



# **European Unitary Patent and Unified Patent Court**

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August 3, 2022**

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## 1. Introduction

In 1973, in response to concerns about the costs of securing patent protection in Europe, the European Patent Convention was signed to set up a common patent office to examine patent applications for any European country that wished to participate. Once examination was complete, the application matured into a bundle of national patents in those countries in which the applicant was interested. The convention went into effect in 1978 with the opening of the European Patent Office. Two years after the European Patent Convention was signed, a further treaty, the Community Patent Convention, was signed with the objective of creating a unitary patent for what was then the European Economic Community and a system in which such patents could be litigated. The Community Patent Convention never came into effect because of concerns about the languages to be used and the way in which the litigation system would work.

In 2012, most member states of the EU using the Enhanced Cooperation option of Articles 326 - 334 of the Treaty on the Functioning of the European Union adopted a “patent package” having three components:

- 1) an EU regulation creating a unitary patent for the 25 cooperating EU countries;
- 2) an EU regulation on the language to be used for the unitary patent; and
- 3) a separate treaty establishing a new European Unified Patent Court (UPC) which will ultimately apply not only to the new unitary patent but also to all patents issued by the European Patent Office for countries that are members of the European Union.

On December 17, 2012, the EU issued a regulation for creating a Unitary European Patent to cover all EU member countries except Spain and Italy who had opted out.<sup>1</sup> Italy has however reversed its position and on October 2, 2015 was accepted as a member of the group cooperating to adopt the unitary patent leaving only Spain and Croatia (which joined the EU after the negotiations commenced) outside the unitary patent. On the same day that the unitary patent regulation was issued, a separate regulation was issued relating to the languages to be used.<sup>2</sup> On February 19, 2013 most member states of the EU (the exceptions were Spain and Poland) signed a treaty to create a European Patent Court system that will ultimately have jurisdiction over all patents issued by the European Patent Office having effect within the participating countries irrespective of whether such patents are the new unitary patents or patents forming part of the traditional bundle arising from a European patent application.<sup>3</sup>

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<sup>1</sup>Regulation (EU) No 1257/2012 of the European Parliament and of the Council of 17 December 2012 . This can be found at:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:361:0001:0008:EN:PDF>

<sup>2</sup>Council Regulation (EU) No 1260/2012 . This can be found at:  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:361:0089:0092:EN:PDF>

<sup>3</sup>Agreement on a Unified Patent Court. This can be found at:  
[http://documents.epo.org/projects/babylon/eponet.nsf/0/A1080B83447CB9DDC1257B36005AAAB8/\\$File/upc\\_agreement\\_en.pdf](http://documents.epo.org/projects/babylon/eponet.nsf/0/A1080B83447CB9DDC1257B36005AAAB8/$File/upc_agreement_en.pdf)

Both the regulations and the treaty will come into effect on the first day of the fourth month after the Agreement has been ratified by thirteen of the signatories, as long as these ratifications include those of Germany, France and Italy.<sup>4</sup> Since 2013, intensive work has been carried out and there have been eighteen drafts for rules of procedure and consideration of candidates for appointment as both legally and technically qualified judges. In a protocol signed on October 2, 2015, a sunrise provision was adopted to enable some preparatory steps to expedite the implementation to be carried out before the treaty was formally ratified by all of the necessary countries.<sup>5</sup> The protocol permits the court to obtain premises, appoint judges and set up a registry before the Agreement comes into effect and also permits early registration of opt outs for patent owners who do not wish to have the new court have jurisdiction over non-unitary patents issued by the European Patent Office.<sup>6</sup>

Actual implementation of the treaty has been disrupted by two events: a challenge to Germany's ability to ratify the treaty under the German constitution on the ground that it transfers aspects of sovereignty to an international body which is currently pending before the German Constitutional Court and the United Kingdom's decision to leave the European Union and withdraw its ratification of the Unified Court Agreement. The first of these challenges was resolved by a German Constitutional Court decision and reapproval of the agreement by the German legislature so Germany can now deposit its ratification of the Agreement, although it is delaying doing so to allow time for the provisions of the "sunrise" protocol, including hiring of judges and creation of an administrative structure, to be carried out. As to the British withdrawal, although not entirely free from doubt, it seems that the Court system's Administrative Council has the power to reassign tasks originally intended to be carried out in London and the expectation is that at least initially they will simply be divided between Paris and Munich.

## **2. The Unitary Patent Regulation**

### **2.1 General**

In essence, the EU regulation on a unitary patent will provide that for patents prosecuted through the European Patent Office, in addition to the possibility of designating individual countries for protection, it will, at the applicant's option, be possible to designate a unitary EU patent covering all countries of the EU where the Unified Patent Court Agreement (UPCA) is in effect at the

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<sup>4</sup>UPC Agreement Article 89.

<sup>5</sup>Protocol to the Agreement on a Unified Patent Court on Provisional application which can be found at [https://www.unified-patent-court.org/sites/default/files/Protocol\\_to\\_the\\_Agreement\\_on\\_Unified\\_Patent\\_Court\\_on\\_provisional\\_application.pdf](https://www.unified-patent-court.org/sites/default/files/Protocol_to_the_Agreement_on_Unified_Patent_Court_on_provisional_application.pdf)

<sup>6</sup>Protocol Article 1 in combination with the Articles of the Statute of the UPC, Article 23 of the Statute bring the provision whereby the Registry will maintain a list of non-unitary European Patents for which an opt-out from the jurisdiction of the UPC has been notified.

time that the Unitary Patent is registered.<sup>7</sup> This option will not be available to cover other EU states and non-EU states that are members of the European Patent Convention. For these states, the same procedures as at present will continue to apply.

In order to qualify for unitary patent protection, all participating countries must have been designated and the same set of claims be applicable to all of them.<sup>8</sup> As long as this requirement has been met, it is possible for the unitary patent to be issued to multiple proprietors as long as they designate a common representative.

Administration of unitary patents will be carried out by a new unitary patent division of the EPO.

The request for a unitary patent must be filed with the EPO no later than one month after the mention of the grant of the European patent is published in the European Patent Bulletin.<sup>9</sup> For at least the first six years of the new system, a translation of the entire specification will have to be submitted at the same time.<sup>10</sup> As noted below in the discussion of the Translation Regulation, if the text of the granted European Patent is in French or German, the translation will have to be into English. If text of the granted European Patent is in English, the translation will have to be into any other official language of the Union.

The EPO will make no charge for registering a unitary patent.

If the unitary patent is elected, maintenance fees will be payable annually to the European Patent Office which will then pass on a portion of the fees collected to the national patent offices. The level at which these fees has been set approximates the current aggregate of fees for the four countries in which patents granted by the EPO are most commonly maintained.

Renewal fees are due on the last day of the month in which the anniversary of filing occurs and if a renewal fee is not paid in due time, it may still be paid within six months of the due date,

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<sup>7</sup> As of April 23, 2022, Croatia, Poland and Spain have stated that they do not intend to ratify the UPCA. As noted above, Germany is delaying ratification to allow preliminary work to be completed before the Treaty comes into effect four months after Germany's deposit of its instrument of ratification. So far, Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Sweden have deposited instruments of ratification. In other countries, formal procedures may take longer, for example before Ireland can submit its instruments of ratification this must be approved by a referendum. Similar delays have been predicted in Hungary and the Czech Republic.

<sup>8</sup> EU Regulation Article 3 and Rule 5(2) of Unitary Patent Rules.

<sup>9</sup> Regulation (EU) No 1257/2012, Article 9(1)(g) and Rule 6(1) Unitary Patent Rules. If that term is missed, it may be possible to request reestablishment of rights within a further two months term if the requester has taken all due care to meet the normal one month term. Rule 22 Unitary Patent Rules.

