

PART 1 - MATERIAL COMPETENCES

The introduction of the European patent with unitary effect is accompanied by the creation of a unified court with exclusive competences to hear certain actions relating to this new type of patent and some other similar titles. The forthcoming entry into force of the agreement establishing the Unified Patent Court ("UPC") provides an opportunity to discuss here, without going into too much detail, the main rules concerning the material competences of the UPC. This relates to the subject matter and nature of actions before this court.

As a reminder, the structure of the UPC has two levels:

- a **Court of Appeal** based in Luxembourg and,
- a **Court of First Instance**.

The Court of First Instance consists of :

- a **central division** organised into three sections in Paris, Munich and perhaps Milan (the latter will replace London, due to the Brexit),
- **regional divisions** (common to several UPC states; only one has been established so far) and
- **local divisions** (specific to one UPC state; no section has been established in some UPC states, e.g. the Grand Duchy of Luxembourg, Malta and Bulgaria).

I TITLES WITHIN THE COMPETENCES OF THE UPC

The UPC, as the "common" court of the UPC states, has competences to hear disputes concerning:

- European patents with unitary effect;
- European patents without unitary effect, except those for which an opt-out has been filed during the transitional period (at least the first seven years);
- European patent applications, except those for which an opt-out has been filed during the transitional period (at least the first seven years);
- supplementary protection certificates ("SPC") granted for products (medicinal products) protected by a European patent, except where an opt-out has been filed during the transitional period (at least the first seven years).

UPC AGREEMENT:
THE "UNITARY PATENT
PACKAGE" & "THE
UNIFIED PATENT COURT"

WHAT ARE THE
COMPETENCES OF THE
UNITED PATENT COURT?



| MATERIAL COMPETENCES OF THE UPC

The UPC's competences are exclusive, i.e. excluding national courts, but limited to the actions listed in Article 32 of the UPC agreement:

- **actions for infringement**, including related measures such as **damages** and defences against them, including **counteractions for invalidity** or actions concerning licences of the invoked patent,
- **actions for declarations of non-infringement**,
- **actions for revocation**,
- actions for **provisional and protective measures** or injunctions,
- actions for damages based on the **provisional protection conferred** by a **published European patent application**; what this "provisional protection" concretely leads to is not defined in the UPC agreement and will depend on the application and interpretation by the UPC,
- actions relating to the use of the invention prior to the granting of the patent or to the right based on **prior use of the invention**; the UPC agreement does not clarify the precise scope of these terms. If this terminology refers to one type of actions, then in Belgian law one can compare it to the exception of prior personal possession provided for by Article XI.36 of the Code of Economic Law ("CEL"),
- actions for **compensation for licences** under Article 8 of Regulation (EU) No 1257/2012. These are disputes concerning that "appropriate consideration" for licences "de jure", i.e. licences applied for after the proprietor of a European patent with unitary effect has filed a statement to the EPO that he is prepared to grant a licence to use the invention against payment of "appropriate consideration". Only claims concerning "consideration" for such licences are mentioned here, which seems to exclude other aspects,
- actions concerning **decisions of the EPO** when performing the tasks referred to in Article 9 of Regulation (EU) No 1257/2012. This provision covers in particular the tasks of the EPO in relation to applications for registration of unitary effect and the register of unitary protection.

| NATIONAL COURTS

The national courts of the UPC states retain competences to hear disputes concerning:

- a. all claims concerning **national patents** and, apparently, for **national SPCs** (arising from national patents),
- b. all claims concerning **European patents** and **SPCs** (based on European patents) for which the holder submits an **opt-out** during the transitional period (at least the first seven years),
- c. claims concerning **European patents** and **SPCs** (based on European patents) not covered by the "opt-out" **when not within the exclusive competences of the UPC**,
- d. and even claims concerning **European patents with unitary effect**, **when not within the exclusive competences of the UPC**.



Points (c) and (d) include, e.g., a claim for revindication of such patent or a claim for a contractual licence or a compulsory licence (which differs from the licence "de jure" referred to in Article 8 of Regulation (EU) No 1257/2012).

| TRANSITIONAL PERIOD AND OPT-OUT

As a reminder (see our newsletter on the "opt-out"), during a **transitional period** of (at least) seven years from the date of entry into force of the UPC agreement, an action for infringement or invalidity of a European patent without unitary effect (or an SPC based on such patent) may still be brought, at the option of the claimant:

- before the UPC,
- or before the competent national courts.

The patent owner will be able to avoid the jurisdiction of the UPC, and in particular the possible invalidation of his patent for all UPC States by a single court decision, thanks to an "opt-out" to be filed as soon as possible. The benefit of the "opt-out" applies to the patent in question (and, if applicable, to the SPC based thereon) for its entire term of validity.

It is advisable to file the declaration of opt-out as soon as possible. After all, this option expires as soon as invalidity proceedings against, or a declaration of non-infringement of, the European patent in question are filed with the UPC.

The expiry of the transitional period does not affect claims pending before a national court at the end of that period.

For any questions or assistance, please reach out to our Team

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This newsletter is not a legal advice or a legal opinion. You should seek advice from a legal counsel of your choice before acting upon any of the information in this newsletter.

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