



# **A Deeper Dive Into the EU Unified Patent Court**

Tuesday, February 28, 2023

**FISH.**

# Meet The Speakers

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**Herbert Kunz**  
European Patent Attorney  
German Patent Attorney



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European Patent Attorney  
German Patent Attorney



**John Pegram**  
U.S. Attorney  
Moderator



# Today's Focus

**How does the EU's new Unified Patent Court system  
compare with the existing patent protection system in  
Europe?**

# The European Patent System

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- EPO examines and grants European Patents (EPs)
  - EPs can be opposed in the EPO
  - EPs can be validated in EPO member states
  - **Soon** – EPs can be validated as Unitary Patents for all participating EU states

# The European Patent System

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- Litigation
  - EPs can be asserted in and revoked by national courts in the each state in which it is validated
  - **Soon** – UPC will have exclusive jurisdiction for infringement and revocation actions involving Unitary Patents
  - **Transition** – UPC will have parallel jurisdiction with national courts for actions involving conventional EPs
    - Unless the owner has opted the EP out of the UPC

# The Unitary Patent & the UPC Opt-Out

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- We will not say much today about
  - The new EU Unitary Patent
  - Opting-out of the UPC for conventional European Patents
- Those subjects were discussed in last week's webinar
  - The recorded video and slides are here:  
[Introducing the EU Unified Patent Court and Unitary Patent \(fr.com\)](https://www.fr.com/en/insights/unitary-patent-court-and-unitary-patent)
- **However,**
  - **Today's topics will help you decide:**
    - **Whether to use the Unitary Patent, and**
    - **Whether to Opt-Out of the UPC**



# **European Patent System Today**

# EPO – Oppositions

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- EPO has a Post-Grant Opposition System
  - Oppositions must be filed within 9 months from grant
  - 3,192 Oppositions filed in 2021
- EPO Boards of Appeal hear Opposition Appeals
  - 2,245 Opposition appeals filed in 2021



# Duration of EPO Oppositions & Appeals

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	Mean Times	90% of Cases
Time from Grant to Opposition (max.)	9 months	-
Pendency of Opposition	19.3 months	-
<b>Subtotal</b>	28.3 months	-
Time from Opposition to Appeal (max.)	-	2 months
Pendency of Appeal	-	59 months
<b>Total Time from Grant</b>	-	87.3 months <b>(7.28 years)</b>

