

A Unified Patent Court for Europe

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UW Law Visiting Scholar Roundtable Series

Organizers: Prof. Anna B. Bosch / Prof. Terry Price

16 January 2020



United States



United States and Europe



Reminder: Patents are territorial rights

What this talk is going to be about

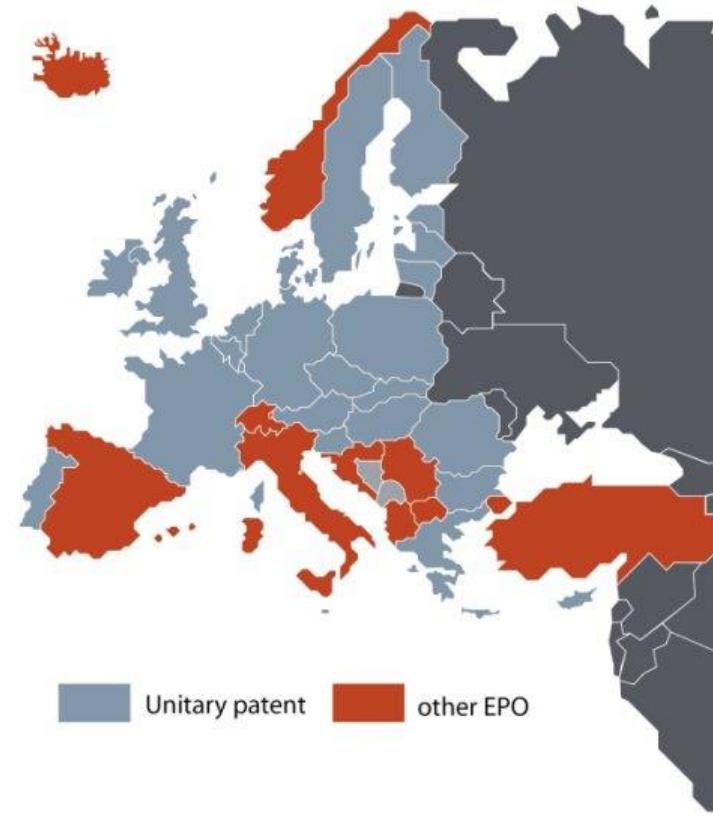
The unitary patent and the EPO member states

Unitary patent states

Austria • Belgium • Bulgaria • Cyprus •
Czech Republic • Denmark • Estonia •
Finland • France • Germany • Greece •
Hungary • Ireland • Latvia • Lithuania •
Luxembourg • Malta • Netherlands •
Poland • Portugal • Romania • Slovakia •
Slovenia • Sweden • United Kingdom

Other EPO member states

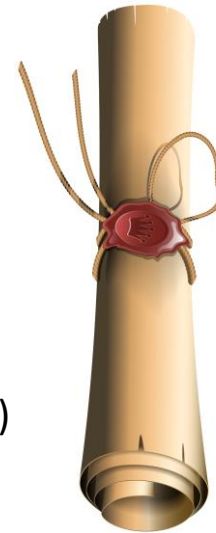
Italy • Spain • Iceland • Switzerland •
Norway • Turkey • Monaco • San Marino •
Liechtenstein • Croatia • Serbia • Albania •
Former Yugoslav Republic of Macedonia



As of today: 25 countries = EU minus Poland/Spain/Croatia

Current European x-border Litigation practice

- Brussels & Rome Regulations (+ Lugano Conv.)
- In a Nutshell:
- BR/Lugano: Find forum having jurisdiction
 - Essentially shopping
 - Domicile of defendant (Art 4 No 1, usually EU-wide jurisdiction)
 - Location of tort (Art 7 No 2 BR, limited jurisdiction)
 - Consolidation/joiner if “one of a number of defendants”, “claims closely connected” (Art 8 No 1 BR)
- Rome II: Which law to apply
- Reminder: Regulation in EU = primary source of law
- Works well in many areas of private law
- EU-Trademark? EU-wide! One title
- Patents?



Brussels Ia
1215/2012
amended



Rome II
(non-contractual)



Current European x-border Litigation practice

- Patents? Currently not very “effective”:
- EU-wide jurisdiction? EP bundle, not one title
- Art. 8 No. 1 most promising
- Idea: avoid different outcomes in different Member States
- “Spider in the web” doctrine for EP patents
 - However: CJEU Roche Nederland ./ Primus
- Another influential decision: GAT ./ LUK (CJEU)
 - Situation now: Art 24 & 27 BR
 - Art 24: exclusive Member State jurisdiction “in proceedings concerned with the registration or validity of patents (...) irrespective of whether the issue is raised by way of an action or as a defence”
- Other considerations for UPC:
 - Torpedo actions (Art 29-31 BR) No priority for suit for satisfaction
 - X-border infringement not violating any national rights if incomplete in each country (even same EP !)
 - Goals of the internal market



A little bit of history....

