

EPLP

European Patent Litigation in Practice

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How Close is the UPC to the Perfect Patent Court?

The Rt. Hon. Professor Sir Robin Jacob



Daniel Hoppe



Konstantin Schallmoser

Excerpts from the Editors' Notebook

The Agreement on a Unified Patent Court has finally been signed off on. A great project. Will enough signatory states ratify? There seems to be a political will, and it looks like it could be all systems go. We are eagerly awaiting the ECJ's decision on the actions of the Spanish and the Italians. But the Advocate General's opinion gives reason for hope. As soon as it's in, the Rules of Procedure need looking at. The 14th draft has been available for a few days, but there is still a lot of work to be done.

Then the organisational work will have to start: judges must be selected; court buildings must be set up. Some of us will have to improve their foreign language skills, especially English. Otherwise, UK lawyers could have a considerable home advantage. Many proceedings will certainly be conducted in English.

A mammoth task for all involved. But the most important step has been taken.

* * * *

Once again, we have underestimated the power of facts. Over the years, we went through 18 versions of the Rules of Procedure until we finally arrived at what we have today. The IT system, or more precisely the UPC CMS, could probably have used a revision or two before 1 June 2023. We will get to grips with it. Flaws in the IT system can be corrected with far less effort than inconsistencies in the rules and regulations. We will identify these as well; some are already obvious. Yet, the trouble with the IT system could have been avoided, and it is a pity that the start of such a large project is hampered by IT inadequacies.

The first cases have been filed, and the Local Divisions in Germany have had the highest number of incoming cases. Especially the Local Division in Munich has little reason to complain about too low a workload. The overall number of incoming cases remains low, though.

Much is still unresolved. How will the reimbursement of procedural costs work out in practice? What cost risks must a party reasonably expect? The rules create a broad framework, but someone will have to breathe life into it. Potential plaintiffs may be deterred precisely by ambiguities on the cost side. A company's internal approval of litigation generally presupposes that the cost risk can be reliably estimated. If the maximum reimbursement amounts are used as a guideline, litigation quickly becomes unaffordable – not only for small and medium-sized enterprises and not only for the plaintiffs' side in a lawsuit.

In general, it is a challenge for all involved to apply the Rules of Procedure and make use of all the options they provide. Not everything devised by the many practitioners involved in the process of making the Rules over the years is coherent, let alone immediately clear. This makes the new system less predictable than it should be. This may also discourage patent lawyers from using it. The Court must remedy this quickly and provide a safe path through the Rules of Procedure.

And finally, one question remains: What influence will the ECJ have on the proceedings and how will it affect their duration?

* * * *

There was nothing worth reporting on the return flight from Paris to Hamburg. The transport drone had picked us up directly at the Quai de la Corse. The airspace over the Jardin de Tuileries had been opened for individual transport some months earlier. Since then, we could count on being picked up on time. We would be back in three hours, unless there was a traffic jam waiting for us somewhere. A hearing by video would have been less stressful! On the other hand, facing the opposing lawyers in person has its advantages. And then the atmosphere in the court room!

It has been a while since we first entered the courtroom at the Tribunal de Commerce panelled with light wood. *Litiges Internationaux* were the letters welcoming us at the entrance in an elegant design. The building was impressive. Who had been here before us? Who would follow? We took a few steps in the *salle des pas-perdus* and submitted ourselves to thoughts of our forebears and those who will follow. Then we tinkered with name tags: APEB had given out invitations to a conference, we took care of mundane organisational tasks – and discussed the language regime, and thereafter details of the procedure with the then designated judges.

A lot has happened here in recent years. Not only here, but also at other court locations. The start was leisurely – a tanker needs time to pick up speed. And sometimes it also needs a pilot. Now the tanker is running. In Paris and in the other places.

Much has been all but forgotten: the uncertainty, the novelty of the system and the complete lack of experience of using it, the challenge we felt. Well, the challenge remains. Patent litigation at an international level will always be challenging and a thrill. Even if we have become accustomed to the new law, there is always a new (but sometimes not so novel) technology that is constantly evolving and always challenging lawyers and judges.

