
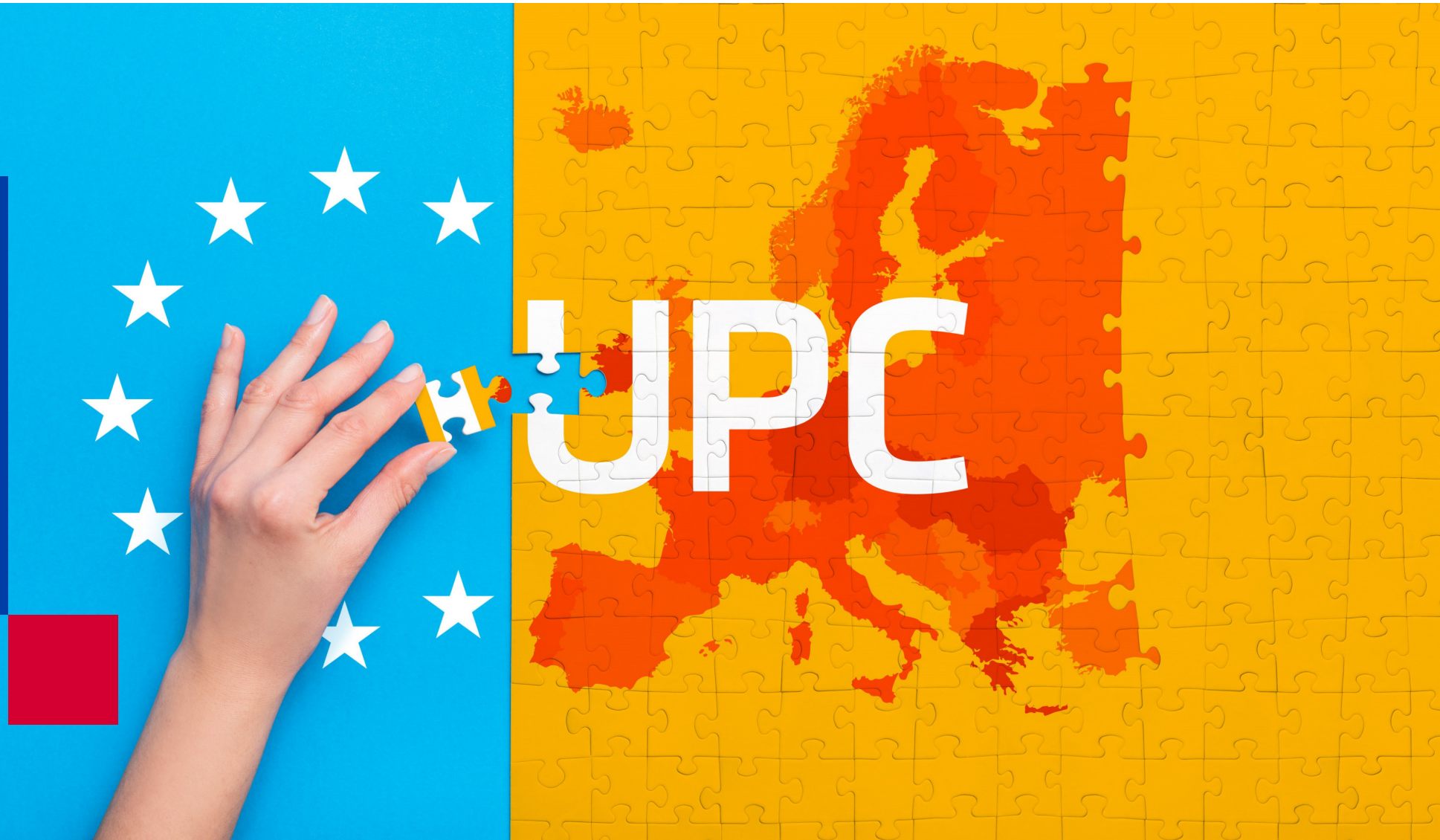


MB and the UPC

 Einheitliches
Patentgericht
Unified Patent Court
Jurisdiction unifiée
du brevet

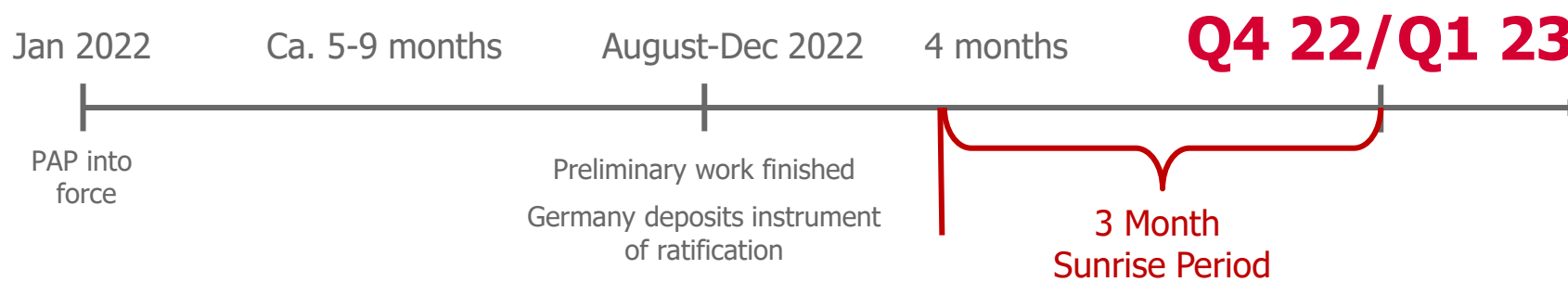


The UPC is really coming!