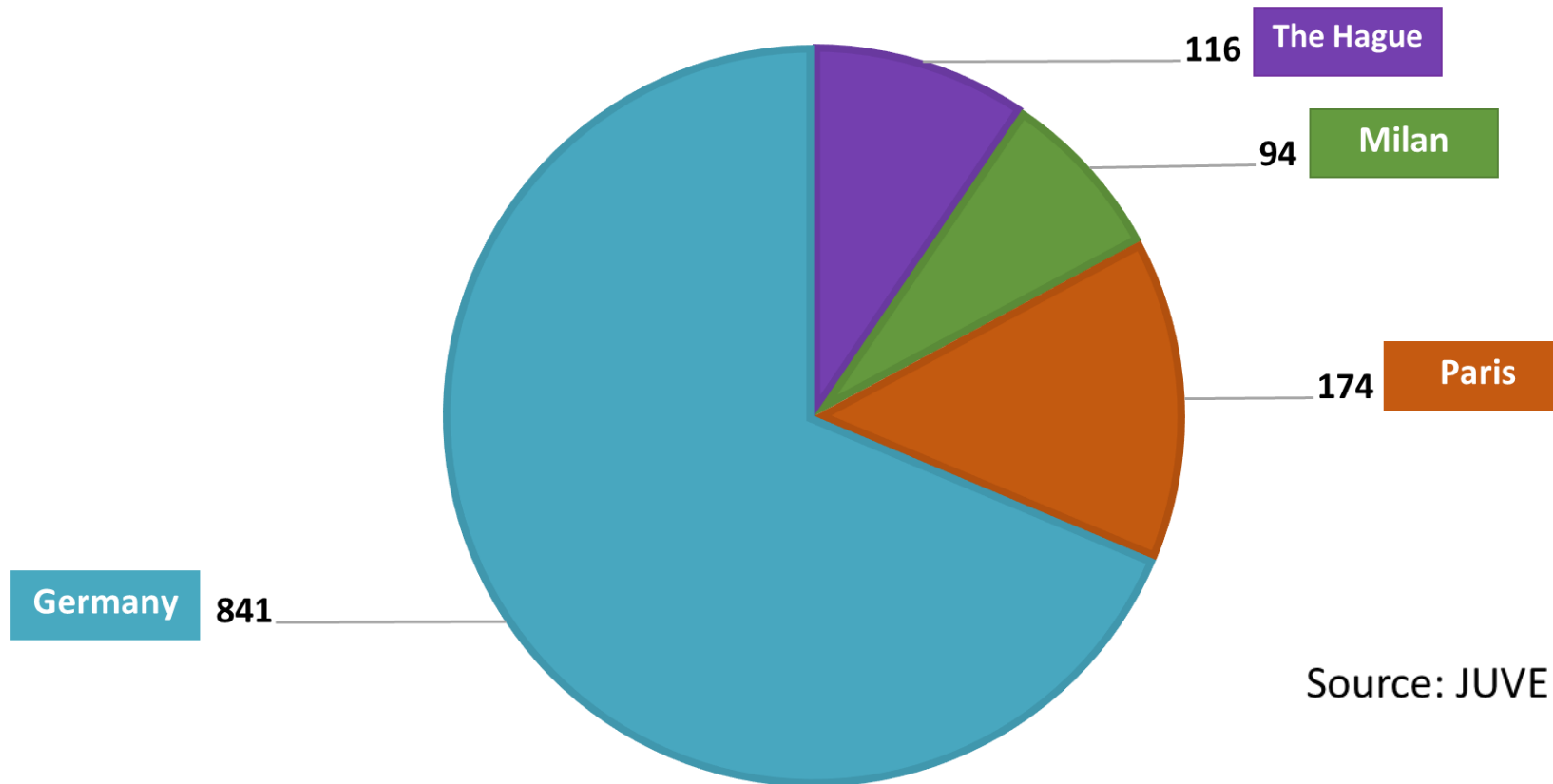
# European Patent Litigation System Today

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- Revocation proceedings for challenging validity in that specific state only
- Infringement proceedings for enforcing patents in granted state
- National court procedures and nationally qualified attorneys
- Proceedings in a national language of the court
- Patent Examination law is the European Patent Convention, but:
  - Interpretations of granted claims may differ from court to court, and
  - Decisions of other courts may have persuasive weight, but are not binding

