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The Unified Patent Court FAQ

By Nicholas Fox and Alexandre Hoffmann

The Unified Patent Court (the “Court”) will open for business towards the end of 2022 or sometime early in 2023, and when it does, it will revolutionize the way in which patents are litigated in Europe.

When the Court comes into existence, it will provide a new forum for enforcing European patents granted by the European Patent Office (“EPO”) and in force in Germany, France, Italy, Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, Latvia, Luxembourg, Malta, the Netherlands, Portugal, Slovenia and Sweden in a single court action.

Further European member states are expected to ratify the agreement in the coming months. It will also provide a forum for enforcing Unitary Patents

covering all of the above jurisdictions which the European Patent Office will start to grant as soon as the Court opens.

Litigation in the new court is expected to proceed at a very rapid pace with a final oral hearing on issues of infringement and validity at first instance occurring within a year of starting proceedings. The new court will therefore provide a very attractive forum for enforcement of existing European patents.

The Court will also provide an attractive forum for revocation of Unitary Patents and European patents subject to the jurisdiction of the Court, as actions in the Court will potentially enable parties to clear the way for the launch of a product through revoking patents across multiple jurisdictions in a single court action.

In addition to advising on strategy, European patent litigators and European patent attorneys will have full representation rights before the Unified Patent Court, including handling revocation actions which will have a number of similarities with EPO oppositions. Attorneys will also be able to opt-out (and back in) classical European patents from the jurisdiction of the Court, which will be possible during a transitional period after the system comes into force.

WHAT IS THE UNIFIED PATENT COURT?

The Court is a new court that provides a new forum for enforcing and revoking European patents

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■ Ratifiers of the Agreement on a Unified Patent Court

■ Signatories of the Agreement on a Unified Patent Court

*Germany has ratified the agreement but will delay depositing its formal ratification until the preparations for the establishment of the Unified Patent Court are complete

granted by the European Patent Office and in force in Germany, France, Italy, Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, Latvia, Luxembourg, Malta, Netherlands, Portugal, Slovenia, and Sweden. Further European member states are expected to ratify the agreement in the coming months. It will also provide a forum for enforcing and revoking Unitary Patents covering all of the above jurisdictions which the European Patent Office will start to grant as soon as the Court opens.

WHAT CASES WILL BE HEARD IN THE UNIFIED PATENT COURT?

The Court will have jurisdiction over the enforcement and revocation of Unitary Patents, a new Unitary Patent right covering all of the participating member states – currently Germany, France, Italy, Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, Latvia, Luxembourg, Malta, Netherlands, Portugal, Slovenia, and Sweden. The Unified Patent Court will also have jurisdiction to hear enforcement actions concerning any related Supplementary Protection Certificates (“SPCs”).

In addition, the Court will be an optional venue for enforcement and – unless a patent owner opts a patent out of the jurisdiction of the Court –

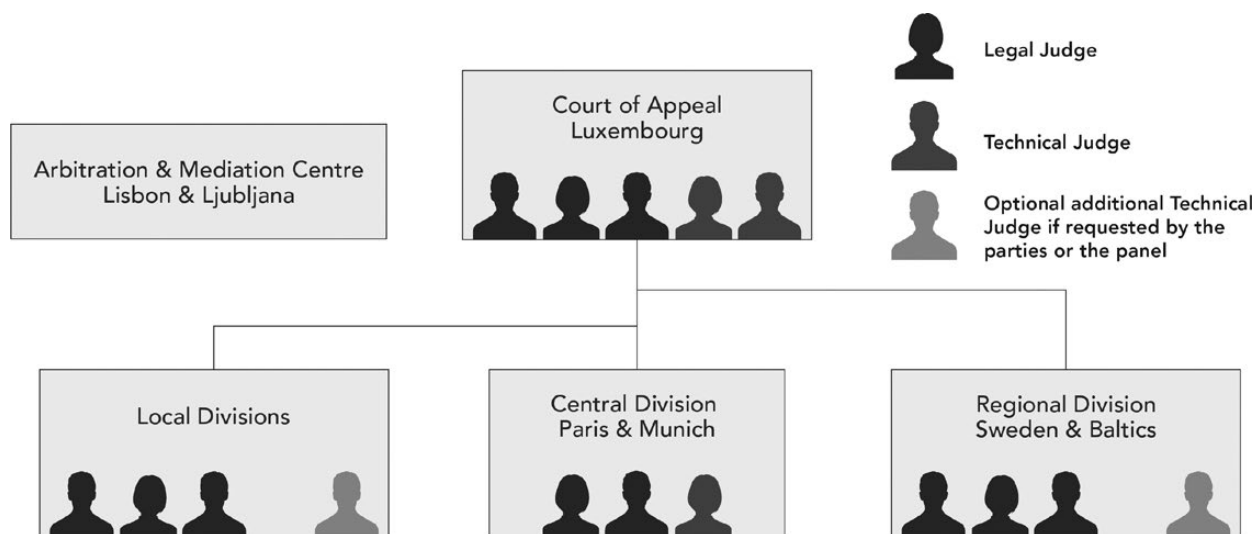
revocation of existing European patents which have been validated and maintained in the participating member states.