FINALLY, we have a timeline

Jan 19, 2022:

- Start of the "Protocol on Provisional Application of the UPC Agreement" (PAP)
- The Unified Patent Court now exists as an International Body
- Preparation work begins in earnest...



Unitary Patent

Current: European Patent & Litigation

- Centralized Prosecution for 38 member states of EPC
- Decentralized Enforcement and Invalidation



**Bundle of
National Patents
after Grant**

The European Patent with Unitary Effect (UP)

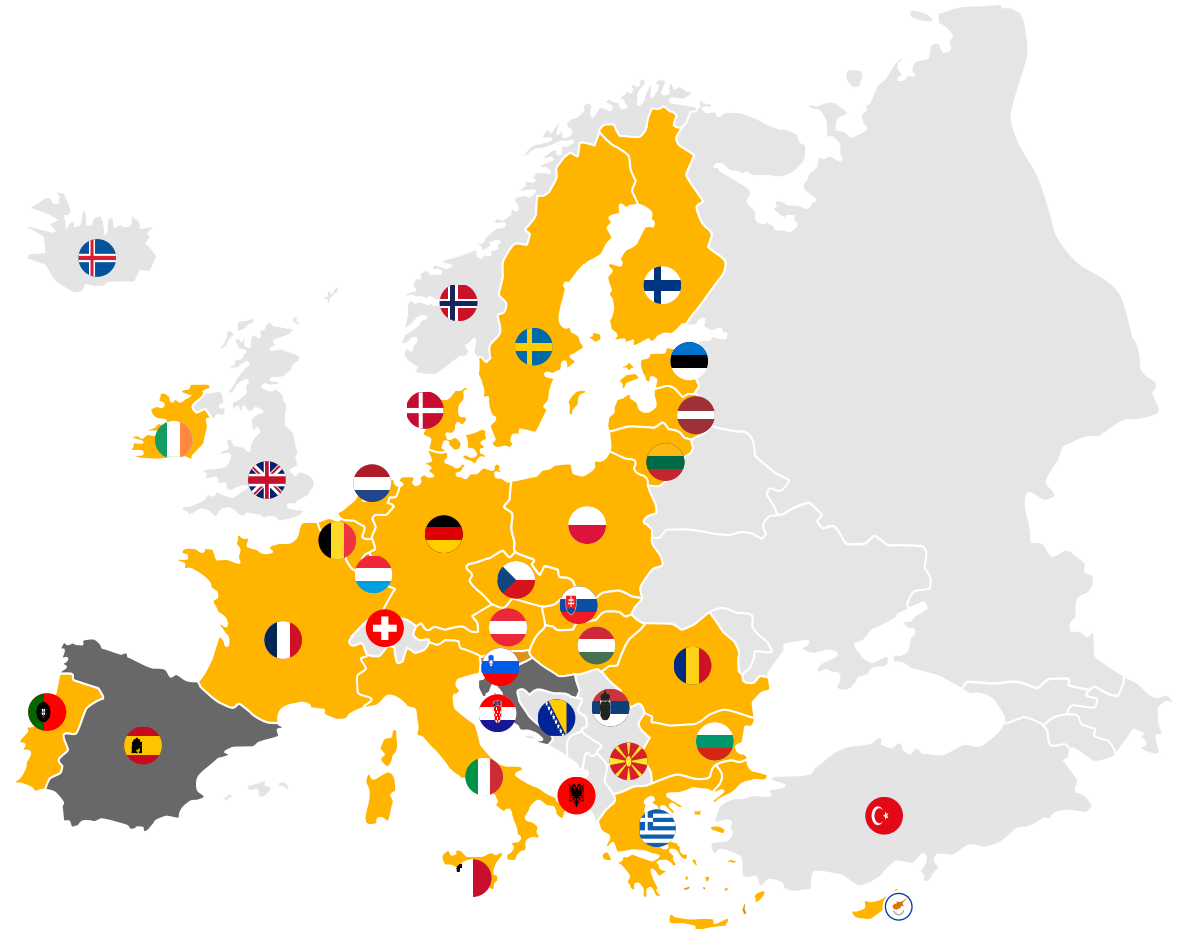
The UP may eventually be valid in:

Participating EU member states shown **yellow**.

EU member states not in the UP System shown in **dark grey**.

Non EU territory part of the EPC shown in **light grey**.