# Where Are EU Patent Cases Today?

## 2021 - Patent Cases Filed in Leading EU Courts

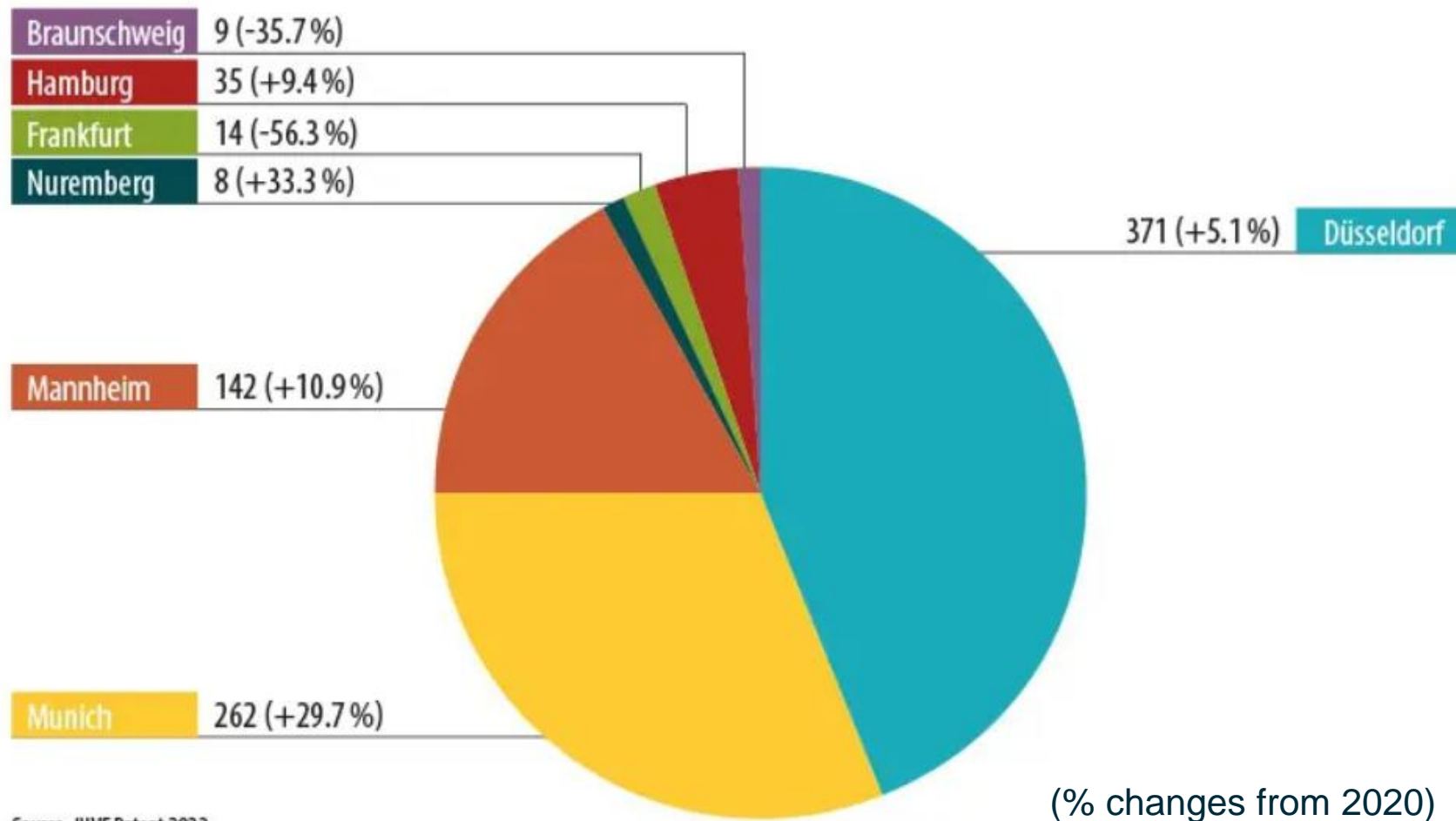


Source: JUVE Patent 2022



# **Patent Litigation in Germany**

# 2021 – Patent Cases Filed in Germany



Source: JUVE Patent 2022

# Patent Litigation in German Courts

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- Infringement – Several District Courts
  - Typical Proceedings (First Instance Courts; Appeal to Higher Courts)
  - Language (German; Hamburg already accepted English)
  - Representation (Attorney-at-Law, assisted by German Patent Attorney)
  - Timeline (Mannheim 8-9 months; Munich 10-12 months, Düsseldorf 14 months)
  - Costs 50000 to 300000 € (+translations for foreign clients)
  - Damages (loss of profits)

# Patent Litigation in German Courts

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- Nullity - German Patent Court (GPC) in **Munich**
  - Representation (German Patent Attorney; assisted by Attorney-at-Law)
  - Appeals: Federal Supreme Court (FSC) in **Karlsruhe**
  - Time to Decision (2 years (GPC); 2 to 4 Years (FSC))
  - Costs: 100000 € to 350000 €



