

Unified Patent Courts will hardly bifurcate proceedings

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The possibility to bifurcate proceedings is a concern to many potential users of the future Unified Patent Court (UPC). Proceedings in Germany, in which infringement decisions may be rendered long before a judgment is given on the validity of a patent, serve as an alarming example. Moreover, bifurcation is said to be attractive to patent trolls. However, Dr. Matthias Zigann, presiding judge of a patent division of the Munich Regional Court I, explains that the Rules of Procedure (RoP) at the UPC are very different from German law. At the Unitary Patent Package Congress in Amsterdam last week, he told Kluwer IP Law that he expects bifurcation to happen rarely.

Dr. Zigann is also remarkably outspoken about the English limited rule, included in the RoP on insistence of Germany and allowing for judgments in German in proceedings which have been held in English. 'If you don't feel comfortable to do the whole proceedings in English you should quit from the court.'

Why do you think bifurcation will hardly be seen at the Unified Patent Court?

In Germany we have bifurcation because it is in our legislation, not because we aren't used to looking at the validity of patents. We have to look at validity regularly in order to decide upon motions of defendants to stay proceedings to await the outcome of nullity proceedings. So we have to look at the prior art and make up our minds whether we think that a patent is valid or not. But then we have to stop. If German judges were to become UPC judges, they would have the power to decide the case and dismiss a nullity action or invalidate a patent themselves. And they will more often than not use that power.

Some proceedings may still be bifurcated, but I don't think it will happen often. There are three reasons for this. Firstly, the nature of the proceedings will change. At the moment, we have ex officio proceedings in Germany. The Federal Patent Court has to investigate the validity of patents to some extent. At the UPC, it's the defendant who has to present all prior art. If the defendant doesn't do that, the court will not investigate prior art on its own behalf. So the amount of material to consider is limited.

Moreover, the UPC will have very strict time limits. According to the Rules of Procedure, the proceedings should be terminated within a year and there is only a three month period for counterclaims for revocation. This is very short. I don't know what the procedure will be if prior art is popping up after this period, if it will be admissible to bring it to the court at first or second instance. Maybe not. So the scope of prior art you have to look at, is much more limited than it is in Germany at the moment, where the plaintiff of the nullity proceedings can prepare his attack without any direct time limits.

Thirdly, UPC judges at local or regional divisions when considering bifurcation will also keep in mind the workload of their colleagues at the central division. In other words, they will have to justify internally not deciding a revocation counterclaim themselves but sending it away to the central division.

German judges have insisted on a language regime under which they have the option to render judgments in German, although the main language of the proceedings has been English. How do you feel about this?

It is something that especially the Düsseldorf judges were keen on. I'm not sure about Hamburg and Mannheim. Personally, I think it is better to have the proceedings either in German or in English. If you don't feel comfortable to have proceedings in English you should quit from the court service. I don't like the idea of a mixed system, I want to think either in German or in English. And English won't be such a problem, not even if you have to write a judgment, because all the written material will be in English. You can use that and copy into your decision the clauses which you think contain the right arguments. Usually very expensive lawyers with lots of brains have developed these submissions.

Of course, the Düsseldorf judgments are very lengthy, in depth and elaborate and not everybody is able - certainly I am not - to apply that same style in English. But perhaps we shouldn't use this style for the UPC, at least not for the first instance decisions. Maybe the UPC should develop a style similar to the ECJ's judgments, with the decision in bullet points only.

What element of the new UPC system is particularly of concern to you?

I think Article 83 of the Agreement, regarding the opt-out regime, is badly drafted, as it isn't clear about the applicable substantive patent law. The UPC Preparatory Committee issued an opinion on this issue, according to which there will be either UPC competence and applicability of UPC substantive patent law, or national Courts' competence and national law.

This is only an opinion. The national judges will have to decide about this. But think about it. If this is correct, it means that the substantive law changes every time you shift proceedings from national courts to the UPC and back, for the same acts of infringement. How can that be? And look at time limits, for instance. You could have a national judge telling you that he is about to dismiss your case because a period lapsed, but still have the option to withdraw your case and go to the UPC where the situation might be different in respect to time limits! This cannot be. So the best solution would be that substantive patent law in all UPC Member States is harmonized with the UPC Agreement.

Apparently, this is the reason why the Netherlands haven't yet started the ratification procedure. They want to synchronize Dutch and UPC patent law. Will Germany choose for harmonization as well?

I don't have any information pointing in that direction. Actually, I think there would be quite some opposition against it. In Germany, the normal procedure is that in case of an infringement, an injunction is granted as a matter of fact. Under the UPC Agreement however, judges have some expressly codified discretion on deciding whether they grant an injunction. German businesses would probably consider it a step in the wrong direction if this were to be implemented in German law, too. And opting out would, in their view, become less attractive.

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