The UP is a **SINGLE PATENT RIGHT** granting “unitary” protection across most EU countries



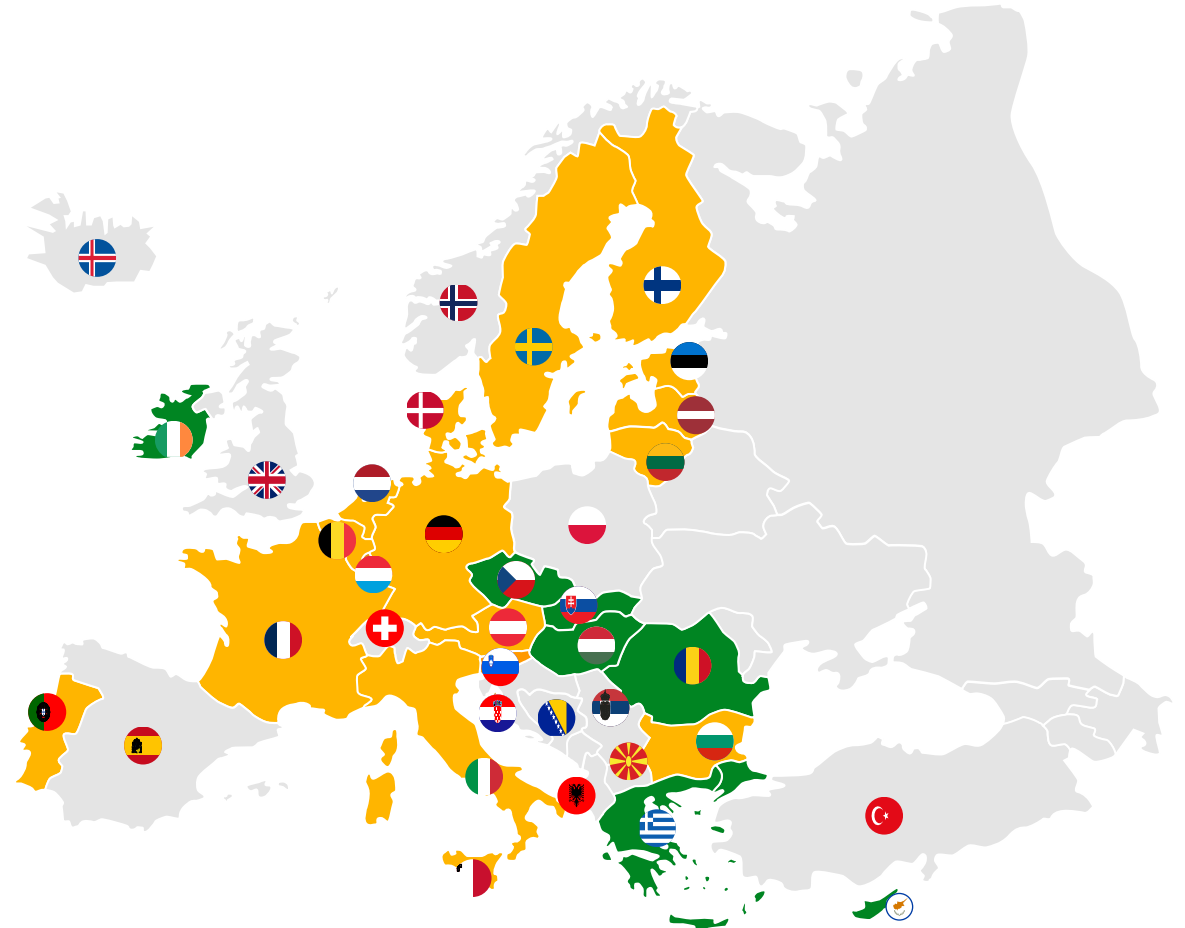
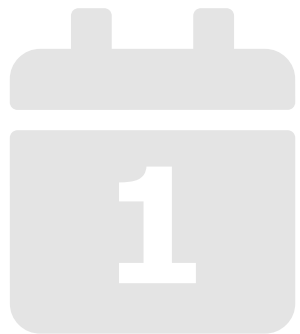
Who is involved – Day 1, as of TODAY


On day 1 the UP and UPC will “go live” in:

17 EU member states at the start

 Expected to trigger Jun – Oct '22

7 signatory states likely to join later





What is the impact of a Unitary Patent?

... we think, quite a **BIG IMPACT!**

What is the impact of a Unitary Patent?

Region	GDP (2020)	Population
USA	\$20,94 trillion	331 million
EU	\$17,08 trillion	447 million
Unitary Patent	\$15,83 trillion	400 million
China	\$14,72 trillion	1,43 billion
Japan	\$5,01 trillion	127 million
Germany	\$3,82 trillion	84 million
France	\$2,60 trillion	65 million
Italy	\$1,88 trillion	60,5 million
Netherlands	\$910 billion	17 million
UK	\$2,60 trillion	68 million