# Unified Patent Court

**A single patent court for  
Member States of the European Union**

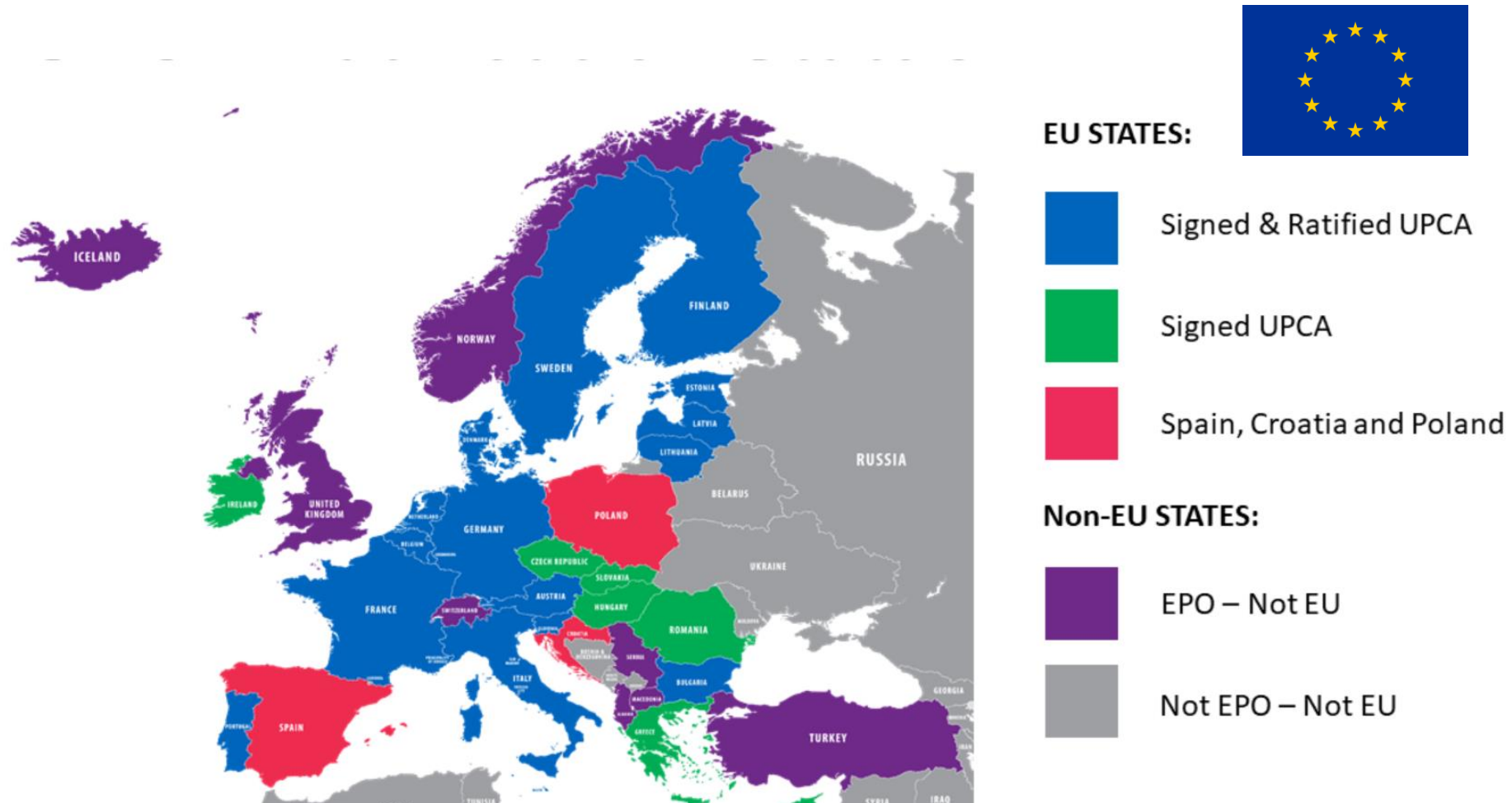
# What Is the Unified Patent Court?

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- One court for patent litigation in all of the participating EU states
- Created by the Unified Patent Court Agreement (UPCA)
  - A treaty signed by almost all EU states
  - 17 states will participate at the start
- Intended to eventually have exclusive competence for litigation of all European Patents and Unitary Patents
- During transitional period of at least seven years:
  - Parallel competence with national courts for conventional EPs, and
  - Owners can “opt-out” of UPC jurisdiction for conventional EPs, but not UPs

# Where?

## Which EU States Are Participating?



# Where in the EU?

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## Signed & ratified:

- Austria
- Belgium
- Bulgaria
- Denmark
- Estonia
- Latvia
- Lithuania
- Finland
- France
- Germany
- Italy
- Luxembourg
- Malta
- Netherlands
- Portugal
- Slovenia
- Sweden

## Signed only

- Cyprus
- Czech Republic
- Greece
- Hungary
- Ireland
- Romania
- Slovakia

## Not signed:

- Croatia
- Poland
- Spain

# UPC Parts in Germany

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## Central Division Munich



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## Local Divisions

### Düsseldorf



### Mannheim



### Hamburg



### Munich



# The Unified Patent Court

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Exclusive court for Unitary Patents and for European Patents in participating European Union countries (except when conventional European Patents are opted out of UPC)

- International organization with exclusive jurisdiction regarding European Patents with or without unitary effect (exceptions during transitional period), start: June 1<sup>st</sup>, 2023
- Infringement actions; Revocation actions; Declarations of non-infringement
- Related counterclaims
- Not contractual disputes, license disputes, or ownership disputes

# The Unified Patent Court - Locations

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## Court of First Instance

- Local Divisions
  - Local Division in most states
  - Four Local Divisions in Germany
  - Central Division replaces Local Division for states that lack a Local or Regional Division: for example Malta
- Regional Divisions
  - Currently, only one Regional Division is contemplated, in Stockholm
    - For Estonia, Latvia, Lithuania and Sweden
- Central Division
  - Initially, two Sections: Munich and Paris
  - Milan?

# The Unified Patent Court - Locations

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Court of Second Instance (Court of Appeal)

- In Luxembourg



# Which Division for Infringement Cases?

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If there is no agreement of the parties:

- Local or Regional Division of participating state where infringement occurred, or
- Local or Regional Division of participating state of Defendant's residence, primary place of business, or other place of business, or
- Central Division in certain cases
  - Cases against Defendants not resident in UPC states, or
  - Cases against infringements in states without Local Division and not participating in a Regional Division
  - Cases which may be transferred from a Local or Regional Division

# The Unified Patent Court

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## Court of First Instance

- Local and Regional Divisions
  - infringement actions with or without revocation counterclaims
  - counterclaims for declaration of non-infringement
- Central Division
  - revocation actions with or without an infringement counterclaim
  - infringement actions against defendants from states not hosting a Local Division and not participating in a Regional Division
  - actions for declaration of non-infringement
- Local, Regional or Central Division upon agreement of the parties

# Which Part of Central Division?

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- For actions for revocation or declaration of non-infringement proceedings
- Relevant Section of the Central Division
  - Munich: mechanical engineering; lighting; heating; weapons; blasting
  - Paris: performing operations; transporting; textiles; paper; fixed constructions; physics; electricity
  - TBD (Milan?): human necessities; chemistry

# Representation (1)

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- Each party must be represented by:
  - Any attorney-at-law authorized to practice in a court of a participating country
    - No central list of such attorneys-at-law
- and/or**
- European patent attorneys who meet certain litigation qualifications
  - **No** nationality or residency requirements
    - EP patent attorneys based, for example, in Switzerland, Turkey or the UK are eligible, if they have the litigation qualifications
  - UPC will have a central list of qualified EPO patent attorneys

# Representation (2)

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- Persons who are qualified as both German & European Patent Attorneys:
  - Have the UPC litigation qualification by virtue of German Patent Attorney training
- European Patent Attorneys having the European Patent Litigation Certificate

# Who Will Be the Judges?

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- **Local and Regional Divisions**
  - Three legally-qualified judges
    - At least **one** from state where a local division is located
    - For states having many patent cases, **two** are from state where the division is located
  - Possibly, one technically qualified judge will be added
    - In cases with counterclaims for revocation, or
    - In technically complex cases
  - **Parties** can **agree** to have case heard by a **single judge**

# Who Will Be the Judges?

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- **Central Division**
  - Two legal judges and one technical judge
  - Parties can agree to have case heard by a single judge
- **Court of Appeals**
  - Three legal judges and two technical judges

# Who Will Be the Judges?

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- All judges have patent experience or training
- All judges must have good ability in English, French or German
  - Probably, most judges will have good ability in English
- Legal judges have the qualifications of a national judge
- Technical Judges
  - patent attorneys (“controversial discussion”)
- At least initially, most judges will be part-time

