

Bird & Bird

Unified Patent Court (UPC)

Patent Litigation Q&A

June 2024



UPC – Patent Litigation

Where can patent infringement actions be started? Is there a choice of venue?

The UPC is a single court. It has exclusive jurisdiction over infringement and validity disputes for unitary patents and European patents (non-opted-out during a transitional period running until 1 June, 2030, possibly extended to 2037). It will also have exclusive jurisdiction over SPCs (Supplementary Protection Certificates) obtained for products protected by a European patent (with or without unitary effect).

Choice of Venue

During the transitional period, the UPC and national courts will share jurisdiction over infringement and validity issues relating to non-opted-out European Patents. A claimant will therefore be able to choose between the jurisdiction of the UPC or that of a national court.

Within the UPC's jurisdiction, the applicant may choose a local, regional or central division (located in Paris, Milan and Munich) subject to various rules. This choice will depend on the very specific case and should be analysed carefully to determine the best forum if different divisions may have competence. Generally, infringement cases will begin in a local or regional division, whereas revocation cases will begin in a central division.

Are the judges' specialists? Do they have technical backgrounds?

First and second instance judges are exclusively specialised in patents and most were experienced in patent litigation from their national courts prior to appointment to the UPC. Technical judges must have technical expertise and a university degree in their field. Many are former patent attorneys.

A pool of judges has been set up, comprising both legally and technically qualified judges.

In a revocation action/counterclaim or declaration of non-infringement, the judges' panel (1st instance) includes one technical judge having skills in the technical field concerned. The allocation of a technical judge may be requested by a party or at the initiative of the judges' panel.

The Court of Appeal is composed of a panel of five judges including two technical judges.

How long does it take from starting proceedings to trial?

The Court has set itself a target duration of 12 to 14 months from the opening of the case to the first instance hearing (and the same duration in the case of an appeal) and this is being achieved so far.

Can a party be compelled to disclose documents before or during the proceedings?

A party may apply for an order to produce specific evidence from the opposing party or a third party both before and during the proceedings. It will have to provide sufficient evidence to support its claim.

The Rules of Procedure (RoP) contain a special provision (in the context of the determination of damages and compensation) where the Court may require a party to give access to its books ("Request to Lay Open Books").

The communication of documents/evidence is subject to the protection of confidential information.

How are arguments and evidence presented at the trial?

The procedure (at first instance and on appeal) is initially written. There is then an interim procedure where the judge-rapporteur makes all necessary preparations for the final hearing. (This can include requests for the parties to provide further clarification on specific points; answer specific questions; produce evidence; and lodge specific documents.) Finally, the parties are invited to a final stage, which is oral: they will develop

the main elements of the case (witnesses and experts may also be heard under the supervision of the President). This final oral hearing is followed by the decision.

How long does the trial generally last and how long is it before a judgment is made available? Are judgments publicly available?

Oral hearings are expected to last one day. In exceptional cases, judges may render their decision at the end of the hearing and provide their reasons later. Judgments should be provided to the parties no later than six weeks after the hearing.

Hearings are public (with some exceptions, in particular to protect confidentiality) and should be video/audio recorded.

The UPC publishes its judgments in a online register accessible to the public.

Can a defence of patent invalidity be raised? Are infringement and validity issues heard together?

A patent invalidity (revocation) action may be filed as a stand-alone action or as a counterclaim in a claim for infringement.

In the case of a counterclaim, the local or regional divisions in which the infringement claim was begun have three options: they can (1) rule on the counterclaim together, with the allocation of a technical judge; (2) bifurcation is possible, in which case the counterclaim will be referred to the Central Division, and the local/regional division may (or not) stay the proceedings; (3) they can refer the case entirely to the Central Division.

Are infringement proceedings stayed pending resolution of validity in the national patent office (or, if relevant, the EPO) or another court?

The Court may stay proceedings where it is seized of an action relating to a patent which is also the subject of opposition proceedings or limitation proceedings (including subsequent appeal proceedings) before the EPO or a national authority where a decision in such proceedings may be expected to be given rapidly. This is a discretionary decision of the Court.

Are preliminary injunctions available? If they are, can they be obtained *ex parte*? Is a bond necessary? Can a potential defendant file protective letters?

Provisional injunctions are available against an alleged infringer or against an intermediary whose services are used by the alleged infringer. The Court has 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 such provisional measures, the Court could prohibit the continuation of the alleged infringement or make such continuation subject to the lodging of guarantees intended to protect the right holder.

According to the RoP, these measures can be obtained *ex parte*, in particular in cases where any delay could cause irreparable harm to the right holder.

The Court may order the applicant to provide adequate security in the event that the Court revokes the order for provisional measures. The Court shall do so in *ex parte* proceedings unless there are special circumstances.

The order shall be effective only after the security has been given to the defendant in accordance with the Court's decision.

A potential (future) defendant may lodge before the Court a protective letter providing facts/evidence/arguments against a (potential) application for a provisional injunction. The protective letter shall not be publicly available on the register until it has been forwarded to the applicant (in case provisional measures are applied for). Should no application for provisional measures be filed, the protective letter will

be removed from the register within six months from its reception (renewable by payment of extension fee(s)).