Successful Examination at the EPO



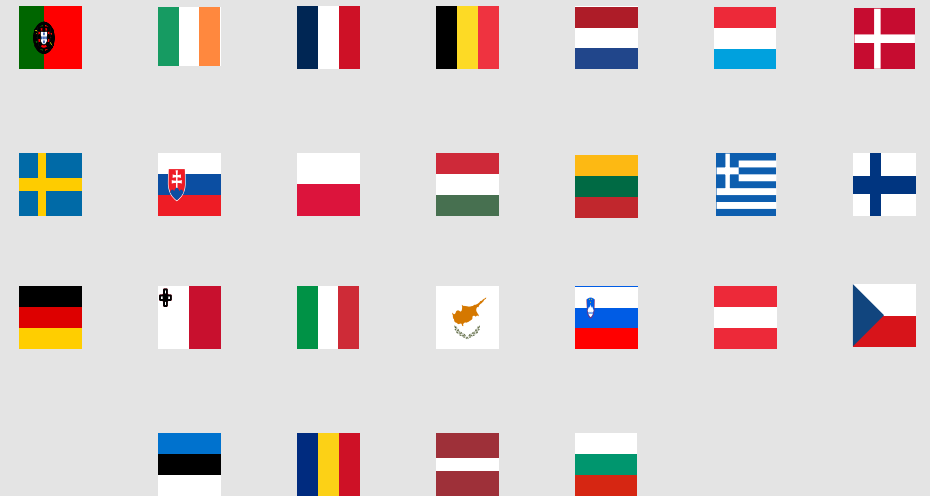
Traditional European Patent

Request for UP, 1 month after Publication of Grant

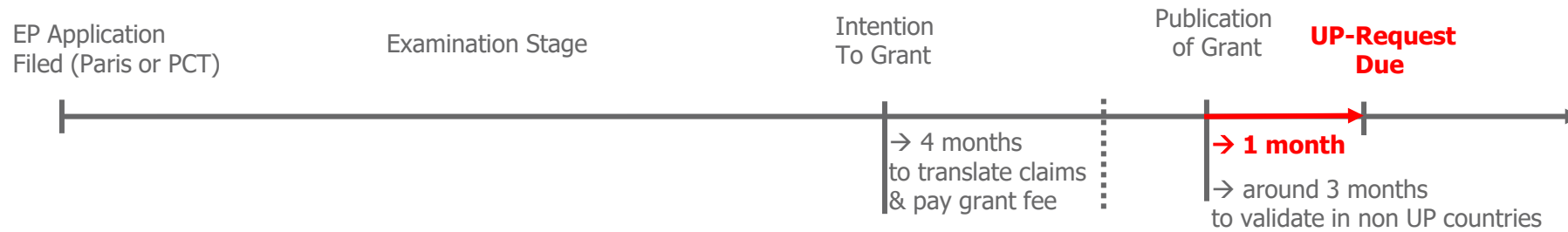


Unitary Patent

(Unitary Effect in 25 of 27 EU Member States)



How to obtain a Unitary Patent



- **UP validation has one due date for all UP member states (1 month from publication of grant)**
- **Other EPC member states (e.g. UK, CH, ES) need to be validated individually (i.e. no change).**
- **Validation will be a mixture of old system and UP.**

Translation Required

- Until machine translations are to a suitable standard, human translations of the specification are required together with the UP request.
- Within the 1M deadline for requesting a Unitary Patent, French or German Specifications need to be translated into English.



or

- If the granted EP patent was written in English, a translation into any of the official languages of the member states is required. (human translation)
- Opportunity to make use of translations the client has prepared already – Portuguese (BR prosecution?)



Obtaining a Unitary Patent is easy and cost effective

- Choice is made AFTER successful prosecution at the EPO: **nothing to do before**
- “Validation” is simple (only one translation required)
- **No additional fee** for UP is payable
- Annuities are often more cost effective than individual validations

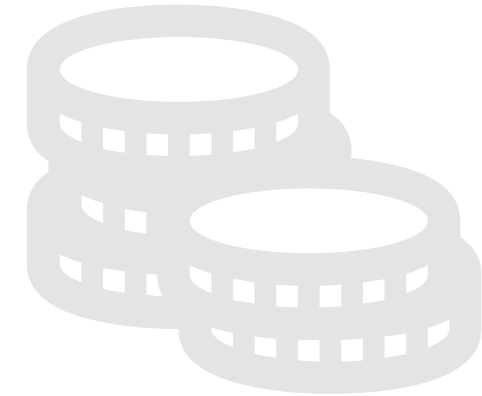
Once DE Deposits Ratification

(ca. Jun - Oct 22)

- EPO will allow Applicants to delay the “grant” of European patents so that a UP can be obtained
- EPO will accept early requests for UP protection

Unitary Patent Annuities

2 nd year	€35	11 th year	€1,460
3 rd year	€105	12 th year	€1,775
4 th year	€145	13 th year	€2,105
5 th year	€315	14 th year	€2,455
6 th year	€475	15 th year	€2,830
7 th year	€630	16 th year	€3,240
8 th year	€815	17 th year	€3,640
9 th year	€990	18 th year	€4,055
10 th year	€1,175	19 th year	€4,455
		20 th year	€4,855

