

Unified Patent Court Update

Institut Stanislas de Boufflers • 11 February 2022

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1. The 'Patent Package' a new patent system in Europe

- Why a new patent system in Europe?
- A new patent in Europe:
the European Patent with Unitary Effect (EPUE 'Unitary Patent')
le brevet européen à effet unitaire (BEEU)
- A new court for patents in Europe:
the Unified Patent Court (UPC)

Why a new patent system in Europe?

A new system was needed to cure the flaws of the current patent system in Europe:

- Lack of real Europe-wide patent protection
- Jurisdiction given to national courts in parallel proceedings

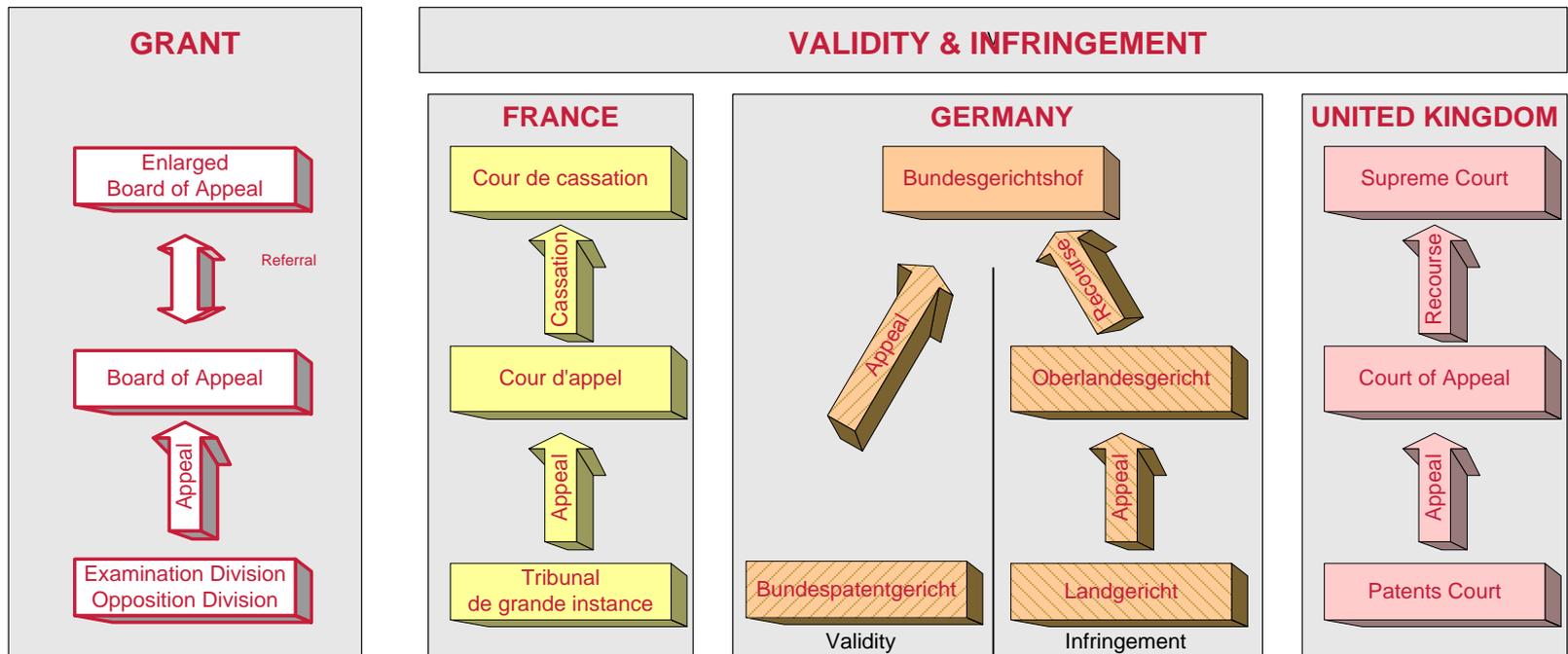


Lack of real unitary patent protection: the current European Patent is a “bundle” patent, not a unitary patent

- The European Patent Office provides a single patent grant procedure
- However, the so-called ‘European Patents’ are **not** European **Union** patents or even Europe-wide patents: instead they are a ‘bundle’ of national patents
- When enforcement is needed, each national patent (‘designation’) must be enforced individually.



The current European Patent is a 'bundle patent': once granted by the EPO it becomes a series of 'national' patents to be enforced separately



Jurisdiction for validity and infringement

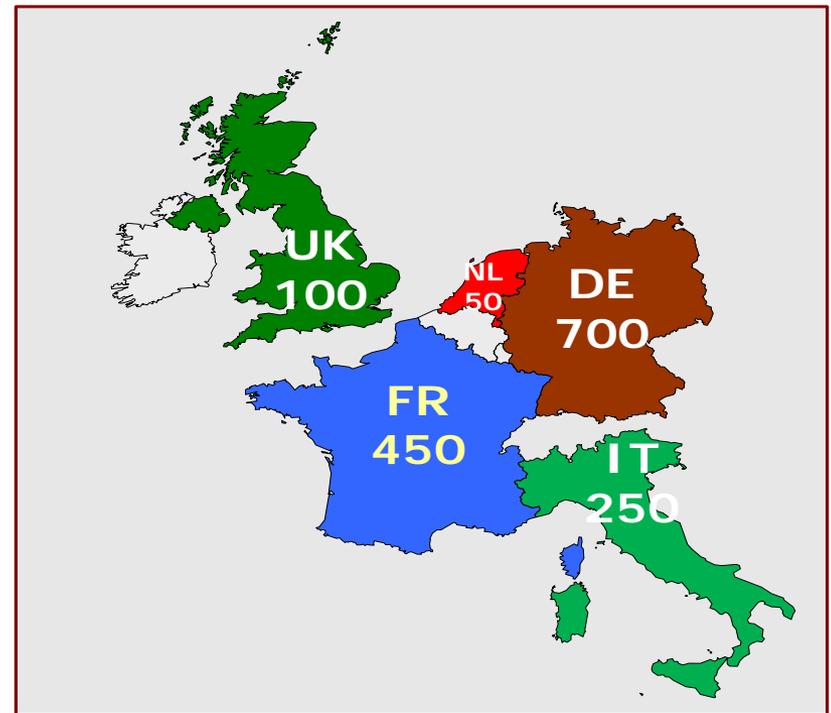
Jurisdiction for validity and infringement given to national courts in parallel proceedings causes:

- *Forum shopping* strategies
(choose the best court where to bring your case)
- Conflicting decisions
(courts of various countries issue opposite rulings on the 'same' patent)



Patent litigation in Europe: figures

Number of new patent cases per year (rough estimate) in countries with ≥ 50 cases/year



Source: Harhoff

http://ec.europa.eu/internal_market/indprop/docs/patent/studies/litigation_system_en.pdf



Forum shopping in the current system

- Patentee or potential defendant
- Place of business of the other party
- Place of manufacture or marketing
- Main markets for the products
- Size of companies



Conflicting judgments

Novartis / Johnson & Johnson (contact lenses)

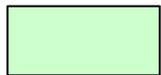


- **The Netherlands: patent valid and infringed**
11 February 2009 Rechtbank The Hague
- **France: patent valid and infringed**
27 October 2010 Court of appeal Paris
- **United Kingdom: patent invalid for insufficient description (but meeting novelty and inventive step requirements)**
High Court 10 July 2009
- **Germany: patent invalid for lack of novelty (but meeting description requirement)**
Bundespategericht 10 December 2009



Conflicting judgments

Novartis / Johnson & Johnson (contact lenses)



