

PATENTS

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The International Comparative Legal Guide to:

Patents 2017

7th Edition

A practical cross-border insight into patents law

Published by Global Legal Group, in association with CDR, with contributions from:

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Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design

F&F Studio Design

GLG Cover Image Source

iStockphoto

Printed by

Ashford Colour Press Ltd
August 2016

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ISBN 978-1-911367-10-9

ISSN 2044-3129

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General Chapters:

1	A Guide to Conducting an Action Before the Unified Patent Court – Katharine Stephens, Bird & Bird LLP	1
2	At the Intersection of U.S. Patent Laws and Autonomous Vehicles: A Look at Patent Eligibility and Claim Indefiniteness – Corey M. Beaubien & Jeffrey L. Doyle, Reising Ethington P.C.	8
3	Gulf Cooperation Council Countries – Patent Landscape – Sara Holder & Mohammad Jomoa, Rouse & Co. International/Kadasa & Partners	12
4	U.S. Supreme Court Reaffirms Flexible Analysis for Enhanced Damages in U.S. Patent Cases – D. Stuart Bartow, Paul Hastings LLP	15

Country Question and Answer Chapters:

5	Austria	Fiebinger Polak Leon Attorneys-at-Law: DDr. Karina Hellbert, LL.M.	19
6	Brazil	Daniel Advogados: Rana Gosain & André Bastos Venturini	25
7	Chile	PORZIO · RIOS · GARCIA: Cristóbal Porzio & Marcelo Correa	33
8	China	Lifang & Partners: Xie Guanbin & Sun Xi	39
9	France	Armengaud & Guerlain: Catherine Mateu	46
10	Germany	Kather Augenstein: Dr. Christof Augenstein & Christopher Weber	53
11	Greece	Patrinos & Kilimiris: Constantinos Kilimiris & Tassos Kilimiris	59
12	India	Subramaniam & Associates: Hari Subramaniam	65
13	Ireland	WhitneyMoore Solicitors: Aoife Murphy & Robin Hayes	73
14	Japan	Anderson Mōri & Tomotsune: Yasufumi Shiroyama & Makoto Ono	80
15	Malaysia	Tay & Partners: Lin Li Lee & Kah Yee Chong	87
16	Mexico	OLIVARES: Alejandro Luna & Sergio L. Olivares, Jr.	94
17	Norway	Wikborg Rein: Ingvild Hanssen-Bauer & Lars Erik Steinkjer	102
18	Philippines	SyCip Salazar Hernandez & Gatmaitan: Enrique T. Manuel & Vida M. Panganiban-Alindogan	108
19	Russia	PwC Legal: Konstantin Bochkarev	114
20	Saudi Arabia	Rouse & Co. International/Kadasa & Partners: Sara Holder & Mohammad Jomoa	119
21	South Africa	Adams & Adams: Alexis Apostolidis & Sophia Czarnocki	125
22	Spain	Elzaburu: Colm Ahern	132
23	Sweden	Synch Advokat AB: David Leffler & Elisabeth Sundberg	137
24	Taiwan	TIPLo Attorneys-at-Law: J. K. Lin & H. G. Chen	143
25	Thailand	Tilleke & Gibbins: Nandana Indananda & Siraprapha Rungpry	151
26	Turkey	Gün + Partners: Selin Sinem Erciyas & Filiz Toprak Esin	157
27	Ukraine	Gorodissky & Partners (Ukraine): Nina Moshynska	164
28	United Arab Emirates	Rouse & Co. International: Sara Holder	171
29	United Kingdom	Bird & Bird LLP: Katharine Stephens & Audrey Horton	176
30	USA	Kirkland & Ellis LLP/SpencePC: Eugene Goryunov & William Cory Spence	185
31	Vietnam	Pham & Associates: Pham Vu Khanh Toan	192

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A Guide to Conducting an Action Before the Unified Patent Court

Bird & Bird LLP

Katharine Stephens



Introduction

The plans for the Unitary patent package comprising the Unitary patent and the Unified Patent Court (UPC) have recently hit a stumbling block. Before the UK referendum on 23 June 2016 on whether to stay in the EU, 10 countries, including France, had ratified the UPC Agreement (UPCA), which meant that only the UK, Germany and one other country were needed before it could enter into force. All looked to be on course for a mid-2017 opening of the UPC. At the date of writing, following the UK's vote for Brexit, there is complete uncertainty as to when the Unitary patent package will go ahead. Although there are suggestions as to how the UK might remain a part of the project, nothing is certain as yet. The only reasonable certainty is that there will now be a delay.

