

Rules of Procedure for UPC

Interim/Oral procedure

Evidence

Provisional measures

Final remedies

Enforcement

Appeal

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Interim Procedure: Rules 101 - 110

- The JR must make all necessary preparations for the oral hearing, and may hold interim conferences with the parties (Rule 101.1).
- JR may order the parties to (Rule 103):
 - Provide further clarification on specific points
 - Answer specific questions
 - Produce evidence
 - Lodge specific documents including each party's summary of the orders sought at the interim conference

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Aims of interim conference: Rule 104

- A. identify main issues and facts in dispute
- B. clarify parties' position as regards those issues and facts
- C. establish schedule for further progress of proceedings
- D. explore possibility of settlement
- E. where appropriate, issue orders regarding production of further pleadings, documents, experts, experiments, inspections, further written evidence, matters to be subject of oral evidence, scope of questions to be put to witnesses.
- F. where appropriate, hold preparatory discussions with witnesses and experts to prepare for oral hearing.
- G. make any other decision or order as JR deems necessary for preparation for oral hearing.

Interim Procedure: Rules 101 - 110

- An Interim Conference can be heard in court, or by telephone and will be heard in public and recorded unless requested otherwise (Rule 106)
- Without prejudice to the order of proportionality, the JR shall complete the interim procedure within **three months** of the closure of the written procedure (Rule 101.3).
- Oral procedure starts immediately after interim procedure closed. PJ, in consultation with JR, shall take over management of the case (Rule 110.3).

Oral procedure

- Starts immediately after the interim procedure is closed (Rule 110.3)
- Consists of (Rule 112.2):
 - The hearing of the parties’ oral submissions
 - The hearing of witnesses and experts, **if** ordered during the interim procedure
 - PJ and Panel may put questions to the experts/witnesses
 - Parties may put questions to the experts/witnesses under the control of the PJ
- Duration of 1 day (Rule 113)
- Separate hearing of witnesses and experts possible (Rule 104 (g))

Evidence: Rules 170 - 181

- There is a **duty** to produce evidence that is available to a party that goes to contested facts and the Court may make an order for its production at any time. The Court will take any failure to produce into account (Rule 172)
- Rule 170: Means of Evidence and Obtaining Evidence:

Means of Evidence	Means of Obtaining Evidence
(a) written evidence, whether printed, hand-written or drawn, in particular documents, written witness statements, plans, drawings, photographs;	(a) hearing of the parties;
(b) expert reports and reports on experiments carried out for the purpose of the proceedings;	(b) summoning, hearing and questioning of witnesses;
(c) physical objects, in particular devices, products, embodiments, exhibits, models;	(c) appointing and hearing of experts;
(d) electronic files and audio / video recordings.	(d) ordering a party or a third party to produce evidence;
	(e) ordering inspection of a place or a physical object;
	(f) ordering measures to preserve evidence.

Witnesses: Rules 175 - 181

- Lodge witness statement, signed, with statement of truth and indication of language in which the witness will give oral evidence (Rule 175)
- Can apply to hear witness in person when not possible to obtain written witness statement (Rule 176)
- Witnesses can be summoned by the Court of its own motion, when his statement is challenged by the other party, or on an application for hearing of witness in person (Rule 177)
- PJ and Panel can put questions to witnesses. Parties can put questions under control of PJ (Rule 178)
- A party may provide any expert evidence that it considers necessary. Rules 175 to 180 apply. (Rule 181)

Court Experts: Rules 185 - 188

- Where the Court must resolve a specific technical question, it may of its own motion (and after hearing the parties) appoint a court expert (Rule 185.1)
- The parties may make suggestions regarding the identity of the court expert, his technical background and the questions to be put to him (Rule 185.1).
- Expert paid a fee, which could be reduced if written report is late (Rules 185.4, 185.7, 186.1)
- Court will invite the parties to comment on expert reports either in writing or during the oral hearing (Rule 187)
- Court expert will attend oral hearing and be open to questions from the Court and the parties (Rule 186.6)

Orders

- Order to produce evidence (Rule 190)
- Order to communicate information (Rule 191)
- Order to preserve evidence (saisie) (Rules 192-198)
- Inspection order (Rule 199)
- Freezing order (Rule 200)
- Order to carry out experiments (Rule 201)

Article 62(1): Provisional measures

- *“The Court may...grant injunctions against an alleged infringer or against an intermediary whose services are used by the alleged infringer...”*
 - Concept imported from Enforcement Directive
- *“...to prohibit,...subject, where appropriate, to a recurring penalty payment, the continuation of the alleged infringement...”*
 - The recurring penalty is new to UK. What level of penalties are currently ordered in other jurisdictions?
- *“... or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder.”*

Article 62(2)-(3): Provisional measures

- “Art 62(2) The Court shall have discretion to weigh up the interests of the parties and in particular to take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction.”
 - Appears similar to UK’s ‘balance of convenience’ in *American Cyanamid*.
 - “discretion” applies to weighing up the parties’ interests, not to whether to grant the injunction (which is already discretionary – see “may” at start of Article 62(1))
- “Art 62(3) ... If the applicant demonstrates circumstances likely to endanger the recovery of damages, the Court may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of the bank accounts and of other assets ...”