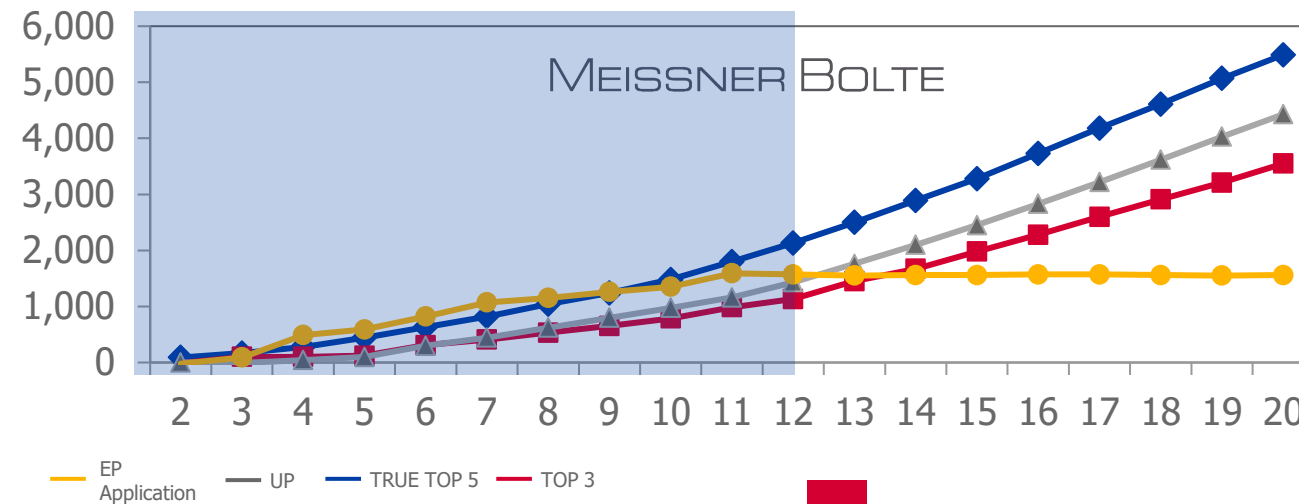


The annuities are based on the costs of the annuities in four member states

Comparison of Renewal Costs – UP vs. Individual Validation

Cost Considerations:

EP Application Annuities compared to validation in **TOP 3 (DE, [GB], FR)**, UP and **TOP 5 (DE, [GB], FR, NL, SE)**
UP = true TOP 4



Tip: use our online comparison tool at:
[Meissner-Bolte: Unified Patent Cost Comparison \(meissnerbolte.com\)](http://Meissner-Bolte: Unified Patent Cost Comparison (meissnerbolte.com))

Renewal cost saving likely already when three UP countries are required (e.g. DE, FR, NL)



Unified Patent Court





Hoffman

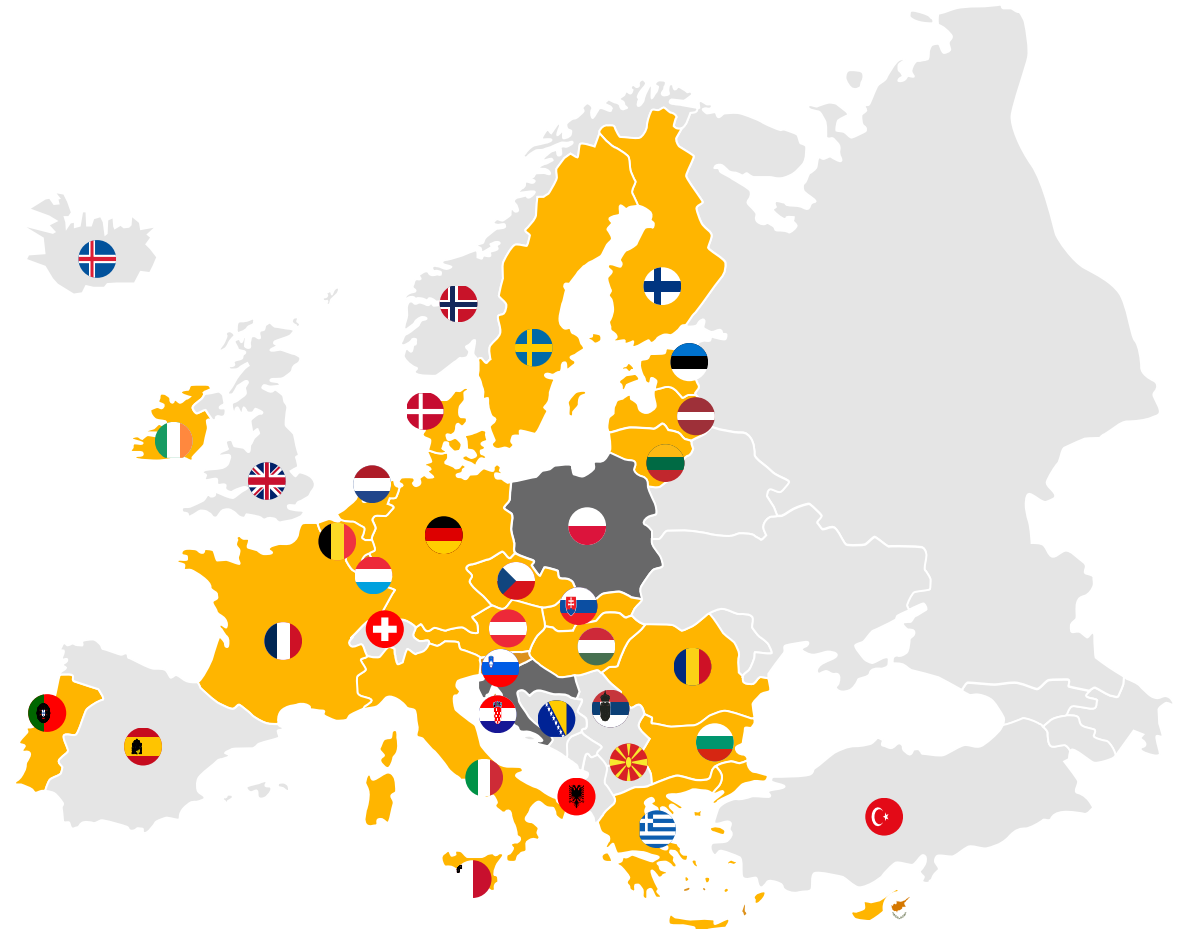
—● professionalism center

“One court” across many lands but ONE DECISION

Remedies are available across the whole UPC jurisdiction with a **single enforcement action**:

- Permanent injunctions
- **Preliminary injunctions independent of main proceedings**
- Evidence Inspection orders
- Recall and destruction of infringing products, rendering information and account of profits
- Award of damages
- Declaratory Judgement of Non-Infringement
- Revocation of patent

The single action will provide an enforceable decision across the valid UPC states at the time the action began



Eventually 23 EU member states will be part of UPC

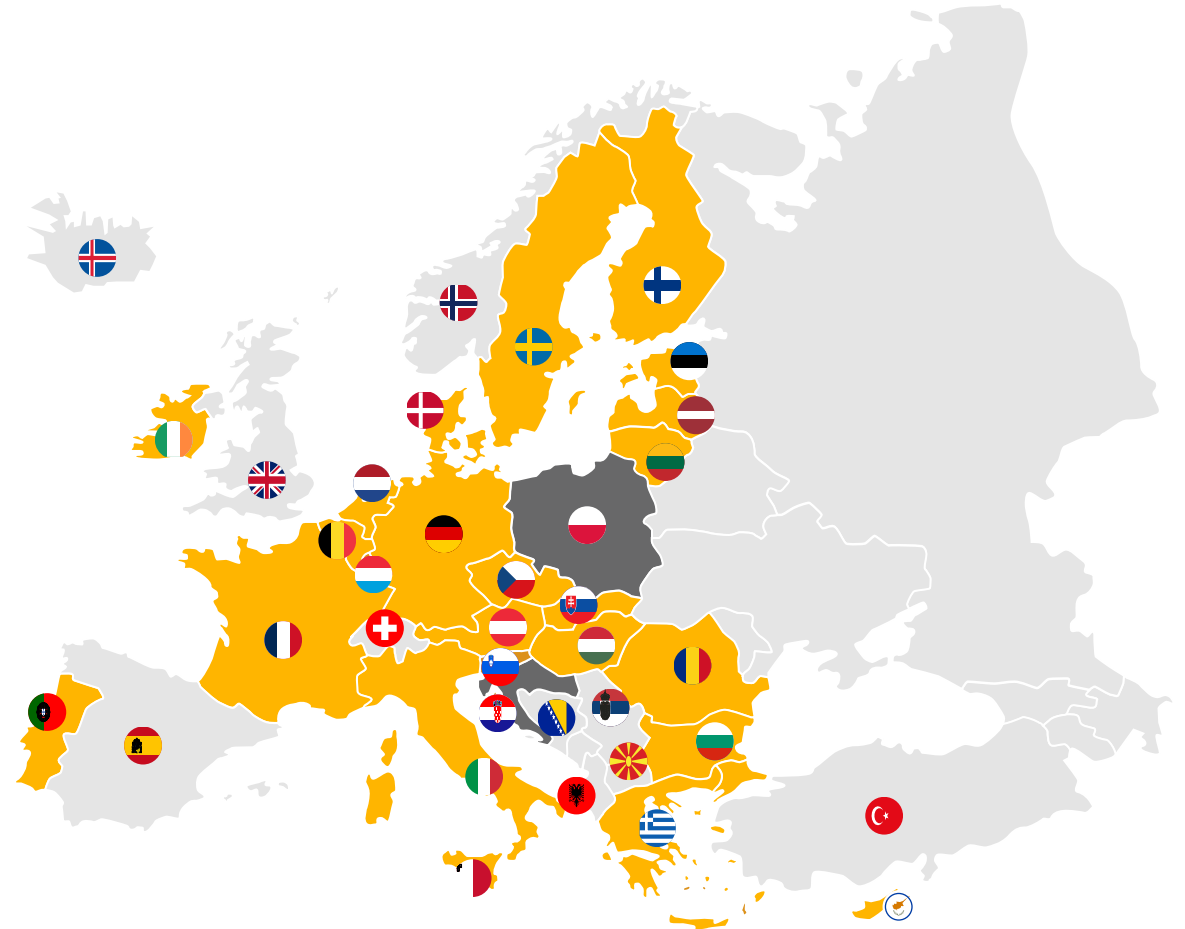
The Unified Patent Court (UPC)

The UPC may eventually have jurisdiction in:

Participating EU member states shown **yellow**.

UP member states not in the UP System shown in **dark grey**.

Single court delivering a “unified” decision:
Binding in all countries where protection is held



Court of First Instance

Central Division



Local/Regional Divisions

Experienced Patent Judges taken from the UPC member states...

4 Local Divisions in DE:

Munich, Düsseldorf, Mannheim, Hamburg;
each with 2 DE judges & ENGLISH offered

This is where all the MAGIC happens!

Court of Appeal (Luxembourg)

Every Claim at Central Division?



**NO! NOT
NECESSARILY!!!**



Infringement Action:

The choice as to which Local Divisions of the UPC will be responsible for hearing the action will be established by:

- Territory of actual or threatened infringement
- Residence of Defendant
- If the Defendant has no Residence in the EU, then the central division for the respective subject matter may be chosen

It is thus clear that in only certain cases will it be possible to have an Infringement Action heard at the Central Division – the patentee chooses this.

Standalone Revocation Claims & Declarations of Non-Infringement:

Such cases will be brought before the Central Division.

Forum Shopping?

