

The Unified Patent Court explained in detail

Managing Intellectual Property European Patent Reform Forum
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Powell & Gilbert



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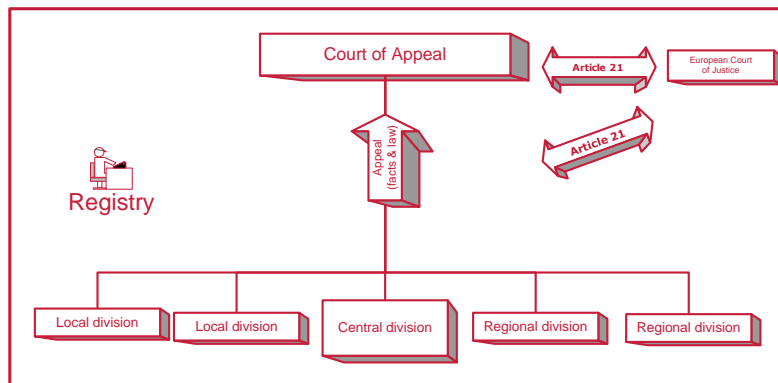
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Summary

- Organization of the court: Christine Kanz
- Forum Shopping: Pierre Véron
- Language Regime: Christine Kanz
- Applicable Law: Pierre Véron
- Steps in the Proceedings: CK/AW/PV
- Taking of Evidence: CK/AW/PV
- Preliminary Injunction Proceedings: CK/AW/PV
- Opt out : Pierre Véron/Alex Wilson
- Opposition vs. Revocation Action : Alex Wilson

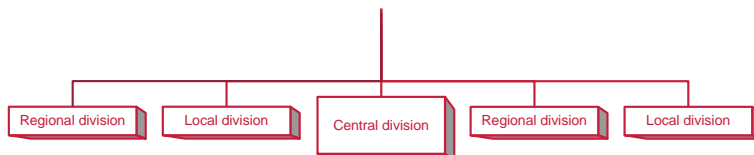
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Article 6 Agreement The Court



4

Article 7 Agreement The Court of first instance



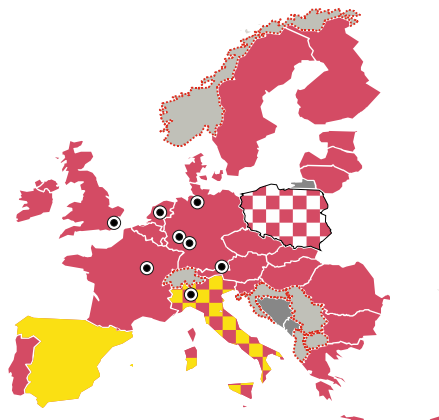
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Article 7 Agreement The Court of first instance: local divisions

(3) A local division shall be set up in a Contracting Member State upon its request.

(4) An additional local division shall be set up in a Contracting Member State upon its request for every 100 patent cases per year.

The number of local divisions in one Contracting Member State shall not exceed 4.



6

Article 7 Agreement**The Court of first instance:
regional divisions**

"(5) A regional division shall be set up for two or more Contracting Member States, upon their request in accordance with the Statute. Such Contracting Member States shall designate the seat of the division concerned and shall provide the necessary facilities for that purpose. The regional division may hear cases in multiple locations."

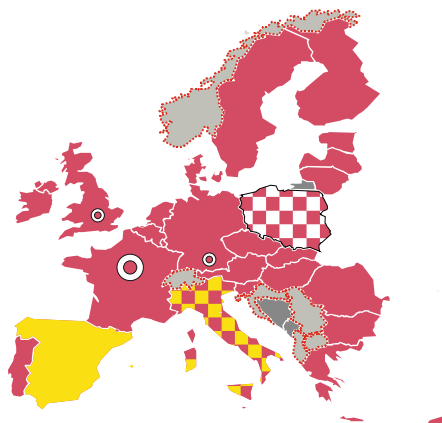


7

Article 7 Agreement**The Court of first instance:
central division**

"(2) The central division shall have its seat in Paris, with sections in London and Munich. The cases before the central division shall be distributed in accordance with Annex II..."