Quite a few believed that the Court was too expensive, the procedures too burdensome. It seemed sensible and safer to be a pessimist. “I’ve always known it!” – that is easy to say. There is no need to justify pessimism; when in doubt, it passes for caution. On the other hand, for many of us, expectations were high; they had to be. We were a little afraid of them – and of being disappointed. Who would have predicted that the Administrative Committee would not extend the seven-year transitional period? We wouldn’t have – and we would have been wrong.

The Court quickly found its compass in the jungle of the Rules of Procedure and provided lots of guidance to the lawyers. It has managed the fears about procedural costs and applied a reimbursement framework that is comprehensible and reasonable in practice. In turn, the lawyers involved have made real efforts to make the system work. What a joy to see a system thrive when everyone is committed to it! The major IT overhaul two years ago made things much easier for everyone. The ECJ has helped where it was useful and necessary, nothing more.

And then we launched this journal. There had been no journal that dealt with European cross-border patent litigation. This could be unifying after all – for the readers as well as for those who were involved in this project in Germany, in France, in the Netherlands, in Italy and in all UPC member states. For our purposes, we had forgiven the British for Brexit. A colleague from the UK also became part of the team. Now, the British are back in anyway.

We had planned a pilot issue and then, starting in January 2024, an issue every two months. We quickly realised that there was a lot of interest and that the abundance of material from the UPC member states and other European countries was difficult to manage. We soon had to increase the frequency to twelve issues a year. Initially, there was some reluctance among the UPC judges to contribute to the project. Some of them were not sure whether this would be in line with the code of conduct. But that reluctance has long since faded. The UPC was our driving force and impetus – but never the sole subject. That, we will not change.

Daniel Hoppe Konstantin Schallmoser

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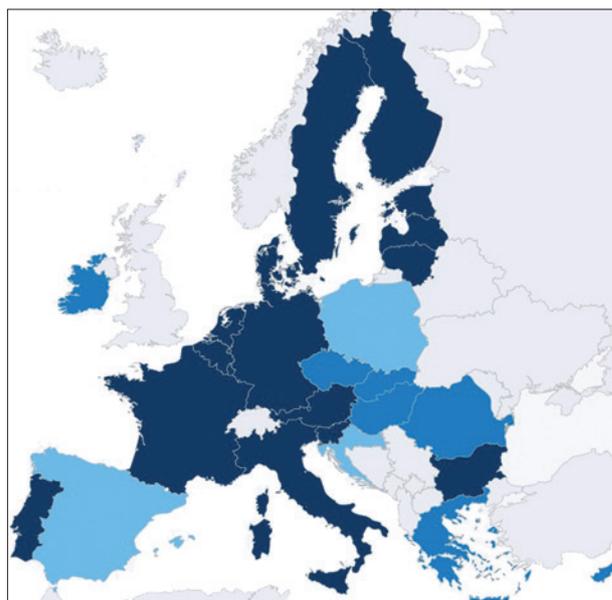
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* UPCA stands for "Agreement on a Unified Patent Court"
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How Close is the UPC to the Perfect Patent Court?

The Rt. Hon. Professor Sir Robin Jacob*

In 2005 I wrote an essay called *The Perfect Patent Court for Und sie bewegt sich doch – Patent Law on the Move*, the Festschrift for Dieter Stauder and Gert Kolle. In it, I set out ten requirements for such a court. Shortly thereafter the Commission, having sabotaged EPLA,¹ started its own project. It put the wonderful Margot Froehlinger on the case but failed to give her any significant resources.² In 2015 I revisited my 2005 essay in a book of collected essays I had written on various subjects over the years.³ The original essay was reprinted with my follow-up conclusions.⁴ These compared what had now become the proposal for the UPC with my ten requirements and with other comments.

We now actually have the UPC, its judges, rules and infrastructure. It is like having the rules of chess, a board and pieces but never actually having yet played the game. How the UPC game will in practice be played remains to be seen. It is more complicated than chess – not least because there is a third player, the Court itself, which also has never played this game.