<sup>10</sup> Regulation (EU) No 1260/2012, Article 6.

provided that an additional fee is also paid within that period.<sup>11</sup>

The EPO will register transfers, licenses and other rights and file statements on licenses of right relating to unitary patents, but it should be noted that a unitary patent could be assigned only as a whole and not for individual countries.<sup>12</sup> Unitary Patent proprietors seeking a reduction in the renewal fees payable by endorsing their patents as being subject to licenses of right may file a statement with the EPO to the effect that they are prepared to allow any person to use their invention as a licensee in return for appropriate consideration.<sup>13</sup> A license obtained under the system of licenses of right will be treated as a contractual license.<sup>14</sup>

## **2.2 Substantive Law Provisions of the Unitary Patent Regulation (EU) No 1257/2012**

Unitary Patents are subject to the exclusive jurisdiction of the Unified Patent Court for all matters within its subject matter jurisdiction as discussed below.<sup>15</sup>

The regulation includes a number of articles setting out substantive law provisions:

Article 3(2) provides:

A European patent with unitary effect shall have a unitary character. It shall provide uniform protection and shall have equal effect in all the participating Member States. It may only be limited, transferred or revoked, or lapse, in respect of all the participating Member States. It may be licensed in respect of the whole or part of the territories of the participating Member States.

Article 6 provides for exhaustion of rights in a unitary patent after the patented product has been placed on the market in the EU by, or with the consent of, the patent proprietor, unless there are legitimate grounds for the patent proprietor to oppose further commercialization of the product.

Article 7 states that the unitary patent shall be regarded as “an object of property” and property rights shall be applied to it under the law of the participating state in which the applicant, or in the case of multiple applicants, the first named applicant has its principal place of business or residence, or failing that a place of business and if none of the applicants has a place of business in a participating state, German law will apply.

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<sup>11</sup> Rule 13(3) UPR.

<sup>12</sup> Article 3(2) Regulation (EU) No 1257/2012.

<sup>13</sup> Article 8(1) Regulation (EU) No 1257/2012 and Rule 12(1) UPR)

<sup>14</sup> Article 8(2) Regulation (EU) No 1257/2012).

<sup>15</sup> Agreement on Unified Patent Court Articles 3 and 32.

Article 8 provides that it will be possible to endorse a unitary patent to indicate that licenses are available as of right in return for a 15% reduction of renewal fees.<sup>16</sup>

In addition to these substantive legal provisions, Article 9 sets out the obligations of the European Patent Office in administering the unitary patent and makes provisions for rules for performing these.<sup>17</sup>

### **2.3 EPO Transitional Measures Preparatory to Introduction of the Unitary Patent**

On January 31, 2022, the EPO announced, “With a view to supporting users in an early uptake of the Unitary Patent, the EPO has decided to introduce two transitional measures applicable to European patent applications having reached the final phase of the grant procedure. These measures will be made available ahead of the entry into force of the Unitary Patent system, as of the date of deposit of Germany's instrument of ratification of the UPCA.”

These transitional measures are:

- 1.) From the date of Germany's instrument of ratification up to the date on which the Unified Patent Court Agreement comes into full effect, an early request for grant of a unitary patent will be permitted as soon as the EPO has issued its notice of intention to grant the application.
- 2.) For applications which a notice of intention to grant has been issued, applicants will be able to request a delay of the actual grant until after the Unified Patent Court Agreement comes into full effect, so that the patent will be eligible to become a unitary patent if the applicant chooses and makes the necessary request for the grant of the patent as a unitary patent within one month of the publication of grant.

### **3. The Translation Regulation: (EU) No 1260/2012**

The regulation on translation provides that the language requirements will eventually be the same as the requirements of the European Patent Office. For a transitional period of at least 6 to 12 years, European patents that are to have unitary effect and are granted in French or German will need to be translated into English. The ones granted in English will need to be translated into another official language of the EU. These translations will be required until high-quality machine translation becomes available to ensure the accessibility of patent information. For the transitional period, there will be a subsidy for applicants from EU member countries for which English, French or German are not a national language and who file an application in one of their own national languages. It is expected that machine translations will eventually avoid the need for human translation and the costs associated therewith.

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<sup>16</sup> Rule 12 of the rules implementing the Unitary Patent Regulation.

<sup>17</sup> The rules can be found at [2016] OJ EPO A39



Compensation for translation costs will be available for small and medium-sized enterprises (SMEs), natural persons, non-profit organizations, universities and public research organizations having their residence or principal place of business in an EU Member State and who filed their original application in a language other than English, French or German.

The final instrument is the litigation treaty on which agreement was signed on February 19, 2013 by all EU states except Spain and Poland. This will ultimately become the only means for enforcing any patent granted by the EPO (including those granted before the Agreement comes into effect) in a participating country. It is currently expected that initially the Unified Court Agreement will be in effect for Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Sweden, but it is expected that it will ultimately be effective in all EU member states except Croatia, Poland and Spain.

#### **4.1 Transitional Provisions and Possibility of Opting Out of Unified Patent Court Jurisdiction**

The Unified Patent Court will, from the beginning, be the only court in which a unitary patent, as discussed above, can be enforced or its validity challenged.

However, there will be a transition period of seven years, which may be extended to fourteen years, during which Article 83 of the UPCA sets out two important provisions that will apply to non-unitary patents that are or are potentially subject to the jurisdiction of the Unified Patent Court. These are:

- 1) the possibility that patent owners may opt out of the jurisdiction of the Unified Patent Court for any non-unitary European patent and
- 2) the possibility of continuing to bring actions before national courts for non-unitary European Patents for which no opt-out has been registered.

##### **4.1.1 Opting Out**

Applicants will be able to opt out of the jurisdiction of the UPC and specify for any patent granted by the EPO (which is not a unitary patent), that they do not wish the new scheme to apply to the patent in question and that litigation on that patent will continue to be only before the national courts.<sup>18</sup> Opt-out requests must be filed with the Unified Patent Court Central Registry.<sup>19</sup>

Such an opt-out can be requested during the UPCA's sunrise period<sup>20</sup> and at any time during the transition period unless an action has been commenced before the Unified Patent Court before

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<sup>18</sup>Agreement on a Unified Patent Court Article 83.

<sup>19</sup> Unified Patent Court Rules of Procedure Rule 5(1).

<sup>20</sup> Unified Patent Court Rules of Procedure Rule 5(13).

the opt-out request is filed. As long as no action has been commenced before a national court, an opt-out can be withdrawn at any time. An opt-out request will also apply to any Supplementary Protection Certificate that is granted with respect to an opted-out patent.

If the patent in question has multiple proprietors, the opt-out request must be made by all of them.<sup>21</sup>

New Rule 5a adopted in July 2022 sets up a procedure by which the proprietor of a European patent or patent application or Supplementary Protection Certificate may request removal of the entry of an unauthorized Application to opt out or withdrawal of the opt-out from the Registry. A decision on whether to accept the request for removal will be made by the Registrar subject to review by the President of the Court of Appeal.

#### **4.1.2 Possibility of National Court Proceedings for Non-Opted Out patents**

Article 83(1) of the UPCA states:

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

This provision means that for the transitional period the UPC will have parallel jurisdiction with national courts for non-unitary European Patents, unless the conventional patent owner opts-out of the UPC.

#### **4.2 Subject Matter Jurisdiction of the UPC**

The new court system will have jurisdiction over European patents having unitary effect, supplementary protection certificates and any other European patent that has not yet lapsed when the treaty comes into effect as well as any European patent application that is pending when the treaty comes into effect.<sup>22</sup> During the transition period, this jurisdiction is subject to the possible opt-out provisions noted above.

For rights noted above, the UPC has jurisdiction over:

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<sup>21</sup> Unified Patent Court Rules of Procedure Rule 5(1)(a).

<sup>22</sup> Agreement on a Unified Patent Court Article 3.