- 1975, 1989 (COPAC)
- 2000, 2006 (EPLA)
- Unsuccessful negotiations: Questions of languages, role of CJEU
- UPC “package” comprising.....
 - UPCA + Annex (“Statute”)
 - 1257/2012 and 1260/2012
 - UPC RoP
 - ...
- Two main issues to resolve (2020):
 - GB
 - DE



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Annual Report 2015

Highlights of 2015

Print Share

President's foreword

Highlights 2015

A record year

Building our future

Unitary patent ready to launch

An influential global partner

Patents and climate

Unitary patent ready to launch

2015 was a decisive year for patent reform in Europe, with the completion of preparations for the unitary patent, which will be administered and granted by the EPO and automatically valid in up to 26 EU countries. Participating member states agreed on all the outstanding issues, coming up with a solution to simplify patent protection in Europe and cut red tape and costs for businesses.



The EPO and representatives from EU Member States call for the speedy implementation of the Unitary Patent package



10 January 2020

www.epo.org

António Campinos, President of the European Patent Office (EPO), and his team met today with the Chair and members of the executive group of the Unified Patent Court (UPC) Preparatory Committee, as well as with the Chair of

Two main issues

Constitutional Complaint (DE)

- Filed in 2017, still pending before Federal Const. Court
- FCC asked Federal President for suspension of further procedure
- Since then, FCC decision always promoted as to happen “soon”
 - If we still have time later, we can watch a video recording of the German ratification on the Bundestag homepage 😊

Brexit

- Ratified
- Division of CD in London?
- Role of CJEU?
- British national law?
- ...

Selected structural aspects of the UPC

- Collisions, jurisdiction, opt-out and opt-back-in
- Judges, composition of panels
- Language rules
- Central v. local/regional divisions
- Rules, regulations
- Procedure
- How many divisions per country
- Rules on prelim. / perm. injunctions, saisie
- Damages

Central/Local/Regional Divisions

Type	State(s) concerned	Location	Language(s)	Reference
Central	All	Paris	English, French, German	
Central (Section)	All	London	English, French, German	[12]
Central (Section)	All	Munich	English, French, German	
Local	Austria	Vienna		[13]
Local	Belgium	Brussels	Dutch, English, French, German	[14]
Local	Denmark	Copenhagen	Danish, English	[15]
Local	France	Paris		[16]
Local	Finland		English, Finnish, Swedish	[17]
Local	Germany	Düsseldorf		[12]
Local	Germany	Hamburg		[12]
Local	Germany	Mannheim		[12]
Local	Germany	Munich		[12]
Local	Ireland			[18]
Local	Italy	Milan		[12]
Local	Netherlands	The Hague		[19]
Local	United Kingdom	London		[20]
Regional	Estonia, Latvia, Lithuania, Sweden	Stockholm	English	[12]

Wikipedia

Central Division IPC scheme

LONDON Section	PARIS Seat	MUNICH Section
	President's Office	
(A) Human necessities	(B) Performing operations, transporting	(F) Mechanical engineering, lighting, heating, weapons, blasting
(C) Chemistry, metallurgy	(D) Textiles, paper	
	(E) Fixed constructions	
	(G) Physics	
	(H) Electricity	

Annex II UPCA

Panel composition

Local/Regional Division



(T optional or induced by CC for revocation)

Central Division



(T integral; exception admin. matter: 3 L)

Appeal



(admin: 3 L only)

Nationality constraints: ALL panels multi-national!

1/2 vs 2/1 rule (local < 50 cases/a vs. local > 50 cases/a and regional). 3 L = 1/1/1

1 L only, upon request

Languages

1260/2012



- EPO grants in EN, DE and FR
- Art. 4 1260/2012
 - Translation in Event of Dispute
 - Domicile of defendant / loc. of infringement
 - Court can order: to language of proceedings (usually “native” language of division, but it can be deviated)
- EP-UE needs to be additionally translated (transitional period)
 - Grant in German or French?
 - Translate to English
 - Grant in English?
 - Translate to any other official language of EU (incl. non-UPCA)
 - \$\$ [Spanish, Polish?]
 - Translation has no direct legal relevance
- CD proceedings always in language of patent
- Extrem cases: proceedings in any EU language,
 - even through Appeal

cf. London Agreement (2000)

- States with EN, DE, FR must waive translation requirement for EP patents
- Other states choose one out of EN, DE, FR to be translated into
 - Many states however simply select EN or waive
 - Claim translation requirements into official language untouched

