

European Court of Justice, June 6th 2024

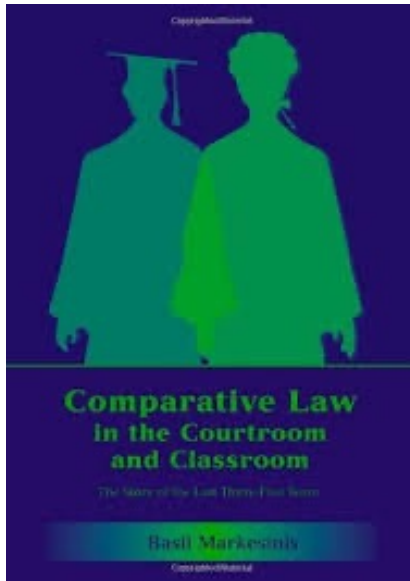
Bundle Patents Before the UPC:

Determination of Substantive Law in Proceedings Before the UPC

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I. Introduction



A Conflict of Laws Approach

The Status Quo

Infringement claims based on European Bundle Patents before

- national courts are decided based on national patent law
- Unified Patent Court are decided based on UPCA

The Surprising Consequences

- Whether or not the use of technology is a patent infringement depends on which court is seized.
- Potential infringer could change the applicable rules by a pre-emptive strike.

II. Common Ground

Art. 24 BR Exclusive jurisdiction

The following courts of a Member State shall have exclusive jurisdiction, regardless of the domicile of the parties:

in proceedings concerned with the registration or validity of patents ... required to be deposited or registered, ... the courts of the Member State in which the deposit or registration has been applied for, has taken place.

Article 8 Rome II: Infringement of IP rights

1. The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed.

Article 4 BR: General provisions

1. Subject to this Regulation, persons domiciled in a Member State shall, whatever their nationality, be sued in the courts of that Member State.




...

Article 7 BR: Special jurisdiction

A person domiciled in a Member State may be sued in another Member State:

(2) in matters relating to tort, delict or quasi-delict, in the courts for the place where the harmful event occurred or may occur;

1. National Law for National Patents

	Pre-Grant	Post-Grant	Jurisdiction
	dPatG	dPatG	dZPO/Brussels Reg
	CPI	CPI	CPC+Brussels Reg
	chPatG	chPatG	chZPO+Lugano Conv

Underlying Principles

Public Law

- Grant of patent is exercise of sovereign authority
- Nullity in essences revokes the grant

Private Law

- Patent is property right, but limited to the territory
- Patent infringement is a civil and commercial matter

II. Common Ground

Art. 2 EPC European patent

(2) The European patent shall, in each of the Contracting States for which it is granted, have the effect of and be subject to the same conditions as a national patent granted by that State, unless this Convention provides otherwise.

Art. 24 BR Exclusive jurisdiction

(no. 4 s. 2) Without prejudice to the jurisdiction of the European Patent Office under the European Patent Convention, the courts of each Member State shall have exclusive jurisdiction in proceedings concerned with the registration or validity of any European patent granted for that Member State;

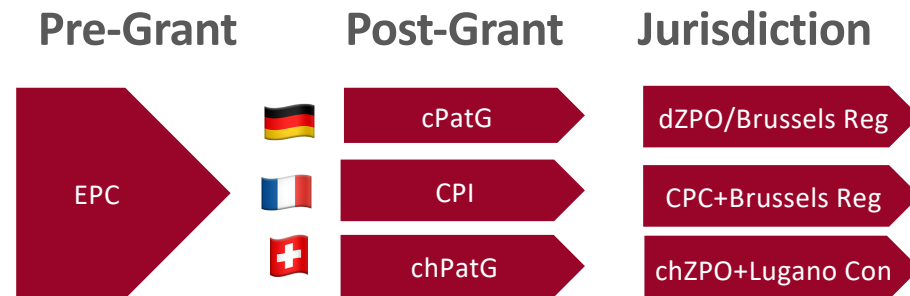
Art. 64 EPC Rights conferred by a EP

(1) A European patent shall, subject to the provisions of para 2, confer on its proprietor from the date on which the mention of its grant is published in the European Patent Bulletin, in each Contracting State in respect of which it is granted, the same rights as would be conferred by a national patent granted in that State.

(3) Any infringement of a European patent shall be dealt with by national law.

...

2. National Law for Bundle Patents (-2023)



Underlying Principles

Public Law

- EPO authorized to grant patents for Contracting States
- Subject to reservation for opposition, EPO lacks patent jurisdiction; defers to national courts

Private Law

- EP is property right governed by national law
- Patent infringement is a civil and commercial matter

II. Common Ground

Art. 142 EPC Unitary patents

(1) Any group of Contracting States, which has provided by a special agreement that a European patent granted for those States has a unitary character throughout their territories, may provide that a European patent may only be granted jointly in respect of all those States.

Art. 3 UPR European Patent with unitary effect

(2) A European Patent with unitary character shall have a unitary character. It shall provide uniform protection and shall have equal effect in all the participating Member States.

