

Relationship of the Unified Patent Court with existing judicial systems

European Patent Lawyers Association (EPLAW)
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Pierre Véron

Honorary President EPLAW (European Patent Lawyers Association)
Member of the Expert Panel group of the Unified Patent Court
Member of the Drafting Committee of the Rules of Procedure

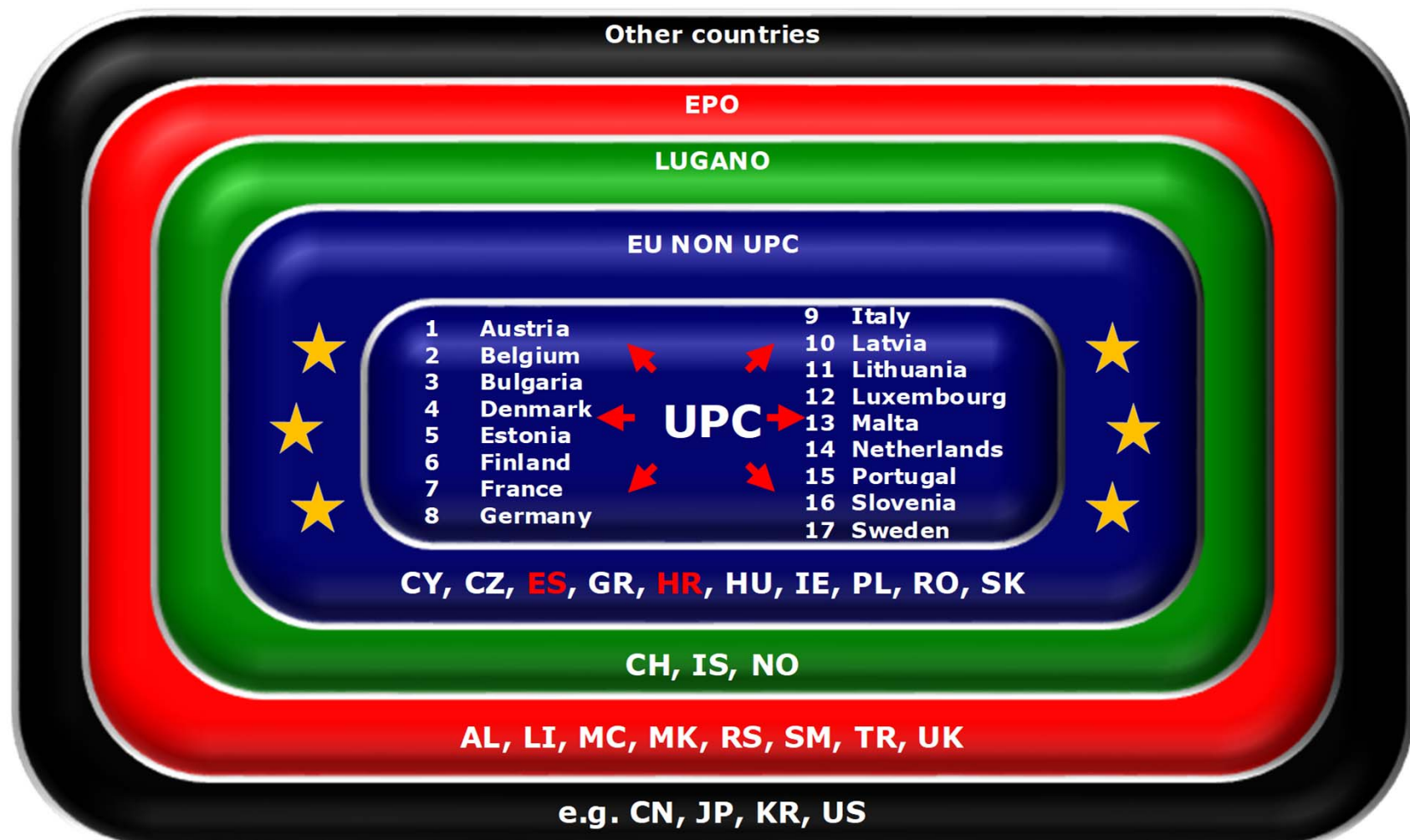
Draft **Rules of procedure** (382 rules) of the Unified Patent Court
19 October 2015 - 15 March 2017 (V18)

https://www.unified-patent-court.org/sites/default/files/upc_rules_of_procedure_18th_draft_15_march_2017_final_clear.pdf

Trilingual booklet DE/EN/FR comprising Unitary Patent Regulations, Unified Patent Court Agreement, Draft N° 18 Rules of Procedure (19 October 2015)

https://www.veron.com/wp-content/uploads/2015-10-19_Agreement_UPC_DE-EN-FR_and_Rules_Procedure_UPC_DE-EN-FR_Draft_18.pdf


UPC and existing judicial systems



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Relationship of the UPC with other judicial systems





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4. Application of the UPC Agreement over time vs transitional period



Relationship of the UPC with other judicial systems



UPC and non-UPC countries (gear-up period and permanent)

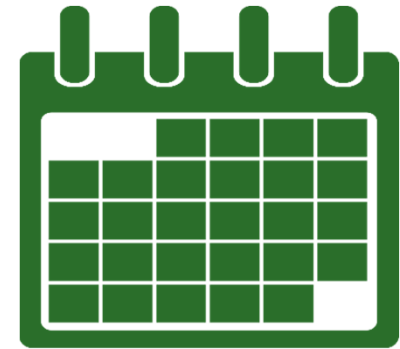


Relationship of the UPC with other judicial systems

Intra-UPC countries UPC and courts of UPC-countries (transitional period)

Relationship between the UPC and the national courts of UPC countries during the transitional period





Time matters

1. Provisional application vs transitional period
2. Gearing up period vs transitional period
3. Double patenting (EP + national) vs transitional period
4. Application of the UPC Agreement over time vs transitional period



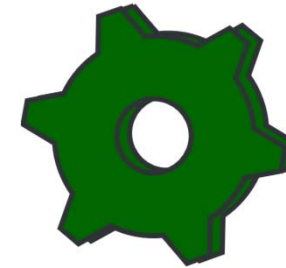
Provisional application vs Transitional period

- Provisional application is **before** the entry into activity of the judicial role of the Unified Patent Court (it includes the 'sunrise period' for the opt-out)
- Transitional period is **after** the entry into activity of the judicial role of the Unified Patent Court



Gearing up period vs Transitional period

- During a gearing up period, the **UPC Member States** who signed the UPC Agreement but **who did not ratify** it yet, will be treated like EU-non-UPC Member States (e.g. GR, HU, IR, RO treated like ES, PL)
Gearing up period may be shorter or longer than transitional period
- Transitional period provisions are applicable only for the UPC Member States who ratified the UPC Agreement



Double patenting (EP + national)

vs

Transitional period

- Some countries (DE, FR, NL and ?AU, DK, FI, SE?) will allow “*double patenting*” (having a national patent and a European Patent for the same invention)
- In such a scenario, in case of infringement, the patent holder will decide, at the time of launching its action, whether he relies
 - ▶ on the national patent before national courts, or
 - ▶ on the European patent before the UPC

