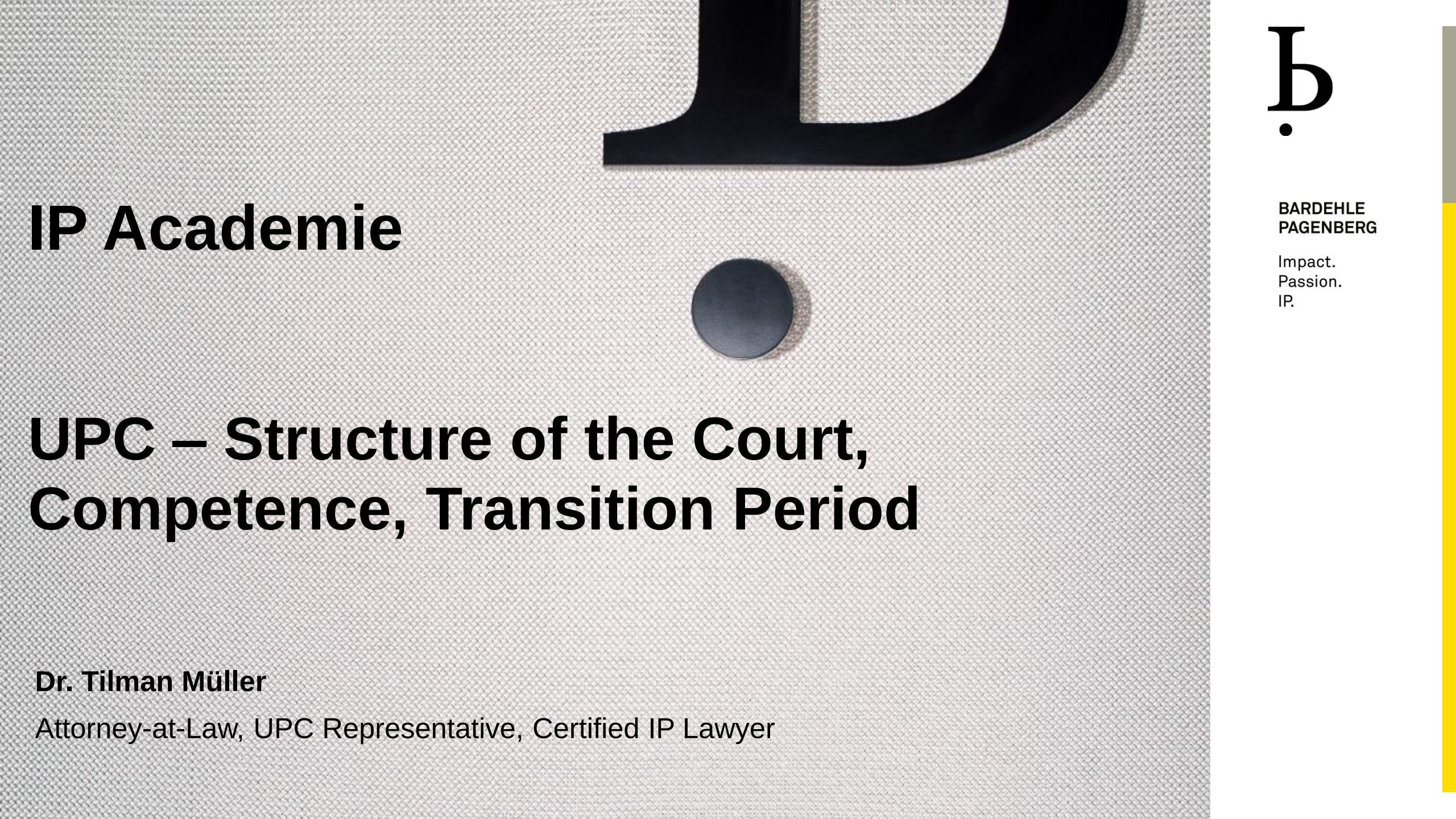


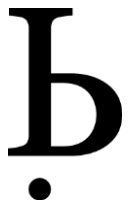


IP Akademie

UPC – Structure of the Court, Competence, Transition Period

Dr. Tilman Müller

Attorney-at-Law, UPC Representative, Certified IP Lawyer



**BARDEHLE
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Impact.
Passion.
IP.



- I. Overview**
- II. The first months in numbers**
- III. First cases and experience**
- IV. Strategies**
- V. Takeaways**



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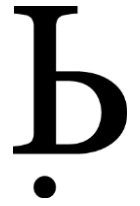
THE EUROPEAN PATENT SYSTEM

Three main options for protecting inventions in Europe:

- (1) national patents,
- (2) European bundle patents (*EP*)
 - EPO acts as one-stop-shop: central examination and grant procedure
 - After grant: validation in up to 38 member states
- (3) **NEW: European Patent With Unitary Effect (UP)**



New European “patent package”:



➤ European Patent With Unitary Effect (UP)

- EPO remains one-stop-shop
- For participating member states, currently 17, the patent may also become effective as a patent with unitary effect
- For other countries: no changes, national validations required

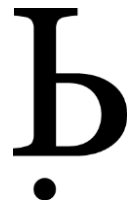


➤ Unified Patent Court (UPC):

- Exclusive jurisdiction for UPs (and EPs after transitional periods)



Who is in, who is out?



Agreements ratified

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

Not yet ratified, but expected to ratify

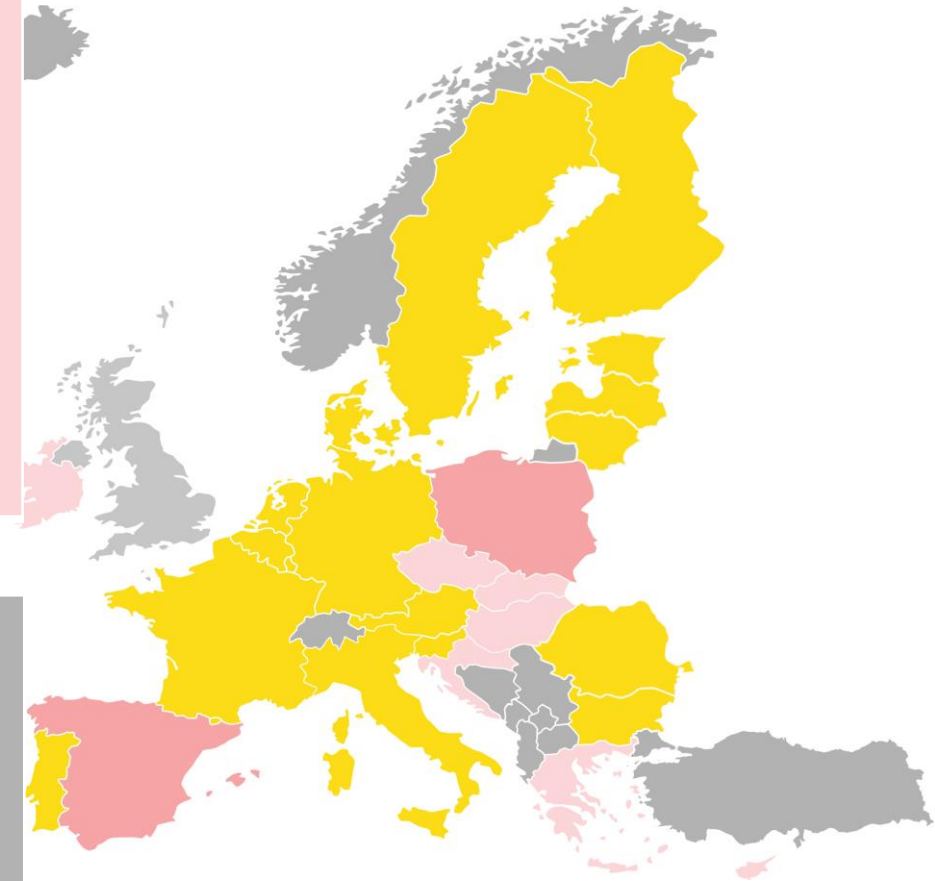
Czechia, Ireland, Greece, Cyprus, Hungary, Romania, Slovakia

