The English Patents Court

in a split UK-UPC European system

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A split UK-UPC system, post-Brexit?

The result of the UK referendum on membership of the EU became known on 24 June. Since then, many questions have been raised about the effect of the result on the Unified Patent Court (UPC) and Unitary Patent project. Uncertainty surrounds these questions, to the extent that the short answer to many of them is simply "wait and see". In particular, much depends on what is resolved at a political level.

It is hoped that, for the sake of the simplicity and cost effectiveness it offers to industry, that the UK will be able to participate in the UPC and Unitary Patent. However, for a complete picture, the alternative must be considered. What will the implications be for European patent litigation if the UK is not eventually a participant and, instead, a split UK-UPC system results? As the second largest economy in Europe and one of the three most designated countries for the grant of European patents, the UK or, more accurately, the jurisdiction of the Patents Court of England & Wales, will remain an important forum for patent litigation in Europe.

In a split UK-UPC patent litigation system, what role might the English courts have to play in tandem with the UPC when European and Unitary Patents are enforced and challenged in Europe? What do we know about patent proceedings in the English jurisdiction that is likely to impact on its relationship with the UPC itself?

This paper is intended to suggest possible answers to these questions.

During the UPC transitional period, there are circumstances in which actions will be filed in the national courts, in which case, even in a split UK-UPC system, English proceedings will run in parallel with national proceedings, as they do now. The issues raised in this paper are relevant to actions, or potential actions, involving European patents or Unitary Patents in the UPC itself. This paper also assumes the position of a so-called 'hard-Brexit' in which the UK takes free of EU law in its entirety and, in particular, in which Regulation (EU) No 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters ("Brussels Regulation (recast)") no longer has force in the UK. It also assumes that the UK will not participate in the similarly framed Lugano Convention 2007.

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1 Spain will also remain a separate jurisdiction to the UPC for the purpose of patent litigation, whatever the status of the UK.
2 In a split UK-UPC system, Unitary Patents would not extend to cover the UK, but counterpart European patents to those Unitary Patents will be available.
Using English national actions

Extending general persuasive value

Patent proceedings in the English Patents Court are primarily concerned with protecting or accessing the UK market in its own right. However, even under the present European patent system this jurisdiction has tactical value with respect to parallel proceedings in other countries:

(i) Speed – most final decisions on both infringement and validity coming from the Court of Appeal\(^4\) within less than two and a half years from filing\(^5\): first instance decisions can be obtained in as little as 12 months with expedition available in appropriate cases to shorten this time to just a few months (see later). Appeal is typically from a little under a year to 15 months.

(ii) Rigour – the procedures of the Patents Court are designed to elicit and scrutinise the evidence in detail: experiments, disclosure, party appointed experts and cross-examination. This rigour is reflected in the detailed reasoning about facts and application of the law in English judgments.

Foreign judges frequently take notice of English judgments\(^6\) (and vice versa). These judges are under no obligation to follow an English decision, and indeed procedural and legal differences can present foreign judges with different evidence. However, it has become the practice in recent years for judges to refer to and, where possible, be consistent with the decisions of foreign judges. In Research in Motion UK Ltd v Impro Licensing SARL\(^7\), Laddie J remarks on this:

> The existence of the German proceedings is a fact of life. It is no part of my function to interfere with German proceedings. I have to take account of the existence of the German proceedings as, no doubt, the German courts take account of the existence of English proceedings and their outcome. As I understand it from the evidence, Dr. Klaus Grabinski, a well known judge in Germany, who is in the court which is seized with the German infringement action, has indicated, unsurprisingly, that he would take account of what the English courts do and the timetable imposed by the English courts. Just as a matter of courtesy, I would do the same for German actions or French or Dutch actions. Furthermore, we can no longer consider litigation in England in isolation when at least one of the parties is engaged in pan-European business, as RIM is here.