How will the UPC match up to my ten requirements is my main subject. Plus a few extra bits – things I had not foreseen in 2005. I start with my ten requirements from 2005.

Requirement 1: Capable of providing a speedy resolution

This should be achievable. Preamble 7 to the Rules of Procedure says that a final oral hearing on infringement and validity should be reached within a year. Perhaps somewhat longer in complex cases. No other court I know of has that sort of objective explicitly within its rules. It focuses the mind – parties will know they have to get on with it, that time extensions will only be granted for good cause. It is in the nature of lawyers to do things at the last minute – the more time you give them, the longer it takes. The UPC rules say the last minute is soon – almost right now – so the lawyers will have to get down to it. This could impact on some patent attorneys who may find that the urgent, complex demands of UPC litigation interfere with their more regular practice of patent drafting and prosecution. Maybe you cannot do both, as a wise old patent agent said to me years ago when some UK patent attorneys were pressing for the right to conduct litigation and advocacy.⁵

Requirement 2: Cheap

This the UPC will not be. It never was and never will be possible to make patent litigation cheap.⁶ The court fees alone will be substantial compared with those of most countries. Wrongly and sadly the Court is supposed to be self-funding – a notion basically not only unknown outside Germany, Switzerland and Austria but considered by some (including me) to be incompatible with the basic notion of justice. You do not want the police or armed forces to be self-funding because they are fundamental to a civilised state. So also the judges.

But the largest expense will be the lawyers/patent attorneys employed by each side. In the nature of things (and unlike most EPO oppositions) a patent case has real and present consequences for both sides. If they do not settle, they will leave no stone unturned. The “cards on the table” front-loaded procedure inevitably will involve a lot of work by both sides in all but the simplest cases.

By and large, therefore this requirement is not met – probably because it is beyond attainment. I am not surprised – an injunction or finding of invalidity for most of the EU is a big thing. Big things always cost!

Requirement 3: Capable of dealing with highly complex technical issues

This is quite good for the UPC. Some patent cases are so simple that no technical expertise at all is needed. The classic example is Epilady. The UPC will not waste time with experts or even a technical judge in that sort of case. At the other extreme, there are cases which are so specialised and technical that it is actually difficult to find anyone who understands the technology.⁷ The UPC “solution” is the appointment of a technical judge but that may prove problematic. Nearly all the appointed technical judges are patent attorneys. Firstly, there may be difficulties about conflicts of interest for those who are still working in firms or companies. Those who are retired or sole practitioners are less likely to have conflict problems, but they may not be always of the highest quality. Secondly, there may be cases which are so technical that they will be outside the skills of even an experienced patent attorney with a technical degree.

It will be important for the legal judges to form their own opinions. They are not there just to rubber stamp the opinion of their technical member. If they do and understand the technology, then the system should work – especially in big

* Hugh Laddie Professor Intellectual Property Law and a former Lord Justice of the Court of Appeal of England and Wales.

1 The proposed European Patent Litigation Agreement, devised by patent lawyers largely from industry and with significant input from European patent judges. The latter had started work on this idea following the 1998 Madrid meeting of judges.

2 The contrast with other projects, of much less significance, is remarkable. What a waste of money the Sector Inquiry into the Pharma Industry was. The Commission has never dared say how much it cost.

3 IP and Other Things, Bloomsbury 2015.

4 IP and Other Things, Bloomsbury 2015, Essay 26.

5 They largely got the right but it is not much exercised in practice.

6 “Unless everyone agrees to let AI solve the case!”

7 An English patent court can ask for the assistance of a “scientific advisor” – not a judge but someone who can teach the technology. When in the Court of Appeal I had a case part of which was so difficult to understand that we asked the UKIPO to find us an examiner to teach us. They said they had no-one: the technology was too arcane. Eventually the parties found an Irish academic who did – he was brilliant. This is what I said in the judgement: “Prior to the hearing Dr Brown gave us an intensive two-day teach-in of the technology followed by a brief non-contentious outline of the parties’ respective main positions. He sat with us throughout the hearing, intervening very occasionally to clear up a technical point. Following our initial instructions to him, at no time did Dr Brown express his views of the merits of either side’s arguments”. It’s a pity the UPC does not have power to appoint such an advisor.

cases if the Court allows party experts to give their opinions and allows those opinions to be tested by party questioning – big case stuff only, I think.