Contracting Member States hosting the central division, its sections or the Court of Appeal shall provide the facilities necessary for that purpose."



8

Article 7 and Annex II Agreement**The Court of first instance:
central division and sections****London**

SECTION A — HUMAN
NECESSITIES
SECTION C — CHEMISTRY;
METALLURGY

**Paris**

PRESIDENT'S OFFICE

SECTION B — PERFORMING
OPERATIONS; TRANSPORTING
SECTION D — TEXTILES; PAPER
SECTION E — FIXED
CONSTRUCTIONS
SECTION G — PHYSICS
SECTION H — ELECTRICITY

**Munich**

SECTION F — MECHANICAL
ENGINEERING; LIGHTING;
HEATING; WEAPONS;
BLASTING

9

The Court of appeal (Luxembourg)

Court of Appeal



10

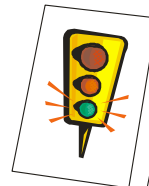
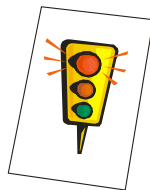
The Rules of Forum Shopping



Article 32 Agreement

Jurisdiction

- Infringement
- Declaration of non-infringement
- Revocation
- Miscellaneous



12

33 (1)
Infringement: (a) place of infringement



13

33 (2) § 2
Infringement: multi-regional infringement



*If an action referred to in Article 32 (1) (a) is pending before a **regional** division and the infringement has occurred in the territories of **three** or more **regional** divisions, the regional division concerned shall, at the request of the defendant, refer the case to the central division.*

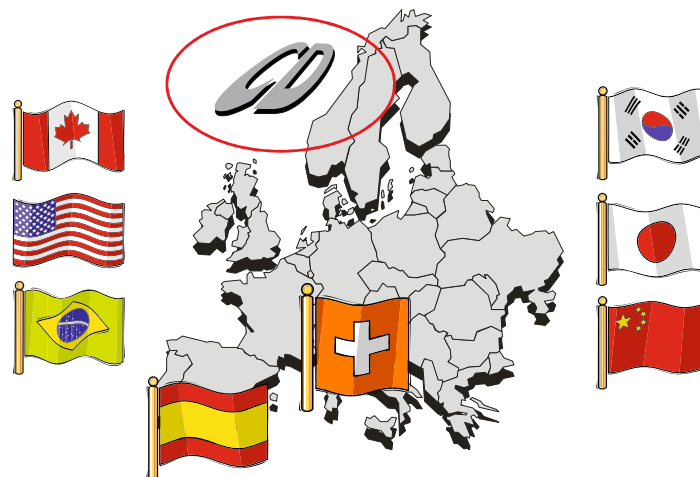
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33 (1)
Infringement: (b) defendant's domicile



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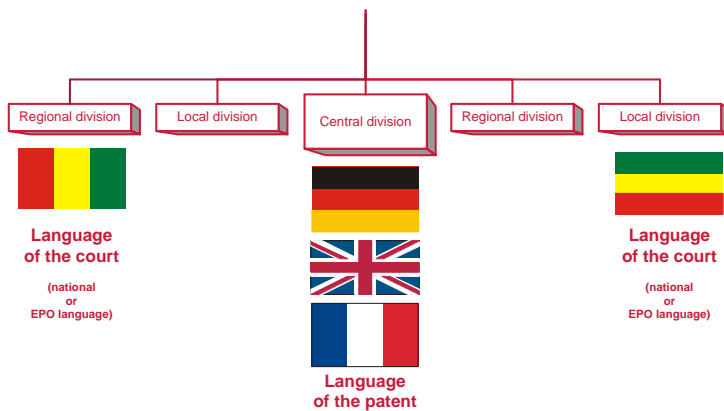
33 (1) §3
Infringement
non EU defendants: Central Division



