Unified Patent Court Review 2023-2024

18 months of the Unified Patent Court:
Transforming patent litigation across Europe

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Introduction

It is now 18 months since the Unified Patent Court (**UPC**) opened its doors on 1 June 2023. At the same time, the new unitary patent (**UP**) was also introduced, with effect across all countries participating in the UPC at the time of grant. Currently there are 18 participating states: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Slovenia and Sweden, with Romania being the most recent state to join the UPC system on 1 September 2024. Ireland has also expressed an intention to join the UPC system, but this is dependent on the Irish public approving the ratification of the UPC Agreement in a national referendum, which is yet to take place.

The introduction of the UPC has undoubtedly caused a seismic shift in the patent litigation landscape in Europe, offering parties an opportunity to obtain wide-ranging remedies across a large part of Europe within a relatively short timescale. The UPC's objective is to issue decisions within approximately 12 months and, so far, it has generally met that objective - an impressive feat. The early days of the UPC have not been without teething problems, from IT struggles with the case management system to the various divisions of the Court of First Instance grappling with the challenges inherent in applying new legislation against a backdrop of different national approaches. However, progress is clearly being made, with the Court of Appeal applying a steady hand to clarify issues and smooth out wrinkles.

The initial slow trickle of cases is now turning into a steady stream as Court users gain confidence in the new system. At the time of writing, there are over 200 infringement actions and 50 revocation actions pending, although there is clearly still some reluctance to commit fully to the UPC as evidenced by the number of UPC opt-outs in place (around 616,000). Unsurprisingly, English - which is available in all divisions of the Court of First Instance and the Court of Appeal - is the most popular language of proceedings, representing 52% of all cases, followed by German (41%), French (3%), Italian (2%), Dutch (1%) and Danish (1%). In relation to the venue of proceedings, the German Local Divisions have proved most popular for infringement actions, with the Munich, Düsseldorf, Mannheim and Hamburg Local Divisions being responsible for 36%, 22%, 12% and 10% of infringement cases, respectively. The position is different for revocation actions, for which the Paris seat of the Central Division has by far the highest caseload (78%), with the Milan seat taking 12% of cases and the Munich seat taking 10%.

From early procedural decisions, jurisdiction questions and preliminary injunctions to the first substantive decisions on infringement and validity, the authors have endeavoured to cover every important development since the UPC opened its doors on 1 June 2023. However, as this is a condensed summary, it is inevitable that not every decision is mentioned. Where an official English language version of an order is not available, the authors have relied on machine translations so, in these instances, quotes may not be exact. For brevity, we use **LD** to refer to Local Division, **RD** to refer to Regional Division and **CD** to refer to Central Division; any reference to an Article (or **Art.**) without further reference refers to the Unified Patent Court Agreement, (**UPCA**)[1] and any reference to a Rule (**r.**) refers to a Rule of the UPC Rules of Procedure (**RoP**)[2]. **PIs** refers to preliminary injunction.

1 Agreement on a Unified Patent Court (2013/C 175/01)
2 Rules of Procedure of the Unified Patent Court as adopted by decision of the Administrative Committee on 8 July 2022

Claim construction

The Courts of the UPC have applied Art. 69 EPC[3] and the accompanying Protocol on the Interpretation of Art. 69 EPC (**Protocol**[4]) in construing patent claims. In *10x Genomics and Harvard v NanoString*[5], the Court of Appeal laid down the following principles for claim construction:

> *"The patent claim is not only the starting point, but the decisive basis for determining the scope of protection of a European patent under Art. 69 EPC in conjunction with the Protocol on the Interpretation of Art. 69 EPC.*
>
> *The interpretation of a patent claim does not depend solely on the strict, literal meaning of the wording used. Rather, the description and the drawings must always be used as explanatory aids for the interpretation of the patent claim and not only to resolve any ambiguities in the patent claim.*
>
> *However, this does not mean that the patent claim merely serves as a guideline and that its subject-matter also extends to what, after examination of the description and drawings, appears to be the subject-matter for which the patent proprietor seeks protection.*
>
> *The patent claim is to be interpreted from the point of view of a person skilled in the art.*
>
> *In applying these principles, the aim is to combine adequate protection for the patent proprietor with sufficient legal certainty for third parties.*
>
> *These principles for the interpretation of a patent claim apply equally to the assessment of the infringement and the validity of a European patent."*

These principles have been followed by divisions of the Court of First Instance and confirmed by the Court of Appeal in subsequent decisions. The Court of Appeal noted in *SES-imagotag v Hanshow*[6] that claim features must always be interpreted in the light of the claim as a whole. The Munich CD also noted in *Sanofi Aventis v Amgen*[7] and *Regeneron v Amgen*[8] that the description and the drawings may show that the patent specification defines terms independently and, in this respect, may represent a patent's own lexicon. Even if terms used in the patent deviate from general usage, ultimately the meaning of the terms resulting from the patent specification may be authoritative.

Relevance of prosecution history

Courts of First Instance have taken different views on whether the prosecution file can be used to assist in the interpretation of patent claims. In *Ortovox v Mammut*[9] the Düsseldorf LD observed that the prosecution file is not mentioned in Art. 69 EPC and is not therefore admissible. In *SES-imagotag v Hanshow*[10] the Munich LD took the opposite view, relying on the prosecution file as an aid to interpretation. The Hague LD also looked at the grant history of the patent in *Alexion v Amgen & Samsung*[11], including a decision of the TBA, but concluded that it did not shed any new light on the claim interpretation and was not contrary to the interpretation favoured by the Court. Unfortunately the Court of Appeal has not yet clarified the correct approach; in both the *SES-imagotag* and *Ortovox* cases, the Court of Appeal dealt with claim interpretation without having to decide the question of whether the prosecution file can be taken into account[12].

3 European Patent Convention, EPC 1973/EPC 2000
4 Protocol on the Interpretation of Article 69 EPC of 5 October 1973 as revised by the Act revising the EPC of 29 November 2000
5 UPC_CoA_335/2023, Order of 26 February 2024
6 UPC_CoA_1/2024, Order of 13 May 2024
7 UPC_CFI_1/2023, Order of 16 July 2024
8 UPC_CFI_14/2024, Order of 16 July 2024
9 UPC_CFI_452/2023, Order of 11 December 2023
10 UPC_CFI_292/20023, Order of 20 December 2023
11 UPC_CFI_124/2024, Order of 26 June 2024
12 UPC_CoA_1/2024, Order of 13 May 2024; UPC_CoA_182/2024, Order of 25 September 2024

Infringement

Indirect infringement

There have been a number of decisions in which the Court has found indirect infringement according to Art. 26. In *Handheld Products v Scandit*[13] a PI was awarded on the basis of an indirect infringement by the offer or supply of a software development kit. The defendant was fixed with the requisite knowledge that the kit was suitable and intended to be used to put the invention into effect (which required the customer to use the kit to write the software in a particular way) on the basis of videos and documentation produced by the defendant. In *Mammut v Ortovox*[14], concerning an avalanche transceiver for locating and rescuing avalanche victims, the Court of Appeal agreed with the Court of First Instance's reasoning that it was obvious from the circumstances – and in particular the defendant's advertisement of the suitability of the contested embodiment – that the contested embodiment was objectively suitable for infringing use.

The double territorial requirement for indirect or contributory infringement was emphasised in *Franz Kaldewei v Bette*[15], which concerned the supply of a profiled moulding (an essential means) for installation in a sanitary tub. On the one hand, the offer and/or delivery must take place in the territory and, on the other, the invention must also be used in the territory. It was not necessary, on the facts of this case, to decide whether it is sufficient for a bundle of EPs that the offering/delivery occurs in one of the Contracting Member States in dispute but is intended for direct use of the invention in other protected states, so that question remains to be clarified. Presumably this issue would not arise in relation to a UP so long as the offering/delivery and intended use both take place within the multi-national territory to which that UP extends.

Infringement under the Doctrine of Equivalents

The possibility to cover equivalent embodiments under the scope of protection is laid down in Art. 2 of the Protocol, which reads as follows:

> *For the purpose of determining the extent of protection conferred by a European Patent, due account shall be taken of any element which is equivalent to an element specified in the claims."*

However, the UPCA and RoP do not contain any guidance on how the UPC should approach an assessment of the doctrine of equivalents in practice. Practitioners have therefore been eagerly awaiting judgments covering this issue, particularly as the national case law of various member states differs.

In a PI decision in *UEFA v Ballinno*[16], having found there was insufficient evidence on direct or indirect literal infringement, the Hamburg LD considered the approach to infringement by equivalents. It applied the following assessment:

> *For the assessment of an infringement by equivalent means it is not sufficient to reduce the question of equivalence just to the effect[, being to determine whether there is a contact with the ball by the first player]. Decisively is how this effect is achieved.* [sic]"

On that basis, the LD concluded that there was no infringement by equivalents as the alleged infringement processed acceleration signals and other data points and that was not equivalent to processing sound signals as set out in the claim.

13 UPC_CFI_74/2024, Order of 27 August 2024
14 UPC_CoA_182/2024, Order of 25 September 2024
15 UPC_CFI_7/2023, Decision of 3 July 2024
16 UPC_CFI_151/2024, Order of 3 June 2024

The Hague LD went further in *Plant-e v Arkyne*[17], providing for a two-step approach to infringement. The first step is an assessment of "*literal*" infringement of the relevant features of the patent in view of the claim construction. If the patent is not found to have been literally infringed, then the Court moves onto the second step, which is an assessment of equivalence.

Adopting an approach based on the practice in various national jurisdictions, the LD held that a variation will be "*equivalent*" to the element specified in a claim if the following four questions are answered in the affirmative:

1. Technical equivalence: does the variation solve (essentially) the same problem that the patented invention solves and perform (essentially) the same function in this context?
2. Fair protection for patentee: is extending the protection of the claim to the variation proportionate to a fair protection for the patentee in view of their contribution to the art, and is it obvious to the skilled person from the patent publication how to apply the variation (at the time of infringement)?
3. Reasonable legal certainty for third parties: does the skilled person understand from the patent that the scope of the invention is broader than what is claimed literally?
4. Is the allegedly infringing product novel and inventive over the prior art? (i.e. there is no successful *Gillette* or *Formstein* defence)

On the facts, Plant-e's patent to a plant-microbial fuel cell (P-MFC) was not literally infringed, as Arkyne's product was missing the features of the claim relating to the location of the living plant and its roots. In particular, a two compartment approach had been adopted by Arkyne, separating the living plant (in one compartment) and the anode of the fuel cell (in the other). In the claim, the living plant was within the anode compartment. Arkyne's product was, however, found to infringe as an equivalent. The question of technical equivalence largely turned on experiments conducted by Plant-e, demonstrating that organic material could travel between the two compartments. It was noted, in the context of assessing the second limb of the test, that Plant-e had claimed a new category of microbial fuel cell, incorporating a living plant, that had been given its own name: the P-MFC. The Court considered that a broad scope of protection was in line with the contribution made by Plant-e to the art.

Gillette defence

In *SodaStream v Aarke*[18], the Düsseldorf LD rejected the concept of a *Gillette*[19] defence raised by Aarke in response to SodaStream's infringement claim. The logic underpinning a so-called *Gillette* defence in the UK is that practising the prior art cannot be an infringement: it is non-infringing either because the practised prior art falls outside the scope of the claim or because it falls within the scope of the claim and the patent is, therefore, invalid.

In the *SodaStream* case, Aarke attempted to rely on a *Gillette* defence to infringement without challenging validity. The Düsseldorf LD approached the issue from the perspective of claim construction, noting that there is no reference to the prior art in Art. 69(1) EPC. The Court reasoned that legal certainty is served by ensuring that the scope of protection can be conclusively determined from the patent itself. It was therefore prepared to consider the prior art in the context of construction to the extent that art was referred to in the patent itself, but not to go further and consider the prior art more generally in determining claim scope. On the facts, the prior art in question was

17 UPC_CFI_239/2023, Decision of 22 November 2024

18 UPC_CFI_373/2023, Decision of 31 October 2024

19 *Gillette Safety Razor co v Anglo American Trading Co* [1913] 30 RPC 465

referred to in the patent, but not in such a way that supported Aarke's arguments on claim construction.

While the Court rejected the broad form of the *Gillette* defence concept, the underlying logic still holds. The practical consequence of this decision is that alleged infringers should argue both non-infringement and challenge validity in such circumstances, unless and until the Court of Appeal clarifies the position. It is noteworthy that the doctrine of equivalents test adopted by the Hague LD in the Plant-e v Arkyne decision (discussed above) effectively incorporates the Gillette defence concept in its fourth and final step.

Right of prior use

In *Franz Kaldewei v Bette*[20], the Court of First Instance clarified that the existence of a right of prior use must be claimed for each of the protected states within the territory of the UPC under their own conditions. Notwithstanding the criticism of this approach from some circles, the Court considered the wording of Art. 28 to be clear on this point. This case also related to an EP; whether the UPC would take the same approach in relation to a UP is an open question, although the reasoning of the Düsseldorf LD suggests that at least that LD would do so.

In *Mammut v Ortovox*[21], Mammut sought to rely on the use of its own earlier patent right as a defence to Ortovox's infringement claim. Without deciding whether such a defence could be raised before the UPC, the Court of Appeal agreed with the Court of First Instance – following the approach of the German Federal Court of Justice - that the defence could not be available in the present case as the contested embodiment made use of additional features not taught by the earlier right.

Joint and intermediary liability

In *Novartis and Genentech v Celltrion*[22] the Düsseldorf LD found the related defendant group companies jointly liable because they acted in a close and interdependent commercial relationship based on their structure as a group of companies. The Court identified the defendants acting as the "*spiders in the web*" in providing biosimilar products for the European market and noted that the first defendant acted as the "*gatekeeper*" for Europe.

In the context of awarding a PI on a wireless charging patent, the Munich LD found directors liable as intermediaries pursuant to Art. 63(1). The reasoning in the *Philips v Belkin*[23] decision appears to be generally applicable to directors of companies engaged in infringing acts, and would mean that directors themselves may be subject to an injunction, but not damages, if their company is found to infringe. However, the Court of Appeal recently ordered that the appeal on this point should have suspensive effect[24]. This is an exception to the general rule under Art. 74 that an appeal will not have suspensive effect, arrived at in this case on the basis that the Munich LD's finding contains a manifest error of law. The substantive appeal is yet to be heard, but in suspending the effect of the injunction on Belkin's directors the Court of Appeal observed that there is no reasonable doubt that managing directors of a company cannot be held liable as intermediaries within the meaning of Art. 63(1) solely on the basis of their function as managing directors.

20 UPC_CFI_7/2023, Decision of 3 July 2024
21 UPC_CoA_182/2024, Order of 25 September 2024
22 UPC_CFI_165/2024, Order of 6 September 2024
23 UPC_CFI_390/2024, Decision of 13 September 2024
24 UPC_CoA_549/2024, Order of 29 October 2024

Declarations of non-infringement (DNIs)

The UPC is yet to yield a decision in response to a request for a DNI, although the UPC has competence to grant such declarations under Art. 32. In part, this is due to the effect of Art. 33(6), which provides that any DNI action before the CD will be stayed if an infringement claim is filed within 3 months. This was exactly the situation in *Tandem v Roche*[25]. Tandem filed a revocation action and declaration of non-infringement in the Paris CD, relating to a patent held by Roche in the field of insulin infusion therapy. In response, Roche filed an infringement claim in the Hamburg LD within 3 months of Tandem's filing so the DNI action was stayed.

However, the revocation action continued in the Paris CD and a parallel counterclaim for revocation by VitalAire[26] was filed in the Hamburg LD, which exercised its discretion, under Art. 33(5), to hear both validity and infringement together.

Validity

The skilled person

The merits decisions to date take similar approaches in defining the person skilled in the art. The decisions generally state that the background of the skilled person should include a degree in the relevant subject matter and several years of experience working in the broad field of the patent in question. Largely, these definitions appear to be lifted from the submissions of the parties, with areas of dispute as identified in the decisions being fairly limited. For example, in *Avago v Tesla*[27], the Munich LD adopted the description by the defendant (which was not disputed by the claimant) to find that the skilled person would be an engineer specialising in electrical engineering with a university degree and several years of experience in the field of high-frequency circuits, in particular working on the design of transceivers and modulation techniques for data transmission.