All in all, the jury is still out on whether the technical judge system will work well.

Requirement 4: Accessible to SMEs both as plaintiffs and defendants

This problem is probably impossible to solve, particularly for SME defendants who have no choice about being in the Court. There are some attempts to ameliorate the problem, e.g. R. 370.8 RoP allowing SMEs to pay only 60 % of the court fees, but the reality is that this will make no real difference – the parties' legal fees will normally be much more than the court fees. Whether pro bono schemes for representation before the UPC will develop remains to be seen. They could help ameliorate the cost problem. The problem for SMEs and cost will be particularly acute when it is a case of major firm v SME. This is because such a case can be both large (and so deserving of fuller procedure) and small (and so not so deserving) at the same time. An example of this would be where a major pharma company sues a small alleged infringer. The amount of damages might be small. But if the infringer says the patent is invalid and the pharma company has large sales which it says are protected by the patent, then a lot is at stake.

In the end, the brutal truth is that justice must not only be done but must be paid to be done.

Requirement 5: Capable of dealing with many different languages

That was of course always unrealistic. This is what I wrote in 2005:

“What is obviously silly is to have rigid rules about this. The Commission's (or politicians') idea that the defendant should be sued in his own language was clearly a non-starter. It merely showed lack of contact with the real world. I think the only sensible thing is for this Court to have its own control over the language(s) to be used. Some cases could be worked entirely in English. Others entirely in German or French. Sometimes a mixture of language would be necessary. What is essential is that the trial is fair to all sides – and language(s) should be chosen on that basis by the Court itself.⁸ In that way preconceived governmental prejudices can be put on one side.

One other word: much of patent law actually depends on precision of language. Translation always carries with it the danger of blurring meaning – especially when the result of routine work. I think it would be important that there is only one official document to work from – the language of the patent itself.”⁹

And this is what I wrote in 2015:

“The politicians stupidly tried to legislate for this, putting rules about language in the difficult to change UPC Agreement itself (Art. 49). It looks like you have to start the proceedings in the language of a local division (it might be possible for

parties to agree a language in advance, but not all parties cooperate – not surprising since they are having a legal war). It is possible by consent to change to the language of the patent. There is provision for an application by one side for the case to be heard in the language of the patent, but the procedure is daft. You don't go to the court deciding the case but to the President of the Court of First Instance. The language provisions may prove a significant factor in increasing legal costs and delay.”

And here is how I see it now. Chapter II of the UPC Agreement sets out the rules as to the language of the proceedings. They look and are indeed complex,¹⁰ but, despite that, my bet is that by far the biggest proportion of cases will in reality be in English. Why? For a number of reasons. First, English is the language of most European patents. Second, English is much the commonest language used in the international patent system. If you write your original application in your own language (e.g. Japanese), you will need to translate for applications abroad. Foremost will be a translation for the USA – why would you not use the same translation for Europe? Third, English is largely the international language of technology. Fourth, probably most of the parties before the Court will want to use English so they can understand what is going on. It must be remembered that the greater bulk of litigant patentees will most likely be non-European because in all patent offices most patents are held by foreigners. Fifth, the power of member states of Local Divisions to designate a second language will in all probability be exercised to designate English as that language.¹¹ Sixth, English is de facto already a second language even within Europe: the commonest means of communication between people of different mother tongues – for instance Greek and Swedish technologists would in all probability use English to converse or write to each other. I welcome the latter. Europe needs a common language to help stay united.¹² This has nothing to do with culture or national identity. The language of patents is hardly the language of Goethe, Victor Hugo, Shakespeare or Dante!¹³