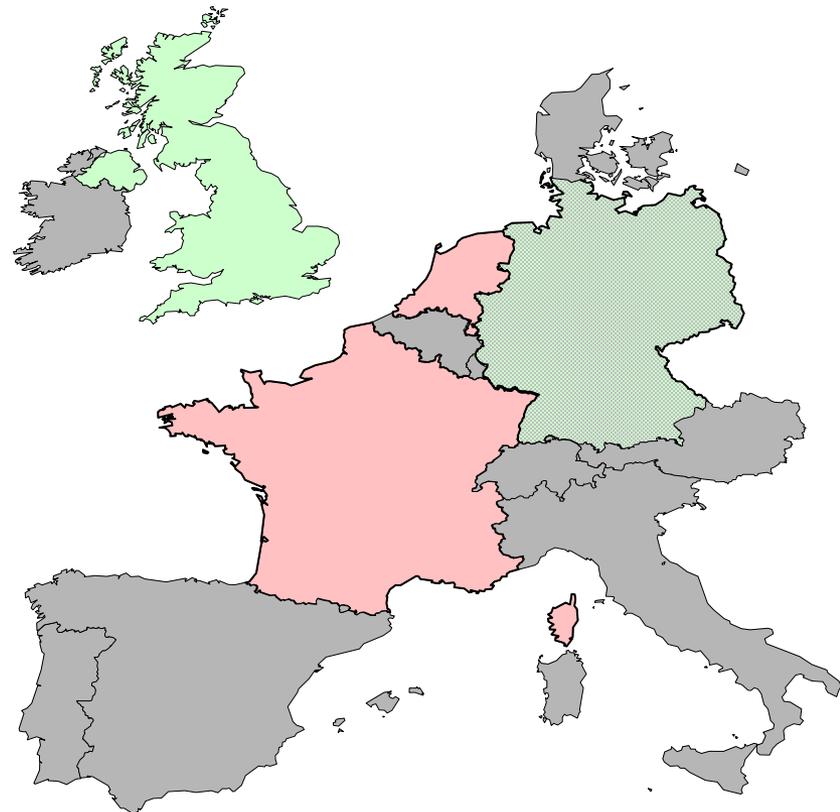
Patent held invalid
novel but insufficient description



Patent held invalid
sufficient description but not novel



Patent held valid
and infringed



Conflicting judgments

MSD v generics EP 0 724 444

(dosage regime of finasteride for the treatment of androgenic alopecia)



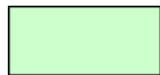
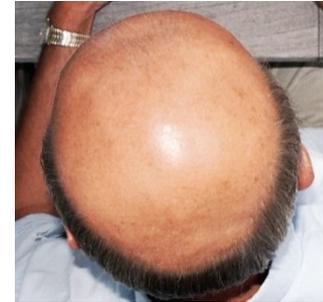
- **United Kingdom:**
patent invalid 1st instance
6 June 2007 High Court
patent valid and infringed appeal
21 May 2008 EWCA
- **Germany :** patent invalid
26 June 2008 Bundespatentgericht
- **France :** patent invalid
28 September & 9 November 2010 Tribunal de grande instance Paris affirmed by court of appeal 30 January 2015
- **Spain :** patent invalid
Commercial court and court of appeal Madrid
- **The Netherlands :** patent valid and infringed
23 April 2014 Rechtbank Den Haag
- **Italy:** patent valid in 1st instance and case settled on appeal



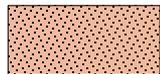
Conflicting judgments

MSD v generics EP 0 724 444

(dosage regime of finasteride for the treatment of androgenic alopecia)



Patent held invalid



Patent held invalid (1st instance), valid and infringed (appeal)



Patent held valid and infringed (1st instance, no appeal reported)



A new patent in Europe: the European patent with unitary effect (‘Unitary Patent’)



Signature of the
EU Regulations
on the Unitary
Patent
by the Presidents
of the European
Parliament and
the Council on
17 December
2012



The patents

- Three types of patent will be available in Europe:
 - ▶ national patent
 - ▶ classical European patent (bundle patent)
 - ▶ **new**: unitary patent
(*"European patent with unitary effect"*)
- double patenting possible in some countries:
national + EP/UP (DE, FR, NL?)
- Not all European countries will be covered by the unitary patent (outside EU: CH, IS, NO, TR, UK) but also ES, HR, PL and other countries, during the gear up period, until after their ratification (CZ, CY, GR, HU, IR, RO, SK)



Unitary Patent and Unified Patent Court

Territorial coverage after gearing up



25 UP
(EPO + EU + UP)

PL
(EP+UP NON UPC)

ES
(EPO+EU NON UP NON UPC)

HR
(EU POST UP - POST UPC)

EPO
(NON EU)



(Five different Europes: EU, EPO, UP, UPC)

Unitary Patent and Unified Patent Court

Territorial coverage 2022



25 UP
(EPO + EU + UP)

Coming soon 

PL
(EP + UP NON UPC) 

ES
(EPO + EU NON UP NON UPC)

HR
(EU POST UP - POST UPC)

EPO
(NON EU)

(Five different Europes: EU, EPO, UP, UPC)

A new court for patents in Europe: the Unified Patent Court (UPC)



Signature of the Agreement on a Unified Patent Court
by the representatives of 25 Member States of the European Union
on 19 February 2013