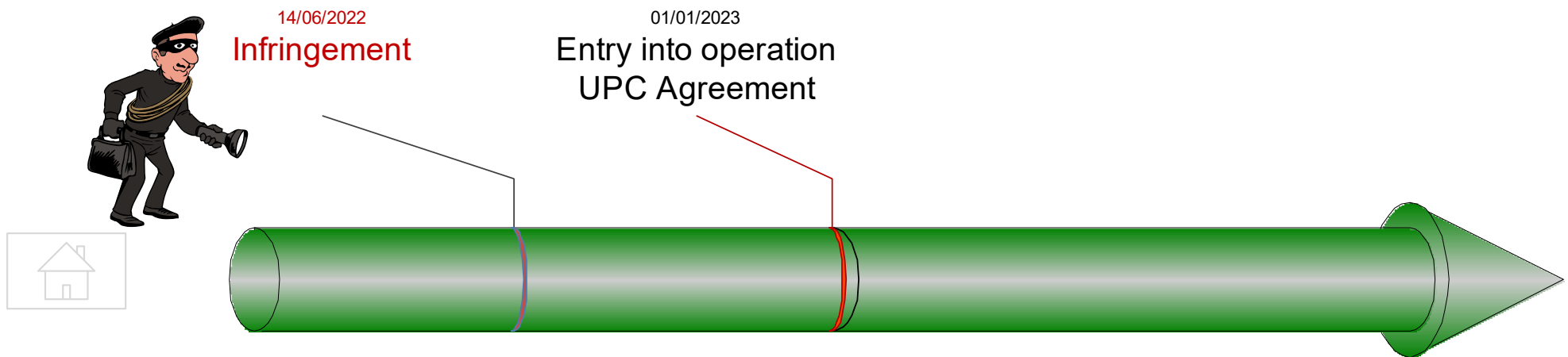
The practical situation will be very similar to the situation during the transitional period

It would create *de facto* a “*permanent transitional period*” for the inventions under “*double patent*”

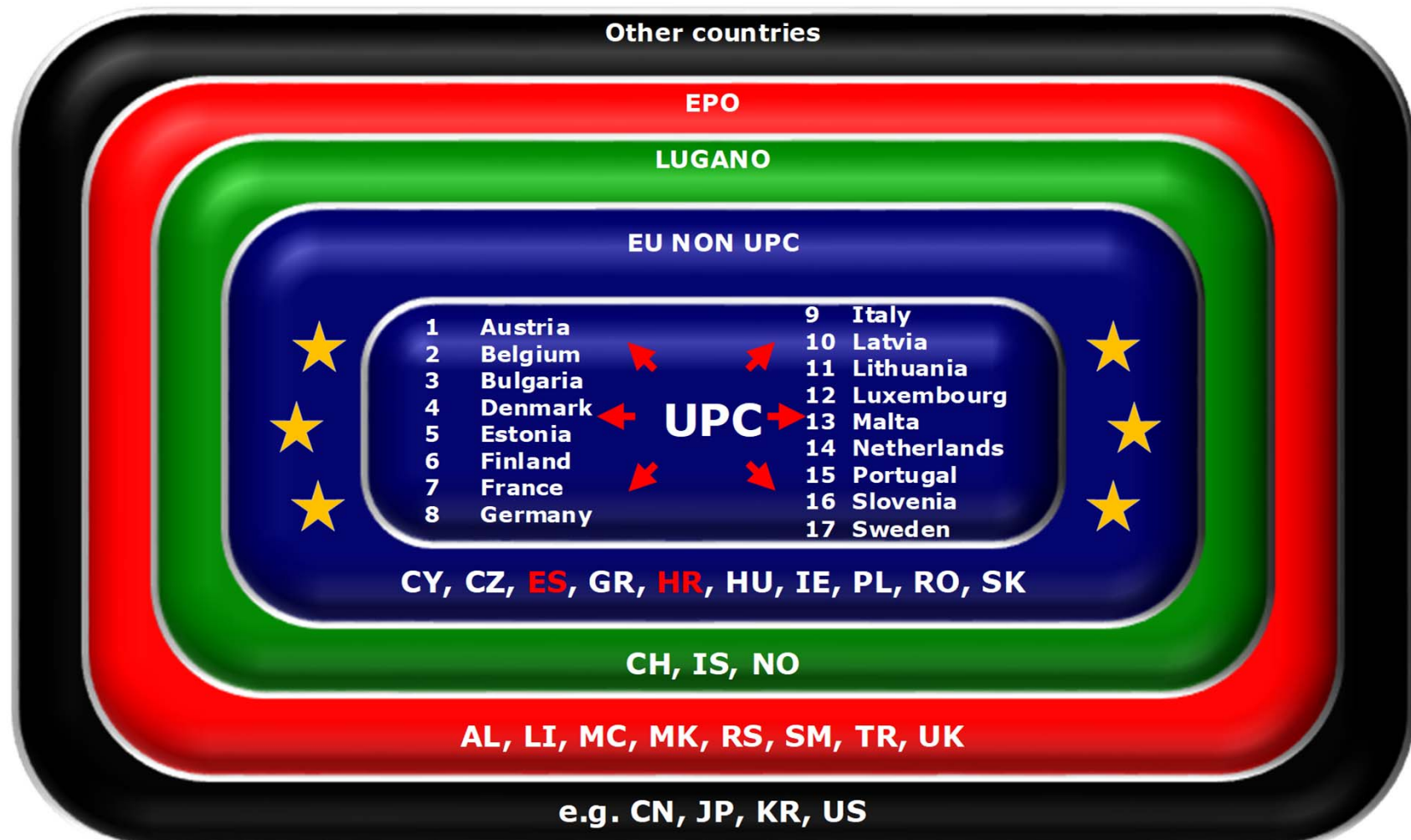


Scope of application in time of the UPC Agreement

Will the UPC have jurisdiction for infringement acts committed prior to the entry into force of the Agreement?



UPC and non-UPC countries (gear-up period and permanent)



Extra-UPC countries

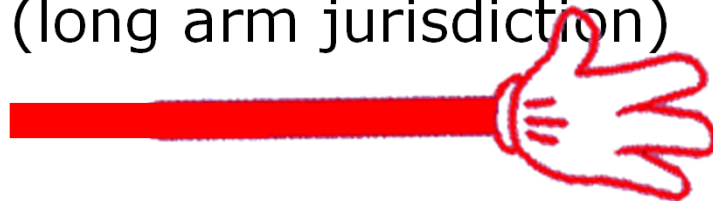
**UPC jurisdiction for infringement
in non-UPC countries**

(relationship between UPC and non-UPC countries,
during and after the transitional period)

- Jurisdiction for infringement in EU-non-UPC countries
(short arm jurisdiction)



- Jurisdiction for infringement in non EU countries
(long arm jurisdiction)



Extra-UPC countries
UPC jurisdiction for infringement
in EU but non-UPC countries
(during and after the transitional period)



- Candidates countries:
 - ▶ During the gearing up period:
CY, CZ, GR, HU, IE, LT, LC, MT, PT, RO, SK
 - ▶ During and after the gearing up period
ES, HR, PL
- Legal basis: Brussels regulation
(domicile of defendant)
- Prerequisite: The defendant must have its domicile in
a UPC-country (*Fiona Shevill v Press Alliance*)
- Limitation: *Gat v Luk* (if defendant raises invalidity
defence, UPC must stay for non-UPC countries)



