patent Convention and Articles 1 and 2 of the Protocol on the Interpretation of Article 69 EPC,<sup>106</sup> but they provide only limited guidance as to the key questions of many areas of patent law, including claim construction, literal infringement, and the doctrine of equivalents.

For a detailed description of how UPC judicial panels will be composed, see Section III.C (Legal and technical judges) below.

How judicial panels are composed will have numerous potential substantive implications that will impact UPC local or regional division forum selection. For discussion, *see* Sections IV.A (Infringement and scope of protection) and IV.B (Available remedies in (main) infringement actions) below.

---

<sup>99</sup> Art. 33(1)(a).

<sup>100</sup> Art. 33(1)(b).

<sup>101</sup> *Id.*

<sup>102</sup> Art. 32(1)(d).

<sup>103</sup> Art. 33(7).

<sup>104</sup> Art. 33(4) UPCA.

<sup>105</sup> *EP Convention*, *supra* note 9, Art. 69(1) states: “The extent of the protection conferred by a EP or a EP application shall be determined by the claims. Nevertheless, the description and drawings shall be used to interpret the claims.”

<sup>106</sup> *EP Convention*, *supra* note 9, Protocol on the Interpretation of Article 69 EPC (Oct. 5, 1973, as revised by the Act revising the EPC of Nov. 29, 2000), <https://www.epo.org/law-practice/legal-texts/html/epc/2020/e/ma2a.html#:~:text=Article%2069%20should%20not%20be,an%20ambiguity%20found%20in%20the.>

## B. CASE MANAGEMENT OF UPC LITIGATION

The UPC court will have exclusive competence<sup>107</sup> in relation to EP-UEs, EPs, and Supplementary Protection Certificates<sup>108</sup> for various types of proceedings:<sup>109</sup>

- Actual or threatened infringement, including counterclaims concerning licenses<sup>110</sup>
- Declaration of noninfringement (DNI)<sup>111</sup>
- Provisional and protective measures and injunctions<sup>112</sup>
- Revocation/declaration of invalidity<sup>113</sup>
- Counterclaims for revocation/declaration of invalidity<sup>114</sup>
- Damages from provisional protection<sup>115</sup>
- Use of invention prior to grant/prior user rights<sup>116</sup>
- Compensation regarding licenses of right under Article 8 of EU Regulation 1257/2012<sup>117</sup>
- Decisions of the EPO<sup>118</sup>

These proceedings can be divided into three phases: written, interim, and oral procedures.<sup>119</sup>

---

<sup>107</sup> In this regard, Rule 19(7) UPCA is highly relevant according to which jurisdiction and competence of the UPC is irrevocably accepted, unless the defendant files a respective preliminary objection within one month after service of the complaint (Rule 19(1) UPCA). *UPC Agreement*, *supra* note 16.

<sup>108</sup> *Id.*, Art. 3(a)–(d). Supplemental Protection Certificates (SPCs) are a European IP right that extends the duration of certain rights associated with certain patents after expiration. SPCs are available for various regulated, biologically active agents and were introduced to encourage innovation in certain fields for which regulatory approval requires an extended period of time—namely pharmaceuticals.

<sup>109</sup> *Id.*, Art. 32.

<sup>110</sup> *Id.*, Art. 32(1)(a).

<sup>111</sup> *Id.*, Art. 32(1)(b).

<sup>112</sup> *Id.*, Art. 32(1)(c).

<sup>113</sup> *Id.*, Art. 32(1)(d).

<sup>114</sup> *Id.*, Art. 32(1)(e).

<sup>115</sup> *Id.*, Art. 32(1)(f).

<sup>116</sup> *Id.*, Art. 32(1)(g).

<sup>117</sup> *Id.*, Art. 32(1)(h).

<sup>118</sup> *Id.*, Art. 32(1)(i).

<sup>119</sup> *Id.*, Art. 52, and Rule 10, UPCA ROP, *supra* note 26.

As the name suggests, the written procedure consists of the exchange of legal briefs, starting with the statement of claim. A patentee has to include in its statement of claim all arguments and evidence that it wishes to rely on in the proceedings. This means that all the exhibits needed to prove the position taken (e.g., that there is infringement or that the patent is invalid) have to be available and submitted at the start of the proceedings. In other words, the proceedings are “front-loaded.” It is important to consider what has to be included before proceedings are started and how to best deal with the front-loaded approach, as it might be difficult to bring in further information or file requests in the course of the proceedings. A change of claim or amendment of a case requires an explanation why the change or amendment was not included in the original pleading and may be rejected by the court.<sup>120</sup>

The interim procedure<sup>121</sup> goes hand in hand with the stipulated active case management by the court.<sup>122</sup> In this stage of the proceedings, which starts after the written procedure and which shall be concluded within three months,<sup>123</sup> the judge-rapporteur is to prepare the oral hearing by identifying the main issues and disputes as well as clarifying the parties’ positions. To achieve these goals, the judge-rapporteur has a wide range of options, including holding an interim conference and issuing the orders for which the parties are to

- provide further clarification on specific points;
- answer specific questions;
- produce evidence; and
- lodge specific documents, including each party’s summary of the orders to be sought at the interim conference.<sup>124</sup>

Failure to comply with these orders may result in a judgement by default.<sup>125</sup>

The oral procedure<sup>126</sup> is supposed to prepare the action for decision by oral pleadings, testimony<sup>127</sup> of witnesses and experts, and answers to specific questions posed by the court. The goal is to complete the (principally public) hearing within one day<sup>128</sup> and which may only be adjourned in exceptional cases.<sup>129</sup>

---

<sup>120</sup> *Id.*, Rule 263.

<sup>121</sup> *UPC Agreement*, *supra* note 16, Art. 52(2); Rules 101 et seq., UPCA ROP, *supra* note 26.

<sup>122</sup> *UPC Agreement*, *supra* note 16, Art. 43.

<sup>123</sup> Rule 101(3), UPCA ROP, *supra* note 26.

<sup>124</sup> Rule 103(1), UPCA ROP, *supra* note 26.

<sup>125</sup> *Id.*, Rules 103(2) and 355.

<sup>126</sup> *Id.*, Rules 108 et seq.

<sup>127</sup> Arguably, Rule 112 (5) UPCA allows for crossexamination of witnesses and experts.

<sup>128</sup> *Id.*, Rule 113(1).

<sup>129</sup> *Id.*, Rule 114.

It is easier for the patentee, as the party that initiates the proceedings, to deal with the front-loaded approach than it is for the defendant. The difficulty for the defendant is exacerbated by the short deadlines laid down in the Rules of Procedure, which are in principle extendable.<sup>130</sup> The defendant has three months from service of the statement of claim to lodge a statement of defence in an infringement action<sup>131</sup> or two months in a revocation action or an action seeking a DNI.<sup>132</sup> If the defendant wishes to file a counterclaim for revocation or infringement, it must be included in the statement of defence.<sup>133</sup> In turn, any requests to amend the patent that is filed after the two-month period needs the leave of the court, and claimants should not expect the court to be very generous, at least initially. This means for both parties that diligent preparation is key to success.

The front-loaded approach of UPC proceedings impacts the division of the burden of proof and vice versa. The burden of proof of all facts shall be on the party relying on those facts.<sup>134</sup> Where the patentee thus relies on certain facts in its statement of claim, it needs to obtain all necessary evidence validating those facts before filing. Parties have a duty to offer or produce evidence when a statement of fact is contested or likely to be contested.<sup>135</sup> Article 55 UPCA provides an important reversal of the burden of proof regarding the relationship between process patents and products: without evidence to the contrary, a new product will be deemed to be obtained by the patented process if the attacked product is identical to the product obtained from the patented process. The alleged infringing party can refute the presumption with proof to the contrary, whereby its legitimate interests in protecting its manufacturing and trade secrets would need to be taken in to account.

The evidence can come in various forms, including particular documents, written witness statements, drawings, expert reports, reports on experiments carried out for the purpose of the proceedings, physical objects (e.g., devices, products, or models), electronic files, and audio/video recordings.<sup>136</sup>

When it comes to obtaining the evidence, the initiative in principle lies with the parties themselves, and the procedures thereof will be governed by the Rules of Procedure. Unlike in U.S. and (to some extent) UK litigation, UPC proceedings do not provide for a general obligation to disclose potentially relevant evidence, i.e., there are no discovery or disclosure obligations. Parties relying on facts that are contested have to produce evidence available to them in support of those facts,<sup>137</sup> but they do not have to produce documents or other evidence that could adversely affect their case or support another party's case. There are, however, effective ways to secure or obtain evidence, including documents and samples, that is known to exist. The types of fact-finding possibilities provided in the UPCA, such as an inspection and seizure, are described below in Section IV.G.4.d. The confluence of these possibilities with national evidence proceedings is described below in

---

<sup>130</sup> *Id.*, Rule 9(3).

<sup>131</sup> *Id.*, Rule 23.

<sup>132</sup> *Id.*, Rules 49 and 67.

<sup>133</sup> *Id.*, Rules 25 and 50.

<sup>134</sup> *UPC Agreement*, *supra* note 16, Art. 54.

<sup>135</sup> Rules 171(1) and 172(1), UPCA ROP, *supra* note 26.

<sup>136</sup> *UPC Agreement*, *supra* note 16, Art. 53, and Rule 170(1), UPCA ROP, *supra* note 26.

<sup>137</sup> *Id.*, Rule 172.



Section IV.G.5. In this context, is it useful to note that in infringement proceedings, the patentee can also lodge an application for an order to preserve evidence (also called a “*saisie*”) prior to an order for inspection.<sup>138</sup> The court may then order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement.

Aside from the fact-finding seizure and inspection (with or without *saisie*), the means for obtaining any evidence in UPC proceedings are broad, including moving for a hearing of the parties, witnesses, or experts, moving for an order for inspection of a place or object, and moving for an order for a party or third party to produce evidence.<sup>139</sup>

### C. LEGAL AND TECHNICAL JUDGES

The composition of the panels of the court of first instance is regulated by Articles 8 and 19–20 UPCA and Rule 345 UPCA and varies depending on the type of division, as outlined below:

- Central division: the panel is composed of two legally qualified judges who are nationals of different contracting member states and one technically qualified judge, allocated from the pool of judges established under Article 18 UPCA.
- Regional divisions: the panel is composed of two legally qualified judges chosen from a regional list of judges, who shall be nationals of the contracting member states concerned, and one legally qualified judge who shall not be a national of the contracting member states concerned and who shall be allocated from the pool of judges.
- Local divisions: the composition of the panel varies depending on the volume of patent cases in the contracting member state hosting the local division. For contracting member states where less than 50 cases a year are heard on average during a period of three successive years prior or subsequent to the entry into force of the UPCA, the panel is composed of one legally qualified judge who is a national of the contracting member state hosting the local division concerned and two legally qualified judges who are not nationals of the contracting member state concerned and are allocated from the pool of judges on a case-by-case basis. For contracting member states where more than 50 cases a year are heard, the panel is composed of two legally qualified judges who are nationals of the contracting member state hosting the local division concerned and one legally qualified judge who is not a national of the contracting member state concerned and who is allocated from the pool of judges. (This currently applies to the local divisions in Düsseldorf, Hamburg, Mannheim, Munich, Paris, The Hague, and Milan.) The allocation from the pool of judges may be on a case-by-case

---

<sup>138</sup> *UPC Agreement*, *supra* note 16, Art. 60, and Rule 192 UPCA, UPCA RoP, *supra* note 26.

<sup>139</sup> *UPC Agreement*, *supra* note 16, Arts. 53(1) & 59, and Rules 170 (2)–(3) and 190, UPCA RoP, *supra* note 26.

or permanent basis, depending on the workload of the court and the need to have a permanently sitting panel to handle the workload of the division.<sup>140</sup>

Any panel of a local or regional division may, after having heard the parties, submit *ex officio* a request to the president of the court of first instance to allocate from the pool of judges an additional technically qualified judge with qualifications and experience in the field of technology concerned, where it deems this appropriate.<sup>141</sup> This request of allocation of a technically qualified judge is compulsory in the event of counterclaims for revocation when the local division decides to hear both the infringement and invalidity claims.<sup>142</sup>

This request of allocation of a technically qualified judge can also be raised by the parties. Upon request by one of the parties, any panel of a local or regional division shall request the president of the court of first instance to allocate from the pool of judges an additional technically qualified judge with qualifications and experience in the field of technology concerned.<sup>143</sup>

The request to allocate a technical judge could play an important strategic role under a number of perspectives:

- Requesting the allocation of a technical judge would increase the technical expertise of the panel, which may be a factor to consider in cases raising complex technical questions (the patentee may, e.g., perceive that the presence of a technical judge might be beneficial in a case of infringement by equivalents, as a technical judge may be more willing to focus on technical functions, while a defendant may, e.g., perceive that the presence of a technical judge might be beneficial to address certain grounds of invalidity).
- Requesting the allocation of a technical judge might also be an effective tool for the defendant to reduce the perceived potential risk of bifurcation before local or regional divisions (especially in the early phases of UPC jurisprudence, in the absence of established case law on the point).<sup>144</sup> Faced with an early request to allocate a technical judge in a case where a counterclaim for revocation is filed, coupled with an indication that such request is not conditional on the counterclaim, the local or regional division might indeed have an incentive to proceed with both the action for infringement and the counterclaim for revocation.<sup>145</sup>

---

<sup>140</sup> *UPC Agreement*, *supra* note 16, Art. 8(3).

<sup>141</sup> *Id.*, Art. 8(5).

<sup>142</sup> *Id.*, Art. 33(3)(a).

<sup>143</sup> *Id.*, Art. 8(5), and Rule 3, UPCA ROP, *supra* note 26. Based on the language used by the relevant provision of the UPCA (“shall”), the court has no discretion in processing the request. This principle is balanced, however, by Rule 33, under which a request to appoint a technical judge shall be lodged as early as possible in the written procedure, and if it is lodged after the closure of the written procedure, it shall be granted only if justified in view of changed circumstances, such as new submissions presented by the other party and allowed by the court.

<sup>144</sup> *UPC Agreement*, *supra* note 16, Art. 33(3)(c).

<sup>145</sup> *Id.*, Art. 33(3)(a).

- Lastly, requesting the allocation of a technical judge might serve the purpose of balancing (or, contrarily, further increasing) the influence of a specific legal tradition or approach among the legal judges composing the panel at hand, depending on the language of the proceedings and the formation of the panel.

The allocation of judges from the pool of judges is done by the president of the court of first instance on the basis of “their legal or technical expertise, linguistic skills and relevant experience.”<sup>146</sup> Linguistic skills play an important role in the selection of judges to be allocated, as the judge to be allocated will need to be skilled in the language of the proceedings (or in the language used by the division, if the allocation is permanent). This means that for proceedings conducted in languages other than English, the judge to be allocated will likely be a national of the seat of the concerned local or regional division.

Any panel of the court of appeal shall be a multinational composition of five judges.<sup>147</sup> It shall include three legally qualified judges who are nationals of different contracting member states and two technically qualified judges assigned from the pool of judges by the president of the court of appeal.<sup>148</sup>

The role of the technical judges in the decision-making process of the panels where they sit might be interpreted differently depending on the nationality of the judges of that panel and their experience with their own national judicial systems. The national courts of certain contracting member states are used to appoint technical advisors. Their involvement varies depending on the practice of the individual jurisdiction and can range from the preparation of an opinion for the court on all issues of validity or infringement (e.g., in Italy) to the provision of opinions on individual technical points (e.g., in Austria and Belgium).

Local divisions in contracting member states having a tradition with technical advisors might be inclined to request the appointment of technical judges even in the absence of requests from the parties and might be inclined to give significant weight to the opinion of the technical judge. Also, they could consider requesting technical judges to prepare concise preliminary opinions for the panel, e.g., in preparation of the oral proceedings.<sup>149</sup> A closer involvement of technical judges in the assessment of matters of validity may increase the influence of EPO practice in the assessment of inventive step in the local divisions in questions. This is because technical judges are in large part patent attorneys, who typically follow EPO practice.

The role and influence of technical judges might instead be more limited in contracting member states where judges traditionally decide on patent matters, including technical issues, without the support of external advisors.

---

<sup>146</sup> *Id.*, Art. 18(3).