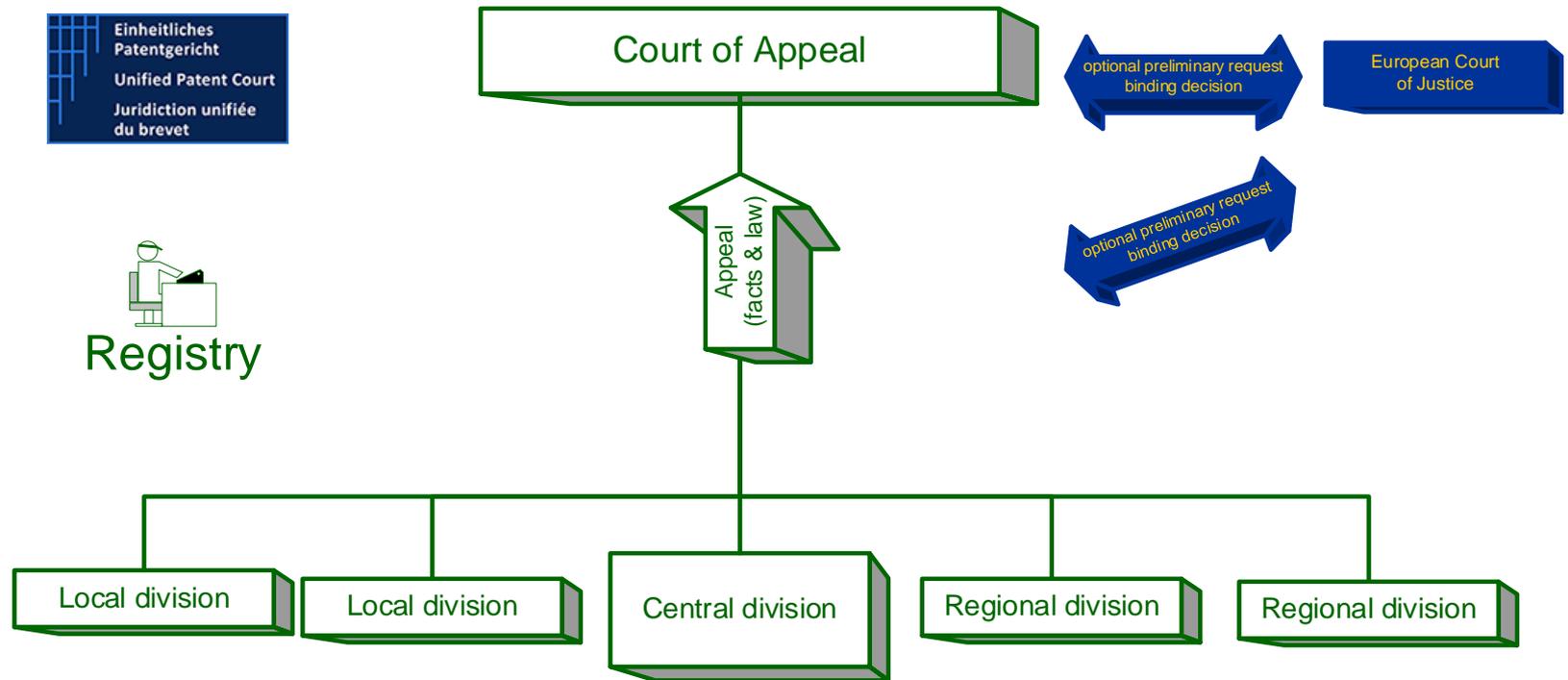


The new court: structure and people

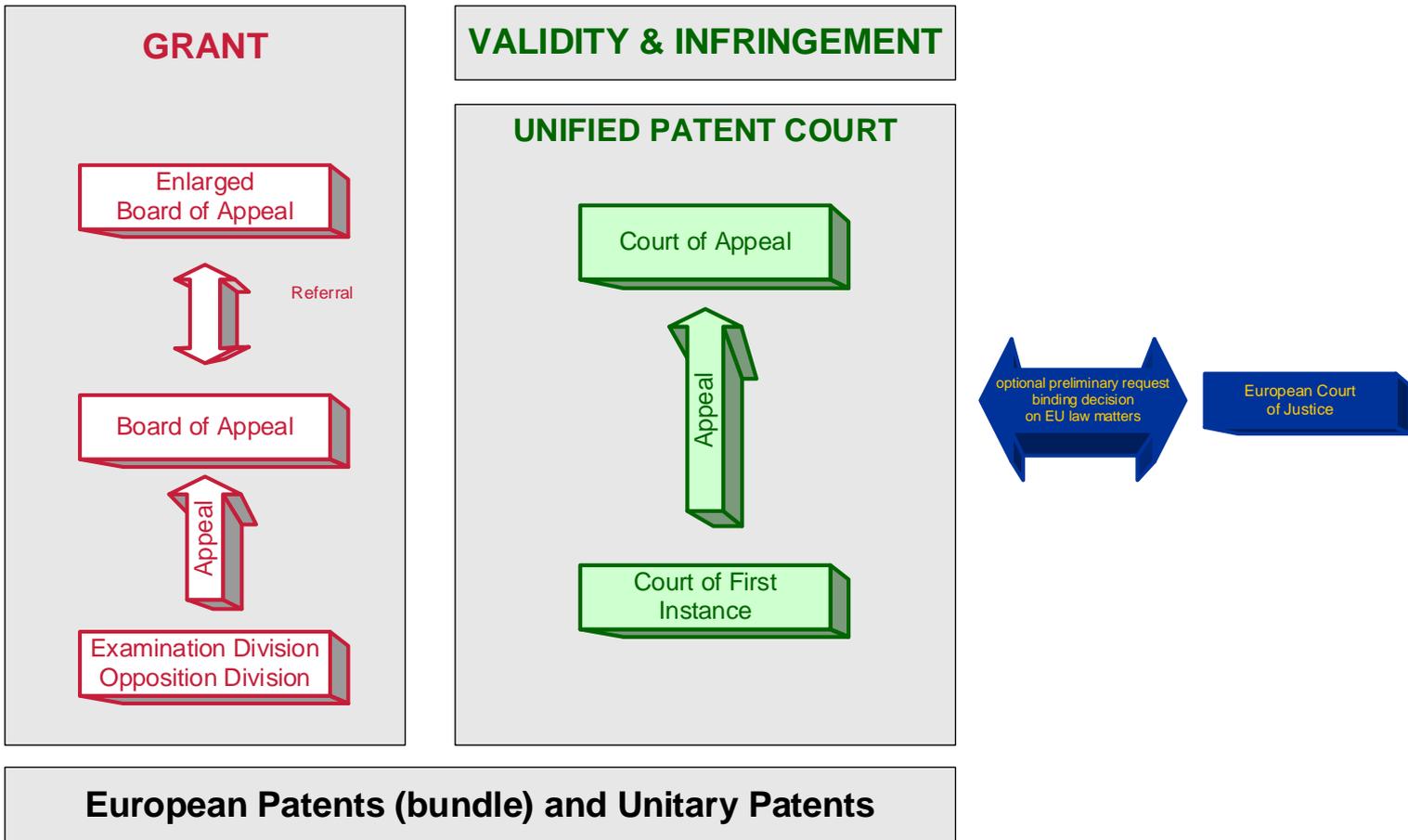
- The Unified Patent Court (UPC) is the first international court in Europe having jurisdiction for disputes between private parties
- A new court "*common to several EU Member States*" (not a EU court); it comes in addition to national courts
- A court without Supreme court level control (ECJ to control only EU law issues)
- A court staffed with specialist judges in both first instance and appeal (including technically qualified judges when validity at stake)
- Multinational panels



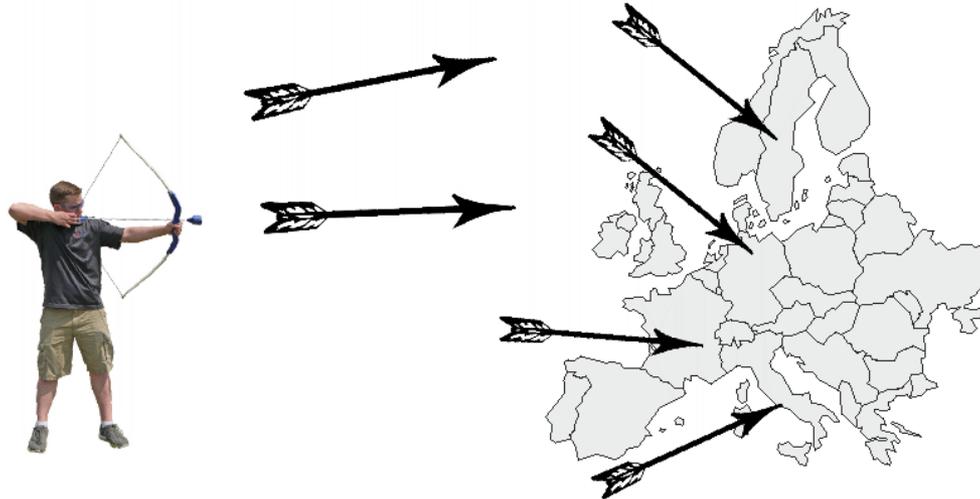
Architecture of the Unified Patent Court



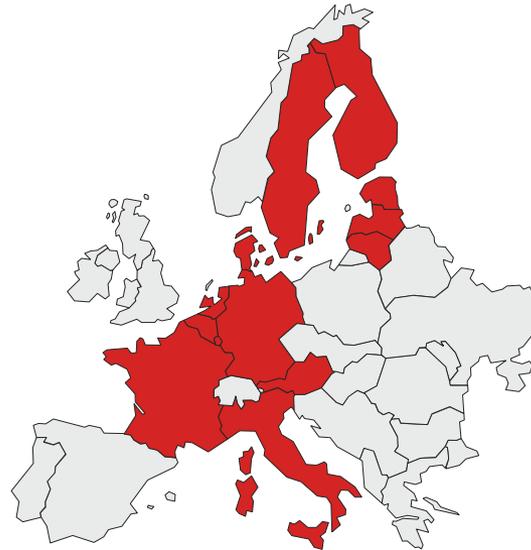
The Patent Package: grant and enforcement (after transitional period)