Requirements 6 and 7: Predictable and equipped with a respected judiciary

I am optimistic about the quality of the judiciary. Until the Johnson government withdrew from the project, I chaired the committee in charge of selecting the candidates to be interviewed. So, I have first-hand knowledge of the quality of the applicants. I, and my whole committee, were really impressed. I doubt there could be better appointments – even those from countries with less patent litigation than others. And I am told that in the meetings of appointed judges which have already taken place, there is a real community spirit and a determina-

8 When the parties cannot agree – though I suspect they often would.

9 That will not always be the case. One hopes that if and when the court gets going in practice most if not all cases will be in the international language called English.

10 The result of a lot of politicians and civil servants who know little about patents fixing it. Probably it will not matter as I discuss above.

11 Germany did it, albeit only at the last minute.

12 I hope with UK back sooner rather than later.

13 Most ordinary citizens would say it is not an intelligible language at all.

tion to do a good job. I believe it will be a respected judiciary. Its objective should be to be the most respected patent judiciary in the world – good at recognising and enforcing valid patents and equally good at recognising bad ones and revoking them. And doing each in a short time.

Predictability is equally important. The clearer the law, the less room for dispute about it.¹⁴ Moreover, the clearer the judges can be, the more they are seen to assert firm control and to know what they are doing – an essential requirement for a court to have stature. Again, I do not see how it could have been done much better. My sole reservation is not about those who have been appointed: it is about the fact that the Court has divisions at all – about which I comment later.

Requirement 8: Fair in its procedures

Unsurprisingly there is nothing inherently unfair about any of the Rules of the UPC. So far, so good. But even within the rules of any court, it is possible for courts to act unfairly. I particularly have in mind the power to grant *ex parte* injunctions – which in the case of the UPC includes the power to grant a bank account freezing order or a *saisie*.

I want to say a bit more about *ex parte* orders of all kinds. The First Golden Rule is a court should never make an order against any party without first giving that party a fair and proper opportunity to be heard save for a case where that is necessary. It is for the applicant (normally a patentee plaintiff) to demonstrate why an *ex parte* order is needed. The Second Golden Rule is that where a court does make an *ex parte* order, the party subject to the order should be able to come to court immediately or nearly so to challenge it.¹⁵ The Third Golden Rule is that if the party who obtained an *ex parte* order did not disclose relevant information which it knew or ought to have known, then the order should be discharged. A party applying for an *ex parte* order is under a duty to make full disclosure.¹⁶

Most importantly these Golden Rules will matter in the case of an order freezing a bank account. Such orders are often fatal for a defendant company. They should not be granted save in clear cases and with proper safeguards. As regards a *saisie*, the story of what happened in England may be instructive. What is in effect a *saisie* is now called in England a “search order”. These were first recognised in the *Anton Piller* case where the plaintiff gave good evidence of likely dishonest destruction of evidence if the defendant had notice of the application. But as time moved on the courts started to grant these orders on only slight evidence. There were some serious cases of damage caused by such an order to parties who in the end were not proved dishonest. That had to be corrected. Nowadays the courts require effective protections in search orders.¹⁷ They are not given as a matter of routine. The UPC should not be a place where every case starts with a *saisie*. On the contrary *saisies* should be rare – only granted in cases of likely dishonest destruction of evidence if notice is given.

Beyond the risk of unintended unfairness, if the judges are not careful in *ex parte* cases, I cannot see any reason why the judges, hearing both sides, would be otherwise than fair.