<sup>147</sup> *Id.*, Arts. 9 and 21, and Rule 345, UPCA ROP, *supra* note 26.

<sup>148</sup> *Id.*

<sup>149</sup> A similar interaction characterizes proceedings before the Swiss Federal Patent Court, one of the few examples of a court having a similar architecture, with panels composed of legal and technical judges.

Different local practices may develop in the early years of UPC jurisprudence, and it will be interesting to see how this may affect court practice and forum selection choices of the parties.

The names of the 85 judges appointed to the UPC were announced on October 19, 2022.<sup>150</sup> Thirty-four are legally qualified judges, and 51 are technically qualified judges. At least initially, until the docket of the court becomes more crowded over time, most of them will act on a part-time basis.

Germany (twenty-eight) and France (seventeen) have the highest number of UPC judges. Italy follows with eleven judges, and the Netherlands has seven (which makes 61 out of 85 judges coming from just four countries). Here is a full list of the nationalities of all judges currently appointed:

Country	Legally qualified judges	Technically qualified judges	Total
Germany	12	16	28
France	5	12	17
Italy	4	7	11
The Netherlands	4	3	7
Belgium	1	4	5
Denmark	(1 to be appointed)	4	4
Sweden	2	2	4
Finland	1	3	4
Austria	1	0	1
Bulgaria	1	0	1
Portugal	1	0	1
Slovenia	1	0	1
Estonia	1	0	1

The court will be led by Mr. Klaus Grabinski (Germany), as President of the Court of Appeal, and Ms. Florence Butin (France), as President of the Court of First Instance.

The composition of the Presidium—the body responsible for the management of the court<sup>151</sup>—was also announced. In addition to the President of the Court of Appeal and the President of the Court

<sup>150</sup> A full list of the names of the judges appointed is published on the court's website, <https://www.unified-patent-court.org/en/news/unified-patent-court-judicial-appointments-and-presidium-elections>.

<sup>151</sup> *UPC Agreement*, *supra* note 16, Annex 1, Art. 15(3). The Presidium shall in particular draw up proposals for the amendment of the Rules of Procedure and proposals regarding the Financial Regulations of the Court; prepare the annual budget, the annual accounts, and the annual report of the Court and submit them to the Budget Committee; establish the guidelines for the training programme for judges and supervise the implementation thereof; take decisions on the appointment and removal of the Registrar and the Deputy-Registrar; lay down the rules governing the Registry including the sub-registries; and give an opinion in accordance with Article 83(5) UPCA.

of First Instance, the Presidium is composed of two judges from the Court of Appeal, Ms. Rian Kalden (Netherlands) and Ms. Ingeborg Simonsson (Sweden), and three judges from the Court of First Instance, Ms. Camille Lignieres (France), Mr. Ronny Thomas (Germany), and Mr. Peter Tochtermann (Germany).

#### **D. BIFURCATED VS. NONBIFURCATED PROCEEDINGS**

Bifurcation is the ability to divide a case into two parts so as to render a judgement on a set of legal issues without looking at all aspects. In patent law, bifurcation is usually regarded as the separation of the part dealing with infringement from the part dealing with validity. The prominent example is Germany, where the infringement courts are not competent to decide on the validity of the patent. Rather, the defendant of an infringement case has to file a separate case for invalidity either before the opposition division of the EPO or the [German] Federal Patent Court. Bifurcation in Germany therefore is a decision of the legislature and cannot be handled differently by the courts.

Advocates for bifurcation would argue that decisions on validity are best left to highly specialized courts/tribunals with the appropriate technical background. A disadvantage of bifurcation, however, is the potential delay in the proceedings—namely the so-called “injunction gap,” i.e., the time between the issuance of the injunction by the infringement court and the decision on validity—which can lead to an unjustified advantage for the patentee if the patent is later revoked; and inconsistencies in the claim constructions that are made independently by both courts/tribunals.

In principle, the UPC has adopted a nonbifurcated system. Article 32 UPCA specifies that the UPC is competent to decide on both infringement and validity in combination. Nevertheless, there are a couple of scenarios in which bifurcation may still take place, as follows.

##### **1. Counterclaim for revocation following a claim for infringement<sup>152</sup>**

A defendant may bring a counterclaim for revocation in the case of an action for infringement brought before the UPC local/regional division.<sup>153</sup> It is then in the discretion of the court to either proceed with both actions,<sup>154</sup> or to refer the counteraction for revocation to the UPC central division and then decide whether to proceed with or stay the infringement proceedings,<sup>155</sup> or refer both the action and the counteraction to the central division upon agreement of the parties.<sup>156</sup> The decision whether to refer the counteraction for revocation to the central division and also whether to proceed with or stay the infringement action is in the sole discretion of the court. Rule 37 UPCA does not provide any guidance on this question, and it remains to be seen how the case law concerning this question will develop.

---

<sup>152</sup> For details, see *infra* Sections III.C.9 (Revocation counteractions) and IV.D (Revocation actions).

<sup>153</sup> *UPC Agreement, supra* note 16, Art. 33(3). This scenario only applies to an infringement action brought before the local or regional division. There is by default no room for bifurcation if the infringement action is brought before the central division.

<sup>154</sup> *Id.*, Art. 33(3)(a).

<sup>155</sup> *Id.*, Art. 33(3)(b).

<sup>156</sup> *Id.*, Art. 33(3)(c).

## 2. Counterclaim for infringement following a claim for revocation<sup>157</sup>

In case of a counterclaim for infringement in response to a standalone action for revocation before the central division, both infringement and revocation will be heard in combination by the central division.

The situation is more complex, however, if the patentee decides to file a separate and standalone claim for infringement before a local or regional division—the applicable provisions do not prevent the patentee from doing so (in other words, the standalone revocation claim does not lead to a *lis alibi pendens* argument). Technically, this situation would lead to a bifurcation scenario, with infringement heard before a local/regional division and revocation heard before the central division). However, such a bifurcation can be overcome if *either* both parties agree to have both claims heard before the central division<sup>158</sup> or the defendant in the infringement proceedings files a (further) counterclaim for revocation also in the infringement proceedings.<sup>159</sup> The local or regional division can then proceed to hear both claims in combination (see above).<sup>160</sup> In its discretionary decision, the local or regional division shall consider how far the central division's revocation action is advanced.<sup>161</sup> Until the local/regional division has decided whether to refer the revocation action to the central division<sup>162</sup> or decide both claims in combination, the central division shall stay the revocation action pending before it.<sup>163</sup>

## 3. Actions for invalidity before the EPO and in national courts<sup>164</sup>

Counteractions for revocation can be filed with the UPC in parallel to opposition proceedings before the EPO,<sup>165</sup> and also in parallel to any national revocation action against a member of the same family that the EP-UE belongs to; in particular, a revocation action filed in the UK against the British part of the European Patent comes to mind. Accordingly, a pending infringement or revocation action before the UPC may be stayed (subject to the discretion of the court) pending the opposition before the EPO.<sup>166</sup> A pending revocation action against a national family member, even if the claim wording is the same, may cause the UPC to adapt the timeline of the litigation, but a formal stay seems out of the question, as the national court's decision is not binding upon the UPC. Such a scenario therefore is not one of bifurcation of the same case but rather one in which two (or more) courts in different jurisdictions are dealing with very similar subject matters. For potential defendants in suitable cases, however, it may be advisable to start such national proceedings as early

---

<sup>157</sup> See also *infra* Section IV.D.6 (Counterclaims for infringement / separate actions for infringement).

<sup>158</sup> *UPC Agreement*, *supra* note 16, Art. 33(3)(c).

<sup>159</sup> This is possible according to Rule 75, UPCA RoP, *supra* note 26.

<sup>160</sup> Pursuant to *UPC Agreement*, *supra* note 16, Art. 33(3)(a).

<sup>161</sup> Rule 75, UPCA RoP, *supra* note 26.

<sup>162</sup> *UPC Agreement*, *supra* note 16, Art. 33(3)(b).

<sup>163</sup> Rule 75(3), UPCA RoP, *supra* note 26.

<sup>164</sup> For details, see *infra* Section IV.D.3 (Relationship to EPO opposition proceedings).

<sup>165</sup> *UPC Agreement*, *supra* note 16, Art. 33(8) and (10).

<sup>166</sup> Rule 295, UPCA RoP, *supra* note 26.

as possible to create a “precedence” that the UPC judges deciding upon the validity of the EP-UE will consider.<sup>167</sup>

## **E. THE IMPORTANCE OF THE LANGUAGE ASPECT UNDER THE UPC SYSTEM**

As outlined in Section I above, the language aspect has always been crucial in the runup to the various attempts to form a unitary patent system. Accordingly, the drafters of the UPCA and the Rules have devised a complex system that differentiates between UPC local/regional divisions and the central division.

Before the local and regional divisions, the criteria for the selection of the language of the proceedings are as follows:

- one of the official languages of the EPO as designated by the local/regional division;<sup>168</sup>
- one of the official languages of the country in which the local division is situated, or a designated language of one of the countries hosting the regional division;<sup>169</sup> and
- the language in which the patent was granted, if parties and panel agree or by way of decision of the president of the court of first instance.<sup>170</sup>

A couple of compromises have been agreed upon to limit the claimant’s ability to influence the language regime:<sup>171</sup>

- If the local or regional division provides for additional languages other than its respective official languages, the claimant may choose the language of the proceedings from any of these. However, if the defendant is only active within the local jurisdiction of the respective division, the language can only be one of the official languages. Additionally, the judge-rapporteur may order that judges may use the official language of that country in the oral hearing and for the judgement, whereas a translation will be provided.<sup>172</sup>
- The language of the central division is generally the language in which the patent was granted.<sup>173</sup> The language for the appeal proceedings follows the

---

<sup>167</sup> See also *supra* Section II.B (National patent litigation in parallel to UPC litigation).

<sup>168</sup> *UPC Agreement, supra* note 16, Art. 49(2).

<sup>169</sup> *Id.*, Art. 49(1).

<sup>170</sup> *Id.*, Arts. 49(3)–(5).

<sup>171</sup> *Cf.* Rule 14(2), UPCA RoP, *supra* note 26.

<sup>172</sup> Rules 14(2)(c) and 18, UPCA RoP, *supra* note 26.

<sup>173</sup> *UPC Agreement, supra* note 16, Art. 49(6).

language used in the first instance unless parties agree to the language in which the patent was granted.<sup>174</sup>

If disputes in a language in which the patent was not granted are referred to the central division from a local or regional division, the judge-rapporteur in the central division may (but is not required to) order that the parties provide translations of all or portions of their written submissions in the language in which the patent was granted.<sup>175</sup>

---

<sup>174</sup> *Id.*, Art. 50.

<sup>175</sup> Rule 39, UPCA ROP, *supra* note 26, for counterclaims for revocation; Rule 41(d) for infringement actions.



## *IV. Substantive Patent Issues before the UPC*

---

### **A. INFRINGEMENT AND SCOPE OF PROTECTION**

#### **1. Introduction**

Patents provide patentees with exclusivity rights for inventions that the patentee has in return disclosed to the public. Third parties are prohibited from performing unauthorised acts violating the exclusivity rights provided by the patent.

The rights conferred by a patent before the UPC courts are provided in Articles 25 and 26 of the UPC Agreement (UPCA), and the limitations to these rights are provided in Article 27 of the UPCA. Articles 25–27 are basically in line with similar provisions in the patent laws of most UPC contracting member states. Irrespective of these provisions, however, determining the scope of protection of a particular patent requires case-by-case analysis.

Case law developed nationally in the UPC contracting member states has shown that such determinations may differ between jurisdictions. The Unitary Patent Regulation states that the scope of protection provided by an EP-UE granted with the same set of claims in respect of all the participating member states shall benefit from unitary effect in the participating member states.<sup>176</sup> It shall provide uniform protection and have equal effect in all the participating member states.<sup>177</sup> The scope of that right and its limitations shall be uniform in all participating member states in which the EP has unitary effect.<sup>178</sup>

Thus, given the unitary effect of an EP-UE, there is a need for harmonization of the determination of the scope of protection. The question is where to find sources for a harmonized interpretation of claim scope and conferred rights.

#### **2. Sources of law**

The UPC courts base their decisions on (a) European Union law; (b) the UPCA; (c) the European Patent Convention (EPC);<sup>179</sup> (d) other international agreements applicable to patents and binding on all the contracting member states; and (e) national law.<sup>180</sup>

However, neither European Union law nor the UPCA itself provides any further guidance to the interpretations of the scope of the rights conferred by Articles 25–27 UPCA in particular cases. Neither does the UPC Rules of Procedure (RoP).

---

<sup>176</sup> *Unitary Patent Regulation*, *supra* note 17, Art. 3.1.

<sup>177</sup> *Id.* at Art. 3.2.

<sup>178</sup> *Id.* at Art. 5.2.

<sup>179</sup> *See id.*

<sup>180</sup> *UPC Agreement*, *supra* note 16, Art. 24.

The EPC states that the rights conferred by an EP shall be decided nationally in the territories in which the EP was validated, as if it was a national patent.<sup>181</sup> Further, the EPC makes it clear that the extent of protection of an EP shall be determined by the claims, and that the description and drawings shall be used to interpret the claims.<sup>182</sup>

The Protocol on the Interpretation of Article 69 EPC<sup>183</sup> further defines in Article 1 that the description shall be used to define a position combining a fair protection for the patentee (guided, e.g., by the inventive concept appearing in the description) with a reasonable degree of legal certainty for third parties (guided by a strict literal interpretation of the claim language). Article 2 of the Protocol states that due account shall be taken of any element that is equivalent to an element specified in the claims, i.e., facilitate the application of the doctrine of equivalents. However, the EPC provides no further guidance to the interpretations of the scope of the rights conferred by Articles 25–27 UPCA in particular cases.

Thus, the best sources for guiding the determination of the scope of protection in particular cases are the case law developed in the participating contracting states. But there are substantive differences in the patent law from state to state. For example, some jurisdictions (e.g., the Netherlands) tend to give important weight to the general inventive concept disclosed in the patent when interpreting the claims. Other jurisdictions (e.g., Germany) give decisive weight to the function of particular claim features, and others (e.g., Italy) take a more literal approach and examine the skilled person's perception of the wording of the claims and the intention of the proprietor when drafting the claims.<sup>184</sup>

Thus, it seems clear that there is a need for the Unified Patent Court to provide harmonization on approaches to claim construction. Since the central, regional, and local divisions of the UPC may (initially) be inclined to apply the version of the doctrine of equivalents with which the relevant

---

<sup>181</sup> *EP Convention, supra* note 9, Art. 64.

<sup>182</sup> *Id.* at Art. 69.

<sup>183</sup> *Id.*, Protocol on the Interpretation of Article 69 EPC, *supra* note 106. Articles 1 and 2 of the Protocol state:

Art. 1: Article 69 should not be interpreted as meaning that the extent of the protection conferred by a European patent is to be understood as that defined by the strict, literal meaning of the wording used in the claims, the description and drawings being employed only for the purpose of resolving an ambiguity found in the claims. Nor should it be taken to mean that the claims serve only as a guideline and that the actual protection conferred may extend to what, from a consideration of the description and drawings by a person skilled in the art, the patent proprietor has contemplated. On the contrary, it is to be interpreted as defining a position between these extremes which combines a fair protection for the patent proprietor with a reasonable degree of legal certainty for third parties.

Art. 2: For the purpose of determining the extent of protection conferred by a European patent, due account shall be taken of any element which is equivalent to an element specified in the claims.

<sup>184</sup> Notable examples are the so-called “Epilady” decisions: Briefly, the underlying patent claimed a metal helical spring that was rotated around its axis, powered by an electric motor. The defendant’s device used a cylindrical rod of elastic rubber, powered by an electric motor as well. When faced with the question of infringement, German and British courts came to different conclusions: In Germany, the cylindrical rod was recognized as an equivalent of the spring (i.e., infringement was assumed), while in the United Kingdom, infringement was denied; *cf. UK: Improver Corp. v. Remington Consumer Product Ltd* [1990] F.S.R 181; **Germany:** *Corp. & Sicommerce AG v. Remington Inc*, Case No 2 U 27/89 (OLG 1991).

judges are familiar, we should expect some degree of forum shopping while awaiting any final harmonization from the Court of Appeal of the UPC.

