

The Patent Lawyer

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The Patent Lawyer Editorial Board looks back at 2023 to summarize key cases and developments by jurisdiction.

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The new European Unified Patent Court: practical advice on how to best prepare for litigation

Detlef von Ahsen, Partner at Kuhnen & Wacker, delves into key considerations for filing a litigation suit, and defending against claims of infringement, at the newly implemented UPC.

Having started its work on June 1, 2023, the new European Unified Patent Court (UPC) has the competence to decide in particular on the infringement and validity of European patents with effect in 17 EU member states. Its jurisdiction covers both European patents with unitary effect, the so-called Unitary Patents (UP), which were also introduced on June 1, 2023, and conventional European patents which are essentially a "bundle of national patents". In the weeks before and after June 1, 2023, the operation of this Court and the points to keep in mind in proceedings before the UPC were the subject of many written contributions and seminars. In this article, which is not intended to be exhaustive and was prepared as an input to reflection and further discussion, we will



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explore how to best prepare for potential litigation before the UPC.

While claimants are able to carefully prepare proceedings before bringing an action, there are still many things they need to be aware of.

However, the position of defendants, which is naturally less favorable in this respect, should also not be forgotten here.

The frontloading system of the UPC

The system underlying the Unified Patent Court is called a frontloading system. This means that the entire submissions of the parties, including all evidence in support thereof, must be provided as soon as possible, ideally at the same time as filing the statement of claim or of defense. The subsequent submission of new facts or evidence is only allowed within very narrow limits and should therefore be avoided from the outset.

This means that a patent holder who intends to bring a patent infringement action should first thoroughly investigate the facts and procure all evidence in support of the action. If possible, test purchases should be conducted to analyze the subject matter suspected of infringing on IP rights. It is also essential to find out more about the precise nature and characteristics thereof by thoroughly searching the web for operation manuals and other information material. The use of private investigators may also be a good way of gaining deeper insights. It is moreover crucial to precisely identify the alleged patent infringer, to avoid any risk of suing the wrong person.

Résumé

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Detlef studied mechanical engineering and has been awarded a master's degree of Diplom-Ingenieur. He is a German and European Patent Attorney and a European Trademark and Design Attorney as well as a European Patent Litigator who specializes in the fields of mechanical engineering, thermal, and sound insulation technologies as well as electrical, chemical, and biological engineering. Detlef also has experience in the oil and gas industry and has been involved in many litigation cases. Prior to joining K&W, he worked as a patent attorney with his own law firm and as a product engineer with Baker Hughes Inteq. He has lectured and recently presented seminars in Germany, the USA, and China.

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Thus, the patent proprietor has to do a great deal of “homework” to acquire all evidence to support its case before drafting or even filing a motion with the Unified Patent Court.

Yet, what if not all necessary evidence can be produced but is in the possession of the accused defendant or a third party?

Procurement of evidence

In view of the above-mentioned fact that not all the evidence is always readily available, Art. 60 of the UPC Agreement (UPCA) and the related Rules of Procedure (RoP) provide the possibility of demanding that an infringer or a third party provide any evidence that lies in its control. The UPC may also order an inspection of the premises of the alleged infringer or the third party. This may even be carried out by way of a provisional injunction without a prior hearing and without notice to the alleged infringer or third party (so-called *ex parte* injunction).

However, even after the start of infringement proceedings, the Court may still order, at the request of a party, that the adverse party or a third-party present evidence that lies in its control (Art. 59 UPCA).

This requires, however, that based on the existing means of evidence there must be a sufficient degree of probability of the patent being infringed. This likelihood is not precisely defined and remains to be established by case law of the UPC. Here as well, just as in the German procedure, the degree of probability will presumably be higher the more deeply the alleged infringer or the third party is affected by the provisional injunction. It is generally also true here that a patent holder must make every effort to secure its position as best as possible by suitable evidence. In other words, as mentioned above, the patent holder must first do their “homework”.

Positions of the patent holder and accused infringer

While a patent holder has ample time to prepare very carefully before bringing an action, the accused infringer only has three months from the service of the statement of claim to prepare and file its statement of defense (Rule 23 RoP). This is very little time considering that a counterclaim for revocation of the patent in suit must possibly also be filed within this time limit. This period is even far too short if a search for suitable prior art is started only after service of the statement of claim. Therefore, now, more than ever, entrepreneurs are strongly advised to extensively monitor the Patent Gazette so as to permit both the timely detection of patents and patent applications in the respective technical field and their risk assessment. This early handling



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might still leave enough time to even lodge an opposition at the European Patent Office within the nine-month opposition period and, thus, at a much lower level of financial risk.