This approach is echoed a few years later by Jacob LJ in the Court of Appeal in Grimme Maschinenfabrik GmbH & Co KG v Derek Scott (t/a Scotts Potato Machinery)\(^8\):

> Broadly we think the principle in our courts – and indeed that in the courts of other member states - should be to try to follow the reasoning of an important decision in another country. Only if the court of one state is convinced that the reasoning of a court in another member state is erroneous should it depart from a point that has been authoritatively decided there. Increasingly that has become the practice in a number of countries, particularly in the important patent countries of France, Germany, Holland and England and Wales. Nowadays we refer to each other’s decisions with a frequency which

\(^4\) Appeals to the UK Supreme Court are rare in patent cases.
\(^7\) [2005] EWHC 1292 (Pat).
\(^8\) [2010] EWCA Civ 1110.
would have been hardly imaginable even twenty years ago. And we do try to be consistent where possible.

An early success by a party in the English Patents Court therefore has a supra-national value: the judgment may be a factor in the result of pending patent litigation concerning the same patent taking place in parallel in other European countries. In a split UK-UPC system in which most EU countries are served by the UPC, the influence of a quickly obtained and detailed English decision on the result of UPC litigation (whether concerning counterpart European patents or Unitary Patent) would be potentially more far-reaching.

A factor in UPC decisions

In addition to a general persuasive value, there are specific preliminary stages in UPC actions for which a fast English decision may be an important factor. These are:

(i) A decision to stay a bifurcated infringement action;
(ii) A decision to grant a preliminary injunction.

A factor in a decision to stay bifurcated UPC infringement proceedings

Under the UPC Agreement, a revocation counterclaim may follow an infringement claim that has been lodged in a local or regional division⁹. The UPC Agreement then provides alternatives for the local or regional court seised with the action on how to proceed. This happens by way of a decision under Article 33(3) UPC Agreement. The Article 33(3) decision must be made as soon as practicable after the closure of the written procedure¹⁰. The alternatives for the local or regional panel are:

(i) Proceed with both the action for infringement and with the counterclaim for revocation;
(ii) Refer the counterclaim for revocation for decision to the central division and suspend or proceed with the action for infringement; or
(iii) With the agreement of the parties, refer the case for decision to the central division.

Alternatively, infringement and revocation actions concerning the same patent and the same parties may be lodged in different divisions of the UPC from the beginning of the action (if the revocation is filed first), without a further revocation counterclaim. In this case, the local or regional division must decide, subject to the agreement of the parties, whether to refer the whole action to the central division, or retaining the infringement action only¹¹:

If, by exercise of the above alternatives, the infringement and validity actions are bifurcated, or remain bifurcated, there are three further possibilities:

(i) The local or regional division proceeds with the infringement action in parallel to a revocation action in the central division (by original filing or by counterclaim). In this case, the central division must endeavour to accelerate the revocation proceedings¹²;
(ii) The panel, at its discretion, stays the infringement action pending a final decision in the revocation proceedings¹³, or

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⁹ Article 33(3). In these circumstances, if a central revocation action concerning the same patent and the same parties has already been lodged in the central division before the infringement action was started, it will be stayed (Rule 75.3, Rules of Procedure).
¹⁰ The panel may take an earlier decision “if appropriate” having given the parties an opportunity to be heard.
¹¹ Articles 33(5) ans 33(3)(c), UPC Agreement.
¹² Rule 40(b), UPC Rules of Procedure.
¹³ Rule 37.4, UPC Rules of Procedure.
(iii) Where there is a "high likelihood" that the relevant claims of the patent being enforced are invalid, the panel must stay the infringement action until a decision has been made in the revocation action.\footnote{Rule 37.4, UPC Rules of Procedure. There is currently no guidance on the factors that the court would consider relevant to determining a "high likelihood" for this purpose. These may include a finding that the patent is invalid by the EPO. It is also unclear in what level of detail a local or regional division will be prepared to consider this question.}

The question as regards the impact of English proceedings, is whether an invalidity decision of the Patents Court is evidence of a high likelihood that the patent being enforced is invalid. This is unknown at present, although the potential role of foreign validity decisions in preliminary injunction decisions suggests that it would be. Furthermore, the decision must be obtained early enough to be used in this way. In some circumstances, this may depend on whether the use of an English decision to stay bifurcated UPC infringement proceedings is a sufficient reason for the English court to expedite proceedings.