It appears that when disputes do occur, the Court will refer to the teachings of the patent for guidance. One minor dispute was summarised in the *NanoString v President and Fellows of Harvard College*[28] revocation action decision, in which the skilled person was found to be someone with a degree in biological sciences (or biochemistry) and several years of experience in the field of detection of biomolecules in biological samples. This was broadly agreed between the parties, however the skilled person was further found to be familiar with both *in vitro* and *in situ* techniques for the detection of biomolecules. The defendant had disputed this further characterisation, arguing the skilled person would only have experience with *in situ* (not *in vitro*) methods. The Court disagreed, finding that no fundamental distinction was made between *in vitro* and *in situ* multiplexing techniques in the disclosure of the patent and so the skilled person should have experience of both.

The final point of note in relation to the skilled person is that the UPC will not necessarily limit this to a single person's experience. In cases where a patent requires technical background of multiple areas, the Court has taken the view that the notional "*skilled person*" may in fact be a group of people, i.e. a team. For example, in *DexCom v Abbott*[29], the Paris LD considered that the skilled person was a group, comprising (i) persons skilled in the field of (physiological) analyte monitoring systems and (ii) persons skilled in the art of designing portable electronic systems. However, in a different *DexCom v Abbott*[30] decision in the Munich LD, the Court instead made a finding that a (single) skilled person would have knowledge in both of these fields.

25 UPC_CFI_88/2024, Order of 9 September 2024
26 A defendant to the infringement action in the Hamburg LD that was not involved in the revocation action in the Paris CD
27 UPC_CFI_52/2023, Decision of 30 August 2024
28 UPC_CFI_252/2023, Decision of 17 October 2024
29 UPC_CFI_230/2023, Decision of 4 July 2024
30 UPC_CFI_233/2023, Decision of 31 July 2024

Common general knowledge (CGK)

UPC decisions have rarely outlined the CGK of the skilled person in great detail at the outset of a judgment. Rather, discussion of the CGK is typically tied up in the assessment of construction and/or obviousness (where it is most relevant) and sometimes added matter and/or novelty (in the case of implicit disclosures). For example, the very first mention of the term "common general knowledge" in the *NanoString v President and Fellows of Harvard College*[31] revocation action decision is found in the construction section outlining the interpretation of claim features.

One outlier in this regard is *Sanofi v Amgen*[32] at the Munich CD where the Court outlines a "*technical introduction*" and then refers back to this when construing claim features, stating "*[a]s follows from the technical introduction part above, the skilled person knows from their common general knowledge what a (monoclonal) antibody or fragment thereof is*" and "*it was common general knowledge that antibodies can be produced using various methods*". We draw reference to this case as it is also a useful example outlining what evidence of CGK might be convincing at the UPC. In this decision, extensive references are made (particularly in the obviousness section) to the following in the assessment of the CGK:

- the parties' expert reports in the UPC proceedings and other proceedings (Australia);
- disclosures in the background section of the patent;
- teachings of the cited prior art (the 'realistic starting point');
- teachings of other prior art references published before the priority date (in particular, scientific review articles);
- technical background outlined in the parties' pleadings; and
- submissions made in the parties' pleadings and at the hearing.

As such, it appears all sources of evidence may be considered in a holistic assessment of the CGK at the UPC.

Novelty

Assessment of novelty at the UPC has so far followed a familiar approach that is reminiscent of the EPO's "*gold standard*", requiring that all features of a claim are directly and unambiguously disclosed in a prior art document for the claim to be found to lack novelty.

The first merits decision, from the Düsseldorf LD in *Franz Kaldewei v Bette*[33], stated that the burden of proof for lack of novelty (or lack of inventive step) lies with the party seeking to revoke the patent. The LD then continued to outline its approach to novelty, stating the following:

> *A technical teaching is new if it deviates from the prior art in at least one of the known features. Only that which is **directly apparent** to a person skilled in the relevant technical field from the publication or prior use is anticipated in the prior art. Findings that a person skilled in the art only obtains on the basis of further considerations or by consulting other publications or uses are not prior art*" (emphasis added).

At first glance, this appears similar to the EPO's direct and unambiguous disclosure requirement. Indeed, when applying the above test to the facts, the Court states on a number of occasions that "*the skilled person cannot **directly and unambiguously infer**...*"

31 UPC_CFI_252/2023, Decision of 17 October 2024
32 UPC_CFI_1/2023, Decision of 16 July 2024
33 UPC_CFI_7/2023, Decision of 3 July 2024

Similar assessments have appeared in decisions from other LDs. For example, in *DexCom v Abbott*[34], the Paris LD stated "*[i]n order to be considered part of the state of the art, an invention must be found* ***integrally, directly and unambiguously in one single piece of prior art****...*" (emphasis added). In applying this strict assessment to the facts, the Paris LD found the claim to be novel because whilst the prior art document was considered to disclose the use of two protocols for data transmission, the document did not expressly disclose near field communication as the selected protocol, as claimed in the patent.

This assessment of novelty, and indeed the requirement for direct and unambiguous disclosure, has been further crystallised in later decisions, for example in the Court of Appeal's finding in the *Ortovox v Mammut*[35] PI appeal that it is decisive whether the subject-matter of the claim with all its features is *directly and unambiguously* disclosed in the prior art citation, with further reference to the appeal decision of *10x Genomics v NanoString*[36].

Whilst the test applied by the UPC so far appears very much aligned with the EPO approach to novelty, this does not mean that conflicting opinions between the EPO and the UPC have been avoided entirely. For example in *Carrier v Bitzer*[37], where there is an ongoing opposition, the EPO's preliminary opinion was that an auxiliary request lacks novelty over a prior art document, in direct contrast to the UPC's decision on an identical request. The patent has recently been revoked by the opposition division of the EPO, although the written decision is not available at the time of writing.

The difference in opinion might be a result of the fact that the UPC typically has the benefit of more evidence as to the knowledge and abilities of the *skilled person* than the EPO, and it is what the skilled person would understand to be clearly and unambiguously disclosed that is the decisive question. Regardless, as case law develops, the nature of "*direct and unambiguous disclosure*" should be clarified further.

A final point to note is that the strict requirement for direct and unambiguous disclosure does still leave room for implicit disclosures, particularly in light of the skilled person's CGK. We are not yet aware of any merits decision where implicit disclosure has been decisive on the issue of novelty; however, the UPC's approach to added matter (discussed below) appears to take account of implicit disclosure and, logically, a similar test should be applied for novelty. This would also be in line with established EPO case law.

Inventive step

Before the first merits decisions were handed down, there was much speculation around whether the UPC would adopt the EPO's problem-solution approach to inventive step or set its own test. Notably the Court of Appeal steered clear of setting a specific test for inventive step in its first substantive decision (in the context of a PI) in *10x Genomics v NanoString*[38], but opted to take a multi-factorial approach that is more similar to national approaches. This was in contrast to the Munich LD at first instance in that case.

This multi-factorial approach has now been seen in a number of decisions from the Court of First Instance, although earlier decisions do appear to have been influenced to some extent by the EPO's problem-solution approach. There is yet to be a formal test set for assessing obviousness, but LDs appear to be converging towards the holistic approach

34 UPC_CFI_230/2023, Decision of 4 July 2024
35 UPC_CoA_182/2024, Order of 25 September 2024
36 UPC_CoA_335/2023, Order of 26 February 2024
37 UPC_CFI_263/2023, Order of 8 January 2024
38 UPC_CFI_2/2023, Order of 15 December 2023

taken in the *10x Genomics* case, each adding more colour to the factors that should be considered when assessing inventive step.

Turning back to the first merits decision from the Düsseldorf LD (*Franz Kaldewei*[39]), the Court stated that an invention exists when it does not result from the expert's usual approach in his field of expertise, but requires additional creative effort. The LD found that, based on the prior art, it was a routine consideration for the skilled person faced with the task of specifying a sanitary tub device that could easily be made in different sizes and has good functional properties to make profile pieces and a tub support out of rigid plastic foam, as required by claim 1 of the patent. Whilst no reference was made to the EPO's problem-solution approach, some similarity can be seen here with the identification of a "*task*" to be solved by the skilled person. However, there are some subtle differences. Whilst the Court evidently recognised a "*technical problem*", this was lifted directly from paragraph [0012] of the patent and therefore a broad statement of what the patentee considered to be the problem addressed by the invention rather than being based on differences over the prior art, which is how the "*objective technical problem*" is developed by the EPO. In later merits decisions, such as the revocation action in *NanoString v President and Fellows of Harvard College*[40] this is referred to as the "*underlying problem*".

Other decisions have strayed even further from the EPO approach. In *Sanofi v Amgen*[41], the Court emphasised the need for an objective approach to the assessment of inventive step that avoids hindsight. In setting out the approach to assessing obviousness, the Court stated that it is first necessary to determine a starting point in the state of the art, and there has to be a justification as to why the skilled person would consider a particular part of the state of the art as a realistic starting point. The Court also stated expressly that there can be several promising starting points, and that it is not necessary to identify the most promising starting point. This differs from the EPO's approach, which requires the closest prior art to be identified and justified.

In *Sanofi v Amgen*[42], after a comparison of the claimed subject matter to the prior art, the Court stated that the next question is whether it would be obvious for the skilled person, starting from a realistic prior art disclosure, in view of the underlying problem, to arrive at the claimed solution. The Court summarised that in general, a claimed solution is obvious if the skilled person would be motivated to consider the claimed solution and to implement it as a "next step" in developing the prior art. On the other hand, if the claimed subject matter achieves a technical effect or advantage compared to the prior art, this may be indicative of the presence of an inventive step.

A similar approach was followed in *Meril v Edwards*[43], where the Paris CD also explicitly addressed the use of the problem-solution approach, stating that "*this test is not explicitly provided for in the EPC and, therefore, does not appear to be mandatory*." Nevertheless, the CD explained that applying the problem-solution approach to these proceedings would not have led to a different conclusion on inventive step. The Hamburg LD carried out a similar problem-solution "*cross-check*" in *Avago v Tesla*[44].

In a more recent decision going against this trend, the Hague LD in *Plant-e v Arkyne*[45] stated that the Court *would* follow the problem-solution approach, although it appears this was because this approach was suggested by both parties in their submissions.

39 UPC_CFI_7/2023, Order of 3 July 2024
40 UPC_CFI_252/2023, Decision of 17 October 2024
41 UPC_CFI_1/2023, Decision of 16 July 2024
42 UPC_CFI_1/2023, Decision of 16 July 2024
43 UPC_CFI_255/2023 and UPC_CFI_15/2023, Decision of 19 July 2024
44 UPC_CFI_54/2023, Decision of 26 August 2024
45 UPC_CFI_239/2023, Decision of 22 November 2024

Some relevant factors when assessing obviousness following the multi-factorial approach were summarised by the Düsseldorf LD when issuing a permanent injunction in *Seoul Semiconductor v expert e-Commerce and expert klein*[46]. On the topic of determining realistic starting points, the Düsseldorf LD stated that reasons must be given as to *why* the skilled person would regard a particular part of the prior art as a realistic starting point. According to the decision, a starting point is realistic if its teaching would have been of interest to a person skilled in the art who, at the priority date of the patent in suit, was seeking to develop a similar product or process to that disclosed in the prior art, i.e. which has a similar basic problem to the claimed invention.

On the topic of obvious next steps, the Düsseldorf LD referred to considerations outlined by the Court of Appeal in *10x Genomics v NanoString*[47], re-iterating the following factors:

a. in general, something is obvious if the skilled person would be motivated (i.e. would have an incentive) to consider and implement the claimed solution as the next step;

b. it may be relevant whether the skilled person would have anticipated particular difficulties in carrying out the next step; and

c. a technical effect or advantage achieved by the claimed subject-matter compared to the prior art may be an indication of inventive step but a feature arbitrarily selected from several possibilities cannot generally contribute to inventive step.

Factor a. above, relating to motivation, was particularly relevant on the facts in the *Seoul Semiconductor* case, with the Court finding in relation to a first prior art document that "*the skilled person has **no reason to look for a solution to** reduce possible tension between the two layers and possibly to provide a further (stress-relieving) layer for this purpose. For the design of the metal barrier layer with palladium, **he already has a material at his disposal** in which such tensions do not occur in the first place*" (emphasis added) and, in relation to a second, that "*... the person skilled in the art has **no reason to replace** the transparent diode arranged under the reflective cathode contact (150) with a reflective diode*" (emphasis added).

In due course the Court of Appeal will likely clarify these factors further, perhaps setting a more clearly defined test. One thing that seems certain is that the UPC will not be adhering strictly to the EPO's longstanding problem-solution approach to assessing obviousness.

Added subject-matter

Similar to the assessment of novelty discussed above, so far added subject-matter at the UPC has been assessed following an approach reminiscent of the EPO's "*gold standard*", requiring that claimed subject matter is disclosed directly and unambiguously in the application as filed.

The first substantive discussion of added matter was in the *Sibio v Abbott*[48] PI decision from the Hague LD. Here, on the balance of probabilities, the patent was found to be more likely than not invalid due to added matter in proceedings on the merits. In particular, the Court considered that claim 1 was an unallowable "*intermediate generalisation*" of a number of embodiments that were originally disclosed. The concept of an intermediate generalisation will be familiar to

46 UPC_CFI_363/2023, Decision of 10 October 2024
47 UPC_CoA_335/2023, Order of 26 February 2024
48 UPC_CFI_131/2024, Decision of 19 June 2024

practitioners, and has been clearly developed through extensive EPO and national case law. However, the Court noted that neither party had indicated whether, and if so in which way, the Court should apply a standard that differed from the EPO approach. It therefore appears that the Court was bound to apply the "*gold standard*" disclosure test, absent any arguments to the contrary. This seemed to leave open the possibility of parties suggesting other assessments in later cases.

Despite this, later decisions (in particular main action decisions) have continued to adhere to the '*gold standard*' approach. Some also comment on the concept of unallowable intermediate generalisations within this, including the Hamburg LD in *Tesla v Avago*[49] and the Paris CD in *Meril v Edwards*[50]. The Paris CD went as far as giving a definition of an intermediate generalisation as "*extracting one or more isolated features which, in the initial application, were disclosed only in combination with other features, thereby extending the claimed subject matter, which is no longer limited to this initial combination of features*." This is similar to the definition employed by the EPO.

More recently, the Hague LD in *Plant-e v Arkyne*[51] explicitly referred to the '*gold standard*', outlining (with reference to Case Law of the EPO Boards of Appeal) that amendments can only be made within "*the limits of what a skilled person would derive directly and unambiguously, using common general knowledge, and seen objectively and relative to the date of filing, from the whole of the application. After the amendments, the skilled person may not be presented with new technical information*."

We are yet to see any assessments of added matter that deviate from this approach. However, as in the case of novelty, whilst the test applied by the UPC so far appears very much aligned with the EPO this does not mean that conflicting opinions have been avoided entirely. Again in *Carrier v Bitzer*[52], the EPO's preliminary opinion differed from the UPC's decision on added subject matter of the main request. The Paris CD found the skilled person would understand that the main request would not add matter due to an *implicit disclosure* whereas the EPO did not recognise the same implicit disclosure, and so considered the main request to add matter beyond the application as filed. As noted in the novelty section above, this difference might be a result of the UPC having the benefit of more evidence as to the attributes of the skilled person than the EPO, and it is what the *skilled person* would understand to be clearly and unambiguously disclosed in the application as filed that is the decisive question for assessing added matter.

Priority

The assessment of entitlement to priority mirrors that of the approaches to novelty and added matter being developed at the UPC and is once again reminiscent of the EPO's '*gold standard*' approach. For example, the Munich CD in *Sanofi v Amgen*[53] stated that a claimed invention is to be considered the "*same invention*" according to Art. 87 EPC (priority right) if the skilled person can derive the subject-matter of the claim directly and unambiguously, using CGK, from the previous application as a whole.

Insufficiency / Plausibility

Bitzer v Carrier[54] was the first main action decision to consider the ground of insufficiency. In this revocation action, Bitzer contended that the patent did not disclose the alleged invention in a manner sufficiently clear and complete for it to be carried out by a skilled person as required by Art. 138(1)(b) and Art. 83 EPC, as it did not disclose how a "*user induced event*" could be detected. The description of the patent merely stated that the user induced event could be, for

49 UPC_CFI_54/2023, Decision of 26 August 2024
50 UPC_CFI_255/2023, Decision of 19 July 2024
51 UPC_CFI_239/2023, Decision of 22 November 2024
52 UPC_CFI_263/2023, Order of 30 April 2024
53 UPC_CFI_1/2023, Order of 16 July 2024
54 UPC_CFI_263/2023, Order of 29 July 2024

example, a "*door opening in container*" ([0012]), but did not explicitly describe how the opening of such a door could be detected.