Today

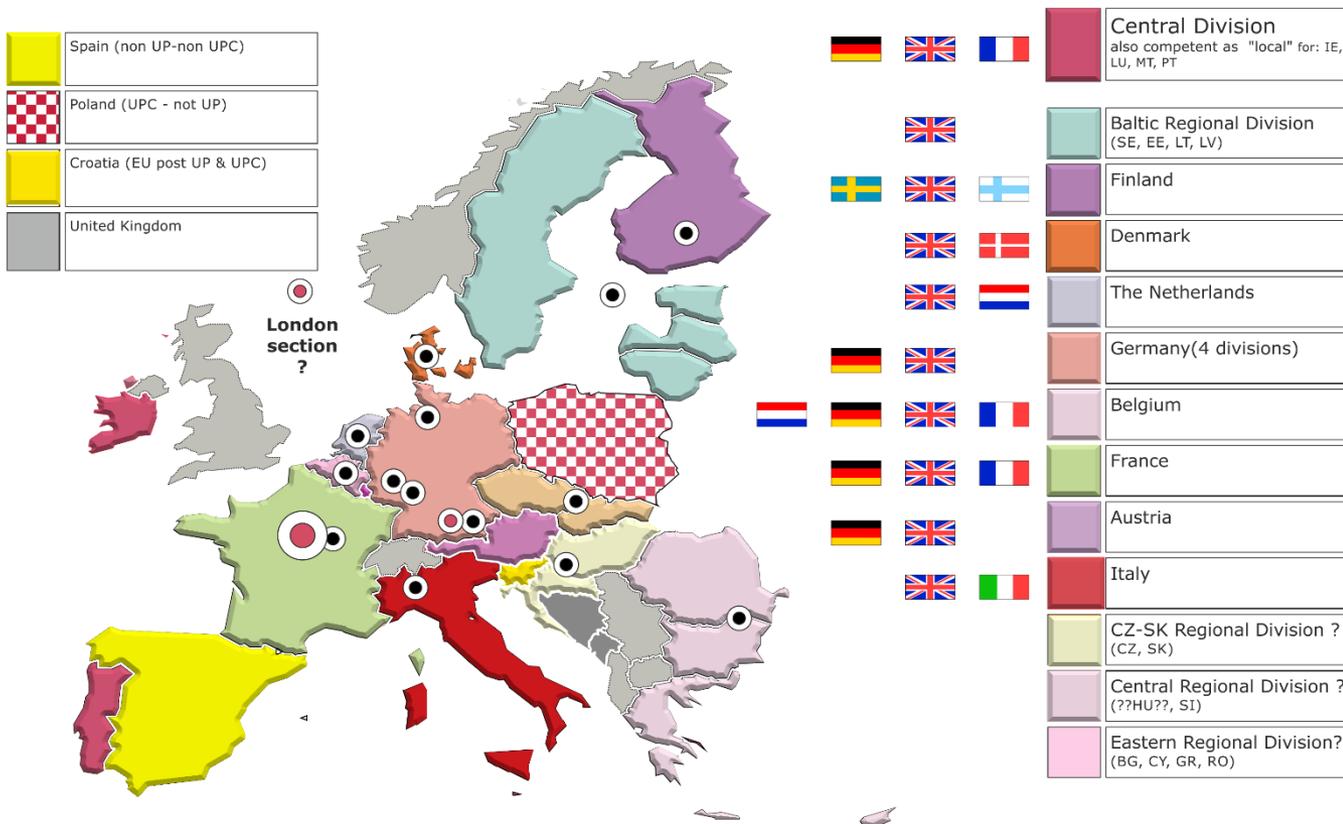


Einheitliches
Patentgericht
Unified Patent Court
Jurisdiction unifiée
du brevet



The Court of first instance: central, local and regional divisions

(based on the supposed intentions to create divisions)



Total : 13 divisions (16?)

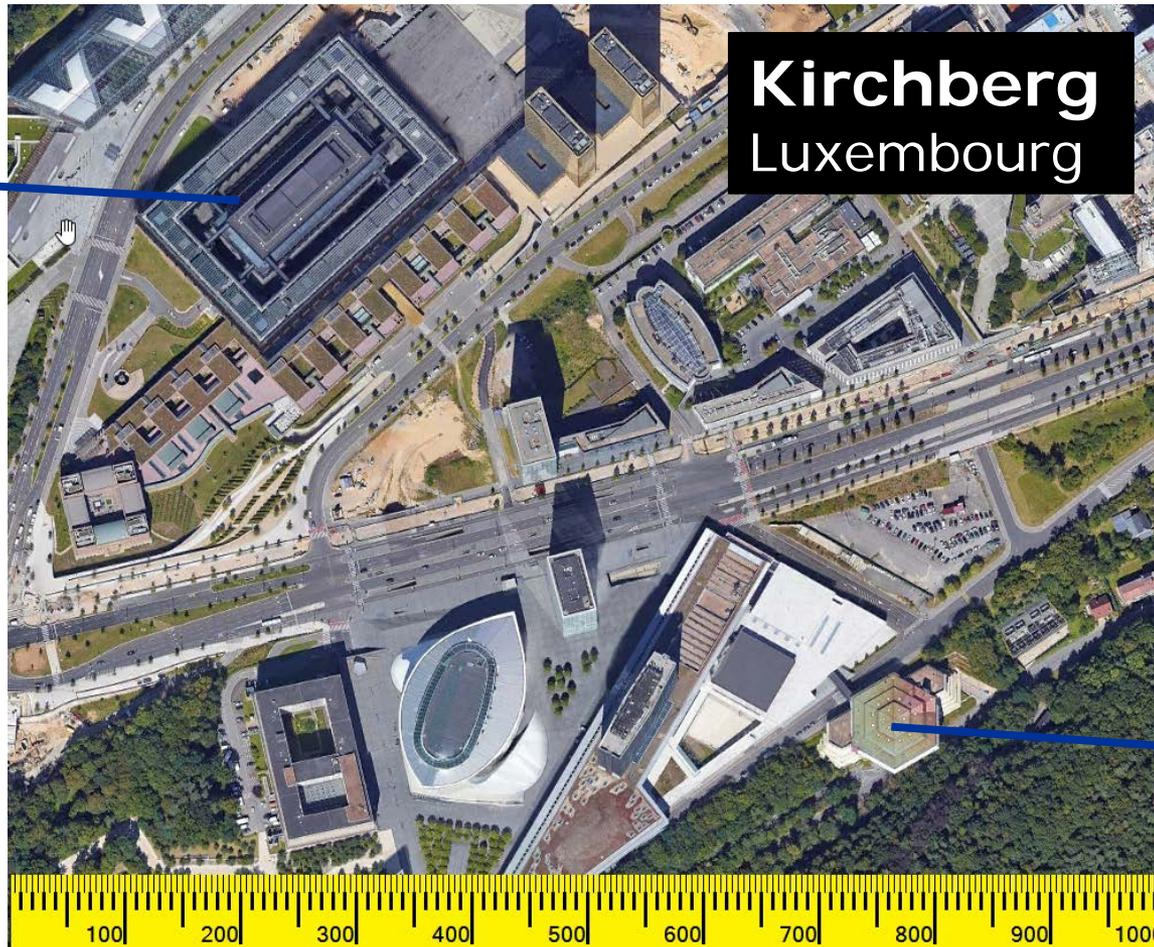
Court of appeal

Luxembourg
Hemicycle
Kirchberg



So near yet so far

European
Court of
Justice



Kirchberg
Luxembourg

Einheitliches
Patentgericht
Unified Patent Court
Juridiction unifiée
du brevet



Court of First Instance



London
Aldgate Tower



Paris
Palais de Justice



Munich
Bundespatentgericht



The courts: venue and forum shopping

- During a transitional period (7 years, possibly 14 years), concurrent jurisdiction of national courts and UPC for classical (bundle) EU patents, to the choice of the plaintiff
- Patentee may 'opt out' from the UPC system (except for a unitary patent)
- Wider forum shopping + language shopping than beforehand in Europe even between the UPC divisions themselves (central and local)
- Much wider forum shopping than in the US (place of infringement, no need for domicile)



The courts: discovery, proceedings

- No discovery available
- Interlocutory injunction available; *saisie* available
- Superfast proceedings (1 year) due to predetermined schedule for the initial steps of the proceedings
- Fully electronic proceedings
- All briefs and documents immediately available to the public unless specific request
- Written proceedings
- Case management (wide powers to the judge-rapporteur)



The courts: hearing, remedies

- Hearing generally limited to 1 day (hearing of a witness in person exceptional)
- Time between commencement of proceedings and judgment expected to be around 1 year
- Permanent injunction should be widely available (at the court's discretion, but most judges seem prepared to refuse it only in exceptional cases)



Legal sources



17 December 2012

Regulation 1257/2012 enhanced cooperation creation of unitary patent protection



17 December 2012

Regulation 1260/2012 (translation arrangements)



19 February 2013

Agreement on a Unified Patent Court and draft Statute



19 October 2015

Draft **Rules of procedure** Unified Patent Court (V18)



2. Status of ratifications



Ratification in Germany



Ratifications UPC Agreement

vs.