Expedition in the English court and the role of foreign validity decisions in preliminary injunctions in the UPC is discussed below.

**Influencing a decision on the award of a preliminary injunction**

Can an early English Patents Court decision also be used to defend against a preliminary injunction in UPC proceedings? The panels of the UPC divisions have a wide discretion to decide whether or not to grant provisional measures. A principal basis for granting these is the demonstration of an infringement or imminent infringement. However, the degree to which infringement must be proved when requesting preliminary measures is an open question. There is no express requirement for the panels of the UPC to take into account decisions on infringement or non-infringement of a foreign court. However, a panel hearing an application for a preliminary injunction may require the applicant to provide reasonable evidence that the patent is valid.\footnote{Rule 211.2, UPC Rules of Procedure.} Specifically, the Rules of Procedure state that the Court should take into account whether the patent has been upheld in an opposition procedure before the EPO or has been the subject of proceedings "in any other court". Hence, a decision of invalidity from the English court is relevant. If a foreign decision on validity is relevant to a preliminary injunction, there is reason to suppose that it should also be relevant to the stay of bifurcated infringement proceedings.

The challenge for a party seeking to use an English decision in both the ways described above will be timing. Any decision on whether to stay a bifurcated infringement action will come after the close of the UPC written procedure, approximately five to eight months after filing of the action. The time-frame for the hearing of a preliminary injunction can be expected to be much shorter.\footnote{No specific timeframe is suggested in the UPC Rules of Procedure.} This emphasises the need for pre-emptive action in the English court and the role of expedition.

**Expedition of English proceedings**

A first instance decision on the merits is normally obtained in the Patents Court in approximately one year. Nonetheless, in order to assist in the above preliminary decisions, early action that pre-empts UPC proceedings is likely to be required. However, in certain circumstances, an English patent dispute can also be expedited, obtaining a decision in a shorter period of time than would
otherwise be the case. The principles on expedition are set out by Lord Neuberger in *W.L. Gore & Associates GmbH v Geox SpA*¹⁸:

> To my mind, when considering such an application there are four factors to take into account. The first is whether the applicants...have shown good reason for expedition; the second is whether expedition would interfere with the good administration of justice; the third is whether expedition would cause prejudice to the other party; and the fourth is whether there are any other special factors.

The application of these factors has been illustrated in cases dealing with the relationship between English validity proceedings and infringement proceedings in Germany. These explore the circumstances in which English proceedings can be expedited to assist in obtaining a stay of infringement proceedings in Germany, pending a decision on validity by the Bundespatentgericht. The attitude of the English court to this is touched on in broad terms by Laddie J¹⁹:

> It is not in any sense intended to be taken as a criticism or, indeed, a comment on German procedures, but I think that the fact that issues of infringement will be determined in Germany speedily is itself a reason why the issue of validity in this country for essentially the same patent should also be dealt with speedily. This is not a matter of trying to trump the German courts, but it seems to me that in all senses it would be fairer if RIM's ability to sell BlackBerrys and, in particular, the risk of it being held to have infringed a valid patent should be determined rapidly rather than slowly. The German courts happen to have in place a means by which infringement, at least in that country, will be determined rapidly. I see every reason for saying that the issue of validity should also be considered rapidly in this country. Even if on a normal timescale this trial would come into the lists next year, I think it is suitable for expedition to come on towards the end of November of this year and I will so direct.

More recently, the specific issue of employing an expedited English decision on validity was raised in *HTC Europe Co Ltd v Apple Inc*²⁰. The authorities are nuanced, as can be seen from the summary given by Arnold J:

> It seems to me that the position is as follows. To date, the English courts have accepted that a factor which may be relied upon by a party applying for expedition is that the finding of this court in relation to the validity of the European patent (UK), the German counterpart of which is being litigated in infringement proceedings in Germany, will be of assistance to that party with regard to the question of whether there should be a stay of [the German] proceedings. It is not, however, a factor which has been treated in any of the cases as being a particularly strong or important factor. Thus, by way of example, in *RIM v Visto*²¹, I said it was a factor to which I attached “less weight”, but one which provided "some further support" to the request for expedition.