The Court disagreed and found that this feature was disclosed in a sufficient manner due to disclosure of an "*event detector*" internal or external to a sensor, and various examples of the sensor being configured to monitor environmental parameters (such as temperature). Furthermore, the Court considered that systems for detecting the opening of a door were part of the CGK and so a skilled person would be capable of employing any of these systems for detecting the opening of a door to determine a user induced event.

Syngenta v Sumi[55] appears to be the only case so far that has considered sufficiency and explicitly addressed the concept of "*plausibility*". In this case, in the context of a PI application, the Munich LD considered the case law of the EPO Boards of Appeal on plausibility in detail; concluding that according to the EPC, "*plausibility*" is not a requirement for patentability since there is not a single article in the EPC that addresses it, and the problems related to plausibility must therefore be solved in the context of Art. 56 (inventive step) or 83 EPC (sufficiency). In the context of plausibility in relation to inventive step, the Court summarised the relevant test outlined by the EPO Enlarged Board of Appeal in *G 2/21*.

The defendant in this case had argued that the examples disclosed in the patent only provided information on compositions with an extremely narrow range of fatty acid content (63.5%-68.5%) as opposed to the broader range of 1-95% claimed, and that the skilled person would not be able to perform the invention over the full range claimed. This is a classic case of what is often referred to in the UK as "*Biogen*[56] *insufficiency*" or "*excessive claim breadth*". The Court concluded that the claimed range could be easily made by the skilled person, as the skilled person only has to select a suitable source for the fatty acid. The skilled person could choose one of the examples disclosed, or alternatively rely on free fatty acids originating from, for example, rapeseed oil, as disclosed more generally elsewhere in the patent.

With regard to inventive step, the Court declined to answer whether the test outlined in *G 2/21* should be applied in the UPC, but concluded that if it was, the patent would still not be found to be obvious. Practitioners will therefore need to await further case law, most likely from the Court of Appeal, to confirm whether the approach to sufficiency and plausibility (and inventive step and plausibility) at the UPC will align with that of the EPO.

Claim amendments

Must claim amendments be limited only to challenged claims?

In short, the answer to this question is currently yes. In *Bitzer v Carrier*[57], the Paris CD addressed the question of whether Carrier could amend claims in its patent that Bitzer had not challenged. The Court clarified that in the context of patent litigation, amendments are strictly a defensive measure to address specific invalidity claims raised by a third party. As a judicial body rather than an examination office, the UPC must operate within the dispute's defined boundaries. Accordingly, the Court held that a patent proprietor's right to amend its patent is limited to addressing only the claims under challenge. However, the Court confirmed that Carrier could draw on features from unchallenged claims to amend the challenged ones.
It remains to be seen whether the Court of Appeal will adopt a different approach if and when an appeal on this issue is made.

55 UPC_CFI_201/2024, Order of 27 August 2024
56 *Biogen Inc v Medeva plc* [1997] RPC 1
57 UPC_CFI_263/2023, Decision of 29 July 2024

How many requests is too many?

In *Meril v Edwards Lifesciences*[58], the Paris CD examined whether submitting an extensive number of auxiliary requests—here, 84—was excessive in complex UPC litigation. Meril had brought a revocation action against Edwards' patent relating to a prosthetic heart valve. In its statement of defence, Edwards included a conditional application to amend the patent based on 9 conditional amendments and 84 auxiliary requests. Meril objected to the application on procedural grounds, and the Judge-Rapporteur deferred the objection to be heard at the oral proceedings. Subsequently, Edwards made a second amendment request, which was rejected, followed by a third request, which was admitted into the proceedings.

At the oral hearing, the Court had to consider the admissibility of the first amendment request in the context of addressing Meril's objection to the third request. The Court acknowledged that while the number of amendments initially filed was extremely high and could potentially compromise the UPC's objective of swift proceedings, it did not find the volume of requests inherently "*unreasonable*", considering the complexity of the case, the numerous grounds of invalidity, the patent's significance and the relationship with other proceedings involving patents in the same family. Furthermore, the Court highlighted the absence of a clear interpretation of what constitutes "*reasonable in number*" under r. 30(1)(c), and suggested that this warranted a less strict approach to determining what is reasonable.

Bifurcation

According to Art. 33, if an infringement action has already been commenced by a patentee in a LD or RD, the defendant in that action must bring a counterclaim for revocation in that same division. If a revocation action has already been commenced in the CD, the patentee can opt to bring an infringement action either in the CD *or* in a LD or RD. In both cases, the LD or RD in which the infringement action is pending has a choice whether to (a) proceed with the action for infringement (and revocation if it is brought as a counterclaim or if the CD revocation claim is between the same parties), (b) refer any revocation counterclaim to the CD and either suspend or proceed with the infringement action or (c) with the parties' agreement, refer the case for decision to the CD. This leads to the possibility of bifurcated proceedings, where the revocation and infringement actions are heard in different divisions.

Initial trend towards no bifurcation

Prior to commencement of the UPC, there was some speculation that the UPC would follow a German-style system, in that proceedings would, for the most part, be bifurcated, allowing patentees to avoid "*squeeze*" arguments between validity and infringement and potentially giving patentees the benefit of the "*injunction gap*" that may arise in German proceedings. However, in the early cases relating to bifurcation, the LDs have generally opted not to bifurcate proceedings.

In a series of decisions by the Düsseldorf LD[59], the division opted to retain both the infringement and revocation actions for reasons of efficiency and because having the infringement and revocation cases dealt with by the same Court allows issues of validity and infringement to be decided on the basis of a uniform interpretation of the patent by the same panel of judges. Further, the LD panels are generally composed of experienced

58 UPC_CFI_255/2023, Order of 28 February 2024

59 UPC_CFI_260/2023, Order of 22 November 2023; UPC_CFI_7/2023, Order of 1 December 2023; UPC_CFI_201/2023, Order of 19 December 2023; and UPC_CFI_16/2024, Order of 15 April 2024

judges and the option to appoint technically qualified judges ensures that ruling on both infringement and validity is feasible.

The Hague LD also opted not to bifurcate the proceedings in *Plant-e v Arkyne*[60]. Similar reasons were cited in relation to efficiency and the potential delay associated with bifurcation, as well as the fact that both parties' preference was for the proceedings to remain with the Hague LD.

Decisions in which bifurcation was ordered

In the aforementioned cases, the fact patterns were relatively straightforward and it is understood that the parties to the proceedings were generally in agreement that the cases should not be bifurcated.

The UPC's willingness to take the views of the parties into account was highlighted in *Amgen v Sanofi and Regeneron*[61] in which, all parties had requested that Regeneron's revocation counterclaim be referred to the Munich CD. The Munich LD noted that a unanimous request should be granted unless there are strong counterarguments. In addition, a revocation action filed by Sanofi was already pending in the Munich CD in relation to the same patent. The Munich LD decided that, in the particular circumstances of the case, referring the counterclaim to the Central Division was the most practical solution to avoid inconsistent decisions and duplication of work in relation to validity.

There are two further cases in which bifurcation was ordered. In *MED-EL v Advanced Bionics*[62], Advanced Bionics filed a revocation action at the Paris CD. Following this, MED-EL commenced infringement proceedings in the Mannheim LD, in response to which Advanced Bionics filed a counterclaim for revocation. The Mannheim LD stated that, in normal circumstances, it would not refer the revocation counterclaim to the CD as it is generally appropriate for the LD to hear and decide on the revocation counterclaim. However, given that the arguments in the counterclaim were essentially the same as those in the revocation action in the Paris CD, which was at a more advanced stage, in this case the revocation counterclaim should be referred to the Paris CD. However, the Mannheim LD opted to retain the infringement action. This element of the decision was appealed.

The Court of Appeal[63] affirmed the Mannheim LD's decision, noting that Advanced Bionics' concern that MED-EL may present an interpretation of the patent claims in the infringement action in the LD which conflicts with its interpretation in the revocation action in the CD leading to conflicting decisions was not warranted. This risk can be minimised by other means besides referring the infringement action to the CD. For example, given that the revocation action was likely to be decided first, the Mannheim LD could consider the construction of the claims by the CD when deciding the infringement action.

In *Edwards v Meril*[64], Edwards sued two Meril entities (Meril India and Meril Germany) for infringement in the Munich LD. Subsequently, Meril filed a revocation action in the Paris CD via a different group company, Meril Italy[65]. Edwards applied for the revocation case to be struck out, and the Paris CD had to decide whether the different Meril entities could be considered the "*same parties*" or not. After considering various grounds, the Munich LD found that Meril Italy was not the same party as Meril India or Meril Germany, notwithstanding that it was a wholly owned subsidiary of Meril India.

60 UPC_CFI_239/2023, Order of 15 February 2024
61 UPC_CFI_14/2023, Order of 2 February 2024
62 UPC_CFI_410/2023, Order of 10 July 2024
63 UPC_CoA_106/2024, Order of 5 September 2024
64 UPC_CFI_15/2023, Order of 13 November 2023

In particular, the Brussels I Regulation was not applicable in these circumstances as the case did not raise an issue of proceedings in multiple jurisdictions. Therefore, there was no need to apply the definition of "*same parties*" from the Regulation. Instead, the CD considered that the UPCA provides an autonomous set of rules that regulate situations of parallel proceedings within the UPC, in particular Art. 33 and r. 295, 302, 303 and 340.

These rules were deemed to address Edwards' concern that the Meril group would have two opportunities to attack the validity of the patent before different divisions (since the Meril entities sued in the Munich LD could file a counterclaim for revocation). However, the Paris CD stated that in such a situation the LD could refer the counterclaim for revocation to the CD, which would prevent two divisions of the UPC deciding on the same issue. This was precisely the situation in the *Amgen v Sanofi & Regeneron*[66] case, in which bifurcation was ordered.

The subsequent decision of the Munich LD in the infringement proceedings between Edwards and Meril[67] demonstrates how bifurcation is likely to work in practice in the UPC. Following the decision outlined above, the Paris CD considered validity in its decision of 19 July 2024. In its subsequent infringement decision of 15 November 2024, the Munich LD was able to focus on the form of the claim (Auxiliary Request II) upheld by the CD and refer in its reasoning to the CD's findings on claim construction.

However, overall, the above cases indicate bifurcation appears to be the exception rather than the rule.

Preliminary injunctions (PIs)

Applications for a preliminary injunction have now been determined in 36 disputes, resulting in 14 orders issued by the UPC covering substantive PI decisions and ancillary matters. The most popular Courts for PI applications have been the Düsseldorf LD, followed (at the time of writing) by the Munich LD. PI applications have also been heard in Hamburg, Helsinki, Lisbon, Vienna and The Hague.

The number of applications being granted and refused remains roughly equal and in September 2024 the Court of Appeal issued its first decision maintaining the grant of a PI in *Ortovox v Mammut*[68].

The burden of proof and the validity and infringement analyses

The Court of Appeal judgment in *NanoString v 10x Genomics*[69] was interesting not only for being the first assessment of a PI application by the appeal Court but also for setting out the burden of proof in PI cases. The Court of Appeal agreed with the Munich LD's finding at first instance that, because an order for provisional measures is made by way of summary proceedings in which the opportunities for the parties to present facts and evidence are limited, the standard of proof for a PI must not be set too high. What is required is a sufficient degree of certainty that the applicant is entitled to institute proceedings, and that the patent is valid and is being infringed (or that such infringement is imminent). According to the Court of Appeal, such a degree of certainty requires the UPC to consider it at least more likely than not that the applicant is entitled to initiate proceedings (which includes that it is more likely than not that the patent is valid) and that the patent is infringed.

66 UPC_CFI_14/2023, Order of 2 February 2024
67 UPC_CFI_15/2023, Decision of 15 November 2024
68 UPC_CoA_182/2024, Order of 25 September 2024
69 UPC_CoA_335/2023, Order of 26 February 2024

As to which party bears the burden of proof, the Court of Appeal held that this lies with the applicant (the patentee) in relation to entitlement to initiate proceedings and infringement whereas the burden regarding any assertions of a lack of validity lies with the respondent. The Court of Appeal noted that this approach is aligned with the position in merits proceedings. No special presumptions or criteria, such as the presumption of *prima facie* validity, or that the patent must have first survived third party challenge, were cited by the Court of Appeal. In this case, the Court of Appeal overturned the Munich LD's decision holding that, on the balance of probabilities, it was more likely than not that the subject matter of claim 1 of the patent would prove not to be patentable for obviousness.

The judgment in *Abbott v Sibio*[70] also demonstrates that the Court is willing to undertake a fairly thorough examination of validity in PI proceedings. The Court of Appeal conducted an in-depth analysis of whether Abbott's patent, directed to continuous glucose monitors, contained added matter. On the balance of probabilities, it was found to be more likely than not that claim 1 (and further dependent claims) of the patent would be held to contain added matter.

In the Hague LD decision in *Alexion v Amgen & Samsung*[71], the Court noted that it had to consider not only its own assessment of the likelihood of invalidity but also the likelihood that the EPO would revoke the patent in opposition proceedings. Whilst those conclusions should not be different, given the application of the same legal standard (the European Patent Convention), inevitable differences might arise if the Court interprets the claim differently to the EPO. The fact that the EPO had granted the patent in the face of third party observations was not an indication that the Court should "*blindly assume*" that the patent is "*battle-tested*" and, indeed, the Court considered that the third party observations had focused on the more formal aspects of the patent application and had not included the arguments that were central to the defendants' case before the UPC.

An argument regarding the likelihood that the patent will be found invalid based on the revocation rates of patents overall was found not to be relevant to the assessment of the likelihood of invalidity in *Valeo v Magna*[72], where the Düsseldorf LD confirmed that that the only relevant assessment is the likely validity of the patent in suit.

Claim amendments

An attempt to introduce claim amendments into PI proceedings was rejected in *Insulet v Menarini*[73], with the Milan LD rejecting Insulet's argument that the amendments were amendments to its case and therefore fell within r. 263. R. 30 governs the amendment of patent claims in proceedings in the UPC and permits them to be admitted only in the defence to a claim or counterclaim for revocation (r. 30.2). Claim amendments may therefore only be lodged in main proceedings. The Milan LD followed earlier decisions of the Lisbon LD[74] and Paris CD[75] and referred to Art. 138 EPC, which provides that requests to limit the patent may be filed in proceedings before a Court which is competent to decide on the validity of the patent. The Court also noted that the interpretation adopted is consistent with the need for expediency in proceedings concerning provisional measures.

Imminent infringement

In *Novartis and Genentech v Celltrion*[76], the Düsseldorf LD considered when an imminent threat of infringement arises in a biosimilar context. The Court disagreed with the defendant that different national approaches should apply for European bundle patents during the UPC's transitional period.

70 UPC_CoA_388/2024, Order of 19 August 2024
71 UPC_CFI_124/2024, Order of 26 June 2024
72 UPC_CFI_368/2024, Order of 31 October 2024 and UPC_CFI_347/2024, Order of 31 October 2024
73 UPC_CFI_400/2024, Order of 22 November 2024
74 UPC_CFI_317/2024, Order of 15 October 2024
75 UPC_CFI_255/2023, Order of 27 February 2024
76 UPC_CFI_165/2024, Order of 6 September 2024

However, the Court did not provide much clarity on exactly when this hurdle will be met in the context of the UPCA or in light of the different preparations required to launch a biosimilar product in each of the Contracting States. Instead, the Court found that the potential infringer must have "*set the stage*" for infringement to occur and suggested that in order to meet this threshold, all preparations for launch must have been fully completed, albeit applicants are not required to accept a situation that would lead to the renegotiation of contracts with their customers for their own product. Importantly, the Court will need to make its assessment on a case-by-case basis.

Urgency

In the *Dyson v SharkNinja*[77] case, it was held that the clock starts ticking once a patentee has knowledge of an infringement without wilful negligence. However, there is no requirement for a patentee to actively monitor for infringement.