(see Article 9 Enforcement Directive)

Rule 206: Application for provisional measures

- Rule 206.2: The Application must include:
 - “(c) the reasons why provisional measures are necessary...”
 - “(d) the facts and evidence...including the matters referred to in Rule 211.2”
 - i.e. includes satisfying the court “that the patent in question is valid”
 - “(e) a concise description of the action...”
- Rule 206.3: *ex parte* injunctions – must be read with Rule 212
 - (a) reasons having regard to Rule 197 (i.e. *ex parte* orders to preserve evidence)
 - (b) “information about any prior correspondence between the parties concerning the alleged infringement”
 - (c) “applicant shall be under a duty to disclose any material fact known to it which might influence the Court”
- Rule 207: Protective letter.

Rule 208: Dealing with the Application for provisional measures

- PJ may decide that an Application is to be decided by a single judge in urgent cases
- The Application will be decided under Rules 209-13 with a reduced timetable
- Registry to check whether any relevant Protective letter has been filed.

Rule 209: Examining the Application for provisional measures

- Rule 209.1: “... *the Court shall have the discretion to*
 - (a) *inform the defendant about the Application and invite him to lodge, within a time period to be specified, an Objection...which shall contain*
 - (i) *the reasons why the Application shall fail,*
 - (ii) *the facts and evidence relied on, in particular any challenge to the facts and evidence relied on by the applicant;*
 - (iii) *where main proceedings ... have not yet been started..., the reasons why the action which will be started...shall fail and the facts and evidence relied on in support,*
 - (b) *summon the parties to an oral hearing,*
 - (c) *summon the applicant to an oral hearing without the presence of the defendant.”*

Rule 209: Examining the Application for provisional measures

- Rule 209.2: “*In exercising its discretion, the Court shall in particular take into account*
 - (a) *whether the patent has been upheld in an opposition procedure before the [EPO] or has been the subject of proceedings in any other court,*
 - (b) *the urgency of the case,*
 - (c) *whether the applicant has requested provisional measures without hearing the defendant and whether the reasons for not hearing the defendant appear well-founded,*
 - (d) *any Protective letter filed by the defendant; the Court shall in particular consider summoning parties to an oral hearing if a relevant Protective letter has been filed by the defendant.”*
- Rule 209.3: “*In cases of extreme urgency the standing judge appointed in accordance with Rule 194 may decide immediately on the Application for provisional measures and the procedure to be followed on the Application.”*
 - No definition of ‘extreme urgency’, so standing judge presumably has complete discretion on procedure and, potentially, outcome of application
 - Seems to apply to “on notice” as well as *ex parte* Applications

Rule 210: Oral hearing or Application for provisional measures

- Rule 210.1: “*Where the Court decides to summon the parties to an oral hearing, the date for the oral hearing shall be set as soon as possible...*”
- Rule 210.2: “*The Court may order the parties to provide further information, documents and other evidence before or during the oral hearing, ...*”
- Rule 210.4: “*The decision of the Court ... shall be given in writing as soon as possible... If the Court deems appropriate, its decision may be given orally to the parties at the end of the oral hearing.*”

Rule 211: Decision on the Application for provisional measures

- Rule 211.1: The Court may in particular order injunctions, seizure / delivery up of allegedly infringing goods, precautionary seizure of property (see Article 62)
- Rule 211.2: “...*the Court shall be satisfied with a sufficient degree of certainty that the applicant is entitled to commence proceedings..., that the patent in question is valid ...*”
- “...*and that his right is being infringed, or that such infringement is imminent.*”
- Rule 211.3: “*In taking its decision...the Court shall have the discretion to weigh up the interests of the parties.*” (see also Article 62(2))

Rule 211: Decision on the Application for provisional measures

- Rule 211.4: “*The Court may order the applicant to provide adequate security for appropriate compensation for any injury likely to be caused to the defendant which the applicant may be liable to bear in the event that the Court revokes the order for provisional measures. The Court shall do so where interim measures are ordered without the defendant having been heard....*”

Rule 212: Decision on provisional measures without hearing defendant

- Rule 212.1: “The Court may only order provisional measures without the defendant having been heard in cases where any delay is likely to cause irreparable harm to the applicant...”
- Rule 212.2: “...the defendant shall be given notice of the provisional measures without delay and at the latest immediately at the time of execution...”