Are final injunctions available as of right? Is a bond necessary?

The Court may grant a permanent injunction upon finding an infringement of a patent. An injunction may also be granted against an intermediary whose services are being used by a third party to infringe a patent.

At the defendant's request, the Court may order the applicant to provide adequate security for the legal costs and other expenses incurred by the defendant.

What other remedies are usually ordered if a patentee is successful?

The Court may order, at the applicant's request, that appropriate measures be taken with regard to products found to be infringing a patent and, in appropriate cases, with regard to materials and implements principally used in the creation or manufacture of those products.

Possible remedies include:

- Financial damages/compensation
- Declaration of infringement
- Publication of the judgment
- Destruction of infringing products
- Recalling infringing products from the channels of commerce
- Information and rendering of accounts
- Award of legal costs

Would the tribunal consider granting cross-border relief?

Decisions of the Court shall cover, in the case of a European patent, the territory of those Contracting Member States for which the European patent has effect.

A European patent with unitary effect shall prevent any third party from infringing the patent throughout the territories of the participating Member States in which it has unitary effect, subject to applicable limitations.

Therefore, the UPC decisions are intrinsically cross-border between UPC members states.

The Brussels Regulation allows, under certain conditions, cross-border actions between the national courts of EU member states, non-members of the UPC and UPC members. But questions persist as to the relationship between national actions (of EU and non-EU members) and those of the UPC following the Recast Brussels Regulation, which led to the UPC being labelled as a "long-arm jurisdiction".

Is there a right of appeal from a first instance judgment? How long between judgment at first instance and hearing the appeal?

An appeal against a decision of the Court of First Instance may be brought before the Court of Appeal by any party which has been unsuccessful, in whole or in part, in its submissions, within two months of the date of the notification of the decision.

As referred to in 3 above, the first instance procedure are meant to have a duration of up to 12 to 14 months.

Is an appeal by way of a review or a rehearing? Can new evidence be adduced on appeal?

New facts and new evidence may only be introduced on appeal when the party concerned could not reasonably have been expected to have produced them during proceedings before the Court of First

Instance. Requests, facts and evidence which have not been submitted by a party during proceedings before the Court of First Instance may be disregarded by the Court of Appeal, which has the discretion to decide.

What is the cost of a typical infringement action to first instance judgment? If the issues of invalidity and infringement are bifurcated, what is the cost of the invalidity action? Can the winner's costs be recovered from the losing party? How much is the cost of an appeal?

Court fees

Court fees consist of a fixed fee possibly combined with a value-based fee.

- Infringement action - The fixed fee is €11,000, to which is added a value-based fee that depends on the value of the dispute (from €0 to up to €325,000).
- Revocation action - The fee is €20,000. The fee could be limited in case of revocation by way of counterclaim as the same fee as the infringement action subject to a fee limit of €20,000.

Appeal

Court fees are mainly determined in the same way as for an action at first instance with a combination of a fixed fee and value-based fee where applicable.

Legal costs

Legal costs will notably depend on the complexity of the issues at stake (number of patents, number of claimants/defendants, legal issues, technical issues, appointment of experts, etc.). The successful party can claim the reimbursement of its reasonable and proportionate legal costs and other expenses, unless equity requires otherwise. These costs will, as a general rule, be borne by the unsuccessful party. A scale of maximum recoverable costs has been set by the Administrative Committee of the UPC according to the value of the dispute.

Author:



Juliet Hibbert

Of Counsel

+442030176970

juliet.hibbert@twobirds.com

twobirds.com

Abu Dhabi • Amsterdam • Beijing • Bratislava • Brussels • Budapest • Casablanca • Copenhagen • Dubai
• Dublin • Dusseldorf • Frankfurt • The Hague • Hamburg • Helsinki • Hong Kong • London
• Luxembourg • Lyon • Madrid • Milan • Munich • Paris • Prague • Rome • San Francisco • Shanghai
• Shenzhen • Singapore • Stockholm • Sydney • Warsaw

The information given in this document concerning technical legal or professional subject matter is for guidance only and does not constitute legal or professional advice. Always consult a suitably qualified lawyer on any specific legal problem or matter. Bird & Bird assumes no responsibility for such information contained in this document and disclaims all liability in respect of such information.

This document is confidential. Bird & Bird is, unless otherwise stated, the owner of copyright of this document and its contents. No part of this document may be published, distributed, extracted, re-utilised, or reproduced in any material form.

Bird & Bird is an international legal practice comprising Bird & Bird LLP and its affiliated and associated businesses.

Bird & Bird LLP is a limited liability partnership, registered in England and Wales with registered number OC340318 and is authorised and regulated by the Solicitors Regulation Authority (SRA) with SRA ID497264. Its registered office and principal place of business is at 12 New Fetter Lane, London EC4A 1JP. A list of members of Bird & Bird LLP and of any non-members who are designated as partners, and of their respective professional qualifications, is open to inspection at that address.