

Basics of the Unitary Patent system. Part 5: Applicable law at the UPC

Kluwer Patent Blog
March 18, 2016

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Please refer to this post as: Pieter Callens, 'Basics of the Unitary Patent system. Part 5: Applicable law at the UPC', Kluwer Patent Blog, March 18, 2016, <http://patentblog.kluweriplaw.com/2016/03/18/basics-of-the-unitary-patent-system-part-5-applicable-law-at-the-upc/>

Europe is preparing for the launch of the new Unitary Patent and the Unified Patent Court (UPC). A provisional phase for the UPC is expected to start later this year, with a view to a full start of the system in the spring of 2017. In a series of articles, Kluwer IP Law explains the upcoming changes and the consequences they have for patent practitioners. The fifth blogpost: Applicable law at the UPC.



1. Which law shall be applied by the UPC?

The Court of First Instance and the Court of Appeal of the UPC shall base their decisions on:

- Union law, including the Unitary Patent Regulation and the Translation Regulation;
- the Agreement on the Unified Patent Court;
- the European Patent Convention;
- other international agreements applicable to patents and binding on all the Contracting Member States; and
- national law (article 33(10) UPCA).

This may seem confusing, but actually it is not. The applicable law shall depend on the legal question at stake (see hereafter). To resolve the question, the UPC shall take into account the primacy of international law and Union law. National laws shall only play a minor role in UPC proceedings.

2. Which law shall determine where there is infringement to a patent?

For determining the infringement question relating to European or Unitary Patents, the UPC shall apply the articles regarding direct infringement (article 25), indirect infringement (article 26), limitations of the effect of a patent (article 27), and exhaustion of rights (article 29) provided in the UPC Agreement. Currently, member states apply their national law to resolve the infringement question. In the future, the UPC shall apply the articles of substantive patent laid down in the UPC Agreement. Therefore, the UPC shall have a harmonizing effect in the UPC member states. In principle, infringement tests such as e.g. the infringement by equivalence or indirect infringement shall have to be the same in all UPC divisions. The role of the Court of Appeal will be important here to clearly define these tests.

3. Which law shall determine whether a patent remains valid or not in a revocation action?

Questions regarding validity of a patent shall be resolved by applying the provisions of the European Patent Convention. Patentable inventions, novelty, inventive step and industrial application shall be interpreted by the UPC in accordance with the EPC. In this respect, not much shall change in comparison to the current practice in the member states.

4. Which law shall apply to prior use rights?

National law shall determine whether a person has a prior use right or a right of personal possession of that invention in that Contracting Member State. Article 28 UPCA provides that any person who, if a national patent had been granted in respect of an invention, would have had, in a Contracting Member State a right based on prior use or a right of personal possession of that invention, shall enjoy, in that Contracting Member State, the same rights in respect of a European or Unitary Patent.

5. Which law shall apply to transfers, licenses and other proprietary disputes?

Aspects of property (patents as security rights, contractual licensing, insolvency proceedings, etc.) are in principle left to national law. This is particularly the case for compulsory licenses for unitary patents. Article 9.1. of the Unitary Patent Regulation provides that compulsory licenses shall be governed by the laws of the Participating Member States as regards their respective territories.

To determine the applicable national law for unitary patents, article 7.1. of the Unitary Patent Regulation provides that a unitary patent shall be treated in its entirety and in all UP Participating Member States as a national patent of the Participating Member State in which that patent has unitary effect and in which, according to the European Patent Register the applicant had its residence, principal place of business or a place of business on the filing date of the application. If none of the applicants has its place of business in one of the Participating Member States, German law always applies (article 7.3. Unitary Patent Regulation).

6. Can the UPC request preliminary rulings of the EU Court of Justice?

Yes, but only for matters of Union law. Since the UPC shall be considered as a national court under EU law, the CJEU remains the guardian of the correct application and uniform interpretation of EU law. In practice, this means that the Unified Patent Court shall be obliged to rely on the case law of the CJEU in matters of Union law and can/must request preliminary questions for matters of Union law.

If a question regarding the validity or interpretation of Union law is raised before the Court of First Instance, the Court of First Instance may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court of Justice to give a ruling thereon. When a question is raised in a case pending before the Court of Appeal, the Court of Appeal is obliged to bring the matter before the Court of Justice. Decisions of the CJEU shall be binding on the Unified Patent Court.

Pieter Callens (Eubelius, Belgium) is co-author of the book 'Introduction to the Unitary Patent and the Unified Patent Court'. An updated version of this book shall become available in 2016. Make sure you are always informed on the latest UPC posts and subscribe to the [Kluwer Patent Blog newsletter!](#)