Generally, however, a patent holder should first send a warning letter to the suspected infringer before commencing proceedings since, according to the rules of the UPCA, it would otherwise incur the risk of having to bear the litigation costs even in case it prevails in the dispute if this failure to warn has created unnecessary costs to the defendant (Art. 69 (3) UPCA). Therefore, very careful research should be done when a warning letter is received at the latest. The response to the warning letter should then also inform the patent holder of the prior art found since the defendant, in turn, also runs the risk of having to bear the adverse party’s costs if these were unnecessarily caused (Art. 69 (3) UPCA). For this reason, it is generally advisable to respond to warning letters to the fullest possible extent rather than ignore them.

The question of how such a search should be carried out would provide enough material for several days of seminars. However, in essence,

it can be said that an "investigative patent search" should not be limited to conventional patent databases but should involve other search strategies as well. Indeed, it is always surprising to discover how many patent holders advertise their inventions on their own homepage before filing a patent application. It is therefore often worthwhile using a Wayback Machine to find defunct web pages. YouTube is also a very popular advertising platform and sometimes hosts advertising videos that prematurely disclose an invention and thus constitute citeable prior art. In fact, patent applicants from non-EU member states, particularly the United States, are often even unaware that in Europe there is no such thing as a grace period during which the novelty of the invention is protected from early disclosure. However, surprisingly many mistakes are also made in this respect by European companies. The German National Library, which is one of the largest libraries in the world and archives all German and German-language publications since 1913, is a good example here as it may have some surprises in store. As mentioned, there are many more ways of obtaining vital information, but that would go beyond the scope of this discussion.

Steps to take during the three-month time period for delivery of statement of defense

From the above statements it is clear that comprehensive action must be taken within the three-month time period for delivery of a statement of defense. It is therefore vital that you start doing your "homework" right after receiving a warning letter and definitely right after service of the statement of claim. You should immediately take your patent attorney on board and set up a team of your own contact persons who will assist the legal team.

The right legal team

Another question is what makes a good legal team. Due to the complexity of proceedings and the tight deadlines, the parties will not be able to evade the necessity of setting up a more or less large legal team in which each member takes care of individual aspects of the proceeding. So how exactly should a successful legal team be built?

I keep hearing that UK law firms should also be taken on board since almost all the local divisions, the Nordic-Baltic regional division, and the central divisions offer English as the language of proceedings. However, when talking to the judges, you will hear quite often that they are not English native speakers. In fact, the UPC divisions will have a multinational composition, with judges having to be nationals of a Contracting Member State. This means that the

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UK, once designated to host one of the central division courts, will not be represented due to its decision to withdraw from the Unitary Patent System. The judges appointed so far mostly come from Germany, the Netherlands, France, Italy, and Sweden. It is also worth noting that local and regional division panels consist of three legally qualified judges, only two of whom may be nationals of the hosting country. A technically qualified judge may be added to a panel at the request of a party or at the initiative of the panel. The nationality of this additional member depends on the technical field at hand and the person's technical expertise. It would not be surprising if these multinational judges were at first to handle cases from a purely national perspective. Only in the long run will a uniform and truly European approach be developed by the Court of Appeal. It might therefore not be a bad idea to set up the legal team, at least initially, also with a view to the multinational composition of the panels. Mother tongue is not everything. Entrusting highly competent and qualified non-native speakers might actually be an advantage in this multinational context, provided they have a very good command of the English language.

Not only lawyers but also European Patent Attorneys who are entitled to act as professional representatives before the European Patent Office and who have appropriate additional qualifications are fully authorized to practice before the UPC ("European Patent Litigators"). Therefore, unlike in the case of national German infringement proceedings, European Patent Attorneys are not reliant on the participation of a lawyer. Given that both patent infringement and patent invalidity are first and foremost technical matters, it is my personal opinion as a patent attorney and President of the Federal Association of German Patent Attorneys that patent attorneys are the most important team members and are in any case indispensable in infringement proceedings before the UPC.

As mentioned above, these are just a few thoughts on how to prepare for litigation before the UPC that I hope will provide a good basis for discussion.

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