Ratifications PPA

Ratifications of the UPC Agreement are different from ratifications of the PPA :

- Ratifications of the UPC Agreement of 19 February 2013 are a condition of the entry in force of the Agreement and of the judicial activity of the UPC
- Ratifications of or "*Consent to be bound*" by the Protocol on Provisional Application of 1st October 2015 are a condition of the beginning of the administrative activity of the court (institutional, organisational and financial provisions) to prepare the starting of the judicial activity



Article 89 UPC Agreement

*“This Agreement shall enter into force... on the first day of the fourth month after the deposit of the thirteenth instrument of ratification or accession in accordance with Article 84, **including the three Member States in which the highest number of European patents had effect in the year preceding the year in which the signature of the Agreement takes place**” (2012)*

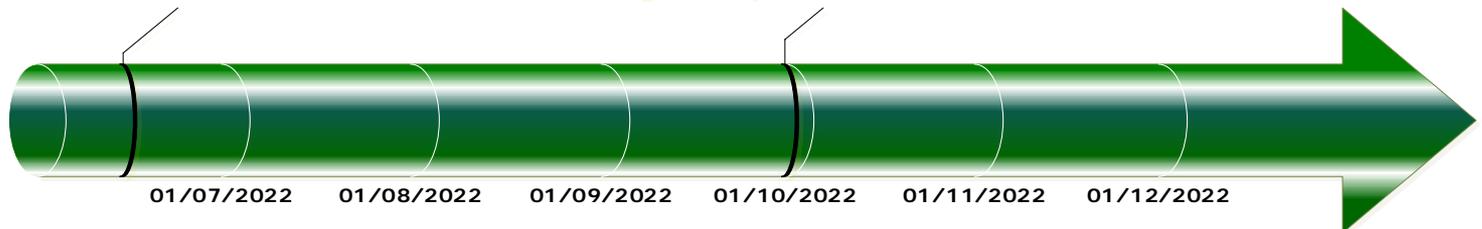
Hypothetical dates



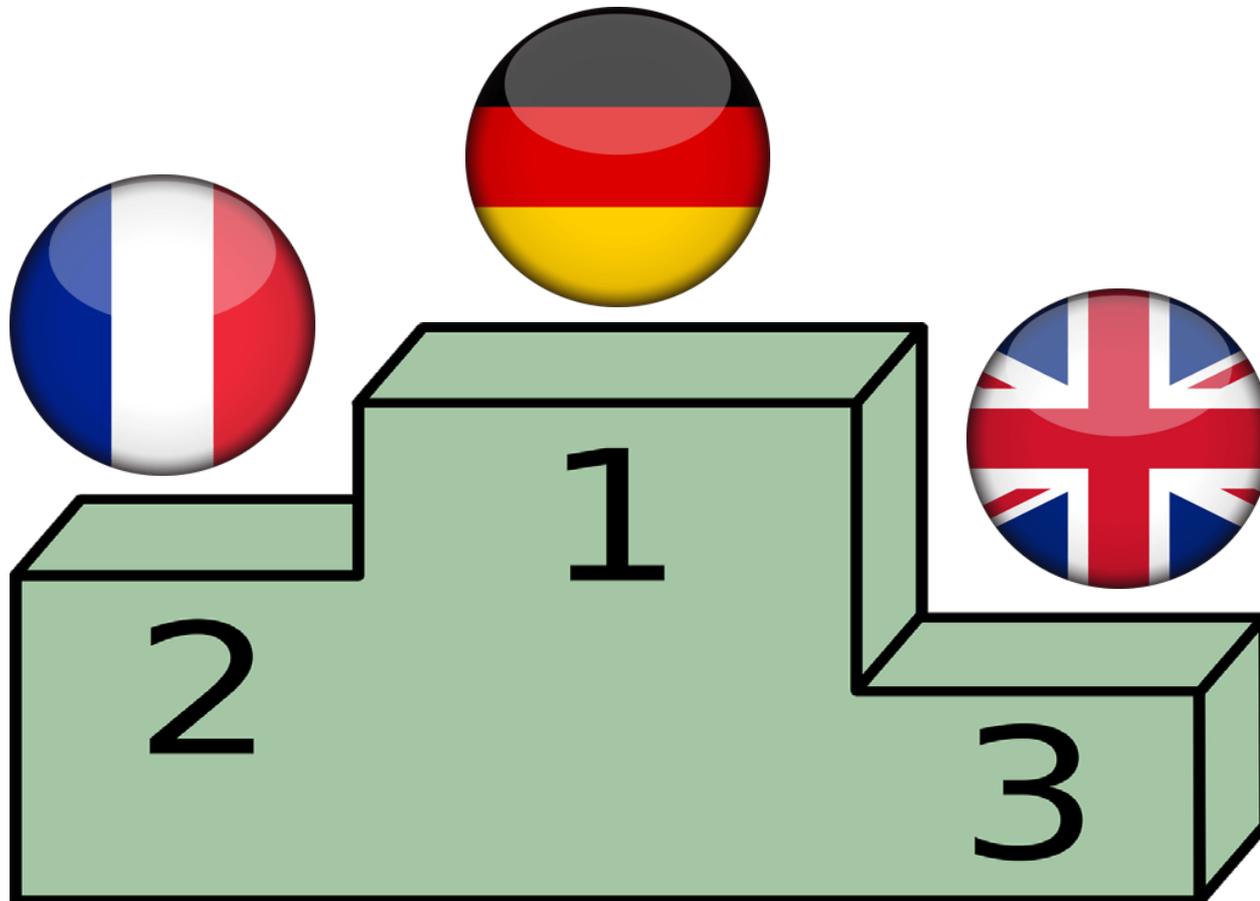
15/06/2022
Deposit of the last
ratification instrument



01/10/2022
1st day of the 4th month
following the deposit of the last instrument



« the three Member States in which the highest number of European patents had effect (2012) »