Unlikely to ratify

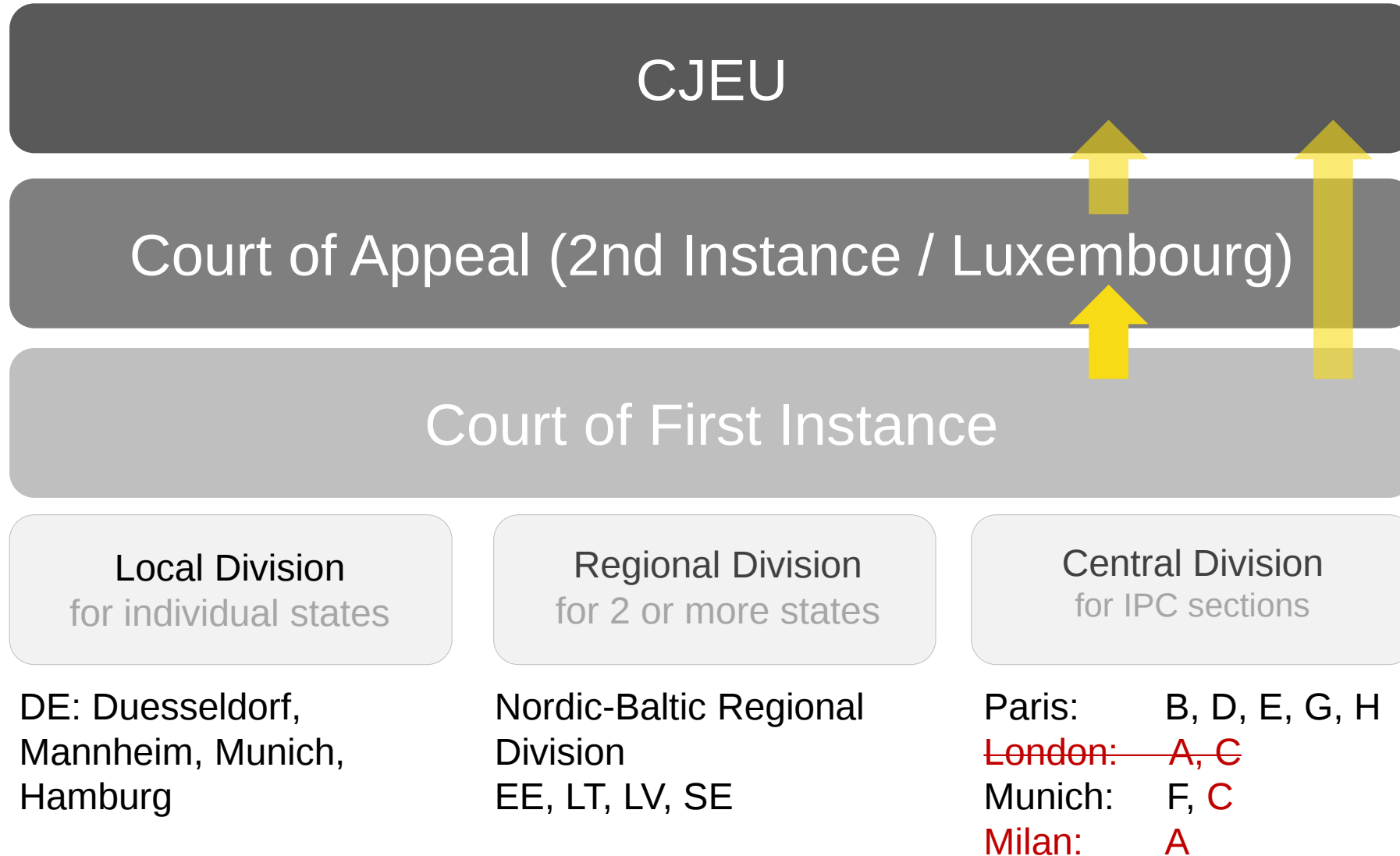
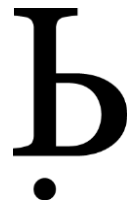
Croatia, **Spain**, Poland

No ratification possible

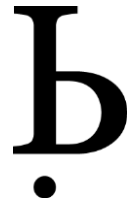
Albania, Iceland, Monaco, Norway, North Macedonia, San Marino, Serbia, Switzerland, Turkey, **United Kingdom**



Structure



Competence



Exclusive competence for UP (transmission period for EP):

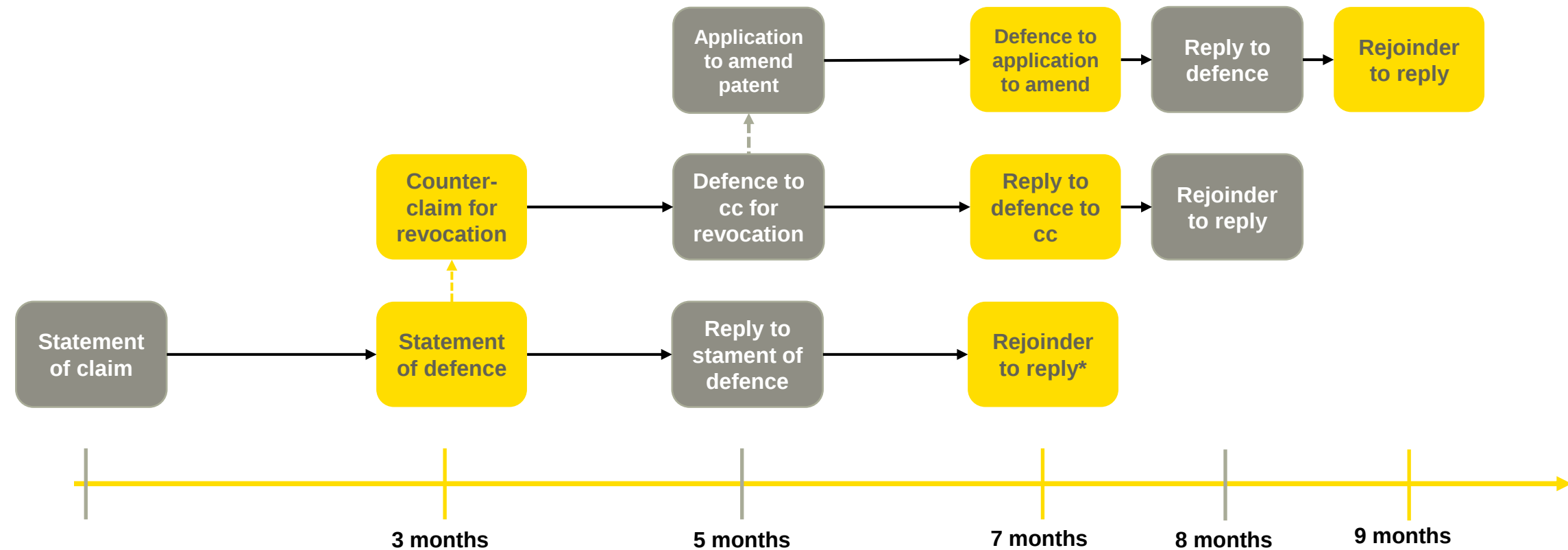
- Infringement Actions
- Declaration of Non-Infringement
- Provisional and protective measures and injunctions
- (Counter-)Claim for Revocation

Not competent:

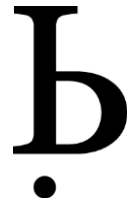
- Vindication actions
- FRAND defence (in infringement proceedings)
- FRAND rate settings?

1st Instance Proceedings: Structure and Timing

Strict timelines – e.g. infringement action:



1st Instance Proceedings: Structure and Timing

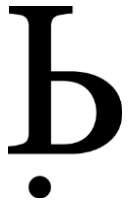


- **First stage (before judge-rapporteur)**
 - Exchange of written pleadings, 2 briefs from each side
 - No discovery, but order to produce evidence available
 - As a rule: 8-9 months
- **Second stage (before judge-rapporteur)**
 - Interim procedure; may order hearing of experts and witnesses before trial in a separate hearing
 - As a rule: 3 months
- **Third stage (before the panel)**
 - Oral hearing
 - Duration one day, written decision within 6 weeks

Judge rapporteur very important – handles 80% of the case!

