

## The Unitary Patent Package - Update

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## The Unitary Patent Package - Update

- Drafting Committee for the Rules
  - Created March 2012
  - Members:
    - Kevin Mooney – UK lawyer, Chairman
    - Sir Christopher Floyd – UK Court of Appeal judge
    - Pierre Veron – French lawyer
    - Alice Pezard – French lawyer, former judge
    - Winfried Tilmann – German Lawyer
    - Klaus Grabinski – German judge, German Supreme Court
    - Willem Hoyng – Dutch lawyer

## The Unitary Patent Package - Update

- 15th Draft submitted for public consultation in June 2013
- Consultation ended 30th September 2013
- New 16<sup>th</sup> draft submitted at end January 2014 and now published on Preparatory Committee website with Digest.
- Legal Working Group under Johannes Karcher considering new draft with Drafting Committee, including following issues:
  - The opt-out - need for a sunrise provision
  - Rule 14.2 – choice of language of proceedings
  - Rule 97 – appeals from EPO re unitary effect
  - Rule 220 – procedural appeals
  - Rule 286 – need to define “representatives”
- Public hearing(s) in late Summer/Autumn 2014

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- Response to Consultation on Rules of Procedure – Favourites
  - Opt-out provisions
    - Are opt-out fees ultra vires?
    - Level of fees
    - Must all or some proprietors / licensees apply for the opt-out?
    - Must all designations be opted out?
    - What are the rules for opting out SPCs?
    - EPO or Registry or what else for a sunrise procedure?

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- Procedural appeals – should the Court of Appeal be able to grant leave if CFI refuses leave?
- Languages – Rule 14(2)
- Patent attorneys rights of representation – are they “lawyers”?
- Rule 37 – What criteria should govern bifurcation decisions?
- Rule 118 – should there be a stay of relief in the infringement proceeding pending a decision in the validity action if there has been bifurcation?
- Should there be E-Bay provisions in the rules for provisional and final injunctions
- Should there be provision for amicus briefs?

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- **OPT-OUT PROVISIONS – RULE 5**
  - All proprietors must join in an application to opt out
  - All designations must be opted out
  - The opt-out is effective for the life of the patent unless withdrawn
  - SPCs are automatically opted out if the basic European patent is opted out and takes effect on grant
  - The sunrise provision remains utilising the EPO
  - There is considerable support for an opt-out fee at an “administrative reimbursement” level

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### Rule 14.2 in 15<sup>th</sup> draft – Language of the Statement of Claim

1. Without prejudice to Article 49(3)(4) and (6) of the Agreement and subject to Rule 14.2 the Statement of claim shall be drawn up
  - (a) in the official language or one of the official languages designated as language(s) of proceedings pursuant to Article 49(1) of the Agreement or
  - (b) in one of the languages designated as language(s) of proceedings pursuant to Article 49(2) of the Agreement.
2. **Where a Contracting Member State hosting a local division or Contracting Member State sharing a regional division has/have designated two or more languages of proceedings pursuant to Article 49(1) and/or Article 49(2) of the Agreement the Statement of claim shall be drawn up in the language in which the defendant normally conducts its business in its Contracting Member State.**
3. Subject to Article 49(5) and Rules 321 to 323 the language of the Statement of claim shall be the language of proceedings and without prejudice to Rule 16.5 the Registry shall return any pleading lodged in a language other than the language of the proceedings

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### Choice of Language(s): The current position

- Local divisions (language(s)):
  - Italy (Italian), England and Wales (English), The Netherlands (Dutch and English), France (French), German x 4 (German and English), Belgium (Dutch, French, German and English), Finland (Finnish, Swedish and English), Denmark (Danish and English)
- Suspected Regional Divisions (languages(s)):
  - Romania, Bulgaria, Cyprus, Greece and [Slovenia] (all official languages plus French and English)
  - Sweden, Estonia, Latvia and Lithuania (English only)
  - Hungary, Czech Republic, Slovakia and [Slovenia] (unknown)
- No participation in either a local or regional division:
  - Malta and Luxembourg – results in donation of jurisdiction to the Central Division (language of grant)
- Undecided:
  - Poland (has not yet signed Agreement), Portugal, Austria, Ireland (English) and Scotland (English)

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- Rule 14(2) as currently drafted is inadequate
- General support within the Committee for claimant's choice and translation of Statement of Claim if requested plus extension of time but...
- Two politically/acceptable options proposed:
  - The Contracting Member State(s) hosting a local or regional division may decide the conditions governing the use of an additional language
  - The local official language of the defendant must be used if there is infringement only within the territory of the local or regional division in question
- For the Preparatory Committee to decide

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### Bifurcation – Suggested Relevant Considerations

1. Whether referring the counterclaim for revocation to the central division will involve duplicative consideration of evidence or issues, or other unnecessary or increased costs;
2. Whether amendments to the patent are likely to be sought (in which case infringement and validity should normally be considered together);
3. Whether the patent is technically complex, such that the presence of a technical judge on the panel would be beneficial in relation to both infringement and validity issues and the issues should therefore be heard together;
4. Whether it appears to the Court that the Defendant has pleaded that there is a “squeeze” between validity and infringement;
5. Whether hearing infringement and validity separately would cause the two parts of the case to be heard in different languages;
6. Whether the parties have agreed their preferred approach as to how the case should be managed under Article 33