# Who Will Be the Judges?

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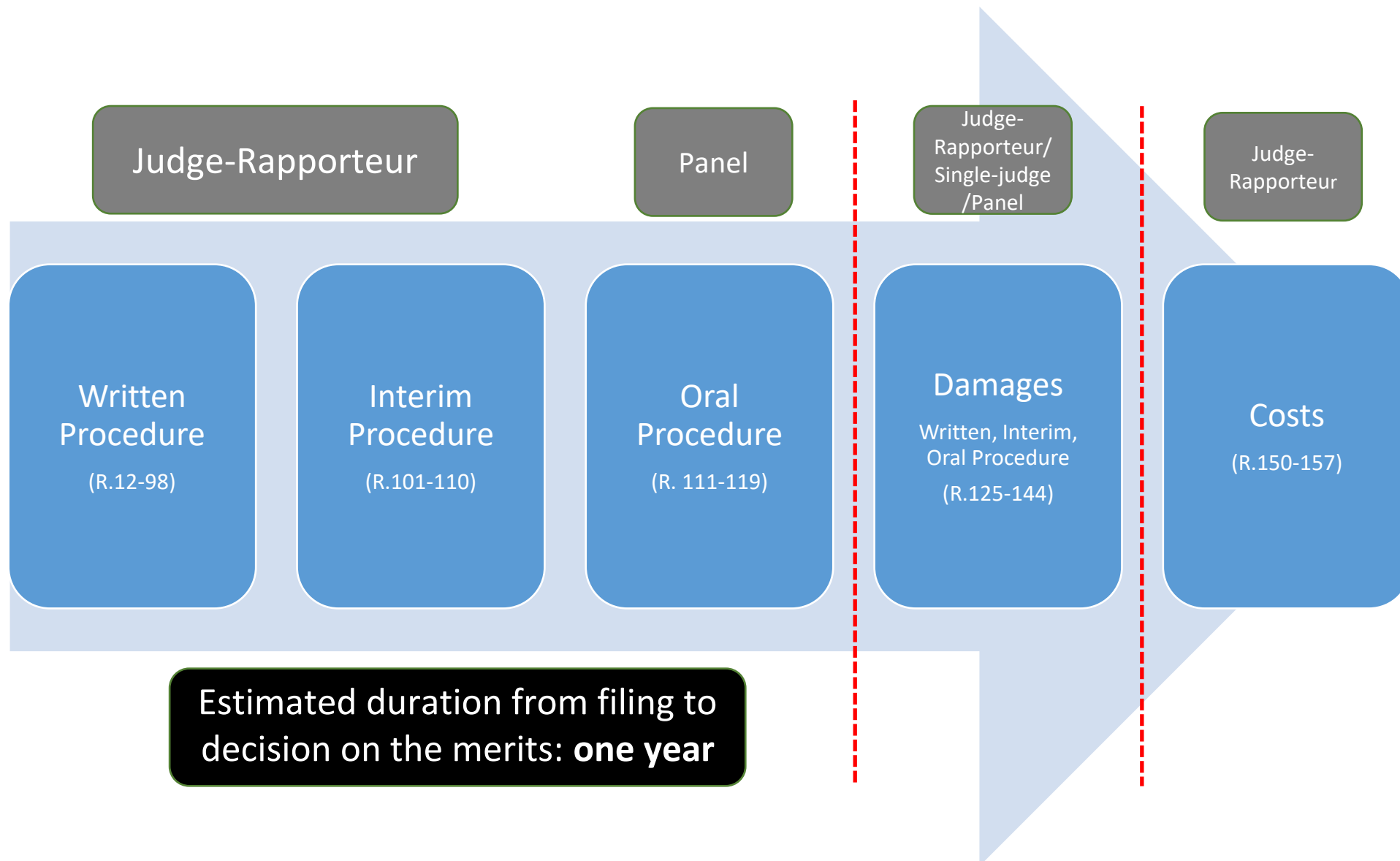
- **In general, positive reactions to the judges who have been appointed:**
  - 34 legally qualified judges
  - 51 technically qualified judges
- **We know names of 2 of 3 legally qualified judges who have been assigned to the Divisions in:**
  - France
  - Germany (4 Local Divisions)
  - Italy
  - Netherlands
  - Nordic-Baltic Regional Division