Adjust filing strategy to influence selection of judge rapporteur?

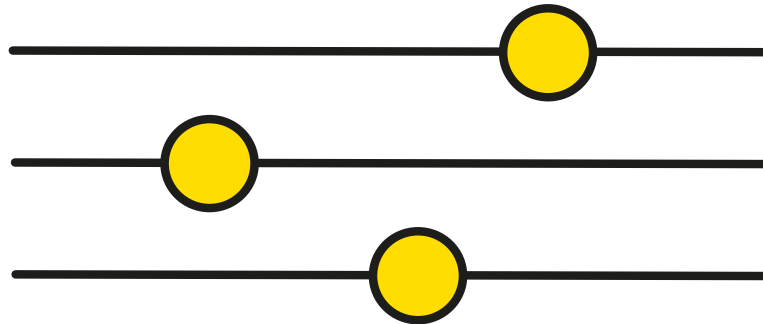
Available Relief



- Injunction (proportionality/equity?)
- Damages (long-arm jurisdiction!)
- Accounting
- Recall, Removal, Destruction etc.

AND

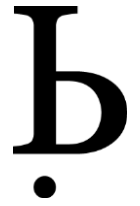
- Central Revocation



II. The first months in numbers



11/14/2024



Registrations of Unitary Patents (UPs)

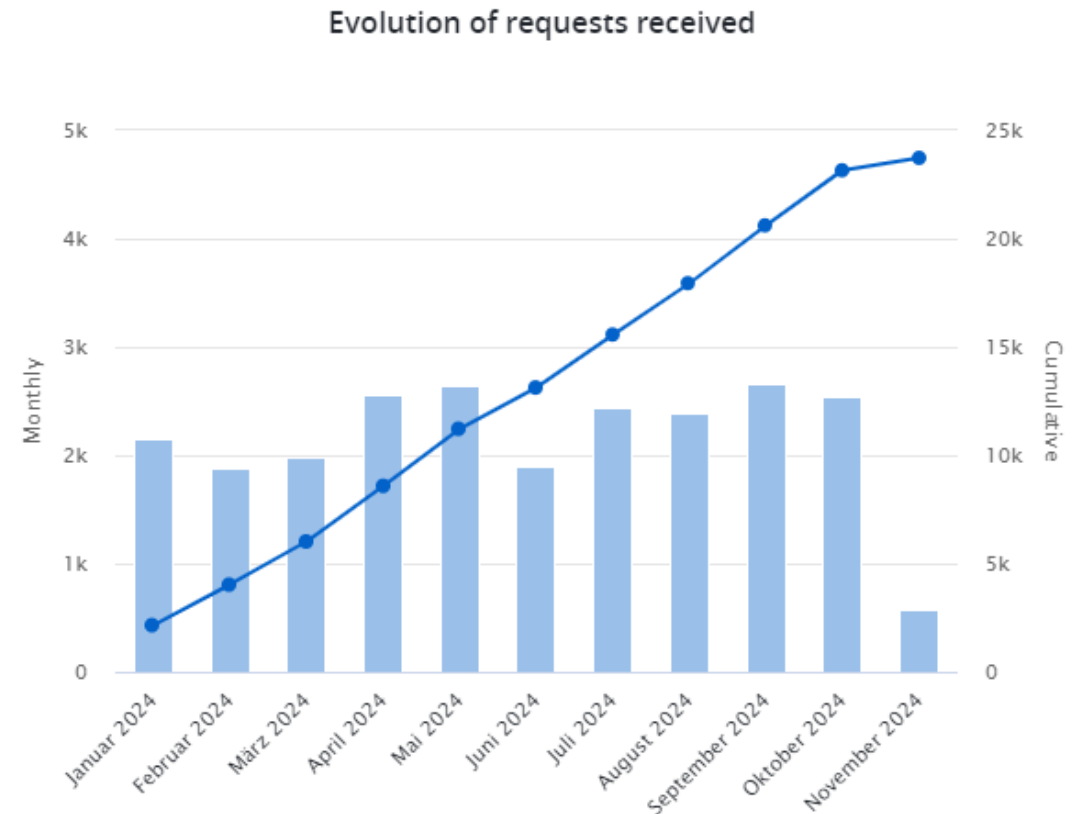
- Between January 1, 2023 (= earliest date for requesting unitary effect or delaying of grant, respectively) and the end of 2023, **85,748 EP** patents moved to grant
 - **23,736 unitary patent request** have been received by November 8, 2024
- For ~ **25%** of all possible EP grants the unitary effect was requested

Requests
received

23736

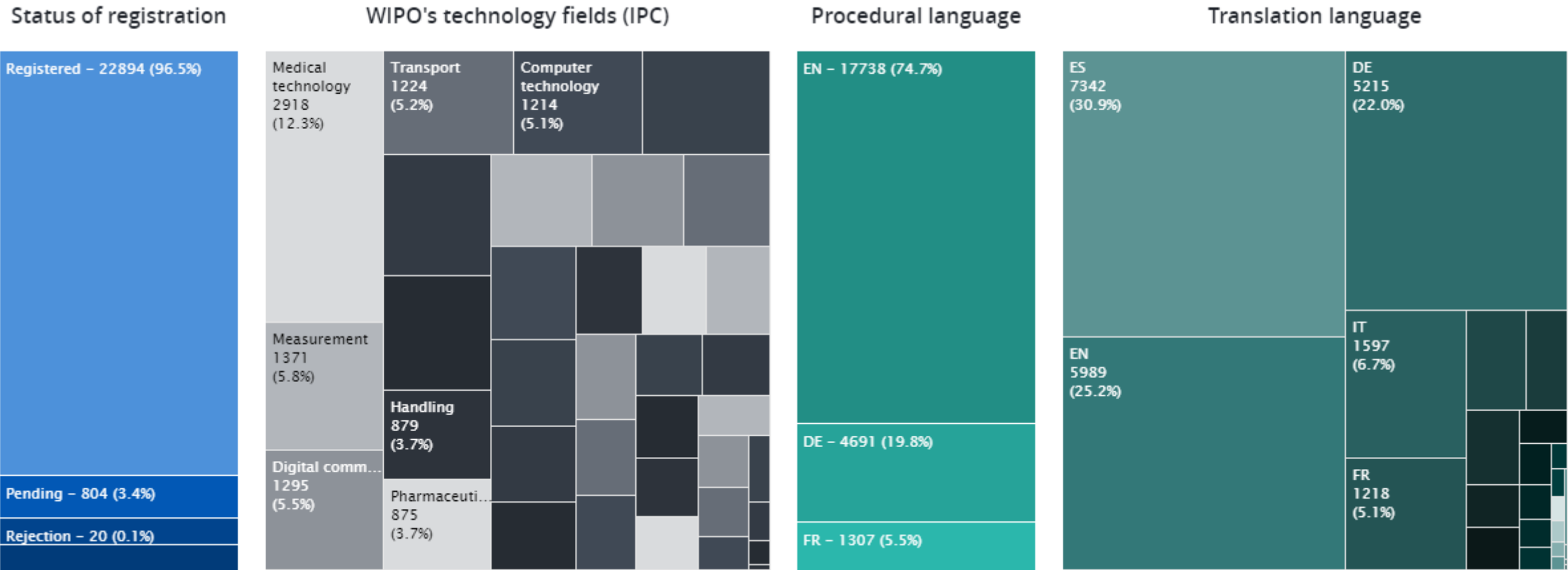
Registrations of Unitary Patents (UPs)

- Is the number of requests increasing?
- So far, no. Rather steady state at about **~25% of all new grants** are registered as UPs
- Reasons:
 - Annuities up to 60% more expensive than traditional DE + UK + FR validation model
 - Lack of flexibility (no opt-out, no selected lapse)