16

33 (7)**Infringement: choice of the parties**

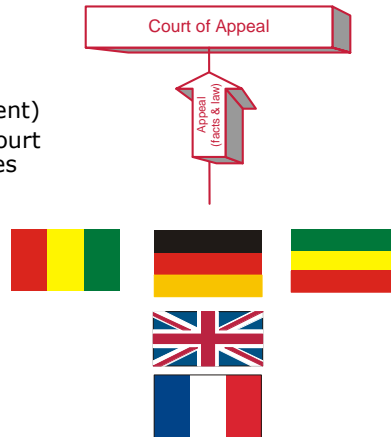
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Article 49 Agreement**Language of proceedings: 1st instance**

18

Article 50 Agreement**Language of proceedings: appeal**

- Language of 1st instance
- Language of the patent (upon the parties' agreement)
- Language chosen by the court and approved by the parties



19

Applicable law

- 24 (1) substantive law
- 24 (2) conflict of law
- 25-30 rights conferred and limitations
- 63-70 sanctions and damages

Current National Law on infringement

24 (1) Agreement**Applicable law: substantive law**

"(1) ... the Court shall base its decisions on:

- (a) Union law;
- (b) this Agreement;
- (c) the EPC;
- (d) other international agreements applicable to patents and binding on all the Contracting Member States; and
- (e) national law."

21

24 (2) Agreement**Applicable law: conflict of law**

"(2) To the extent that the Court shall base its decisions on national law, including where relevant the law of non-contracting States, the applicable law shall be determined:

- (a) by directly applicable provisions of Union law containing private international law rules, or
- (b) in the absence of directly applicable provisions of Union law or where the latter do not apply, by international instruments containing private international law rules; or
- (c) in the absence of provisions referred to in points (a) and (b), by national provisions on private international law as determined by the Court."

22

24 (3) Agreement**Applicable law: conflict of law**

"(3) The law of non-contracting States shall apply when designated by application of the rules referred to in paragraph 2, in particular in relation to Articles 25 to 28, 54, 55, 64, 68 and 72."

25. Right to prevent the direct use of the invention

26. Right to prevent the indirect use of the invention

27. Limitations of the effects of a patent,

28. Right based on prior use of the invention

54. Burden of proof

55. Reversal of burden of proof

68. Award of damages

72. Period of limitation

23

Applicable law (historical)**6-8 Draft Regulation vs 14f - 14i draft Agreement****Proposal for a Regulation**

Article 6

Right to prevent the direct use of the invention

Article 7

Right to prevent the indirect use of the invention

Article 8

Limitation of the effects of the European patent with unitary effect

Unitary Patent**Draft agreement**

Article 14f

Right to prevent the direct use of the invention

Article 14g

Right to prevent the indirect use of the invention

Article 14h

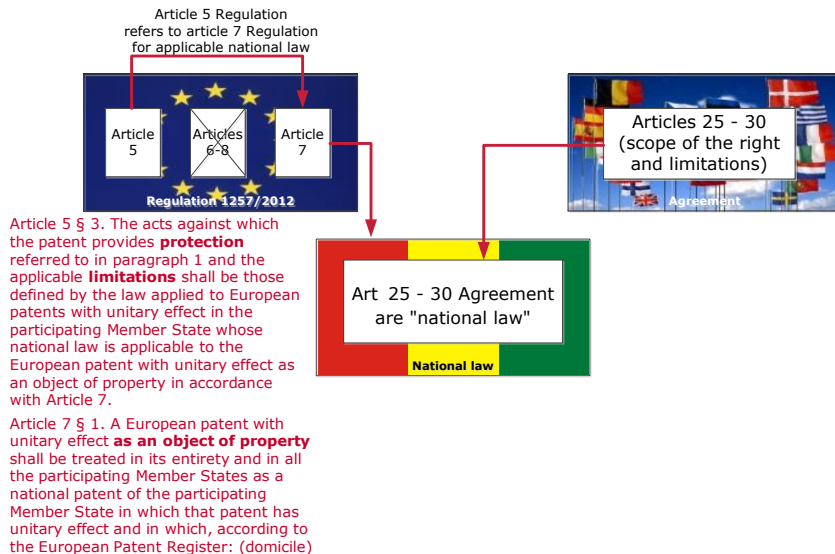
Limitations of the effects of the European patent

