

The much-anticipated Unified Patent Court (UPC) faced several obstacles, with the more recent ones being Brexit and challenges before the German Constitutional Court. It seems the path is now clear and the UPC should be operational as of spring 2022.

Our dedicated UPC team is ready to advise in this area. Please continue reading for answers to the questions we are most frequently asked

What Powers Will the UPC Have?

In a nutshell, the UPC will be a pan-European court, which will ultimately have jurisdiction to render decisions on unitary patents and European patents at the EU level (more precisely, for the [24 participating member states](#), i.e., all 27 EU states except Spain, Poland and Croatia). For patentees, this means being able to seek damages and injunctions at the EU level.

In particular, it will have jurisdiction over actions for infringement and related defenses, actions for declaration of non-infringement, actions for protective and provisional measures, including injunctions, actions for revocation and counterclaims for revocation. For actions relating to patents and supplementary protection certificates, which do not come within the exclusive jurisdiction of the court, the national courts of the contracting member states will remain competent.

The UPC will also have the power to take the following provisional measures, some of them before hearing the defendant's response, if specific requirements are met:

- Order provisional measures to preserve evidence and the inspection of premises, or "*saisie-contrefaçon*"
- Order a party to produce evidence
- Order a party not to remove from the UPC's jurisdiction any assets, or "freezing orders"
- Grant provisional and protective measures, such as injunctions against an alleged infringer or any intermediary
- Order the seizure or the handing in of products suspected of infringing a patent, as well as the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of the bank accounts and attachment of other assets of the defendant

Where Will the UPC Be Located?

The Court of First Instance will be composed of a central division with its seat in Paris and a section in Munich, as well as several local and regional divisions. The Court of Appeal and the Registry will be located in Luxembourg. In addition, patent mediation and arbitration centers will be located in Ljubljana and Lisbon.

Due to Brexit, London will no longer be a seat of the Court of First Instance. As of today, it is unclear how this seat will be replaced. Originally, the three sections of the Court of First Instance were supposed to be specialized in certain areas:

- Paris – transportation, textiles, construction, physics, electricity, electronics and telecommunications
- Munich – mechanical engineering, lighting, heating, weapons and blasting
- London – healthcare, chemistry and metallurgy

What Kind of Proceeding Should We Expect?

To initiate an action, a statement of claim needs to be filed with the UPC's Registry, and it must contain the minimum items required by the Rules of Procedure.

The proceeding in the first instance and on appeal will have three stages:

- 1. Written procedure** – The process starts with a procedure during which the parties exchange pleadings and exhibits (generally two to three sets of pleadings each).
- 2. Interim procedure** – The aim of the interim procedure is to ensure that the case contains everything needed for the judges to be in a position to render their decision and to prepare the oral hearing. During this phase, a "judge rapporteur" may order parties to produce more evidence or technical experiments, answer specific questions or provide clarification on certain points. The judge rapporteur may also hold preparatory discussions with witnesses or experts.
- 3. Oral procedure** – The oral procedure will consist mainly of one hearing. If ordered, witnesses and experts may be heard and cross-examined by the parties and the judges – always under the control of the presiding judge – either during a separate hearing or during the oral hearing.

In What Language Will the UPC Proceedings Occur?

In the central division, the language of the proceedings shall be the language in which the patent was granted.

The main rule is that proceedings at the Court of First Instance will be in the official language, or one of the official languages, of the contracting member state hosting the local division, or the official language(s) designated by the contracting member states sharing a regional division.

The language of proceedings before the Court of Appeal shall be the language of proceedings before the Court of First Instance.

There are exceptions to the main rule. For example, the parties can agree, or the Court of First Instance can decide upon the request of one party, that the proceedings will be conducted in the language of the patent.

In general, every document needs to be translated into the language of the proceedings. The party submitting the document will bear the costs for the translation.

How Will the Judges Be Appointed?

It is commonly said that the success of the UPC will very much depend on the quality of the first decisions to be rendered, and this will, of course, depend on the quality of the judges. The judges will be nationals of the participating member states who are legally or technically qualified.

- The panels of the local and regional divisions will consist of three legally qualified judges. There may be a fourth judge with a technical background added to the panel at the request of a party, or at the initiative of the panel.
- The panels of the Central Division will be composed of one technically qualified judge and two legally qualified judges, with the three judges being of different nationalities.
- The Court of Appeal will be composed of two technically trained judges and three legally trained judges.

Legally qualified judges shall possess the qualifications required for appointment to judicial offices in a participating member state. Technically qualified judges shall have a university degree and proven expertise in a field of technology. They shall also have proven knowledge of civil law and procedure relevant in patent litigation.

After two application periods, one in 2016 and one in 2019, the Advisory Committee of the UPC (composed of patent judges and practitioners in patent law and patent litigation) established a list of the most suitable candidates. Based on this list, the Administrative Committee, composed of one representative of each contracting member state, will appoint the judges.

How Much Will UPC Proceedings Cost in the First Instance?

One of the advertised benefits of the UPC is that litigation costs will be reduced, as parties will not need to engage in parallel patent litigation in different member states.

In 2016, the Preparatory Committee of the UPC published rules on court fees and recoverable costs. According to these rules, there will be:

1. A fixed fee, which is payable for initiating an action (infringement, declaration of non-infringement and revocation), applications for search and seizure of evidence, leave to appeal and other procedural proceedings. The fee ranges from €100 to €20,000, depending on the action.
2. A value-based fee, for infringement and declarations of non-infringement cases with a value above €500,000. This additional fee ranges from a minimum of €2,500 to a maximum of €325,000.

Fees may be reduced in certain circumstances, in particular when the action is withdrawn or settled (from 20% to 60% depending on the stage at which this happens) or for small enterprises and micro-enterprises, which will pay 60% of the standard fees.

The reasonable and proportionate costs and expenses incurred by the successful party (e.g., UPC and lawyers' fees) will be generally recoverable from the other party, unless equity demands otherwise up to a ceiling set in accordance with the Rules of Procedure (Article 69, UPC Agreement). The Preparatory Committee has set [a draft sliding scale of recoverable costs](#) based on the value of the dispute. There is a ceiling of €38,000 for actions valued up to €250,000, rising to €2 million for actions valued at more than €50 million. In complex situations or considering the economic situation of a party, the court will have the power, at its discretion, to raise or lower these ceilings.

Does it Make Sense to Opt Out of the Unitary Patent System, and When Should I Make This Decision?

We have prepared a specific [checklist](#) to guide you through this decision.

Our UPC team includes lawyers with extensive experience in with patents and patent litigation, both locally and in cross-border situations.

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