Requirement 9: Readily accessible – hence a local presence

I wrote that requirement in 2005 – before the advent of video conferencing and, more importantly, before the politicians and civil servants who had got involved with devising the UPC came up with the idea of Local Divisions. I was shocked and disappointed at the time by that idea.¹⁸ There is a big problem with divisions of courts – forum shopping. Any lawyer knows the game if you can choose courts: go for the one where you are most likely to win.¹⁹ That is not the only problem – just as serious is lack of flexibility in the system. I would not have had divisions at all – just first instance and appeal judges. Let the case start centrally, find out who the parties are and what language to use, then the Court itself fixes who the judges are, where it is to be heard and what language(s) are to be used. Result: no forum shopping, maximum flexibility and maximum suitability for the parties.²⁰

However, we are where we are. There are two points to make. Firstly, the problem of forum shopping may become severe. One way round would be to appoint all judges to all divisions. That could also deal with cases of too much work in a particular division. We will see. Secondly, there may well be divisions that in practice are not, or hardly not, used at all. What is to become of them? One possibility, if national pride does not get in the way, would be for the country concerned to cede jurisdiction to the Central Division. I rather favour that – it would make the UPC more of a truly European court, even more attractive for the UK to join. Again, time will see.

¹⁴ Disputes over fact are often inherently unpredictable.

¹⁵ Actually what the English courts often do in the case of an injunction is to make the order effective only for a few days. The plaintiff has to come back within that time to ask for the order to be continued. Sometimes the court will continue the order until trial on the merits but in others only until a full hearing on the interim application (with evidence from both sides) can be arranged. It is all very flexible with close attention to fairness to both sides.

¹⁶ For instance that it has known of the matter complained of for some time. That would normally (but not in all cases) be a reason for not making an *ex parte* order in the first place. A plaintiff who concealed that he had known for some time would be unlikely to get an injunction granted *ex parte* continued until a hearing on the merits.

¹⁷ Most importantly that there should be an independent solicitor present on service of the order. England does not have a system of court bailiffs.

¹⁸ I think I recall that the decision to have divisions was announced at a meeting in Warsaw to which those interested in helping create a UPC were invited – in about 2011. It was, I think, the Polish presidency so it is a bit ironic that Poland later decided not to be part of the UPC – based on a report coming from economists who thought that patents would be detrimental to the Polish economy. Too many economists have that idea.

¹⁹ When I was a newish barrister I learnt this about the USA when all but two of the circuits were known to be anti-patent. In 1974 a US client wanted to sue a Belgian company. To prevent the Belgian company starting a US action in an anti-patent Circuit first, the US company took the Belgian by surprise. It served proceedings in the US, UK and Belgium at the same moment. Since then we have seen other examples, e.g. suing before a Texan jury in the US, taking advantage of the split between infringement and validity and thus exploiting the “injunction gap” in Germany, and Chinese courts attempting to pre-empt other courts evaluating FRAND royalties.

²⁰ Nor would I have set up distinct Chambers of the Court of Appeal – all that was needed was a President and Vice-President. The other judges just rotate. Perhaps the Court itself can fix that by changing the constitution of the Chambers from time to time – as we did every three weeks in the Court of Appeal of England and Wales.

Requirement 10: Able to deal with questions of interim relief very quickly; able to enforce its orders readily.

- Speed

The Rules provide for interim relief reasonably well. The judges may need to think about this. Can one, in a really urgent case²¹ get an order?²² It will be important, as I have said, that if an *ex parte* order is obtained, it can be reviewed very quickly.

- Enforcement

The UPC has no enforcement machinery of its own – no bailiffs or police or the like. The enforcement of its coercive orders is to be by national authorities. Normally this will not matter – most parties in patent cases are honest and law-abiding so there is no need for any enforcement mechanism. But what about dishonest – contumacious²³ – defendants? It remains to be seen how effective the proposed machinery of enforcement by national courts and national enforcement systems will be. One problem which may well arise is where the patentee says the defendant is continuing to infringe but the defendant says not so – that it has modified its product so as not to infringe. A national court asked to enforce the UPC order would be faced with a problem – can it decide the question even though it is not part of the UPC, or must it stay the enforcement proceedings until the UPC has decided it, or what? My own guess is that unless it is plain that the alleged modification makes no difference it will stay the enforcement proceedings. That could be troublesome.

That concludes my review of my 2005 list of requirements. I turn to some other matters – things I had not thought about then.