European Patent

24

Applicable law (present)

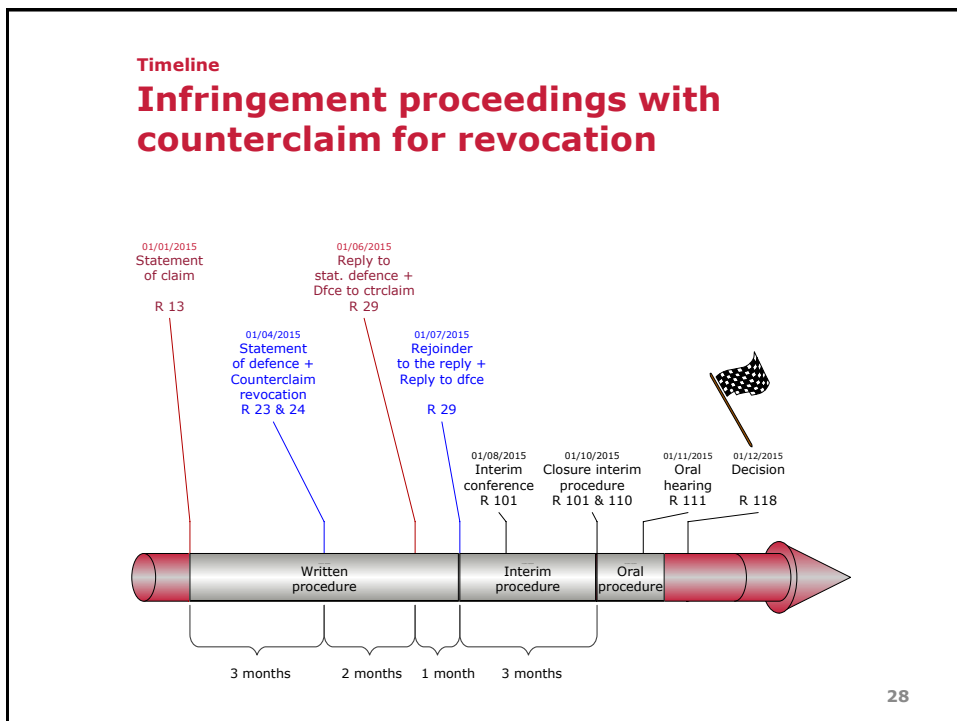
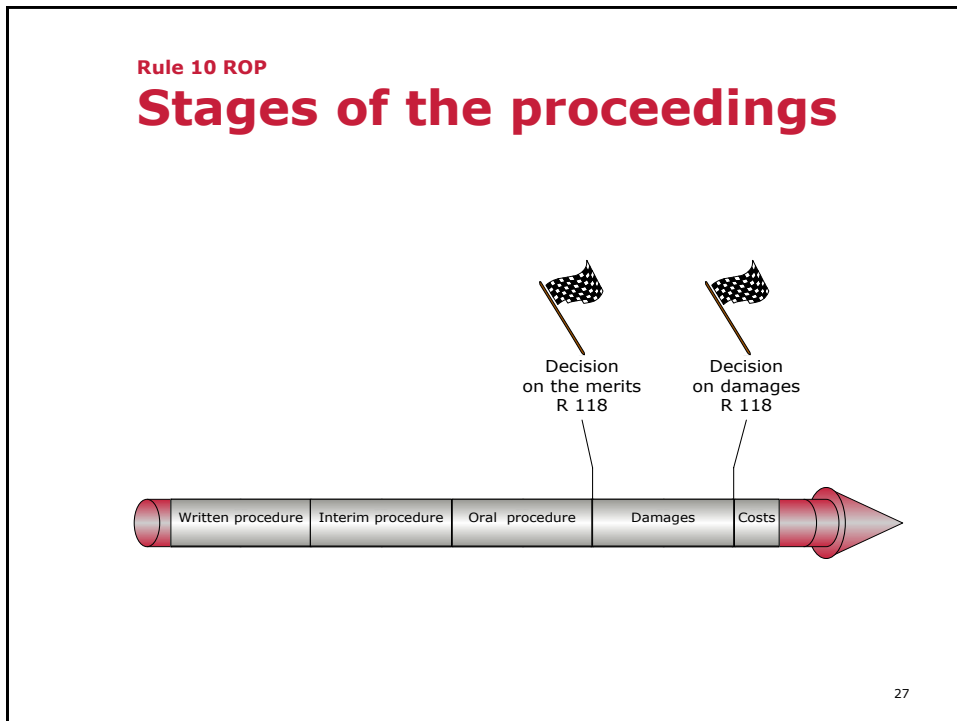
5 Regulation indirectly refers to 25-30 Agreement