This chapter is written in the hope that the Unitary patent package will survive the political upheavals. If it does, it will be the biggest change in the European patent landscape since the European Patent Convention entered into force in October 1977.

The Unitary patent package

The Unitary patent is a new, additional intellectual property right. It is intended that it will sweep away the disadvantages of the present European patent system which will, however, remain in place: a proprietor of a Unitary patent will only have to pay one renewal fee and translate the text into, at most, one additional language (other than the language of the European Patent Office (EPO) procedure) for the invention to be granted in 25 EU Member States, assuming that all the Member States which have signed the UPCA ratify it. The Unitary patent will, in all respects, be a European patent for the purposes of filing and prosecution, but within 30 days after grant by the EPO, the patentee will have the option to designate it as having unitary effect. In such a case, the Unitary patent will provide uniform patent protection and equal legal effect in all 25 Contracting Member States.

The UPC is key to the unitary nature of the Unitary patent. All Unitary patents will be subject to the exclusive jurisdiction of the UPC and will stand or fall as a whole: an injunction granted by the UPC will stop infringements in all 25 Contracting Member States; but, by the same token, the Unitary patent will remain vulnerable throughout its life to being revoked in an action before the UPC. The UPC will also have jurisdiction over European patents which have not, during the transitional period, been opted out of the system. The UPC can make a decision on infringement and validity for all countries where the European patent is actually registered.

During the transitional period, actions relating to European patents may be brought either before the UPC or the courts of Contracting Member States; at the end of that period, the UPC will have exclusive jurisdiction. The ability for a patentee to “opt out” refers to opting out a European patent from the jurisdiction of the UPC. Thus, where an opt-out has been registered for a European patent during the transitional period, the court of the Contracting Member State where the patent is registered has exclusive jurisdiction for actions in relation to that European patent. The opt-out is stated to last for the lifetime of the patent. An opt-out can be withdrawn, but a further application to opt out cannot then be made.

Jurisdiction and competence of the UPC

The UPC is a supranational court common to all Contracting Member States and a “common court” as defined by the Brussels I Regulation. In the European judicial hierarchy, the UPC occupies a position akin to that of a national court: it applies Union law in its entirety and respects its primacy over national laws.

In a departure for the Brussels I Regulation, the UPC has been given subject-matter jurisdiction over both EU and non-EU domiciled persons in relation to Unitary and European patents (which are not the subject of an opt-out). Further, where the UPC has jurisdiction over non-EU domiciled persons, it can also exercise jurisdiction in relation to damage arising outside the EU if the non-EU domiciled person has property in any Contracting Member State.

The UPC is made up of the Court of First Instance, the Court of Appeal and the Registry. The Court of First Instance has a central division as well as local and regional divisions. The divisions all have the same level of jurisdiction, although their competence may differ, that is, according to the facts of the case, one or more of the divisions may have competence to hear the case. The rules on allocation of infringement cases, in particular, are complicated, and infringement actions allow for a considerable amount of choice between divisions as, depending on the facts, a number of the divisions may be competent. For example, infringement cases can be lodged before the local or regional division where the actual or threatened infringement has occurred or where the defendant (or one of the joint defendants) is resident or has a place of business. Therefore, where there are widespread infringing products on sale and/or a number of defendants, a claimant will have broad scope for choosing which division to use. The concern with such choice is that different panels of judges in different divisions may, despite the fact that they should strive to apply the same procedures and substantive law, interpret the UPCA and the procedural rules differently, in part informed by their background and experience.