In the *HTC* case, HTC had wanted to get a validity decision on the UK counterpart of a patent being litigated in Mannheim. This was sought to persuade the Mannheim court to stay infringement proceedings. Although Arnold J was prepared in principle to take the German proceedings into account, the application failed, at least in part due to a lack of certainty about the actual dates of the relevant hearing in Germany.

¹⁸ [2008] EWCA Civ 622.
¹⁹ Research in Motion UK Ltd v Inpro Licensing SARL [2005] EWHC 1292 (Pat).
²¹ Research in Motion UK Ltd v Visto Corp [2008] EWHC 3025 (Pat). See also Research in Motion UK Ltd v Inpro Licensing SARL [2005] EWHC 1292 (Pat).
In HTC, the judge did however expedite the proceedings concerning two other patents, the counterparts of which were subject to infringement proceedings in Munich. Whilst the existence of the parallel proceedings in Munich appears to have been a factor in this decision, more important for the court was the commercial imperative for HTC and its customers to know whether it infringes certain patents, in the context of a precarious, fast-moving and expanding market, in which it had already gained a significant market share. As the same judge notes in a case heard a short time later, ZTE (UK) Limited v Ericsson\textsuperscript{22}, the existence of German proceedings so far as he is aware has never provided a ground for ordering expedition on its own; it is a factor, even though it is not a strong one.

A commercial imperative would therefore be needed if expedition of of English proceedings were sought for the purpose of assisting a stay of infringement proceedings, or to defeat a preliminary injunction, in the UPC. Certainty about the timing of these hearings in the UPC proceedings, so that the English court knows why it is being asked to expedite, would also be important.

**English cross-border declarations of non-infringement**

**Overview of powers under English law**

In *Actavis Group HF v Eli Lilly and Company\textsuperscript{23}*, Arnold J had to decide whether the English Patents Court has jurisdiction to hear an action for declarations of non-infringement in respect of the UK, French, German, Italian and Spanish counterparts of a European patent.

As regards subject matter jurisdiction, Actavis accepted that jurisdiction cannot be founded under Article 4(1) or Article 7(2) of the Brussels Regulation (recast), because Eli Lilly is domiciled in the State of Indiana, USA, with only a subsidiary registered in the UK. Jurisdiction is instead a matter of national law\textsuperscript{24}. In this respect, in circumstances where Actavis had undertaken not to challenge validity, Eli Lilly did not dispute that the claims of the non-UK designations were justiciable before the English court. The substance of Eli Lilly’s case was instead that service had not been validly effected in the UK and/or that Eli Lilly had not consented to it. Having found that service was validly effected, the court went on to consider whether the Patents Court was nonetheless a forum non conveniens – that there is some other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action\textsuperscript{25}. The judge held that the national courts of the respective European counterpart patents were not clearly and distinctly more appropriate than the Patents Court and declined to order a stay.

In a split UK-UPC system, in which neither the Brussels Regulation (recast) or the Lugano Convention applies to the UK, the principles applicable in *Actavis v Eli Lilly* would apply equally to defendants inside or outside of the EU, in respect of Unitary Patents and European patents. What would be the potential impact on UPC proceedings if such a declaration of non-infringement were obtained in the English Patents Court?