WHEN WILL THE UNIFIED PATENT COURT OPEN?

The Court will come into existence three months after the date when Germany formally deposits its notice of ratification agreeing to participate in the new court system. The exact date when that might occur is not presently known, as Germany’s formal deposit is being delayed until all of the remaining preparations for the Court have been completed. The most time-consuming step, which remains to be completed, is the training and recruitment of judges which is expected to take a number of months. At present, the best estimate for the date when the Court might open is sometime late this year or early in 2023.

WHY IS THE OPENING OF THE UNIFIED PATENT COURT IMPORTANT?

The Court will provide a new forum for enforcing patent rights in Europe. With the establishment of the Court, it will be possible to enforce



patent rights across the participating member states in a single enforcement action, greatly reducing the complexity and cost of patent enforcement in Europe.

In addition, the rules of procedure will make the Court a very attractive forum for enforcement of patent rights. Court actions are intended to result in a decision at first instance, within 14 months from the initiation of proceedings, considerably faster than current national proceedings in many member states.

The rules of procedure also expand upon existing civil law procedures to include the possibility of certain features of English litigation which may be attractive to potential litigants. These include targeted disclosure to obtain information regarding potential infringers and the availability of cross-examination of evidence where that is considered to be appropriate.

For existing patentees, the opening of the new court is likely to enhance the value of their European patent portfolio, as it is likely to simplify existing enforcement procedures and reduce the cost of patent litigation.

WHAT IS THE STRUCTURE OF THE UNIFIED PATENT COURT?

At first instance, the Court will consist of a Central Division and a number of local and regional divisions.

The Central Division has a seat in Paris with a section based in Munich. A second section was

going to be based in London, but that was cancelled when the United Kingdom withdrew from the Unified Patent Court Agreement. Whether a third section will be established, and if so, where, is currently a matter of political debate. At present, the Dutch and Italian governments have proposed that a section should be established in the Hague or in Milan. An alternative proposal is that the work which was originally going to be allocated to the London section should now be split between Munich and Paris. A final decision will be reached before the Court opens for business.

A Regional Division is being established with jurisdiction extending across Sweden and the Baltic states (Latvia, Lithuania, and Estonia), which will have its seat in Stockholm.

Austria, Belgium, Denmark, Finland, France, Italy, the Netherlands, Portugal, and Slovenia have all confirmed their intentions to establish local divisions in their jurisdictions, whereas Germany has stated that four local divisions will be established in Germany, with the divisions being located in Düsseldorf, Hamburg, Mannheim, and Munich. All of the German local divisions will have coterminous jurisdiction over infringement actions and defendants based in Germany.

Appeals against decisions made at first instance will be heard in a court of appeal, which will be based in Luxembourg.

In addition, Arbitration and Mediation Centers are being established in Lisbon and Ljubljana.

WHO WILL BE THE JUDGES OF THE UNIFIED PATENT COURT?

The Administrative Council is currently in the process of interviewing and appointing judges to the Unified Patent Court.

In total, around 95 judges are expected to be appointed to the Court. Most of the judges will be appointed to work on a part-time basis, with only a small number of judges working full-time in the new Court.

When applications for positions to work on the new court were advertised, the Court received 354 expressions of interest for appointment as legal judges. Most of the applicants had existing experience working as judges or patent litigators with the UPC advisory panel assessing over 100 of the applications to be “outstanding.” A further 1,000 applications were received for appointment as technical judges.