The approach adopted in *10x Genomics v Curio*[78] was that an application for a PI will lack urgency where the applicant has acted in such a negligent and hesitant manner that, viewed objectively, leads to the conclusion that it is not interested in promptly enforcing its rights. The applicant is obliged to investigate the potential infringement as soon as it has knowledge of it and take the necessary measures to obtain the documents required to support its claims.

This approach was also adopted in the *UEFA v Ballinno* decision[79] where the Hamburg LD determined that the application lacked urgency. The claimant had engaged in correspondence with the defendants and the Court found that it would have been clear to the claimant following the response that judicial recourse would be necessary to settle the matter. There was no evidence that the claimant had undertaken further steps to investigate the facts or technology, including obtaining a sample of the allegedly infringing balls which it knew were to be used in the FIFA 2022 World Cup. As such, the claimants did not "*diligently initiate and complete the required steps*" at an early enough stage and the claim lacked urgency.

A reminder that the application must demonstrate that the urgency requirement is met can also be found in *Ericsson v AsusTek*[80], the first PI decision issued by the Lisbon LD. Ericsson failed to provide evidence to refute the defendants' arguments that it would have been aware of the alleged infringement earlier than the date of its test purchase of the defendants' products in May 2024. The defendants relied on the period of time that had elapsed since the launch of the allegedly infringing components in 2019 and 2021, which had been publicised on various websites, ongoing licensing negotiations between Ericsson and AsusTek since 2018 and the commencement of litigation in the US by Ericsson in 2023. Ericsson had not put forward any evidence itself on when it became aware of the alleged infringement and, in light of this, the burden of proving urgency and due diligence in initiating proceedings was not met.

In terms of how long the clock runs for, the Munich LD in *Dyson* had set an urgency clock of two months, whereas the Düsseldorf LD in *10x Genomics v Curio* indicated one month. The Court of Appeal in *Ortovox v Mammut*[81] stopped short of settling the conflict on whether there should be a set period of time for a patent proprietor to start a PI action, and, if so, how long. Rather, the Court of Appeal simply stated that any period of delay is "*to be measured from the day on which the applicant has or should have had such knowledge of the infringement that he is in a position to make a promising application for interim measures*" (i.e. when there is enough evidence of infringement). In that case, the

77 UPC_CFI_443/2023, Order of 21 May 2024
78 UPC_CFI_463/2023, Order of 30 April 2024
79 UPC_CFI_151/2024, Order of 3 June 2024
80 UPC_CFI_317/2024, Order of 15 October 2024
81 UPC_CoA_182/2024, Order of 25 September 2024

Court considered that this period started on 28 November and the PI application was filed on 1 December, so there was no finding of undue delay.

One case in which the patentee apparently tried to avoid any risk of undue delay is *Alexion v Amgen & Samsung*[82]. Alexion filed PI applications with the Hamburg LD in relation to Amgen and Samsung's biosimilar eculizumab products in March 2024. The biosimilar products had been on the market since 2023 but the patent itself was not granted by the EPO until May 2024, two months after the proceedings were initiated. Unfortunately for Alexion, the PI was refused on the basis that the Hamburg LD was not satisfied to a sufficient degree of certainty that the patent was valid and was of the opinion that it was reasonably likely that the EPO would revoke the patent for insufficiency under Art. 83 EPC.

Harm / the balance of interests

The Court of Appeal, also in *Mammut v Ortovox*[83], has held that irreparable harm is not a necessary condition for the ordering of a PI on the basis that r. 211.3 merely refers to possible harm in the sense that it must be taken into account when weighing up interests if it would occur. The Court added that even *ex parte* PIs do not necessarily require irreparable harm – the Court can order a PI according to r. 212.1 without first hearing the defendant "*in particular*" if a delay would probably cause irreparable harm to the applicant.

The Court of Appeal also considered a number of factors when weighing the parties' interests. Pursuant to Art. 62(2) and r. 211.3, in an application for a PI the Court shall exercise its discretion in weighing the interests of the parties against each other and take into account, in particular, the possible prejudice that could result to one of the parties from the issuance of the injunction or the rejection of the application. Mammut had argued that Ortovox could be adequately compensated for an infringement in damages. However, since irreparable harm is not a necessary condition for the ordering of interim measures, the appropriate exercise is to balance whether the applicant's interests overall outweigh those of the infringer. By threatening to sell a competing product, Mammut was depriving Ortovox of the market opportunities associated with its patent protection. Furthermore, in light of the scheduling of the main hearing, Ortovox's interests for the 2024/2025 winter season could not be protected by the outcome of the proceedings on the merits. The Court did not agree with Mammut's arguments that Ortovox's market could quickly be restored following a positive main decision; this would involve Ortovox having to pre-produce product at risk to satisfy demand that may arise at short notice. On the other hand, Mammut was found not to have an interest in fulfilling orders placed in light of the Court of First Instance's decision that such sales would infringe the patent. Ultimately, the Court of Appeal agreed with the Düsseldorf LD's initial assessment and upheld the PI against Mammut, making this the first UPC PI application to be successful at first and second instance.

In *NanoString v 10x Genomics*[84], having balanced the interests of the parties, the LD found that 10x Genomics' interests were more pertinent than NanoString's. An important factor in this assessment was the high likelihood of the patent being found valid and infringed at trial. Notably, the Court of Appeal subsequently determined that the patent would more likely than not prove to be invalid in proceedings on the merits due to lack of inventive step so the PI was lifted[85].

82 UPC_CFI_124/2024, Order of 26 June 2024
83 UPC_CoA_182/2024, Order of 25 September 2024
84 UPC_CFI_2/2023, Order of 5 December 2023
85 UPC_CoA_335/2023, Order of 26 February 2024

Third party interests may also be relevant and contributed to the grant of a tailored PI in the dispute between *Magna v Valeo*[86]. Having found that the patent in suit was more likely than not to be valid and infringed, the Düsseldorf LD found that the balance of interests lay in favour of granting a PI to Valeo. However, it also considered the interests of a third party, BMW, one of Magna's customers to whom the gearboxes alleged to infringe the patent in suit were sold. Magna submitted evidence that BMW would suffer damage that would exceed that suffered by Valeo as a result of the continuing infringement. The evidence included that the Magna products used in BMW vehicles could not be easily replaced by Valeo's system, and BMW did not hold the necessary approvals to place vehicles equipped with Valeo's system on the EU market. Supplies to BMW were therefore carved out of the PI, subject to the provision of security, to enable Magna to fulfil its existing obligations. The Düsseldorf LD took into account the evidence of the specific harm and the particularities of the automotive market in granting this exception, which was described in the decision as "*very special*". A subsequent application by Magna under r. 353 to rectify the terms of the order to carve out an additional BMW model from the PI was rejected by the Düsseldorf LD on the basis that there had been no "*obvious slip*" in the original order by the Court[87].

Ex parte applications

The first *ex parte* PI was granted in *myStromer v Revolt*[88], which concerned a patent protecting e-bike technology. The PI was granted the day after filing, demonstrating how quickly the UPC can act in urgent cases. The Düsseldorf LD exercised its discretion to consider the application without hearing Revolt and the PI was granted on the following grounds:

- the application was well founded, with the allegation of infringement raised by myStromer having not been substantially challenged in a protective letter filed by Revolt;
- the Court was not convinced by Revolt's arguments on exhaustion under Art. 29 (similar arguments had previously been rejected by the Swiss Courts);
- there was urgency under r. 209.2(b): the leading trade fair "*Eurobike 2023*" (where it was alleged offers of the infringing articles were being made) was underway and the patentee did not have detailed knowledge of the infringing articles prior to this commencing; and
- the validity of the patent was sufficiently certain given that no opposition had been filed before the EPO, nor had national nullity proceedings been initiated against the patent since the notice of grant was published in 2015, and because Revolt had not brought forward any relevant prior art in its protective letter.

A second *ex parte* PI was granted in *Ortovox v Mammut*[89], also in the context of a trade fair where the alleged infringer was promoting its avalanche rescue devices – another time-limited and urgent situation. It is not yet clear how the UPC would respond to a request for an *ex parte* PI in the context of an at-risk market launch situation.

Protective letters

The *myStromer* decision is interesting for its treatment of the impact of filing a protective letter. Protective letters filed before the UPC are not made public and are effective for 6 months from filing. The UPC FAQs explain that:

86 UPC_CFI_368/2024, Order of 31 October 2024; UPC_CFI_347/2024, Order of 31 October 2024
87 UPC CFI_347/2024, Order of 20 November 2024
88 UPC_CFI_177/2023, Order of 22 June 2023
89 UPC_CFI_452/2023, Order of 11 December 2023

> *a protective letter may be filed, typically where a person considers that there is a risk that an application for provisional measures against him as a defendant may be lodged before the UPC (Rule 207 of the Rules of Procedure of the UPC). A protective letter, in essence, is a pre-emptive statement of defence.*"

In the *myStromer* case, no arguments contesting the validity of the patent in suit were advanced in the protective letter. Instead, the letter raised non-infringement arguments that were dismissed by the Düsseldorf LD and an exhaustion argument that had already been dismissed by a (non-UPC) national Court. The protective letter therefore was not effective in protecting Revolt from an *ex parte* PI.

However, on the flip side, the Court criticised Mammut for failing to file a protective letter in the *Ortovox v Mammut* case, which meant that Mammut had missed an opportunity to strengthen its defence in response to Ortovox's accusations of infringement. In the absence of a protective letter, the Court predicted the arguments Mammut would likely have put forward based on arguments it had raised in Swiss nullity proceedings and its response to Ortovox's warning letter.

The takeaway so far appears to be that potential infringers have a choice between (i) filing a comprehensive protective letter setting out strong non-infringement and invalidity arguments or (ii) in the absence of strong arguments, not filing one at all. However, the latter approach appears risky if the potential defendant can be shown to have forewarning of the risk of a PI and the likely arguments that will be presented.

Permanent injunctions and other final remedies

One of the main attractions to the UPC for patentees is the possibility to obtain relatively fast relief and a wide-ranging injunction across UPC Contracting Member States. As most of the patents litigated at the UPC so far have been 'classical' European patents (rather than the new Unitary Patent), injunctions have been limited to the Member States where those patents have been validated and an injunction has been sought by the claimant. Regardless, this has still resulted in some very far-reaching final injunctions. Other remedies available include awards of damages or an account of profits, delivery up or destruction of infringing goods, recall orders, removal of products from channels of commerce and publication of judgments at the expense of the losing party.

The first ever permanent injunction at the UPC was ordered by the Düsseldorf LD on 3 July 2024 in *Franz Kaldewei v Bette*[90]. The injunction covered seven UPC contracting member states: Austria, Belgium, Denmark, France, Italy, Luxemburg and the Netherlands. Notably, Germany was not included in the claim, emphasising the international nature of the UPC: a Court proceeding taking place in Germany (where Bette is domiciled) resulted in the imposition of an injunction elsewhere in Europe.

The permanent injunction was issued to prevent the defendant from carrying out any further infringing acts in respect of the patent and to permanently remove the infringing products from the channels of distribution. The defendant was also ordered to inform the claimant of the extent to which it had committed infringing acts since the grant of the patent, including further information about the quantities of products, their origins and channels of distribution, the identity of the persons involved, the advertising carried

90 UPC_CFI_7_2023, Order of 3 July 2024

out, and the costs and profits achieved. The defendant was ordered to take these steps within 30 days after service of the communication from the claimant indicating which part of the orders it intended to enforce. The claimant was also permitted to publish the decision at the defendant's expense.

This was one of the first infringement cases filed when the UPC opened its doors on 1 June 2023. It is impressive that the Court has managed to keep to its goal of issuing a final or "*merits*" decision within approximately a year of proceedings being issued. We will have to wait and see if the UPC can maintain this level of efficiency as the caseload continues to build.

More recently, a permanent injunction was ordered by the Munich LD in *Philips v Belkin*[91] to prevent infringement by the defendant in Germany, Belgium, France, Finland, Italy, the Netherlands, Austria and Sweden. However, the claimant's request for recall and removal from distribution channels was considered disproportionate, as was their request for destruction of infringing goods.

In conjunction with a further permanent injunction, in *Seoul Semiconductor v expert*[92], the defendants were ordered by the Düsseldorf LD to recall and permanently remove infringing products from distribution channels, and provide information on the origination and distribution channels of infringing products, quantities delivered and identity of all third parties involved in manufacture or distribution.

In terms of damages or account of profits, we are yet to see any full calculations and awards. However, the Court has awarded preliminary awards of damages (e.g. €119,000 in *Philips v Belkin* and €10,000 in *Franz Kaldewei v Bette*) and the provision of information necessary for the full calculations, such as the quantities of infringing products as discussed above.

A final point to note is that the UPC lacks provisions akin to contempt of Court provisions in the UK where a Court order is disobeyed. Financial penalties are instead set by the Court for violation of orders such as permanent injunctions. For example, in the *Philips v Belkin* order a penalty payment of up to €100,000 is payable for each day of violation of the permanent injunction. Similarly in *Seoul Semiconductor v expert*, a penalty payment of €250,000 is payable for each case of non-compliance. In *Franz Kaldewei v Bette*, the penalty was at least €1,000 per infringing sanitary tub and at least €250 per day for each infringement of the mouldings.

Jurisdiction

There have been plenty of interesting cases this year related to the UPC's jurisdictional scope. Provisions governing the UPC's jurisdiction can be found in various sources including the UPCA, the recast Brussels Regulation[93], the Lugano Convention[94] and the RoP.

Of particular interest to practitioners prior to the commencement of the UPC was the question of its so-called "*long-arm jurisdiction*", i.e. whether the UPC's jurisdiction could extend beyond Contracting Member States, and how the various UPC divisions might assess whether they have jurisdiction when there are parallel proceedings in national Courts. The question mark around long-arm jurisdiction is yet to be resolved, although the CJEU decision that is awaited in *BSH Hausgeräte v Electrolux*[95] may provide some guidance on this issue in the coming months. In relation to the latter point, readers will likely be aware that Art. 29 to 32 of the recast Brussels Regulation governs such situations. If the proceedings involve the same parties and same cause of action, the Court first seised must accept jurisdiction and the second Court must stay its proceedings. If the proceedings are deemed related actions, (i.e.

91 UPC_CFI_390/2023, Order of 13 September 2024
92 UPC_CFI_363/2023, Order of 10 October 2024
93 Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast)
94 88/592/EEC: Convention on jurisdiction and enforcement of judgments in civil and commercial matters, Lugano 16 September 1988
95 C-339/22

involving a similar cause of action and related parties), the second Court may choose to stay proceedings.

Opt-outs

Some of the earliest decisions on jurisdiction related to the UPC's opt-out/opt-in mechanisms. In *AIM Sport v Supponor*[96], the Helsinki LD rejected jurisdiction over the patent at issue. An opt-out and subsequent withdrawal had been filed in relation to the patent. However, the withdrawal of the opt-out was deemed ineffective because there were national proceedings pending against the patent in Germany, notwithstanding that the national proceedings had been commenced prior to 1 June 2023 when claims could not be issued in the UPC. However, this decision was recently overturned by the Court of Appeal[97] which stated that Art. 84(3) must be interpreted to mean that national proceedings filed prior to the transitional period cannot block withdrawal of an opt-out. The relevant actions have therefore been referred back to the Helsinki LD to rule on the substance of the proceedings.

In *CUP&CINO v Alpina Coffee Systems*[98], an opt-out was filed following the initiation of PI proceedings in the UPC. This opt-out was rejected by the Vienna LD given that an 'action' had been filed prior to the opt-out application being made.

Parallel proceedings

Following the decisions related to opt-outs, the UPC issued a series of decisions relating to parallel national proceedings.

In the second merits decision of the UPC, *DexCom v Abbott*[99], the Paris LD had to assess its jurisdiction in relation to the German part of the patent in issue. Two issues arose in this regard. First, DexCom had not asserted the German part of the patent against three of the ten defendants in its infringement claim. Second, one defendant had previously brought a German national nullity action against the German part of the patent.

In relation to the scope of the infringement claim, the Court ruled that it was irrelevant that DexCom had chosen to exclude acts of infringement from its claim against some of the defendants. Further, the scope of the counterclaim for revocation of patent does not need to be identical to the scope of the infringement claim. Thus the defendants were permitted to bring a counterclaim to the whole of the European patent.