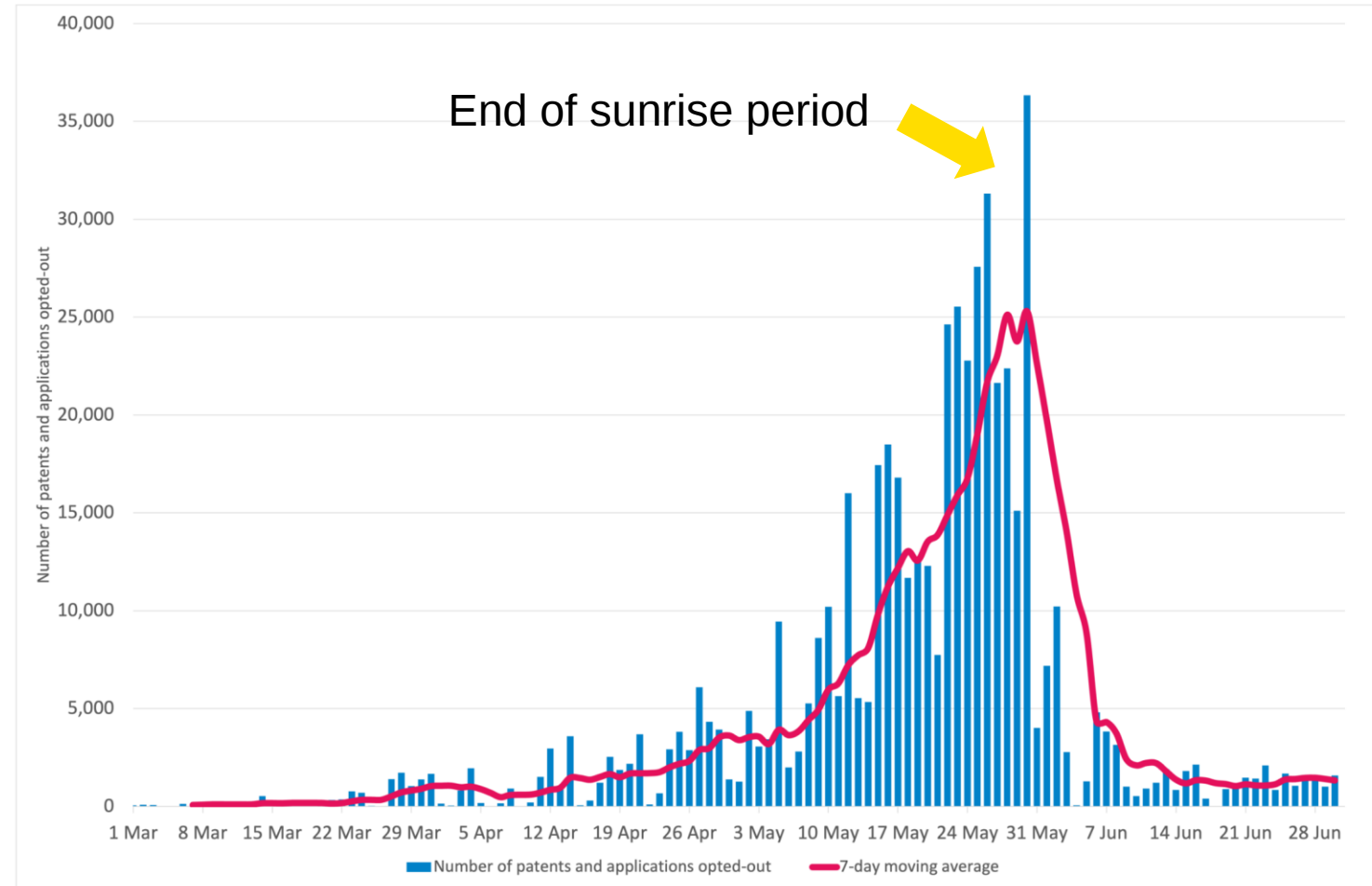
Registrations of Unitary Patents (UPs)



Opt-Out for Bundle Patents

- As of September 26, 2024:
about 600.000 request for opt-outs were filed
 - **2300** which were requested to be withdrawn
- ~ **35 %** of all active EP patents have been opted-out

Number of opted-out patents and applications per day since the start of the sunrise period





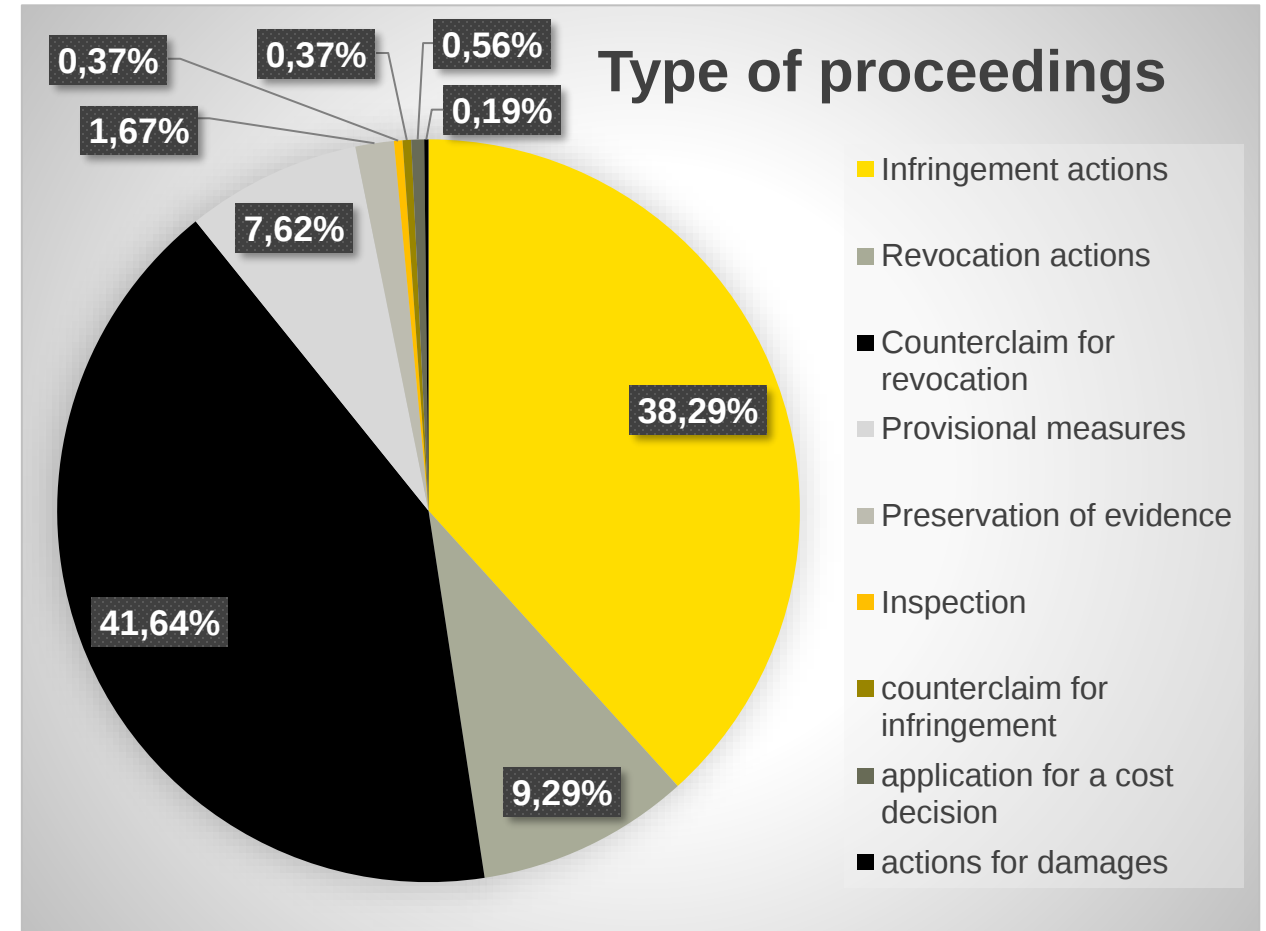
2. Proceedings at the UPC

How many proceedings have been registered at the UPC?

