Kluwer Patent Blog

‘There are no disadvantages to the Unitary Patent’

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There are no disadvantages to the Unitary Patent package, as it is an optional system. Willem Hoyng, lawyer of Hoyng Monegier and member of the Legal and the Expert Panel of the UPC Preparatory Committee, wrote this in a paper made available to Kluwer IP News.

If companies don’t want to put all their eggs in one single Unitary Patent basket, fearing they may lose a patent for the whole UP territory in revocation proceedings, other options are possible. They can choose to file nationally or – during a transition period of seven or possibly even fourteen years – to opt out of the UPC court system, Hoyng argues. He thinks too much emphasis is put on the risk of losing a patent under the UPC: ‘…already nowadays in multicountry cases courts very much take each other’s decisions in consideration and are aware of the fact that the outcome of cases (…) should be the same as the law of validity and infringement is (should be) the same.’

Refuting concerns about poor decisions by UPC judges, Hoyng writes that quality is assured in several ways. ‘First of all, different from for instance the ECJ, it will be difficult for countries to have political appointments. (…) no judge can be appointed who is not put on the list of suitable candidates by the Advisory Committee [of the UPC, ed.] and that Advisory Committee consists of patent specialists.’

A further guarantee, according to Hoyng, is the rule that local divisions that have handled less than 50 patent cases in the previous three years, have to appoint two experienced members from the pool of UPC judges in the three member panels of the Courts of First Instance. Even in regional divisions, where two local – and possibly less experienced – judges are part of the panel, there ‘is place for one experienced judge from the pool and it may be assumed that the other judges, who at least have had training, will not outvote the experienced judge where this does not make sense.’

Moreover, ‘if the court does not bifurcate, but deals with invalidity itself, a fourth (technical) judge will be appointed which allows the President to send an experienced judge (…)’. Also, ‘the Rules of Procedure give the Court of Appeal the possibility to almost immediately suspend enforceable injunctions issued by a Division. Hoyng points out several other options of the UPC system, and comes to the conclusion ‘there seem to be sufficient possibilities to avoid disaster’.

As to forum shopping, Hoyng thinks that ‘it remains to be seen if these differences [between divisions in the application of laws, ed.] will be very important. Already nowadays the differences are relatively small and with a multinational composition of the panels it is likely they become

even smaller (…).'

Due to the so-called Unilever clause – the result of lobbying of the Dutch government by Unilever – the risks are limited even more, Hoyng argues. This clause allows a defendant to demand that a case be transferred from a Regional to a Central Division if a product is sold in the territories of three regional divisions, which will often be the case.

Hoyng expects that eventually all EU member states, including Croatia, Spain and Italy will join the system, although this may take several years. He is convinced that most industries that are active in more than a few countries of the EU will opt for the Unitary Patent as well.

Taking into account his optimism, Hoyng's prediction about the start of the UPC is remarkable. He thinks the court will be functioning on 1 January 2017, which is decidedly later than many others say.

Regarding the role of the Court of Justice of the European Union (ECJ), Hoyng thinks that the patent community 'may be in for a surprise'. Although efforts were made to keep questions of material law out of the hands of the Court, it will be in vain: 'I expect that the ECJ will not hesitate to rule also in the fields of material law.'

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