In relation to the parallel German proceedings, these were considered by the Court to be "*related actions*" under Art. 30 recast Brussels Regulation (rather than *lis pendens*, given that the parties are different). Therefore, the Court had discretion whether to accept or decline jurisdiction. The Paris LD concluded that, given the timings of the German action, the German Court would not issue its final decision until after the UPC decision. Therefore, it was not in the interests of the proper administration of justice to decline jurisdiction.

The Paris CD's application of the recast Brussels Regulation was reversed by the Court of Appeal in *Mala v Nokia*[100]. Nokia Solutions had filed a revocation action in Germany against Mala's patent in April 2021. That action was dismissed in July 2023 but the proceedings were pending appeal when Nokia Technology filed an action for the revocation of the same patent in the UPC. Mala filed a preliminary objection asking the UPC to decline jurisdiction. Notably, the UPC revocation proceedings concerned only the German part of the patent.

The Paris CD asserted that, under Art. 71C(2) of the recast Brussels Regulation, Art. 29 to 32 of the Regulation should not apply because the proceedings before the German Courts were initiated prior to the beginning of the UPC transitional period. Therefore, there was

96 UPC_CFI_214/2023, Decision of 20 October 2023
97 UPC_CoA_489/2023 and UPC_CoA_500/2023, Decision of 12 November 2024
98 UPC_CFI_182/2023, Decision of 13 September 2023
99 UPC_CFI_230/2023, Decision of 4 July 2024
100 UPC_CFI_230/2023, Decision of 4 July 2024

no legal basis for staying the UPC revocation proceedings pending the German proceedings. As justification for this, the Paris CD stated that only after the UPCA entered into force could claimants make a choice between filing in the UPC and a national Court.

The Court of Appeal disagreed, stating that Art. 29 to 32 of the recast Brussels Regulation are applicable to all cases in which proceedings were brought before a national Court and are still pending during the transitional period. A different interpretation would have the consequence that there would be no mechanism for resolving cases of *lis pendens* and related actions before the UPC and a national Court where the national proceedings commenced before the transitional period. In this case, Art. 30 of the recast Brussels Regulation applied as the parties to the UPC action were different to those in German national proceedings. The Court of Appeal then decided that the UPC proceedings should be stayed given that: (i) the cause of action of the two proceedings was almost identical; (ii) the parties were closely related and could coordinate submissions; and (iii) the German revocation action was at a more advanced stage. Waiting for a final decision in the German revocation action would not require an excessively long stay, and such a stay may avoid the costs of conducting the largest part of the UPC proceedings if the parties were to settle the case on the basis of the German decision.

Following a series of PI decisions in the *10x Genomics*[101] cases, practitioners had debated the reasoning behind the UPC's decision to accept jurisdiction given that there were ongoing parallel German national actions. However, the recently issued *NanoString Technologies v Harvard College*[102] merits decision clarifies this point. NanoString Germany had brought a German revocation action against the German national designation of the patent in July 2022. The German designation had been revoked at first instance but an appeal was pending. However, the Munich CD refused to stay the UPC proceedings in view of the German action. Opting to examine the question of its jurisdiction of its own motion, the Munich CD applied Art. 29 and 30 of the recast Brussels Regulation. Given that the parties to the proceedings before the UPC and the German Court were not the same (they belonged to the same group of companies but this was insufficient to conclude that their interests were identical) the analysis took place under Art. 30.

In applying Art. 30, the Munich CD distinguished the case from *Mala v Nokia* for various reasons: (i) the parties in the present case had requested the UPC to issue a decision, including in relation to the German part of the patent; (ii) the parties were seeking legal certainty as soon as possible; (iii) the proceedings at the CD are at an advanced stage and a final decision from the German Appeal Court was not expected within the next year; (iv) the Dutch and French parts of the patent were still in force and subject to the revocation action; (v) given that the German action is not considering these national designations of the patent, they would have to be addressed by the UPC at some point in time and staying the action would risk preventing the parties from obtaining a decision on these national parts of the patent within a reasonable time; (vi) staying the action only for the German part of the patent would have little benefit in terms of procedural economy as the arguments brought forward by the parties would have to be considered in any event for the other national parts of the patent; and (vii) going forward with the UPC case may avoid the costs of conducting the German proceedings if the parties settled the case on the basis of the decision by the CD. The interests of the parties and procedural economy were therefore deemed to outweigh the risk of co-pending proceedings and

101 In UPC_CFI_17/2023 the Munich LD accepted jurisdiction notwithstanding that 10x Genomics already had an injunction in place in Germany under the same patent

102 UPC_CFI_252/2023, Decision of 17 October 2024

contradictory decisions from the UPC and the German Court. Accordingly, it was deemed not to be in the proper administration of justice to stay the revocation action pending before the Munich CD.

Similarly, in *Sioen v TEXPORT*[103], the Nordic-Baltic RD applied Art. 30 and opted not to stay the UPC proceedings despite parallel Belgian national proceedings for a declaration of non-infringement. The fact that the decision of the UPC may include remedies covering Belgium did not sway the Court. Relevant to the decision was the fact that the oral hearing at the UPC has been scheduled for February 2025 whilst the oral hearing at the Belgian Court is scheduled for June 2025.

Stepping away from parallel national proceedings, in *Abbott v Sibio*[104] the Hague LD surprised practitioners by granting a PI that covered Ireland (which has not yet ratified the UPCA). This was on the basis of a statement in Abbott's PI application, which stated that the patent was valid and in force in certain Contracting Member States including Ireland, coupled with the relevant order sought, which referred to a PI for "*the Contracting Member States in which the patent is in force*". The Court determined that, given Ireland had signed the UPCA, it should be deemed a Contracting Member State for the purposes of determining the scope of the relief sought.

The Court of Appeal[105], however, reversed the LD's decision, finding that it was "*clearly erroneous*". Only countries which have signed and ratified the UPCA can be considered Contracting Member States. It remains the case that Ireland must hold a referendum to ratify the UPCA (the date of this referendum is currently unknown) before it can be considered a "Contracting Member State".

Overall, the above decisions indicate that the UPC divisions, and in particular the First Instance Courts, are keen to accept and exercise jurisdiction, although the Court of Appeal has apparently tried to reign that in and prevent the UPC from overstepping its remit.

Stay of proceedings

R. 295(a) gives discretion to the Court to stay proceedings where "*it is seized of an action relating to a patent which is also the subject of opposition proceedings or limitation proceedings (including subsequent appeal proceedings) before the European Patent Office or a national authority where a decision in such proceedings may be expected to be given rapidly*". The reference to rapid determination in the parallel proceedings has been interpreted narrowly.

In *Carrier v Bitzer*[106], upholding the decision of the Paris CD, the Court of Appeal decided not to stay revocation proceedings before the UPC pending parallel opposition proceedings before the EPO concerning the same patent. The EPO proceedings had been accelerated but were not due to be heard for four months. The appellant, Carrier, had argued that "*rapidly*" in r. 295(a) should denote relatively quick proceedings compared to either the typical pace of opposition proceedings or the expected pace of the UPC proceedings, or both. The Court of Appeal reaffirmed statements in earlier case law that the reference to "*rapidly*" should be interpreted in light of the principle that decisions in which the UPC and EPO issue different rulings on the revocation of a European patent are not irreconcilable – where one body upholds the patent and the other revokes it, the latter decision will prevail, ideally having been made with the earlier decision taken into account.

103 UPC_CFI_9/2024, Order of 29 October 2024
104 UPC_CFI_130/2024, Order of 19 June 2024
105 UPC_CoA_388/2024, Order of 19 August 2024
106 UPC_CoA_22/2024, Order of 28 May 2024

The Court of Appeal went on to confirm that the general rule is that proceedings will not be stayed. The Court of Appeal also considered the balance of the parties' interests. Continuation of revocation proceedings in parallel with the opposition proceedings was deemed not to place an unreasonable burden on Carrier. The mere fact that the EPO has granted a request to accelerate opposition proceedings is not sufficient to stay revocation proceedings before the UPC. A hearing within four months at the EPO was not considered to give rise to a "*rapid*" decision.

Similarly, in an earlier first instance decision by the Munich CD in a revocation action, *Astellas v Healios*[107], a stay was not granted, despite an opposition hearing date being set only three months before the oral hearing at the UPC. In that decision, the Court applied a test of whether there was a "*concrete expectation*" a decision would be delivered in the near future. As already noted above, the Court of Appeal did grant a stay pending conclusion of parallel German nullity proceedings in a dispute between Nokia and Mala in the specific circumstances of the case, where both proceedings related to the German part of the patent only and the German nullity proceedings were at a relatively advanced stage[108].

In *Edwards v Meril*[109], the Court of Appeal reversed a first instance decision that refused a stay of proceedings where the opposition division hearing was scheduled to take place the day after the UPC hearing. Having determined that the Nordic-Baltic RD had incorrectly interpreted Art. 33(10) and r. 295(a) as requiring that a *final* decision of the EPO be expected rapidly, the Court of Appeal remitted the application back to the RD for further consideration, which should take into account the likelihood of appeal from the opposition division. In its decision, the Court indicated that there are alternative ways to prevent conflicting decisions without ordering a stay, which include proceeding with the infringement proceedings and rescheduling the oral hearing to take place after the EPO decision; holding the oral hearing as scheduled and then deciding whether further procedural steps are required once the outcome of the opposition proceedings is known; or proceeding with the infringement proceedings and exercising the discretion to stay proceedings when issuing a decision on the merits.

It appears from the early cases that there are fairly narrow conditions that might result in the grant of a stay pending an EPO opposition or national litigation, short term or otherwise. For example, if a decision in opposition proceedings was due to be given during the written proceedings before the UPC (and well in advance of the oral hearing) it might be justifiable for a short stay to allow parties to take that decision into account in pleadings before the UPC. However, it is clear from *Nokia v Mala* that that Court of Appeal considers that any "*long-term stay is clearly at odds with the aforementioned guideline of an oral hearing within one year*" and likely to clash with a respondent's legitimate interest in obtaining a decision by the UPC to determine its freedom to operate as soon as possible.

It also appears that a stay will be extremely unlikely in the context of a PI action. In *Novartis and Genentech v Celltrion*[110] it was accepted that the case should not be stayed on the basis of parallel Dutch proceedings because "*the application is based on urgency and seeking a preliminary injunction against an imminent infringement in order to avoid irreparable harm. Urgency is a compelling argument against any delay caused by a stay of proceedings*".

107 UPC_CFI_80/2023, Order of 20 November 2023
108 UPC_CFI_484/2023, Order of 2 May 2024
109 UPC_CoA_511/2024, Order of 21 November 2024
110 UPC_CFI_165/2024, Order of 6 September 2024

Expedition of proceedings

Such guidance as is available on the expedition of proceedings derives from appeal proceedings. Under r. 9.3(b) the Court may shorten any time period on a reasoned request by a party. In *ICPillar v ARM*[111] the Court of Appeal confirmed that in considering such a request, the Court must balance the interests of both parties while ensuring that the principles of due process are adequately taken into account. In the combined proceedings in *Meril v Edwards*[112], the request for expedition of an appeal was rejected on the basis that the interest put forward by Meril did not outweigh those of Edwards in having the proceedings dealt with in the timeframe provided for by the RoP. In particular, the possibility that the Munich LD might grant an injunction on the basis of a patent upheld by the Court of First Instance but that might subsequently be revoked by the Court of Appeal, was not sufficient to justify expediting the appeals. It was noted that the Munich LD has various means at its disposal to mitigate the risk of granting an injunction, or the harm caused by such an injunction, in situations where the validity of the patent is subject to appeals. Furthermore, expedition could not prevent the alleged harm to Meril from an injunction as the expedited timetable proposed made it highly unlikely that the appeals would be decided before a decision in the infringement proceedings.

Requests for expedition have also been rejected by the Court of Appeal for being too non-specific and insufficiently substantiated. In *Volkswagen v Network System Technologies* (NST)[113], in an appeal from the Munich LD's decision refusing security for costs, Volkswagen argued that it already incurred significant legal costs without any security that such costs would be reimbursed by NST. These legal costs were continuing to increase and thus needed to be secured as soon as possible. However, Volkswagen did not explain why it would have a particular interest in NST's statement of response being filed before any particular date prior to the end of the time period of 15 days as provided for in r. 224.2(b). The expedition request was therefore rejected. A decision was reached in the same terms in a parallel case in which Texas Instruments sued NST[114].

Extensions of time

The principle running through decisions relating to extensions of deadlines and other alterations to the front-loaded written procedure of the UPC is that the RoP are to be applied and interpreted in accordance with the fundamental right to an effective legal remedy and a fair and public hearing within a reasonable time as guaranteed by Art. 6 of the European Convention for the Protection of Human Rights and Fundamental Freedoms and, to the extent that European Union Law is concerned, Art. 47 of the Charter.

These provisions must also be applied and interpreted at the UPC in accordance with Art. 41(3), 42 and 52(1) on the basis of the principles of proportionality, flexibility, fairness and equity (point 2 of the Preamble of the RoP).

Another apparently important consideration tied up with the "*reasonable time*" requirement mentioned above is the UPC's aim to have the final oral hearing take place within one year. The Court has so far been very careful not to jeopardise this aim.

In decisions on requests for extensions of time, the LDs have been very strict. The overall message is that extensions should be allowed only when absolutely necessary. For example, the Düsseldorf LD[115] stated that the "*the power to extend the time limit should only be used with caution and* ***only in justified exceptional cases***" (emphasis added).

111 UPC_CoA_301/2024, Order of 19 June 2024
112 UPC_CoA_457/2024, UPC_CoA_458/2024, UPC_CoA_464/2024, Order of 6 September 2024
113 UPC_CoA_218/2024, Order of 22 May 2024
114 UPC_CoA_223/2024, UPC_CoA_224/2024, UPC_CoA_225/2024, Order of 22 May 2024
115 UPC_CFI_363/2023, Order of 20 January 2024

Further, in *ITCiCO Spain v Bayerische Motoren Werke Aktiengesellschaft*[116], the Paris CD stated that "*...the Court may extend a deadline set by the Rules of Procedures only in case a party alleges and gives evidence that it will not be able or was not able to meet it because of a fact that makes the submission... in the due time objectively* ***impossible or very difficult***" (emphasis added). The Court also commented that parties must submit a request for an extension as soon as it becomes clear that meeting the deadline will not be possible.

Also relevant to the front-loaded procedure of the UPC is the impact of preliminary objections (e.g. jurisdictional issues), with the Paris CD considering that these should not affect time periods set out in the RoP for actions taken by parties in the written procedure (*Roche Diabetes Care v Tandem*[117]).

Orders to produce evidence and *saisies*

Art. 59 provides for "*orders to produce evidence*" and Art. 60 provides for "*orders to preserve evidence*" and "*orders for inspection*" before the commencement of proceedings on the merits of the case, reflective of the *saisie contrefaçon* procedures available in some UPC Contracting Member States.

Orders to produce evidence (Art. 59)

The RoP do not provide for general disclosure, as is customary in common law systems. However, limited disclosure is available through an application under Art. 59 and r. 190 seeking an order to produce evidence during the written or interim procedure.

So far parties have not relied on his provision extensively; however, in the cases in which such requests have been made, the Court has given some useful guidance on what requirements must be satisfied for granting requests to produce evidence.

For example, the Hague LD partially granted a request to produce evidence filed by the claimant in *Winnow Solutions v Orbisk*[118], ordering the defendant to provide specific technical documents related to features of an allegedly infringing system.

The Court summarised the requirements for a successful r. 190 application as follows:

a. the requesting party must have presented evidence "*reasonably available*" to it in support of its claims (including entitlement to the patent and infringement);

b. the evidence to which access is requested must be "*specified*" and lie in the control of the other party;

c. the other party's confidential information must be protected; and

d. based on the general rules of Art. 41(3) and 42, as well as Art. 33 of the Enforcement Directive, any order to produce evidence must satisfy the requirements of proportionality, equity and fairness.

In this case, the Court considered that a *prima facie* case of infringement existed based on the claim as filed. The Court noted that the claimant could not be expected to be entirely conclusive in its argumentation and evidence on infringement without the requested evidence, as the requested evidence was pertinent to the infringement of certain claim features, and so necessary for the claim. The Court also considered that the claimant had supported its claim with publicly available evidence, and that it was credible that the requested evidence lay in the control of the defendant.