### 3. Functional claim construction

Assuming that the claims of a patent in dispute only read on an accused product if the claim features are construed in a broad functional way, an infringement suit enforcing such a patent may be best filed before the German local divisions. This is because the German patent trial courts—and in particular the Düsseldorf court—adopt a function-oriented claim construction approach that focuses on the technical effect of a claim feature rather than its literal meaning. In general, this claim construction approach has the most potential for establishing a wider scope of patent protection than approaches of other national courts within the EU.

### 4. The doctrine of equivalents

The doctrine of equivalents is recognised in all UPC member states and arguably is further specifically provided for in the Protocol on the Interpretation of Article 69 EPC.<sup>185</sup> Usually, the national courts have developed a series of questions to which the answers guide the determination of equivalents. Given the differences in the questions, however, the results are not always the same.

Further, it seems that the doctrine of equivalents is itself a moving target even at a national level among courts in the same jurisdiction, and as seen in, for example, the *Pemetrexed* cases,<sup>186</sup> courts all over Europe applying the conventional claims construction principles developed for their jurisdictions have had their decisions overturned on appeal, paving the way for new ways of interpreting claims and the doctrine of equivalents. As of today, each member state has established a different multifactor test for deciding cases under the doctrine of equivalents. While it may be practically impossible to assess with complete confidence which of these various national approaches will lead to the most favorable result for a given case, such an assessment may still influence where the patentee should file its case. It seems that several national courts in Europe have now decided that certain limitations introduced to the claim scope during prosecution can be effectively disregarded.<sup>187</sup>

---

<sup>185</sup> *EP Convention*, Protocol on the Interpretation of Article 69 EPC, *supra* note 106.

<sup>186</sup> **Germany:** LG Düsseldorf, Urteil vom 03.04.2014 - 4b O 114/12 U, OLG Düsseldorf, Urteil vom 05.03.2015 - I-2 U 16/14, (BGH) Urteil vom 14.06.2016 X ZR 29/15; **UK:** Actavis UK Ltd & Others v Eli Lilly & Company [2014] EWHC 1511 (Pat) (15 May 2014); Actavis UK Ltd & Others v Eli Lilly & Company [2015] EWCA Civ 555; Actavis UK Ltd & Others v Eli Lilly & Company [2016] EWHC 234 (Pat); Actavis UK Ltd & Others v Eli Lilly & Company [2017] UKSC 48. **Italy:** First instance preliminary decision of the Court of Milan dated 12 Sept. 2017 in R.G. 54470/2016 reversed by the Court of Milan in R.G. 45209/2017 (dated 20 Sept. 2018); **Netherlands:** First instance decision by the District Court of The Hague (C/09/541424 / HA ZA 17-1097) reversed on appeal by decision of the Hague Court of Appeal in C/09/541424/ HA ZA 17-1097 (dated 27 Oct. 2020); **France:** Tribunal judiciaire de Paris, September 11, 2020, RG No. 17/10421; **Sweden:** Stockholm Tingsrätt (PMT-1248/18).

<sup>187</sup> In the *Pemetrexed* cases, *id.*, a claim limitation introduced at the European Patent Office during prosecution to overcome an Article 123(2) objection was initially considered, limiting the scope with respect to equivalents, but was later disregarded throughout the national courts of Europe.

Even further, it seems that the determination (in time) of the relevant date (i.e., the priority date, the filing date, or the date of the alleged infringement) at which equivalents is to be determined is not harmonized throughout the national courts of Europe.

Thus, it will be interesting how the UPC decides to apply this doctrine.

## 5. File wrapper estoppel

With respect to claim construction in general, and also with respect to the application of the doctrine of equivalents, it will be interesting to learn the extent to which the UPC will rely on the file wrapper, created during prosecution of the patent (file wrapper estoppel), and the extent to which statements or limitations made during prosecution can be used when interpreting the claims. Several national courts, e.g., the Netherlands, France, Belgium, Sweden, and Denmark, rely extensively on the file wrapper in their claim interpretation, whereas others, e.g., Germany and Italy, do not.

How the UPC will deal with this topic is uncertain. However, it seems wise for European Patent applicants to take this into consideration during prosecution of their applications at the EPO. Similarly, it will be interesting to learn if and how statements made during a (potential) revocation action at the UPC can be used when interpreting the scope of the claims in the infringement action. And if this is indeed the case, if this has an impact on the possibility of permitting the use of file wrapper estoppel.

Absent any settled case law, in particular guidance provided by the Court of Appeals, the patent should be asserted before the local divisions in Düsseldorf, Hamburg, Mannheim, Milan, and Munich, or the central division in Paris and Munich, since unlike, e.g., the Netherlands or France, which generally recognizes this doctrine, Germany, and Italy do not. EP applicants are almost always unaware of any potential accused product when making narrowing arguments during patent prosecution to avoid prior art, so the availability or unavailability of a file wrapper estoppel argument can significantly impact the scope of the asserted patent and the ultimate infringement determination.

## B. AVAILABLE REMEDIES IN (MAIN) INFRINGEMENT ACTIONS

The UPC system provides for a number of remedies, which can be classified as final remedies imposed when the court finds infringement on the merits, or as provisional measures applicable in the event of an alleged infringement. This catalogue of remedies, which corresponds with the remedies and measures stated in the Enforcement Directive,<sup>188</sup> is developed in the UPCA and the UPCA Rules of Procedure.

Final remedies include:

---

<sup>188</sup> Corrigendum to Directive 2004/48/EC of the European Parliament and of the Council on the enforcement of intellectual property rights (Apr. 29, 2004) [hereinafter *Enforcement Directive*], <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32004L0048R%2801%29>.

## 1. Permanent injunctions<sup>189</sup>

Where the court finds infringement on the merits, it may grant an injunction against the defendant or against the intermediary whose services are used by a third party to infringe a patent, aimed at prohibiting the continuation of the infringement. As indicated by the wording “may,” the UPCA does not allow for an automatic injunction, but the imposition of a permanent injunction is in the court’s discretion. Although Article 63 UPCA does not provide a corresponding provision for preliminary injunctions like Article 62(2) (where the court “shall” take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction), the court may also apply proportionality considerations here. For example, the court is required to take due account of the interest of the parties when imposing remedies<sup>190</sup> and to ensure that they are used in a fair and equitable manner and do not distort competition.<sup>191</sup> If the permanent injunction is not complied with, the defendant will be ordered, where appropriate, to pay a recurring penalty to the court.<sup>192</sup>

Even though Germany and Italy already have at least some forms of a proportionality test codified in their respective national patent laws, automatic injunctions are still the governing rule in both jurisdictions. In cases where an injunction might bring about appreciable hardships for the defendant, such cases should be brought before UPC divisions of the member states that are reluctant to grant exceptions to the principle of the automatic injunction. This holds true, in particular, for France, Germany, Sweden and Italy.

## 2. Award of damages<sup>193</sup>

At request of the injured party, the court shall order the defendant who “knowingly, or with reasonable grounds to know,” engaged in infringing activity to pay the injured party damages appropriate to the harm actually suffered by that party as a result of the infringement.<sup>194</sup> The UPCA makes clear that damages are nonpunitive but aim at putting the injured party in the position it would have been in had no infringement taken place. Such damages are either calculated by taking into account all appropriate aspects (such as negative economic consequences, including lost profits of the injured party and any unfair profits of the defendant, and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the injured party) or set as a lump sum (at least the amount of royalties or fees that would have been due).<sup>195</sup> It should be noted that where the defendant did not knowingly or with reasonable grounds to know engage in infringing activity, the court may nevertheless order the recovery of profits or the payment of compensation.<sup>196</sup>

---

<sup>189</sup> *UPC Agreement, supra* note 16, Art. 63.

<sup>190</sup> *Id.*, Art. 56(2).

<sup>191</sup> *Id.*, Art. 42(2).

<sup>192</sup> *Id.*, Art. 63(2), and Rule 354(3), UPCA ROP, *supra* note 26.

<sup>193</sup> *UPC Agreement, supra* note 16, Art. 68.

<sup>194</sup> *Id.*, Art. 68(2).

<sup>195</sup> *Id.*, Art. 68(3).

<sup>196</sup> *Id.*, Art. 68(4).

The amount of damages may be determined in the proceedings on the merits,<sup>197</sup> or in subsequent proceedings.<sup>198</sup> In the latter case, it is important that an application for determination of damages, which may include a request for an order to lay open books, cannot be lodged later than one year from service of the final decision on the merits.<sup>199</sup>

Finally, it should be pointed out that the EU Translation Regulation states that in the event of a dispute relating to an alleged infringement of a EP-UE, the patentee must provide, at the request and the choice of the defendant, a full translation of the EP-UE into an official language of either the participating member state in which the alleged infringement took place or the member state in which the defendant is domiciled.<sup>200</sup> In its assessment, the court shall, in particular where a small or medium-sized enterprise, natural person, nonprofit making organization, university, or public research organization is concerned, take into consideration whether the defendant acted without knowing or without reasonable grounds for knowing of infringing the EP-UE before having been provided with the requested full translation.<sup>201</sup>

### 3. Communication of information<sup>202</sup>

On a justified and proportionate request,<sup>203</sup> the court may order the defendant or, under the conditions of Article 67(2) UPCA,<sup>204</sup> any third party to inform of (a) the origin and distribution channels of the infringing products or processes, (b) the quantities produced, manufactured, delivered, received, or ordered, as well as the price obtained for the infringing products, and (c) the identity of any third person involved in the production or distribution of the infringing products or in the use of the infringing process.<sup>205</sup> For the protection of confidential information, the court may order that this information be disclosed to certain named persons only and be subject to appropriate terms of nondisclosure.<sup>206</sup> In particular where the court orders a third party to provide the information, the interests of that third party shall be duly taken into account.<sup>207</sup>

---

<sup>197</sup> Rule 118, UPCA ROP, *supra* note 26; also as an interim award of damages which shall at least cover the expected costs of the procedure for the award of damages and compensation on the part of the successful party, Rule 119, *id.*

<sup>198</sup> Rule 125 et seq., UPCA ROP, *supra* note 26.

<sup>199</sup> Rule 126, UPCA ROP, *supra* note 26.

<sup>200</sup> EU Regulation 1260/2012, *supra* note 18, Art. 4(1).

<sup>201</sup> *Id.* at Art. 4(4).

<sup>202</sup> *UPC Agreement*, *supra* note 16, Art. 67.

<sup>203</sup> Rule 191, UPCA ROP, *supra* note 26.

<sup>204</sup> This applies to third parties who (a) were found in the possession of the infringing products on a commercial scale or to be using an infringing process on a commercial scale, (b) were found to be providing on a commercial scale services used in infringing activities, or (c) were indicated by the person referred to in points (a) or (b) as being involved in the production, manufacture, or distribution of the infringing products or processes or in the provision of the services.

<sup>205</sup> *UPC Agreement*, *supra* note 16, Art. 67.

<sup>206</sup> Rules 191, 190.1 second sentence, UPCA ROP, *supra* note 26.

<sup>207</sup> *Id.*, Rules 191, 190.5.

#### 4. Compensation<sup>208</sup>

The court has the exclusive competence in respect of actions for compensation derived from the provisional protection conferred by a published EP application.<sup>209</sup> While the UPCA does not provide an explicit legal basis for such claim for compensation, a patentee can base its claim on Article 67(1) in conjunction with Article 64 European Patent Convention. Accordingly, an EP application principally grants the applicant the same level of rights and protection as a granted patent under Article 64 from the date of its publication in the designated contracting states. In this respect, Article 67(2) EPC allows the contracting states to only grant a lower level of protection for published EP applications and even to deny the protection under Article 64 altogether, provided that comparable national patent applications do not enjoy better protection.<sup>210</sup> As a minimum protection, however, a “compensation reasonable in the circumstances” is to be provided so long as the third-party use of the patent application involves conduct that would be considered culpable under national law in the case of patent infringement.

#### 5. Corrective measures<sup>211</sup>

On request, the court may order appropriate measures with regard to products found to be infringing and, in appropriate cases, with regard to the materials or implements principally used in the creation or manufacture of those products. Such measures shall include (a) a declaration of infringement, (b) recalling the products from the channels of commerce, (c) depriving the product of its infringing property, (d) definitively removing the products from the channels of commerce, or (e) the destruction of the products or of the materials and implements concerned.<sup>212</sup> When considering such corrective measures, the court shall take into account the need for proportionality between the seriousness of the infringement and the remedies to be ordered, the willingness of the defendant to convert the materials into a noninfringing state, and the interests of third parties.<sup>213</sup> The court will order the defendant to carry out the measures at its own expense, unless particular reasons are invoked for not doing so.<sup>214</sup>

#### 6. Publication of decision<sup>215</sup>

Finally, the court may order on request appropriate measures for the dissemination of information concerning the court’s decision, including publishing the decision in full or in part in public media.

---

<sup>208</sup> *UPC Agreement*, *supra* note 16, Art. 32(1)(f).

<sup>209</sup> *Id.*

<sup>210</sup> An overview of the rights granted by the individual contracting states can be found in table III.A of the EPO brochure *National Law relating to the EPC*, available at <https://www.epo.org/law-practice/legal-texts/national-law.html>.

<sup>211</sup> *UPC Agreement*, *supra* note 16, Art. 64.

<sup>212</sup> *Id.*, Art. 64(2).

<sup>213</sup> *Id.*, Art. 64(4).

<sup>214</sup> *Id.*, Art. 64(3).

<sup>215</sup> *Id.*, Art. 80.

## 7. Provisional and protective measures

Before or after the main proceedings on the merits have been started, the court may in case of a respective application also impose provisional and protective measures.<sup>216</sup> By way of summary proceedings, the court has to be satisfied with a sufficient degree of certainty that the applicant is the right holder and that the applicant's right is being infringed, or that such infringement is imminent.<sup>217</sup>

As provisional measures, the court may on request order preliminary injunctions;<sup>218</sup> the seizure or delivery of the goods suspected of infringing a patent right so as to prevent their entry into or movement within the channels of commerce;<sup>219</sup> a precautionary seizure of the movable and immovable property of the defendant, including the blocking of his bank accounts and other assets, if an applicant demonstrates circumstances likely to endanger the recovery of damages;<sup>220</sup> and an interim award of costs.<sup>221</sup> Also, the court may on request order preservation of relevant evidence, subject to the protection of confidential information, and the inspection of premises;<sup>222</sup> and may grant a freezing order that prohibits a party removing from its jurisdiction any assets located therein or dealing in any assets, whether located within its jurisdiction or not.<sup>223</sup>

Preliminary injunctions will likely play a major role in the new system. The UPCA makes clear that a balancing of interests needs to be made in the course of deciding whether interim relief is granted. This is also the current national practice of the UPC member states.<sup>224</sup> However, many member states require that any interim relief is only granted in urgent cases. In Austria, its “urgency requirement” is applied broadly, making the local division in Vienna an interesting venue in cases where the patentee knows about the infringement for a relatively longer period of time (more than one to two months) and is still interested in obtaining a quick interim restraining order. The Hague also will play an important role when it comes to preliminary injunctions, since the Dutch courts have a reputation of entertaining requests for preliminary injunctions, even as a cross-border measure. Also, the Munich local division will be an attractive forum for bringing preliminary injunction requests as the two national German judges of that division have a long track record with them.<sup>225</sup>

Should no infringement or threat of infringement be found subsequent to a revocation or lapse of the provisional measures, the court may order the applicant, on the defendant's request, to provide

---

<sup>216</sup> *UPC Agreement*, *supra* note 16, Art. 62, and Rule 205 et seq., UPCA RoP, *supra* note 26.

<sup>217</sup> *UPC Agreement*, *supra* note 16, Art. 62(4).

<sup>218</sup> *Id.*, Art. 62(1), and Rule 211.1(a), UPCA RoP, *supra* note 26.

<sup>219</sup> *UPC Agreement*, *supra* note 16, Art. 62(3), and Rule 211.1(b), UPCA RoP, *supra* note 26.

<sup>220</sup> *UPC Agreement*, *supra* note 16, Art. 62(3), and Rule 211.1(c), UPCA RoP, *supra* note 26.