**Stay or dismissal of a UPC action**

The award of a cross-border declaration of non-infringement in the English Patents Court raises the possibility of duplicative actions with the UPC, provided all the relevant proprietors and

\textsuperscript{22} [2011] EWHC 2709 (Pat).
\textsuperscript{23} Joined with *Medef EHF v Eli Lilly and Company* [2012] EWHC 3316 (Pat). The Court of Appeal later upheld Arnold J’s decision that the English court has jurisdiction to hear the actions in [2013] EWCA Civ 517.
\textsuperscript{24} Article 6(1), Brussels Regulation (recast).
\textsuperscript{25} *Spiliada Maritime Corp v Cansulex Ltd* [1987] AC 460.
licensees likely to take part in an UPC infringement action are parties to the English action. The risk of duplicative actions between the UPC and the national courts of the contracting Member States of the UPC Agreement during the transitional period is addressed in amended Brussels Regulation (recast). However, in a post-Brexit UK-UPC system, the Patents Court is no longer a court of a contracting Member State, or any EU Member State. Attention therefore needs to turn to the international lis pendens provisions in Article 33 Brussels Regulation (recast).

Article 33 states:

1. Where jurisdiction is based on Article 4 or on Articles 7, 8 or 9 and proceedings are pending before a court of a third State at the time when a court in a Member State is seised of an action involving the same cause of action and between the same parties as the proceedings in the court of the third State, the court of the Member State may stay the proceedings if:

   (a) it is expected that the court of the third State will give a judgment capable of recognition and, where applicable, of enforcement in that Member State; and

   (b) the court of the Member State is satisfied that a stay is necessary for the proper administration of justice.

2. The court of the Member State may continue the proceedings at any time if:

   (a) the proceedings in the court of the third State are themselves stayed or discontinued;

   (b) it appears to the court of the Member State that the proceedings in the court of the third State are unlikely to be concluded within a reasonable time; or

   (c) the continuation of the proceedings is required for the proper administration of justice.

3. The court of the Member State shall dismiss the proceedings if the proceedings in the court of the third State are concluded and have resulted in a judgment capable of recognition and, where applicable, of enforcement in that Member State.

4. The court of the Member State shall apply this Article on the application of one of the parties or, where possible under national law, of its own motion.

Further to Article 33.2, if the UPC is seised by an action concerning the same parties and the same cause of action as a court of a third state (e.g., the English Patents Court) it has the discretion to stay its proceedings. If the action in the third state has resulted in a decision that is capable of recognition, the UPC must stay (Article 33.3).

A declaration of non-infringement of a patent is the same cause of action as a claim for infringement of that patent. Therefore, a cross-border declaration of non-infringement from the Patents Court, concerning one or more European patents or a Unitary Patent and recognised in

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26 To avoid a situation such as that in the pemetrexed litigation, in which the German Regional court did not recognise the jurisdiction of the English court due to the different parties before them both.
27 Article 71c, Brussels Regulation (recast), as amended by Regulation (EU) 542 / 2014.
28 The objection might be made that Article 33 does not refer to the UPC, but only to the courts of the Member States. However, the UPC Agreement makes clear that the UPC is a court common to the Contracting Member States and thus subject to the same obligations under Union law as any national court of the Contracting Member States (Article 1, Paragraph 2, UPC Agreement).
29 Owners of Cargo Lately Laden on Board the Ship Tatry v Owners of the Ship Maciej Rataj (Case C-406/92) [1999] QB, 515.
their countries of registration\(^{30}\), has the potential to trigger Article 33 in respect of an infringement action in the UPC. In respect of European patents, this raises the question of whether the UPC would be barred by the application of the international *lis pendens* provisions from:

1. Proceeding with the infringement action with which it is seised in respect of all designations in the European bundle; or,
2. From proceeding with the infringement action regarding only the national designations at issue in the English cross-border decision, but proceeding with the others\(^{31}\).

Interpretation 2. appears inconsistent with the requirement that all European patent designations are dealt with by the UPC together and at the same time. However, it has the advantage of avoiding the risk of an irreconcilable judgments while allowing the action concerning the other designations to progress. There is no definitive answer to this question at present in respect of European patents (or Unitary Patents), but in either case the disruptive effect of a declaration of non-infringement is evident.

**Accepting cross-border jurisdiction in the context of the UPC**

Would the English patents court accept jurisdiction for a cross-border declaration of non-infringement, in the context of parallel proceedings in the UPC? As described above, in *Eli Lilly*, Arnold J accepted jurisdiction for an action seeking a declaration of non-infringement for Italy, Spain, Germany, France and the UK. It was held that all of these actions are justiciable and that *Eli Lilly* had consented to them on accepting service of the action. However, the court went on to consider whether, had there been no consent, the principles of *forum non conveniens* would require the court to stay the action.