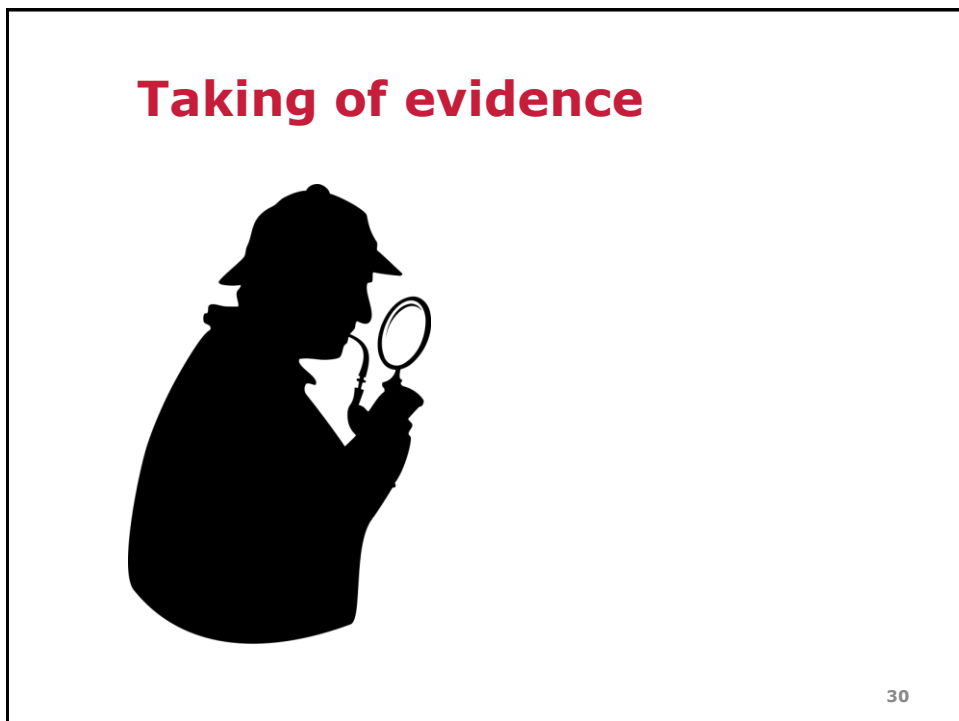
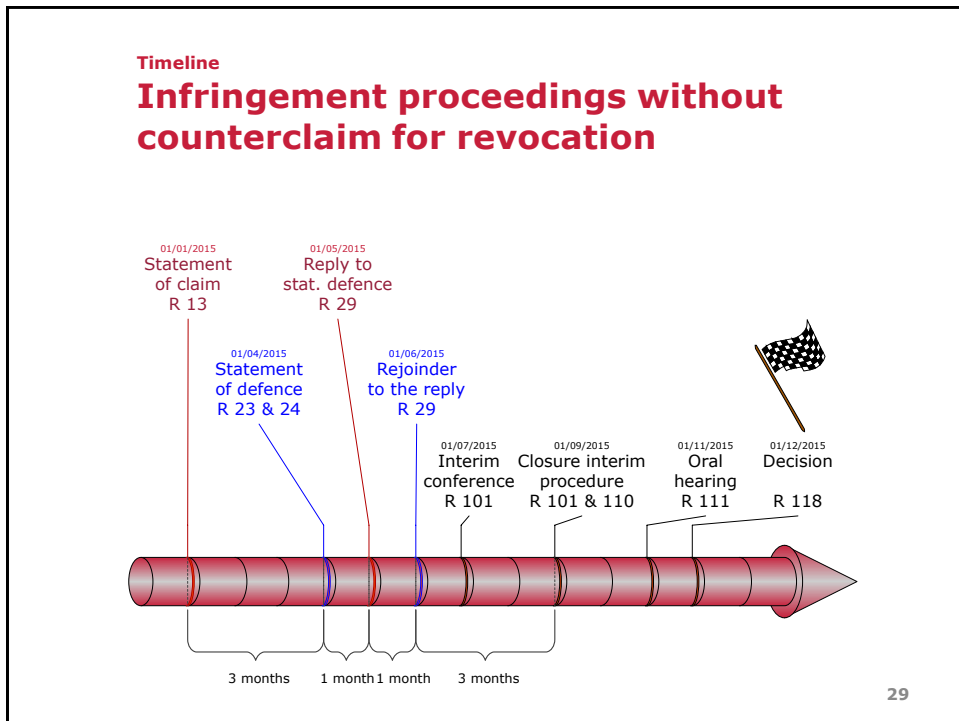