- (a) Actions for actual or threatened infringements of patents and supplementary protection certificates (SPCs) and related defenses, including counterclaims concerning licenses;
- (b) Declarations of non-infringement actions of patents and SPCs;
- (c) Actions for injunctions and provisional and protective measures;
- (d) Actions for revocation of patents and for declaration of invalidity of SPCs;
- (e) Counterclaims for revocation of patents and for declaration of invalidity of SPCs;
- (f) Actions for damages or compensation derived from the provisional protection conferred by a published European patent application;
- (g) Actions relating to the use of the invention prior to the grant of the patent or to the right based on prior use of the invention;
- (h) Actions for compensation for licenses under Article 8 of Regulation (EU) 1257/2012;<sup>23</sup> which provides for the grant of licenses of right in return for payment of reduced maintenance fees; and
- (i) Actions concerning decisions of the European Patent Office in carrying out its administrative tasks referred to in Article 9 of the EU Regulation Creating the Unitary Patent ((EU) 1257/2012).

It should be noted that, as is the situation under the European Patent Convention, questions of inventorship and ownership remain to be decided by national courts.

### **4.3 The Court Structure**

Under the new patent court structure, there will be a court of first instance, an appeals court and a registry.<sup>24</sup> The appeals court will sit in and the registry will be located in Luxembourg.<sup>25</sup> However, the Court will not be part of the Court of Justice of the European Union (CJEU), although the primacy of EU law is to be respected and questions of EU law arising in cases brought before the UPC may be referred to the CJEU by both the court of first instance and the court of appeal.<sup>26</sup> The court of first instance will have local/regional divisions and a three-branch

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<sup>23</sup>This is the unitary patent regulation.

<sup>24</sup>Agreement on a Unified Patent Court Article 6.

<sup>25</sup>Agreement on a Unified Patent Court Articles 9 and 10.

<sup>26</sup>Agreement on Unified Patent Court Articles 20 and 21 and Statutes of the UPC Article 38. The Unified Patent Court Agreement was drafted in such a way as to minimize the possible role of the Court of Justice of the European Union (CJEU) on substantive patent law. However, the EU directives on protection of biotechnology inventions and supplementary protection certificates and the directive on IP enforcement could all result in some issues being referred to the CJEU for an opinion in a similar way to issues relating to these directives being referred to the CJEU now. However, the limited role of these directives in most patent cases will probably result in the UPC appeals court becoming the final arbiter of European patent law.

central division.<sup>27</sup> The local/regional divisions will be created on the basis of countries or groups of countries handling at least 50 patent infringement cases per year.<sup>28</sup> Countries having a large amount of patent litigation may have more than one local division up to a maximum of four.<sup>29</sup>

As noted above, the central division was intended to have three branches and will have its official seat in Paris.<sup>30</sup> However, in view of the need for specialized expertise in some areas of technology, two branches were to be created. One will be in Munich which will deal with actions relating to mechanical engineering. Another had been intended to be in London to deal with chemistry, including pharmaceuticals. However, in view of the UK's withdrawal from the EU this will no longer be the case and until a new site is agreed, cases that would have been heard in London are now expected to be divided between Paris and Munich. Cases before the central division in other areas of technology will be heard in Paris.<sup>31</sup>

The first instance divisions of court will sit in multinational panels normally of three judges.<sup>32</sup> Panels sitting in countries having little patent litigation will be composed of one legally qualified judge who is a national of that country and two judges from other countries. The converse will apply for panels sitting in countries with substantial patent litigation experience. Panels sitting in regional divisions will comprise two legally qualified judges from within the region and one from another country. In all of these cases, the parties or the panel may request the addition of a technically qualified judge. Panels of the central division will comprise two legally qualified judges from different countries and one technically qualified judge. The court of appeal will sit in panels of five: three legally qualified judges from different countries and two technically qualified judges.<sup>33</sup>

#### **4.4 Personal Jurisdiction and Distribution of Work between Central and Local/Regional Divisions**

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<sup>27</sup>Agreement on a Unified Patent Court Article 7.

<sup>28</sup>So far, only one regional divisions has been confirmed: for Sweden and the Baltic countries. The division will be based in Stockholm and proceedings will be in English. Local divisions have been confirmed for Brussels, Copenhagen, Dusseldorf, Hamburg, Helsinki, Lisbon, Ljubljana, Mannheim, Milan, Munich, Paris, The Hague, Vienna.

<sup>29</sup>Agreement on a Unified Patent Court Article 7(4).

<sup>30</sup>Agreement on a Unified Patent Court Article 7(2).

<sup>31</sup>Agreement on a Unified Patent Court Annex II.

<sup>32</sup>UPC Agreement Article 8. For divisions sitting in countries having little experience with patent litigation will have one local judge and two judges from other countries with more patent litigation.

<sup>33</sup>Unified Patent Court Agreement Article 9.

Under Article 33, the local /regional divisions will have jurisdiction over patent infringement issues and the ability to decide counterclaims in infringement actions challenging the validity of the patents in suit.<sup>34</sup>

Other challenges to the validity of patents or supplementary protection certificates and applications for declarations of non-infringement will be brought before the central division.<sup>35</sup> Unlike opposition proceedings before the EPO, challenges to the validity of a European Patent subject to the jurisdiction of the court may be brought at any time during the life of the patent. There is no overt requirement that a challenger must have standing to initiate an action for revocation.

Local/regional divisions will have the option of transferring any issues relating to validity to the central division.<sup>36</sup> Actions for provisional relief and protective measures as well as actions for compensation for pre-grant use of an invention disclosed in a published European patent application must also be brought before a local/regional division.

Under Article 33, infringement actions will be able to be brought in the local or regional division where the infringement occurs or in the local or regional division where the defendant resides. If the defendant does not reside in a country party to the agreement, an action for infringement will be able to be brought in the central division as an alternative to the national/regional division where infringement occurs.<sup>37</sup>

Article 33 of the UPC Agreement also provides that for actions to be brought to the central division, parties will have the choice to bring an infringement action before the central division if the defendant is domiciled outside the European Union. Furthermore, if a revocation action is already pending before the central division, the patent holder will have the possibility to bring an infringement action to the central division. There will be no possibility for the defendant to request a transfer of an infringement case from a local division to the central division if the defendant is domiciled within the European Union.

#### **4.4.1 Limited Long-Arm Jurisdiction**

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<sup>34</sup>Agreement on a Unified Patent Court Article 33(1)

<sup>35</sup>Agreement on a Unified Patent Court Article 33(4).

<sup>36</sup>Agreement on a Unified Patent Court Article 33(3).

<sup>37</sup>Agreement on a Unified Patent Court Articles 33(1)(a) and (b).

Article 31 of the UPCA provides the court with limited long arm jurisdiction by reference to Regulation (EU) No 1215/2012 as amended by Regulation 542/2015 and the Lugano Convention. In general, the jurisdiction of the Unified Patent Court is limited to disputes relating to Unitary Patents and non-opted out European patents and related supplementary protection certificates arising in the UPC contracting member states. However, Article 31 provides for “long-arm” jurisdiction of the Court for assessment of damages where the jurisdiction of the Court is founded on infringements occurring within the UPC contracting member states. Additionally, Article 35 of the Brussels Regulation permits actions for provisional measures to be obtained from any EU Court even if another Court has exclusive jurisdiction as to the substance of the matter. Unified Patent Court has the power to grant provisional measures for infringement of European patents even where proprietors opt-out of the jurisdiction of the Court or in respect of infringement occurring outside of UPC member states.

#### **4.5 Languages to be Used by the Court**

Article 49(6) of the UPCA provides that the language of proceedings before the Court’s Central Division will be the language in which the European patent being litigated was granted. In local divisions, the default position is that the language will be one of the official languages of the country in which the division sits, but such countries have the power to designate one or more of the official languages of the EPO (English, French and German) as the language to be used. Furthermore, the parties may agree or the court for reasons of convenience and fairness may decide that proceedings will be in the language in which the patent was granted. Regional divisions may decide to use either one of the languages of a country forming part of the regional division or one or more of the official languages of the EPO.

#### **4.6 Representation before the Court**

Article 48 of the UPCA requires that parties to litigation before the court must be represented either by a lawyer who is admitted to practice before the courts of a contracting member state or by a European Patent Attorney who also has an “appropriate” additional qualification “such as a European Patent Litigation Certificate”. A Register of such European Patent Attorneys is to be kept by the Court’s Registry.

