

# THE NEW EUROPEAN UNIFIED PATENT COURT & THE UNITARY PATENT

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## THE NEW EUROPEAN UNIFIED PATENT COURT & THE UNITARY PATENT

### The Current Problems with enforcement of European patents

#### European Patent Convention

- “Bundle Patents”
- Single granting procedure but complex and expensive local validation procedures and national enforcement required
- No common appeal court to ensure harmonisation

#### There are significant variations in procedure

- Bifurcation in Germany, Austria, Hungary etc.
- Effect of EPO Oppositions on stays in infringement proceedings:
  - Germany usually will stay main proceedings and dismiss preliminary injunction requests
  - Holland will not grant a stay
  - UK may stay but will depend on the facts
- Extent of document production (“discovery” or “disclosure”)

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## The Current Problems with enforcement of European patents

- “Saisie” in France and Belgium (infringer’s documents only) **and inspection/document production in Germany** vs “disclosure” in UK (obligation on all parties to disclose relevant documents)
- Use of witnesses and party experts with cross-examination:
  - Always in UK
  - Virtually unknown in Germany, **written expertise**
- Is attorney-client privilege available before national courts? Some national courts say yes; some no. Most national courts do not extend privilege to in-house lawyers or patent agents (attorneys). This creates problems in other jurisdictions outside Europe, particularly in the US, Canada and Australia.

## The current problems continued

- Significant variations in the speed of proceedings
- UK and Holland: 6-12 months to decision
- Germany
  - Infringement: 6-12 months to decision in infringement proceedings (**main proceedings**) **plus increasingly preliminary injunctions granted but**
  - Validity: 15-36 months in separate bifurcated Federal Patent Court proceedings
- France: 2-3 years to decision
- Italy: 3+ years to decision
- Significant variations in outcome = business uncertainty
- Significant variations in cost and huge costs for if you need to enforce European patents in a number of major jurisdictions.

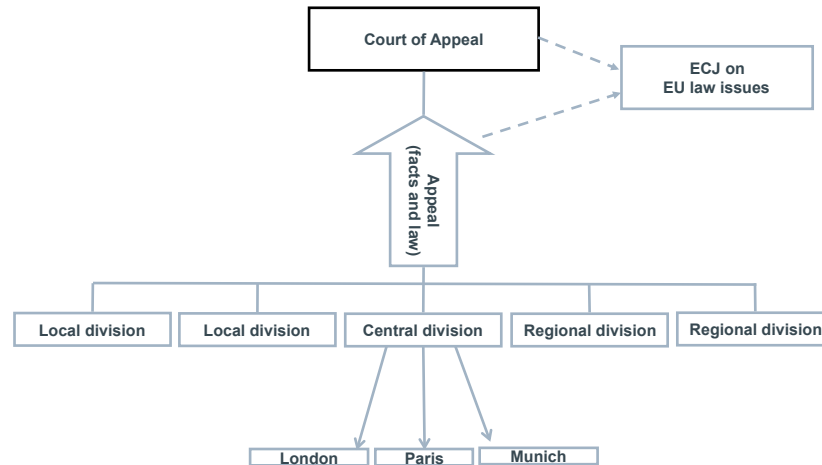
## The Unified Patent Court

- A Brief History
  - Essentially 40 years of failure
  - Treaty of Lisbon 2000 states a commitment to an EU patent court as essential to the ambition for the EU to become the largest knowledge-based economy
  - 2000-2007 the Commission fights the EPO Member-States – no progress
  - November 2006, Second Venice Resolution of European Patent Judges
  - 2007 – New EU initiative under Dr. M Froelinger
  - 2017 – Likely commencement

## The alternative offered by the UPC and the Unitary Patent

- Single Unitary Patent effective throughout 26 of the EU Member States
- For **patentees** enforcement of the Unitary Patent or the European bundle through a single court system in most EU countries
  - Same procedure everywhere
  - Experienced judges everywhere and a technical judge in most cases
  - Common appeal court ensures harmonisation
  - One set of proceedings, one set of costs
  - Widest possible privilege for lawyers and patent attorneys
  - Speed – 12 months – to judgement in principle
- For **defendants**, removal of all threats in the EU with one counterclaim (in an infringement action) or a revocation action, **however (depending on circumstances and timing) there can be tactical advantage in pro-active national revocation**

## The UPC Structure



## Divisions and Choice of Language(s): The current position

## Local divisions (language(s)):

- Italy (Italian), England and Wales (English), The Netherlands (Dutch and English), France (French and English), German x 4 (German and English), Belgium (Dutch, French, German and English), Finland (Finnish, Swedish and English), Denmark (Danish and English), Ireland (English) and Austria (German and English)

## Suspected Regional Divisions (languages(s)):

- Romania, Bulgaria, Cyprus and Greece (all official languages plus French and English)
- Sweden, Estonia, Latvia and Lithuania (English only)
- Czech Republic and Slovakia (official languages plus English?)
- Slovenia and Hungary? (languages?)

## No participation in either a local or regional division:

- Malta and Luxembourg – results in donation of jurisdiction to the Central Division (language of grant)

## Undecided:

- Poland (has not yet signed Agreement), Portugal, Scotland (possible local division - English).

## Jurisdiction: UPC – v – National Courts

- The UPC court will have exclusive jurisdiction over the Unitary Patent
- If a European bundle Patent is opted out (at any time within the 7 year transitional period) the current national court system for enforcement continues unless the opt-out is withdrawn. If a national action has been commenced withdrawal is not possible
- **During the transitional period** a non-opted-out European bundle patent may be **litigated** in either national courts or the UPC subject to the EU lis alibi pendens rules. (Brussels Regulation 542/2014),

## Unified Patent Court: Overview of the Composition of the UPC

### Composition of Judicial Panels

- Local division with less than 50 cases per year in three successive years – 1 national judge plus 2 non-nationals
- Local division with more than 50 cases per year\* – 2 national judges plus 1 non-national
- All Regional divisions – 2 national judges from regional states plus 1 non-national
- Additional technical judge if requested (most cases)
- Central division – 2 legal Judges and 1 technical judge
- Court of Appeal – 3 legal judges and 2 technical judges

\* Germany, UK, France, Italy and the Netherlands would qualify

## Unified Patent Court – Overview on Structure of Proceedings

### Written Procedure

- Statement of claim
  - Full facts, evidence (if available) and arguments, including construction of claims
- Defence/Counterclaim
  - 3 months after Statement of Claim with again all relevant facts, prior art, evidence and construction of claims
- Reply, Rejoinder, possible amendment of patent
- Typically will last six months

### Interim procedure – presided over by Judge Rapporteur:

- Further pleadings, documents, directions re evidence (experts and cross-examination, experiments etc.)
- Typically will last three months

## Unified Patent Court – Overview on Structure of Proceedings

### Oral procedure

- Possibility of separate witness hearing with cross-examination
- Trial – typically will last only one day
- Judgment within 6 weeks


## Injunctions – Provisional and Permanent

### ■ Provisional injunctions

- Article 62 Agreement – discretion
- Rule 211
- “reasonable evidence to satisfy the Court with a sufficient degree of certainty that .... the patent in question is valid ... and infringed or that ... infringement is imminent” – i.e. a good prima facie case.
- “the Court shall ... weigh up the interests of the parties and, in particular, take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction.

### ■ Permanent injunctions

- Article 63 Agreement – discretion
- Rule 118
  - No elaboration!



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