

The introduction of the European patent with unitary effect is accompanied by the creation of a Unified Patent Court (abbreviated “UPC”) with exclusive jurisdiction to hear certain claims concerning this new type of patent and some other similar titles. We have already published several posts on this subject.

The UPC officially opened its doors on 1 June 2023.

We now briefly highlight, without going into too much detail, the main aspects of the UPC proceedings based on the Unified Patent Court Agreement (“UPCA” for short) and the detailed rules of procedure contained in the UPC Rules of Procedure. We also consider what UPC litigation will cost.

| A PARTICULARLY STRICT PROCEDURE

On 18 July 2022, the UPC Administrative Committee accepted and implemented the *Rules of Procedures* (“RoP”) (Article 41 UPCA). These rules came into force on 1 September 2022.

The *Rules of Procedure* comprise a detailed but comprehensive set of rules governing the conduct of proceedings for each of the UPC’s divisions, as well as on appeal. The rules in the *Rules of Procedure* supplement the procedural rules of the UPCA itself¹. A good overview and understanding of the procedure is indispensable for anyone wanting to initiate or facing a case before the UPC. The current version of the *Rules of Procedure* can be found [here](#).

In what follows, we will focus on the course of first instance proceedings before the UPC. We look at the infringement and nullity claims. These are just two examples of claims within the UPC’s jurisdiction (Article 32(1) UPCA), but the most important ones. We then touch on some aspects of the UPC appeal procedure. We will not detail all the possible sidetracks and incidents that may, depending on the case, impact the course of proceedings.

We further draw attention to the so-called *Case Management System* (“CMS”), which is the online file management system, specific to the UPC, through which in principle all communication happens, and to the important aspect of evidence.

Finally, we look at the expected cost of UPC litigation.

1. We can mention the principles of proportionality and fairness that the UPC must implement in its litigation (Article 42), electronic case management, which manifests itself in particular in the so-called “CMS” (Articles 43-44), the principle of public proceedings (Article 45), etc.

UPC AGREEMENT: THE “UNITARY PATENT PACKAGE” & “THE UNIFIED PATENT COURT”

PROCEEDINGS & COSTS



| UPC FIRST INSTANCE PROCEEDINGS

The first-instance proceedings before the UPC consist of three stages:

- > the written procedure (rule 12 et seq. RoP),
- > the interim procedure (rule 95 & 101 et seq. RoP) and
- > the oral procedure (rule 96 & 111 et seq. RoP).

A case must be brought before the UPC division competent for the dispute in accordance with Article 33 UPCA, which determines territorial competence.

The court should, throughout the proceedings, explore the possibility of settlement between the parties and, where appropriate, facilitate its achievement (rule 11 RoP).

1. Strict formal requirements and deadlines apply in the **written procedure**. At the written stage, the parties have successive periods of between one and three months to file their claims and defences. The parties must develop all their pleas and arguments at this stage and from the very beginning. The proceedings start with the filing of the so-called *Statement of claim* by the plaintiff. Within a period of just one month, the defendant can object the jurisdiction of (the local or regional division of) the UPC and the language of the proceedings chosen by the plaintiff. The defendant can also point out that the European patent invoked for protection has been “*opted-out*” and is therefore not within the jurisdiction of the UPC (see our newsletter on this subject [here](#)).

a. *The infringement action at the written stage*

The infringement proceedings start with the filing of a *Statement of claim* by the claimant. The *Rules of Procedure* set out the formal requirements that this *Statement of Claim* must satisfy, as well as the associated costs (rules 13 et seq. RoP). The initiating *Statement of Claim* must describe the facts, i.e., the alleged infringement (including the date and place of infringement), identify the infringed patent claims and already include the evidence on which the infringement claim is based, if necessary, with an indication of further evidence to be provided by the claimant. One must argue in detail the reasons why the facts constitute patent infringement. This is not a mere summary of the claim and pleas. The proceedings are *front-loaded*, meaning that arguments and evidence must be put on the table from the start and are not systematically built up during the proceedings. This requires thorough preparation on the part of the claimant.

The alleged infringing party is given a period of 3 months (from the service of the *Statement of claim*) to prepare and file its *Statement of defence*. This statement of defence must also comply with specific formal requirements (rules 23 et seq. RoP). If the defendant accused of infringement wishes to object, by way of counterclaim, the validity of the patent, a counterclaim must be filed to that effect (revocation) in this first *Statement of defence* (with payment of the corresponding court fee). Otherwise, the UPC does not examine the validity of the patent.



Faced with a *Statement of defence*, which may or may not contain a revocation claim, the plaintiff obtains a two-month period to formulate a response to the alleged infringer's defence and to defend against the revocation claim, if any.