The legal judges appointed to the Court are therefore likely to be appointed from experienced patent judges from jurisdictions such as Germany, France, Italy, and the Netherlands, all of whom have extensive experience in presiding over patent matters. These judges will be supplemented with other experienced judicial appointees and patent practitioners from other participating member states.

At first instance, judges will sit in panels of three.

In the Central Division, a panel will consist of two legal judges and a technical judge with qualifications and experience in the field of technology.

In the local and regional divisions, each panel will consist of three legal judges. Panels in the local and regional divisions may be supplemented by an additional technical judge at the request of any of the parties at the discretion of the Court, or if the Court decides to deal with both the action for infringement and the counterclaim for revocation. Where a local division is located in a jurisdiction which historically has heard at least 50 patent cases a year, two of the legal judges will be nationals from that jurisdiction. In the other local divisions, one judge will be a national of the local jurisdiction and the two other judges will be from other jurisdictions. This will ensure that every panel will have a multinational composition and in all cases will include judges with extensive experience in patent litigation.

The court of appeal will sit as a panel of five, comprising three legal judges and two technical judges.

WHO CAN APPEAR BEFORE THE UNIFIED PATENT COURT?

Litigants in the Unified Patent Court can be represented by lawyers who are qualified to appear before the Courts in a member state of the European Union and who are nationals of a European Union member state.

In addition, litigants can be represented by European Patent Attorneys who have appropriate litigation qualifications. There is no requirement for European Patent Attorneys to have European Union nationality.

The Administrative Committee has approved a list of existing qualifications which will enable European patent attorneys to act before the Court. Given the nature of the qualifications which have been approved, in practice, most European patent attorneys who are, in addition to being qualified as European patent attorneys are also qualified as national patent attorneys in certain countries including Germany, France, and the United Kingdom, will automatically qualify to appear before the Court. Attorneys in other countries or any European Patent Attorneys not having a designated national litigation qualification will be required to attend and pass a specialist litigation qualification, which is being established specifically for that purpose.

WILL THERE BE OPPORTUNITIES FOR FORUM SHOPPING?

In many cases, patentees will be provided with a choice of divisions where an action can be initiated.

So, for example, where infringement occurs in multiple jurisdictions, an infringement action could be initiated in any local or regional division established in any of those jurisdictions. In addition, it would be possible to initiate proceedings in the Central Division if infringement occurred in a jurisdiction where no local or regional division has been established, as will be the case in Luxembourg and Malta. A local or regional division will also have jurisdiction to hear cases where a defendant is a national or is resident within a particular country. The Central Division will have a similar jurisdiction over defendants who are

neither nationals nor residents in any of the participating member states.

So, if a patentee maintains patent protection in multiple jurisdictions and multiple acts of infringement occur, then there will be a choice where an action can be started. Similarly, a choice of forum will also be available whenever acts of infringement occur in the jurisdiction of a local or regional division and the defendant is not a national and is not resident in a country where the acts of infringement occur.

However, the rules of procedure are written to limit the likely impact of that choice.

The choice of division will determine the options for the language of proceedings that an action is conducted in and also determine the judges who are likely to hear a case, as one or two of the legal judges in a panel will be nationals of the jurisdiction where the local or regional division is based. However, the same rules of procedure will be applied in every division, and the law should be applied uniformly throughout the Court.

Although it is possible, at least in the early years of the Court before a large body of case law has been established that approaches of different divisions may differ, the rules of procedure emphasize that the Divisions and the court of appeal should all endeavor to ensure consistent and uniform application of the rules.

Finally, it should be noted that stand-alone revocation actions can only be initiated before the Central Division, and therefore, there will be no choice as to where such actions are heard.

WHAT WILL THE LANGUAGE OF PROCEEDINGS BE?

It is expected that most of the litigation conducted before the Unified Patent Court will be conducted in English.

Each of the local and regional divisions will provide a list of languages providing options for the language of proceedings.

Actions brought before the Central Division will be conducted in the same language as the language the patent was prosecuted in before the European Patent Office. In approximately 80 percent of cases, this will mean that litigation is conducted in English, in around 15 percent of cases the language of proceedings will be German, and around five percent of cases will be conducted in French.

The Regional Division, jointly established by Estonia, Latvia, Lithuania, and Sweden, has announced that all litigation conducted before that division will be conducted in English.

The Belgian, Danish, and Finnish divisions have all announced that they will provide litigants a choice of conducting proceedings in either their local national languages or in English.