Interface with national court systems: Opt-in/Opt-out

- Exclusive jurisdiction! (Art 32 “laundry list”) + transitional provisions
- Jurisdiction throughout all participating member states
- International jurisdiction: Brussels/Lugano
- Certain procedures remain national (e.g. also derivation for unitary patent)
- Unitary patents vs European patents
- Art 83 Transitional regime: 7 (+ up to 7 more) years
- Infringement and revocation of European patents can still be brought before national courts (“double competence” of UPC and national courts)
- Opt-out and opt-back-in (presumably once)

Probably correct interpretation

- Legal text has certain uncertainties... (cf. e.g. Art 32 and 82)
 - Particularly “opt out from the exclusive competence of the court”
= removal of all competence?
- The legislator would probably have meant this when writing
 - But remains to be decided

Unitary granted patents:
Exclusive UPC:
INFR / REVOC / DECLA

“Classical” European patents:
Opted-In: Double competence
during transitional regime,
Opt-Out: Exclusive national
courts;
Post-Transitional: Exclusive UPC

Nationally granted patents:
National court competence

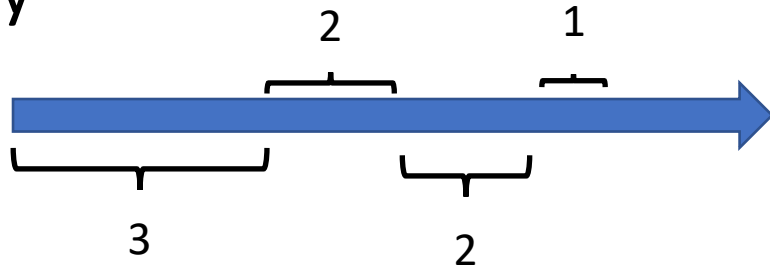
Jurisdiction/competence

- Central (exclusive): action for declaration of non-inf. + action for revocation
- Local/Reg: infringement, prov. and protective measure (e.g. injunction); (damages, prior use rights)
 - Choose local/regional by:
 - Domicile of defendant, or
 - Location of infringement (forum shopping).
 - With agreement of parties: anywhere.
 - Central division possible when defendant extraterritorial or infringement in state with no local/reg. division (consider also idea of infringement by “offering in Lux”)
- Split proceedings (“bifurcation”) possible in counterclaim
 - 3 options (Art 33(3)) for local/regional division:
 - +T judge and proceed with both infringement and counterclaim for revocation
 - Split proceedings (and suspend or proceed infringement until decision on validity from CD)
 - With agreement of the parties: refer all to central
 - (revocation heard first, Rule 40 RoP)
- Side remark: Brussels amended (Art. 71a..d, 2014), unaffected by UPCA (Art. 31)
 - e.g. outside UPCA member states / outside EU



A fast procedure

- Written: Statement of claim, stat. of defense (CC? Now!), reply, reply, reply



- Interim: All preparations (potentially incl. several hearings)
- Oral: Hearing + immediate decision (+ reasons on a predetermined date)
- All hearings are audio-recorded.

Goal: First Instance Decision < 1 year

Prov. Injunctions

ARTICLE 62

Provisional and protective measures

(1) The Court may, by way of order, grant injunctions against an alleged infringer or against an intermediary whose services are used by the alleged infringer, intended to prevent any imminent infringement, to prohibit, on a provisional basis and subject, where appropriate, to a recurring penalty payment, the continuation of the alleged infringement or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder.

(2) The Court shall have 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.

- *Ex parte* injunction possible (RoP 212), protective letter (RoP 207)

Perm. Injunctions

ARTICLE 63

Permanent injunctions

(1) Where a decision is taken finding an infringement of a patent, the Court may grant an injunction against the infringer aimed at prohibiting the continuation of the infringement. The Court may also grant such injunction against an intermediary whose services are being used by a third party to infringe a patent.

(2) Where appropriate, non-compliance with the injunction referred to in paragraph 1 shall be subject to a recurring penalty payment payable to the Court.

Saisie

ARTICLE 60

Order to preserve evidence and to inspect premises

(1) At the request of the applicant which has presented reasonably available evidence to support the claim that the patent has been infringed or is about to be infringed the Court may, even before the commencement of proceedings on the merits of the case, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to the protection of confidential information.

(2) Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the infringing products, and, in appropriate cases, the materials and implements used in the production and/or distribution of those products and the documents relating thereto.

- *Ex parte* saisie possible (RoP 196)

Award of Damages

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.

Award of Damages

(3) When the Court sets the damages:

- (a) it shall take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the injured party by the infringement; or
- (b) as an alternative to point (a), it may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of the royalties or fees which would have been due if the infringer had requested authorisation to use the patent in question.

(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.

= three ways of calculation, as per German practice?
Remains to be seen!

Thank you for having me! Questions?



<https://www.bundestag.de/dokumente/textarchiv/2017/kw10-de-patentgericht-493974>