If no revocation counterclaim was filed, the defendant is given a period of one month to submit a final supplementary defence. If the defendant did lodge a revocation claim, a period of two months is provided to

- formulate a final defence as regards the infringement claim; and
- respond to the claimant's defence regarding the revocation claim.

If the latter happens, the claimant is given a further period of one month to formulate a final defence to defendant's final arguments regarding his revocation claim.

The written phase of infringement proceedings (including the revocation claim) thus lasts up to 8 months, during which the parties must have developed and submitted all their arguments, counterarguments, exhibits, etc.

In the same hypothesis of a counterclaim for revocation, the division will decide which of the three following scenarios it will follow: either handle the entire case, or – with the agreement of both parties – refer the entire case to the Central Division, or “split” the case (so-called *bifurcation*), i.e., refer the revocation claim to the Central Division and continue or suspend the main action for infringement.

b. *The independent revocation action at the written stage*

Revocation proceedings directed against a specific patent under UPC jurisdiction are initiated (always before the Central Division) with a *Statement for revocation* by the claimant. The *Rules of Procedure* determine the formal requirements and associated costs (rules 44 et seq. RoP). The defending party must file its defence within a period of two months. This defence contains the factual and legal reasons why the revocation should be rejected, and describes the independent patent claims that the defendant considers valid. At the same time, the defendant may file a request to amend the patent and/or initiate infringement proceedings as a counterclaim.

N.B.: An infringement action may also be brought before another division than the the Central Division where the revocation action is already pending. This then leads to a similar choice as described above and thus to a possible *bifurcation* of the proceedings (cf. supra).

The claimant also obtains two months to reply to the defendant. The defendant may file a final defence within a period of one month.

2. The **interim procedure**, lasting up to three months, serves to prepare for the oral proceedings. The judge-rapporteur may ask the parties for clarification on certain points or order the production of certain evidence or documents. The judge may set a schedule for the further course of the proceedings and/or examine whether a settlement is possible between



the parties (rule 104 RoP). To this end, he may organise an *interim conference* with the parties. The interim proceedings are concluded by fixing the pleading date and inviting the parties to the hearing. The parties are notified of the pleading date at least two months in advance, unless they agree on shorter deadlines (rule 108 RoP).

3. The **oral procedure** is the final stage of first instance proceedings and includes the oral hearing, which is open to the public (rule 115 RoP), unless the court decides on confidentiality in the interest of the parties, third parties or the public interest. This oral phase of the proceedings must normally be completed in one day (rule 113 RoP).

The UPC shall render its decision within six weeks of the oral hearing. However, a division may also immediately announce a decision at the hearing and communicate the precise reasons for the decision at a later date.

| UPC APPEAL PROCEEDINGS

Appeals against a first instance decision of the UPC must be lodged by the parties within a period of two months after the service of the decision. The appeal procedure also distinguishes three stages (the written, interim and oral stages). Here too, strict deadlines and formalities apply as laid down in the Rules of Procedure (rules 220 et seq. RoP).

In the appeal proceedings, new facts and evidence can only be introduced to the extent that they could not reasonably have been introduced during the first instance proceedings (Article 73(4) UPCA). In other words, in principle, the appeal can only relate to what was already submitted during the first instance. This confirms the front-loaded nature of the UPC proceedings with all its consequences in terms of workload and costs.

A decision of the UPC Court of Appeal is a final decision. There is no possibility of cassation. The Court of Appeal can annul a first instance decision and determine the case itself. In exceptional cases, the case can also be referred back to the first instance.

The appeal does not have a suspensive effect. However, a party may request that the Court of Appeal rules otherwise.

| THE CMS

The UPC has the particularity of using a digital IT system, known as the *Case Management System* (CMS), which is accessible online, for procedure and case management. Representatives of parties, i.e., both lawyers and qualified patent attorneys must therefore register in advance in the CMS. All communication with the UPC is done through this system, which is structured according to a strict workflow for each procedural step. Documents can be certified via electronic signature.

Parties should file their written submissions, as well as all other documents (exhibits, etc.), electronically, using the CMS.



It is always the registry of the UPC that will serve the filed documents, again electronically, on the other party or parties (unless in the case of ex parte unilateral proceedings). If electronic service is not possible, registered mail with acknowledgement of receipt serves as an alternative (rule 270-279 RoP).

Both the summons (*Statement of claims*) and decisions are served on the parties by the UPC clerk in the same manner.

| EVIDENCE AT THE UPC

As indicated earlier, for the UPC, the party bearing the burden of proof must immediately provide the necessary exhibits to substantiate its allegations, be it when filing the *Statement of Claims* or when filing a counterclaim. One cannot count on being able to provide or add to the evidence at a later stage of the proceedings. It is therefore important to prepare each claim and know what means of proof can be used.