<sup>221</sup> *Id.*, Rule 211.1(d).

<sup>222</sup> *UPC Agreement*, *supra* note 16, Art. 60, and Rule 192 et seq., UPCA RoP, *supra* note 26.

<sup>223</sup> *UPC Agreement*, *supra* note 16, Art. 61.

<sup>224</sup> *Id.*, Art. 62(2).

<sup>225</sup> *See, e.g.*, Phoenix Contact GmbH & Co. KG v HARTING Deutschland GmbH & Co. KG & Ors, C-44/21 (CJEU Jun. 3, 2022), <https://curia.europa.eu/juris/liste.jsf?num=C-44/21&language=en>.



the defendant with appropriate compensation for any damage suffered as a result of those measures.<sup>226</sup>

## C. AVAILABLE DEFENCES FOR DEFENDANT

### 1. Introduction

Claims and actions under the exclusive competence of the UPC include “actions for actual or threatened infringements of patents and supplementary protection certificates and related defences, including counterclaims concerning licences.”<sup>227</sup> Except for the explicitly mentioned “counterclaims concerning licenses,” it is left to interpretation what exactly qualifies as a “related defence” in an infringement action. Hence, and while the UPCA and UPCA Rules of Procedure set out some of the available defences, there is room to argue whether other defences might or might not be available to a defendant in an infringement action before the UPC courts. Undoubtedly, the UPCA is drafted with the intent to grant broad competence to the UPC courts where infringement actions are concerned, so that most defences known from patent infringement proceedings in participating EU member states should also be available in front of the UPC courts. There will be noticeable differences, however, some of which are highlighted in this Section.

### 2. Formal grounds for defence

#### a. Preliminary objection

As a first and formal ground for defence, the defendant may challenge the jurisdiction and competence of either the UPC courts or of the court’s division, or of the language of the statement of claim. As to the jurisdiction and competence of the UPC courts, the competence of the national courts continues to apply for all actions that are not listed in Article 32 UPCA. In particular, the competency of national courts includes infringement actions for which the patent proprietor has declared an opt-out pursuant to Article 83(3) UPCA. Chapter IV UCPA governs the competence of the local and regional divisions, depending on the place of infringement or defendant’s domicile.<sup>228</sup> The required language of the statement of claim is governed by Rule 14 UPCA. If the defendant wants to raise the aforesaid defence, it is required to file a preliminary objection within one month of service of the statement of claim.<sup>229</sup> Importantly, for the UPC the question of *lis alibi pendens* seems to be considered as a matter of lack of competency,<sup>230</sup> so any related defence should be raised as part of such preliminary objection.

---

<sup>226</sup> *Id.*, Arts. 60(9), 61(2), 62(5).

<sup>227</sup> *Id.*, Art. 32(1)(a).

<sup>228</sup> *Id.*, Art. 33.

<sup>229</sup> Rules 19–21, UPCA ROP, *supra* note 26.

<sup>230</sup> *UPC Agreement*, *supra* note 16, Art. 33(2).

Importantly and as noted above,<sup>231</sup> timing is very critical, as an objection to the jurisdiction or competence of the UPC should be raised within one month after service of the complaint. Otherwise, jurisdiction and competence are irrevocably accepted.<sup>232</sup>

### **b. *Res judicata* defence**

When raising a *res judicata* defence, the defendant informs the UPC courts that the subject of dispute has already been decided by a competent court. This applies, obviously, to earlier decisions by the UPC courts themselves on the same subject matter. It also applies, however, to earlier decisions of national courts of participating EU member states, to the extent that they had jurisdiction over the subject of dispute. Therefore, if a national court has already ruled on the infringement of a national part of an EP patent by the same party, the UPC courts will be barred from again ruling on the infringement of such national part. Importantly, the UPCA does not seem to acknowledge preliminary and main procedures as relating to the same subject matter.<sup>233</sup> Arguably, the denial of a preliminary injunction by a court of an EU member state would therefore not preclude the UPC court from granting an injunction effective in that same EU member state, should the patent-in-suit be moved under the UPC's jurisdiction. It appears unclear whether the acceptance of a preliminary injunction by the defendant as final and binding might make a difference in this regard. Procedurally, this defence provides for an absolute bar that can be raised at any time during the proceedings.<sup>234</sup>

### **c. Anti-suit and anti-anti-suit injunctions**

Originally developed by common law courts, anti-suit injunctions (ASIs) are prohibitions on a party engaged in proceedings in a given court from bringing or continuing an action in a court of another state.<sup>235</sup> ASIs operate *in personam*, i.e., they are directed at the patentee in the foreign proceedings, not the foreign court. Technically speaking, an ASI has no extraterritorial effect. An ASI may, however, be a very powerful tool in the context of cross-border litigation in that it may be enforced indirectly, as noncompliance with the order may expose the litigant to severe penalties in the country where the injunction was issued.

Even though ASIs are usually not accepted in continental Europe with its civil law history, due to the fact that it raises issues of comity, so-called “anti-anti-suit-injunctions” (AASIs) have been accepted in order to bar a party to the proceedings from pursuing an ASI in another forum.<sup>236</sup> The reason for allowing AASIs lies in the fact that the application for an ASI in another forum with the aim of preventing the enforcement of injunctive claims for patent infringement in the domestic market impairs the proprietary legal position of the right holder.

---

<sup>231</sup> See *supra* Section III.B (Case management of UPC litigation).

<sup>232</sup> Rule 19(7), UPCA ROP, *supra* note 26, in conjunction with Rule 19(1).

<sup>233</sup> See *UPC Agreement*, *supra* note 16, Art. 62(5), Rule 213, UPCA ROP, *supra* note 26.

<sup>234</sup> *Id.*, Rule 352.

<sup>235</sup> David W Raack, *A History of Injunctions in England Before 1700*, 61 *IND. L. J.* 539, 545–56 (1986).

<sup>236</sup> *Cf.* *Nokia v. Continental*, Higher Regional Court Munich, decision of 12 Dec. 2019, docket-no. 6 U 5042/19; *IPCom v. Lenovo*, Tribunal de Grande Instance de Paris, decision of 8 Nov. 2019, docket.no. RG 19/59311; *IPCom v. Lenovo*, High Court of Justice (UK), [2019] EWHC 3030 (Pat).

Whether the UPC will accept competence to issue such orders, be they ASIs or AASIs, largely depends on the judges' interpretation of Article 32(1)(c) UPCA ("actions for provisional and protective measures and injunctions"). The key question is whether this provision only covers provisional measures in view of a patent infringement or also ASIs and AASIs.

### 3. Noninfringement

Any patent infringement claim under the UPCA will either be based on Article 25 UPCA (right to prevent the direct use of the invention) or Article 26 (right to prevent the indirect use of the invention). Obviously, for such claims to succeed, the patentee will need to show that the defendant has used the invention, or that such use is imminent.<sup>237</sup> The defendant, on the other side, may show that no such use has occurred, either for a lack of any reserved act of use (such as making, offering, or placing on the market) in the relevant territory, or for the accused product or process not being covered by the scope of protection of the patent-in-suit. For the latter (and notwithstanding the burden of pleading and proof generally being upon the patentee),<sup>238</sup> the defendant may show that one or more features of the asserted patent claims are not realized in the accused product or process.<sup>239</sup>

Article 27 UPCA provides for certain limitations on the effect of a patent, such as acts done privately and for noncommercial purposes, acts done for experimental purposes, or various other acts that are in the public interest or are exempted from patent protection by international treaties. If any of these situations apply, Article 27 provides for a corresponding (noninfringement) defence against any infringement claim.

### 4. Entitlement to use

The defendant may raise a defence concerning its entitlement to use the patented technology, which can be based on (a) the defendant's co-ownership of the patent, (b) a license that allows the defendant the use of the patent, or (c) the defendant's prior-use rights.

In regards to co-ownership of a patent, the UPCA and other regulations governing EP-UEs do not provide any specific rules that govern whether and to what extent a co-proprietor is entitled to make use of the patent. Arguably, this should be governed by the national law of the member state in which the property right has first come into existence. This would then lead to the application of German law, due to the EPO having its main offices in Munich.<sup>240</sup> Under German law, and in the absence to an agreement to the contrary, co-proprietors are subject to the law of tenancy in common. Under German case law, co-ownership of a patent usually comes with the entitlement of

---

<sup>237</sup> *UPC Agreement*, *supra* note 16, Art. 62.

<sup>238</sup> *Id.*, Art. 54.

<sup>239</sup> As with most of the participating EU member states, features of a patent claim might be realized literally or under the doctrine of equivalents, *see supra* Section IV.A.4 (The doctrine of equivalents).

<sup>240</sup> *See* TILMANN & PLASSMAN, *supra* note 63, EU Regulation 1257/2012, *supra* note 17, at Art. 7.

each co-proprietor to use the patented technology, subject to certain “fair balance” restrictions and also possible financial obligations towards the other co-proprietor(s).<sup>241</sup>

As cited before, a “counterclaim concerning a license” is explicitly mentioned as a “related defence.”<sup>242</sup> While the term counterclaim might be somewhat misleading, its use in the context of Article 32(1) UPCA leads commentators to conclude that it is not limited to counteractions (such as claims for a declaratory judgement on the existence of a license) but extends to the use as a defence argument against an infringement claim.<sup>243</sup> If a license exists, it provides for the patent proprietor’s consent to use the patent, which would exclude the patent proprietor’s right under the UCPA to prohibit the direct or indirect use of the invention.<sup>244</sup> Obviously, the scope of a license, which often comes together with various restrictions (e.g., on the permitted territory, on the duration of the use, or the subject matter of the use), can be subject to further dispute between the parties. In such cases, the wording in Article 32(1)(a) seems to imply that the UPC is in fact competent to also decide the interpretation of a contractual clause in a licensing agreement.

The prior-use right is acknowledged in Article 28 UPCA. Due to the “first to file” principle that applies in both the participating EU member states and for the EP-UE itself, the right secures the legitimate commercial interest of an earlier user of the invention, who failed to file first, to continue the use that existed at the priority date. Article 28 does not state any requirements, nor give any guidelines, as to the scope and application of this right in each situation. Instead, it refers to the rules of those participating EU member states in which the defendant would have enjoyed a prior use right if the patent was (hypothetically) asserted in the national courts. This mechanism is subject to criticism,<sup>245</sup> as it may lead to an EP-UE being enforceable in only some participating EU member states (namely those where no prior-use right would apply), which deviates from the otherwise unitary effect of the EP-UE.

## 5. Antitrust defences

While the UPCA does not set out any antitrust defences itself, it explicitly allows the application of EU law.<sup>246</sup> Thus, the restrictions on antitrust and anticompetitive behavior, as set out in Article 102 of the Treaty on the Functioning of the European Union,<sup>247</sup> are likely to apply in UPC courts, which are therefore expected to allow for corresponding defences.

In particular, it appears likely that the UPC courts will also apply the framework set out by the European Court of Justice in relation to anticompetitive behavior by the enforcement of standard essential patents (SEPs), including the necessity for an SEP holder to make a fair, reasonable, and

<sup>241</sup> For further details: *Gummielastische Masse II*, Bundesgerichtshof [BGH] [German Federal Supreme Court], GRUR Vol. 107, No. 8, 663–65 (2005).

<sup>242</sup> *UPC Agreement*, *supra* note 16, Art. 32(1)(a).

<sup>243</sup> TILMANN & PLASSMAN, *supra* note 63; *UPC Agreement*, *supra* note 16, Art. 32.

<sup>244</sup> *Id.*, Arts. 25 & 26 UPCA (“ . . . to prevent any third party not having the proprietor’s consent . . .”).

<sup>245</sup> TILMANN & PLASSMANN, *supra* note 63; *UPC Agreement*, *supra* note 16, Art. 28.

<sup>246</sup> *Id.*, Art. 24(a).

<sup>247</sup> Consolidated version of the Treaty on the Functioning of the European Union (Dec. 13, 2007), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT>.

nondiscriminatory (FRAND) offer and for an implementer to appropriately respond thereto.<sup>248</sup> Alternatively, or in addition, the UPC courts may also refer to the Intellectual Property Rights policies of the respective standard setting organizations and the SEP holder's contractual obligations thereunder, which are to be interpreted according to national laws.<sup>249</sup> In the latter case, the choice of law of the respective Intellectual Property Rights policy might influence the scope of the available defence, which is considered as a possible concern.

It seems unclear whether the UPC courts will assume the task of setting a FRAND rate for a potential license on a SEP if the antitrust defence is raised, noting that courts of the participating EU member states have been reluctant, so far, to engage in such calculations themselves.

Importantly, the UPCA provides a suitable framework, including rules on confidential treatment, that allows for the disclosure of sensitive business information such as comparable license agreements, which are often used to determine whether a FRAND offer or FRAND counteroffer meet the applicable criteria.<sup>250</sup>

## 6. Exhaustion of rights

Article 29 UPCA limits the rights conferred by a European Patent (i.e., either an EP-UE or an EP that has become subject to the UPC's jurisdiction) to acts that are not subject to the principle of exhaustion, so that the exhaustion of rights is a direct defence also under the UPCA. Such exhaustion occurs if a product has been placed on the market in the EU by or with the consent of the patentee, which provides for an EU-wide (regional) exhaustion.

## 7. Limitations and forfeiture

Article 72 UPCA sets out a five-year period after which actions "relating to all forms of financial compensation may not be brought." The way this provision is drafted ("may not be brought") indicates that the UPC courts need to observe these time limits of their own motion,<sup>251</sup> so that this will not qualify as a defence in a stricter sense (i.e., something that needs to be actively raised by the defendant). Still, making the UPC courts aware of the relevant time periods and underlying facts will certainly be prudent for any defendant who wishes to benefit from Article 72. Secondly, while Article 72 extends to all forms of financial compensation, which includes all damages claims, it does not cover any nonfinancial claims, such as cease-and-desist claims. Five years after the last infringing act, however, any nonfinancial claim might be rendered moot (e.g., in the case of a cease-and-desist claim, due to the lack of repetition risk), so that a statutory limitation might be unnecessary.<sup>252</sup>

Forfeiture is not explicitly mentioned in the UPCA. However, according to Article 42(2), the UPC courts must apply all rules, procedures, and remedies provided for in the UPCA in a "fair and equitable manner," which may include the possibility to defend against a claim being brought

---

<sup>248</sup> Huawei Techs. Co. v. ZTE Corp., C-170/13 (E.C.J. 2015), <https://curia.europa.eu/juris/liste.jsf?num=C-170/13>.

<sup>249</sup> UPCA provides the UPC courts with the competence to also decide on these questions, as far as the national law of a participating EU member state is concerned. *See UPC Agreement, supra* note 16, Art. 24(1)(e).

<sup>250</sup> *See id.*, Art. 59, and Rule 191, UPCA ROP, *supra* note 26.

<sup>251</sup> TILMANN & PLASSMANN, *supra* note 63; *UPC Agreement, supra* note 16, Art. 72.

<sup>252</sup> TILMANN & PLASSMANN, *supra* note 63; *UPC Agreement, supra* note 16, Art. 72.

extremely late (and against the justified expectations of the defendant), based on good-faith considerations. Also, Article 3(2) of the Enforcement Directive<sup>253</sup> and national laws of the participating EU member states, both of which need to be observed by the UPC courts,<sup>254</sup> contain similar concepts, so that a defence based on forfeiture is also likely to be available in front of the UPC courts.

## 8. Entitlement suits

Another possible defence is to claim ownership rights to the patent-in-suit. Such entitlement suits fall outside the jurisdiction of the UPC courts. They need to be filed with the competent national courts, most often at the place of domicile of the defendant. Such entitlement actions can have a very strong impact on the filing and prosecution strategy of proprietors, as Rule 14 EPC provides for an automatic stay of the prosecution in cases where an entitlement action has been filed before the grant of the EP.

While the UPCA does not explicitly acknowledge a related defence, Recast Brussels I and the UPCA Rules of Procedure should vest the UPC courts with the power to stay an infringement case pending the outcome of any such entitlement suit in a national court.<sup>255</sup> To what extent they may use such power will need to be developed by UPC court case law.