116 UPC_CFI_412/2023, Order of 9 February 2024
117 UPC_CFI_454/2023, Order of 20 February 2024
118 UPC_CFI_327/2024, Order of 14 October 2024

A presumption of validity also applied, as the patent was examined and granted by the EPO. At the stage of proceedings in question (prior to receiving the defence), it was considered inappropriate for the Court to assess validity in depth in the absence of a clear cut case of invalidity (as this is a matter for the main proceedings).

The Court only partially granted the claimant's request in that a subset of documents from the original request were ordered to be produced. However, the decision left open the possibility for the claimant to submit a further r. 190 request if, having reviewed the ordered evidence, it could show that it reasonably needed more evidence for the infringement claim.

This is an important decision in that it highlights the usefulness of r. 190 requests where publicly available evidence as to infringement has been exhausted. That is, of course, not an unusual circumstance in the field of computer-implemented inventions, where evidence for infringement from publicly available sources is limited and the internal operation of devices or software cannot be reverse engineered.

Another example, albeit with a different outcome, can be found from the Mannheim LD in *Dish v Aylo*[119]. In this case the claimant sought evidence in the form of the source code of media players used in internet browsers. In assessing the application, the Court stated that "*the disclosure or production of evidence must be necessary to substantiate the infringement of the patent and the disclosure or production of evidence is subject to a proportionality test assessing all circumstances of the specific case*."

The Court also stated that an order to produce evidence presupposes that a fact is relevant for the substantiation of claims (or objections) and requires proof. To this end, the applicant must set out in detail in the application which specific fact they wish to prove, by which means of evidence, and for what reason. No evidence is required for a fact that is not effectively disputed (r. 171.2). If the fact is not relevant to the claims (or objections) being pursued, ordering the submission of evidence is generally disproportionate.

On the facts of this case, the Court found that the claimants had not exhausted all publicly available, reasonable evidence (e.g. publicly available aspects of source code) and it was not clear what disputed points the requested source code was relevant to. The requested production orders were therefore refused on the basis that they were disproportionate. However, the Court did comment that if only individual points of the source code were in dispute, a limited production could be considered.

This case emphasises the need to be specific in the evidence required and the facts it should support, and for applicants to exhaust publicly available evidence before seeking an order to produce evidence.

Orders for inspection / to preserve evidence (Art. 60)

Requests for saisies proved a popular option in the early days of the UPC, with some of the earliest decisions involving requests under Art. 60, including *Oerlikon v Himson*[120], *Oerlikon v Bhagat*[121], *OrthoApnea v Jozef Frans Nelissen*[122], *Progress Maschinen v AWM & Schnell*[123] and *C-Kore v Novawell*[124]. Perhaps unsurprisingly, in each case the saisie measures were requested in LDs hosted by Contracting Member States with a tradition of granting such orders (France, Italy and

119 UPC_CFI_471/2023, Order of 20 October 2024

120 UPC_CFI_127/2023, Order of 13 June 2023
121 UPC_CFI_141/2023, Order of 14 June 2023
122 UPC_CFI_329/2023, Order of 21 September 2023
123 UPC_CFI_287/2023, Order of 25 September 2023
124 UPC_CFI_397/2023, Orders of 14 November 2023 and 1 March 2024

Belgium). The Paris, Milan and Brussels LDs acted quickly to order *saisies* on an *ex parte* basis within weeks, or even days, of the requests and based on a high level assessment of the evidence provided by the applicants to indicate that the relevant patent was in force, valid and infringed (or about to be infringed). The Court was persuaded to grant the orders on the basis that either the evidence would no longer be available following the end of the relevant trade fair or symposium (in the case of the *Oerlikon* and *OrthoApnea* orders) or because of the risk that digital evidence could be destroyed, hidden or removed (in the case of the *Progress Maschinen* and *C-Kore* orders).

Orders for inspection or to preserve evidence are not straightforward to implement within the UPC system, requiring execution in accordance with the national law of the Contracting Member State in which they are carried out. Each decision therefore carries a distinct national flavour, for example in the involvement of local bailiffs. In a request for review of the decision to grant a *saisie* in *C-Kore v Novawell*[125], the defendant argued that certain modalities of the UPC rules (in particular r. 196) do not comply with French public policy and requested a preliminary reference to the CJEU on the concept of "*national law applicable in the place where the measures are carried out*"; however, this was rejected by the Paris LD and the request for review was dismissed in its entirety.

The Court of Appeal decision in *Progress Maschinen*[126] provides some useful guidance on the practical application of Art. 60. In that case, the applicant had filed applications to preserve evidence and for inspection against the defendants in the Milan LD in August 2023. Following the grant of the orders[127] and inspection, the experts appointed by the Milan LD lodged their reports in sealed envelopes with the evidence gathered during the inspection. Progress applied to access the reports in February 2024 but the Milan LD rejected the request on the basis that Progress had failed to commence proceedings on the merits within the time period set out in Art. 60(8)[128] so had lost the opportunity to use the outcome of the measures in an action on the merits. However, in July 2024, the Court of Appeal overturned that decision and confirmed that the purpose of a *saisie* is not merely to preserve evidence but also to disclose that evidence to the applicant. An application under Art. 60 therefore implies a request for disclosure of the outcome, including any written report, without any requirement for a separate request for disclosure. The time period for filing an action on the merits under Art. 60(8) runs from the date on which the applicant actually obtains access to the evidence or the Court makes a final decision not to grant access to the evidence so Progress was not out of time and the matter was remitted to the Milan LD.

The Court of Appeal also confirmed that the right to access evidence obtained from a *saisie* is not unconditional, and defendants have a right to review the evidence and request the protection of confidential information. The applicant must also be granted the opportunity to respond to any such confidentiality request, which may be facilitated by the Court granting access only to the applicant's representatives who were authorised to be present during the execution of the measures, subject to appropriate terms of non-disclosure.

Oral testimony

While the norm in the UPC is for evidence to be in written form with no live testimony, the Paris LD has ordered a witness to be heard on issues of infringement in *HP v LAMA*[129], despite LAMA's objections. The witness is an employee of a subsidiary of the HP group of companies, but the Court noted that his testimony will be given under oath. The way in which the oral

125 UPC_CFI_397/2023, Order of 1 March 2024
126 UPC_CoA_177/2024, Order of 23 July 2024
127 The orders were granted in September 2023 and executed in October 2023
128 31 calendar days or 20 working days, whichever is the longer
129 UPC_CFI_358/2023, Order of 21 August 2024

testimony will be handled is to be specified by the Court in a later hearing, including the subject-matter of the questions to be put to the witness.

Confidentiality regimes

Art. 58 gives the Court the ability to restrict or prohibit access to trade secrets, personal data or other confidential information. This is implemented through r. 262A, which states that access to confidential information in the pleadings or evidence can be restricted to a specific person or prohibited entirely.

The Court has been clear (see e.g., *10x Genomics v Curio*[130] and *Panasonic v Xiaomi*[131]) that it is necessary, as set out in r. 262A.3, to file a redacted and fully unredacted version of the relevant document at the same time as filing the application for the protection of confidential information. Only the redacted version will initially be made available to the other party but the unredacted version is usually released to the other side's authorised representative named in the proceedings. In the first instance, a preliminary order will follow the applicant's unilateral assessment of confidentiality and will restrict access until a final decision on the application has been made (see also *Fujifilm v Kodak*[132]).

If an order has been granted in summary proceedings, it continues to have effect throughout the main proceedings and even after the conclusion of the proceedings. This was considered in *10x Genomics v Curio*[133] where the Court noted that when proceeding with the main action, the Court must strike a balance between the applicant's desire to expedite the proceedings, the right to be heard and the confidentiality of the information. This might lead to a different confidentiality order in the main action and parties are free to request that a different regime applies.

To be granted protection, the confidential nature of each piece of information has to be justified. The Court has acknowledged that the context of patent litigation is different to the unlawful use of trade secrets, so it is sufficient for the Court to arrive at an ample degree of certainty that the information is confidential rather than that being a major consideration (*Fujifilm v Kodak*). The party requesting protection must provide sufficiently substantiated reasons why the information deserves protection and it is not enough to rely on general circumstances like the existence of competition between parties. The Court must understand why the specific information needs to be protected (see *Bego Medical v CEAD*[134]). The type of information that the Court has accepted needs protecting has included information on R&D processes (Fujifilm), business or financial information (*Plant-e v Arkyne*[135] and *10x Genomics v Curio*), information gathered during a *saisie* (*C-Kore v Novawell*[136]) and information relating to supply chains (*AGFA v Gucci*[137]).

In *Bego Medical v CEAD*, the Court considered whether costs estimates, as well as a breakdown of the costs to show hours billed and the associated fees, were sufficiently sensitive to justify protection. In this case, the Court refused to restrict the other party's access, noting that they needed to see full information to defend themselves against unreasonably incurred costs. Not allowing access would be an unreasonable impairment to the right to be heard and violation of the right to a fair trial. However, the Court did restrict public access to these documents under r. 262.2 because fees were usually negotiated on a case-by-case basis so weren't of general utility and the party had a legitimate interest in keeping those rates confidential as between the parties.

130 UPC_CFI_463/2023, Order of 23 February 2024
131 UPC_CFI_219/2023, Order of 13 June 2024
132 UPC_CFI_355/2023, Order of 27 March 2024
133 UPC_CFI_140/2024, Order of 8 August 2024
134 UPC_CFI_367/2023, Order of 30 July 2024
135 UPC_CFI_239/2023, Order of 4 March 2024
136 UPC_CFI_397/2023, Order of 14 November 2023
137 UPC_CFI_278/2023, Order of 9 August 2024

The Court has noted, in *Avago v Tesla*[138], that information that has already been sent to the other party cannot be protected under r. 262A. Here a distinction was drawn between applications for orders under r. 262A concerning confidentiality *vis-à-vis* the other party in the case and applications under r. 262.2 in relation to confidentiality *vis-à-vis* third parties. In the same case, the Court granted protection for information on the cost of chips used in the accused products as well as information on the technical implementation of the challenged embodiment but rejected an argument that information based on publicly available figures should be protected.

One aspect where there has been a divergence in the approach of the First Instance Courts is whether it is acceptable to allow restrictions that bar all access for employees of the parties themselves.

A strict interpretation of the RoP in line with the Trade Secret Directive (**TSD**)[139] has been taken in several cases where the Court held that an "*external eyes only*" (**EEO**) regime is not permitted. The first of these was the 10x Genomics case before the Düsseldorf LD[140]. In this case, the defendants wanted the Court to restrict access to commercially sensitive information to only a small number of external legal representatives and for access not to be granted to patent attorney representatives. If one of the party's employees was to be granted access, the defendants asked that they should be in the legal department and not involved in commercial decisions. The Court considered r. 262A and Art. 58 in light of the TSD and noted that the UPC must observe the primacy of Union law. Therefore, the group of people who would be permitted access would be those required to ensure a fair procedure and to ensure the affected party would be fully capable of assessing the merits of each point raised by the opposing party, taking into account the confidentiality concerns. That group should be examined on a case-by-case basis. The Court was not able to reconcile the request to deny access to all employees with Art. 9 of the TSD or r. 262A.6, which clearly state that at least one natural person from each party must be granted access. The fact that Art. 58 does not recognise such a minimum number of natural persons could not change that finding. Access was therefore granted to one central employee who was responsible for the day-to-day management of the litigation and was involved in the coordination of the pleadings. The mere abstract possibility of that person being involved in commercial decisions did not warrant their exclusion and the penalty payment for any breach was sufficient to ensure compliance. The Court also refused to impose restrictions that the in-house member of the confidentiality club could not be involved in licence negotiations and that lawyers granted access could not be involved in litigation before the UPC relating to the same area of law.

In a later decision in the main action of this case[141], the Court noted that the number of people given access should not be greater than necessary and therefore should not be unlimited. This also applied to the number of representatives. Access was granted to the named representatives in the statement of claim and those representatives were permitted to share the confidential information with the team working on their case. However, the representatives were responsible for ensuring the wider team maintained confidentiality and would be liable for any breaches.

Looking again at the issue in *Fujifilm v Kodak*[142], the Düsseldorf LD commented that being able to digest the facts and arguments of the other side was an indispensable prerequisite to enable a party to develop its own arguments. As a result, r. 262A.6

138 UPC_CFI_54/2023, Order of 3 November 2023
139 Directive (EU) 2016/943 of the European Parliament and of The Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure
140 UPC_CFI_463/2023, Order of 23 February 2024
141 UPC_CFI_140/2024, Order of 8 August 2024
142 UPC_CFI_355/2023, Order of 27 March 2024

"*establishes with all desirable clarity as a ground rule of paramount importance*" that at least one natural person from the party as well as the respective lawyers get access. It was considered that this approach reflected the spirit of the TSD, which is an express decision of the Member States that must be respected. Access was granted to three employees and the Court refused to impose a restriction that they could not be involved in R&D, pricing or other decision-making as well as a patent prosecution bar for 5 years after the end of the action. In *Dolby v HP*[143], the Düsseldorf LD granted the intervening pool administrator, Access Advance, the same level of access to confidential documents as the parties to the case.

Taking the opposite approach, the Hague LD permitted the parties to establish an EEO confidentiality club in *Plant-e v Arkyne*[144]. Although Arkyne resisted Plant-e's application on the basis that the information did not warrant protection, it accepted that if it was granted by the Court no employees would seek access to the documents. The Court accepted that the sensitive financial information, filed in response to a security for costs application, was not in the public domain and was the type of information that was generally considered confidential, especially as against a competitor. It was noted that withholding this information from Arkyne's employees did not affect its position in the main action or indeed the security for costs application. The Judge-Rapporteur commented that it was "*not entirely clear*" if denying access was in line with the legal framework: it was not clear whether r. 262A.6 (which refers to one natural person from each party having access to information) always applied or whether the wording of Art. 58 meant access to confidential information could be prohibited completely.

The different interpretation of the TSD in different Member States was also found to be relevant. In Germany and Belgium, the Directive has been extended to apply to all types of case in which confidential information is concerned; whereas in the Netherlands, the Directive is limited to proceedings concerning the enforcement of trade secrets only, and a different regime applies where confidential information is at issue in patent cases, where access can be limited to attorneys only where in line with a fair trial. In any case, if r. 262A.6 applied to the situation being considered, the Court stated that it was still possible for the parties to agree an EEO regime. In a similar vein, the Paris LD allowed the parties to set up an EEO regime in *C-Kore v Novawell*[145]. Here it was noted that, despite the wording of r. 262A.6, it was in accordance with the principle of a fair trial to have an EEO confidentiality club by mutual agreement of the parties.

In addition, the Hamburg LD allowed an EEO confidentiality club to be put in place in *10x Genomics v Vizgen*[146] when it found that there had been agreement between the parties to mirror the level of protection afforded to documents that had been disclosed in parallel litigation in the US. Bucking the trend of the decisions from the German LDs, the Court rejected an argument by the defendants that this should be disregarded if it caused an asynchrony between the level of access granted to licence agreements concluded by the different parties.

143 UPC_CFI_457/2023, Order of 26 June 2024
144 UPC_CFI_239/2023, Order of 4 March 2024
145 UPC_CFI_397/2023, Order of 26 March 2024
146 UPC_CFI_22/2023, Order of 24 October 2024

FRAND developments in the UPC – first substantive decision

An early Christmas gift for FRAND enthusiasts came with the UPC's first substantive decision on FRAND issues[147], delivered shortly before this publication went to press. The decision appears to lay a foundation for how the UPC intends to approach these complex cases in the future.

In the decision, the Mannheim LD found Panasonic's 4G patent valid and infringed by OPPO. The central issue following this finding was whether OPPO could assert a Fair, Reasonable, and Non-Discriminatory (**FRAND**) defence. Applying principles from the CJEU decision in *Huawei v ZTE*[148] and subsequent European jurisprudence tailored to the UPC framework, the Court emphasized that assessing an implementer's FRAND defence requires evaluating both parties' conduct during negotiations.

The Court ultimately rejected OPPO's defence and granted an injunction to Panasonic. The decision is a must read but we have distilled the key points below.

Notification of infringement

Panasonic was found to have met its obligations to notify OPPO of the alleged infringement. In particular, Panasonic had provided an updated patent list and a claim chart for the Chinese patent family member which referred to the patent in suit.

When OPPO raised objections about the adequacy of the information provided—during the oral hearing itself—the Court dismissed them as procedurally late and unconvincing. The Court noted that if OPPO, as a cooperative licensee, required clarification, it should have sought it directly from Panasonic at the relevant time.