- less than 350
- 350-450
- 451-550
- more than 550

II. Proceedings at the UPC

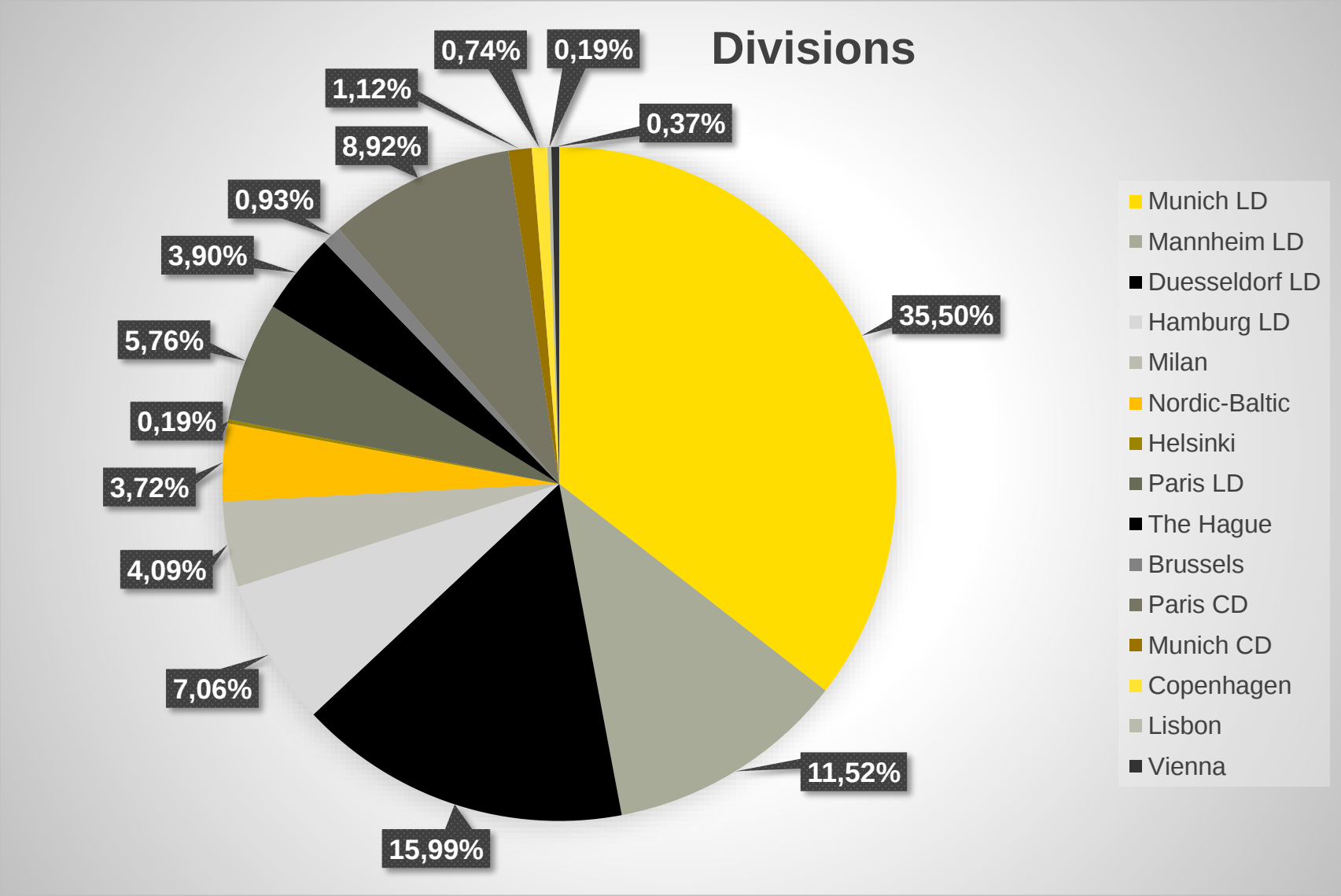
- **More than 500 cases filed**
- Status end October: 538 cases
 - **206** infringement actions
 - **50** revocation actions
 - **224** counterclaim for revocation
 - **41** provisional measures
 - **9** preservation of evidence
 - **2** inspection
 - **2** counterclaim for infringement
 - **3** application for a cost decision
 - **1** actions for damages



II. Proceedings at the UPC



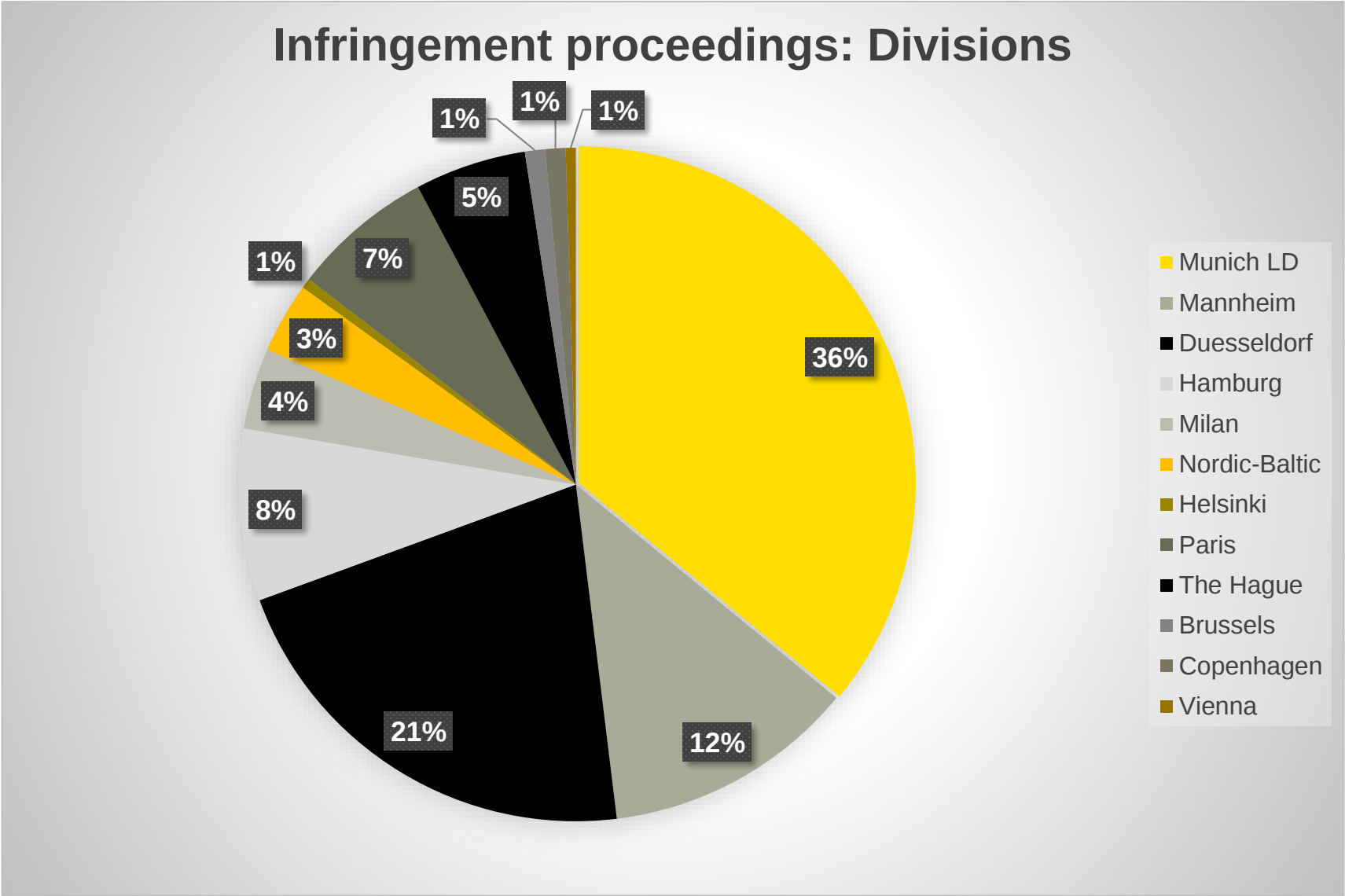
Status of end
October, 2024
(CMS)