The principles of this doctrine are set out by Lord Goff of Chieveley in *Spiliada Maritime Corp v Cansulex Ltd*\(^{32}\). As summarised in *Actavis v Eli Lilly*, these are:

(a) The basic principle is that a stay will only be granted on the ground of forum non conveniens where the court is satisfied that there is some other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action, i.e. in which the case may be tried more suitably for the interests of all the parties and the ends of justice.

…

(d) Since the question is whether there exists some other forum which is clearly more appropriate for the trial of the action, the court will look first to see what factors there are which point in the direction of another forum. These are the factors which Lord Diplock described, in MacShannon's case [1978] A.C. 795, 812, as indicating that justice can be done in the other forum at 'substantially less inconvenience or expense.' \(^{4}\) ... Lord Keith of Kinkel, in *The Abidin Daver* [1984] A.C. 398, 415, ... referred to the 'natural forum' as being 'that with which the action had the most real and substantial connection.' So it is for connecting factors in this sense that the court must first look; and these will include not only factors affecting convenience or expense (such as availability of witnesses), but also other factors such as the law governing the relevant transaction ..., and the places where the parties respectively reside or carry on business.

\(^{30}\) Or the relevant countries protected by the Unitary Patent.

\(^{31}\) This issue remained outstanding following the Consultation on the 17\(^{th}\) draft Rules of Procedure at Trier on 26 November 2014.

(e) If the court concludes at that stage that there is no other available forum which is clearly more appropriate for the trial of the action, it will ordinarily refuse a stay …

(f) If however the court concludes at that stage that there is some other available forum which prima facie is clearly more appropriate for the trial of the action, it will ordinarily grant a stay unless there are circumstances by reason of which justice requires that a stay should nevertheless not be granted. In this inquiry, the court will consider all the circumstances of the case, including circumstances which go beyond those taken into account when considering connecting factors with other jurisdictions. One such factor can be the fact, if established objectively by cogent evidence, that the plaintiff will not obtain justice in the foreign jurisdiction …

In *Eli Lilly*, the judge did not consider that the courts of Italy, Spain, France and Germany were clearly or distinctly more appropriate than the English courts. An influential factor in that decision was the approach taken by the Supreme Court in *Lucasfilm Limited and others v Ainsworth and another*, a copyright case, summarised by the statement[^33]:

> There is no doubt that the modern trend is in favour of the enforcement of foreign intellectual property rights. First, article 22(4) of the Brussels I Regulation only assigns exclusive jurisdiction to the country where the right originates in cases which are concerned with registration or validity of rights which are 'required to be deposited or registered' and does not apply to infringement actions in which there is no issue as to validity. … Second, the Rome II Regulation also plainly envisages the litigation of foreign intellectual property rights and, third, the professional and academic bodies which have considered the issue, the American Law Institute and the Max Planck Institute, clearly favour them, at any rate where issues of validity are not engaged.

In *Eli Lilly*, the judge was also impressed by the argument that, even if different laws were applied for each patent (which the court decided they should be), it would mean that one court (and one court on appeal) would determine all five claims, helping to eliminate the prospect of inconsistent decisions[^34]. The judge did not consider relevant the fact that the English courts (first instance and appeal) would be likely to arrive at a final decision in the action quicker than the foreign courts in question:

> a decision whether to grant or refuse a stay on forum non conveniens grounds, while technically an exercise of discretion, is not an exercise in determining what course appears most convenient. The question to be determined is the appropriate forum for trial.

In the context of a split UK-UPC system, similar questions would arise whether the balance of arguments in favour of the English courts as the appropriate jurisdiction. In particular, there is the fact that the UPC itself is designed to hear questions concerning multiple designations of European patents in a single set of proceedings. Would the English court be willing to provide effectively a rival centre of litigation to the UPC on such matters? The English court could, in theory, decide for the UK European patent designation and those for all EU states (including a Unitary Patent) – a jurisdiction broader than the UPC itself.

