

Kluwer Patent Blog

A new European patent landscape (4): the Unified Patent Court

Kluwer Patent blogger · Monday, February 20th, 2023

In June 2023 the European patent landscape will see one of the most dramatic changes in decades with the introduction of the Unitary Patent (UP) and the opening of Unified Patent Court (UPC). In a short series this blog will go through the main characteristics of the system and decisions that need to be made to get ready and to protect inventions, both new and existing. Part 4: the Unified Patent Court.

The Unified Patent Court has been created to make an end to parallel litigation concerning the same European patent in all countries where it is validated. Such multi-forum litigation is expensive and complex and has led to conflicting decisions and legal uncertainty.

The UPC will have a Court of First Instance, a Court of Appeal and a Registry.

The Court of First Instance will have a central division as well as local and regional divisions. According to the UPCA, article 7(2), ‘the central division shall have its seat in Paris, with sections in London and Munich’, London being in charge of chemical, metallurgical and life sciences, Munich handling mechanical engineering cases and Paris all other cases, including software and physics.

Since the UK has departed from the system however, this is no longer possible, but according to the UPC Administrative Committee the signatory states have agreed that as a temporary solution, the existing seats and sections of the central division, in Paris and Munich, will deal with all the central division cases.

On several occasions Milan, Italy, has expressed its ambition to replace London as location of the central division. The city of The Hague in the Netherlands also lobbied hard to secure the division. But apparently, in a meeting of Dutch prime minister Mark Rutte with Mario Draghi last year, Rutte told his Italian colleague that the Dutch would give up their aspirations, which left Milan as the only candidate. Recently, [JUVE Patent reported](#) that Milan is rumoured to become the new seat



instead of London indeed, and that this is to become effective at the UPC start date. The UPC has declined to comment on this. The lawfulness of ignoring article UPCA 7(2), where London is

expressly mentioned, may be challenged in court.

The Court of Appeal and Registry will have their seat in Luxembourg.

According to the UPCA, there will also be a patent mediation and arbitration centre in Slovenia and Portugal and a training centre for judges in Budapest. In January of this year the first training of UPC judges was held there, even though Hungary's membership of the UP system has been [blocked by its constitutional court](#).

Local divisions, language of proceedings

Under the UPCA, each member state can set up one or more (if there is a case-load of more than 100 patent cases per year) local divisions with a maximum of four. Austria, Belgium, Denmark, France, Finland, Germany (Hamburg, Munich, Mannheim, Düsseldorf), Italy and the Netherlands will have a local division. Estonia, Latvia and Lithuania and Sweden have set up the Nordic-Baltic division, the only regional division so far.

Most local divisions will use their national language(s) and English as language of the proceedings. The Nordic-Baltic regional division has chosen for English only. If there are several options, the claimant has the right to choose the language. However, in case only one local or regional division has jurisdiction (this is when an infringement only occurred in the member state where the defendant is domiciled), the claimant has to use the official language of that member state.

Local divisions and regional divisions will have both national judges and judges from other member states. This must contribute to consistent case-law. There will be both legally qualified judges and technically qualified judges.

Both the Courts of First Instance and the Court of Appeal can ask the CJEU for preliminary rulings, on topics of EU law

In case of a local or regional division, the panel will consist of one or two (depending on the number of patent cases per calendar year in that member state) national judges and one or two judges originating from other UPC member states. The judges shall be allocated from a pool of judges of the UPC.

If in an infringement case a counterclaim for revocation is initiated, the local or regional division has to add a technically qualified judge to the panel. The addition of a technically qualified judge is also possible if one of the parties requests so.

The panels of the central division shall always consist of two legally qualified judges and one technically qualified judge.

The bench at the **Court of Appeal** will be composed of five judges: three legally and two technically qualified judges.

[Judges for the UPC were appointed in October 2022](#). Klaus Grabinski from Germany was appointed president of the Court of Appeal and the French judge Florence Butin president of the Court of First Instance. The recruitment of a few more judges is underway. Alexander Ramsay,

long-time chairman of the UPC's Preparatory Committee, was recently [appointed as the court's first Registrar](#).