New Article 71b (3) Regulation Nº 542/2014

Long-arm jurisdiction



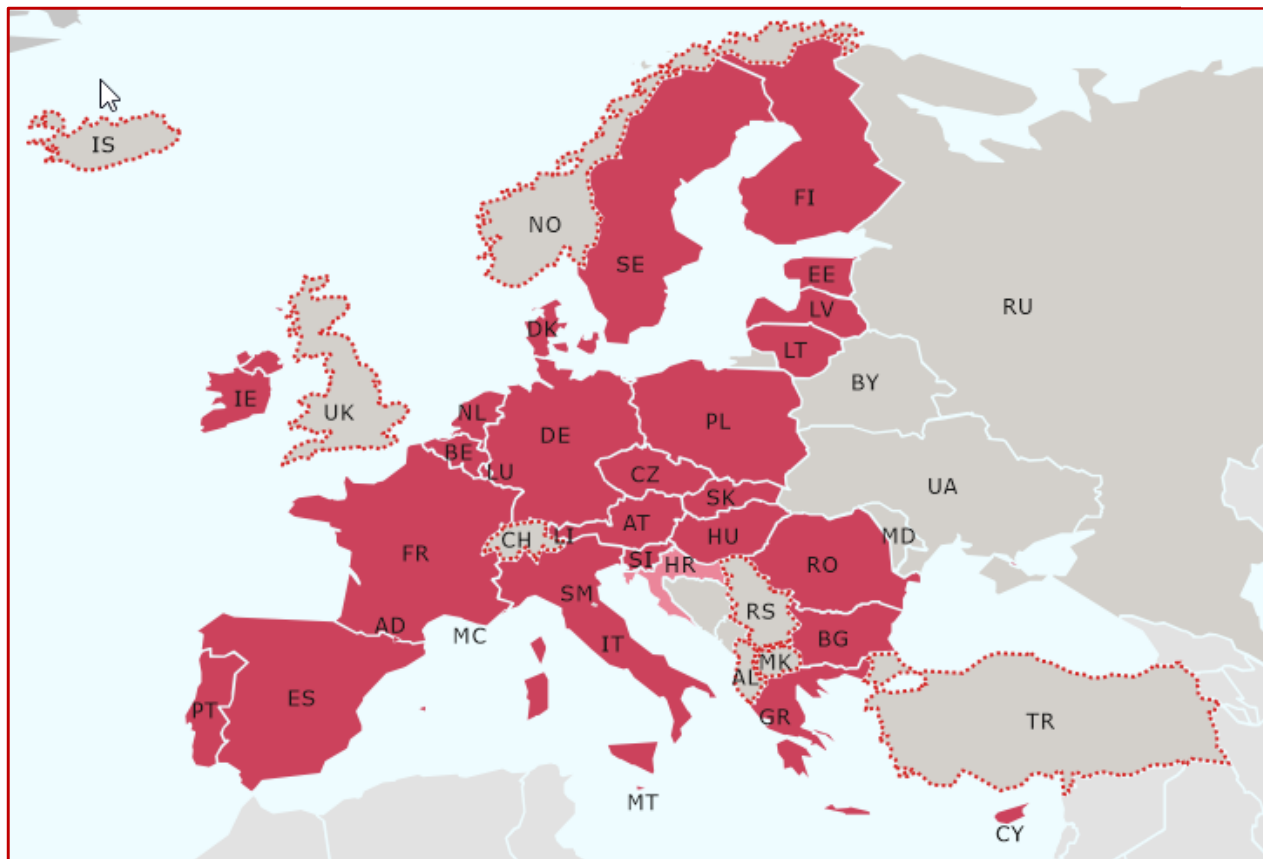
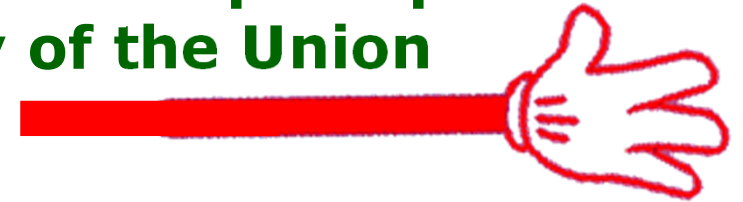
Jurisdiction for infringement of a European patent committed outside the territory of the Union (EP non-UE), e.g. CH, TR, UK:

" 3. Where a common court has jurisdiction over a defendant under point 2 in a dispute relating to an infringement of a European patent giving rise to damage within the Union, that court may also exercise jurisdiction in relation to damage arising outside the Union from such an infringement.

Such jurisdiction may only be established if property belonging to the defendant is located in any Member State party to the instrument establishing the common court and the dispute has a sufficient connection with any such Member State."



New Article 71b (3) Regulation Nº 542/2014 Jurisdiction for infringement of a European patent committed outside the territory of the Union (EP non-UE)



EPO
and EU

EPO
NON-EU



(currently Albania, the Former Yugoslav Republic of Macedonia, Iceland, Monaco, Norway, San Marino, Serbia, Switzerland, **UK** and Turkey)

New article 71b (3) Regulation Nº 542/2014

Jurisdiction for infringement of a European patent committed outside the territory of the Union (EP non-UE)



Conditions of the statutory extension of jurisdiction

- The defendant is being sued before the UPC
- He is accused of having committed acts of infringement of a European Patent in a UPC territory
- He is domiciled outside the European Union
- He owns property in any Member State party to the instrument establishing the common court, and
- The action has a sufficient connection with this State



New Article 71b (3) Regulation Nº 542/2014 Jurisdiction for infringement of a European patent committed outside the territory of the Union (EP non-UE)

Does Lugano Convention (CH, IS, NO) provide a shield against UPC's long-arm jurisdiction?

- Several authors firmly say YES

- ▶ Stauder & Luginbühl

- GRUR Int. 2014, p. 885 & JIPLP, 2015, Vol. 10, No. 2, p. 135

- ▶ Niklaus Meier

- Sic! 7/8/2016, p. 369

- ▶ Pierre Véron

- [Extent of Long-Arm Jurisdiction Conferred upon the UPC P Veron 2015 37 EIPR p588.pdf](#)
[2016-05-15 Veron Reglement amend Bruxelles I Clunet 2-2016 523-545.pdf](#)



- Winfried Tilmann firmly says NO

- UK adherence to Lugano EIPR21_43(9)_555-623



“Abandon hope all ye who exit”

“... 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”

Communication from the Commission to the European Parliament and the Council

Assessment on the application of the United Kingdom of Great Britain and Northern Ireland to accede to the 2007 Lugano Convention

COM/2021/222 final

4 May 2021



New Article 71b (2) Regulation Nº 542/2014

Provisional measures

"(2) ... Application may be made to a common court for provisional, including protective, measures even if the courts of a third State have jurisdiction as to the substance of the matter."

