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THE UNIFIED PATENT COURT IS FINALLY IN ACTION HAS A NEW JUDICIAL MODEL ENTERED THE SCENE?



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The Unified Patent Court is finally in action: Has a new judicial model entered the scene?

Alberto Miglio ¹

Introduction

One of the main innovations in the EU judicial landscape in 2023 was the entry into operation of the Unified Patent Court ('UPC') on 1 June. There are several reasons why the new court deserves attention, not just from industrial property experts, but also from anyone interested in the development of EU law. In addition to its sheer economic importance, the UPC provides an original judicial model and its relationship with EU law and the CJEU raises several interesting questions.

For sure the UPC is a major game-changer in patent dispute resolution. In the EU Member States that are contracting parties to the agreement establishing it ('UPCA'),² the new court has exclusive competence on actions for infringement and revocation of European patents, including but not limited to those granted unitary effect pursuant to Regulation 1257/2012 (the 'Unitary Patent Regulation').³ Subject to the possibility for patent holders to opt out of the UPC jurisdiction for a transitional period of seven years, this leaves out only purely national patents, which today represent a marginal portion of the market in terms of economic value. Since the majority of EU Member States, including those with the highest patent density, are contracting parties to the UPCA, the Court has or will soon have jurisdiction over most of the European market for patents. In the first nine months of operation, a total of 274 cases were registered⁴ and the UPC had issued more than 160 decisions as of 18 January 2024.⁵

Both ordinary European patents and European patents with unitary effect (or 'unitary' patents) fall within the jurisdiction of the UPC. European patents are not unitary titles, but mere bundles of national patents granted through a single application procedure by the European Patent Office ('EPO'), an international body established under the 1973 European Patent Convention ('EPC'), to which several non-EU countries are also parties. On the holder's request, European patents can now be granted 'unitary effect' throughout the territory of the Member States applying the Unitary Patent Regulation and having ratified the UPCA. These are currently 17 Member

1. Associate Professor of EU Law at the University of Turin.

2. [Agreement on a Unified Patent Court](#), 2013 OJ C 175, p. 1.


3. [Regulation \(EU\) No 1257/2012](#) of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection 2012 OJ L 361, p. 1.

4. See [here](#).

5. See [here](#). For a brief overview of some significant cases, see Wilhelm Schröder and Jasmin Metwally, '[The Unified Patent Court – 2023 Decisions in a Nutshell](#)', 18 January 2024, www.hannessnellman.com. A case law tracker is also available at www.wolterskluwer.com.

States, but the number is going to increase as more States join the UPCA. The Regulation was adopted through the enhanced cooperation procedure, with 25 participating Member States. Croatia and Spain are currently not participating, but they could decide to join the enhanced cooperation at a later stage.

Traditionally, European patents must be litigated separately in each country where they enjoy protection, at a significant cost and with the risk of conflicting judgments. While this is still the case with respect to the non-contracting States, the UPCA revolutionises dispute resolution on European patents by concentrating it before a supranational court. Despite being composed of several divisions, the UPCA is conceived as a single judicial body and its judgments automatically display their effects in all contracting States. It is therefore not an exaggeration to state that the UPC's entry into operation ushers in 'a new era' for patent litigation.⁶



**The UPCA revolutionises dispute resolution
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6. Martin Stierle, [‘The Rise of the Unified Patent Court: A New Era’](#), *IIC – International Review of Intellectual Property and Competition Law* 54, 2023, pp. 631-633.

A court of a new kind

What kind of court, then, is the UPC? As a fully-fledged judicial body set up by States through an international agreement and multinational in its composition, it has the typical features of an international court.⁷ However, at the same time it is also a court common to several EU Member States. In other words, it is equated to the domestic courts of the Member States that are parties to the UPCA for the purpose of its relationship with the EU legal order and with the CJEU.

This peculiar qualification has a precedent in the Benelux Court of Justice and is a consequence of the rejection by the CJEU of a bolder plan. The original project envisaged the establishment of a European and Community Patent Court ('ECPC') through a mixed agreement, with the participation of the EU, (all) the Member States and the third countries parties to the EPC. However, in the seminal Opinion 1/09,⁸ the CJEU ruled that the ECPC project affected the autonomy of the EU legal order and of its judicial system, in a move that foreshadowed the expansive construction of the principle of autonomy in Opinion 1/13⁹ and in the *Achmea* judgment.¹⁰ As a result, the prospect of involving third countries as well as the EU was abandoned. Instead, the agreement was concluded solely between a group of Member States.