Provision of actual sales figures

While OPPO expressed its willingness to secure a licence, the Court found its conduct insufficient. In particular, OPPO failed to provide detailed information about its use of the patented technology, relying solely on IDC market data instead of its actual sales figures. This lack of transparency hindered Panasonic's ability to tailor its licensing offer to OPPO's circumstances.

The Court confirmed that implementers using patented technology unlawfully must, at a minimum, provide security and disclose usage details after their counteroffer is rejected. This information is critical for Standard Essential Patent (**SEP**) holders to assess whether the proposed security mitigates risks such as insolvency. Where implementers seek a lump-sum licence, they must also disclose sales figures to allow the SEP holder to determine the extent of past use.

Licensor's justification of FRAND offer

SEP holders must justify their licensing offers beyond simple royalty calculations. Panasonic fulfilled this obligation by explaining why its offers were FRAND-compliant at each stage of the negotiations, based on objective criteria. SEP holders are not required to disclose sensitive details of third-party licences, such as names or terms, at every stage of negotiations. The level of detail required depends on how advanced the discussions are. In this case, Panasonic's disclosures were deemed sufficient to support the plausibility of its offer.

Is a full draft licence required for a FRAND offer?

The Court rejected OPPO's argument that a fully drafted licence was required early in negotiations. SEP holders should provide an initial framework for negotiation, allowing

147 UPC_CFI_ 210/2023, Decision of 22 November 2024
148 Case C-170/13 Huawei Technologies Co. Ltd v ZTE Corp., ZTE Deutschland GmbH

implementers to respond with counteroffers or objections. Formal contracts are unnecessary at this stage unless specifically requested by the implementer.

The Court also stressed that the implementer has a duty to engage cooperatively by providing specific feedback, counterproposals, or clarifying issues during the negotiation process. Simply raising objections or commissioning expert reports for Court proceedings does not fulfil the implementer's obligation to negotiate in good faith.

FRAND as a 'corridor' of acceptable terms

The Court affirmed that FRAND encompasses a range, or a 'corridor', of acceptable licensing terms. Within this range, SEP holders have flexibility and are not required to offer the lowest possible rate or adopt calculation methods favoured by the implementer. Panasonic's offer sat within this corridor, relying on comparable licences and established benchmarks from Court decisions. The fact that Panasonic later adjusted its offer in light of information provided by OPPO did not indicate its initial offer was incompatible with FRAND.

Security and procedural conduct

The Court criticized the security provided by OPPO as inadequate, noting that the bank guarantee offered by OPPO lacked safeguards against insolvency. Additionally, OPPO's procedural conduct was deemed inconsistent and contrary to good faith. The Court pointed to OPPO's contradictory actions, such as initially objecting to the UPC's jurisdiction and then filing a FRAND counterclaim asking the UPC to determine the FRAND rate.

Further, OPPO's FRAND counterclaim initially sought to limit the rate determination to specific regions (EPC contracting states, the USA, and Japan), despite arguing elsewhere that FRAND should involve a global rate. The Court deemed this proposed fragmented approach to the licence determination to be problematic, noting the lack of treaties between the jurisdictions to establish priority among Courts, creating risks of conflicting rulings. This approach was deemed incompatible with the good-faith effort required to conclude a global licence agreement.

OPPO's counterclaim and jurisdiction to determine licence terms

The Court confirmed its jurisdiction under Art. 32(1)(a) over the FRAND counterclaim filed by OPPO, which was aimed at determining a FRAND licence. It highlighted the interconnected nature of patent and antitrust law in SEP disputes, and advocated for an integrated approach, ensuring consistent and efficient resolution of disputes that cannot be neatly divided between these two legal domains. National patent Courts regularly handle antitrust issues related to SEPs so, in this regard, this approach also aligns with established practices.

Did the Court determine a FRAND rate?

No, the Court did not determine a specific FRAND rate. OPPO's counteroffer was found non-compliant, as it relied on IDC data rather than its actual usage figures.

Remaining questions

The decision provides a detailed framework for resolving SEP disputes, with a particular focus on the conduct of the parties. While it addresses several key questions, others remain unanswered—such as whether the UPC would determine a FRAND rate if both parties had made offers within the FRAND corridor and how ancillary disputes over non-rate terms would be resolved. In addition, it is unclear

what rate OPPO would need to accept to lift the injunction if Panasonic seeks enforcement, given the Court did not determine a specific FRAND rate.

In light of recent press reports indicating a settlement between Panasonic and OPPO, it is also unclear whether the ruling will be appealed. Nevertheless, the decision signals the UPC's commitment to balancing the rights and obligations of SEP holders and implementers while maintaining procedural efficiency.

FRAND developments in the UPC – procedural aspects

Alongside a substantive decision on FRAND, the UPC has delivered several insightful decisions around disclosure and confidentiality in SEP disputes. We have included some of the highlights below.

Disclosure of a party's own comparable licences

Practitioners have long awaited guidance on how the UPC will handle the delicate balance between confidentiality and transparency in FRAND licensing disputes. The UPC recently weighed in on this issue in a decision related to Panasonic's request for a Court order allowing it to disclose its own licences in litigation with Xiaomi[149].

Panasonic's request centred on its need to show Xiaomi its own comparable licence agreements as evidence that its proposed licensing terms met the FRAND standard, as required under EU law. These licences, however, contained strict confidentiality clauses, meaning Panasonic could not disclose them without the counterparties' consent. After attempting to obtain permission—receiving no response from one licensee and a rejection from another—Panasonic took the unusual step of asking the Court to order it to produce the licences, shielding it from potential legal consequences for breaching confidentiality.

In reviewing Panasonic's request, the Court acknowledged that SEP licence agreements are often subject to strict confidentiality provisions (typically under U.S. law), which, for example, may limit disclosure to "*attorneys'-eyes-only*." However, in FRAND disputes, transparency is critical; comparable licences are essential for evaluating whether an offer truly meets FRAND terms. The Court therefore ordered Panasonic to produce the licences, and permitted redactions to information not directly relevant to its case. This compromise allowed the necessary information to be shared for the FRAND assessment without exposing sensitive details.

Legal basis for licence production order

One notable aspect of the above decision was the Court's consideration of the legal basis for Panasonic's request. Panasonic proposed disclosure under r. 172.2, which requires parties to produce available evidence on contested or potentially contested facts, or alternatively r. 190, which applies to evidence under the control of the opposing party. However, the Court found both rules unsuitable, noting that r. 172.2 applies to situations where facts are disputed, whereas the content of the licences themselves were generally undisputed; the debate focused instead on FRAND-compliance in view of those terms. R. 190 was also inapplicable because it covers documents controlled by the opposing party, whereas Panasonic sought to disclose its own licences.

Instead, the Court invoked its general case management powers under Art. 43, which empowers the Court to actively manage proceedings. R. 101, 103, 111 and 334 were also cited in support of its decision.

149 UPC_CFI_218/2023, UPC_CFI_219/2023 & UPC_CFI_223/2023, Order of 30 April 2024

Timing and practicalities of licence disclosure

The Court also offered guidance on the timing of licence disclosure in *Panasonic v Xiaomi*[150], noting that confidentiality restrictions could cause significant delays. The Court suggested that disclosure orders generally be made after both sides have addressed antitrust aspects in the main written submissions, typically by the time the infringement action reply is filed. This timeline allows parties to obtain necessary consents from third parties in advance, reducing procedural delays and promoting earlier settlement.

Litigants in UPC FRAND disputes should, therefore, be prepared to share their comparable licences, even where confidentiality clauses limit disclosure. The Court is likely to permit redactions for sensitive details that the claimant does not refer to in factual allegations or legal arguments. However, a question remains as to how the UPC will balance confidentiality with EU antitrust transparency requirements, particularly for licence provisions that the claimant does not directly rely on in its positive case.

Scope of disclosure

The question of how much disclosure an SEP proprietor should provide about its comparable licences was explored by the Mannheim LD in *Panasonic v OPPO*[151] before the substantive FRAND decision was handed down. In this case, OPPO (the defendant) requested extensive disclosure from Panasonic including all of Panasonic's SEP licences for 3G and 4G technologies, as well as agreements between Panasonic and OPPO's suppliers, future licence deals, and patent transactions with other companies.

The Court rejected OPPO's requests as overly broad, clarifying that EU antitrust law does not require disclosure of all agreements. Instead, only comparable licences relevant to Panasonic's offer to OPPO were needed. Panasonic had already disclosed two such agreements, which the Court deemed sufficient, aligning with "*recognised commercial practices*" of limiting disclosure to manageable numbers. OPPO, in contrast, failed to prove that Panasonic had concluded further relevant licences. However, the Court noted that procedural consequences could arise if it became apparent that an SEP holder has intentionally withheld relevant comparable licences.

The Court dismissed OPPO's remaining requests for similar reasons. OPPO's request for supplier contracts lacked adequate justification, and its demand for patent transaction details was deemed unnecessary, as one of the disclosed agreements included a patent list which could be used to identify changes in Panasonic's portfolio.

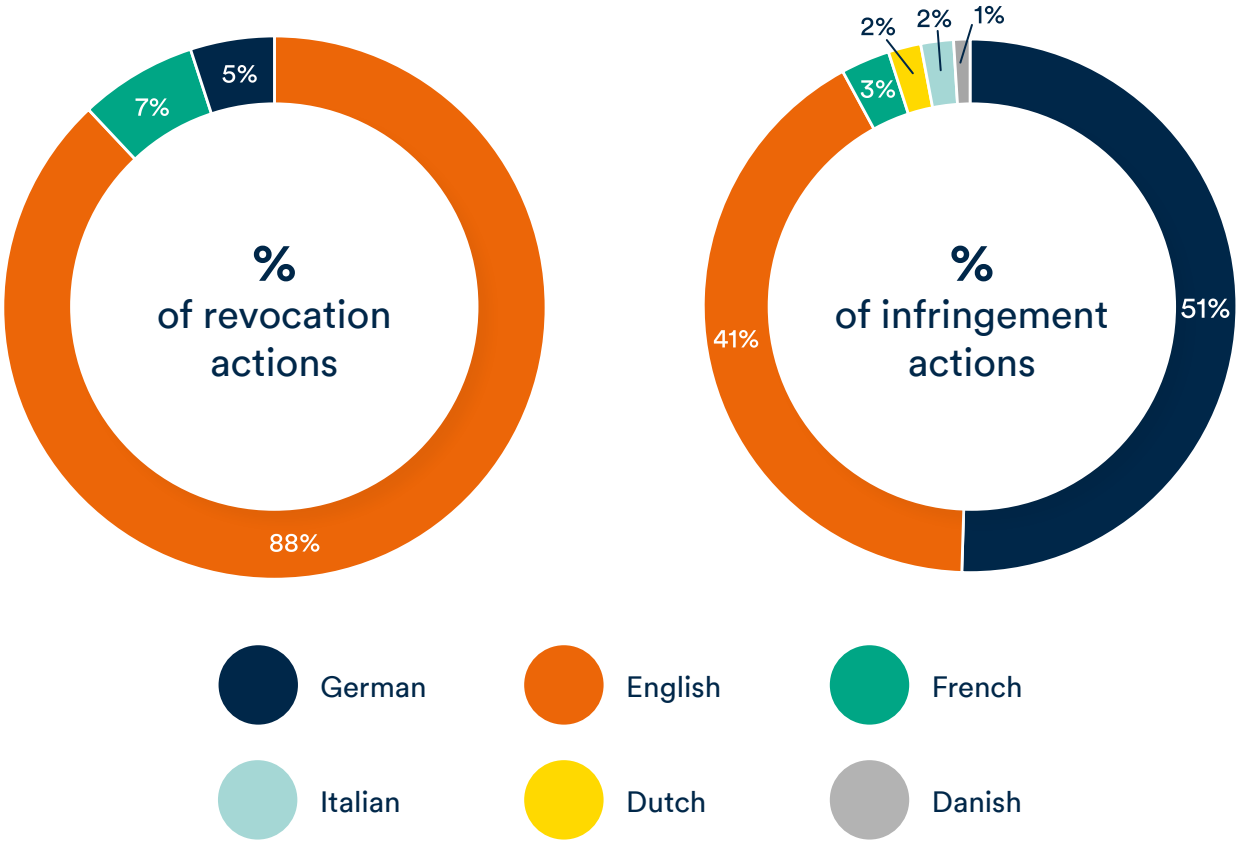
The decision, recently affirmed by the Court of Appeal[152] suggests that SEP proprietors have considerable flexibility in presenting their case in the UPC. While the Court hinted at "*consequences*" for deliberately withholding relevant comparable licences, testing this may be challenging since SEP proprietors control the relevant information. Additionally, the Court's restrained approach may make it difficult for defendants to scrutinize the claimant's evidence as rigorously as they might in jurisdictions like the UK, where disclosure orders are more common.

150 UPC_CFI_ 219/2023, Order of 30 April 2024
151 UPC_CFI_216/2023, Order of 16 May 2024
152 UPC_CoA_298/2024, UPC_CoA_299/2024, UPC_CoA_300/2024, Order of 24 September 2024

Language of proceedings

Art. 49 provides that proceedings before the CD must be conducted in the language of the patent. In contrast, in an action before an LD or RD, the language of proceedings may be any of the official languages of the Contracting Member State(s) hosting the relevant division or, alternatively, any other language designated by the relevant Contracting Member State(s) pursuant to Art. 49(2). In addition, parties may agree to use the language in which the patent was granted as the language of proceedings (Art. 49(3)). Alternatively, this may be ordered by the President of the Court of First Instance at a party's request on the grounds of fairness and taking into account all relevant circumstances, including the position of the parties, in particular the position of the defendant (Art. 49(5) and r. 323).

Perhaps unsurprisingly given the predominance of English language patents at the EPO, the vast majority (88%) of revocation actions filed in the CD are in English. For infringement actions - mostly filed in LDs, with German LDs taking the lion's share - German was initially the most popular language by a significant margin. However, there has since been a shift towards English, which is a designated language of all Contracting Member States hosting an LD or RD. Both German and English language proceedings are now popular, with 51% of infringement proceedings conducted in German and 41% of proceedings in English. Overall, 52% of UPC proceedings are now in English.



This shift towards English language proceedings reflects both an increased number of actions being filed in English and cases in which parties have applied to the Court, or agreed, to change the language of proceedings to English as the language of the patent under Art. 49(5) and r. 323.

In response to requests under Art. 49(5) and r. 323, the UPC has generally adopted a pragmatic and flexible approach and has shown itself to be particularly willing to change the language of proceedings where the defendant is an SME or a significantly smaller enterprise than the claimant. The Court of Appeal provided guidelines on the application of Art. 49(5) and the relevant circumstances that should be taken into account when deciding whether to grant a request for a language change in *Curio Biosciences v 10x Genomics*[153]. Examples of "*relevant circumstances*" to be taken into account include:

i. the language mostly used in the field of technology involved and in the evidence (including prior art);

ii. the nationality or domicile of the parties, each of whom must be able to fully understand what is submitted by the other party / parties;

iii. the parties' size relative to each other; and

iv. how a change of language will affect the course of proceedings and may lead to a delay, especially in relation to the urgency of the case.

On point (iv), the Court of Appeal noted that a delay will generally be disadvantageous to a claimant. However, given the strict time limits, it can be particularly burdensome for a defendant to defend itself in a language other than its own, especially in summary proceedings such as those for provisional measures.

Conversely, neither the language skills of a representative nor the nationality of the judges hearing a case will generally be a relevant factor. The Court of Appeal stated that if the balancing of interests is equal, the position of the defendant will be the decisive factor. In addition to choosing the venue and language of proceedings and when to initiate an action, a patentee will have chosen the language of the patent so should be prepared to litigate in that language (and this applies equally to a patent holder who has acquired the patent).

There are numerous examples of the Court granting requests for a change of language to English, including *Plant-e v Arkyne*[154] (Dutch to English), *Amgen v Sanofi-Aventis*[155] (German to English), *Aarke v SodaStream*[156] (German to English), *Curio Biosciences v 10x Genomics*[157] (German to English), *Samsung v Headwater Research*[158] (German to English) and *Tandem Diabetes v Roche*[159] (German to English). Examples where requests have not been granted are where a change was requested to a language other than the language of the patent (*Tandem Diabetes v Roche*[160]) and where the party requesting the change was not considered to be unduly disadvantaged by the existing language of proceedings and any disadvantage resulted from strategic choices by that party, for example to involve an English patent attorney (*Advanced Bionics v MED-EL*[161]). In the *Panasonic v OPPO*[162] case, it has been reported that the parties agreed to conduct the oral hearing in English notwithstanding an unsuccessful attempt by OPPO to change the language of proceedings; however, this decision does not appear to be publicly available.