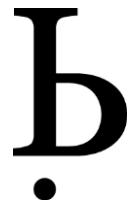
II. Proceedings at the UPC



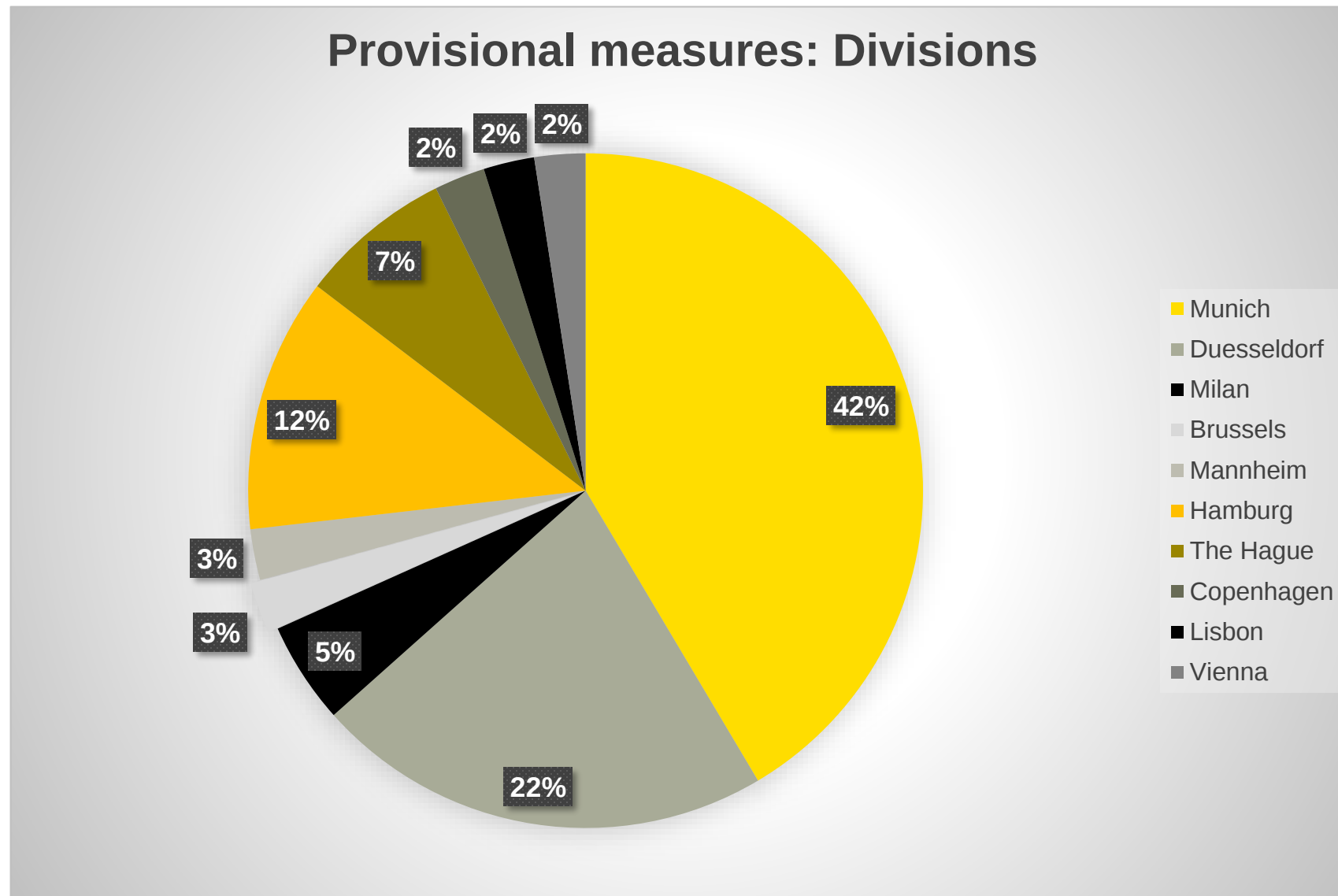
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end October, 2024
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II. Proceedings at the UPC



Status of
end October, 2024
(CMS)