At its inaugural meeting on 22 February 2022, the UPC Administrative Council adopted rules on the qualifications that European Patent Attorneys must have before they can represent parties directly under Art. 48(2) UPC. The Rules include a list of qualifications that will be accepted during a transitional period of one year after the UPC Agreement comes into force. These include courses at a number of institutions in Europe, including some in the United Kingdom as well as certain types of IP litigation certificates, again including some issued in the United Kingdom. If entered on the list during this one-year period, there will be no need to re-qualify later.

#### **4.7 Substantive Law to be Applied by the UPC**

The law to be applied by the Court, including the definitions of what is and is not an infringement is set out in Articles 24 - 30 of the treaty and basically follows what was originally proposed for the Community Patent Convention in 1975 but also includes references to the exceptions set out in EU regulations and directives since then such as for testing of veterinary and human medical products and farmers-rights provisions.<sup>38</sup>

#### **4.7.1 Article 24. Sources of Law**

Sources of law to be applied by the Unified Court are set out in Article 24 as being EU law, the UPC agreement itself, the European Patent Convention, other international agreements applicable to patents and binding on all contracting states and, finally, national law.

The effect of this is that most questions of infringement will be decided under the provisions of the UPCA itself or the EU's directive on enforcement of IP rights and that validity issues will be decided under the terms of the European Patent Convention. However, it remains to be seen whether the new court will necessarily follow the EPO's interpretation of the Convention or whether it will take account of differences from this in some national courts, for example the German approaches to inventive step and permissible amendments. The reliance on the European Patent Convention also means that claims will need to be interpreted in accordance with Article 69 of the European Patent Convention and the Protocol thereto which requires claims to be construed in a way which combines a fair protection for the patentee with a reasonable degree of certainty for third parties and takes account of equivalents. Since there is not yet a total agreement between national courts in Europe as to how to address how to apply a doctrine of equivalents (especially on the question of the extent to which prosecution history can be taken into account), we will need to wait for early decisions of the court to see how these provisions will be applied.

Other provisions of the Unified Court Agreement deal specifically with aspects of patent law that are not addressed by the European Patent Convention.

#### **4.7.2 Article 25. Rights to Prevent Direct Use of the Invention<sup>39</sup>**

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<sup>38</sup>See EU Directives 2001/82/EC, 2001/83/EC, 2009/24/EC, 98/44/EC and Council Regulation 2100/94 (EC),

<sup>39</sup> The language of this provision follows in almost identical wording Article 7 of the Commission's August 2000 proposal for a regulation to implement a Community Patent. See also French Intellectual Property Code L-613-3; German Patent Law Article 9; and U.K. Patents Act Section 60(1).

A patent shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from the following:

(a) making, offering, placing on the market or using a product which is the subject matter of the patent, or importing or storing the product for those purposes;

(b) using a process which is the subject matter of the patent or, where the third party knows, or should have known, that the use of the process is prohibited without the consent of the patent proprietor, offering the process for use within the territory of the Contracting Member States in which that patent has effect;

(c) offering, placing on the market, using, or importing or storing for those purposes a product obtained directly by a process which is the subject matter of the patent.

#### **4.7.3 Article 26. Rights to Prevent Indirect Use of the Invention<sup>40</sup>**

(1) A patent shall confer on its proprietor the right to prevent any third party not having the proprietor's consent from supplying or offering to supply, within the territory of the Contracting Member States in which that patent has effect, any person other than a party entitled to exploit the patented invention, with means, relating to an essential element of that invention, for putting it into effect therein, when the third party knows, or should have known, that those means are suitable and intended for putting that invention into effect.

(2) Paragraph 1 shall not apply when the means are staple commercial products, except where the third party induces the person supplied to perform any of the acts prohibited by Article 25.

(3) Persons performing the acts referred to in Article 27(a) to (e) shall not be considered to be parties entitled to exploit the invention within the meaning of paragraph 1.

#### **4.7.4 Article 27. Limitation of the Effects of a Patent<sup>41</sup>**

The rights conferred by a patent shall not extend to any of the following:

(a) acts done privately and for non-commercial purposes;

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<sup>40</sup> The language of this provision is followed in similar wording in Article 8 of the Commission's August 2000 proposal for a regulation to implement a Community Patent. See also French Intellectual Property Code L-613-4; German Patent Law Article 10; and U.K. Patents Act Section 60(2) and 60(3).

<sup>41</sup> The language of this provision followed similar wording in Article 9 of the Commission's August 2000 proposal for a regulation to implement a Community Patent. See also French Intellectual Property Code L-613-5 (however, French law also gives some additional rights to prior inventors see L613-7); German Patent Law Article 11; and U.K. Patents Act Section 60(5).



- (b) acts done for experimental purposes relating to the subject matter of the patented invention;
- (c) the use of biological material for the purpose of breeding, or discovering and developing other plant varieties;
- (d) the acts allowed pursuant to Article 13(6) of Directive 2001/82/EC<sup>42</sup> or Article 10(6) of Directive 2001/83/EC<sup>43</sup> in respect of any patent covering the product within the meaning of either of those Directives;
- (e) the extemporaneous preparation by a pharmacy, for individual cases, of a medicine in accordance with a medical prescription or acts concerning the medicine so prepared;
- (f) the use of the patented invention on board vessels of countries of the International Union for the Protection of Industrial Property (Paris Union) or members of the World Trade Organization, other than those Contracting Member States in which that patent has effect, in the body of such vessel, in the machinery, tackle, gear and other accessories, when such vessels temporarily or accidentally enter the waters of a Contracting Member State in which that patent has effect, provided that the invention is used there exclusively for the needs of the vessel;
- (g) the use of the patented invention in the construction or operation of aircraft or land vehicles or other means of transport of countries of the International Union for the Protection of Industrial Property (Paris Union) or members of the World Trade Organization, other than those Contracting Member States in which that patent has effect, or of accessories to such aircraft or land vehicles, when these temporarily or accidentally enter the territory of a Contracting Member State in which that patent has effect;
- (h) the acts specified in Article 27 of the Convention on International Civil Aviation of 7 December 1944, where these acts concern the aircraft of a country party to that Convention other than a Contracting Member State in which that patent has effect;
- (i) the use by a farmer of the product of his harvest for propagation or multiplication by him on his own holding, provided that the plant propagating material was sold or otherwise commercialized to the farmer by or with the consent of the patent proprietor for agricultural use. The extent and the conditions for this use correspond to those under Article 14 of Regulation (EC) No. 2100/94<sup>11</sup>;
- (j) the use by a farmer of protected livestock for an agricultural purpose, provided that the breeding stock or other animal reproductive material were sold or otherwise

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<sup>42</sup> Relating to veterinary medicinal products.

<sup>43</sup> Relating to medicinal products for human use.

commercialized to the farmer by or with the consent of the patent proprietor. Such use includes making the animal or other animal reproductive material available for the purposes of pursuing the farmer's agricultural activity, but not the sale thereof within the framework of, or for the purpose of, a commercial reproductive activity;

(k) the acts and the use of the obtained information as allowed under Articles 5 and 6 of Directive 2009/24/EC<sup>44</sup>, in particular, by its provisions on decompilation and interoperability; and

(l) the acts allowed pursuant to Article 10 of Directive 98/44/EC.<sup>45</sup>

#### **4.7.5 Article 28. Right based on prior use of the invention**

Any person who, if a national patent had been granted in respect of an invention, would have had, in a Contracting Member State, a right based on prior use of the invention or a right of personal possession of the invention, shall enjoy, in that Contracting Member State, the same rights in respect of a patent for the same invention.

#### **4.7.6 Article 29. Exhaustion of the rights conferred by a European patent<sup>46</sup>**

The rights conferred by a European patent shall not extend to acts concerning a product covered by that patent after the product has been placed on the market in any one of the states of the European Union by, or with the consent of, the patent proprietor unless there are legitimate grounds for the patent proprietor to oppose further commercialization of the product.

#### **4.7.7 Article 30. Effects of supplementary protection certificates**

A supplementary protection certificate shall confer the same rights as conferred by the patent and shall be subject to the same limitations and the same obligations.