Formal announcements are still awaited from the other local divisions, but most, if not all, Divisions are expected to provide litigants with a similar choice of either litigating in local national languages or in English.

WHAT LAW WILL APPLY?

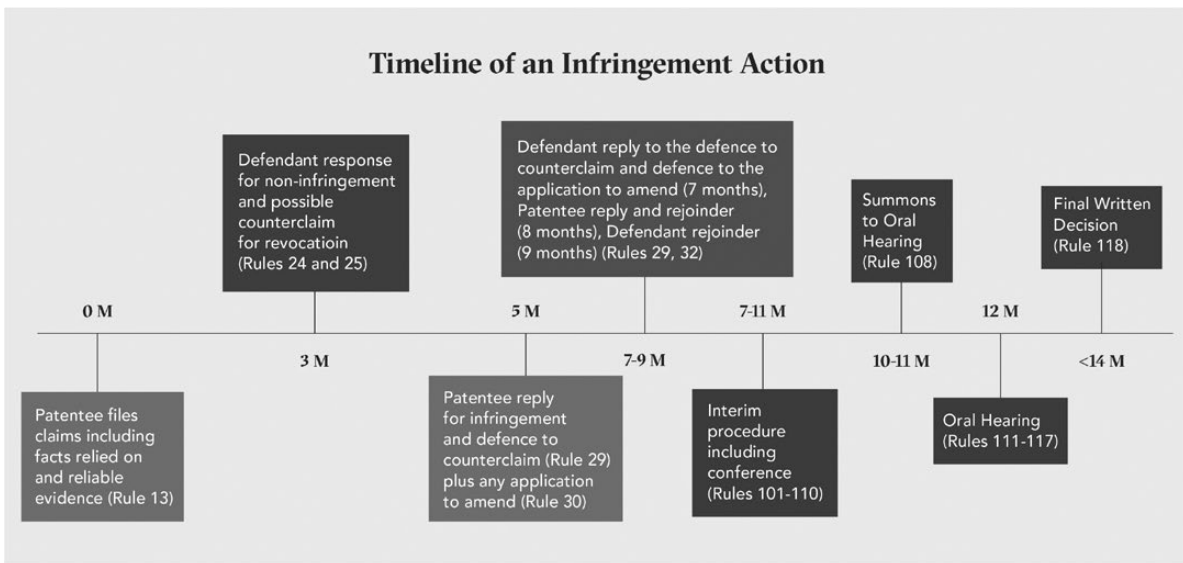
The Unified Patent Court is required to base its decisions upon:

- European Union Law and, in particular, the EU Regulations establishing the Unitary Patent and the language requirements for the Unitary Patent;
- The Unified Patent Court Agreement itself;
- The European Patent Convention;
- Any other relevant international agreements binding on the Contracting member states, such as the Paris Convention; and
- National law, such as existing case law as developed by the courts of Contracting member states.

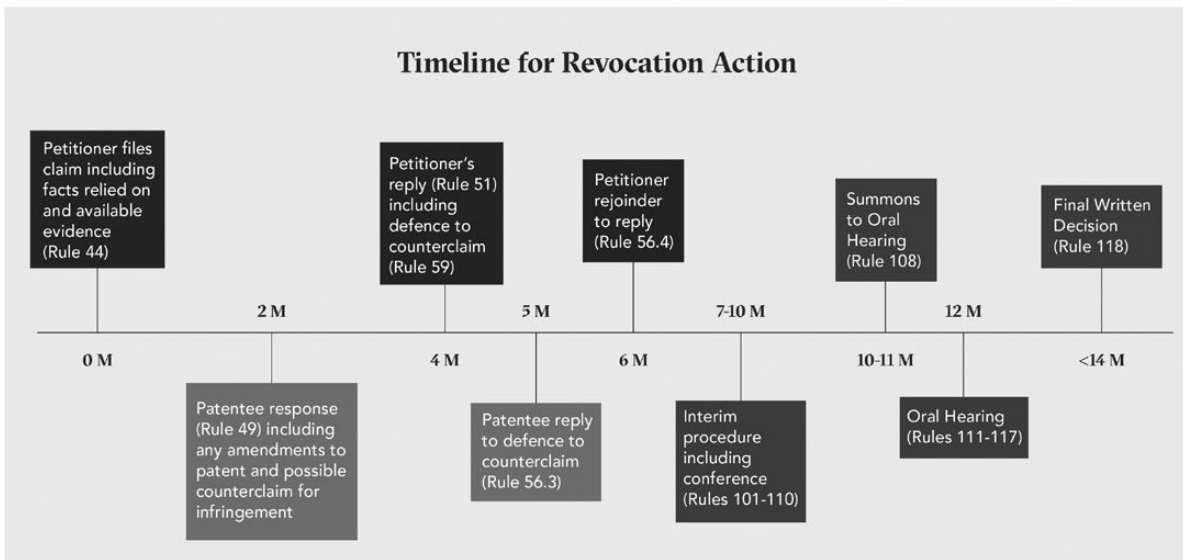
The Unified Patent Court Agreement contains a definition of what constitutes an act of patent infringement. This definition corresponds with the definition of patent infringement which previously appeared in the proposed Community Patent Regulation and which was incorporated into national European law in anticipation of that Regulation being adopted. Hence, as a practical matter, the new Court will apply the same definition of an act of infringement as was previously applied in the national Courts.