Competence of the various divisions

A patent owner can start an infringement action before a local or regional division hosted by the member state where an actual or threatened infringement has occurred or may occur; or before the local or regional division hosted by the member state where the defendant has its residence or (principal) place of business. Defendants can bring counterclaims for revocation before the same local or regional divisions.

If a party wants to start an independent revocation or non-infringement action, he has to go to the central division. This division is also competent (together with divisions at the place of infringement) for infringement actions against defendants located outside the territory of the UPC or in a member state which doesn't host a local or regional division).

Both the Courts of First Instance and the Court of Appeal can ask the CJEU for preliminary rulings on topics of EU law.

Transitional period, sunrise period

The UPC is the only court which is compatible in litigation concerning Unitary Patents. For European patents, the rule is that during a transitional period of 7 years (extendable up to 14 years), the claimant can choose between the national court or the UPC.

If a proprietor doesn't want his patent to be judged by the UPC, he can opt out of the court's jurisdiction. This is an online procedure. An opt-out is no longer possible if an action has already been brought before the UPC. Before the UPC opens its doors in June 2023, there will be a sunrise period of three months during which patents can already be opted out, in order to prevent proprietors from being dragged into UPC procedures.

The Rules of Procedures weren't very clear about who was the 'proprietor' entitled to apply for an opt-out

It sounds simple but at some point it became clear the Rules of Procedures weren't very clear about who was the 'proprietor' entitled to apply. And an opt-out is only valid when it is performed by all proprietors of the patent and all holders of SPCs. The 18th and final draft of the RoP clarified the proprietor is the person 'entitled to be registered as proprietor(s) under the law of each Contracting Member State in which the European patent has been validated', whether or not such person is in fact recorded in the register.

It is important to do things right here. Nor the EPO, nor the UPC registrar will check whether the opt-out has been done properly, but this can be challenged in court.

Licences and co-ownership agreements

Licensees don't have a right to opt out European patents. However, provisions about involvement of the licensee in the choice to (not) opt out may be included in license agreements.

It is also crucial to look at the enforcement issue. The UPC Agreement authorises exclusive licensees of both European and Unitary patents to enforce a patent without consent from the proprietor, unless agreed otherwise. Non-exclusive licence holders cannot bring infringement proceedings before the UPC, unless the licence agreement specifically grants them the right to do so.

Court fees

The **court fees** consist of a fixed fee and in certain cases a value based fee. For actions relating to infringement the fixed fee is 11,000 EUR. In case of an application for the determination of damages, there is an additional fixed fee of 3,000 EUR.

There is no value based fee for actions with a value of 500,000 EUR or less. For actions with a higher value, a value based fee ranging from 2,500 EUR (for actions with a value between 500,000 EUR and 750,000 EUR) up to 325,000 EUR (for actions with a value of more than 50,000,000 EUR) will be due.

For independent revocation actions, there will only be fixed court fee of 20,000 EUR. For counterclaims for revocation the fee will be the same as the fee of the infringement action (including the value based fee), with a maximum of 20,000 EUR. For an application for provisional measures there will be a fixed fee of 11,000 EUR.

SMEs have a discount and pay 60 percent of the fixed and value based fees.

Part one, The bumpy road to the Unitary Patent system, part two, Scope of the Unitary Patent system and part three, Languages and costs of the Unitary Patent, in this series.

Download our White Paper: Preparing for the Unitary Patent.

To make sure you do not miss out on regular updates from the Kluwer Patent Blog, please subscribe [here](#).

Kluwer IP Law

The **2022 Future Ready Lawyer survey** showed that 79% of lawyers think that the importance of legal technology will increase for next year. With Kluwer IP Law you can navigate the increasingly global practice of IP law with specialized, local and cross-border information and tools from every preferred location. Are you, as an IP professional, ready for the future?

Learn how **Kluwer IP Law** can support you.

79% of the lawyers think that the importance of legal technology will increase for next year.

Drive change with Kluwer IP Law.

The master resource for Intellectual Property rights and registration.



2022 SURVEY REPORT
The Wolters Kluwer Future Ready Lawyer
Leading change

This entry was posted on Monday, February 20th, 2023 at 12:47 pm and is filed under [European Union, Unitary Patent, UPC](#)

You can follow any responses to this entry through the [Comments \(RSS\)](#) feed. You can leave a response, or [trackback](#) from your own site.