To ensure its consistency with EU law, the UPC was rebranded as a court common to the contracting Member States, entitled to send references for preliminary ruling to the CJEU and obliged to do so when it adjudicates at last instance.¹¹ Interestingly, the UPCA also contains the most radical assertion of the primacy of EU law over domestic law to be found in the practice of Member States: Article 20 UPCA requires the UPC to 'apply Union law in its entirety and [...] respect its primacy'. The preamble further clarifies that 'the primacy of Union law [...] includes the TEU, the TFEU, the Charter of Fundamental Rights of the European Union, the general principles of Union law as developed by the Court of Justice of the European Union, and in particular the right to an effective remedy [...], the case law of the Court of Justice of the European Union and secondary Union law'.

The UPC is a complex judicial machinery. The Court of First Instance is composed of regional and local divisions disseminated throughout the contracting States –four local divisions are in Germany, the State with the highest number of patents– and a central division with three seats in Paris, Munich and Milan. The allocation of competence between the different divisions of the Court of First Instance is regulated by the UPCA, whereas the international jurisdiction of the UPC is addressed in the Brussels I bis Regulation,¹² which was amended in 2014 to accommodate the new court into the scheme of EU jurisdiction rules on civil and commercial matters.¹³

7. Bruno De Witte and Thibault Martinelli, 'Treaties between EU Member States as Quasi-Instruments of EU Law', in Marise Cremona and Claire Kilpatrick (eds), *EU Legal Acts: Challenges and Transformations*, Oxford University Press, 2018, p. 184.

8. [Opinion 1/09 of 8 March 2011](#), (*Creation of a unified patent litigation system*) EU:C:2011:123.

9. [Opinion 1/13 of 14 October 2014](#), (*Convention on the civil aspects of international child abduction*), EU:C:2014:2303.

10. [Judgment of 6 March 2018](#), *Achmea*, C-284/16, EU:C:2018:158.

11. Article 21 UPCA.

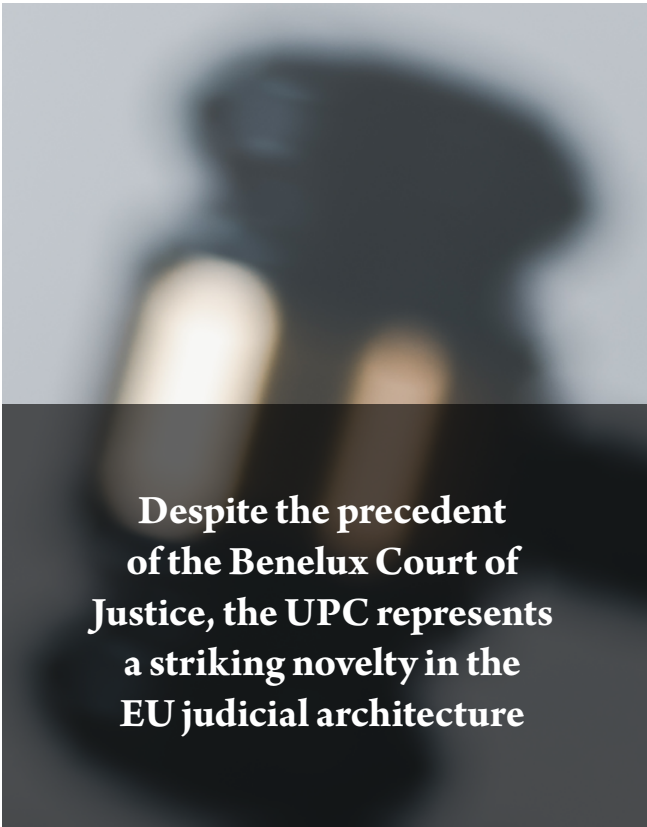
12. [Regulation \(EU\) No 1215/2012](#) of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), OJ 2012 L 351, p. 1.

13. [Regulation \(EU\) No 542/2014](#) of the European Parliament and of the Council of 15 May 2014 amending Regulation (EU) No 1215/2012 as regards the rules to be applied with respect to the Unified Patent Court and the Benelux Court of Justice, OJ 2914 L 163, p. 1.