- The **Plaintiff** will be able to choose to bring an infringement action before either a competent Local Division or before the Central Division only if the Defendant is domiciled **outside** of the EU.
- If a revocation action is already pending before the Central Division, the patent holder has the possibility of bringing an infringement action to the Central Division.
- There is no possibility for a Defendant to request a transfer of an infringement action from a Local Division to the Central Division if the Defendant is domiciled within the EU.

Forum Shopping?

Action	Local Division	Central Division
Infringement	Default Art 33 (1)	Alternative , Art 33 (1)
Non-Infringement Suite	Alternative , Art 33 (4)	Default , Art 33 (4)
Invalidity/Revocation	Alternative , Art 33 (4)	Default , Art 33 (4)
Nichtigkeitswiderklage	Default , Art 33 (3) (a)	Alternative , Art 33 (3) (b)

Court Structure

Court of Appeal

Language of First Instance

Language of Patent, if Parties agree



Local Divisions

Infringement | Counter-claim for revocation

Language of MS or **English** | Language of Patent, if Parties agree



Central Division

Revocation action | DJ Non-Infringement

Cases transferred from LD (except.)

Language of Patent



Will the UPC be the EPO+?

Local Divisions



Judges selected from experienced Judges from all member states – NOT from EPO Examiners or EPO BoA Members

This will be a:

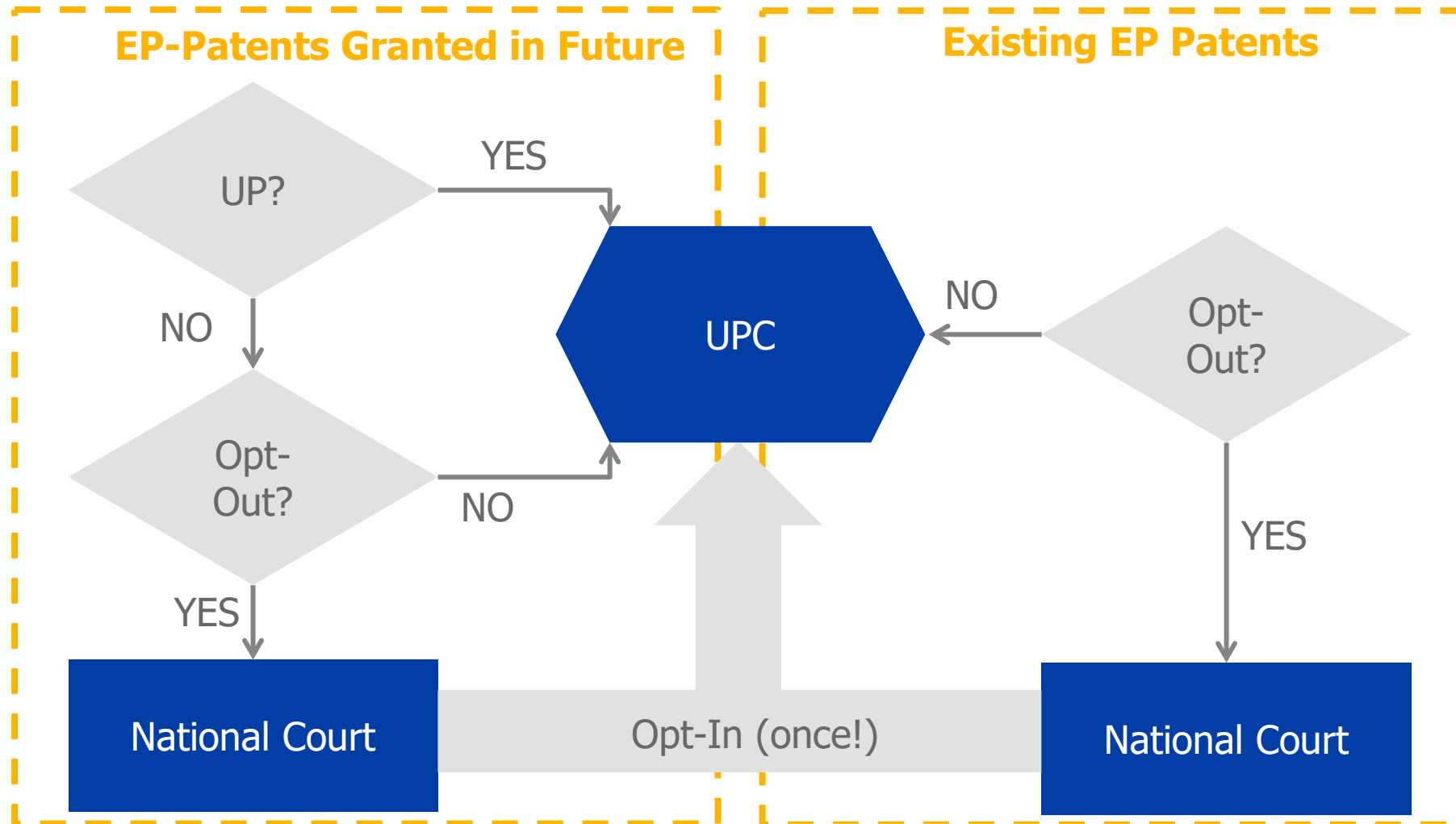
- Fully separate institution
- Not tightly bound by the EPC (especially for litigation), and
- Will be a “full litigation court”

This is not a patent office procedure...

Anyone who thinks that proceedings will be a bit like the EPO Opposition/Appeal...