This has been referred to as the “*couleur locale*”. Inevitably, there may be claimants who will try to exploit this which, in turn, may lead to a certain amount of “forum shopping” between divisions until such time as there is a sufficient body of law from the Court of Appeal harmonising procedure and substantive law.

In contrast, revocation actions must be started in the central division. The central division has its seat in Paris, where the office of the President of the Court of First Instance is located. There are two other sections, one in London and one in Munich. Each handles different technical subject matter. In broad terms, electronic cases will be allocated to Paris, mechanical engineering cases to Munich and life sciences cases to London (although this would be relocated if the UK is not part of the UPC system).

Outline of an action

The proceedings before the UPC consist of three main stages: a written procedure; an interim procedure; and an oral procedure. All procedures are to be organised in a flexible and balanced manner, and are regulated by the Rules of Procedure (RoP),¹ which attempt to accommodate the practices of the different national jurisdictions of the Contracting Member States.

The procedure is designed to be fast. Normally, the final oral hearing on the issues of infringement and validity at first instance should take place within one year. The procedure is also front-loaded with the written procedure requiring detailed pleadings and an important interim stage where the *judge-rapporteur* (a legally qualified judge of the panel designated by the presiding judge at the beginning of the proceedings) prepares the case for the oral hearing.

Pre-action steps and urgent applications

There is no mandatory pre-action procedure, and the claimant will not, therefore, face sanctions if it fails to warn the defendant that proceedings are about to be issued. However, a patentee should bear in mind that alleged infringers, unless they receive a translation of the Unitary patent in a language they understand, may not know or may not have reasonable grounds to know that their acts are infringing, and this will be taken into consideration by the UPC when assessing a claim for damages. Effectively, therefore, there is a presumption, which may be overturned by appropriate evidence from the patentee, that the alleged infringer will be put on notice by sending a copy of the patent and the necessary translation. However, prior to sending a letter before action which does anything more than notify the recipient of the patent, patentees should check whether there is any relevant national legislation on actions for unjustified threats of patent infringement.

Where there is an urgent need to prevent a threatened infringement or to stop the continuation of an alleged infringement, a patentee may apply for various provisional and protective measures including injunctions to prevent imminent infringement or prohibit infringement that has already begun, orders for seizure of goods to prevent their entry into, or movement within, channels of trade and orders for seizure of property where recovery of damages may be endangered. The aim of these three measures is to stop infringing activity, or to stop assets from disappearing on a temporary basis, until such time as the issue of permanent relief can be considered by the UPC.

A party may also apply on an urgent basis for an order to preserve evidence relating to an alleged infringement (called a *saisie*)

if it believes that the evidence will otherwise be destroyed. The *saisie* is conducted, not by the applicant, but by a bailiff or other person authorised in accordance with national law, and once the evidence has been secured, the UPC’s order governs the access that the applicant can have to the evidence. *Saisies* have been the traditional method of obtaining evidence from the other party in a number of civil jurisdictions where disclosure of documents during the course of proceedings is not available. In contrast, in the RoP, *saisies* are only one of a number of procedures for evidence gathering. The UPC is therefore likely to take these other remedies into consideration when considering whether to order a *saisie*, although there is admittedly a tension between this suggestion and the requirement for front-loading of the case and tight deadlines, factors which might still favour a *saisie*.

The procedures relating to provisional and protective measures and *saisies* are written as two different and distinct sets of rules; however, there are considerable similarities between them. Any application for either measure may be made before or after the main proceedings on the merits have begun and, in both instances, the UPC, in exercising its discretion, will take into consideration the urgency of the action. Where, in relation to both provisional measures and *saisies*, any delay is likely to cause irreparable harm, the application can be on an *ex parte* basis. Applicants who wish to benefit from the effect of surprise of an *ex parte* seizure must specify their reasons and, in order to safeguard the defendant, must disclose any material fact that could be relevant to assist the UPC in making a decision. Furthermore, if the application is heard *ex parte*, security must be provided by the applicant for the defendant’s legal costs, other expenses and compensation for any injury incurred or likely to be incurred by the defendant unless there are special circumstances not to do so. Special circumstances might arise in cases of extreme urgency where the applicant has not had time to organise the appropriate security by way of a deposit or bank guarantee.