Warning

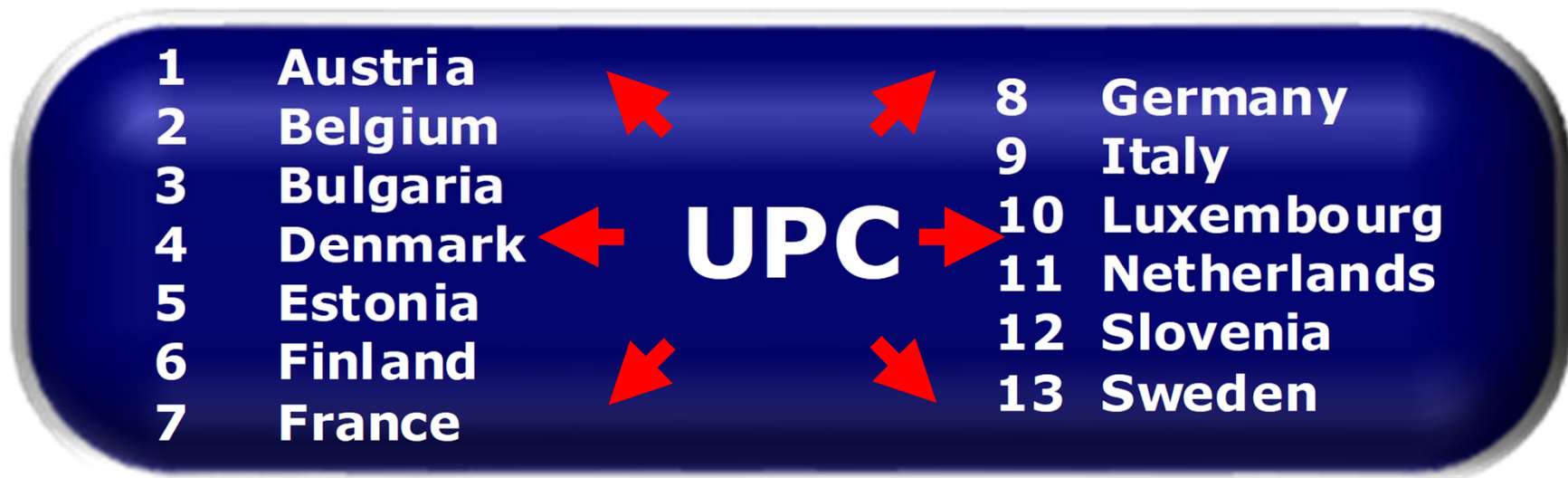
"4. On a proper construction, the granting of provisional or protective measures on the basis of [Article 24 of the Convention of 27 September 1968] is conditional on, inter alia, the existence of a real connecting link between the subject-matter of the measures sought and the territorial jurisdiction of the Contracting State of the court before which those measures are sought."



ECJ 17 November 1998 - *Van Uden* C-391/95

Intra-UPC countries UPC and courts of UPC-countries (transitional period)

Relationship between the UPC and the national courts of
UPC countries during the transitional period



Defining jurisdiction during the transitional period

UPC Agreement, PART IV – Transitional provisions

ARTICLE 83 Transitional regime

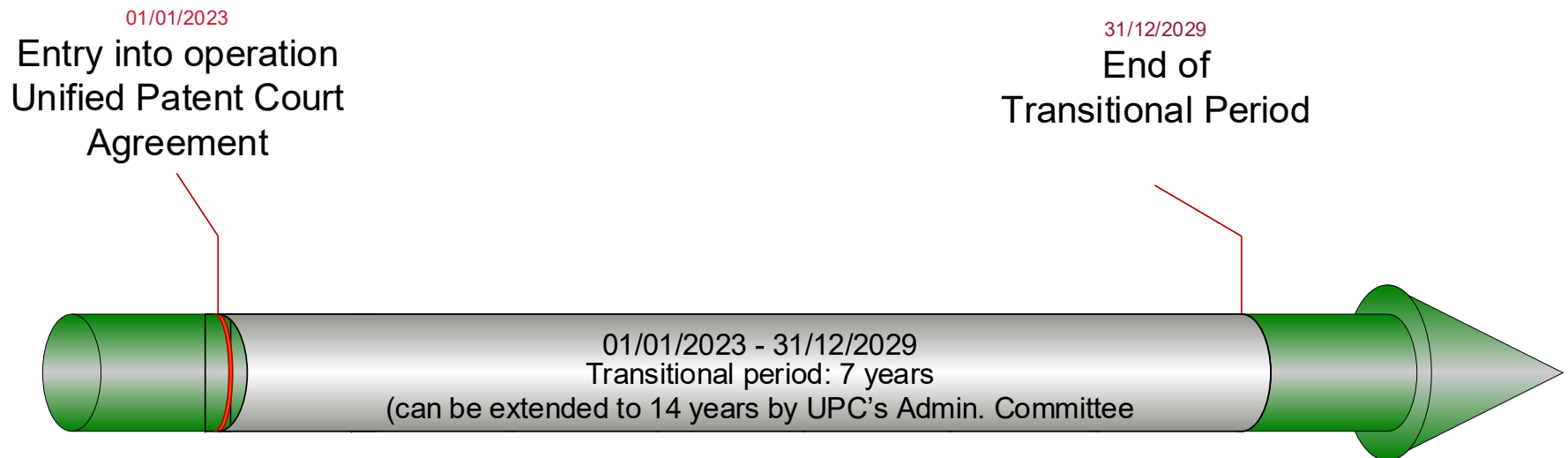
(1) During a transitional period of seven years after the date of entry into force of this Agreement, an action for infringement or for revocation of a European patent or an action for infringement or for declaration of invalidity of a supplementary protection certificate issued for a product protected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



(2) An action pending before a national court at the end of the transitional period shall not be affected by the expiry of this period.

Article 83 UPC Agreement

Transitional period: 7 years



National courts still competent for EP

European Patent holders may opt out from
Unified Patent Court (withdrawal possible)



Article 83 UPC Agreement

Transitional period

Two clear-cut situations:

- **Unitary Patent:** exclusive jurisdiction of the Unified Patent Court for all actions listed in Article 32 UPC Agreement
- **Opt-out** of a classical European Patent: UPC has no jurisdiction; only national courts are competent for the entire life (+) of the patent



Article 83 UPC Agreement

Transitional period

The case of a **classical European patent not opted out** is more complex:

■ **concurrent jurisdiction:**

UPC has jurisdiction, but national courts remain also competent for most actions (not all): the plaintiff chooses (pre-emptive strike)

■ ***Lis pendens* and related actions:**

problems when both UPC and national courts are seized with actions relating to the same patent: beware lock-in and lock-out situations



Articles 32 and 83 UPC Agreement

Competence of the UPC after the transitional period

- The Unified Patent Court has **exclusive** jurisdiction:
 - ▶ for actions listed by article 32-1 a) to i) of the Agreement (9 actions: infringement, declaration of non-infringement, provisional and protective measures, revocation, counterclaims for revocation, compensation provisional protection EP applications, use of the invention prior to the granting of the patent, compensation for licences, actions concerning EPO about UP)
 - ▶ about European patents, European patents with unitary effect, European patent applications and SPC
- No other court has jurisdiction
- No agreement between the parties may derogate to this rule (except for arbitration)



Articles 32 and 83 UPC Agreement

Transitional period and opt-out

Two exceptions to the UPC's exclusive jurisdiction during the transitional period:

- Concurrent jurisdiction of national courts during the transitional period for European patents
- Opt-out



Articles 32 and 83 UPC Agreement

Transitional period: Concurrent jurisdiction



Concurrent jurisdiction of national courts during the 7-year (possibly 14-year) transitional period

Art. 83 (1): national courts remain competent for :

- **certain** actions

(“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”

(actions for declaration of non-infringement, actions for provisional measures and injunctions as well as 5 other types of actions **not** listed)

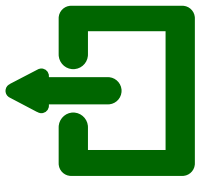
- relating to **European patents and SPCs**

not applicable to European patents with unitary effect, which are in the exclusive jurisdiction of the UPC;
not applicable to actions relating to patent applications