#### **4.7.8 Article 65. Decisions on the Validity of a European Patent**

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<sup>44</sup> Relating to the legal protection of computer programs.

<sup>45</sup> Relating to the legal protection of biotechnological inventions.

<sup>46</sup> The language of this provision is followed in similar wording in Article 10 of the Commission's August 2000 proposal for a regulation to implement a Community Patent. See French Intellectual Property Code L-613-7 and U.K. Patents Act Section 60(4). At present the placing of a patented product by the patent owner or with its consent in the EU also exhausts rights under the UK patent. The UK government is undertaking consultations to determine whether this should be changed.

The validity of a patent shall be determined by provisions of Articles 138 (1)<sup>47</sup> and 139(2)<sup>48</sup> of the European Patent Convention. The Court has the power to revoke a patent, either entirely or in part in response to a stand-alone request for revocation or as a response to a request for revocation filed as a counterclaim to an infringement action.<sup>49</sup>

#### **4.7.9 Article 55. Reversal of the Burden of Proof**

Although Article 54 provides that the party relying on a fact bears the burden of proof of that fact, Article 55 follows the language of Article 34 of the TRIPS Agreement to provide for reversal of the burden of proof in cases where the subject matter of the patent is a process for making a new product or where there is a substantial likelihood that a product was made by a patented process and despite reasonable efforts, the patent owner has been unable to determine the process actually used.

#### **4.7.10 Article 72. Statute of Limitations**

Actions relating to all forms of financial compensation must be brought within five years of the date on which the claimant became aware or had reasonable grounds to become aware of “the last fact justifying the action”.<sup>50</sup>

### **4.8 Remedies for Infringement**

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<sup>47</sup> This Article provides for revocation of a European Patent on any of the following grounds:

- (a) the subject-matter of the European patent is not patentable under Articles 52 to 57 EPC;
- (b) the European patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;
- (c) the subject-matter of the European patent extends beyond the content of the application as filed or, if the patent was granted on a divisional application or on a new application filed under Article 61, beyond the content of the earlier application as filed;
- (d) the protection conferred by the European patent has been extended; or
- (e) the proprietor of the European patent is not entitled by being the inventor, the successor in title to the inventor or where the appropriate national law provides that employers own the inventions made by employees an employer who is so entitled.

Interestingly, as with the grounds of opposition before the EPO, there is no express provision providing for revocation on the basis that a claim is of indefinite scope, notwithstanding Article 84 EPC’s requirement for clarity in the claims.

<sup>48</sup> Whereby an earlier filed national right may have prior art effect against a European patent.

<sup>49</sup> If the grounds for revocation affect the patent only in part, the patent shall be limited by a corresponding amendment of the claims.

<sup>50</sup> Rule 11 provides that parties who try to settle their dispute by use of one of the Arbitration and Mediation Centers associated with the Court “are subsequently not prevented from initiating judicial proceedings before the Court in relation to that dispute by the expiry of limitation or prescription periods during the mediation process, which will stay the limitation or prescription periods until the end of the mediation process.”

The Court will have the power to grant permanent injunction prohibiting a continuation of infringement not only against a direct infringer but also “an intermediary whose services are being used by a third party to infringe a patent.”<sup>51</sup> Breach of an injunction may result in “a recurring penalty payment payable to the Court.”<sup>52</sup> The powers of the court also include the possibility of making orders not only with respect to infringing products but also materials and implements principally used in the creation or manufacture of those products. Possible orders include recall of products from the channels of commerce.<sup>53</sup>

Damages may be awarded against an “infringer who knowingly or with reasonable grounds to know, engaged in a patent infringing activity”. Three principles with respect to damages are stated:

- 1) the injured party should to the extent possible be placed in the position it would have been in if no infringement had taken place;
- 2) the infringer should not benefit from the infringement<sup>54</sup>; but
- 3) damages shall not be punitive.<sup>55</sup>

Article 69 provides that unless special circumstances apply

Reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party unless equity requires otherwise up to a ceiling set by the rules of procedure.<sup>56</sup>

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<sup>51</sup> Whether grant of an injunction will be almost automatic is currently a matter of debate. The EU’s Enforcement Directive (2004/48/EC) stipulates the application of a proportionality test before granting injunctions. As noted above, the UPCA provides that where applicable, EU law takes precedence over other law sources. It is to be noted that Article 139(1) of the German law has recently been amended to add a provision that prevents grant of an injunction if “under the special circumstances of a singular case and considering the principle of good faith, ...enforcement [of an injunction] would result in disproportionate hardship on the infringer or third parties beyond what is justified by the exclusionary right.” This provision effectively places the burden on the infringer to show why an injunction would be a disproportionate remedy.

<sup>52</sup>Unified Patent Court Agreement Article 63. Note: unlike common law systems, the Agreement on the Unified Court does not give the court any power to hold a party who breaches an injunction in contempt of court, only the right to impose such recurring penalties.

<sup>53</sup>Unified Patent Court Agreement Article 64.

<sup>54</sup> Thereby opening the door to assessment of damages on a theory of unjust enrichment which can be determined by assessment of the profits made by the infringer as a result of the infringement.

<sup>55</sup>Unified Patent Court Agreement Article 68.

<sup>56</sup> Rules of the Unified Patent Court Rule 152 provides that the Administrative Committee shall adopt a scale of recoverable costs which shall set ceilings for such costs by reference to the value of the dispute.

## 4.9 Provisional and Protective Measures

### 4.9.1 Preliminary Injunctions and Delivery Up

These provisions include the grant of **preliminary injunctions** under terms of Article 62(1) and 62(2).

These provisions read as follows:

(1) The Court may, by way of order, grant injunctions against an alleged infringer or against an intermediary whose services are used by the alleged infringer, intended to prevent any imminent infringement, to prohibit, on a provisional basis and subject, where appropriate, to a recurring penalty payment, 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.

In its decision of April 28, 2022 in **Harting vs. Phoenix Contact** (Case C-44/21), the Court of Justice of the European Union held that Article 9 of the European Union's Enforcement Directive 2004/48, which will have to be applied by the Unified Patent Court, required that courts had to be able to grant preliminary injunctions without waiting for a decision on the merits, holding that the Munich Regional Court was not bound by prior decisions of the Munich Higher Regional Court that had held that preliminary injunctions were only available for patents that had survived challenges to their validity in either opposition proceedings in the European Patent Office or invalidity proceedings in the German Patent Court.

Furthermore Article 62(3) provides that in certain situations **delivery up** of suspected infringing products may be ordered. The provision reads as follows:

(3) The Court may also order the seizure or delivery up of the products suspected of infringing a patent so as to prevent their entry into, or movement, within the channels of commerce. If the applicant demonstrates circumstances likely to endanger the recovery of damages, the Court may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of the bank accounts and of other assets of the alleged infringer.

Finally, in its final paragraph Article 62 sets out the **evidentiary requirements** for grant of any of these orders:

(4) The Court may, in respect of the measures referred to in paragraphs 1 and 3, require the applicant to provide any reasonable evidence in order to satisfy itself 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.

The grant of such preliminary injunction or order may be subject to the **lodging by the applicant of “adequate security or an equivalent assurance** to ensure compensation for any prejudice suffered by the defendant” should it subsequently be found that there was no infringement or threat of infringement.

Rule 206 provides that an application for provisional measures may be lodged by a party before or after main proceedings on the merits of the case have been started before the Court. It also sets out the requirements for making such an application, including 1) the reasons why provisional measures are necessary to prevent a threatened infringement, to forbid the continuation of an alleged infringement or to make such continuation subject to the lodging of guarantees, 2) the facts and evidence relied on and 3) if the application for a provisional measure is filed before the main action has been commenced, a concise description of the action which will be started before the Court, including an indication of the facts and evidence which will be relied on in support of the main proceedings on the merits of the case. The judge handling the case has discretion to grant such relief *inaudita altera parte* as provided for by Article 50 of the TRIPS Agreement.