Rule 213: Revocation of provisional measures

- Rule 213.1: “The Court shall ensure that provisional measures are revoked or otherwise cease to have effect, upon request of the defendant, without prejudice to the damages which may be claimed, if, within a time period provided for in the Court’s order not exceeding 31 days from the date of the Court’s order, the applicant does not start proceedings on the merits of the case before the Court”
- Rule 213.1: “Where provisional measures are revoked, or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of the patent, the Court shall order the applicant, upon request of the defendant or any third party, to provide the defendant or such third party appropriate compensation for any injury caused by those measures.”

Final remedies (1)

- **Rule 118 (Decision on the merits):** *“in addition to the orders and measures referred to in Articles 63, 64, 66, 67 and 80 of the Agreement the Court may, if requested, order the payment of **damages and compensation**...”* the Court may also *“subject any order or measure to a security to be given by the successful party to the unsuccessful party as determined by the Court...”*
- **Article 63: Permanent injunctions**
 - *“(1) Where a decision is taken finding an infringement of a patent, the Court may grant an injunction against the infringer... The Court may also grant such injunction against an intermediary whose services are being used by a third party to infringe a patent.*
 - *“(2) Where appropriate, non-compliance with the injunction...shall be subject to a recurring penalty payment payable to the Court.”*
- **Article 64: Corrective measures in infringement proceedings**
 - *“(1) Without prejudice to any damages..., and without compensation..., the Court may order, at the request of the applicant, that appropriate measures be taken with regard to [infringing] products...and, in appropriate cases, with regard to materials and implements principally used in the creation or manufacture of those products.”*

Final remedies (2)

- **Article 64: Corrective measures in infringement proceedings (cont.)**
 - *“(2) Such measures shall include:

 - (a) a declaration of infringement;
 - (b) recalling the products from the channels of commerce;
 - (c) depriving the product of its infringing property;
 - (d) definitively removing the products from the channels of commerce; or
 - (e) the destruction of the products and/or of the materials and implements concerned.”*
 - *“(3) The Court shall order that those measures be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.”*
 - *“(4)...the Court shall take into account the need for proportionality between the seriousness of the infringement and the remedies..., the willingness of the infringer to convert the materials into a non-infringing state, as well as the interests of third parties”*

Final remedies (3)

■ Article 67: Power to order the communication of information

- “(1) The Court may, in response to a justified and proportionate request of the applicant...order an infringer to inform the applicant of:
 - (a) the origin and distribution channels of the infringing products or processes;
 - (b) the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the infringing products; and
 - (c) the identity of any third person involved in the production or distribution of the infringing products or in the use of the infringing process.

■ Article 80: Dissemination

- “The Court may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of information concerning the Court’s decision, including displaying the decision and publishing it in full or in part in public media.”
- What about dissemination of findings of non-infringement by patentee?

Final remedies (4)

■ Procedure for determination of damages, compensation and costs

- May be the subject of separate proceedings
- Rules 125 – 157
 - No later than one year from final decision on merits (Rule 126)

Rule 345: Enforcement

- Rule 345.1: In general “decisions and orders of the Court shall be directly enforceable from their date of delivery in each Contracting Member State in accordance with the enforcement procedures and conditions governed by the law of the particular Contracting Member State where enforcement takes place.”
- Rule 345.2 and .3: In non-Contracting Member States, enforce under (new) Brussels Regulation, Lugano Convention or (if not parties to those) local law
- Rule 345.4: If a decision/order is revoked, a party against which it has been enforced may request that the Court order compensation for any injury
- Rule 345.5: *“orders may provide for periodic penalty payments payable to the Court in the event that a party fails to comply with the terms of the order or an earlier order. The value of such payments shall be set by the Court having regard to the importance of the order in question.”*

What is Appealable?

Rule 220.1 (no leave to appeal required)

- ü Final decisions of CFI.
- ü Decisions terminating proceedings as regards one of the parties.
- ü Decisions / Orders under:
 - Article 49(5) (language of proceedings in language of patent).
 - Article 59 (order to produce evidence).
 - Article 60 (order to preserve evidence & inspect premises).
 - Article 61 (freezing orders).
 - Article 62 (provisional & protective measures).
 - Article 67 (order to communicate information).

Appeals not to prevent continuation of main proceedings (Article 74(3))

Appeals in relation to law and fact (Art. 73(3))

Appeals of a revocation decision and EPO decisions under Art. 9 Unitary Patent Regulation (e.g. renewal fees) have automatic suspensive effect (Art. 74(2))

For all other decisions, no suspensive effect unless CoA decides otherwise at party's request (Art. 74(1) & Rule 223)

What is Appealable?