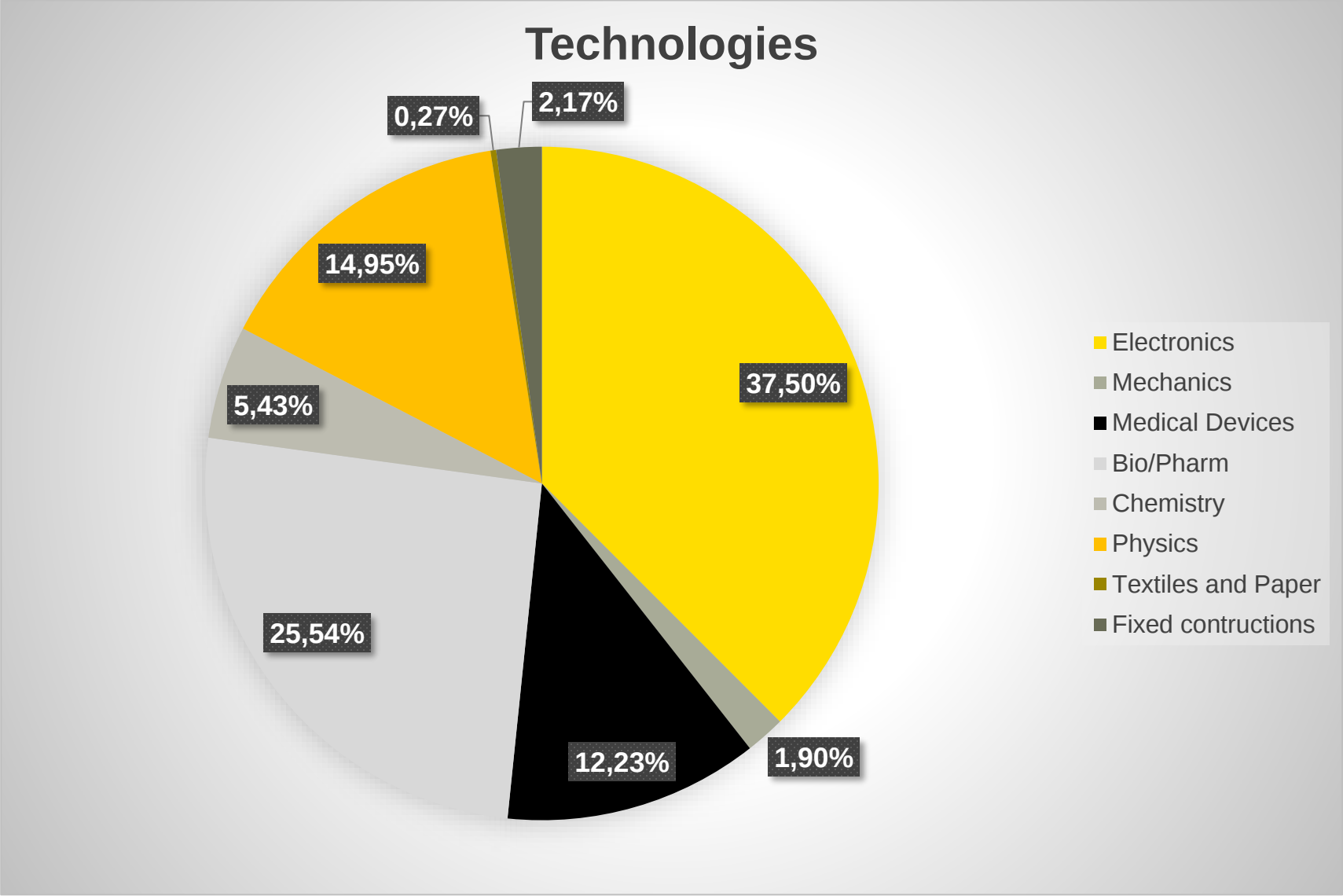


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II. Proceedings at the UPC



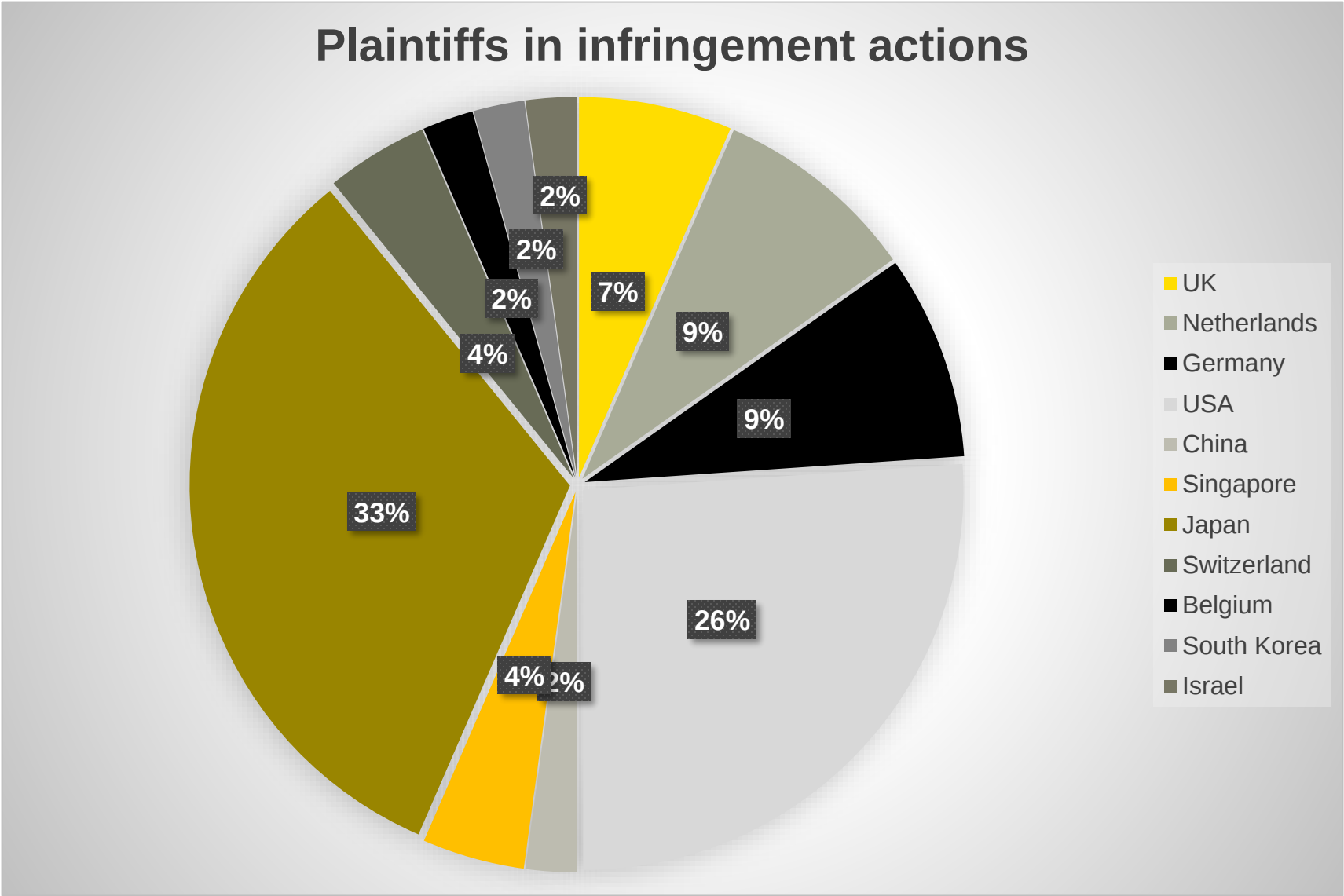
Status of
end October, 2024
(CMS)



II. Proceedings at the UPC



Status of
November 23, 2023
(CMS)



Transitional Phase

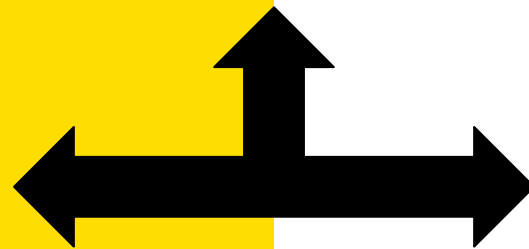
- **UPC and national systems work in parallel for 7 (14) years**
- **Prosecution:**
 - Filing and prosecution proceedings at the EPO – for both EP and UP
 - End of prosecution proceedings, option for applicant:
Classic EP  **Unitary Patent**
- Unitary Patent valid in all UPC Member States (18)
- EP as validated
- **Litigation:**
 - UPC exclusively competent for UP
 - UPC and national courts competent in parallel for EP

III. Transitional Phase

b.

**Parallel competence of UPC
– national courts**

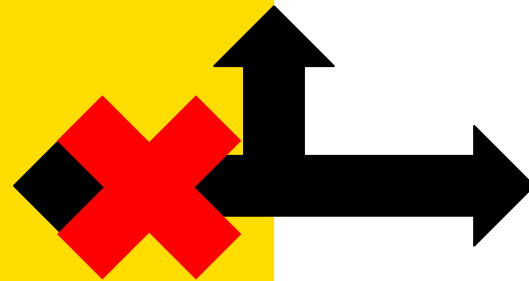
Also for pre 6/2023 patents!



Transitional Phase

Opt-Out

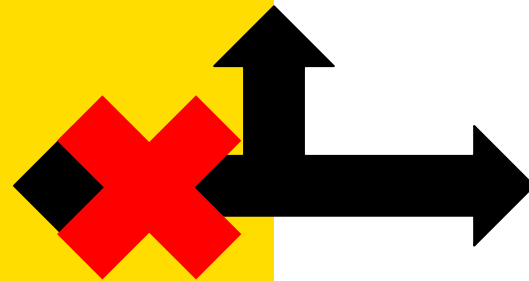
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Transitional Phase

Withdrawal of Opt-Out

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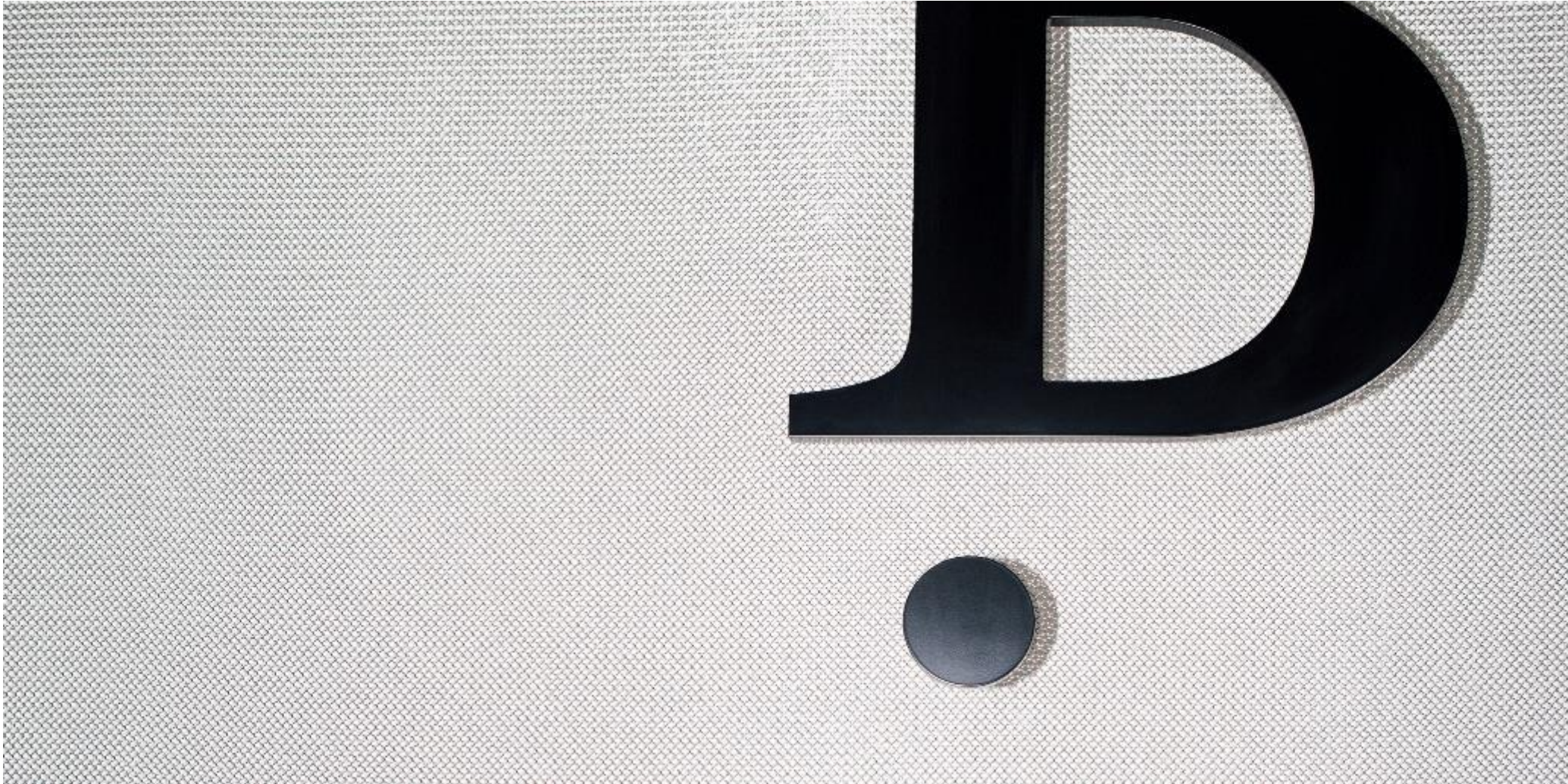
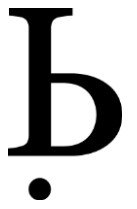
After Grant: Opt-Out for EP bundle patents