In considering any application for a provisional injunction, the UPC must, in exercising its discretion, weigh up the interests of the parties including the potential harm that either may suffer by reason of its decision to grant or not to grant the injunction. It may require the applicant to provide reasonable evidence to satisfy the UPC with a sufficient degree of certainty that the applicant is entitled to commence proceedings, that the patent in question is valid and infringed, or that infringement is imminent.

If proceedings on the merits have not been started prior to the application for either a *saisie* or provisional measures, the patentee has to start proceedings within 31 calendar days or 20 working days of the UPC’s order. This is one of the very few non-extendable deadlines in the RoP.

If there is a likelihood that the patentee might apply for either a provisional injunction or a *saisie*, a potential defendant should consider filing a protective letter at the Registry. A protective letter sets out the response to any such application; for example, the letter might set out why the patent is not infringed or why it is invalid. The contents of the protective letter is specified as one of the factors that the UPC must consider in exercising its discretion on an application for provisional measures. Such letters are particularly useful to defendants in *ex parte* applications, as the defendant’s submissions can be seen by the judge. In many jurisdictions where protective letters are common, the effect of the protective letter is that the judge will then order an oral hearing to take place. This is also contemplated in the RoP. Where a protective letter is lodged and a patentee makes an application for a *saisie*, the patentee has the option to withdraw its application.

Commencing an action

Proceedings are initiated by the claimant lodging a Statement of Claim (SoC) at the Registry in electronic form.

The RoP require parties to set out their case in full in their SoC, which means giving detailed consideration very early in the proceedings as to what facts will be needed to prove the case and how to prepare and present the evidence to prove those facts. The claimant is also expected to anticipate the statements of fact which are likely to be contested by the defendant, and to include either evidence in support of those statements, if such evidence is available, or indicate further evidence which will be offered in support e.g. witness evidence, expert evidence or experiments.

The SoC must be drawn up in the appropriate language. If the infringement proceedings are filed in the central division, this will be the language in which the patent was granted. If the infringement proceedings are filed in a local or regional division, the SoC must be drawn up in the language of proceedings before that division. The language of proceedings will be an official language of the Contracting Member State hosting the relevant local or regional division in which the action is commenced. In addition to or instead of their official languages, one or more official EPO languages (French, German or English) may be designated as the language of proceedings of a local or regional division, if not already official languages of the relevant Contracting Member States. The language in which the patent was granted may also be used as the language of proceedings, even if not a designated language of the division, if agreed by the parties, or proposed by the *judge-rapporteur*, or at the request of one or both of the parties.

Before serving the claim on the defendant, the Registry will conduct an examination as to formal requirements of the claimant's SoC and check that the correct fee has been paid. The fee for an infringement action is made up of a fixed fee of €11,000, and where the value of an action exceeds €500,000, a value-based fee is also payable. For actions valued at over €500,000, the value-based fee increases in increments starting at €2,500 for an action valued up to and including €750,000 to a fee of €325,000 for an action valued at over €50,000,000. In contrast, there is only a fixed fee of €20,000 payable for revocation actions. The fees are payable when lodging the SoC.

The assessment of the value reflects the objective interest pursued by the claimant at the time of filing the action. Mini-trials over establishing the value of the case should be avoided, and therefore the main method advocated is a valuation based on an appropriate licence fee. During the interim procedure, the value of the action may be assessed by the *judge-rapporteur*, taking into account the value of the dispute as assessed by the parties. Any subsequent upward change to the value-based fee is payable within 10 days of service of the *judge-rapporteur*'s order. The UPC will reimburse any overpaid fee if the value is lower.

Further stages in the written procedure

As soon as practicable, the Registry will serve the SoC on the defendant. Electronic communication is the primary method of service, and the Registry may serve the SoC on the defendant or its representative if the defendant or claimant has provided an address to the Registry. Where the Registry has not been so notified, service is effected by registered letter as described in the Service Regulation.