## 9. Revocation counteractions

One of the most common defences against a claim for patent infringement is the challenging of the patent's validity. For the UPC system, there are two different options to challenge a patent that is being enforced in a pending infringement case: First, the defendant may file a separate revocation action with the competent division of the UPC courts,<sup>256</sup> or an opposition with the EPO, which then remains separate from the infringement case. Second, as an alternative or in addition to a separate nullity action, the defendant may file a revocation counteraction, which will then be part of the infringement case and be dealt with simultaneously.

In a separate revocation action, the defendant will usually request a stay of the infringement case until a decision on the patent's validity, or that any decision on infringement is made subject to the condition that the patent subsequently is not held invalid. The UPC courts have discretion to grant these requests "if it is of the view that there is a high likelihood that the relevant claims of the patent will be held to be invalid on any ground by the final decision in the revocation proceedings or of the European Patent Office where such decision of the European Patent Office may be expected to be given rapidly."<sup>257</sup>

The revocation counteraction is governed by Rules 25–31 UPCA. While there might be some room to argue that the revocation counteraction might also be filed at any later point in time during the

---

<sup>253</sup> *Enforcement Directive*, *supra* note 188.

<sup>254</sup> *UPC Agreement*, *supra* note 16, Art. 24(1).

<sup>255</sup> Michael Nieder, *Vindikation europäischer Patente unter der Geltung der EPatVO*, GRUR, Vol. 117, 936–40 (2015) (analyzing *Recast Brussels I*, *supra* note 28, at Arts. 71(c) and 30(1) and Rule 295(k), UPCA RoP, *supra* note 26).

<sup>256</sup> *UPC Agreement*, *supra* note 16, Art. 33.

<sup>257</sup> Rule 118(2), UPCA RoP, *supra* note 26.

infringement proceedings (if sufficient justification is provided), Rule 9(2) UPCA foresees that any step, fact, evidence, or argument which has not been filed within a time limit set by the court or the Rules may be disregarded. In this regard, Rule 25(1) stipulates that the revocation action shall generally be filed together with the statement of defence already. It may contain all attacks against the patent's validity that would otherwise (or additionally) be included in a separate revocation action.

There will be numerous strategic considerations for a defendant in an infringement case at the UPC in deciding whether to file a separate revocation action, a revocation counteraction, or both. Some of these considerations include the question of which division may best decide on the patent's validity (a separate revocation action filed by a nonparty to the infringement case can be brought to the central division), which division should handle the infringement case (a revocation counteraction creates the possibility of the UPC courts referring the entire case to the central division), the question of when relevant prior art will become available (late availability of such prior art may require a separate revocation action at that time, in order to avoid a possible exclusion for late filing), and whether the infringement case has been brought by the patent proprietor or a licensee (a revocation counteraction may require including the patent proprietor in the infringement case as a third party).<sup>258</sup> For a further discussion on these issues, please see Section D immediately below.

## D. REVOCATION ACTIONS

### 1. Grounds for revocation<sup>259</sup>

Regarding revocation grounds, Article 65 UPCA refers to Articles 138(1) and 139(2) of the European Patent Convention. Thus, the same grounds for revocation as in EPO opposition proceedings exist (including lack of novelty, lack of inventive step, lack of industrial applicability, noneligibility, insufficiency of disclosure, and added matter). Additionally, the revocation grounds (which to date can be relied on only in national revocation proceedings), namely an earlier unpublished national application, an extension of the scope of protection after grant, and lack of entitlement, are available.

Whereas it is clear that with respect to EP bundle patents, the invalidity ground of an earlier unpublished national application may only establish nullity of the national part of the EP bundle patent in the respective country, it is currently unclear what effect such a national unpublished elder right will have for EP-UEs. The Unitary Patent Regulation<sup>260</sup> and the UPCA are silent in this respect, i.e., a transformation of an EP-UE into national parts of an EP bundle patent in those countries where the elder national right does not exist is not enacted.<sup>261</sup> As the unitary character of the EP-UE is one of the core elements of the Unitary Patent Regulation, it is highly doubtful whether the UPCA would find an EP-UE with respect to a specific national territory as partially invalid under Article 65(3) UPCA. However, it is up to the member state to open a route for late

---

<sup>258</sup> THOMAS BOPP & HOLGER KIRCHER, *HANDBUCH EUROPÄISCHER PATENTPROZESS*, (2019), at § 16.

<sup>259</sup> *UPC Agreement*, *supra* note 16, Art. 65.

<sup>260</sup> *Supra* note 17.

<sup>261</sup> *See, e.g.*, Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (codification), Art. 139, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R1001>.

validation if an EP-UE is revoked due to an elder right that exists only outside the respective jurisdiction.<sup>262</sup> One feasible solution could be that a EP-UE is not revoked due to an elder national right at all, but the EP-UE is found not to be enforceable in the territory of the elder national right.<sup>263</sup> Such an approach was already found to be in line with the unitary character of EU trademarks.<sup>264</sup>

With respect to claims for lack of entitlement, Article 138(1) EPC only enacts revocation of an EP in cases where the owner has no right to the patent according to Article 60 EPC. However, the UPCA does not offer the option that an EP is transferred to its rightful owner. Accordingly, if the rightful owner instead wishes a transfer of the EP, an action with the competent national court must be filed. Thus, in case of lack of entitlement, the rightful owner will be able to choose (also after the end of the transitional period) to file an action for revocation with the UPCA or an action for transfer with the competent national court.

## 2. Competence

Depending on whether (isolated) revocation proceedings are started or revocation is counterclaimed in pending proceedings, different divisions of the UPC are competent. Whereas actions for revocation of patents and for declaration of invalidity of Supplemental Protection Certificates<sup>265</sup> shall be brought before the central division,<sup>266</sup> a counterclaim for revocation in case of an action for infringement may be brought before the local or regional division in which proceedings are pending.<sup>267</sup> The concerned local or regional division will then have discretion (after having heard the parties) to proceed as follows: (a) proceed with infringement and counterclaim for revocation proceedings, whereas a technically qualified judge is added to the panel of three judges; (b) refer the counterclaim for revocation to the central division and suspend or proceed with an action for infringement; or (c) with the agreement of the parties, refer the case to the central division for decision.<sup>268</sup> In cases where revocation proceedings are pending, the patentee can choose either to file a counterclaim for infringement with the central division or to lodge an infringement action before a regional or local division (see also Subsection 6 below).<sup>269</sup>

---

<sup>262</sup> Such late validations are currently provided for in at least Italy and Hungary; a draft legislation is under preparation in Austria.

<sup>263</sup> Cf. Jan Ackerman/Horst Vissel, *Nationale ältere Rechte und europäische Patente mit einheitlicher Wirkung*, GRUR, Vol. 118, No. 7, 641–48 (2016).

<sup>264</sup> Seydaland Vereinigte Agrarbetriebe GmbH & Co. KG v. BVVG Bodenverwertungs- und -verwaltungs GmbH, C-239/09 (CJEU Dec. 16, 2010), <https://curia.europa.eu/juris/liste.jsf?language=en&num=C-239/09>; DHL Express France SAS v. Chronopost SA, C-235/09 (E.C.J. Apr 12, 2011) at ¶ 45.

<sup>265</sup> See *supra* note 108.

<sup>266</sup> *UPC Agreement*, *supra* note 16, Art. 33(4).

<sup>267</sup> *Id.*, Art. 33(3).

<sup>268</sup> *Id.*, Art. 33(3).

<sup>269</sup> *Id.*, Art. 33(5).



### 3. Relationship to EPO opposition proceedings

In the absence of any rules on priority between European Patent Office opposition proceedings and revocation actions before the UPCA, both actions may run in parallel. The same is true for UPCA proceedings and limitation proceedings before the EPO. However, the UPC may stay any action relating to a patent that is also the subject of opposition proceedings or limitation proceedings (including subsequent appeal proceedings) before the EPO where a decision in such proceedings may be expected to be given rapidly.<sup>270</sup> Additionally, the UPC may of its own motion or at the request of a party request the EPO to accelerate any opposition proceedings or limitation proceedings before it.<sup>271</sup>

### 4. Procedural steps

Revocation proceedings are initiated by lodging a statement of revocation at the Registry,<sup>272</sup> which shall contain details of the parties to the proceedings; an indication of the extent to which revocation of the patent is requested; one or more grounds for revocation supported by arguments of law; and, where appropriate, the claimant's proposed claim construction; an indication of the facts relied on, the evidence relied on, and an indication of any order which will be sought during the interim procedure; and a list of documents, including witness statements, referred to in the statement for revocation.<sup>273</sup>

Revocation proceedings, like infringement proceedings, comprise a written procedure, an interim procedure, and an oral procedure.<sup>274</sup>

### 5. Strategic considerations for where to challenge validity of EP-UEs

Accordingly, the validity of EP-UEs may be attacked in three different fora: (i) the UPC central division by filing a revocation action; (ii) a UPC local or regional division by filing a counterclaim for revocation; and (iii) the EPO by filing an opposition.

Filing an opposition is only permitted within nine months of the publication of grant. Thus, in many disputes the defendant will not have the option to start opposition proceedings. However, if it is already known within the nine-month opposition term that a third party's patent may be critical, it may be advisable to start opposition proceedings.

The advantages of filing an EPO opposition may be summarized as follows:

- Lower costs
  - Official fees EPO: Opposition: € 840, Appeal € 2.785

---

<sup>270</sup> Rule 295, UPCA RoP, *supra* note 26.

<sup>271</sup> *Id.*, Rule 298.

<sup>272</sup> For description of the UPC Registry, *see supra* note 30.

<sup>273</sup> Rule 44, UPCA RoP, *supra* note 26.

<sup>274</sup> *See supra* Section III.B.

- Official fees UPC: Revocation Action € 20.000; Appeal: € 20.000
- Lower cost risk:
  - EPO: generally, each party bears its own costs
  - UPC: costs are awarded to the winning party. The available costs that can be recovered depends on the (value) in dispute in the proceedings. E.g., a value of (or up to) € 250,000 results in (the minimum) award of € 38,000 in costs; and a disputed amount exceeding € 50 million results in (the maximum) award of € 2 million in costs.
- Larger territorial effect:
  - EPO opposition covers the EP patent as whole (EP-UE, national validations, and non-EU member states, e.g., United Kingdom, Switzerland)
  - UPC proceedings have legal effect only in the participating member state (currently 17 UPCA-member states as opposed to 38 EPC-member states)
- Nondisclosure of the opponent's identity
  - EPO: oppositions filed by a strawman (i.e., proxy) are generally allowed, unless there is an abuse of law, e.g., the opposition is filed in the interest of the proprietor itself<sup>275</sup>
  - UPC: Anybody who is concerned by a patent may bring actions in accordance with the Rules of Procedure.<sup>276</sup> Thus, it seems rather likely that some legal or economical interest must be proven and that a strawman as the claimant will not be allowed.

The advantages of filing a revocation action or counterclaim for revocation with the UPC may be summarized as follows:

- No time limitation
  - EPO: opposition term limited to nine months after publication of grant
  - UPC: no time limit
- Shorter duration
  - EPO: aims for first-instance decision within 24 months, currently

---

<sup>275</sup> G9/93, Opposition by patent proprietor, European Patent Office, Enlarged Board of Appeal, (July 6, 1994), <https://www.epo.org/law-practice/case-law-appeals/recent/g930009ep1.html>.

<sup>276</sup> *UPC Agreement*, *supra* note 16, Art. 47(6).

- UPC: aims for first-instance decision within 12 months
- Further revocation grounds:
  - UPC: same revocation grounds as at EPO plus lack of entitlement, extension of scope of protections after grant, and national elder right

As there is no rule that excludes parallel opposition proceedings before the EPO and revocation proceedings before the UPC, there may be scenarios in which both proceedings are initiated. Parallel proceedings may be initiated if it is an extremely important case and the costs are acceptable to the proprietor. There may also be situations in which the defendant or the proprietor is barred from introducing further prior art documents in the pending proceedings. As the time limits are much stricter in UPC proceedings, the proprietor may be pushed to disclose its arguments and claim amendments much earlier if revocation proceedings are initiated in addition to opposition proceedings.

## 6. Counterclaims for infringement / separate actions for infringement

The defendant should keep in mind that filing a standalone revocation action (i.e., a revocation action not in response to a corresponding infringement action) may trigger either a counterclaim for infringement<sup>277</sup> or a standalone action for infringement brought before a local or regional division.<sup>278</sup>

## E. AMENDING THE PATENT-IN-SUIT BEFORE THE UPC

### 1. Introduction

Patent amendments are often necessary in order to establish a defence position during patent revocation proceedings, where patent proprietors may expect the opposing party to perform an in-depth analysis of the validity of the relevant set of claims asserted. Accordingly, an EP-UE or traditional non-opted-out EP may be amended before the UPC as a defence to a counterclaim for revocation<sup>279</sup> or as a defence in a revocation action.<sup>280</sup> The proprietor may amend both the claims or the specification and may, where applicable and appropriate, include one or more alternative sets of claims (i.e., auxiliary requests).

### 2. Amendments and requirements

Amendments must comply with Articles 84 and 123(2)-(3) EPC and result in a valid set of claims that are clear.<sup>281</sup> They must not introduce subject matter that extends beyond the content of the application as filed or extends the protection conferred by the patent. Amendments must be accompanied by an explanation as to why the claims are valid and how the EPC requirements are satisfied. In this respect, the UPC will likely rely on case law from the Boards of Appeal of the EPO,

<sup>277</sup> Rule 49(2)(b), UPCA ROP, *supra* note 26.

<sup>278</sup> *UPC Agreement*, *supra* note 16, Art. 33(5); *see also supra* Section III.D.2 (Counterclaim for infringement following a claim for revocation).

<sup>279</sup> Rule 30, UPCA ROP, *supra* note 26.

<sup>280</sup> *Id.*, Rule 49.

<sup>281</sup> *Id.*, Rule 30.1(b).

though this is not specified in the UPCA or the Rules of Procedure. If relevant, amendments shall also be accompanied by an explanation as to why the claims are infringed.<sup>282</sup>

Amendments may be both conditional and unconditional, meaning that they may be proposed as auxiliary requests to be assessed only if a higher-ranking request is rejected by the UPC. However, if the proposed amendments are conditional, the proposals, i.e., the number of auxiliary requests, must be reasonable under the circumstances of the case.<sup>283</sup>

It will be interesting to learn how the UPC will interpret what number of auxiliary requests constitutes “reasonable.” It is expected that the UPC will apply a rather strict approach to this question.

### **3. Language**

Any proposed amendments must be filed in the language in which the patent was granted. If the language of the proceedings at the UPC is not the language in which the patent was granted, the proprietor must also provide a translation of the proposed amendments in the language of the proceedings. If the patent is an EP-UE, the proprietor must also, if requested by the defendant, provide a translation of the proposed amendments in either the language of the defendant’s domicile in a member state of the EU, or in the language of the place of the alleged infringement or threatened infringement in a contracting member state.<sup>284</sup>

### **4. The effect of granted amendments**

Amendments of EP-UEs granted by the court shall have effect in all the participating member states.<sup>285</sup> In the case of an EP, the decisions of the UPC shall cover the territory of those UPC contracting member states for which the EP has effect.<sup>286</sup>

### **5. When to file proposed amendments**

Importantly, the proposed amendments should be filed already with the statement of defence to the revocation or the counterclaim for revocation action, as requests to amendments filed subsequently may only be admitted into the proceedings with the permission of the court.<sup>287</sup> It is expected that the UPC will apply this rule rather strictly, highlighting the need for speedy case management and analysis.

### **6. Risks**

The requirement for filing the request to amend the patent already when lodging the statement of defence to the revocation or the counterclaim for revocation action poses a major risk to proprietors

---

<sup>282</sup> *Id.*

<sup>283</sup> *Id.*, Rule 30.1(c).

<sup>284</sup> *Id.*, Rule 30.1(a).

<sup>285</sup> Art. 3.2 *Unitary Patent Regulation*, *supra* note 17.

<sup>286</sup> *UPC Agreement*, *supra* note 16, Art. 34.

<sup>287</sup> Rule 30.2, UPCA ROP, *supra* note 26.

who may be under time pressure when confronting a revocation action. Thus, patent proprietors are advised to perform an analysis of potential weaknesses in their patent claims as early as possible and to carefully consider the possibilities of amending the patent before the UPC even prior to being confronted with a counterclaim for revocation.