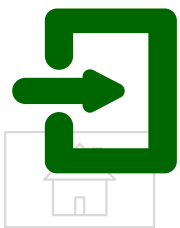
Article 83 UPC Agreement

Opt-out and withdrawal

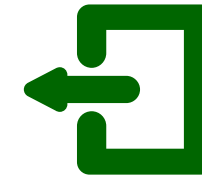


- Art. 83 (3 et 4) : the proprietor of a European patent or the applicant for a published application for a European patent as well as a holder of a supplementary protection certificate may **opt out** that patent or application or SPC **from the exclusive competence** of the Unified Patent Court in accordance with Article 83(3) of the Agreement:
 - ▶ for all the actions listed in article 32(1)
 - ▶ for the European patents and for the EP applications

National courts are then competent



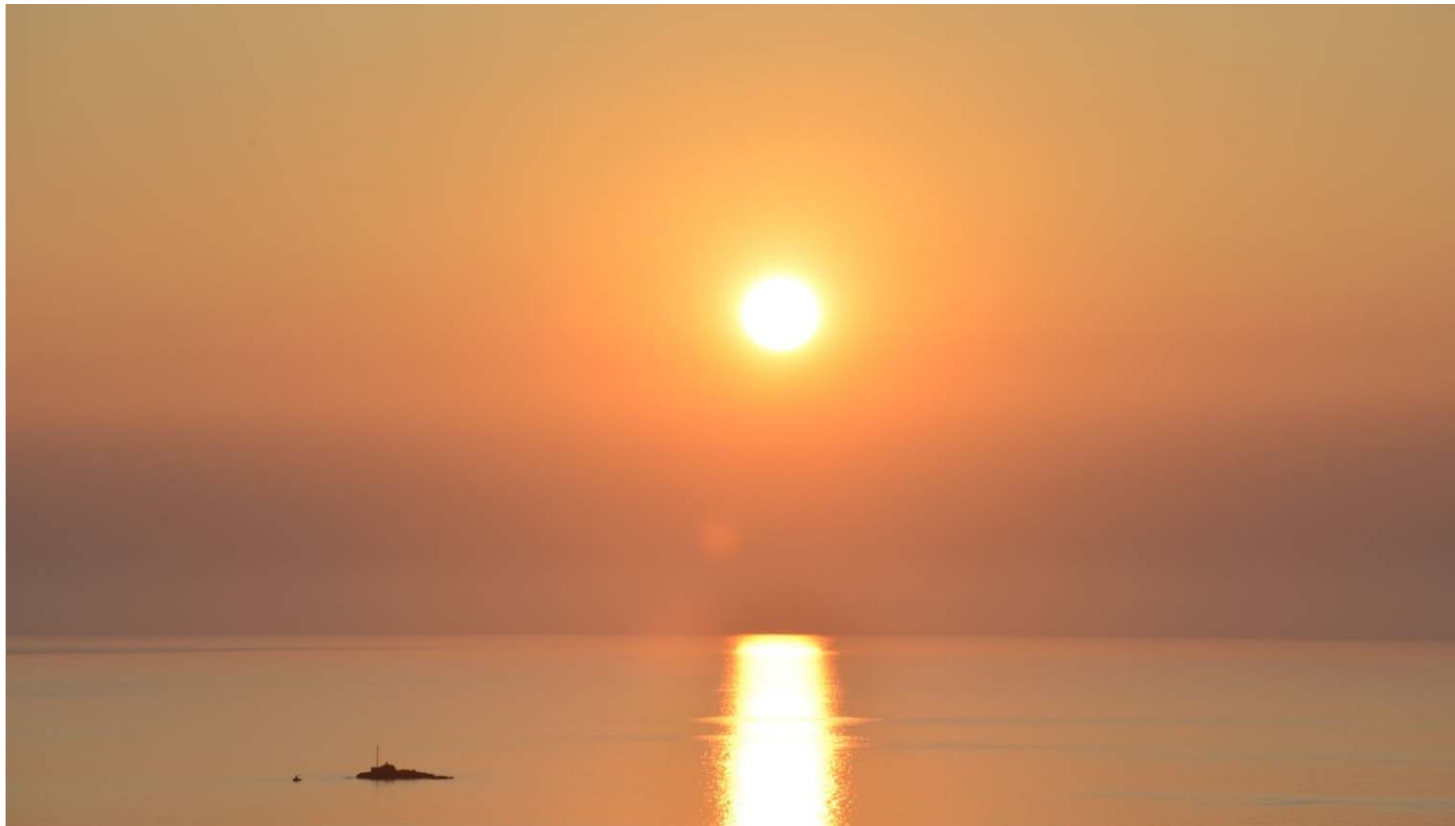
- Opt-out shall be made for all the countries covered by the patent
- The proprietor may also, later, withdraw this opt-out (but he may not opt out again after such withdrawal)
- The opt-out and the withdrawal shall be regarded as effective from the date of entry in the register
- The opt-out is valid for the whole life (+) of the patent (not only for the transitional period)



Rule 5 §12 ROP

Opt-out: *sunrise period*

"12. Applications accepted by the Registry before the entry into force of the Agreement shall be treated as entered on the register on the date of entry into force of the Agreement."



Articles 32 and 83 UPC Agreement

Concurrent jurisdiction: scope



If no opt-out, what about the actions listed in Article 32(1) but not listed in Article 83(1) of the UPC Agreement:

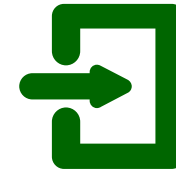
- ▶ (b) actions for declarations of non-infringement of patents and supplementary protection certificate?
- ▶ (c) actions for provisional and protective measures and injunctions?
- ▶ actions relating to European patent application?

Will national courts accept such actions despite the language of article 83 which seems to limit their competence ? (*“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”*)



Article 83 UPC Agreement and Rule 5 § 6 ROP

Opt-out : lock-in (impossible to opt out)



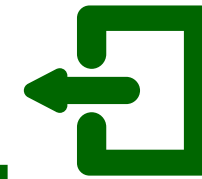
Opt-out impossible when an action has been brought before the UPC about the patent concerned:

- *"(3) Unless an action has already been brought before the Court, a proprietor ... shall have the possibility to opt out..."*
"an action" means probably *"any type of action"* (not only infringement action or revocation action)
- *6. ... irrespective of whether the action is pending or has been concluded".*



Article 83 UPC Agreement and Rule 5 § 8 ROP

Opt-out : lock-out (impossible to withdraw the opt-out)



It is impossible to withdraw the opt-out (with a view to accept the jurisdiction of the UPC) when an action has been brought before a national court about the patent concerned:

"(4) Unless an action has already been brought before a national court, proprietors ... who made use of the opt-out in accordance with paragraph 3 shall be entitled to withdraw their opt-out at any moment."

"8. ... irrespective of whether the action is pending or has been concluded."



Transitional period: applicable law

- If the national courts follow the UPC's preparatory committee "*interpretative note*", they will apply their national laws, while the UPC will apply the Agreement
<https://www.unified-patent-court.org/news/interpretative-note---consequences-application-article-83-upca>
- As a result, the law applicable to the case will depend on the court seized with the case and the outcome of the case may vary (e.g. Bolar exemption narrower in UPCA than in DE, FR and IT)



Transitional period : *Lis pendens*

Article 29, §1 & 3 Regulation No. 1215/2012) :

"1. Without prejudice to Article 31(2), where proceedings involving the same cause of action and between the same parties are brought in the courts of different Member States, any court other than the court first seized shall of its own motion stay its proceedings until such time as the jurisdiction of the court first seized is established.