One of the first steps that a defendant can take when confronted with an action before the UPC is to lodge a preliminary objection if the jurisdiction and competence of the UPC, the competence of

the division indicated by the claimant, or the language of the SoC can be put in issue. A preliminary objection must be lodged within one month of service of the initial filing. Lodging a preliminary objection does not affect the time period for lodging the Statement of Defence (SoD), unless the *judge-rapporteur* decides otherwise.

In the case of an infringement action, the defendant has three months to file a SoD. The defendant may also file a counterclaim for revocation. Where a counterclaim for revocation has been lodged by the defendant, the claimant must lodge a defence to the counterclaim, together with any reply to the SoD and any application to amend the patent, within two months of the service of the SoD. The defendant has two months to lodge a reply to the defence to the counterclaim with a rejoinder to the reply to the SoD. Finally, within one month, the claimant may, optionally, lodge a rejoinder to the defendant's reply.

The written procedure should usually take five to nine months, depending on the type and complexity of the action.

Interim procedure

The interim procedure is the second of the three stages of proceedings, and is primarily a case management stage. It is a key part of the process for preparing the case for the oral hearing which follows. The interim procedure may, where appropriate, include an interim hearing with the parties. The interim hearing, or conference, is held by the *judge-rapporteur* primarily by telephone or video conference, but may also be held in court.

During the interim procedure, the *judge-rapporteur* will identify the main issues, determine the relevant facts in dispute and establish a schedule for the further progress of the proceedings, including confirming the date for the oral hearing. The *judge-rapporteur* may also issue orders regarding production of further pleadings and evidence and will decide the value in dispute. The *judge-rapporteur* is also responsible, during the interim procedure, for exploring the possibility of a settlement with the parties.

Although the parties may file witness statements and/or expert reports with their pleadings during the written procedure, they may wish to supplement their evidence with further statements and reports during the interim proceedings. The *judge-rapporteur* will consider such requests at or before the interim conference and may issue various orders relating to evidence, including documentary evidence.

The *judge-rapporteur* may also direct and hold preparatory discussions with witnesses and experts, although this will always be in the presence of the parties. The aim of such meetings is to prepare properly for the oral hearing, and will therefore involve identifying which issues are in dispute and whether a witness or expert is able to speak to those issues. The *judge-rapporteur* could also potentially discuss preliminary issues with the witnesses and/or experts with a view to deciding these prior to the oral hearing. After consultation with the presiding judge, the *judge-rapporteur* may also direct a separate hearing of witnesses and experts before the panel.

The UPC can appoint a court-appointed expert at any time, but one such time might be after the interim conference. Once the *judge-rapporteur* has assessed the issues in the case and discussed the matter with the parties, it may be apparent that a court expert would be of assistance in resolving a particular technical or other question.

As a general rule, the interim procedure should be completed within three months. During the interim procedure, the *judge-rapporteur* will, if a date has not already been set, set the date for the oral hearing and summon the parties to attend.

Oral procedure

The oral hearing on the issues of infringement and validity should normally take place within one year of commencing the action, although in practice complex actions may require a longer period of time, and indeed, simpler actions a shorter period of time.

The oral hearing gives the parties the opportunity to present their case and explain their arguments to the panel. If ordered during the interim procedure, witnesses and experts may be heard at the oral hearing and questioned by the parties and the panel. Given that proceedings are front-loaded with greater weight placed on the written procedure, the substantive oral hearing is relatively short and should generally be completed within one day. It is also possible, with the agreement of the parties, for the UPC to dispense with the oral hearing altogether.

Most cases will be heard by a multinational panel of three judges; if requested, a fourth, technical judge may join the panel where a counterclaim for revocation is to be heard (in which case, the panel will still be able to make a decision since, in the case of equal votes, the vote of the presiding judge will prevail). The presiding judge of the panel is responsible for the management of the action during the oral procedure.

Instead of being heard by a panel of judges, the parties may agree to have their case heard by a single, legally qualified judge. When making the request, the parties will not know which judge will be appointed as the single judge. However, they may still agree that such an appointment should be made, as a single judge may be able to come to a decision more quickly, owing to the fact that he or she will take on both the role of *judge-rapporteur* and presiding judge, and there will be no panel to convene for the oral hearing.