Further, patent proprietors should be cautious in proposing unconditional amendments, as it may endanger the patent if the UPC considers the amendments not to comply with the requirements of Rule 30.1(b) UPCA.

Proprietors of EPs that do not benefit from unitary effect (e.g., patents having different sets of claims for different participating member states) should also note that it seems unclear from Article 34 UPCA whether different sets of claims can survive amendments before the UPC.

## **F. DECLARATION OF NONINFRINGEMENT ACTIONS (DNI) BEFORE THE UPC**

### **1. Requirements**

An action for declaration of noninfringement (DNI)—i.e., a request that the performance of a specific act does not, or a proposed act would not, constitute an infringement of a patent—may be lodged by the person who acts or plans to act against the patentee or a licensee, if the patentee or licensee has asserted that the act is an infringement.<sup>288</sup> The conditions for such an assertion are nonexhaustively specified in Rule 61(1) UPCA. It remains to be seen whether further conditions will be specified by the case law.<sup>289</sup> The requirements set out in Rule 61(1) are as follows: “An allegation of the patentee that the act concerned constitutes an infringement, *or*, in the absence of such allegation, a written request by the person contemplating the act concerned for a written confirmation of non-infringement and receipt of such confirmation within one month.”

What will eventually constitute an “assertion” is not clearly defined in Rule 61(1).<sup>290</sup> However, if the patentee or licensee requests submissions of a cease-and-desist declaration, this will undoubtedly qualify as an assertion.<sup>291</sup>

The DNI action shall be directed (only) against the patentee or licensee who has asserted an infringement or refused or failed to give acknowledgment of noninfringement after receiving a written request.<sup>292</sup> Thus, if the licensee asked for a cease-and-desist declaration, the DNI action can be directed only against the licensee.<sup>293</sup> To direct a DNI action against the patentee as well, it will be necessary to request a noninfringement declaration separately from the patentee and for the patentee to have refused or failed to give such an acknowledgment.

---

<sup>288</sup> *Id.*, Rule 61.

<sup>289</sup> TILMANN & PLASSMANN, *supra* note 63; *UPC Agreement*, *supra* note 16, Art. 32.

<sup>290</sup> *Id.*

<sup>291</sup> *See* Rule 61, UPCA ROP, *supra* note 26.

<sup>292</sup> *Id.*, Rule 61(2).

<sup>293</sup> *Id.*

Accordingly, the UPCA Rules of Procedure explicitly refer to two alternatives (infringement assertion by the patentee or licensee, and failure or refusal to acknowledge noninfringement by the patentee or licensee) in which a DNI action will be allowed.

However, the UPCA generally states that any natural or legal person who is concerned by a patent may bring actions, i.e., anyone who has a legitimate interest deserving protection.<sup>294</sup> Thus, there may be other scenarios in which the claimant may also successfully argue that he is concerned by a specific patent, and therefore, the requirements for a DNI action, namely a legitimate interest,<sup>295</sup> may be met. For example, if the patentee asserts that an act by the DNI applicant's customer amounts to an infringement, the fact that the customer might have a claim for indemnification against the DNI applicant might suffice to show legitimate interest.<sup>296</sup>

Another scenario could be a so-called FRAND undertaking<sup>297</sup> to a standardisation organization according to which a specific patent is declared to be standard-essential, i.e., that its technical teaching is necessary to make use of a specific standard. In this case, anybody implementing the standardized technology is potentially affected by this patent and would therefore have a legal basis for lodging a DNI action.<sup>298</sup>

## 2. Competence—Interaction with infringement actions

DNI actions must be lodged with the central division of the court.<sup>299</sup> However, there are two exceptions to this general rule: an infringement action already pending before the regional or local division, or the parties agreeing to bring the DNI action before any other division of the court. Thus, if an infringement action is already pending before a local or regional division, this division is also competent for a DNI action.<sup>300</sup>

If an infringement action is already pending, a DNI action is only admissible under specific circumstances: the action should be admissible when a limitation of the patent in dispute or a right to use or exhaustion of the patent in dispute is asserted. However, if the DNI action is based only on the assertion that the acts conducted do not fall under the scope of protection or no infringing acts were conducted,<sup>301</sup> such a DNI action would be inadmissible, as these assertions will already

---

<sup>294</sup> *UPC Agreement*, *supra* note 16, Art. 47(6).

<sup>295</sup> TILMANN & PLASSMANN, *supra* note 63, Art. 32.

<sup>296</sup> *Cf.* for Germany: Higher Regional Court Munich, decision of 12 May 2005, docket-no. 29 U 4733/04.

<sup>297</sup> If a patent is declared essential to a standard as set by a standardization organization, the patentee usually submits an undertaking to be willing to license the patent concerned on FRAND-terms (i.e., on a fair, reasonable and non-discriminatory basis).

<sup>298</sup> TILMANN & PLASSMANN, *supra* note 63, at 1616.

<sup>299</sup> *UPC Agreement*, *supra* note 16, Art. 33(4).

<sup>300</sup> *Id.*, Art. 32(1)(b).

<sup>301</sup> *Id.*, Arts. 25–26.

lead to a rejection of the infringement action, and thus there is no legitimate interest in such a DNI action.<sup>302</sup>

If a DNI action is pending before the central division prior to an infringement action being lodged, the DNI action shall be stayed if the infringement action between the same parties or between the holder of an exclusive license and the party requesting a DNI relating to the same patent is brought before a local or regional division within three months of the date on which the DNI action was initiated before the central division.<sup>303</sup> Accordingly, the defendant cannot draw the dispute from a competent local or regional division of the patentee's choice if the patentee files an infringement action within three months from the defendant's initiation of a DNI action. If an infringement action is filed after the three-month-term, there's no mandatory stay of DNI actions as stipulated in Article 33(6) UPCA. However, in case of such a "late-filed" infringement action, the presiding judges of the central division and the local or regional division concerned shall consult to agree on the future progress of proceedings, including the possibility of a stay of one action.<sup>304</sup>

### 3. Procedural steps<sup>305</sup>

DNI proceedings are initiated by lodging a statement for declaration of noninfringement at the Registry.<sup>306</sup> The statement shall contain the same details as in revocation or infringement proceedings. In addition, particulars are to be included to confirm that the claimant has a legal interest in lodging the action.<sup>307</sup>

The written procedure in DNI proceedings basically corresponds to the procedure in infringement proceedings. Accordingly, a defence is to be filed within two months, and optionally, a reply to the defence and a rejoinder to the reply are to be filed within one month. As in infringement proceedings, the written procedure is followed by an interim procedure and an oral procedure.

A fixed court fee of € 11,000 is to be paid.<sup>308</sup> If the value of the dispute exceeds € 500,000, a value-based fee is paid in addition to the fixed fee. The value of an action for a DNI is calculated as for an infringement action.<sup>309</sup>

---

<sup>302</sup> TILMANN & PLASSMANN, *supra* note 63, at 654.

<sup>303</sup> *UPC Agreement*, *supra* note 16, Art. 33(6).

<sup>304</sup> Rule 76(3), UPCA ROP, *supra* note 26.

<sup>305</sup> *Id.*, Rule 63 et seq.

<sup>306</sup> For description of the UPC Registry, *see supra* note 30.

<sup>307</sup> *Cf.* requirements set forth in Rule 61, UPCA ROP, *supra* note 26.

<sup>308</sup> *See* Unified Patent Court Administrative Committee, Table of Court Fees (July 8, 2022), [https://www.unified-patent-court.org/sites/default/files/upc\\_documents/ac\\_05\\_08072022\\_table\\_of\\_court\\_fees\\_en\\_final\\_for\\_publication\\_clean.pdf](https://www.unified-patent-court.org/sites/default/files/upc_documents/ac_05_08072022_table_of_court_fees_en_final_for_publication_clean.pdf).

<sup>309</sup> *See id.*

#### 4. Strategic considerations

By filing an admissible DNI action with the UPC (under the conditions set out above), a defendant may block the patentee during the transitional period from starting national infringement actions.<sup>310</sup> However, the claimant cannot block the patentee or licensee from filing an infringement action with the UPC. On the contrary, as the DNI action is only mandatorily stayed if the patentee or licensee files the infringement action within three months from the date the DNI was lodged, the DNI action may trigger or at least motivate the patentee or licensee to start an infringement action within the three-month term.

### G. EVIDENCE PROCEEDINGS BEFORE THE UPC

#### 1. Rules governing evidence

The system adopted in the UPC system is based on continental law tradition where:

- The burden of the proof lies on the parties relying on specific facts.<sup>311</sup>
- No discovery-like or disclosure-like procedures are provided.
- The statement of claim should present all evidence of the allegations it contains and provide with indication of the measure that will be sought during the written phase of the procedure.
- Should a fact be not contested by a party, it is considered as true between the parties.<sup>312</sup>
- But the court can order a party to submit the evidence of an alleged fact if this evidence is under the control of that party. The failure to provide such evidence should be taken into consideration by the court in its decision.<sup>313</sup>
- Among the means of evidence available in front of the UPC, the Rules of Procedure give the following nonexhaustive list: written evidence (in particular, documents, written witness statements, plans, drawings, photographs), expert reports and reports on experiments carried out for the purpose of the proceedings, physical objects (in particular devices, products, embodiments, exhibits, models), electronic files, and audio/video recordings.<sup>314</sup>

---

<sup>310</sup> Art 29 Recast Brussels I, *supra* note 28.

<sup>311</sup> UPC Agreement, *supra* note 16, and Rule 171.1 UCPA.

<sup>312</sup> Rule 171.2, UCPA RoP, *supra* note 26.

<sup>313</sup> *Id.*, Rule 172.2.

<sup>314</sup> *Id.*, Rule 170.



The UPC system provides a list of means to help the claimant to bring evidence of its allegation, including a hearing of the parties, requests for information, production of documents, hearing of witnesses, opinion by experts, inspection, comparative tests or experiments, and affidavits.<sup>315</sup>

One of the most interesting means is the possibility to obtain an order to preserve evidence, otherwise named “*saisie*,” by reference to (but not identical to) the famous French *saisie-contrefaçon*.<sup>316</sup>

## 2. Reversal of the burden of proof

The UPCA provides the possibility of reversal of the burden of proof in the specific case where the subject matter of the patent is a process for obtaining a new product or when there is substantial likelihood that the identical product was made by the patented process and the patentee, despite reasonable efforts, has been unable to bring evidence thereof.<sup>317</sup> This reversal of the burden of proof is already widely in place in national European legislations.

## 3. Confidentiality measures

As a matter of principle, all proceedings pending in front of the UPC are deemed to be public. Court rooms are open to the public, and documents of the proceedings filed in the UPC Registry<sup>318</sup> are available. Nevertheless, both the UPCA and the Rules of Procedure refer to the protection of confidential information of a party, of a third party, or even in the general interest of justice or public order,<sup>319</sup> which may lead to closing the doors of the court or to limiting disclosure of the documents (or content thereof) available from the Registry.<sup>320</sup>

In the context of gathering evidence, the Rules of Procedure require the court to take into account the legitimate protection of confidential information. This applies to requests to produce evidence,<sup>321</sup> to preserve evidence,<sup>322</sup> and for inspection,<sup>323</sup> where only named persons subject to appropriate terms of nondisclosure can have access to the evidence produced if it contains confidential information.

The same protection applies with respect to a professional privilege or a duty of confidentiality imposed by national legislation, such as attorneys’ privilege<sup>324</sup> or confidentiality imposed on spouse,

---

<sup>315</sup> *UPC Agreement*, *supra* note 16, Art. 53.

<sup>316</sup> For discussion of *saisie* before the UPC, *see infra* Section IV.G.4.d (Orders to preserve evidence (*saisie*) and orders for inspection).

<sup>317</sup> *UPC Agreement*, *supra* note 16, Art. 55.

<sup>318</sup> For description of the UPC Registry, *see supra* note 30.

<sup>319</sup> *UPC Agreement*, *supra* note 16, Art. 45.

<sup>320</sup> Rule 262, UPCA ROP, *supra* note 26.

<sup>321</sup> *Id.*, Rule 190.

<sup>322</sup> *Id.*, Rule 196.

<sup>323</sup> *Id.*, Rule 199.

<sup>324</sup> *Id.*, Rule 287.

descendant, sibling, or parents who cannot be heard as witness if it exposes them to criminal prosecution under the relevant national law.

#### 4. Obtaining and gathering evidence

In order to help the claimant in its task, the UPCA and the Rules of Procedure provide various means to obtain and gather evidence, including witness and expert statements, orders to produce evidence and to communicate information, orders to preserve evidence, and orders for inspections. An overview of these means is provided below.

##### a. Witnesses and experts of the parties<sup>325</sup>

Witness statements can be made in writing or orally, the latter being available only if a written statement is contested by the adverse party and if an application is filed for the hearing of a witness in person. The refusal by a witness to be heard by the court can be sanctioned by a fine.<sup>326</sup>

An exception to the signing of a witness statement or the hearing of a witness can be raised if this witness is a spouse (or partner equal to a spouse according to the relevant national law), descendant, sibling, or parent of a party. The same exception applies if the witness is subject to professional privilege or other duty of confidentiality or if the testimony exposes the witness to criminal prosecution.<sup>327</sup>

The Rules of Procedure require that the witness confirms the obligation to tell the truth and the witness's liability in case of a breach of this obligation. The hearing of a witness can be done through videoconferencing.<sup>328</sup>

One important element that differentiates the UPC system from the common law system is that witnesses can be questioned only by the judge or by the parties under the control of the judge. There is no cross-examination of witnesses in the sole hands of the parties.<sup>329</sup>

Experts can be appointed by the parties to provide expert evidence and assist the court impartially on matters relevant to the witness's area of expertise.<sup>330</sup> The Rules of Procedure state that this duty overrides "any duty to the party pertaining him/her" and that the expert should not "act as an advocate for any party to the proceedings," although in practice, parties will necessarily have experts' statements supporting their positions in court.

---

<sup>325</sup> *Id.*, Rules 175–81.

<sup>326</sup> *Id.*, Rule 179.

<sup>327</sup> *Id.*, Rule 179.3.

<sup>328</sup> *Id.*, Rule 178.6.

<sup>329</sup> *Id.*, Rules 177.2, 178.4, and 178.5.

<sup>330</sup> *Id.*, Rule 181.

Experts can conduct experiments upon reasoned request from a party or the court<sup>331</sup> in order to prove a fact for the purpose of the proceedings.

**b. Court experts<sup>332</sup>**

As an exception to the principle that the parties should prove the facts they allege, the UPCA and Rules of Procedure provide the possibility for the parties to ask the court for the appointment of an expert. An indicative list of experts is established and managed by the registrar of the court, but parties can also make suggestions. The same rules of impartiality and absence of conflict of interest that apply to judges also apply to court-appointed experts.<sup>333</sup>

The court order appointing an expert details the questions asked to the expert and the timing of the reply. The order can be appealed only upon authorization of the court<sup>334</sup> or with the judgement on the merits.

**c. Orders to produce evidence<sup>335</sup>**

The UPCA and Rules of Procedure<sup>336</sup> provide for the possibility to obtain evidence from an adverse party or a third party. The claim for production of evidence should contain reasonably available and plausible evidence in support of the claim and substantiate “specified evidence” that lies in the control of the adverse or third party. This measure cannot be used as a fishing expedition.

The judge-rapporteur can give the adverse party the opportunity to oppose a claim for production of evidence and should in any case take into consideration the interest of that third party when granting the order. Failure to comply with the order to produce evidence can be taken into consideration when deciding on the issue in question.<sup>337</sup> Protection of confidential information is also taken into account and may lead to a limitation of the number of people having access to the evidence, along with an obligation of nondisclosure.<sup>338</sup>

**d. Orders to preserve evidence (*saisie*) and orders for inspection<sup>339</sup>**

The order to preserve evidence, specifically referred to as “*saisie*,” may become one of the most used measures to gather evidence in front of the UPC should it be used as often as it is in French proceedings. A few elements are nonetheless different from the French *saisie*, as detailed below.

---

<sup>331</sup> *Id.*, Rule 201.

<sup>332</sup> *Id.*, Rules 185–88.