Rule 220.2 (with leave from CFI)

- CFI procedural decisions or orders of CFI.
- “Automatic” appeal if these are bundled with final decision (Art.73(2)(b)(i)).

Rule 221 (with leave from CoA)

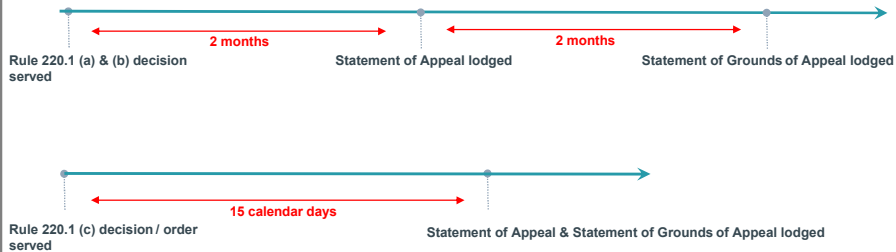
- To be deleted (Article 73(2)(b)(ii)).

Subject-matter for Appeals

Rule 222 & Article 73(4)

- Requests, facts and evidence (**not arguments**) not submitted by a party during proceedings before CFI **may** be disregarded by CA:
 - Could new submissions not reasonably have been made during proceedings before CFI?
 - Are the new submissions highly relevant?
 - Other party considerations?
- How much discretion will CoA have?
 - De novo appeals?
 - cf. Art. 73(4): “may only be introduced”.

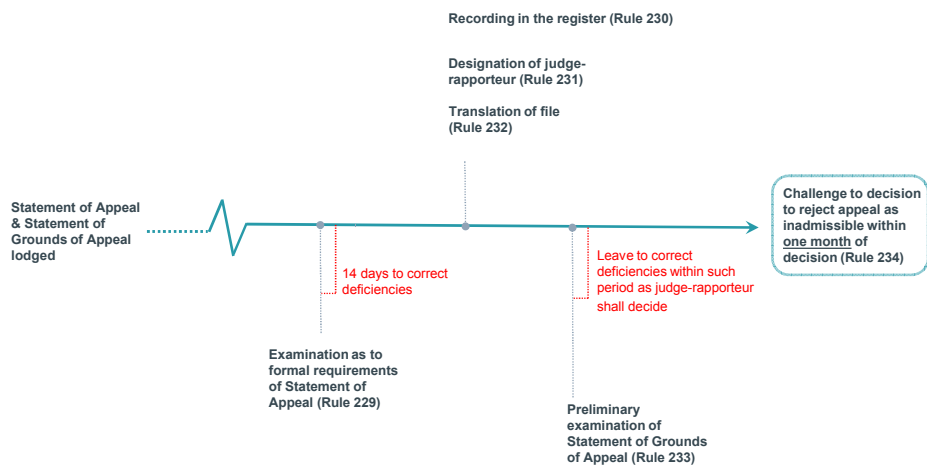
Statement of Appeal / Statement of Grounds of Appeal



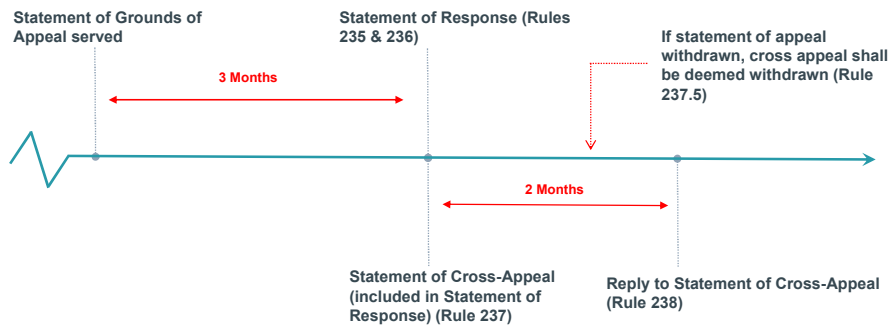
Other orders (requiring leave)

- Together with the appeal against the decision; or
- Where leave to appeal is granted, within 15 days from notification.

Statement of Appeal / Statement of Grounds of Appeal



Statement of Response / Statement of Cross-Appeal / Reply to Statement of Cross-Appeal



Interim Procedure / Oral Procedure / Decision / Referral Back

Interim Procedure (Rule 239)

- Rules 101 to 110 apply *mutatis mutandis*.

Oral Procedure (Rules 240 & 241)

- Rules 111, 112, 115, 116, 117 and 321 apply *mutatis mutandis*.

Decision (Rule 242 & Article 75)

- Appeal rejected; or
- Decision / order set aside totally or in part with CA substituting its own decision or order.

Referral Back (Rule 243 & Article 75)

- Exceptional circumstances; and
- CFI bound on decisions of CA on points of law.



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