Rule 207 enables someone who a person entitled to start proceedings under Article 47 (discussed above in Section 4.10) considers it likely that an Application for provisional measures against him as a defendant may be lodged before the Court in the near future, he may file a Protective letter. Any such letter may contain an indication of the facts relied on, which may include a challenge to the facts expected to be relied on by the presumed applicant and/or, where applicable, any assertion that the patent is invalid, the grounds for such assertion and the arguments of law, including the reasons why any Application for provisional measures should be rejected. Such protective letters will not be publicly available until after a request for preliminary measures has been filed and the protective letter forwarded to the party seeking such provisional measures. Under Rule 208, the contents of the Protective letter shall be taken into account when deciding on whether preliminary relief should be granted.

#### **4.9.2 Production and Preservation of Evidence.**

Articles 59 and 60 as well as Rules 190 through 199 provide measures for the production and the preservation of evidence.

It is of interest to note that the English text to the heading of the chapter of the Rules including rules on preservation of evidence specifically includes the French word “*saisie*”.

Interesting features of the rules include:

Where a party has presented reasonably available and plausible evidence in support of its claims and has, in substantiating those claims, specified evidence which lies in the control of the other party (or a third party), the Court may, on a reasoned request by the party specifying such evidence, order that other party or third party to produce such evidence. For the protection of confidential information, the Court may order that the evidence be disclosed to certain named persons only and be subject to appropriate terms of non-disclosure.<sup>57</sup>

Additionally, under similar conditions, the court may order disclosure about the origin and distribution of infringing products, the quantities of such products and the identity of any third party involved in the production, use or distribution of infringing products.<sup>58</sup>

Rule 192 is entitled: “Order to Preserve Evidence and Inspect Premises”. Its provisions have similarities to those that apply to a *saisie* in France or Belgium. Requests for such an order may be made even before the start of proceedings and in appropriate cases *ex parte*<sup>59</sup>. The person entrusted with the task of preserving evidence must be “a professional person or expert, who guarantees expertise, independence and impartiality. Where appropriate and allowed under applicable national law, the person may be a bailiff or assisted by a bailiff. In no circumstances may an employee or director of the applicant be present at the execution of the measures.” The Court may restrict disclosure of the evidence found to named persons only and have them bound by an obligation of confidentiality. In general, the outcome of measures to preserve evidence may only be used in the proceedings on the merits of the case in respect of which the order was made.<sup>60</sup>

Article 61 and Rule 200 provide for freezing orders (similar to the old English Mareva injunctions) to prevent the removal of assets. The Article and Rule read as follows:

Where a party has presented reasonably available and plausible evidence in support of its claim that a patent has been or is about to be infringed, the Court may, whether before or after proceedings have been commenced, order a party not to remove from its jurisdiction any assets or particular assets located therein nor to deal in any assets, whether located within its jurisdiction or not.

#### **4.10 Parties to Proceedings**

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<sup>57</sup> Rule 190(1).

<sup>58</sup> Rule 191.

<sup>59</sup> In such a case the judge may decide to hear the other party. In such a case, the party seeking the order may withdraw the request without any disclosure to the other party. Rule 191(5).

<sup>60</sup> Rule 196(2)

Under Article 47 UPC, an action for infringement of a European Patent that is subject to the jurisdiction of the court, may be brought by the patent proprietor or, unless the licensing agreement provides otherwise, the holder of an exclusive license, provided that the patent proprietor is given prior notice. A non-exclusive licensee may be able to bring suit if this is authorized by the license agreement. It should however be noted that the patent proprietor is a required party to the proceedings if there is a counterclaim for invalidity of the patent. If this is not the case, a separate revocation action before the central division will be necessary to challenge the validity of the patent.

Rules 8.5 and 8.6 address the question of who is the “proprietor” by stating that in relation to the proprietor of a European patent, the person entitled to be registered as proprietor under the law of each Contracting Member State in which such European patent has been validated shall be treated as the proprietor whether or not such person is in fact recorded in the register of patents maintained in such Contracting Member or in the European Patent Register kept by the European Patent Office

There is no overt requirement for standing in order to bring an action for revocation of a patent before the Central Division. However, after setting out the requirements for a party to bring an infringement action, in its final clause, Article 47 states:

(6) Any other natural or legal person, or anybody entitled to bring actions in accordance with its national law, who is concerned by a patent, may bring actions in accordance with the Rules of Procedure.

It remains to be seen whether the words “who is concerned by a patent” will be construed to impose any limitation on parties who can challenge a patent’s validity. At present, the Rules of Procedure place no limits on parties who can make such a challenge.

#### **4.11 Procedure in General**

Article 52 UPC specifically provides that all proceedings before the Court will be divided into three stages: written, interim and oral.

Stage 1: Written procedure requiring fully developed arguments and evidence, likely two rounds from each side.

Stage 2: Interim procedure is to be handled by a single legally qualified judge rapporteur who can give orders to summon witnesses, order production of more evidence and possibly appoint a court expert. However, it is doubted that this will be common and should only be appointed if after reading the papers submitted in stage 1 the judges still cannot understand the case – one exception might be if a *saisie* is ordered where an expert would participate in the “raid” and report findings to the court).



Stage 3: Oral procedure normally to be completed in one day. The exact format may differ on the traditions of the location of the division of the court before which the proceedings are brought. In civil law countries these proceedings might open with the court giving its current assessment of the case; in common law countries by traditional opening statements by counsel. Experts who have given opinions might be cross-examined in civil law jurisdictions first by the judges and then by counsel, in common law jurisdictions the other way round.

The rules have been drafted with the objective of ensuring that, except in complex cases, the first instance proceedings will be completed within a year from service of the complaint.

#### **4.11.1 Court Fees**

Court fees for most matters, except applications for revocation of a patent, will be a combination of fixed fees and for actions relating to infringement or assessment of damages and the value of the case exceeds €500,000, fees based on the value of the case. In most such cases, the fixed fee will be €1,000<sup>61</sup> and the component based on the value of the case vary from €2,500 for cases with a value of less than €750,000 through €5,000 for cases valued between €9,000,000 and €10,000,000 up to €25,000 for cases valued at over €50,000,000. For revocation actions there is a simple fixed fee of €20,000.

The Rules provide that the determination of the amount of damages ordered for the successful party may be the subject of separate proceedings.<sup>62</sup> Similarly, a separate proceeding may be ordered for a determination of the costs to be paid by the losing party to the winning party.<sup>63</sup>

### **4.12 Application of These Principles to a Specific Example: Patent Infringement with a Possible Counterclaim for Revocation of the Patent**

#### **4.12.1 Stage 1 - Written Stage of the Procedure<sup>64</sup>**

The procedure to be followed in the UPC is front-loaded in favor of the first stage.

##### **4.12.1.1 Papers that are to be Exchanged in Written Stage of the Proceedings**

Rule 12 sets out the papers to be submitted in the written stage of the procedure as follows:

- (a) the lodging of a Statement of claim (by the claimant) [Rule 13];
- (b) the lodging of a Statement of defense (by the defendant) [Rules 23 and 24] which may include a counterclaim for revocation; and, optionally

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<sup>61</sup> The exception is an application for determination of damages where the fixed component of the fee is €3,000

<sup>62</sup> Rules of the Unified Patent Court Rules 125 – 144.

<sup>63</sup> Rules of the Unified Patent Court Rules 150 -157.

<sup>64</sup> Rules of the Unified Patent Court Rules 12 - 41

- (c) the lodging of a Reply to the Statement of defense (by the claimant) [Rule 29(b)]; and
- (d) the lodging of a Rejoinder to the Reply (by the defendant) [Rule 29(c)].

If a Counterclaim for revocation is lodged:

- (a) the claimant and any proprietor who becomes a party shall lodge a Defense to the Counterclaim for revocation [Rule 29(a)], which may include an Application to amend the patent by the proprietor [Rule 30];
- (b) the defendant may lodge a Reply to the Defense to the Counterclaim [Rule 29(d)]; and
- (c) the claimant and the proprietor may lodge a Rejoinder to the Reply to the Defense to the Counterclaim [Rule 29(e)].