A Court of Appeal with its seat in Luxembourg is entrusted with hearing appeals against decisions by the Court of First Instance and thus with ensuring the consistency of the UPC's case law. Concerns for consistency and predictability weighed heavily in the design of the new judicial body, influencing the choice for multinational panels and the reviewability of first instance decisions by the Court of Appeal not only on points of law, but also on matters of fact.¹⁴

Despite the precedent of the Benelux Court of Justice, the UPC represents a striking novelty in the EU judicial architecture. Unlike the Benelux Court, the UPC entirely replaces national courts within the scope of its jurisdiction, which is economically highly significant albeit materially limited. With the exception of the granting phase (which is entrusted to the EPO) and subject to the opt-outs in the transitional period, the UPC will become the sole judge of European patents, whether endowed with unitary effect or not.

Although labelled a 'common court' and equated for certain purposes to the domestic courts of the Member States, the UPC is therefore not a court like any other. Its uniqueness as an international or supranational court deemed to replace the national judiciaries in patent litigation accords with its high degree of specialisation. Its composition was designed with a view to meeting the needs of the patent community, particularly in respect of its ability to issue sound and consistent decisions on technically complex issues. This explains why the UPC is composed of a mix of legally and technically qualified judges.¹⁵ Regional and local divisions sit in panels of three legally qualified judges, but a technically qualified judge may be added upon request. Panels of the central division consist of two legally and one technically qualified judge. Legal and technical qualifications combine in the Court of Appeal, sitting as a five-member bench of three legally and two technically qualified judges.



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14. Article 73(3) UPCA.

15. For some statistics on the judges' background, see M. Klos, '[UPC judges: A complete overview](#)', *Juve Patent*, 16 August 2023.

The UPC and the CJEU

Since the UPC largely replaces national courts in patent litigation, it is deemed to become the main, if not the sole, judicial body able to engage in a dialogue with the CJEU in the area of patent protection. However, the extent of the UPC's power (or obligation, for the Court of Appeal) to send references for preliminary ruling is debated.

To begin with, some have questioned whether the UPC may legitimately be viewed as a court common to several Member States and thus able to submit references to Luxembourg pursuant to Article 267 TFEU.¹⁶ In all likelihood, the CJEU will dispel those doubts, interpreting the notion of common court extensively enough to cover the UPC. Rejecting an offer of dialogue from the UPC would be unwise because it would risk locking the CJEU out of patent litigation completely and compromising the uniform application of EU law in an important sector of the single market.¹⁷

Nonetheless, it is unclear what room there will be for references. Under Article 24 UPCA, the UPC has the power to apply a wide array of sources: EU law including the Unitary Patent Regulation, the UPCA itself, the EPC, 'other international agreements applicable to patents and binding on all the Contracting Member States' and national law. Obviously, the CJEU does not have jurisdiction to issue preliminary rulings on the EPC, given that the EU is not a contracting party. By contrast, the Unitary Patent Regulation falls within the CJEU's jurisdiction. Yet, the Regulation does not autonomously define the scope of protection of unitary patents. In a move intended to limit interference from the CJEU in patent disputes, at a very late stage of the legislative process the substantive provisions on the right of the patent holder to prevent use of the invention, on limitations, prior use and exhaustion were moved out of the regulation proposal and inserted into the UPCA.¹⁸ They were replaced by an elaborate reference to national law, including the harmonised provisions in the UPCA.¹⁹

The crucial question is therefore whether and to what extent the CJEU is competent to interpret provisions of the UPCA or to indirectly affect its interpretation by articulating the interplay between the UPCA and provisions of EU law. Since agreements between Member States fall outside its jurisdiction, the orthodox view holds that the CJEU has no authority to issue preliminary rulings on the interpretation of the UPCA.²⁰ However, some authors have argued that the UPCA is incorporated into EU law by virtue of either Article 5(3) (containing the indirect reference to the UPCA mentioned above)²¹ or Article 5(1) of the Unitary Patent Regulation (which defines the protection granted to the patent as 'the right to prevent any third party from committing acts against which that patent provides protection').²²

16. Thomas Jaeger, 'Issues of EU Law Compatibility of the Patent Package', in Luc Desautettes-Barbero, Fernand de Visscher, Alain Strowel and Vincent Cassiers (eds), *Unitary Patent Package & Unified Patent Court—Problems, Possible Improvements and Alternatives*, Ledizioni, 2023, pp. 189-194.

17. See Hanns Ullrich, '[The Unified Patent Court](#)', *Yearbook of European Law* 42, 2023, 24-25.

18. Articles 25-29 UPCA.

19. Article 5(3) of Regulation 1257/2012.

20. See, for instance, De Witte and Martinelli, p. 184; Tuomas Milly, 'Hovering between Intergovernmentalism and Unionization: The Shape of Unitary Patents', *5 Common Market Law Review* 54, 2017, pp. 1381-1425, spec. 1385.