At the start of the oral hearing, a preliminary introduction to the case may be given by the presiding judge. The aim of this non-mandatory provision is to enable the judges to lead the oral hearing in a certain direction and to inform the parties about the preliminary view of the panel. The judges may also put questions to the parties, to the parties' representatives and to any witnesses or experts.

The hearing and questioning of any witnesses or experts in person is not available as of right but has to be ordered during the interim procedure. During the interim procedure, the *judge-rapporteur* may have ordered a separate hearing of witnesses and/or experts to take place before the panel. This will presumably be the case, for example, where it is thought that the oral submissions will take up a full day or more. In the spirit of front-loading the proceedings, where the relevant issues in dispute should have been narrowed considerably and the witnesses and/or experts may have already had preparatory discussions with the *judge-rapporteur*, such a separate hearing should be completed within a day and shortly before the date set for the oral hearing. Whether such optimistic time frames are realistic in cases where questioning the witnesses and/or the experts by the judges and parties is to feature, remains to be seen.

The oral hearing and any separate hearing of witnesses and experts are to be open to the public unless the UPC decides to make them confidential. This can be done to the extent necessary in the interests of both parties, third parties or in the general interest of justice or public order. It is expected that the judges will decide such issues based on their national experience, but also guided by the rights of the Charter of Fundamental Rights.

The panel should give a written and reasoned decision on the merits within six weeks of the closure of the oral hearing.

Relief

Where infringement has been found, the UPC has the power to make a wide range of orders against both the infringer and, in some cases, third parties. In order to stop any further infringement, first and foremost the UPC has the power to grant an injunction against the infringer or against an intermediary whose services are being used by a third party to infringe the patent.

Additionally, the UPC may order various corrective measures at the expense of the infringer including recalling or removing infringing products from retail channels, depriving the products of their infringing property, for example, by redesigning them to remove the infringing part, or destruction of the infringing product and/or materials and implements principally used to create or manufacture them. The UPC may also order the infringer to make a declaration of infringement, that is, a positive declaration confirming its product falls within the claim or claims of the patent and is thereby infringing the patent.

At the request of the applicant, the UPC may further order the infringer, or various third parties, to give the applicant information regarding the origin and distribution channels of the infringing product or processes; quantities produced, manufactured, delivered, received and ordered; the price obtained for infringing products and the identity of any third parties involved in production or distribution. The claimant will be able to use this information to pursue other infringers in order to clear the market of goods and to assess damages against the defendant. The UPC also has the power to make an order for publication of the decision at the request of the applicant and at the expense of the infringer.

Non-compliance with an order to the UPC shall, where appropriate, be subject to a recurring penalty payment paid to the UPC. The UPC shall set the value of such payments having regard to the importance of the order in question. In addition, the individual penalty shall be without prejudice to the party's right to claim damages or security.

In a revocation action where the patent in suit is found invalid, the UPC will revoke it. If the revocation action succeeded only in part, the patent will be limited by amendment of the claims and revoked in part. To the extent that the patent, or part of it, is revoked, it shall be considered to be void *ab initio*, that is, it shall be deemed not to have had, from the outset, the effects specified either from the date of publication or grant.

Bifurcation

The issue of bifurcation of infringement and validity actions has been controversial since the signing of the UPCA. The UCPA deliberately left it to the local (or regional) division to decide how to proceed in an infringement action where there is a counterclaim for revocation. The division can keep both aspects of the case; refer the counterclaim to the central division and either proceed with or suspend the infringement claim; or, if the parties agree, refer the entire case to the central division.

So, in theory at least, there is a risk (or opportunity) for bifurcation and of an "injunction gap", that is, where the local division orders an injunction before the central division has heard the revocation action. The possible impact and frequency of bifurcation should not, however, be overstated. Courts in most countries in Europe do not, generally, bifurcate patent actions, and the judges from those countries are unlikely to change their stance. However, although judges from jurisdictions with a national system of bifurcation such

as Austria, Germany and Hungary, may be more open to bifurcating actions, it has been said that at least the divisions in Germany are expected to hear infringement and validity together.