...



3. Where the jurisdiction of the court first seized is established, any court other than the court first seized shall decline jurisdiction in favour of that court."

Transitional period : Related actions

Article 30 Regulation No. 1215/2012 :

“1. Where related actions are pending in the courts of different Member States, any court other than the court first seized may stay its proceedings.

2. Where the action in the court first seized is pending at first instance, any other court may also, on the application of one of the parties, decline jurisdiction if the court first seized has jurisdiction over the actions in question and its law permits the consolidation thereof.



3. For the purposes of this Article, actions are deemed to be related where they are so closely connected that it is expedient to hear and determine them together to avoid the risk of irreconcilable judgments resulting from separate proceedings.”

Regulation (EU) No. 542/2014 of 15 May 2014

Article 71a Regulation (EU) No. 542/2014 of 15 May 2014 amending Regulation (EU) No. 1215/2012 as regards the rules to be applied with respect to the Unified Patent Court and the Benelux Court of Justice

“1. For the purposes of this Regulation, a court common to several Member States shall be deemed to be a court of a Member State when, pursuant to the instrument establishing it, such a common court exercises jurisdiction in matters falling within the scope of this Regulation.

2. For the purposes of this Regulation, each of the following courts shall be a common court:

- (a) the Unified Patent Court; and*
- (b) the Benelux Court of Justice”*



Regulation (EU) No. 542/2014 of 15 May 2014

Article 71c Regulation (EU) No. 542/2014 of 15 May 2014 amending Regulation (EU) No. 1215/2012 as regards the rules to be applied with respect to the Unified Patent Court and the Benelux Court of Justice

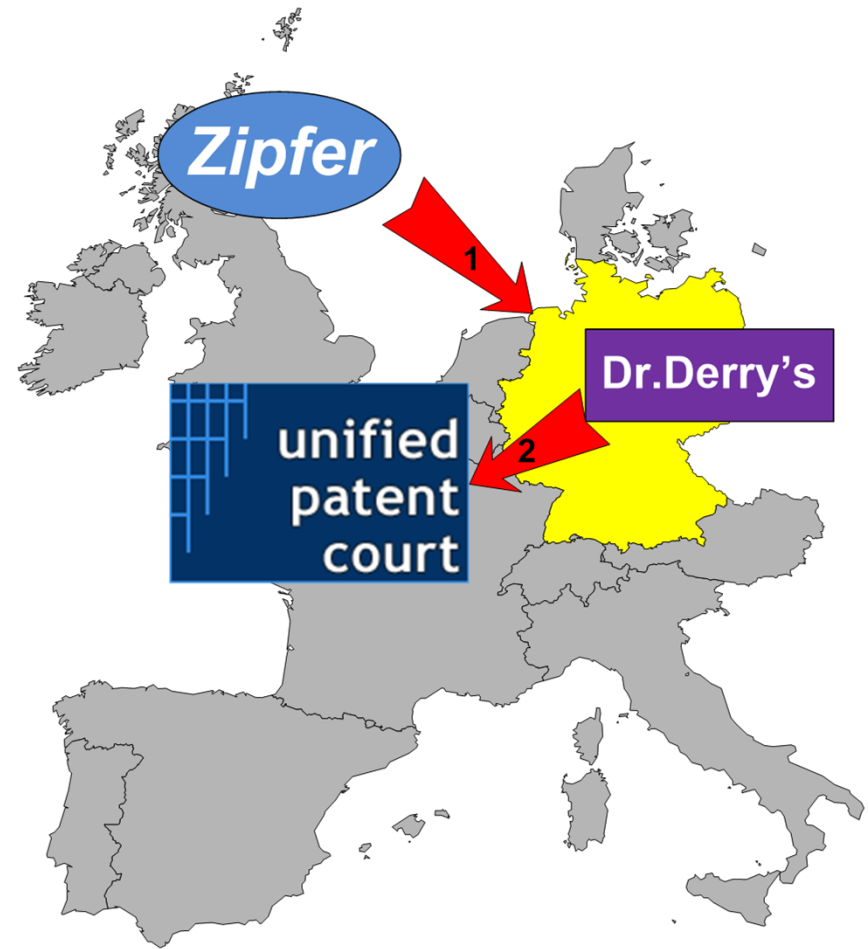
"1. Articles 29 to 32 shall apply where proceedings are brought in a common court and in a court of a Member State not party to the instrument establishing the common court.

2. Articles 29 to 32 shall apply where, during the transitional period referred to in Article 83 of the UPC Agreement, proceedings are brought in the Unified Patent Court and in a court of a Member State party to the UPC Agreement."



Transitional period : *Lis pendens* and related actions

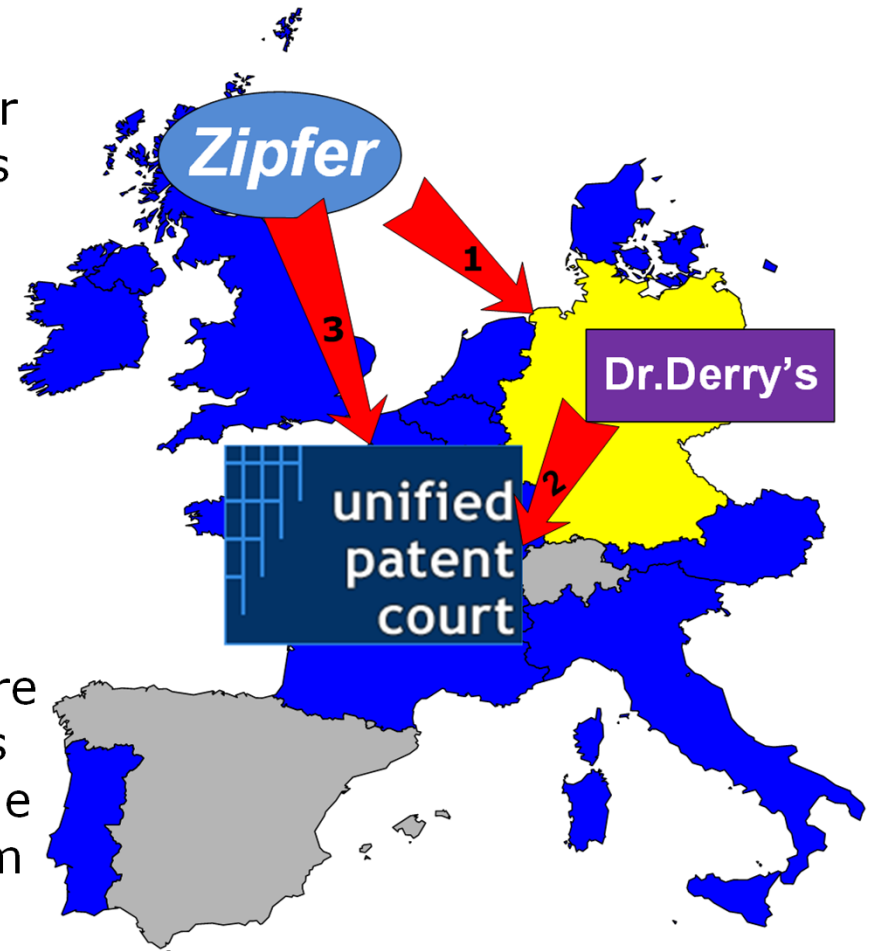
- Innovative pharma company Zipfer sues generics company Dr. Derry's before a German court for patent infringement
- Dr. Derry's chooses to start a revocation action before the UPC (instead of lodging a counterclaim for invalidity before the German court)
- The German court **may** then stay the infringement proceedings
Will it do it?