Similarly, the national Courts in Europe have been required to harmonize the law on the scope of protection and the requirements for a valid patent with the corresponding requirements of the European Patent Convention. The same requirements will apply to the new court.

Timeline of an Infringement Action



Timeline for Revocation Action



It is, however, the case that in certain matters of detail, existing European Courts can and do adopt slightly different approaches which will need to be reconciled by the new court to ensure that a uniform form of law is applied across all of the Divisions of the Unified Patent Court.

HOW WILL THE COURT PROCESS CASES?

As is the case with patent litigation in most continental European countries, the procedure in the Unified Patent Court will primarily be a written procedure.

A litigation action will be initiated by the filing of a statement of claim which is required to include a full statement of the facts, evidence, and arguments, including arguments on claim construction which are being relied upon.

A defendant will then be required to file a defense and any counterclaim within a very short time period. This will be three months in the case of an action for alleged patent infringement and two months in the case of a patent proprietor defending a revocation action. As with the statement of claim, the defense and any counterclaim will be required to include all relevant facts, evidence, and prior art relied upon.

There is then a further opportunity for the claimant and defendant to exchange a further round of pleadings, a reply, and a rejoinder and provide comments on any proposed amendment of the patent.

The written procedure is then followed by an interim procedure which is presided over by the Judge Rapporteur appointed to oversee the case. During this interim procedure, the Judge Rapporteur will provide directions regarding what additional written pleadings, documents, or evidence are to be provided by the parties.

The interim procedure is then followed by an Oral Procedure which may include the possibility of the Court holding a separate witness hearing with cross-examination of witnesses. A trial, limited to the presentation of legal arguments, will typically last only one day. The Court is expected to issue a judgment within six weeks of the date of the trial.

The accompanying graphic illustrates the timelines for a court action in infringement and revocation actions, respectively.

WILL INFRINGEMENT AND VALIDITY BE HEARD TOGETHER?

It is expected that in most cases, infringement and validity will be considered together.

The Central Division will have jurisdiction to hear infringement actions based on infringements occurring in countries where a local or regional division is established and in respect of defendants who are not nationals or residents in such countries. If a defendant counterclaims for invalidity in such proceedings, the Central Division will hear matters of infringement and validity together.

Similarly, the Central Division will also consider matters of infringement and validity together if a

defendant in a revocation action brings a counterclaim for infringement of a patent.

Local and regional divisions will have a choice whether or not to hear a counterclaim for revocation.

If an infringement action is initiated before a local or regional division and a defendant brings a counterclaim for revocation, the division may either:

- Hear the infringement and revocation action together and allocate a technically qualified judge to the panel;
- Retain responsibility for the infringement action and send the revocation action to the Central Division; or
- If both parties agree, send both the infringement action and the revocation action to the Central Division.

Any such decision is made after representations by the parties.

If a local or regional division decides to retain responsibility for hearing an infringement action and sends the revocation action to the Central Division, then the division will have an option to stay the infringement proceedings pending a decision on validity and will be obliged to stay the proceedings if the Court considers there is a high likelihood of a patent being found invalid.

If a counterclaim for revocation is sent to the Central Division, the Court will schedule the revocation action on an expedited basis to try to ensure that a decision on validity is reached in advance of the local or regional division making a ruling on infringement.

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