The IT system

This is not going well at the moment. Not only are users finding it difficult but so also, I hear, some judges. I feared that might be the case. Instead of going out, seeing what IT systems for courts already existed (e.g. California, Australia) it was decided to start from scratch. The Courts of England and Wales did the same thing. It did not really work. But it is too late now. We have to hope that things can be improved. I suspect that will take quite a bit of time at best. I hope the Court will not have to turn to a paper system, but it is possible.

The Location of the Court of Appeal and a split Central Division

Luxembourg was chosen by the politicians unanimously and without any consultation with users. I doubt any user or potential user would have settled on it. It is such a difficult place to get to for most. And not at all easy for the judges. I originally favoured Paris – a major city which was not in Germany or the UK. Indeed I also favoured Paris for the court of first instance. The idea of a Central Division split into three is just silly. More room for friction, complication and duplication. But it is what it is. I am so sad that the London part of the Central Division is not to be. We had everything ready – and there were those that said the court-rooms and facilities, which had all been prepared, were the best of any country.

The relationship between the UPC and the EPO

This is likely to be complex. The Rules of Procedure make some provisions about it:

- (i) Under Rule 94 the President of the EPO may comment in writing on any question before the Court;
- (ii) There are provisions about questions concerning unitary patents (detail irrelevant here);
- (iii) About a power to stay proceedings where there is a pending opposition in the EPO – to be exercised only when there is a “high likelihood” of revocation or where a final decision “may be expected to be given rapidly;”²⁴ and
- (iv) About the Court asking the EPO to speed up opposition proceedings.²⁵

None of these Rules really touch what I think may be a very important aspect of the Court’s work. This stems from its direct revocation power for all parallel EPs in the member states of the UPC and over unitary patents for the territory consisting of all those states. It may well be that many parties will make use of this jurisdiction either instead of using EPO opposition or in addition to it. There are quite a lot of reasons why:

- (1) The Court will be much, much faster than the EPO;
- (2) A revocation claim can be started in the Court on the day of grant whereas the EPO waits for 9 months before even starting to look at an opposition. In those 9 months the UPC could be nearly ready to give a first instance decision and the whole procedure, including an appeal, over in 2 years.
- (3) There is no time limit for bringing a revocation action. In the EPO, opposition has to be started within 9 months of grant. Often that is too soon for parties to know whether the patent is important. They oppose because it may prove to be important, not because it is. Some may cease to use the opposition system.²⁶
- (4) The costs regime is different. The EPO is comparatively cheap. And you only have to pay your own patent attorneys fees. In the UPC the costs are much more significant. People will be much less likely to defend weak patents if they are likely to lose and have to pay the other side’s costs as well as their own. Of course the patent challenger will be at risk as to costs too – but in the case of patents which matter many will think it worth the risk.

21 E.g. a cargo plane arrives with a large consignment (enough for a nation) of medicines said to infringe. The patentee needs an injunction within hours or it will be too late.

22 In the UK it would be possible to do this over the telephone to a duty judge. I am not sure the same will be possible in the UPC system with the standing judge.

23 I am conscious that this English word – stolen from the Romans – may be a bit esoteric. Sorry about that but it is the most appropriate word.

24 Rule 118 2(b) – see also Rule 295 (a).

25 Rule 298. The power exists in national courts now – it has not made a lot of difference so far as I know.

26 This is not intuitive, but I think may be real. There is a precedent to go by. In the UK we had an opposition system before 1997 – you had to apply in the patent office 3 months before grant or within one year after. There was a lot of work – I cut my teeth on it. In 1977 pre-grant opposition was abolished along with the one-year time limit for post-grant opposition. In addition the possible grounds of opposition were made the same as in the court. The Patent Office expected much more post-grant opposition work and trained more hearing officers. Precisely the opposite happened. UK patent office revocation proceedings are now rare birds. People go to court when they need to.