153 UPC_CoA_101/2024, Order of 17 April 2024

154 UPC_CFI_239/2023, Order of 18 October 2023

155 UPC_CFI_14/2023, Order of 3 November 2023

156 UPC_CFI_373/2023, Order of 16 January 2023

157 UPC_CoA_101/2024, Order of 17 April 2024. The request had initially been rejected by the Düsseldorf LD.

158 UPC_CFI_26/2024, Order of 30 May 2024, Düsseldorf LD. Headwater also consented to change the language of separate proceedings against Samsung before the Munich LD from German to English in UPC_CFI_54/2024, Order of 12 June 2024

Third party access to documents

One of the most controversial aspects of the new system has been the issue of transparency of proceedings and third party access to documents. Art. 10 provides that, subject to the conditions set out in the UPCA and RoP, the register kept by the Registry should be public. Art. 45 also sets out the overarching principle of open justice in the UPC, stating that "*proceedings shall be open to the public unless the Court decides to make them confidential, to the extent necessary, in the interest of one of the parties or other affected persons, or in the general interest of justice or public order*". However, following a last-minute change to the RoP in 2022, not all documents in UPC proceedings are available to the public as of right. R. 262.1 distinguishes between (a) decisions and orders made by the Court, which are to be published, and (b) written pleadings and evidence lodged at the Court and recorded by the Registry, which are to be made available to the public only "*upon reasoned request*" to the Registry.

After some divergence in the approach to r. 262.1(b) by different divisions in the early days of the UPC and numerous rejections of requests for documents by members of the public[163], the Court of Appeal in *Ocado v Autostore*[164] set out some key principles for granting a request under r. 262.1(b):

- a "*reasoned request*" must not only state which written pleadings and evidence the applicant wishes to obtain, but must also specify the purpose of the request and explain why access to those documents is necessary, which must be balanced against all of the interests listed in Art. 45, including an assessment of whether the request is abusive or not and whether there is a need to keep information confidential;
- the general interest of the public in written pleadings and evidence being made available, and the protection of the integrity of proceedings, are usually properly balanced if members of the public are granted access to written pleadings and evidence only after proceedings have come to an end by a decision of the Court, or via settlement or withdrawal of an action; and
- where a member of the public has a direct interest in the subject-matter of proceedings, for example an interest in the validity of a patent they are concerned with as a competitor or licensee, or where they plan to bring a product to market that is the same as, or similar to, a product accused of infringing a patent, the interest may arise before proceedings come to an end and the balance will generally be in favour of granting immediate access to written pleadings and evidence (subject to appropriate confidentiality restrictions).

Applying the factors above, members of the public should be able to obtain copies of non-confidential documents to gain retrospective insight into the handling of a dispute by the Court and how any decision was reached or, if they have a compelling direct interest in the proceedings and are willing to disclose this publicly, obtain access to documents immediately. For example, the Paris CD applied these criteria in the *NJOY v Juul*[165] proceedings to grant immediate access to written pleadings and evidence to Nicoventures Trading Limited on the basis that the claimant's arguments at the UPC would affect Nicoventures' position in parallel EPO proceedings relating to the same patent.

159 UPC_CFI_88/2024, Order of 25 July 2024
160 UPC_CFI_ 504/2023, Order of 11 April 2024
161 UPC_CFI_41-2023, 15 April 2024
162 UPC_CFI_216/2023, Order of 27 November 2023 and UPC_CoA_478/2023, Order of 20 December 2023
163 See for example *Sanofi-Aventis v Amgen* (UPC_CFI_1/2023, Order of 20 September 2023) and *Astellas v Healios* (UPC_CFI_75/2023, Order of 21 September 2023)
164 UPC_CoA_404/2023, Order of 10 April 2024
165 UPC_CFI_316/2023, Order of 24 April 2024

Conversely, the Paris CD did not consider an applicant's interests in the subject-matter of the *Meril v Edwards* proceedings[166] (as a board member and investor in a competing medical device company with regard to a third party product that was potentially similar to the defendants' allegedly infringing products) to be sufficient to establish a specific interest in obtaining access to documents. In that case though, the proceedings had already come to an end so the balance of interests was in favour of the disclosure and the order was granted. However, in light of the need to establish consistent jurisprudence in relation to document access requests, permission to appeal was granted and the order was suspended pending appeal. There are a number of other cases relating to r. 262.1(b) in which permission to appeal has been granted, and over 30 pending applications under r. 262.1(b) at the time of writing, so it is likely that we will see further Court of Appeal decisions on this topic over the coming year.

On a related point, the Court of Appeal confirmed in an earlier decision in the *Ocado v Autostore* proceedings[167] that any member of the public requesting documents under r. 262.1(b) must be represented by an authorised representative in accordance with Art. 48. This was, according to the Court of Appeal, a reflection of the adversarial nature of the phase of the proceedings where the Judge-Rapporteur consults the parties about the request and representation is necessary in order to "*protect parties when it comes to the legal consequences of procedural measures*" and to ensure the proper conduct of proceedings. In that case, the applicant was given 14 days within which to appoint and instruct a representative, and for the representative to lodge a statement of response on their behalf. What the Court meant by the "legal consequences of procedural measures" is not entirely clear. However, what is clear for members of the public is that the costs of making an application under r. 262.1(b) via an authorised representative will not be insubstantial, particularly in light of the decisions set out below.

In-house UPC representation

The ability of in-house advisers to represent their employers before the UPC was considered in two decisions in *Suinno Mobile v Microsoft*. In this case, Suinno's representative was also the director and main shareholder of the company.

One decision concerns a request pursuant to r. 262A that elements of the evidence be kept confidential[168]. Although this was initially granted by the Judge-Rapporteur, it was challenged on the basis that Suinno's legal representative could not act as its UPC representative in light of the requirement of independence of representatives as set out in Art. 48(5) and Art. 2.4.1 of the Code of Conduct of Representatives for the UPC. The Paris CD noted that the UPCA provision was modelled on Art. 19(5) of the Statute of the Court of Justice of the European Union (CJEU)[169]. This requires a party to use the services of a third party authorised representative and prevents a party from acting itself. Given the requirement for a lawyer to be fully independent and act in the overriding interests of the administration of justice, a party cannot be represented before the Courts of the European Union by a lawyer who is employed or financially dependent on the client; notwithstanding the fact that in-house lawyers could validly represent a client in a national Court where it is permitted by the national legal system. Consequently, Suinno's application was held to be inadmissible and the Judge-Rapporteur's order was set aside.

166 UPC_CFI_255/2023, Order of 14 October 2024
167 UPC_CoA_404/2023, Order of 8 February 2024
168 UPC_CFI_164/2024, Order of 16 September 2024 concerning App_40799/2024
169 Protocol (No 3) on the Statute of The Court Of Justice Of The European Union (C 202-210)

In the second decision, from the same date, the Court considered an application to reject Suinno's action as being manifestly inadmissible under r. 361[170]. The Court held that to satisfy this test the inadmissibility must be clearly evident from the pleadings without any particular in-depth analysis. Again, the Court noted that Art. 19(5) of the Statute of the CJEU had been consistently interpreted to not allow parties to be represented by a lawyer who is employed or financially dependent on the party or who holds, within the party, extensive administrative and financial powers. Once again the Court considered that although Art. 19(5) related exclusively to proceedings before Courts of the European Union, the wording of Art. 48(5) suggested that Contracting Member States intended to incorporate this same independence requirement into the UPC framework. However, this was not a straightforward question and required in-depth analysis. As such, the "*manifest*" test failed so the claim was not rejected.

These cases suggest that parties would be wise to have an independent third party UPC representative as a named representative to ensure that the independence requirement is satisfied.

Costs

Which party is the successful party within the meaning of Art. 69(1)?

The first year and a half of the UPC has not seen many decisions considering costs in detail but notably, in October 2024, the Court of Appeal ruled on a costs dispute between *Edwards Lifesciences and Meril*[171]. The case stemmed from an infringement claim brought by Edwards against Meril's medical devices. Before applying for a PI, Edwards had sent Meril a letter before action. Meril denied infringement, challenged the validity of the patent, and in response to the PI application, filed an extensive opposition brief. Edwards responded with substantial written submissions of its own. Eventually, Meril gave undertakings to cease selling the devices but did so without admitting liability. Edwards saw this as a victory, arguing that Meril should cover its costs, as Edwards had effectively achieved its objective through interim measures. Meril contended that Edwards should bear the costs, claiming the patent was neither infringed nor valid, there was no urgency, and that Edwards lacked a legitimate interest in seeking the injunction.

The Munich LD sided with Edwards, ordering Meril to cover litigation costs up to €200,000[172]. Meril appealed, arguing that the Court had failed to consider the prospects of success of Edwards' application in reaching its decision and arguing that it had not caused any unnecessary costs. The Court of Appeal, however, dismissed Meril's appeal, affirming that Edwards was indeed the "*successful party*" under Art. 69(1). Since Meril had delayed its concession, it had effectively forced Edwards into prolonged litigation.

Notably, the Court suggested that a claimant could, in principle, be liable for costs if they brought proceedings unnecessarily against a defendant who had given no cause for it. Although this was not applicable here, the decision leaves open the possibility of a different outcome had Edwards proceeded without first sending a warning letter. In such circumstances, if Meril had agreed to cease and desist upon initial contact, it would have been open to Meril to argue the proceedings had been brought unnecessarily (as the matter could have been resolved earlier upon receipt of the warning letter). Patentees should thus be mindful of potential cost consequences when initiating proceedings without first issuing a warning.

170 UPC_CFI_164/2024, Order of 16 September 2024 concerning App_42138/2024
171 UPC_CoA_2/2024, Order of 4 October 2024
172 UPC_CFI_249/2023, Order of 19 December 2023

Costs orders on appeal decisions

The Court of Appeal has clarified its approach to cost orders in appeal proceedings where the order made does not conclude the main action. In *Juul Labs International v NJOY Netherlands*[173], the Court of Appeal stated that it would not issue a costs order in respect of an appeal concerning a preliminary objection raised by the defendant, as the proceedings had not reached a final decision on the revocation actions.

Under the RoP, costs are generally awarded in the final decision on the merits (r. 118.5), with the option for interim costs in specific situations (r. 150.2). The final decision remains the primary point for determining costs liability, as it allows the Court to fully assess which party was ultimately successful. The Court confirmed that the outcome of any interim appeal should be taken into account at that final stage to assess whether and to what extent a party must bear the costs of the successful party, in line with Art. 69.

Interim costs awards

The UPC has also provided some clarification on interim costs awards in cases involving provisional measures. In *10x Genomics v Curio Bioscience*[174], the Court explained that a separate final costs decision is unnecessary in interim proceedings when main proceedings follow, as the final costs allocation will be addressed at that later stage. The Court also confirmed that both the claimant and the defendant may seek an interim award of costs with respect to interim proceedings, resolving some ambiguity over whether the right to request an interim award of costs under r. 211(1)(d) applies to defendants as well as claimants.

Scale of costs of UPC proceedings

There have been few decisions providing guidance on the Court's approach to the quantum of costs recovery. However, the recent *Sanofi v Amgen*[175] case offers useful insight. In this case, the CD ruled that, since Amgen's patent was fully revoked, Amgen, as the unsuccessful party, would bear Sanofi's legal costs. The parties agreed on €1.375 million as a reasonable and proportionate sum for the costs of the revocation action. With the case valued at €100 million, the Court found this amount appropriate and issued a final costs order accordingly.

By contrast, in the *Meril v Edwards Lifesciences* decision[176], which also concerned a revocation action, the Court ruled that because the action was dismissed solely because the defendant (Edwards) submitted a limitation of the patent during the proceedings, the costs should be shared. Specifically, the Court ordered Meril (the claimant) and its co-counterclaimants to jointly bear 60% of the costs (subject to the value-based ceilings on fees), while Edwards was responsible for the remaining 40%. The value of the revocation action, for the purpose of calculating recoverable costs, was set at €8 million.

Reduction in costs for co-operative behaviour?

In the case between *Oerlikon Textile and Bhagat Textile Engineers*[177], the Court addressed whether an unsuccessful party could avoid full liability for costs due to cooperative behaviour. Bhagat had conceded infringement at a trade fair, ceased infringing activity immediately, did not contest the patent's validity, and made considerable efforts to settle the matter, the main issue in dispute being one of costs. Citing Art. 69's "*exceptional circumstances*" provision,

173 UPC_CoA_433/2023, UPC_CoA_435/2023 to UPC_CoA_438/2023, Order of 3 April 2024
174 UPC_CoA_433/2023, UPC_CoA_435/2023 to UPC_CoA_438/2023
175 UPC_CFI_1/2023, Decision of 16 July 2024
176 UPC_CFI_255/2023, UPC_CFI_15/2023, Decision of 19 July 2024
177 UPC_CFI_241/2023, Decision of 4 November 2024

Bhagat requested that each party bear its own costs. The Court considered Bhagat's offer to pay significant costs during the negotiations, Oerlikon's late request for expansion of the non-marketing obligation to non-UPC countries (complicating settlement efforts) and Bhagat's cooperation throughout the proceedings. In view of those factors, it ordered Bhagat to bear 80% of the costs, with 20% shared between them.

Security for costs

There have been a number of decisions going either way on security for costs, however the indications so far are that the decision whether or not to grant security for costs will depend on the nature of the party and where they are based. By way of example, security for costs was granted in the *NanoString Technologies v President and Fellows of Harvard College*[178] case where the claimant was established outside the EU (in the UK) and there was no international treaty in place regarding the execution of judgments of the UPC, but refused in *Edwards Lifesciences v Meril*[179] and *Plant-e v Arkyne*[180], where the relevant claimant was located in a jurisdiction (the US and the EU, respectively) that did not give rise to a concern over recognition and enforcement of UPC decisions.

Looking ahead to 2025

There is a bumper crop of 20 main action hearings currently listed before the UPC between December 2024 and April 2025, so the Court will be in full swing. What highlights can we expect from the UPC in 2025?

- The Court of Appeal may provide clarity on issues such as the approach to inventive step, the availability of the *Gillette* defence and plausibility as well as a host of procedural issues including in-house UPC representative rights, access to documents, stays and costs.
- The Court of Appeal took a restrained approach to jurisdiction in *Abbott v Sibio*, but there are many that argue that the UPC has a long-arm jurisdiction to consider infringement and grant injunctions to cover all EU and indeed EPC Member States. The CJEU's ruling in *BSH v Electrolux* may provide clarity on this issue.
- The Court has considered a number of PI applications in several fields but relatively few in cases relating to pharmaceutical patents. Alexion was unsuccessful in its attempts to secure PIs against Amgen and Samsung Bioepis, and Novartis and Genentech were similarly unsuccessful in obtaining a PI against Celltrion, but will other pharmaceutical patentees seek this protection in 2025?
- Although the Court addressed its ability to set FRAND licence terms in *Panasonic v OPPO*, it is yet to set out details of the circumstances in which it considers it appropriate to do so and has not given an indication of the valuation methods it might adopt. As such, there remains a number of question marks in the SEP/FRAND space for the Court to tackle in 2025.

Whatever 2025 may bring, we look forward to reporting on it next year.

178 UPC_CFI_252/2023, Order of 30 October 2023
179 UPC_CFI_15/2023, Order of 29 September 2023
180 UPC_CFI_239/2023, Order of 13 February 2024

Bristows UPC

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Bristows UPC

Bristows & the UPC

In Bristows UPC Review of the Year 2023-2024, we explore the significant changes brought by the UPC since it opened on 1 June 2023, impacting patent litigation across 18 European states.

Bristows has been a key player in the UPC's development, contributing to the Rules of Procedure and leading commentary on the Court's evolution over the past decade. Our team, which includes 16 UPC representatives and European qualified lawyers supported by a broader team of over 50 patent litigators, offers unparalleled experience in European litigation strategy, technical expertise, and commercial insight, making us uniquely equipped to support your UPC needs.

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