**Cross-border Arrow Declarations?**

What other forms of cross-border declaratory relief may be available in the English court? Is it possible to obtain a cross-border form of the declaration obtained in *Fujifilm Kyowa Biologics*[^33] [2011] UKSC 39, at paragraph 108.

[^33]: Subject to the different national approaches taken to Article 69 of the European Patent Convention.
In the *Fujifilm* proceedings, FKB sought a declaration that its own product is anticipated or obvious at the priority dates of two patents that had earlier been granted to Abbvie. The purpose of seeking the declaration was to ensure that FKB could market its own product, a biosimilar of adalimumab, in circumstances where divisionals sharing the same priority date as those patents and also concerning every other week, single dose, subcutaneous injections were being prosecuted. As applications, the divisionals could not be challenged for invalidity in the English Patents Court. The purpose of the declaration was therefore to provide a *Gillette* defence: that any claim asserted to cover the FKB product must also be novel or obvious. At an interim stage, Abbvie applied to have the claim for declaratory relief struck out. This application was dismissed by the court, which held that there is a realistic prospect that the trial judge will exercise his or her discretion to grant the declaratory relief sought.

The possibility of a cross-border *Arrow* Declaration is subject to a number of uncertainties. In particular, this form of relief has yet to be tried on the merits in the English court. *Fujifilm* is also subject to appeal. Furthermore, a cross-border *Arrow* declaration would require the English Court to determine whether the product in question is invalid at the priority date of the patents or patent applications of concern under UPC substantive law. It is not a validity attack on the patents in those countries, but this is necessarily its indirect effect. It therefore remains to be seen whether such a declaration could be challenged under the rules against a court deciding on the validity of foreign patents.

Subject to these issues, the purpose of such a declaration would again be its persuasive value: that, under UPC law, a product is obvious over the available prior art and therefore any European patent (or Unitary Patent) that is asserted in infringement proceedings against that product in the UPC cannot be valid.

**Summary and conclusions**

It is hoped that the UK will participate in the UPC and Unitary Patent system, post-Brexit. If the UK does not participate, the relationship between the English Patents Court and the UPC in the resulting split UK-UPC system is speculative at this stage. However, there are authorities to suggest that the Patents Court may serve an enhanced strategic role in such a system, as part of an overall European strategy. This may include the following in respect of European patents and Unitary Patents:

1. An extension of its present role as a court producing fast, detailed and rigorously reasoned judgments of persuasive value in later UPC proceedings on the merits;
2. A source of pre-emptive and/or expedited decisions on validity as a persuasive factor in decisions to stay bifurcated infringement proceedings in the UPC;
3. A source of pre-emptive and/or expedited decisions on validity and/or infringement as a persuasive factor in decisions to award a preliminary injunction in the UPC;

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36 [2007] EWHC 1900 (Pat).
37 See Paul England, *Cross-border actions in the CJEU and English Patents Court 10 years on from GAT v LuK* (to be published).
38 For a full discussion of the cases see Paul England and Andrew Payne, *Declaratory Relief in the English Patents Court*, BSLR, 15, 3, 123 to 128.
39 The trial in *Fujifilm* is expected in January 2017.
40 Expected in November 2016.
41 See, for example, *Coin Controls Ltd v Suzo International (UK) Ltd* [1999] Ch 33.
4. Pre-emptive 'British Torpedo' cross-border declarations of non-infringement, impacting on UPC infringement proceedings;
5. A source of pre-emptive cross-border 'Arrow Declarations' for the purpose of supporting invalidity challenges in the UPC.

Participation of the UK in the UPC system will help secure the aims of that system in providing a single jurisdiction that is more simple and cost effective than that currently available. The alternative, split UK-UPC system, will introduce new strategic options for parties through pre-emptive procedures in the English Patents Court. However, this will come at the cost of increasing complexity in European patent litigation and undermining the aims of the UPC.

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