21. Winfried Tilmann, 'Article 5 of Regulation (EU) No 1257/2012', in Winfried Tilmann and Clemens Plassmann (eds) *Unified Patent Protection in Europe*, Oxford University Press, 2018.

22. Ullrich, p. 29.

In any event, even if it is not competent to interpret the UPCA as such, the CJEU might be able to indirectly influence its interpretation by giving preliminary rulings on EU law provisions the UPCA interacts with. As much as its interpretation is a matter for the domestic courts of the Member States, national law must be construed consistently with EU law, as interpreted by the CJEU. National courts are also entitled to request rulings from the CJEU on the compatibility of domestic law with EU law, and they do so routinely. In the same vein, by interpreting EU law provisions the CJEU could also rule on how the UPCA should be construed in order to be consistent with EU law. Sources of EU law which, although not specifically dealing with patent protection, could be relevant to patent litigation before the UPC include, for instance, the EU Charter of Fundamental Rights and the Directive on the enforcement of intellectual property rights.²³ However, it remains to be seen whether the UPC, as a highly specialised court confident about its expertise and expected to deliver judgments swiftly, will feel in need of much guidance from the CJEU.

Conclusion

Although the UPC has only been in operation for a few months, the ‘unitary patent package’ of which it forms part has already left an enduring mark in the EU legal order. First, in the context of a challenge against the Regulation on the unitary patent, the CJEU partially redrafted the boundaries of differentiated integration.²⁴ Not only did the Court adopt a liberal interpretation of the Treaty rules on enhanced cooperation, but it also held that the effects of a piece of EU legislation may be made dependent on an international agreement between Member States.²⁵ Second, Regulation 542/2014, intended to accommodate the UPC within the system of rules on jurisdiction in civil and commercial matters, introduced new provisions with universal scope at odds with the underlying logic of the Brussels I bis Regulation.²⁶ Third, due to its unique features and the peculiar way in which it is integrated in the EU system of judicial protection, the UPC might provide a blueprint for future reforms of the EU judicial system.

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23. [Directive 2004/48/EC](#) of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, 2004 OJ L 157, p. 45.

24. [Judgment of the Court of Justice of 16 April 2013, Spain and Italy v. Council \(C-274/11 and C-295/11, EU:C:2013:240\)](#). See Emanuela Pistoia, ‘Enhanced cooperation as a tool to... enhance integration? *Spain and Italy v. Council*’, 1 *Common Market Law Review* 51, 2014, pp. 247-260.

25. See Thomas Jaeger, ‘Reset and Go: Unitary Patent System Post-Brexit’, *IIC – International Review of Intellectual Property and Competition Law* 48, 2017, pp. 254-281; Rafal Sikorski, ‘Is the Unitary Patent a Truly Harmonized Right?’ in Luc Desautettes-Barbero, Fernand de Visscher, Alain Strowel and Vincent Cassiers (eds), [Unitary Patent Package & Unified Patent Court—Problems, Possible Improvements and Alternatives](#), Ledizioni, 2023, pp. 233-235.

26. See Alberto Miglio, ‘The Jurisdiction of the Unified Patent Court: A Model for the Application of the Brussels Ia Regulation to non-EU Disputes?’, in Alexander Trunk and Nikita Hatzimichail (eds), [EU Civil Litigation and Third Countries: Which Way Forward?](#), Nomos-Hart, 2021, pp. 71-93.

Recent reforms of the CJEU, including the suppression of the Public Service Tribunal, the increase in size of the General Court and the expansion of its competences (lastly, in the domain of the preliminary ruling procedure) have likely spelled the death knell for specialised tribunals for the foreseeable future. Against this background, and if the UPC eventually proves successful despite the long delay between the adoption of the ‘unitary patent package’ in 2012/2013 and its entry into operation, the Member States and perhaps some EU institutions might be tempted to replicate this judicial model in other areas.²⁷ This provides one more reason to watch closely how the UPC operates and how its relationship with the CJEU unfolds.

27. See Jacopo Alberti, [‘New Developments in the EU System of Judicial Protection: The Creation of the Unified Patent Court and its Future Relations with the CJEU’](#), 1 *Maastricht Journal of European and Comparative Law* 24, 2017, pp. 6-24.



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