<sup>333</sup> *UPC Agreement*, *supra* note 16, Art. 57.

<sup>334</sup> Rule 220.2, UPCA RoP, *supra* note 26.

<sup>335</sup> *UPC Agreement*, *supra* note 16, Art. 59(1), and Rule 190, UPCA RoP, *supra* note 26.

<sup>336</sup> *Id.*, Rule 190.

<sup>337</sup> *Id.*, Rule 190.6.

<sup>338</sup> *Id.*, Rule 190.1.

<sup>339</sup> *UPC Agreement*, *supra* note 16, Art. 60, and Rules 192–99, UPCA RoP, *supra* note 26.

An order to preserve evidence can be requested to obtain a detailed description with or without the taking of samples, the physical seizure of allegedly infringing goods, the physical seizure of the materials and implements used in the production or distribution of those goods, and any related documents and digital media and data (including passwords necessary to access them).<sup>340</sup> An application can be filed by any party entitled to launch patent infringement proceedings against the defendant before or in the course of patent infringement proceedings.

One major deviation from the French-type *saisie* is that the defendant can be heard by the court when such application is filed, even if the application was filed *ex parte* by the applicant. In such case, when the judge-rapporteur informs the applicant that it intends to hear the defendant, the rules of procedure offer to the applicant the possibility to withdraw the application (in such case, the application does not appear in the Registry<sup>341</sup>).<sup>342</sup>

The applicant must justify the filing of the grant of an *ex parte* order, in particular due to urgency or demonstrable risk of destruction or unavailability of evidence.<sup>343</sup> To obtain the order, the applicant must also state why the requested measures are needed to preserve evidence and, if the application is filed before the launch of proceedings on the merits, a concise explanation of the action that will be started before the court.<sup>344</sup>

As with the French *saisie*, the Rules of Procedure impose a sort of duty of loyalty on the applicant, who must disclose any material fact it knows that might influence the court when deciding whether to grant the order. The protection of confidential information is also taken into account by the court, and the order may limit the disclosure of the information to certain people subject to appropriate terms of nondisclosure.<sup>345</sup>

One way to force the applicant to withdraw its application or to obtain from the court the opportunity to contest the application is to file a protective letter.<sup>346</sup> Inspired from the German practice of “*Schutzschrift*,” any party who considers it likely that a measure will be taken against it can file a protective letter with the Registry. The party may, thru its protective letter, challenge any facts that may likely be presented against it and also may challenge the validity of the patent(s) in question. Once received by the Registrar, the protective letter is shared by the Registry with all divisions of the court and should remain available for six months (with the possibility of extension of six additional months). Should the other party take a measure against the defendant who filed the protective letter, the protective letter is then sent by the Registry to the division where the application for measures has been filed and to the applicant seeking such measures.

---

<sup>340</sup> *Id.*, Rule 196.

<sup>341</sup> For description of the UPC Registry, *see supra* note 30.

<sup>342</sup> Rule 194.5, UPCA RoP, *supra* note 26.

<sup>343</sup> *Id.*, Rule 197.

<sup>344</sup> *Id.*, Rule 192.

<sup>345</sup> *Id.*, Rule 196.

<sup>346</sup> *Id.*, Rule 207.

If a preservation order is granted before the launch of any patent infringement proceedings on the merits, the applicant shall launch such proceedings within 31 calendar days or 20 working days from the day specified in the order.<sup>347</sup> Otherwise the defendant can ask for a revocation of the order.

The court's ruling can be appealed within 15 days by either the applicant (if the order has been rejected) or the defendant.<sup>348</sup> The defendant may ask for a review of the order within thirty days after the execution of the preservation order to have the order revoked or amended.<sup>349</sup>

The UPCA and the Rules of Procedure also give the possibility to obtain an order allowing for inspection<sup>350</sup> of products, devices, methods, premises, or local situation in situ. The same rules apply to the order to preserve evidence.

#### e. Other evidence

The UPCA and the Rules of Procedure permit one party to obtain an order to freeze assets<sup>351</sup> in order to prevent another party from removing assets from the jurisdiction of the court or dealing in any assets, whether located within its jurisdiction or not.

The UPCA also provides for letters rogatory to obtain production of documents or the hearing of witnesses or experts by other competent courts or authorities outside of the EU.<sup>352</sup> For the same request within the EU, Recast Regulation No. 2020/1783 applies.<sup>353</sup>

### 5. Interplay with national systems

Article 32 UPCA, which relates to the exclusive competence of the UPC, does not refer to measures relating to evidence. It may therefore allow for evidentiary procedures stemming from the national legislation of a contracting member state.

One can therefore imagine using the French-type *saisie*, which will only be granted ex parte, to obtain evidence within the French territory prior to launching a patent infringement proceeding in front of the UPC.

---

<sup>347</sup> *Id.*, Rule 198.

<sup>348</sup> *UPC Agreement*, *supra* note 16, Art. 73.

<sup>349</sup> Rule 197, UPCA RoP, *supra* note 26.

<sup>350</sup> *UPC Agreement*, *supra* note 16, Art. 60, and Rule 199, UPCA RoP, *supra* note 26.

<sup>351</sup> *UPC Agreement*, *supra* note 16, Art. 61, and Rule 200, UPCA RoP, *supra* note 26.

<sup>352</sup> *Id.*, Rule 202.

<sup>353</sup> Regulation (EU) 2020/1783 of the European Parliament and of the Council of 25 Nov. 2020 on cooperation between the courts of the Member States in taking of evidence in civil and commercial matters (taking of evidence) (recast), <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1783&from=EN>; *see also* Rule 173, UPCA RoP, *supra* note 26.

## H. PROCEDURES FOR THE DETERMINATION OF DAMAGES AND COMPENSATION BEFORE THE UPC

Although damages can be requested at the same time as the procedure determining liability,<sup>354</sup> the Rules of Procedure also mention the possibility to have damages determined through separate proceedings.<sup>355</sup> Article 68 UPCA states that the injured party in patent infringement proceedings is entitled to obtain damages in relation to the “harm actually suffered” as a result of the infringement.

Typical of the European continental law system, the UPCA does not allow punitive damages. Article 68.3 UPCA mirrors Article 13.1 Enforcement Directive<sup>356</sup> as to the elements to be taken into consideration by the court to set the damages. It refers to negative economic consequences, which includes lost profits, unfair profits made by the defendant, and where appropriate, moral damages. It also contains the option of ordering a lump sum payment equal to or greater than the amount of royalties or fees that would have been due had the defendant requested permission.

Interestingly, the UPCA provides the possibility to lower damages in cases where the defendant did not “knowingly, or with reasonable grounds to know” engage in the infringing activity. In such case, the court has the option of ordering only the recovery of profits or the payment of compensation.<sup>357</sup>

As to the actual damages proceedings, the Rules of Procedure indicate that such proceedings should be initiated no later than one year from the service of the final decision on the merits (including appeal) on both validity and infringement. Damages can also be requested in case of a revocation of an order to preserve evidence,<sup>358</sup> revocation of provisional measures,<sup>359</sup> or noncompliance with an order of the court.<sup>360</sup>

The application for the determination of damages must indicate all redress and interests asked, all supporting facts and evidence, and may contain an application for the laying of open books. This application is registered and served upon the defendant, who has two months to file a defence. The patentee is given a month to reply to the defence, and the defendant can file a rejoinder within a month from receiving the reply. Specific timing applies for the request to lay open books.<sup>361</sup> If the request is granted, the court orders the defendant to lay open books and sets the time period within which the procedure for the award of damages shall be continued.<sup>362</sup>

---

<sup>354</sup> *Id.*, Rule 118.

<sup>355</sup> *Id.*, Rule 125.

<sup>356</sup> *Enforcement Directive*, *supra* note 188.

<sup>357</sup> *UPC Agreement*, *supra* note 16, Art. 68.4.

<sup>358</sup> Rule 198.2, UPCA RoP, *supra* note 26.

<sup>359</sup> *Id.*, Rule 213.2.

<sup>360</sup> *Id.*, Rule 354.4.

<sup>361</sup> *Id.*, Rules 141–42.

<sup>362</sup> *Id.*, Rule 144.

If the court varies or revokes a decision or order, a party that was injured by the enforcement of the original decision or order may move for appropriate compensation.<sup>363</sup>

It will be interesting to see the approach that will be taken by the UPC in terms of setting damages. Jurisdictions within the European Union differ on this aspect, with some countries allowing high amounts for damages and others allowing low (or even no) damages.

## I. COST AWARDS BEFORE THE UPC

As a general rule and unless equity requires otherwise, the unsuccessful party shall bear the reasonable and proportionate legal costs and other expenses incurred by the successful party, up to a ceiling set in accordance with the Rules of Procedure.<sup>364</sup> The court may award costs differently where a party only succeeds in part and in exceptional circumstances. Unnecessary costs shall always be borne by the party causing such costs. The court may order a party to provide adequate security for legal costs incurred by the other party.

The court shall decide in principle on the obligation to bear legal costs and may order an interim award of costs in the decision on the merits.<sup>365</sup>

Cost decisions are made by the judge-rapporteur in accordance with the procedure laid down in Chapter 5 of the Rules of Procedure. The successful party must seek a cost decision within one month of service of the decision on the merits and may recover court fees, attorney fees, costs for experts and witnesses, and other expenses. The judge-rapporteur may require the applicant to provide written evidence of all costs and shall allow the other party to respond.

The standing judge of the court of appeal decides on granting leave to appeal and appeals of cost decisions.<sup>366</sup>

Although Article 69 UPCA stipulates that a ceiling shall apply for legal costs and expenses, the UPCA Rules of Procedure instruct the Administrative Committee to adopt ceilings only with respect to representation costs.<sup>367</sup> According to the draft scale of recoverable cost ceilings, the ceilings for representation costs are based on the value of the proceedings and range from € 38,000 up to a maximum of € 5 million if the value of the proceedings exceeds € 50 million.<sup>368</sup>

---

<sup>363</sup> Rule 354.2, UPCA RoP, *supra* note 26.

<sup>364</sup> *UPC Agreement*, *supra* note 16, Art. 69.

<sup>365</sup> Rules 118(5) & 150(2), UPCA RoP, *supra* note 26.

<sup>366</sup> *Id.*, Rule 221.

<sup>367</sup> *Id.*, Rule 152(2).

<sup>368</sup> *Id.*

## J. PROVISIONAL AND PROTECTIVE MEASURES

The court may grant provisional injunctions to prevent any imminent infringement or to prohibit, or make subject to the lodging of a guarantee, the continuation of an alleged infringement.<sup>369</sup> The court may make a prohibitory injunction subject to a recurring penalty payment.

The court may also order seizure or delivery up of allegedly infringing products and, if the applicant demonstrates circumstances likely to endanger the recovery of damages, precautionary seizure of the defendant's property.

The court may require the applicant to furnish evidence to demonstrate with a reasonable degree of certainty that the patent is valid and infringed. The court may weigh up the interests of the parties prior to granting or refusing injunctions, and the court shall have regard to any unreasonable delay in seeking the provisional measures.<sup>370</sup> Neither the UPCA nor the Rules of Procedure clarify whether the court will apply a presumption of validity or what is required to rebut such presumption.

The court may invite the defendant to object to the application for provisional measures, and it may hold an oral hearing to which it may summon either both parties or only the applicant. In exercising its discretion regarding the procedure, the court shall take into account whether the EPO has upheld the patent in opposition proceedings, the urgency of the action, the reasons for any *ex parte* measures requested, and any protective letter filed by the defendant.

If necessary, and particularly where delay is likely to cause irreparable harm, the court shall order provisional and protective measures without hearing the defendant. If the court grants *ex parte* measures, the defendant shall be notified and the court shall review the measures within reasonable time. If the court refuses *ex parte* measures, the claimant may withdraw the application and request that it remains confidential. To mitigate the risk of *ex parte* measures, any person entitled to start proceedings under Article 47 UPCA may file a protective letter. A protective letter is valid for an extendable period of six months and shall be forwarded to the panel or judge appointed to decide on provisional measures in relation to the patent covered by the protective letter.

A patentee may lodge an action for provisional measures before or after starting main proceedings on the merits. In the former case, the patentee must bring an action leading to a decision on the merits within the longer of 31 calendar days or 20 working days, or the court shall revoke any measures ordered upon the request of the defendant.

If the court revokes the measures or if the court subsequently finds that the patent was not infringed, the defendant may ask the court to order the patentee to provide appropriate compensation for any damage suffered. As a condition for granting the measures, the court may require the patentee to lodge adequate security to ensure such compensation.

The court's orders to grant provisional and protective measures take immediate effect. Parties may appeal to the court of appeal. Leave to appeal is not required. An appeal will not suspend the effect

---

<sup>369</sup> *UPC Agreement*, *supra* note 16, Art. 62.

<sup>370</sup> Rule 211, UPCA RoP, *supra* note 26.



of the order, but the court of appeal has the power to suspend the effect upon request by the appellant.

## *V. Enforcing a Judgement of the UPC under the National Procedural Rules*

---

### A. REQUIREMENTS FOR ENFORCING A UPC JUDGEMENT

#### 1. Starting point: Recast Brussels I

Principally, decisions by a court of an EU member state are enforceable in all EU member states subject to the requirements stipulated in Chapter III of Recast Brussels I.<sup>371</sup> However, Recast Brussels I is not applicable to decisions of so-called common courts—like the courts established under the UPC-regime<sup>372</sup>—if enforcement is sought in an EU member state over which the particular common court has jurisdiction. Accordingly, if a decision of a local or regional division of the UPC is sought to be enforced in an EU member state that is a party to the UPCA, the rules of the UPCA supersede the rules of Recast Brussels I.<sup>373</sup> Chapter III of Recast Brussels I remains only applicable for cases where a judgement of a local or regional division of the UPC is sought to be enforced in an EU member state that is not party to the UPCA.<sup>374</sup> During the transitional period, the enforcement remains to be governed by Recast Brussels I in cases of either an opt-out or an action brought before national courts.<sup>375</sup>

#### 2. Enforcement under the UPCA regime

The remedies that can be sought by the claimant are permanent injunctive relief<sup>376</sup> (in particular, cease and desist orders), removal from the distribution channels, recall and destruction,<sup>377</sup> information,<sup>378</sup> and damages.<sup>379</sup> The claimant can also request the publication of the decision at the expense of the defendant.<sup>380</sup>

The enforcement of decisions of the UPC is governed by Article 82 UPCA in connection with Rule 354. Accordingly, any decision of the court shall be enforced under the same conditions as a decision given in the contracting member state where the enforcement takes place. The decisions of the UPC are enforceable in all contracting EU member states, although the enforcement can be

---

<sup>371</sup> *Recast Brussels I*, *supra* note 28.

<sup>372</sup> *Id.*, Art. 71a (2).

<sup>373</sup> *See id.*, Art. 71d (2).

<sup>374</sup> *Id.*, Art. 71d (1).

<sup>375</sup> *Id.*, Art. 71c (2).

<sup>376</sup> *UPC Agreement*, *supra* note 16, Art. 63 (1).

<sup>377</sup> *Id.*, Art. 64.

<sup>378</sup> *Id.*, Art. 67.

<sup>379</sup> *Id.*, Art. 68.

<sup>380</sup> *Id.*, Art. 80.

made subject to the provision of a security,<sup>381</sup> whether by deposit, bank guarantee, or otherwise.<sup>382</sup> The national law is only applicable to the extent the UPCA and the statute of the court do not prevail.<sup>383</sup>

To the extent the enforcement of acts are subject to the actual cooperation of the defendant (such as the claims for injunctive relief, information, and recall), the enforcement can include recurring penalty payments payable to the court.<sup>384</sup> The amount of the penalty payment “shall be proportionate to the importance of the order to be enforced and shall be without prejudice to the party’s right to claim damages or security.”<sup>385</sup> The penalty shall be fixed either upon request or of the court’s own motion. The defendant’s right to be heard shall be observed by either inviting the parties to provide written submissions within a specified period or to an oral hearing on a fixed date.<sup>386</sup> According to views in the literature, there are no sanctions available beyond those specifically stipulated in the UPCA.<sup>387</sup> Thus, there is no jurisdiction for national law or courts. Particularly, there is no room for additional penalty measures (such as detention of the directors as is possible, for example, under German procedural law).