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- General consensus that bifurcation will be limited in practice
- Not necessary to set out discretionary considerations in the Rules of Procedure
- Additional rule suggested by the Committee that the panel should give reasons for its decision to bifurcation

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### Provisional Measures – Suggested Relevant Interests of Parties

1. In exercising its discretion and taking its decision on the Application for provisional measures, the Court shall, in addition to any matters submitted to it in accordance with Rules 206-210, weigh up the interests of the parties and in particular shall take into account:
  - a) the potential harm for either of the parties resulting from the granting or the refusal of the provisional measures;
  - b) whether damages and/or other monetary compensation would adequately compensate either party for the wrongful granting or refusal of the provisional measures;
  - c) any delay in seeking the provisional measures and whether this was justified, particularly in cases where the respondent/defendant has not been heard; and
  - d) the public interest in the granting of the provisional measures.”

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- Subject to below the discretionary criteria should not be listed in the Rules of Procedure
- The reference to “validity” in Rule 211.2 should remain i.e. court may require evidence of validity before granting provisional injunction
- There should be some requirement of urgency – new Rule 211.4
- Additional wording to be added to Rule 211.3 to reflect fully Article 62(2) of the Agreement ie. “[the Court shall]... in particular take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction

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### Article 63 Agreement: Permanent Injunctions

- (1) Where a decision is taken finding an infringement of a patent, the Court **may** grant an injunction against the infringer aimed at prohibiting the continuation of the infringement. The Court may also grant such injunction against an intermediary whose services are being used by a third party to infringe a patent.

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### Rule 118 of 15<sup>th</sup> Draft: Decision on the merits – final injunctions

1. Subject to the following provisions of this Rule, 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 according to Article 68 and 32(1)(f) of the Agreement. The amount of the damages and the compensation may be stated in the order or determined in separate proceedings (Rules 125-143). The Court may subject any order or measure to a security to be given by the successful party to the unsuccessful party as determined by the Court in accordance with Rule 352.
2. In appropriate cases and at the request of the party liable to the orders and measures provided for in paragraph 1 the Court may order damages and/or compensation to be paid to the injured party instead of applying the orders and measures if that person acted unintentionally and without negligence, if execution of the orders and measures in question would cause such party disproportionate harm and if damages and/or compensation to the injured party appear to the Court to be reasonably satisfactory.

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- Rule 118.2 should be left as is for the Court of Appeal, if necessary, to construe. (Note possibility of a reference to CJEU).
- In any event Rule 118.2 should be expressed to be “without prejudice” to the general discretion in Article 63 of the Agreement
- No special rules for NPEs and no specific discretionary criteria
- Infringement proceedings will be stayed pending or decision of the EPO only if the decision may be expected to be given “rapidly”. – Rule 118.3(b)



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### Procedural Appeals

#### Article 73(1)(b)(ii) Agreement

An appeal against an order of the Court of First Instance may be brought before the Court of Appeal by any party which has been unsuccessful, in whole or in part, in its submissions;...

...

...

(ii) Where the Court grants leave to appeal

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- Response overwhelming in support of the Court of Appeal having power to give leave if leave refused by C.F.I
- Committee still divided
- Rules 220 and 221 amended to provide for a procedure for the Court of Appeal to grant leave pending a decision on the meaning of Article 73(1)(b)(ii)

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### Training of Judges

- 1300 “Expressions of interest”
  - Legal 360 (124 “outstanding”)
  - Technical 616 (300 “outstanding”)
- Training centre opened in Budapest 13<sup>th</sup> March 2014
- Academy of EPO will oversee training to commence in September 2015

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### Proposed European Patent Litigation Certificate for patent attorneys

- Draft proposal dated January 2014
- Amended proposal for consultation to be published at Easter
- Current proposal quite “light”
  - New EPLC course of 120 hours minimum duration OR
  - “Other appropriate qualification”
    - EPA plus bachelors or masters degree in law or
    - EPA plus CEIPI, Hagen or Nottingham certificate or
    - Two infringement actions

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### Court fees and recoverable costs

- Draft proposal dated January 2014
  - Fixed fees for initiating actions/appeals (to be decided)
  - Additional value-based fee if value of action exceeds €500,000
  - Fixed fees for other procedures eg application to opt-out, saisie, protective letter etc
- Value-based fees on a sliding scale from €500,000 to €30 million
- Alternative proposals for a cap on recoverable costs (for representation)
  - A sliding scale from €500,000 to €30 million value of action = €12,000 to €110,000 max OR
  - A sliding scale from €500,000 to €4 million+ value of action = €200,000 to €1 million

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### When will it all happen?

- Act 89 of Agreement
  - 1<sup>st</sup> January 2014 or
  - 4 months after deposit of the 13<sup>th</sup> instrument of ratification (including Fr, Ger, UK – Austria and France have ratified) or
  - Entry into force of amended Regulation 1215/2012 (the Brussels Regulation)
- “End of 2015 at the earliest” says Preparatory Committee on 18<sup>th</sup> March

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