If an Application to amend the patent is lodged by the proprietor, the defendant shall lodge a Defense to the Application to amend the patent in the Reply to the Defense to the Counterclaim, thereafter, the proprietor may lodge a Reply to the Defense to the Application to amend and the defendant may lodge a Rejoinder to such Reply [Rule 32].

#### **4.12.1.2 Requirements of the Statement of Claim**

In the case of a claim for infringement of a patent Rule 13 requires a statement of claim including:

- (a) the name of the claimant, and, where the claimant is a corporate entity, the location of its registered office, and of the claimant's representative;
- (b) the name of the party against whom the Statement is made (the defendant), and, where the defendant is a corporate entity, the location of its registered office;
- (c) postal and electronic addresses for service on the claimant and the names of the persons authorized to accept service;
- (d) postal and, where available, electronic addresses for service on the defendant and the names of the persons authorized to accept service, if known;
- (e) where the claimant is not the proprietor or not the only proprietor of the patent concerned, postal and, where available, electronic addresses for service on the proprietor and the names and addresses of the persons authorized to accept service, if known;
- (f) where the claimant is not the proprietor of the patent concerned, or not the only proprietor, evidence to show the claimant is entitled to commence proceedings [Article 47(2) and (3) of the Agreement];
- (g) details of the patent concerned, including the number;
- (h) where applicable, information about any prior or pending proceedings relating to the patent concerned before the Court including any action for revocation or a declaration of non-infringement pending before the central division and the date of any such action as well as information about any action, such as an opposition, before the European Patent Office or any other court or authority;

- (i) an indication of the division which shall hear the action [Article 33(1) to (6) of the Agreement] with an explanation of why that division has competence; where the parties have agreed in accordance with Article 33(7) of the Agreement, the indication of the division which shall hear the action shall be accompanied by evidence of the defendant's agreement;
- (j) where applicable, an indication that the action shall be heard by a single judge [Article 8(7) of the Agreement], accompanied by evidence of the defendant's agreement;
- (k) the nature of the claim, the order or the remedy sought by the claimant;
- (l) an indication of the facts relied on, in particular:
  - (i) one or more instances of alleged infringements or threatened infringements specifying the date and place of each;
  - (ii) the identification of the patent claims alleged to be infringed;
- (m) the evidence relied on [Rule 170.1], where available, and an indication of any further evidence which will be offered in support;
- (n) the reasons why the facts relied on constitute an infringement of the patent claims, including arguments of law and where appropriate an explanation of the proposed claim interpretation;
- (o) an indication of any order the claimant will seek during the interim procedure [Rule 104(e)];
- (p) where the claimant assesses that the value of the infringement action exceeds EUR500.000, an indication of the value; and
- (q) a list of the documents, including any witness statements, referred to in the Statement of claim, together with any request that all or part of any such document need not be translated and/or any request pursuant to Rule 262 or 262.A.<sup>65</sup>

#### **4.12.1.3 Requirements for other Papers in the Written Procedure**

Any objections, for example to the jurisdiction or competence of the court or the division within which the action has been brought must be filed within one month of service of the complaint.<sup>66</sup>

Rules 23 – 28 set out similarly detailed rules for what is required in a Statement of Defense and any application for revocation of the patent in whole or in part.

Under Rule 23, the defendant has three months within which to file a similarly detailed defense, the requirements for which are set out in Rule 24. The defense can include a counter claim for revocation of the patent, the requirements for which are set out in Rule 25.

Rules 29-30 set out the requirements for a counter claim for a defense to any such revocation request including setting out the possibility that the patent owner can respond to the request for revocation by seeking to amend the patent. Rule 30 sets out the requirements for any such

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<sup>65</sup> Rule 262A

<sup>66</sup> Rule 19

application to amend the claims of the patent in suit<sup>67</sup> and for the opposing party to make a rejoinder thereto.

#### **4.12.1.4 Determination of the Value of the Dispute**

Rule 31 provides that the value of the dispute (which is relevant to any award of costs to the prevailing party) shall be determined by the judge-rapporteur.

#### **4.12.1.5 Decision on Whether to Transfer any Counterclaim of Invalidity to the Central Division or Retain Jurisdiction in Local or Regional Division**

In cases where there is a counterclaim for invalidity of the patent that is alleged to be infringed, as soon as practicable after the closure of the written procedure, the panel of a local or regional division handling the case shall decide by way of order whether to continue to handle the case itself,<sup>68</sup> bifurcate the case and transfer the revocation issues to the central division or, with the consent of the parties, transfer the entire case to the central division as set out in Article 33(3) of the Agreement. Rule 254 provides that the parties shall be given an opportunity to be heard before such an order is made.

The judge rapporteur who will effect case management of interim procedures is designated at this point.

#### **4.12.2 Stage 2 - Interim Procedure<sup>69</sup>**

Rule 101 provides that during the interim procedure, the judge-rapporteur shall make all necessary preparations for the oral hearing. He may in particular, where appropriate, and subject to the mandate of the panel, hold an interim conference with the parties which may be held on more than one occasion.

Rule 103 provides that whether or not the judge-rapporteur decides to hold an interim conference, he may order the parties, within time periods to be specified, in particular to:

- (a) provide further clarification on specific points;

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<sup>67</sup> The possibility of and requirements for amending the claims are set out in Rules 20, 49 and 50 and include requirements to show that the amended claims comply with the European Patent Convention and are valid. Auxiliary requests may be included. Any later attempt to amend requires the permission of the court. An application to amend must include an explanation as to why the amendments satisfy the requirements of Articles 84 and 123(2), (3) EPC and why the proposed amended claims are valid and, if applicable, why they are infringed. The request must also include an indication whether the proposals are conditional or unconditional. The rule requires that if the proposed amendments, are conditional they must be reasonable in number in the circumstances of the case.

<sup>68</sup> In which case a technically qualified judge may need to be added to the panel.

<sup>69</sup> Rules of Procedure of the Unified Patent Court Rules 101-110.

- (b) answer specific questions;
- (c) produce evidence;
- (d) lodge specific documents including each party's summary of the orders to be sought at the interim conference.

A party's failure to comply with such an order may result in a default judgment against it.

Rule 104 sets out the aims of the interim conference as to:

- (a) identify main issues and determine which relevant facts are in dispute;
  - (b) where appropriate, clarify the position of the parties as regards those issues and facts;
  - (c) establish a schedule for the further progress of the proceedings;
  - (d) explore with the parties the possibilities to settle the dispute or to make use of the facilities of the Centre<sup>70</sup>;
  - (e) where appropriate, issue orders regarding production of further pleadings, documents, experts (including court experts), experiments, inspections, further written evidence, the matters to be the subject of oral evidence and the scope of questions to be put to the witnesses;
  - (f) where appropriate, but only in the presence of the parties, hold preparatory discussions with witnesses and experts with a view to properly preparing for the oral hearing;
  - (g) make any other decision or order as he deems necessary for the preparation of the oral hearing including, after consultation with the presiding judge, an order for a separate hearing of witnesses and experts before the panel;
  - (h) set a date for any separate hearing pursuant to point (g) of this Rule, and confirm the date for the oral hearing and order, where appropriate, after consultation with the presiding judge and the parties that the oral hearing or a separate hearing of witnesses and experts be wholly or partly by video conference;
  - (i) decide the value of the particular dispute which value may, in exceptional cases, differ as between the parties depending upon the parties' individual circumstances;
  - (j) order the parties to submit, in advance of the decision at the oral hearing, a preliminary estimate of the legal costs that they will seek to recover.
- In order to obtain the necessary evidence, the judge may appoint an independent expert<sup>71</sup> and/or order a search of a party's premises<sup>72</sup> or even order specific experiments to be carried out.<sup>73</sup>

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<sup>70</sup> The Unified Court structure includes centers for Mediation and Arbitration in Ljubljana and Lisbon. As set out in Articles 35 and 82 of the UPCA, settlements reached through the Centers are enforceable in courts of the contracting states but a patent may not be revoked or limited in mediation or arbitration proceedings.