Rule 10 ROP

Stages of the proceedings

- "(a) the written procedure;
 (b) the interim procedure, which may include an interim conference with the parties;
 (c) the oral procedure, which shall include an oral hearing of the parties where necessary;
 (d) the procedure for the award of damages;
 (e) the procedure for a cost order."





Rule 170.1**Means of evidence**

- a) written evidence, whether printed, hand-written or drawn, in particular documents, written witness statements, plans, drawings, photographs;
- b) expert reports and reports on experiments carried out for the purpose of the proceedings;
- c) physical objects, in particular devices, products, embodiments, exhibits, models;
- d) electronic files and audio / video recordings.

31

Rule 170.2**Means of obtaining evidence**

- a) hearing of the parties;
- b) summoning, hearing and questioning of witnesses;
- c) appointing and hearing of experts;
- d) ordering a party or a third party to produce evidence;
- e) ordering inspection of a place or a physical object;
- f) ordering measures to preserve evidence.

32

62 Agreement**Preliminary injunction**

"(1) The Court may, by way of order, grant injunctions against an alleged infringer (...) intended to prevent any imminent infringement, to prohibit, on a provisional basis (...), the continuation of the alleged infringement or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder.

(2) The Court shall have the discretion to weigh up the interests of the parties and in particular to take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction."

33

211 ROP**Provisional measures**

"1. The Court may in particular order the following provisional measures:

- (a) injunctions against a defendant;*
- (b) the seizure or delivery up of the goods suspected of infringing a patent right so as to prevent their entry into or movement within the channels of commerce;*
- (c) ...a precautionary seizure of the movable and immovable property of the defendant, including the blocking of his bank accounts and other assets."*

34

211 ROP

Provisional measures



"2. In taking its decision the Court shall be satisfied with a sufficient degree of certainty that the applicant is entitled to commence proceedings pursuant to Article 47, that the patent in question is valid and that his right is being infringed, or that such infringement is imminent.

3. In taking its decision on the Application for provisional measures, the Court shall have the discretion to weigh up the interests of the parties.