Transitional period :

Lis pendens and related actions

- Innovative pharma company Zipfer sues generics company Dr. Derry's before a German court for patent infringement
- Dr. Derry's chooses to start a revocation action before the UPC (instead of lodging a counterclaim for invalidity before the German court)
- Can then Zipfer counterclaim before UPC for infringement for territories other than Germany covered by the patent? ("carve out" Germany from UPC proceedings)



Carve out

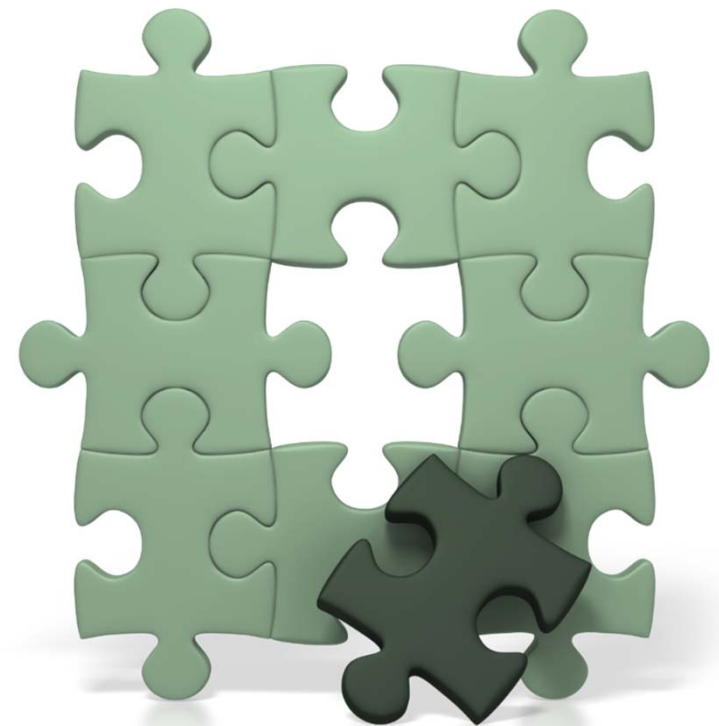
Possible to exclude certain countries in a UPC case?

Article 34 UPCA Territorial scope of decisions

"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."

Article 76 UPCA Basis for decisions and right to be heard

"(1) The Court shall decide in accordance with the requests submitted by the parties and shall not award more than is requested."

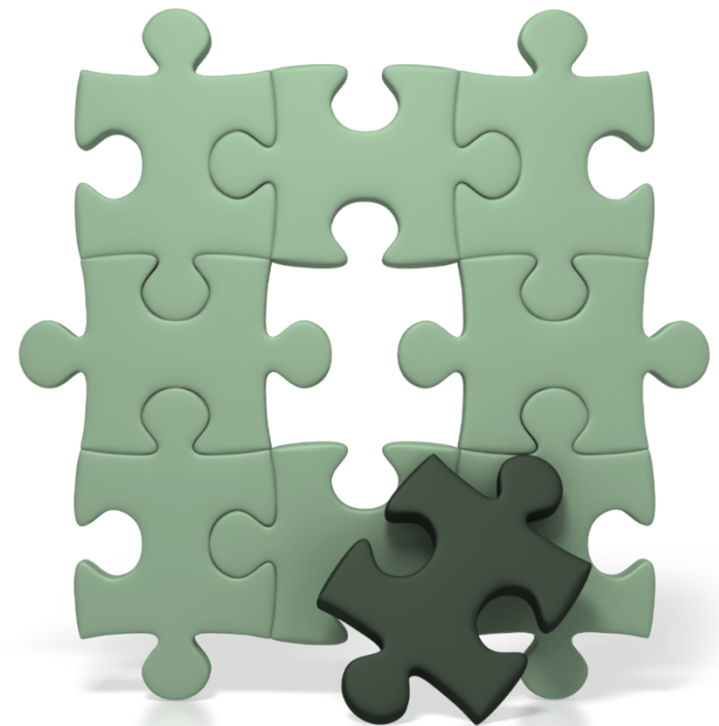


Carve out

Possible to exclude certain countries in a UPC case?

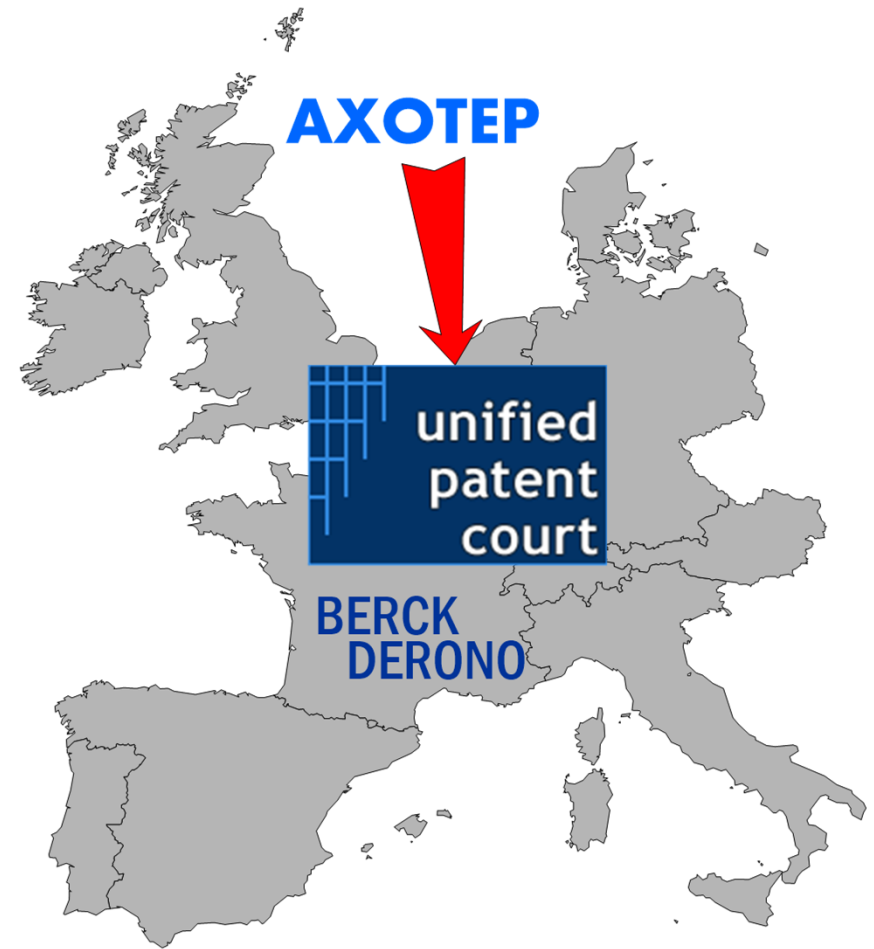
DHL v Chronopost ECJ 12 April 2011 C-235-09

"48 Accordingly, if a Community trade mark court hearing a case in circumstances such as those of the main proceedings finds that the acts of infringement or threatened infringement of a Community trade mark are limited to a single Member State or to part of the territory of the European Union, in particular because the applicant for a prohibition order has restricted the territorial scope of its action in exercising its freedom to determine the extent of that action or because the defendant proves that the use of the sign at issue does not affect or is not liable to affect the functions of the trade mark, for example on linguistic grounds, that court must limit the territorial scope of the prohibition which it issues."