- (5) Because of its speed, the UPC is likely to bring certainty much sooner than the EPO.
- (6) Finally, there is nothing to stop an applicant for revocation in the UPC from opposing in the EPO too – two bites at the cherry.²⁷

Comparison with EPO opposition

I have heard a patent attorney say that proceedings before the UPC will be much like those in the EPO. In my opinion, he was quite wrong. This court will take control – parties attacking validity who plead lots of prior art hoping something will work will receive short shrift, the evidence will be tested much more severely and above all the speed will be quite different. And, of course, there are many things which can come before the Court which have no counterpart in oppositions and of which a patent attorney will have no or little experience. Examples of such things are procedural and substantive. Procedural examples are discovery, remedies of all kinds, security for costs, service, severe time requirements, enforcement, and above all strong judicial control. Substantive law matters would include competition or contractual law defences.

UPC and EPO case law

This is totally unknown territory. Over the years the EPO Boards of Appeal and Enlarged Boards of Appeal have built up a considerable body of case law. Some national courts (e.g. the UK) pay considerable attention to this. But will the UPC? I particularly wonder whether the UPC will adopt the near doctrinaire “problem-solution” approach of the EPO. It makes sense when the patentee was addressing a real problem. It makes little sense when he was not – when the tribunal has to create the problem for itself. Nor does it make sense where it was the patentee who realised there was a problem in the first place.

And what about the other way round? Will the EPO Boards follow decisions of the UPC? I certainly hope so – the UPC Court of Appeal will be the higher in status – a true patent court with decisions by lawyer judges of the highest calibre.

Bifurcation?

During the negotiations for the UPC Germany was very keen to have provision for this, based on its own system. But that system is not bifurcation at all – it is parallel tracks from the outset.²⁸ The UPC is quite different. Where an infringement case is started in a Local Division and the defendant counter-

claims for revocation, it is up to one of the parties to apply for transfer of the revocation. By then the pleadings are in and the case on track for trial. Who would apply? A party who did would in effect be saying to the Local Division which would try the infringement issue anyway, “We don’t think you are competent to try validity!” You do not say that to a court which is going to try your case! There is a general consensus that splitting the trials of validity and infringement will be a rare thing indeed.

Long-arm jurisdiction?

There are some interesting and important questions about whether the UPC can make orders preventing infringement of European patents in non-UPC countries. If it can, should it do so? These questions were identified but not answered by Judge Rian Kalden, Vice-President of the Court of Appeal of the UPC at the annual Sir Hugh Laddie Lecture give at my Institute²⁹ in the Faculty of Laws, University College London. For those interested the recording and transcript should be available on our website³⁰ before very long.

In my opinion the Court should be very slow to grant orders to take effect in countries outside the territory of the UPC. It is a very strong thing to order someone not to undertake a commercial activity in a sovereign state outside the country or countries of the court concerned. There are huge political implications - and the consequence of attempts to do so may well lead to anti-suit, and anti-anti-suit injunctions of the kinds we have seen concerning the Chinese courts and SEPs.

Conclusion

The UPC will not be a perfect patent court. The larger defects (e.g. divisions, Luxembourg for the Court of Appeal) were imposed by politicians and civil servants – neither of whom understand how litigation systems work. But the Court will be good – much better than what went before. And a lot better than most patent courts around the world. I leave the reader to think of some!

²⁷ The provision for staying UPC proceedings, cited above, is rather limited. In many cases the UPC decision could be over before any EPO opposition had got very far – and where that is so, a stay would be unlikely.

²⁸ A result of the history, not because anyone thought it was a good idea for patent litigation!

²⁹ The UCL Institute of Brand and Innovation Law.

³⁰ www.ucl.ac.uk/ibil/past-events/annual-sir-hugh-laddie-lectures.

The UK's Role in the UPC World

Peter Damerell*

Although the UK played a key role in the creation of the UPC system, following the decision by Boris Johnson’s government in 2020 to withdraw from the system, the UK is no longer part of the UPC. Nevertheless, the UK courts and UK-based practitioners will continue to play a key role in Europe’s patent litigation system. This article explores the reasons why UK patent litigation will continue to remain strategically important in international patent disputes, in-

cluding the quality of the system, the certainty that the UK courts provides at this time of change, the beneficial procedural steps available, and the commercially relevant and flexible remedies that can be obtained.

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