4. The Court may order the applicant to provide adequate security for appropriate compensation..."

35

63

Permanent injunction

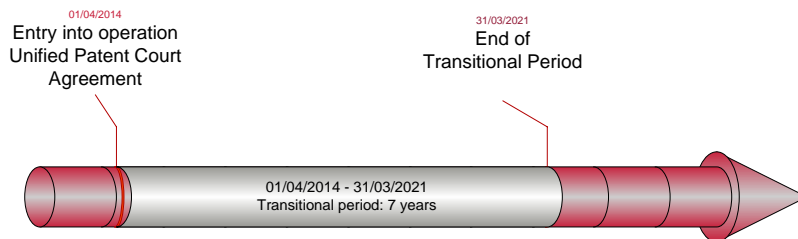


*"(1) Where a decision is taken finding an infringement of a patent, the Court **may** grant an injunction against the infringer aimed at prohibiting the continuation of the infringement. The Court may also grant such injunction against an intermediary whose services are being used by a third party to infringe a patent.*

(2) Where appropriate, non-compliance with the injunction referred to in paragraph 1 shall be subject to a recurring penalty payment payable to the Court."

36

83 Transitional period: 7 years



- National courts still competent for EP
- European Patent holders may opt out from Unified Patent Court (withdrawal possible)

37

83 Transitional period

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

*(4) Unless an action has already been brought before a national court, proprietors of or applicants for European patents who made use of the opt-out in accordance with paragraph 3 shall be entitled to **withdraw their opt-out** at any moment. In this event they shall notify the Registry accordingly. The withdrawal of the opt-out shall take effect upon its entry into the Registry.”*

38

EPO oppositions vs revocation action

39

Patent Revocation in the UPC

- EPO Oppositions still available for the 9 months following grant- will have effect for patent across the UPC and any additional designated EPC states
- Action for Revocation of UP or declaration of invalidity of SPC may only be brought in the Central Division (Art 33(4))
- Counterclaim for UP revocation/ SPC invalidity can be brought in same division as infringement claim

Revocation Claim

- A potential infringement defendant may seek to clear the way of a patent
 - Revocation claim in Central Division
- The patentee can bring infringement action in CD or any appropriate Local or Regional Div.
- If in LD or RD, this may:
 - Proceed with infringement only
 - Stay infringement
 - refer infringement claim to CD (with consent)

Opposition and Revocation

- Clearly no obligation to file opposition as well as revocation (counter) claim (Art 34(8))
- Consider filing both?
 - Would have the advantage of additional “bite at the cherry”
 - Potentially give rise to *res judicata* issues?
 - The UP court could stay the revocation claim pending the EPO decision (see earlier)

Million \$ Question: When will the courts bifurcate?

- The panels are likely to be affected by the practice of their jurisdictions
 - Will DE/AT judges will automatically bifurcate?
 - More likely will be more complex
 - DE “infringement” judges routinely deal with validity albeit for different purpose but may be daunted if faced with EPO style of multiple references
 - Fear of delay caused by appointment of technical judge
- Guidance in Rules would be desirable

EPO Oppositions- Stay of UP proceedings

- The UPC Court “may stay its proceedings when a rapid decision may be expected from the European Patent Office” (Art 33(10))/draft r 295
- In the current system the EPC courts differ in their approaches as to when to grant a stay
- The requirement in Art 33(10) of the need for a “*rapid decision*” might suggest that this would not be common, but note that draft r 298- court may request acceleration of EPO proceedings

Opposition vs Revocation Claim

- EPO Oppositions
 - Generally have some level of predictability
 - Strict on formal grounds on invalidity eg. Art123
 - Slow
 - Unreceptive to non-paper based arguments
 - Also effective for non UP countries
- Unified Patent Court
 - New system with unknown patentability threshold
 - Intended to be fast
 - Evidence more likely to be available eg for prior use allegations

Revocation Counterclaim in the UPC

- Starting point is the same as in non-bifurcating countries ie Defendant may rely on invalidity counterclaim/defence
- A LD/RD with a counterclaim for revocation may
 - Proceed with both infringement and invalidity
 - Refer the counterclaim to CD and
 - Proceed with infringement; or
 - Stay infringement pending CD

Thank you



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