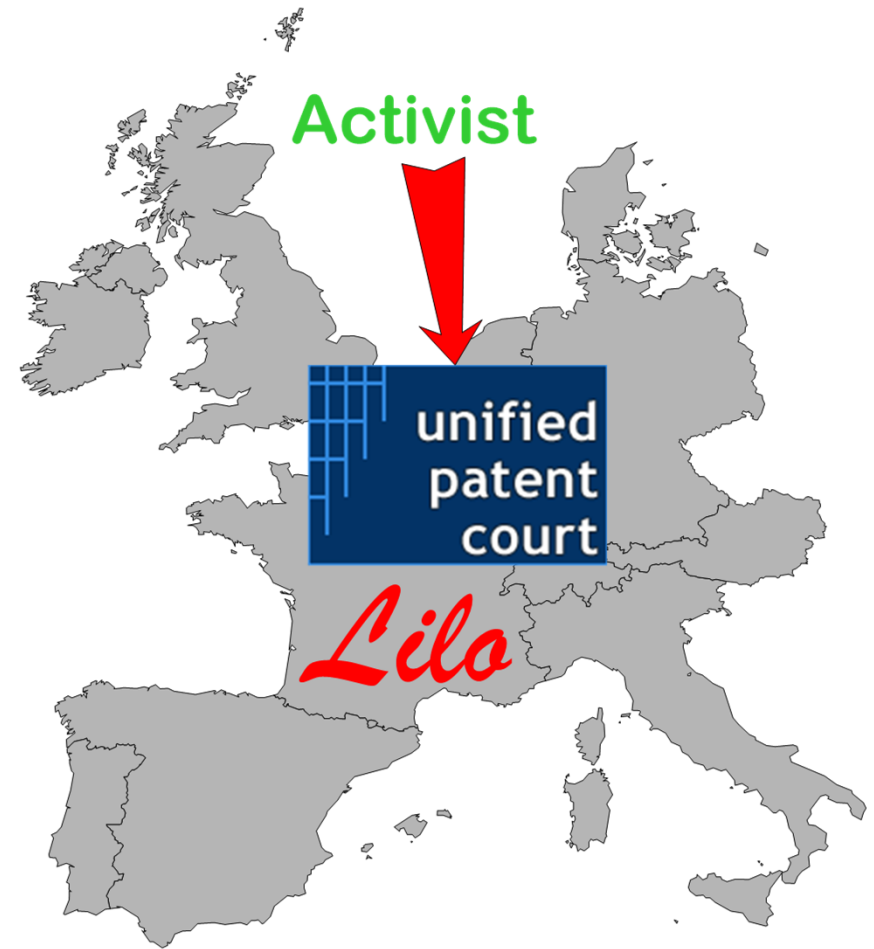
Transitional period : *Lis pendens* and related actions

- Generics company Axotep starts a revocation action before the UPC against patent holder Berck Derono
- Berck Derono then starts infringement actions before national courts
- Will the national courts stay the infringement proceedings pending the revocation action before the UPC?



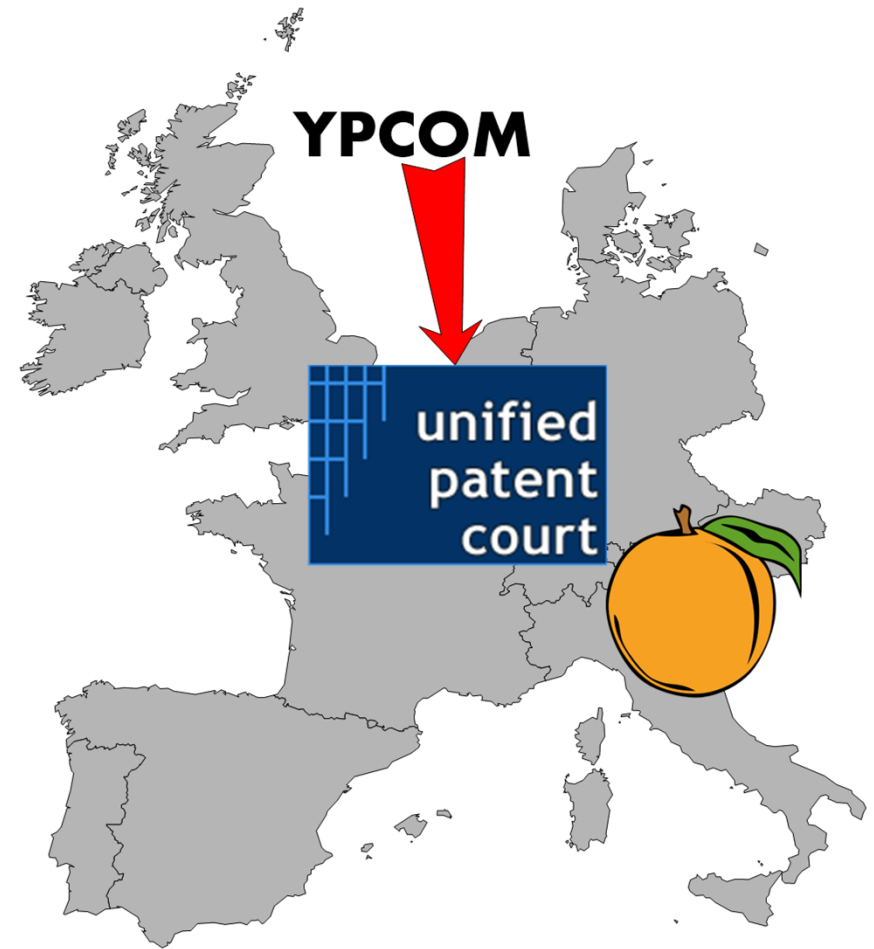
Transitional period : *Lis pendens* and related actions

- Generics company Activist starts an action for a declaration of non-infringement before the UPC against patent holder Lilo
- Lilo then starts infringement actions before national courts
- Will the national courts stay their proceedings pending the outcome of the action before the UPC?



Transitional period : *Lis pendens* and related actions

- Patent licensing entity YPCom sues smartphone manufacturer Peach for infringement of 256 European patents before the UPC for all territories covered by these patents
- If Peach then starts a string of revocation actions before national courts prone to invalid patents, will the UPC be obliged to stay the proceedings?



Transitional period: wrap up

- Unitary Patent: UPC, no opt-out possible
- European Patent:
 - ▶ if opt-out: only national courts
(UPC has no jurisdiction whatsoever)
 - ▶ if no opt-out: concurrent jurisdictions;
court first seized has jurisdiction
 - if same cause of action (*lis pendens*) second court seized **must** stay (NB: validity and infringement are different causes of action)
 - otherwise, related actions, second court seized **may** decide to stay pending resolution of first case



Pierre Véron

Thank you



pierre.veron@veron.com