- Opt-outs should be considered if
 - there is a clear threat of a 3rd party attacking the patent and
 - own proceedings before the UPC are currently not envisaged
- Opt-out can usually be withdrawn to opt back into UPC
 - Exception: patent is litigated in national courts
 - Risk of "lock-out torpedo", by national non-infringement / validity attack

Latest News: Court of Appeal AIM vs Supponor, 12-Nov-2024:

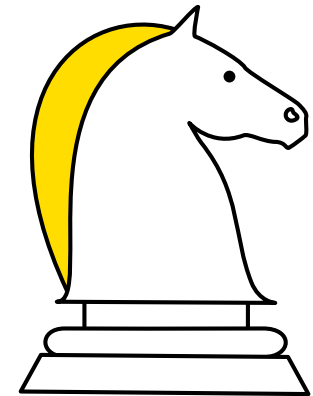
Only national litigation that was filed after 1 June 2023 blocks withdrawal of opt-out!

IV. Strategies

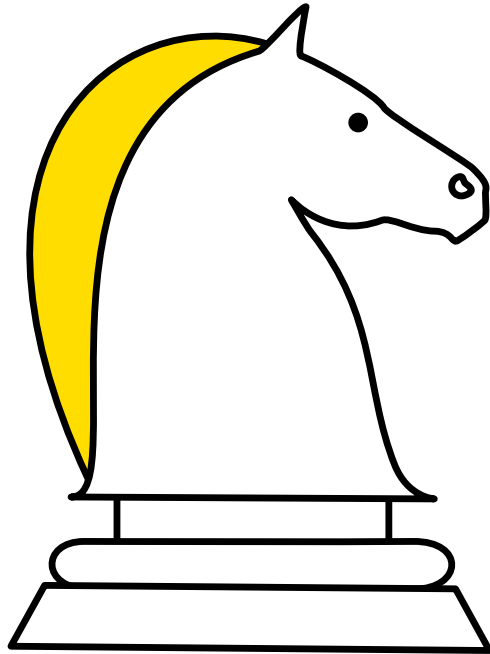
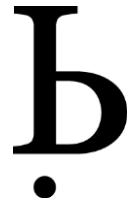


After Grant: EP Bundle or UP ?

- Consider UPs as part of your validation strategy, possibly as a hybrid approach
 - Higher annuities may partly be offset with lower administration costs
 - Translations into Spanish are generally cheap, and can be reused for validation in Spain
 - Gives you protection in countries that you would otherwise likely leave unprotected, and the possibility to enforce before a strong court system
- For high priority patents: register UP + validate in ES + UK
- For medium/low priority patents: validate in DE+FR+UK



The Plaintiff – General Considerations

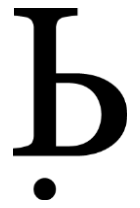


Short timelines work in favor of the plaintiff!

Time to prepare:

- Technical background
- Infringement and counter-arguments
- Anticipate validity attack
- Prepare legal questions

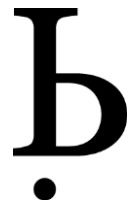
Defendant has limited time to react



The Plaintiff - Hybrid Litigation

- Combination of UPC and national litigation
 - Several patents split between UPC and national courts
 - Seize advantages of national & UPC litigation – “best of both worlds”
- National
 - Reliability, cost effective, no surprises
- UPC
 - Quick proceedings, cheaper than multinational litigation
 - Broad territorial scope – difficult to withdraw from markets
 - Avoiding Federal Patent Court and EPO
 - Judges want to make the UPC a success

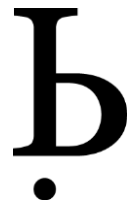
The Plaintiff – Assertion of Crown Jewels



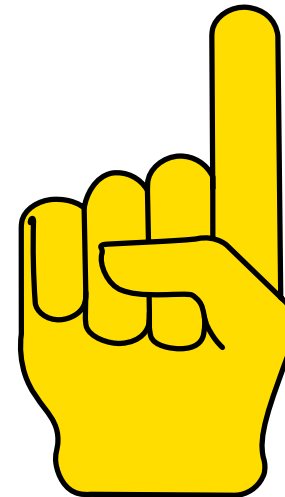
- UPC infringement based on single “Crown Jewel” patent?
 - Multi-country infringement
 - Strong patent (survived nullity / opposition proceedings)
 - Risk of UP-wide revocation
 - Chance of swift, high-impact decision
 - Reduced costs vs. multi-jurisdiction litigation



The Plaintiff - Preliminary Injunction



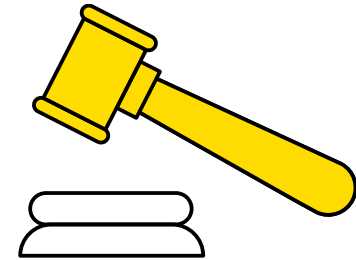
- **Ex parte**, if any delay is likely to cause irreparable harm
- Otherwise: **Inter partes**
- **Very fast!**
 - Ex parte: same day
 - Inter partes; 3-4 months

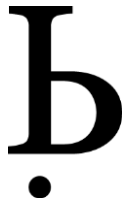


The Defendant

Several known and new procedural measures

- Request security for costs
- Refusing acceptance of e-service
- Motion practice => Technical qualified judges biased
- Classical IT-torpedo
- Expert opinions => facts win the case
- Confidentiality requests





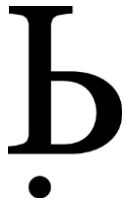
The Defendant

Multiple validity attacks against the patent (1): EPO + UPC

- EPO oppositions and UPC revocation actions can run in parallel to attack validity
 - “Two bites at the apple” ... where “one bullet kills”
- Will the decisions be the same anyway?
 - Case law of Boards of Appeal is relevant under the UPCA
 - But: UPC Judges develop their own case law
 - Harmonization with EPO? Maybe – but which direction?
- Note: Strawman approach admissible at the EPO; unknown UPC practice



The Defendant



Multiple validity attacks against the patent (2): UPC + UPC

- Defendant can file a counter-claim for invalidity at Local Division, another group entity can file revocation action at Central Division
- Why?
 - Central revocation action may be faster than LD counter-claim
 - UPC Central Division may be more friendly towards attackers
 - Central Division: all eyes on validity - more room to discuss different attacks



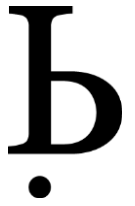
V. Takeaways

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11/14/2024

Takeaways



- UPs make up significant fraction of newly granted patents
- Number of proceedings at the UPC steadily increasing, focus on Germany
- Prepare and file PI requests/protective letters early
- UPC is also attractive for SMEs
- Lower number of opt-outs, increasing trust in the system
- Case-law develops steadily

Thank you!



Dr. Tilman Müller

mueller@bardehle.de

BARDEHLE PAGENBERG
Partnerschaft mbB
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