**Klaus Grabinski**  
President, UPC Court of Appeal  
and Chair of the Presidium

(Photo – JUVE 2022)

# Structure of the proceedings



# First Instance Proceedings

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1. Written Procedure
  - 6-9 months
  - File detailed claims, detailed counterclaims, detailed defenses, detailed replies
2. Interim Procedure
  - 1-3 months
  - Designated Judge directs parties on various issues to prepare the case for the oral hearing
  - Possible discovery
  - Possible interim hearings of various issues
3. Oral Procedure
  - One day oral hearing held about 2 months after close of Interim Procedure
  - Written decision provided about 6 weeks after oral hearing

# Types of Evidence

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- Hearing the parties & witnesses;
- Requests for information;
- Production of documents;
- Opinions by experts;
- Inspection;
- Comparative tests or experiments; and
- Sworn statements in writing (affidavits)

# Limited Discovery

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Art. 53 (1) (c) UPC:

In proceedings before the Court, the means of giving or obtaining evidence shall include in particular the following:

...

**(c) production of documents**

Rule 172 – Duty to produce evidence

1. Evidence available to a party regarding a **statement of fact** that is contested or contestable by the other party must be **produced by the party making that statement of fact.** ....

# Provisional and protective measures

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- The UPC may grant provisional and protective measures, including injunctions to prevent any imminent infringement and to ensure the compensation of the right holder.
  - **The Court has 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.
- 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.

# Injunctions and Corrective Measures

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- Where a decision is taken finding an infringement of a patent, the Court may grant an injunction aimed at **prohibiting the continuation of the infringement**.
- The Court also may order that appropriate corrective measures be taken with regard to products found to be infringing a patent, such as **recall of products**.

# Award of Damages

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- Damages proceedings follow determination of infringement
- ARTICLE 68 – Award of damages

(1) The Court shall, at the request of the injured party, order the infringer who knowingly, or with reasonable grounds to know, engaged in a patent infringing activity, **to pay the injured party damages** appropriate to the harm actually suffered by that party as a result of the infringement.

(2) The injured party shall, to the extent possible, be **placed in the position** it would have been in **if no infringement had taken place**. The infringer shall not benefit from the infringement. However, damages shall not be punitive.

(3) [Detailed guidance for determining damages]

(4) Where the infringer did not knowingly, or with reasonable grounds to know, engage in the infringing activity, the Court may order **the recovery of profits or the payment of compensation**.

# Recovery of Costs

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- Loser pays Fees and Costs, up to certain limits
  - Basic, Fixed Court Fees
  - Additional, Value-based Court Fees for Infringement matters and applications to determine damages
  - Reasonable and proportionate legal costs and other expenses of the successful party
  - Expert costs and other third party costs are not capped
    - **Must be necessarily and reasonably incurred**

# Second Instance Proceedings

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- Parties may appeal procedural or substantive decisions
- Steps are similar to First Instance Proceedings, but with shorter timelines:
  1. Written Procedure
  2. Interim Procedure
  3. Oral Procedure

# Comments: Choice of UPC or National Courts

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- John
- Jakub
- Herbert



**Questions?**

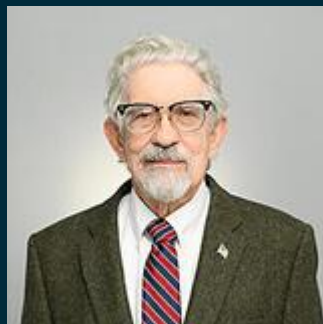
# Thank You!



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# Appendix – Resources

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- Fish & Richardson website:  
<https://www.fr.com/services/patent-law/unitary-patent/>
- EPO website:  
<https://www.epo.org/applying/european/unitary/unitary-patent.html>
- UPC website: [www.unified-patent-court.org](http://www.unified-patent-court.org)