Similar issues may also arise in relation to stays of proceedings pending oppositions at the EPO. Under the UPC system, the validity of Unitary and European patents can be challenged in two different ways – before the UPC and/or in the EPO. There will therefore be instances where infringement actions will be brought before the UPC while opposition proceedings are pending before the EPO.

The UPC has the discretion to stay the infringement proceedings pending a final decision in the revocation procedure or a decision of the EPO. However, there is no discretion if there is a high likelihood that the relevant claims of the patent will be held invalid and where such decision may be expected to be given rapidly: the infringement proceedings must be stayed.

In the undesirable situation that the infringement proceedings continue despite bifurcation or an EPO opposition, it is useful to remember that pending a final decision on validity, the defendant is offered considerably more protection under the UPC regime than before certain national courts. For example, the enforcement of a decision may be subject to the provision of security to ensure that the defendant is compensated if the decision is successfully appealed. Further, the UPC may render its decision on the infringement claim on the basis of a “condition subsequent” that the patent is not held wholly or partially invalid by the final decision in the revocation procedure or a final decision of the EPO. Finally, where an enforceable decision of the UPC is subsequently varied or revoked, the UPC may order the party which has enforced such decision to compensate the defendant for the injury caused by the enforcement.

Damages

Provided that the infringer engaged in the infringing activity either knowingly or with reasonable grounds to know that they were infringing, the UPC can order that the infringer pay damages to put the injured party in the position that they would have been in had no infringement taken place. The UPC can set the level of damages at the level of a royalty that the infringer would have had to pay to use the patent. Alternatively, the UPC can choose to take into account all appropriate aspects, including lost profits and any unfair profits made by the infringer in deciding the level of damages payable. If the infringer did not know, or did not have reason to believe, that they were engaging in an infringing activity, the UPC may only order that damages are paid for recovery of profits or the payment of compensation.

The procedure for claiming damages requires the successful claimant to commence separate proceedings. This rule is consistent with the procedures in some Contracting Member States, such as the UK and Germany, where the claimant usually requests a finding from the court that the defendant is liable for damages without specifying an amount. If there is a finding of infringement, the claimant then has to initiate separate proceedings to determine the amount of damages. Because there may be some considerable delay before the damages are eventually awarded, the UPC may make an interim award of damages, which should at least cover the expected costs of the procedure for the award of damages and compensation. No rules are laid down as to when the UPC might make an interim award of damages and, given the difficulty of the computation of such a claim, the UPC may be reluctant to pre-empt the damages procedure unless the claimant can easily demonstrate that significant sums are owing to it and there is no obvious defence.

Legal costs

The parties will already have submitted preliminary estimates of the legal costs which they will seek to recover following the orders made by the *judge-rapporteur* at the interim conference. The UPC will, when making its decision on the merits, also decide in principle on the obligation to bear legal costs. As a general rule, the legal costs of the successful party will, provided that they are reasonable and proportionate and unless equity requires otherwise, be borne by the unsuccessful party. A ceiling is, however, set on the costs that can be recovered. The recoverable fees have been scaled according to the value of the case, from a ceiling of €38,000 for proceedings with a value of up to and including €250,000, to a ceiling of €2 million for proceedings with a value of up to and including €50 million. Where a party succeeds only in part, or in exceptional circumstances, the UPC may apportion the costs, possibly on a per issue basis, or require that, even though successful, a party bears its own costs.

As with the damages procedure, there is a separate procedure for costs, but a successful party may apply for an interim award of costs in the decision on the merits. The UPC will probably be more open to granting an interim costs award as opposed to an interim award of damages because the computation will be easier and the liability clearer.

Appeals

There is only one Court of Appeal, based in Luxembourg, and only one level of appeal. The Court of Appeal will initially operate with two panels, each panel comprising a multi-national composition of five judges.