<sup>71</sup> Unified Patent Court Rules 185-188.

<sup>72</sup> Unified Patent Court Rule 199.

<sup>73</sup> Unified Patent Court Rule 201.

### 4.12.3 Stage 3 – Oral Proceedings<sup>74</sup>

Rule 112 sets out the rules for oral proceedings and provides for the parties to make oral submissions and for witnesses to be heard, but also provides that the presiding judge and the judges of the panel may provide a preliminary introduction to the action and put questions to the parties, to the parties' representatives and to any witness or expert. Under the control of the presiding judge, the parties may put questions to the witness or expert. In its final form as adopted in July 2022, the rule also provides that parties and witnesses may be able to participate by videoconference and that in exceptional circumstances occur and all parties agree, to hold the entire oral proceeding by videoconference.

Rule 113 provides that the presiding judge shall endeavor to ensure that the oral proceedings shall be completed within a day. Witness testimony is permitted only if the interim procedure resulted in an order providing for it.<sup>75</sup> If oral evidence from a witness or an expert is required, the extent of it will be determined by the presiding judge and that judge, not the parties, will normally question a witness or expert, although "under the control of the presiding judge, the parties may put questions to the witness or expert."<sup>76</sup>

A decision on the merits should be issued within six weeks of the oral procedure.

### 4.12.4 Appeal

As noted above, decisions of the central, local and regional first instance decisions are appealable to an Appeal Court sitting in Luxembourg. Any such appeal must be brought within two months of notification of the decision of the first instance court.<sup>77</sup>

Orders of the first instance court relating to the language to be used in the proceedings<sup>78</sup>, orders relating to the production and preservation of evidence<sup>79</sup>, freezing orders<sup>80</sup> and other provisional

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<sup>74</sup> Unified Patent Court Rules 111 -119.

<sup>75</sup> Unified Patent Court Rules Rule 112(2)(b).

<sup>76</sup> Unified Patent Court Rules Rule 112(4).

<sup>77</sup> Unified Patent Court Agreement Article 73(1).

<sup>78</sup> See Article 49(5).

<sup>79</sup> See Articles 59 and 60.

<sup>80</sup> See Article 61.

measures<sup>81</sup> and orders to an infringer to disclose information<sup>82</sup> are also appealable, but appeals against such orders must be filed within 15 days of the order.

Orders by the judge-rapporteur with respect to costs and other orders may only be appealed with leave of the Court.<sup>83</sup>

Appeals may be made against decisions of law and fact made by the first instance court and new evidence may be admitted if “submission thereof by the party concerned during proceedings could not reasonably have been expected before the Court of first instance”.<sup>84</sup>

#### **4.13 Rules for Proceedings for Determination of Damages<sup>85</sup>**

As noted above, determination of an award of damages may be the subject of separate proceedings from those on the merits of the case. The court may however issue an interim award of damages to the successful party as part of its decision on the merits.<sup>86</sup> Proceedings for a determination of damages must be commenced within one year of the final decision on the merits.<sup>87</sup> Such proceedings may include a request for an order that the defendant lays open its books, which must include reasons why the applicant needs this information.<sup>88</sup> If this is done, a decision on this issue may precede the proceedings for a determination of damages.<sup>89</sup>

Irrespective of whether a request is made for laying open of books, the same general procedure of written proceedings and oral proceedings noted above will be followed.<sup>90</sup>

#### **4.14 Rules for Proceedings for Costs Determination<sup>91</sup>**

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<sup>81</sup> Se Article 62.

<sup>82</sup> See Article 67.

<sup>83</sup> Article 73(2)(b) and Rule 157.

<sup>84</sup> Unified Patent Court Agreement Article 73(4).

<sup>85</sup> Rules 125 – 144.

<sup>86</sup> Rule 119.

<sup>87</sup> Rule 126.

<sup>88</sup> Rule 141.

<sup>89</sup> Rule 144

<sup>90</sup> Rules 140(2) and 143.

<sup>91</sup> Rules 150 -159.

The court may include an interim decision on costs in its decision on the merits of the case. Any application for a costs determination must be filed within one month of the decision.<sup>92</sup>

Costs that are potentially recoverable by the successful party include court fees and costs of representation, of witnesses, of experts, and other expenses.<sup>93</sup> Such recoverable costs are, however, subject to a requirement that they are reasonable and proportionate and in compliance with a scale of recoverable costs adopted by the Administrative Committee, which shall set ceilings for such costs by reference to the value of the dispute.<sup>94</sup>

The judge rapporteur will give a written decision after review of the written submissions of both parties.<sup>95</sup>

#### **4.15 Rules of Procedure for Other types of Actions**

Similar detailed requirements for the pleadings in actions for revocation of a patent are set out in Rules 42-60 independently of any action for infringement. The detailed requirements as to the contents of pleadings relating to a request for a declaration of non-infringement are set out in Rules 61 -74.

##### **4.15.1 Stand-Alone applications for Revocation of a Patent**

Interesting features of the rules for stand-alone revocation actions include:

In cases where the registered proprietor is not the “proprietor” as defined in Rule 8 as discussed in Section 4.10, the registered proprietor should apply for substitution of the “real proprietor” for the registered proprietor as soon as practicable.<sup>96</sup>

Unless otherwise agreed, the Statement of case for a Revocation proceeding must be in the language in which the patent is granted.<sup>97</sup>

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<sup>92</sup> Rules 150 and 151.

<sup>93</sup> Rule 151(d).

<sup>94</sup> Rule 152.

<sup>95</sup> Rule 156.

<sup>96</sup> Rule 42.

<sup>97</sup> Rule 45.



Defenses to an action for revocation may include applications to amend the patent and a counter claim for infringement.<sup>98</sup>

The value of the dispute shall be determined by the judge-rapporteur during the interim proceedings, taking into account the value of the dispute as assessed by the parties.<sup>99</sup>

#### **4.15.2 Applications for Declarations of Non-Infringement**

Interesting features of the rules relating to applications for a Declaration of Non-Infringement include:

A requirement that the initial request for a declaration sets out *inter alia*: the reasons why the performance of a specific act does not, or a proposed act would not, constitute an infringement of the patent concerned, including arguments of law and where appropriate an explanation of the claimant's proposed claim construction; an indication of the facts relied on; and the evidence relied on, where available, and an indication of any further evidence which will be offered in support.<sup>100</sup>

If an infringement action is brought in a local or regional division within three months of requesting a declaration of non-infringement before the central division, the action before the central division will be stayed. If such an infringement action is commenced later than this, the judges of the local and central divisions are to consult and agree on future progress of the proceedings.<sup>101</sup>

#### **4.16 Public Access to Proceedings and Maintenance of Confidentiality of Certain Information**

The final rules adopted in July 2022<sup>102</sup>, made a number of changes from the draft rules published previously. Under the final rules, only decisions and orders made by the Court shall be published automatically. Written pleadings and, evidence, shall be available to the public upon reasoned request to the Registry.<sup>103</sup> The decision on whether to grant the request is to be taken by the judge-rapporteur after consulting the parties. The information that is made available in this way shall where applicable, be subject to redaction of personal data within the meaning of the EU's regulation on maintenance of private information (Regulation (EU) 2016/679 commonly

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<sup>98</sup> Rule 49.

<sup>99</sup> Rules 59 and 60.

<sup>100</sup> Rule 63.

<sup>101</sup> Rule 76.

<sup>102</sup> Rules 262 and 262A

<sup>103</sup> The existence of the pleadings and evidence will, however, be made available of the Court's web-site, but not their content.

referred to as the GDPR) and confidential information. In order for information contained in pleadings or evidence to be treated as confidential, the party submitting it must make a request for the information to be kept confidential at the time of filing and there will be a fourteen day delay before any pleadings or evidence are made available to the public to allow time for consideration of the request for confidentiality.

Where information is accepted by the Court as being confidential, access to it may be confined to specific persons but these shall include “at least, one natural person from each party and the respective lawyers or other representatives of those parties to the legal proceedings”.<sup>104</sup>

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104 Rule 262A(6)