Art. 5 UPR Uniform Protection

(3) The acts against which the patent provides protection referred to in para 1 and the applicable limitations shall be those defined by the law applied to European patents with unitary effect in the participating Member State whose national law is applicable to the European patent with unitary effect as an object of property in accordance with art. 7

Art 149a EPC

(a) an agreement establishing a European patent court common to the Contracting States party to it;

...

3. Uniform Law for Unitary Patents



Underlying Principles

Public Law

- EPO authorized to grant patent for Contracting States
- UPC is common patent court, Art. 149a (1)a EPC
- Jurisdiction of Member States transferred, Art. 71a BR

Private Law

- EP can be registered as UP, Art. 3 UPR
- UPs are afforded uniform protection, Art. 5 UPR
- UPC has exclusive jurisdiction, Art. 3 UPCA

III. The Controversy

Art. 1 UPCA Unified Patent Court

A Unified Patent Court for the settlement of disputes relating to European patents and European patents with unitary effect is hereby established.

Art. 3 UPCA Scope of Application

This Agreement shall apply to any:

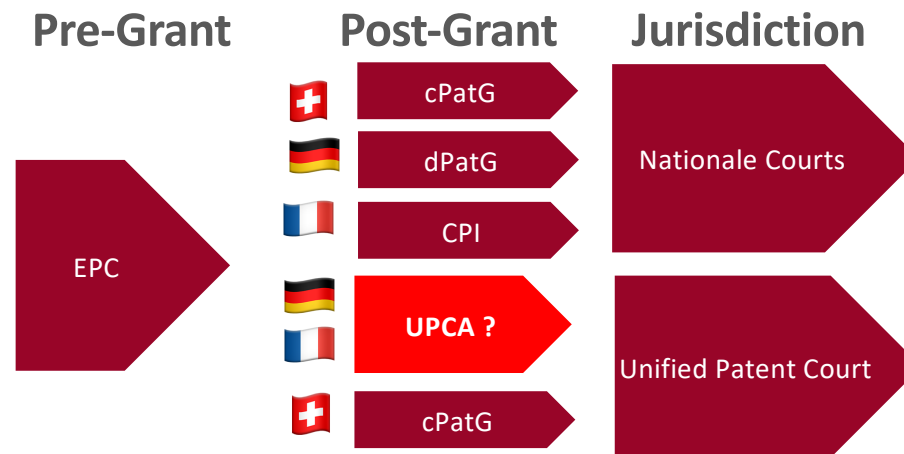
- (a) European patent with unitary effect;
- (b) SPCs issued for a product protected by a patent;
- (c) European patent which has not yet lapsed at the date of entry into force of this Agreement or was granted after that date, without prejudice to Article 83; ...

Art. 24 UPCA Sources of Law

In full compliance with Article 20, when hearing a case brought before it under this Agreement, the Court shall base its decisions on:

- (a) Union law, including Regulation No. 1257/2012 and Regulation 1260/2012;
- (b) this Agreement;
- (c) the EPC;
- (d) other international agreements applicable to patents and binding on all the Contracting Member States; and
- (e) national law.

Does Art. 64 UPCA Apply to Bundle Patents?



Arguments pro UPCA

- Wording of Art. 3 UPR
- Art. 24 UPCA mentions UPCA before EPC
- Applying national law too complicated/inefficient

Arguments pro national patent law

- Art. 64 EPC has remained unchanged
- Art. 3 UPCA only applies to jurisdiction
- Lack of legal certainty + potential abuse

IV. Pragmatic Solution Presumption of Similarity

Enforcement Directive

Article 2 Scope

1. Without prejudice to the means which are or may be provided for in Community or national legislation, in so far as those means may be more favourable for rightholders, the measures, procedures and remedies provided for by this Directive shall apply, in accordance with Article 3, to any infringement of intellectual property rights as provided for by Community law and/or by the national law of the Member State concerned.

Art. 68 UPCA Award of Damages

When the Court sets the damages:

(b) as an alternative to point (a), it may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of the royalties or fees which would have been due if the infringer had requested authorisation to use the patent in question.

Art. 70 UPCA Period of limitation

Without prejudice to Article 24(2) and (3), actions relating to all forms of financial compensation may not be brought more than five years after the date on which the applicant became aware, or had reasonable grounds to become aware, of the last fact justifying the action.

Enforcement Directive

- Implemented in all participating Member States
- Basis for UPCA

Presumption of Similarity

- If all have faithfully implemented the Enforcement Directive national law and UPCA should concur

Remaining Differences

- A Member State has erred
- Enforcement Directive allows for stricter remedies
- UPCA provision has no counterpart in Enforcement D

Examples:

- Infringer argues he owes mere/simple royalties
- Patent holder argues, limitation has not yet lapsed

V. Conclusion



3 Takeaways

The UPCA first and foremost is an agreement on setting up a common court – and therefore on jurisdiction.

UPCA embraces jurisdiction for traditional EPs, but does not change the substantive law applicable to them.

1. National Patents are governed by national law. The same applies to **European Bundle patents** – no matter whether they are enforced before a national court or the UPC.
2. This solution **fosters legal certainty** and prevents undue advantages from a choice of forum.
3. It upholds the **intended difference** between the traditional European bundle patents and the new unitary patent.

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Thank you for listening!