The Court of Appeal fulfils a very important role. Despite the lack of any explicit mention of the common law principle of precedent or *stare decisis*, the preamble to the RoP states that the UPC must endeavour to ensure consistent application and interpretation of the RoP. Therefore, through the decisions of the Court of Appeal, uniformity and consistency of approach will be imposed on the First Instance divisions.

The Court of Appeal will not decide matters *de novo*. The decision will be neither a complete rehearing, nor will it be strictly limited to points of law but may be based on points of law and matters of fact. No new evidence may be adduced unless the party submitting the new evidence could not reasonably have been expected to do so during the proceedings before the Court of First Instance. In this way, the oral hearings before the Court of Appeal will be short and the decisions should be handed down relatively quickly.

Final first instance decisions may be appealed, in whole or in part, to the Court of Appeal as a matter of course. The appellant has two months to lodge an appeal against a final decision. The stages in the appeal proceedings are the same as in the first instance but the time periods for written pleadings may be different. Reflecting the practice in the Court of First Instance, a fixed fee and, where the value exceeds €500,000, a value-based fee, are payable. The value-based fee is calculated in the same way as for first instance proceedings. The fee for the appeal also differs according to the decision that is appealed.

Orders of the Court of First Instance are also appealable; the procedure and timeline for appeals in relation to orders depends upon the type of order made. Appeals will not have suspensive effect unless the Court of Appeal makes such an order. Therefore, certain procedural matters, for example, decisions in relation to

precautionary measures and preservation of evidence which are deemed to touch upon the basic interests of the parties, will follow an accelerated timetable.

References to the CJEU

The Court of First Instance and the Court of Appeal, as courts common to the Contracting Member States and as part of their judicial system, are bound, where they consider it necessary before they can give judgment, to refer questions of Union law to the Court of Justice of the European Union (CJEU) for preliminary ruling. In the case of the Court of Appeal, the referral to the CJEU is mandatory because there is no further judicial remedy against its decisions.

The role of the CJEU has been controversial. The original draft of the Unitary Patent Regulation included provisions on substantive patent law which would have allowed appeals on such points to the CJEU. These provisions were removed to the UPCA, but some doubts remain as to whether the close link between the Unitary Patent Regulation and the UPCA leads to the possibility of an appeal to the CJEU in patent infringement cases. The preferred approach (certainly from this author's point of view) is that the UPCA is not Union law but an international treaty, and as such precludes any reference to the CJEU on substantive questions of patent law.

Conclusion

The UPC could (and, it is to be hoped, still may) provide those doing business in Europe with an exciting new patent system which allows for simplified, less expensive, and consistent protection and enforcement of patents across a vast geographical area with a population of approximately 420 million, no fewer than 24 official languages and a wide variety of divergent legal systems. For the first time in Europe, an international, or rather supranational, court would be created with the power to adjudicate private disputes involving patents between individuals and companies. As this chapter demonstrates, the RoP of the UPC are a carefully crafted set of rules with input from some of the finest patent practitioners and judges from both civil and common law systems. It would be disappointing for all the potential users of the system, from multinational companies to SMEs and individual inventors, if it were destined to fall at the last hurdle.

Endnotes

1. This chapter is written on the basis of the 18th draft rules of procedure dated 19 October 2015, with the addition of certain consequential amendments made on 30 June 2016.

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Katharine Stephens is co-head of the London Intellectual Property Group, and has been a partner at Bird & Bird since 1999. She specialises in patent, trade mark and design litigation, often coordinating and running actions in more than one jurisdiction.

With a Master's degree in Mechanical Engineering from Bristol University, Katharine has a particular interest in the electronic, computer technology and engineering sectors. Many of the patent actions which she has been involved in over the years concern standard essential patents and patent pools, and she is therefore experienced in dealing with the patent and competition law issues raised in such cases.

Katharine is also recognised as a leading trade mark enforcement and litigation expert by *World Trademark Review* and other publications. She is experienced in designing and implementing European-wide protection and enforcement strategies based on trade marks and designs. Katharine reports each month on trade mark, copyright and design cases for the *Chartered Institute of Patent Attorneys Journal*.

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