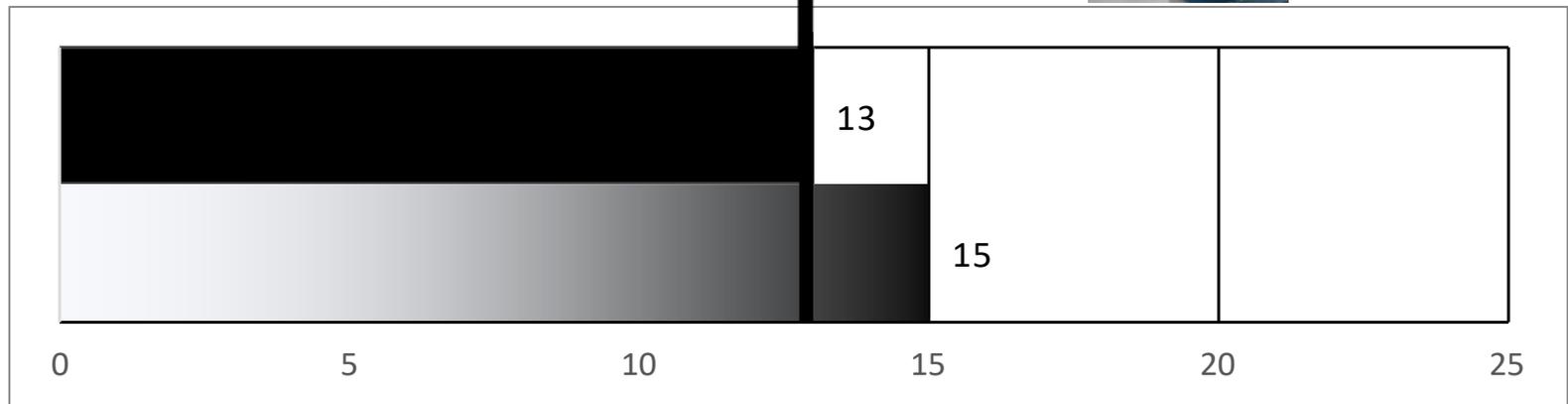


Ratification of the UPC Agreement

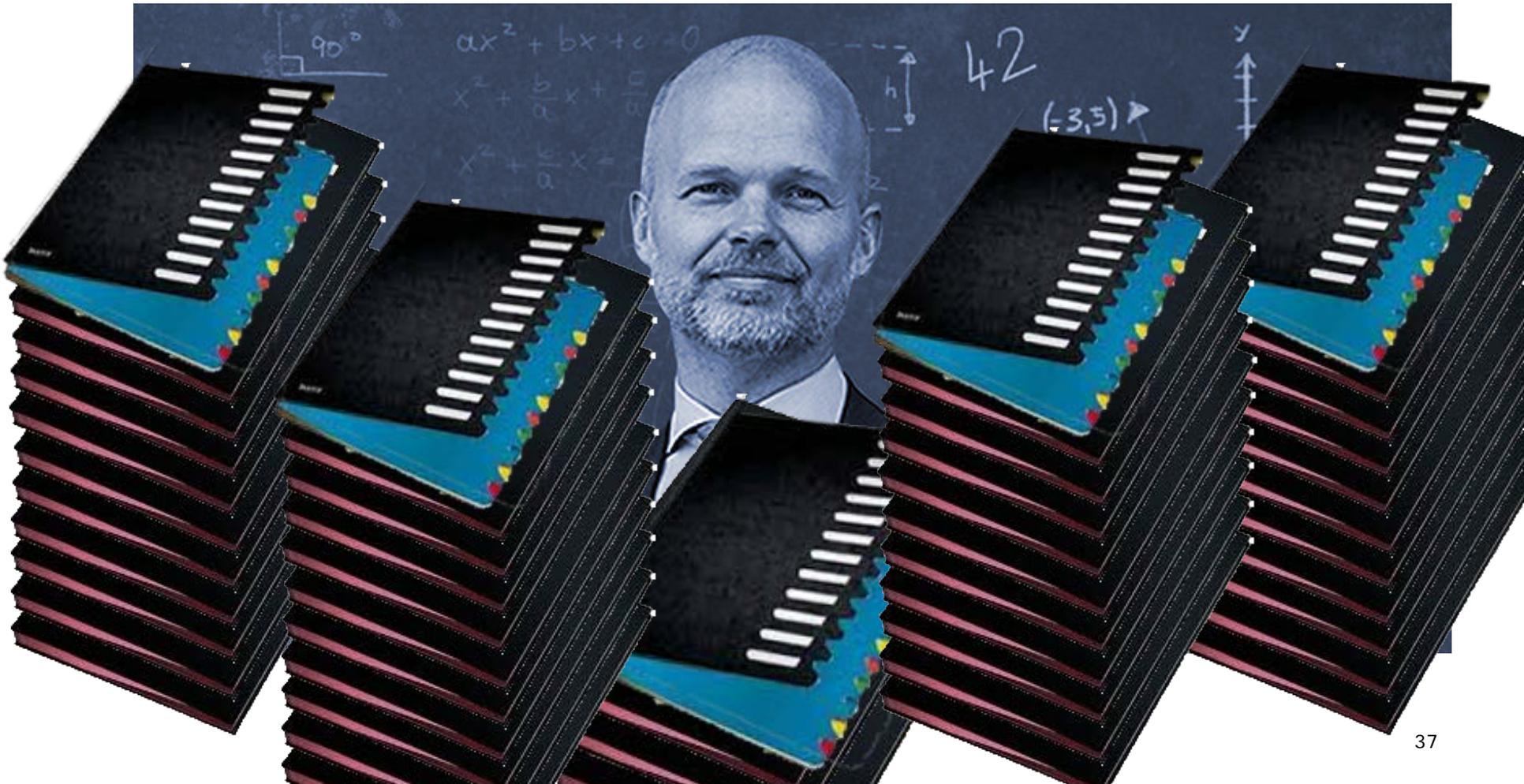
15 ratifications
(13 needed)



Germany
will be the last,
but not the least



A Protocol on Provisional Application to avoid the last minute signatures



Protocol to the Agreement on a Unified Patent Court on provisional application of 1st October 2015

Article 3 – Entry into force

(1) This Protocol shall enter into force the day after 13 Signatory States of the Agreement on a Unified Patent Court including Germany, France and the United Kingdom, have either ratified, or informed the depositary that they have received parliamentary approval to ratify, the Agreement on a Unified Patent Court and have

- a. signed in accordance with Article 2(2)a. or signed, and ratified, accepted or approved this Protocol in accordance with Article 2(2)b.; or*
- b. declared by means of a unilateral declaration or in any other manner that they consider themselves bound by the provisional application of the articles of the Unified Patent Court Agreement mentioned under Article 1 of this Protocol.*



Status of ratifications



"Austria... deposited its instrument of ratification of the Protocol on Provisional Application of the UPC Agreement. As such, Austria is now the thirteenth Member State to participate in the provisional application of the UPC Agreement."

The Austrian ratification triggers the entry force clause of the Protocol and today the General Secretariat of the Council of the European Union, in its role as Depository, has declared that this Protocol has entered into force"

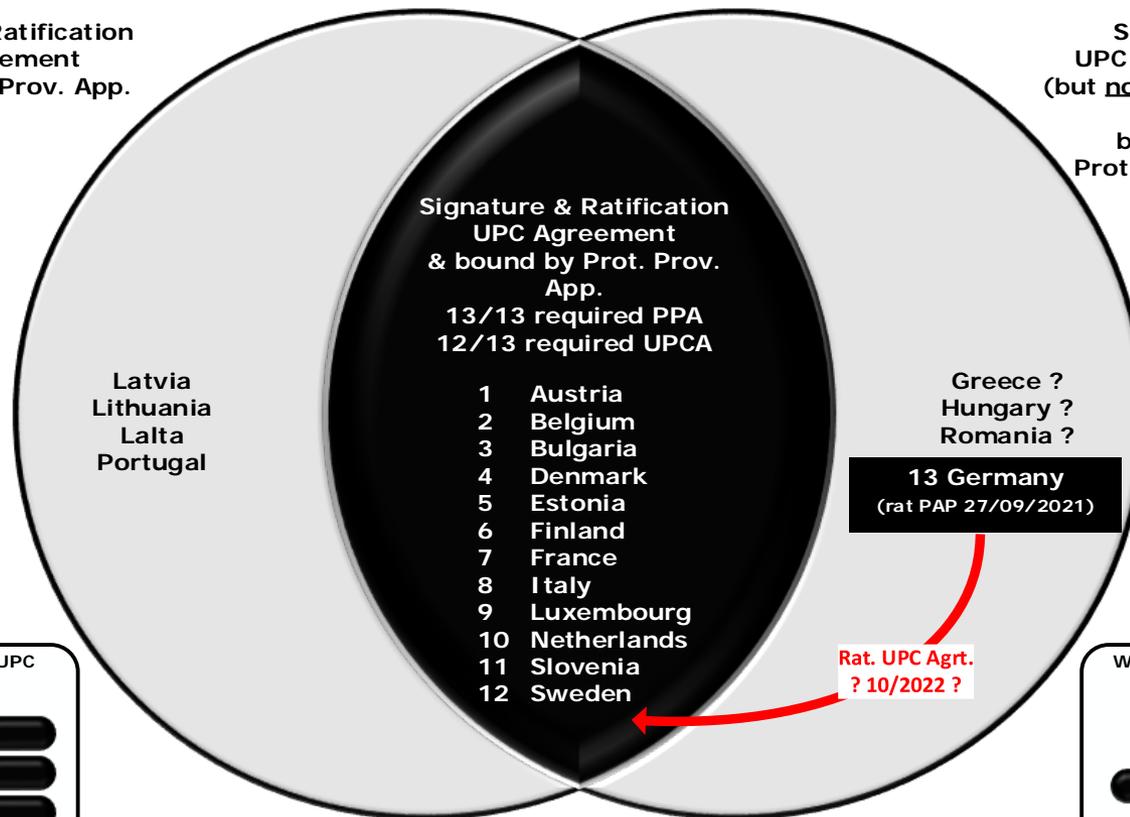
Press release of the UPC Preparatory Committee,
19 January 2022



Status of ratifications

Signature & Ratification
UPC Agreement
but not Prot. Prov. App.
(4)

Signature
UPC Agreement
(but not ratification)
&
bound by
Prot. Prov. App.
(4)



Signature only UPC
Agreement
(4)

