

The **German Federal Ministry of Justice recently released two drafts implementing the UPC Agreement into German laws**. The drafts consist of a ratification act as well as an act amending the German Act on International Patent Treaties (Gesetz über internationale Patentübereinkommen).

1) The **draft ratification act** implements the UPC Agreement into German law.

a) In case of a possible **amendment of the UPC Agreement** by way of decision of the Administrative Committee of the UPC (Art. 87 UPCA), the ratification act states that Germany may only give its consent in the Administrative Committee if the Bundestag formally empowered the government to do so. Thus, no amendment of the Agreement is possible without the consent of the Bundestag. This however does not apply to amendments of the UPCA according to Art. 87(2) UPCA.

Art. 87(2) UPCA states that the Administrative Committee may amend the UPCA in order to bring it in line with an international treaty relating to patents or Union law. In this special case (which could gain relevance in a possible Brexit scenario), the UPCA is only amended in order to fulfil international duties. Germany has to comply with them independently from the amendment of the UPCA, so there is no need for an empowerment to such changes.

b) In the draft explanatory memorandum, the German Ministry of Justice states that they expect the **UPC to deal with 1.800 – 2.200 cases per year**, after ten years. In the **first year, 180 cases** are expected. Additionally, the draft explanatory memorandum explains that there will be a need for **20 full time judges** in the first year - and accordingly, since most judges will start as part time judges, an equivalent number of part time judges.

2) The **draft act amending the German Act on International Patent Treaties** integrates the UPCA as well as the provisions on the Unitary Patent into that act.

a) The draft proposes a huge amendment with respect to the prohibition of **double protection** via a European patent and a national patent with the same content. Up to now, such a national patent loses its effect when the European patent is finally granted (i.e. after opposition period or after a final and binding decision on such an opposition).

This provision will be amended in that it will only be applicable to European patents opted out from the exclusive jurisdiction of the UPC, according to Art. 83(3) UPCA. However, in case of a withdrawal of the application to opt out, according to Art. 83(4) UPCA, the national patent will not regain force.

The amendment will be applicable for the relationship between a German national patent and both European patents with or without unitary effect, and shall be applied with respect to all national patents granted after the date of entry into force of the European Patent Package.

However, a patentee of a European and a national patent can act only once against an alleged infringer. The defendant may raise an **objection in case of parallel proceedings** before the national courts (on the basis of the national patent) and the UPC (on the basis of the European patent), and the German court will have to dismiss the action based on the national patent.

b) In case the **EPO rejects a demand for unitary effect**, the draft provides for a **safety net provision**. The annual fee for the German national part of the (then) European bundle patent without unitary effect) will not be due before a final and binding decision on the rejection of the demand for unitary effect. Such safety net provision were discussed during the 19th meeting of the Select Committee of the EPO in March 2016. So far, the position of other Contracting Member States seems not to be clear in that point.

c) Furthermore, the draft provides provisions with respect to the **enforcement of UPC decisions and orders**. Generally, there are two ways of enforcing UPC decisions or orders: The plaintiff may either enforce a decision or order via the national courts specialized in patent cases. On the other hand, decisions and orders of the Unified Patent Court may be directly enforced in Germany, in the same way as national decisions are enforced. For instance: If the court ordered an injunction against the defendant, and parties don't agree as to whether the defendant respects the injunction or not, the plaintiff has the possibility to enforce the injunction order either by asking the Unified Patent Court to decide on a penalty payment or by seeking a similar decision before a competent national German court. In both scenarios, the court appealed by the plaintiff may fix a penalty payment against the defendant. This penalty payment is directly enforceable against the defendant, in both possible scenarios.

d) In case that a European patent with unitary effect is subject to an **entitlement law suit**, the German national courts shall be competent if the Protocol on Recognition so stipulates.

e) The German Federal Ministry of Justice states in the **explanatory memorandum** that amendments to the German Act on Judges are not necessary, since this act already provides for a possibility for German judges to work for an international judiciary body, even part time and in combination with their duties as national judges. Likewise, no changes are required with respect to the code of deontology of both attorneys and patent attorneys in case that they become part time UPC judges.

f) Furthermore, the draft explanatory memorandum clarifies the question of **applicable law when German national courts have to deal with a European patent** without unitary effect during the **transitional period** foreseen in Art. 83(1) UPCA and following an application to opt out from the exclusive competence of the UPCA according to Art. 83(3) UPCA. The explanatory memorandum states that in these cases, national courts have to apply German national law, making reference to the “Interpretative note – Consequences of the application of Article 83 UPCA” of the Preparatory Committee.

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