In relation to enforcement of acts that can be conducted by third parties (such as the claims for removal from the channel of distribution and destruction), the court may order that such acts be carried out at the expense of the defendant.<sup>388</sup> Apart from this, penalty payments against third parties for noncompliance are not foreseen by the UPCA. In this regard, it has been suggested that national laws be applicable pursuant to Article 82(3) UPCA.<sup>389</sup>

As regards the enforcement of damage awards, the order of penalty payments is governed by national laws, i.e., by the law of the contracting EU member state in which the enforcement is to be conducted.<sup>390</sup>

---

<sup>381</sup> *Id.*, Arts. 82(1)–(2).

<sup>382</sup> Rule 352(1), UPCA ROP, *supra* note 26.

<sup>383</sup> *UPC Agreement*, *supra* note 16, Art. 82(3).

<sup>384</sup> *Id.*, Arts. 63(2) & 82(4); Rule 354(3), UPCA ROP, *supra* note 26.

<sup>385</sup> *UPC Agreement*, *supra* note 16, Art. 82(4).

<sup>386</sup> Rule 354(4), UPCA ROP, *supra* note 26, in connection with Rule 264.

<sup>387</sup> Matthias Leistner, *Vollstreckung von Urteilen des Einheitlichen Patentgerichts in Deutschland*, GRUR, Vol. 118, No. 3, 217–25 (2016).

<sup>388</sup> *UPC Agreement*, *supra* note 16, Art. 64(3).

<sup>389</sup> Michael Nieder, *Vollstreckung des EPG-Verletzungsurteils und Vernichtung des Klagepatents nach Rechtskraft*, GRUR, Vol. 119, No. 1, 38–42 (2017).

<sup>390</sup> *UPC Agreement*, *supra* note 16, Art. 82(3).

## B. MITIGATION POSSIBILITIES FOR THE DEFENDANT

### 1. Formal requirements of enforcement

Even if Rule 345 UPCA states that decisions and orders of the court are immediately enforceable, Rule 118(8) provides some necessary actions by the interested party.

In particular, the patentee may proceed with enforcement, in respect of individual judgements, only if:

- it has notified the court that it intends to proceed to enforce a determined part of the judgement—indicating which part; and
- it serves this notice together with a certified translation of the notice and of the operative orders of the judgement to be enforced into the official language of the contracting member state in which the enforcement shall take place.

In the absence of the above, the defendant can appropriately oppose the enforcement.

### 2. Appeal (or rehearing) and suspensive effect

The defendant might prevent the enforcement of an adverse UPC decision through appeal. Appeals may be brought within a term of two months for court decisions and fifteen days for orders.<sup>391</sup> Generally speaking, the case management of the appeal proceedings is similar to the first instance proceedings:

- Grounds of appeal to be filed within four months after service of decision or fifteen days after service of the order.<sup>392</sup>
- Statement of response to be filed within three months or fifteen days, respectively,<sup>393</sup> which may include a statement of crossappeal.<sup>394</sup>
- Reply to statement of crossappeal within two months or fifteen days, respectively.<sup>395</sup>
- Interim procedure.<sup>396</sup>
- Oral hearing.

---

<sup>391</sup> Rule 224(1), UPCA ROP, *supra* note 26.

<sup>392</sup> *Id.*, Rule 224(2).

<sup>393</sup> *Id.*, Rule 235.

<sup>394</sup> *Id.*, Rule 237.

<sup>395</sup> *Id.*, Rule 238.

<sup>396</sup> *Id.*, Rule 239. Interim procedures are similar to first instance proceedings, *see supra* Section IV.B (Available remedies in (main) infringement actions).

Decisions or orders of first instance may be upheld, reversed, or partially reversed.<sup>397</sup>

Apart from this, an appeal does not have automatic suspensive effect, so the first instance decision may be enforced even if it has been appealed. However, the court of appeal may grant suspensive effect to the appeal procedure following motivated request of one of the parties.<sup>398</sup> The application shall set out why the appeal should have suspensive effect along with the facts, evidence, and arguments relied on.<sup>399</sup> It is specified that the court of appeal shall decide the application without delay.

In the case of extreme urgency, the applicant may without formality and at any time apply to the standing judge for an order for suspensive effect. However, Rule 223 UPCA also states “[t]here shall be no suspensive effect for an appeal of an order pursuant of Rule 220.2.” Moreover, Article 74(2) UPCA provides that an appeal against a decision on actions or counterclaims for revocation and on actions based on Article 32(1)(i)—actions against EPO decisions—shall always have a suspensive effect.

In very exceptional cases, the UPC division can determine during a request of rehearing after a final decision that the decision does not have suspensive effect,<sup>400</sup> but the court of appeal may decide otherwise.<sup>401</sup>

### 3. Patent revocation or amendment

Where an enforceable decision or order has been made pursuant to a finding of infringement of a patent and, following the conclusion of the action, the patent is amended or revoked, the court may order, upon the request of the party against whom the decision or order would be enforceable, that the decision or order ceases to be enforceable.<sup>402</sup>

### 4. National enforcement remedies

According to Article 82(3) UPCA, which clarifies that enforcement procedures shall be governed by the law of the contracting member state where the enforcement takes place, national enforcement remedies may be enacted.<sup>403</sup>

---

<sup>397</sup> *Id.*, Rule 242.

<sup>398</sup> *UPC Agreement*, *supra* note 16, Art. 74(1).

<sup>399</sup> Rule 223, UPCA ROP, *supra* note 26.

<sup>400</sup> *UPC Agreement*, *supra* note 16, Art. 81.

<sup>401</sup> Rule 252, UPCA ROP, *supra* note 26.

<sup>402</sup> *Id.*, Rule 354(2).

<sup>403</sup> For instance, *Vollstreckungsgegenklage* (action to oppose enforcement) or *Titelgegenklage* (title counterclaim) pursuant to ZIVILPROZESSORDNUNG [ZPO] [GERMAN CIVIL PROCEDURE CODE] § 767 in Germany; *Opposizione all'esecuzione* pursuant to CODICE DI PROCEDURA CIVILE [C.C.] [ITALIAN CIVIL PROCEDURE CODE], Art. 615 in Italy.

## 5. Security

Another option, which does not prevent the enforcement of the decision but should avoid possible negative consequences of the enforcement, is requesting a security. The court may make any order or measure subject to a security to be posted by the successful party to the unsuccessful one.<sup>404</sup> If the security is not already specified in the decision, the interested party can file an application to request the granting of a separate order of security.<sup>405</sup> In the absence of the security (when ordered), the enforcement cannot start.

## 6. Decision by default

When a decision by default is given, the lodging of a request to set aside this decision may induce the court to grant a stay of the enforcement until it has given its decision on the request.<sup>406</sup>

## 7. Settlement

The parties may, at any time in the course of the proceeding, conclude their case by way of settlement, which shall be confirmed by a decision of the court.<sup>407</sup> This is also possible after a decision, until *res judicata* applies. A settlement prevents the enforcement of the decision.

## 8. Modification of the infringing product

If the defendant has modified the infringing product and seeks clarification on the scope of a decision with regard to the modification, it may start an action for negative declaratory judgement before the panel that issued the first judgement. In cases of particular urgency, the court may stay the enforcement on a preliminary basis.<sup>408</sup>

## 9. Protective letter

Even if a protective letter provided by Rule 207 UPCA is not a means to prevent the enforcement of a decision, we refer to it as an option, in case of urgency, that could be effective in avoiding court-issued provisional measures without first hearing the defendant.

## C. REMEDIES FOR WRONGFUL ENFORCEMENT

Even though the UPCA tries to avoid the occurrence of the so-called “injunction gap” (i.e., a time gap between the issuance of the injunction and the decision on the validity), it can still occur.<sup>409</sup> Accordingly, it will be possible for a UPC judgement to be preliminarily enforced, only to have the patent subsequently revoked.

---

<sup>404</sup> *UPC Agreement*, *supra* note 16, Art. 82(2), and Rule 352, UPCA RoP, *supra* note 26.

<sup>405</sup> TILMANN & PLASSMANN, *supra* note 63, at 1771.

<sup>406</sup> Rule 356, UPCA RoP, *supra* note 26.

<sup>407</sup> *UPC Agreement*, *supra* note 16, Art. 79.

<sup>408</sup> TILMANN & PLASSMANN, *supra* note 63, at 1780.

<sup>409</sup> *See supra* Section III.D (Bifurcated v. nonbifurcated proceedings).

The question is how such wrongful enforcement can be rectified. Rule 354(2) UPCA only stipulates that the ongoing enforcement be stopped. The provision of security pursuant to Article 82(2) UPCA only concerns nonfinal decisions,<sup>410</sup> so it does not help the defendant in case of the unjustified enforcement of final infringement decisions. A rehearing is only possible in cases of criminal offenses or fundamental procedural errors.<sup>411</sup> Articles 60(9) and 62(5) and Rule 213(2) only concern provisional measures.

Other statutory measures are not available. It has been suggested that Articles 60(9) and 62(5) should be applied *mutatis mutandis* (i.e., with the necessary changes being made).<sup>412</sup> It remains to be seen how courts will deal with this issue once it arises. However, these cases will likely be rare, given that it can be expected that courts will decide on infringement and validity in the same proceedings.

---

<sup>410</sup> Based on the wording of Art. 82(2) UPCA, this provision is not limited to nonfinal decisions. However, there is no reason why also the enforcement of final decisions should be subject to the rendering of security.

<sup>411</sup> *UPC Agreement*, *supra* note 16, Art. 81.

<sup>412</sup> Klaus Grabinski, *Der Entwurf der Verfahrensordnung für das Einheitliche Patentgericht im Überblick*, GRUR Int, Vol. 62, No. 4, 310–21 (2013).

## *The Sedona Conference Working Group Series & WGS Membership Program*

---

**“DIALOGUE  
DESIGNED  
TO MOVE  
THE LAW  
FORWARD  
IN A  
REASONED  
AND JUST  
WAY.”**

The Sedona Conference was founded in 1997 by Richard Braman in pursuit of his vision to move the law forward in a reasoned and just way. Richard’s personal principles and beliefs became the guiding principles for The Sedona Conference: professionalism, civility, an open mind, respect for the beliefs of others, thoughtfulness, reflection, and a belief in a process based on civilized dialogue, not debate. Under Richard’s guidance, The Sedona Conference has convened leading jurists, attorneys, academics, and experts, all of whom support the mission of the organization by their participation in conferences and the Sedona Conference Working Group Series (WGS). After a long and courageous battle with cancer, Richard passed away on June 9, 2014, but not before seeing The Sedona Conference grow into the leading nonpartisan, nonprofit research and educational institute dedicated to the advanced study of law and policy in the areas of complex litigation, antitrust law, and intellectual property rights.

The WGS was established to pursue in-depth study of tipping point issues in the areas of antitrust law, complex litigation, and intellectual property rights. It represents the evolution of The Sedona Conference from a forum for advanced dialogue to an open think tank confronting some of the most challenging issues faced by our legal system today.

A Sedona Working Group is created when a “tipping point” issue in the law is identified, and it has been determined that the bench and bar would benefit from neutral, nonpartisan principles, guidelines, best practices, or other commentaries. Working Group drafts are subjected to a peer review process involving members of the entire Working Group Series including—when possible—dialogue at one of our regular season conferences, resulting in authoritative, meaningful, and balanced final commentaries for publication and distribution.

The first Working Group was convened in October 2002 and was dedicated to the development of guidelines for electronic document retention and production. Its first publication, *The Sedona Principles: Best Practices Recommendations & Principles Addressing Electronic Document Production*, has been cited favorably in scores of court decisions, as well as by policy makers, professional associations, and legal academics. In the years since then, the publications of other Working Groups have had similar positive impact.

Any interested jurist, attorney, academic, consultant, or expert may join the Working Group Series. Members may participate in brainstorming groups, on drafting teams, and in Working Group dialogues. Membership also provides access to advance drafts of WGS output with the opportunity for early input. For further information and to join, visit the “Working Group Series” area of our website, <https://thesedonaconference.org/wgs>.



# *The Sedona Conference Working Group 10 on Patent Litigation Best Practices—List of Steering Committee Members and Judicial Advisors*

---

The Sedona Conference's Working Group 10 on Patent Litigation Best Practices Steering Committee Members and Judicial Advisors are listed below. Organizational information is included solely for purposes of identification.

The opinions expressed in publications of The Sedona Conference's Working Groups, unless otherwise attributed, represent consensus views of the Working Groups' members. They do not necessarily represent the views of any of the individual participants or their employers, clients, or any organizations to which they may belong, nor do they necessarily represent official positions of The Sedona Conference. Furthermore, the statements in each publication are solely those of the non-judicial members of the Working Group; they do not represent judicial endorsement of the opinions expressed or the practices recommended.

## **Steering Committee Members**

Matthew Powers, Tensegrity Law Group LLP – WG9 & WG10 Chair  
Teresa Rea, Crowell & Moring LLP - WG10 Vice-Chair  
Donald R. Banowit, Sterne, Kessler, Goldstein & Fox PLLC  
Thomas A. Brown, Dell  
Patricio Delgado, Ericsson  
Brian E. Ferguson, Winston & Strawn LLP  
Nicholas Groombridge, Groombridge, Wu, Baughman & Stone, LLP  
Benjamin Grzimek, Fieldfisher Partnerschaft von Rechtsanwälten mbB  
Haifeng Huang, Jones Day  
Beatriz San Martin, Arnold & Porter Kaye Scholer LLP  
Bridget Smith, Relativity Space  
Anthony Trenton, Wilmer Cutler Pickering Hale and Dorr LLP

## **Judicial Advisors**

Hon. Cathy Ann Bencivengo, U.S. District Judge, Southern District of California  
Hon. Cathy Bissoon, U.S. District Judge, Western District of Pennsylvania  
Hon. Hildy Bowbeer (ret.), U.S. Magistrate Judge, District of Minnesota  
Hon. Stanley R. Chesler, U.S. District Judge, District of New Jersey  
Hon. Joy Flowers Conti, Senior U.S. District Judge, Western District of Pennsylvania  
Hon. Leonard E. Davis (ret.), Fish & Richardson; Chief U.S. District Judge, Eastern District of Texas  
Hon. Theodore R. Essex (ret.), Hogan Lovells; Administrative Law Judge, U.S. International Trade Commission  
Hon. Marvin J. Garbis (ret.), U.S. District Judge, District of Maryland  
Hon. Paul Grewal (ret.), Facebook, Inc.; U.S. Magistrate Judge, Northern District of California  
Hon. Andrew J. Guilford (ret.), U.S. District Judge, Central District of California  
Hon. Faith S. Hochberg (ret.), Hochberg ADR, LLC; U.S. District Judge, District of New Jersey

Hon. James F. Holderman (ret.), JAMS  
Hon. Susan Illston, U.S. District Judge, Northern District of California  
Hon. Kent Jordan, U.S. Circuit Judge, Court of Appeals for the Third Circuit  
Hon. Barbara M. G. Lynn, Chief U.S. District Judge, Northern District of Texas  
Hon. Paul R. Michel (ret.), U.S. Circuit Judge, Court of Appeals for the Federal Circuit  
Hon. Kathleen M. O'Malley (ret.), U.S. Circuit Judge, Court of Appeals for the Federal Circuit  
Hon. Maryellen Noreika, U.S. District Judge, District of Delaware  
Hon. James L. Robart (ret.), U.S. District Judge, Western District of Washington  
Hon. Sue Robinson (ret.), Farnan LLP; Chief U.S. District Judge, District of Delaware  
Hon. Gail J. Standish, U.S. Magistrate Judge, Central District of California  
Hon. Nina Y. Wang, U.S. District Judge, District of Colorado  
Hon. Leda Dunn Wettre, U.S. Magistrate Judge, District of New Jersey  
Hon. Ronald M. Whyte (ret.), U.S. District Judge, Northern District of California

**WG10 Chair Emeriti**

Gary M. Hoffman, Pillsbury Winthrop Shaw Pittman LLP  
Hon. Paul R. Michel (ret.), U.S. Circuit Judge, Court of Appeals for the Federal Circuit  
Robert G. Sterne, Sterne, Kessler, Goldstein & Fox P.L.L.C.