Czechia

Cyprus

Ireland

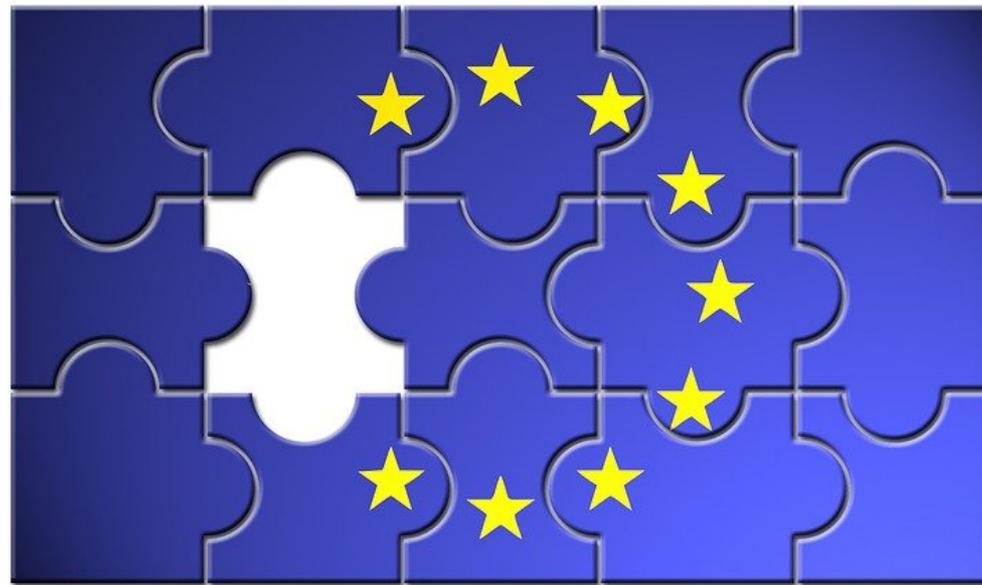
Slovakia

Withdrawal from UPC
Agreement
(1)

United Kingdom



3. The Brexit and the UK withdrawal from the UPC



The UK withdrawal from the UPC

On 26 April 2018, the United Kingdom ratified the UPC Agreement, thereby accepting Articles 20, 21 and 22 on the primacy of and respect for Union law and on the position of the ECJ.

But on 20 July 2020 it decided to withdraw this ratification: « *In view of the United Kingdom's withdrawal from the European Union, the United Kingdom no longer wishes to be a party to the Unified Patent Court system. Participating in a court that applies EU law and is bound by the CJEU would be inconsistent with the Government's aims of becoming an independent self-governing nation.* »



Legal consequences of the UK withdrawal

- *Game over*
(end of the debate as to whether the UK may remain in the UPC after the Brexit)
- Interpretation of the PPA
- What about the London section of the Central division?
(see "*State of the play*")



Report of the Preparatory Committee meeting 27 October 2021

"The Chairman presented a draft Declaration on the authentic interpretation of Art. 3 of the PAP-Protocol, following the United Kingdom's withdrawal from the Unitary Patent System. In line with public international law, this Declaration will confirm the entry into force of the PAP-Protocol, once the required 13 Member States become bound by said Protocol, recognizing that Art. 3 of the PAP-Protocol is to be interpreted as mirroring Art. 89 of the UPCA**. The delegations supported the approach proposed by the Chairman, hence giving him the mandate to organize a signing ceremony of the Declaration, foreseen in the margins of a future COREPER meeting."*



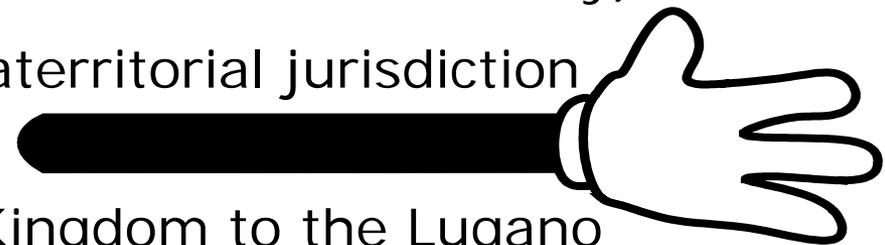
* *"including Germany, France and the United Kingdom"*

** *"the three Member States in which the highest number of European patents had effect"*

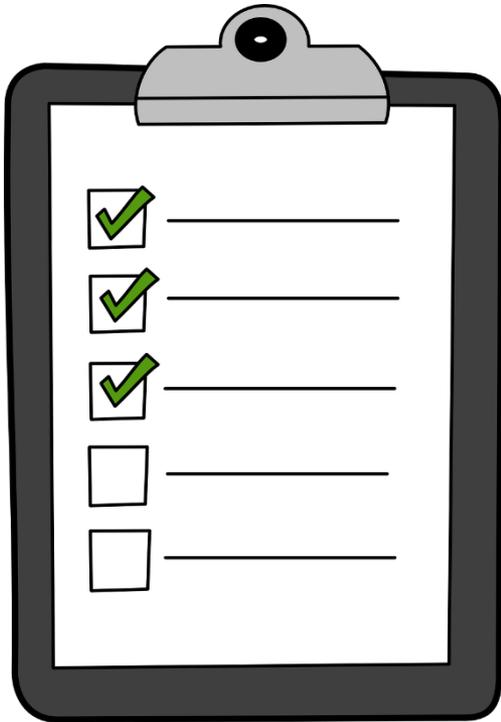
Consequences of the Brexit and of the withdrawal of UK ratification

- UPC attractiveness without the United Kingdom?
- Competition UPC / UK Courts
- UK lawyers loose their right of representation before the UPC (but not the UK *patent attorneys*, nor the lawyers members of the Irish bar or law society)
- UK subject to UPC's extraterritorial jurisdiction (*long-arm jurisdiction*)
- Accession of the United Kingdom to the Lugano Convention? https://ec.europa.eu/info/sites/default/files/1_fr_act_fr_0.pdf

"the Commission takes the view that the European Union should not give its consent to the accession of the United Kingdom to the 2007 Lugano Convention"



4. State of the play



Intergovernmental discussions

Large scale diplomatic manoeuvres about the remains of the London section of the Central Division



28/29 June 2012
Conclusions European Council
Article 7 & Annexe II Agreement

The Court of first instance: central division's seat and sections



London



Paris



Munich

SECTION A — HUMAN NECESSITIES
SECTION C — CHEMISTRY; METALLURGY

— MECHANICAL ENGINEERING;
HEATING; WEAPONS; BLASTING



ards, thematic clusters will
icals, classification C,

Preparatory work of the Preparatory Committee

"The PAP is the final phase of the Unified Patent Court's set-up. When the PAP-Protocol enters into force, the legal capacity and organizational capability of the UPC will be established and the last part of the preparatory works can be completed.

- 1. During the PAP, the governing bodies of the Court will be assembled, and*
- 2. all the secondary legislation prepared by the Preparatory Committee will be adopted (ROP after EU Commission opinion)*
- 3. The budget and the IT systems will also be finalised.*
- 4. A crucial exercise during this period will be the finalisation of the recruitment of the judges of the Court."*



Judges' selection

- Call for expression of interest by the Preparatory Committee fall 2013
- 1300 candidates
- At its 6th meeting (8 July 2014) a list of suitable candidates were approved by the Preparatory Committee
- Legally qualified judges
 - ▶ 170 eligible
 - ▶ 184 eligible with training
- Technically qualified judges
 - ▶ 341 eligible
- 95 judges will be appointed (45 LQJs and 50 TQJs)



Preparatory work in France

- UPC location
- President of the Court of First Instance
- French Presidency of European Union



How does France prepare?

The back-office



How does France prepare?

The back-office



How does France prepare?