Article 53(1) UPCA provides a broad non-exhaustive list of admissible means of evidence in UPC proceedings ranging from the mere production of documents to hearing of parties, hearing of witnesses, expert opinions or affidavits, as well as measures of inspection, intelligence gathering or testing and experimentation.

Rule 170 RoP builds on that list, but distinguishes between the means of evidence, and the ways in which they can be obtained. It is notable that means belonging to various legal orders and traditions are available. It remains to be seen how the UPC judges will make concrete use of them.

As for the means of obtaining evidence, among other things, a party is allowed to ask for certain preservative measures. This can take the form of an order to preserve evidence (article 60 UPCA, rule 192 et seq. RoP), but also by means of an order allowing inspection of the premises of the suspected infringer (article 60 UPCA, rule 199 RoP), and all this even ex parte and prior to the initiation of proceedings on the merits. Such procedures are similar to the counterfeit seizure proceedings known in Belgium.

| COSTS OF UPC PROCEEDINGS

Court fees for initiating proceedings are set and periodically reviewed by the Administrative Committee. They consist of a fixed fee, which may or may not be combined with a value-based fee.

A Statement of claim is officially filed only after the fees have been paid. Payment of a value-based fee is not provided for all types of claims. It applies to an infringement or non-infringement claim, but not to a nullity claim.

The Administrative Committee approved a table summarising costs (both fixed fees, and criteria for determining value-based fees). This table is [available here](#).

By way of example, part of this table is reproduced hereafter:



Fixed fees	Infringement action	11.000,00€
	Revocation action	20.000,00€
	Action for declaration of non-infringement	11.000,00€

Value-based fees	Up to and including 500.000,00€	0€
	Up to and including 750.000,00€	2.500,00€
	Up to and including 1.000.000,00€	4.000,00€
	Up to and including 1.500.000,00€	8.000,00€
	Up to and including 2.000.000,00€	13.000,00€
	Up to and including 3.000.000,00€	20.000,00€
	Up to and including 4.000.000,00€	26.000,00€
	Up to and including 5.000.000,00€	32.000,00€
	Up to and including [...]€	[...]€
	More than 50.000.000,00€	325.000,00€

Finally, parties considering proceedings before the UPC should also keep in mind that the unsuccessful party will have to bear the “*[r]easonable and proportionate legal costs and other expenses incurred by the successful party*” (Article 69(1) UPCA), in addition to all its own costs. This includes all costs, e.g., expert and patent attorney costs as well as lawyers' costs. These reimbursable amounts, although capped, are at a considerably higher level than the litigation costs in Belgium.

A summary of the foreseen recoverable costs is available on the UPC website ([extract](#)) :

Ceilings for recoverable costs (value-based)	Up to and including 250.000,00€	Up to 38.000,00€
	Up to and including 500.000,00€	Up to 56.000,00€
	Up to and including 1.000.000,00€	Up to 112.000,00€
	Up to and including 2.000.000,00€	Up to 200.000,00€
	Up to and including [...]€	Up to [...]€
	More than 50.000.000,00€	Up to 2.000.000,00€

ENFORCEMENT OF DECISIONS & PENALTY PAYMENTS

Belgian court decisions are accompanied by an “enforcement order” allowing enforcement through the intervention of a bailiff. By analogy, decisions of the UPC are accompanied by an “*order for the enforcement*” (article 82(1) UPCA).

In case of infringement proceedings, the successful party will have to inform the UPC of the parts of the decision he wishes to enforce. He must provide a translation of the decision with the order for the enforcement in the language of the Member State where enforcement is to take place.

The registry will then serve these documents on the other party, after which enforcement can effectively commence (rule 118.8 RoP).

Enforcement may be subject to the provision of security or an equivalent assurance (Article 82(2) UPCA). Once initiated, enforcement takes place in line with the procedures and conditions applicable in the Member State concerned (rule 354 RoP).

In case a decision that provided for penalty payments is not enforced by the losing party, one may request the UPC to determine the amount of penalty payments due, but the UPC may also determine this of its own motion (rule 354.4 RoP). Such penalty will always be payable to the UPC. It is the UPC that determines the amount of the penalty payment in proportion to the importance of the order to be enforced (Article 82(4) UPCA). What is to be understood by such 'proportionality' remains to be seen.

From the foregoing, the following should be taken away: companies wishing to initiate proceedings before the UPC should not only prepare very thoroughly on the legal front, in particular the pertinent arguments should already be developed and the supporting evidence collected, but should also make a cost analysis, given the potentially large financial impact of such litigation.

For the defendant as well, who does not necessarily expect to be implied in proceedings, these strict procedural rules and deadlines with their associated workload, costs and risks will undoubtedly create a heavy burden in many cases.

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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