Gala rooms



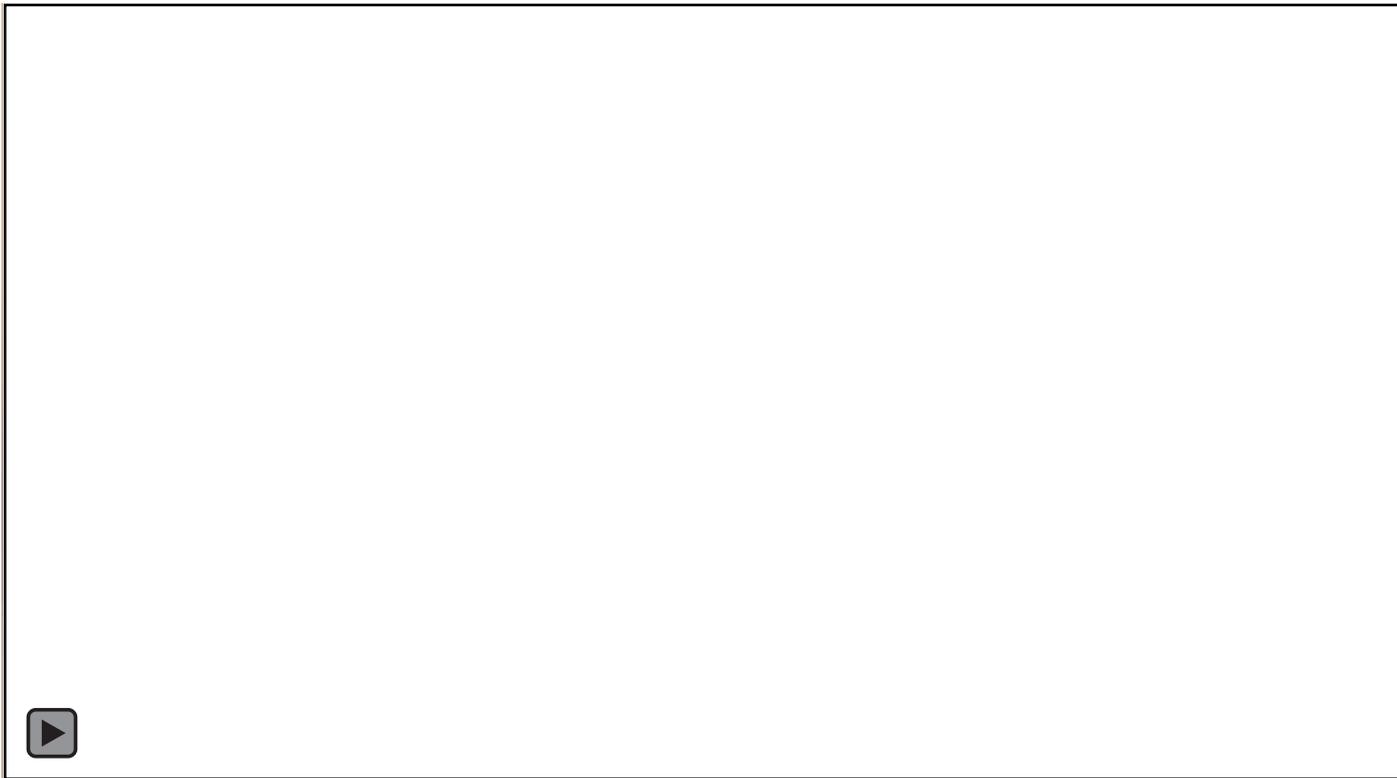
How does France prepare?

President of the Court of First Instance

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5. Estimated date for the start of UPC's operations



Estimated date for the start of UPC's operations

"The Preparatory Committee foresees that approximately 8 months will be required to conclude all the work that needs to be done during the PAP (18/01/22—30/09/2022)

*As soon as the preparatory work has progressed sufficiently and the participating Member States are confident that the UPC can start in an orderly manner, **the last outstanding instrument of ratification of the UPCA itself will be deposited by Germany.** The UPCA will then enter into force on the first day of the fourth month following the deposit of this instrument. Once the UPCA enters into force, the UPC will start its work and be available to the users of the European patent system."*

It is now estimated that the UPC will start operations around end 2022



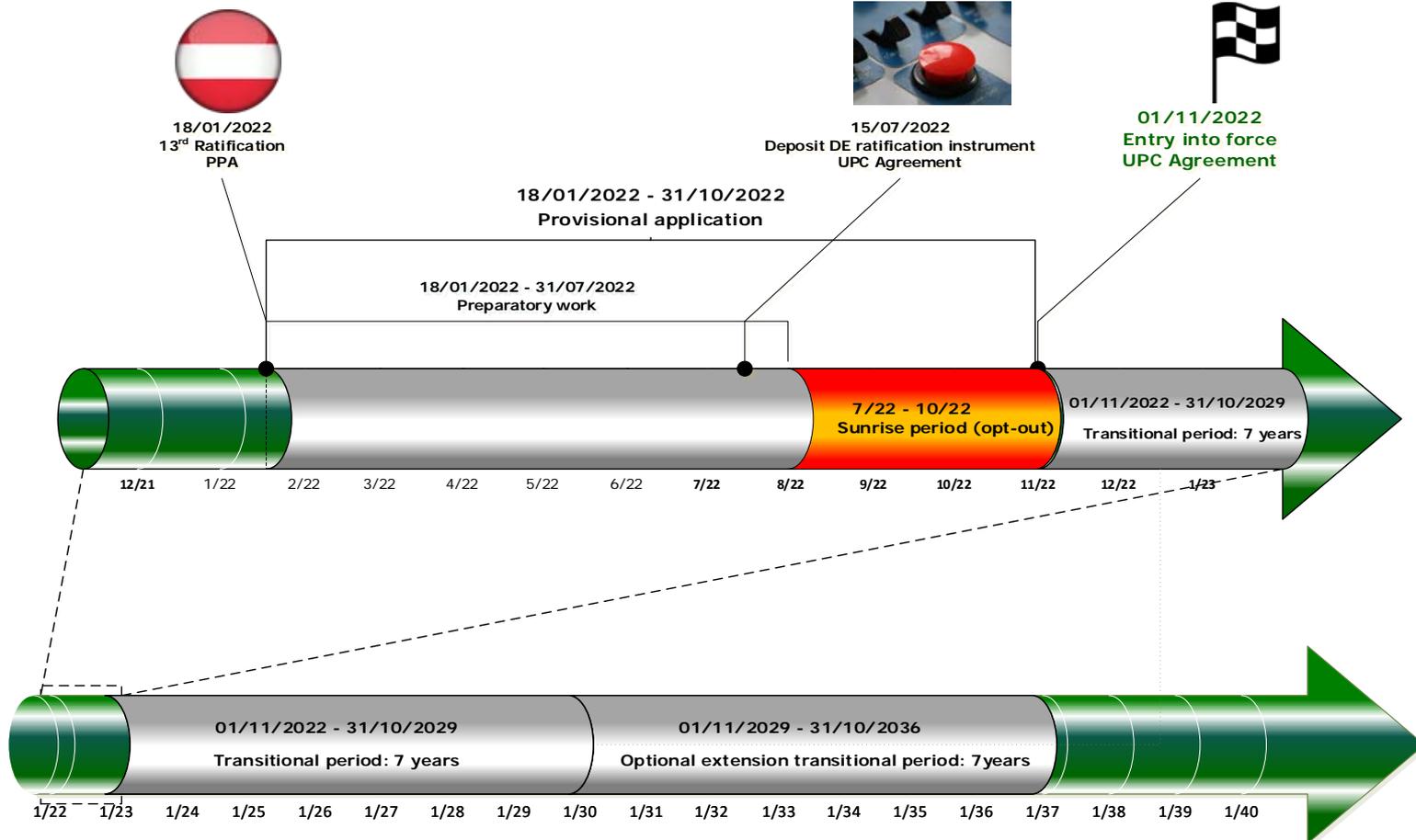
Deposit of the last ratification instrument by Germany



Hypothetical dates



Estimated start date



6. Be prepared for entry into force

- Prepare right now
- Transitional period



Prepare right now

- National patent? Classical EP “bundle” patent? Unitary patent? Both (national + EP)?
Language of filing?
Order of applicants in the patent application?
- Review collaboration or joint research agreements
- Review co-ownership and licence agreements



Prepare for transitional period

- To opt out or to stay in?
- If no opt-out, concurrent jurisdiction of UPC and national courts (claimant's choice)
- Applicable law may be different before the UPC and before national courts:
e.g. Bolar exemption narrower in UPC Agreement (generics) than in DE or FR law (innovative drugs)



Pierre Véron

Thank you



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