...is in for a rude awakening

III. Opt-Out / Opt-In



Costs of procedures

Combined fee calculation which takes into account the “value of action”

Most cases will be around the €4M to €10M range, meaning very reasonable fees:

€36 k to €77 k – Comparable/cheaper than similar USPTO actions?!

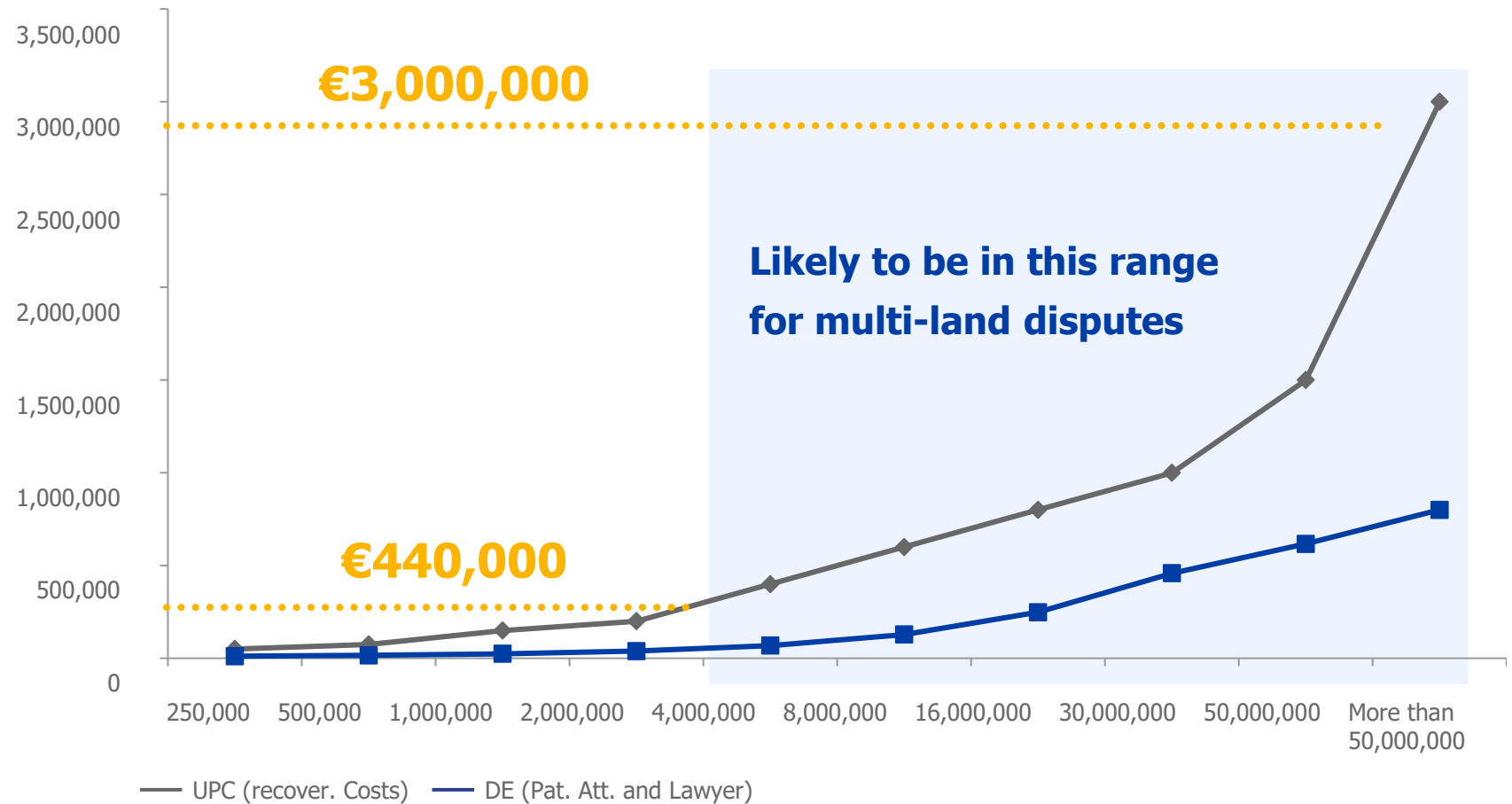
Procedures/actions	Fixed fee
Infringement action [R. 15]	€11,000
Counterclaim for infringement [R. 53]	€11,000
Action for declaration of non-infringement [R. 68]	€11,000
Action for compensation for license of right [R. 80.3]	€11,000
Application to determine damages [R. 132]	€3,000

Value of action	Additional value-based fee
Up to and including €500,000	€0
Up to and including €750,000	€2,500
Up to and including €1,000,000	€4,000
Up to and including €1,500,000	€8,000
Up to and including €2,000,000	€13,000
Up to and including €3,000,000	€20,000
Up to and including €4,000,000	€26,000
Up to and including €5,000,000	€32,000
Up to and including €6,000,000	€39,000
Up to and including €7,000,000	€45,000
Up to and including €8,000,000	€52,000
Up to and including €9,000,000	€58,000
Up to and including €10,000,000	€65,000
Up to and including €15,000,000	€75,000
Up to and including €20,000,000	€100,000
Up to and including €25,000,000	€125,000
Up to and including €30,000,000	€150,000
Up to and including €50,000,000	€250,000
More than €50,000,000	€325,000

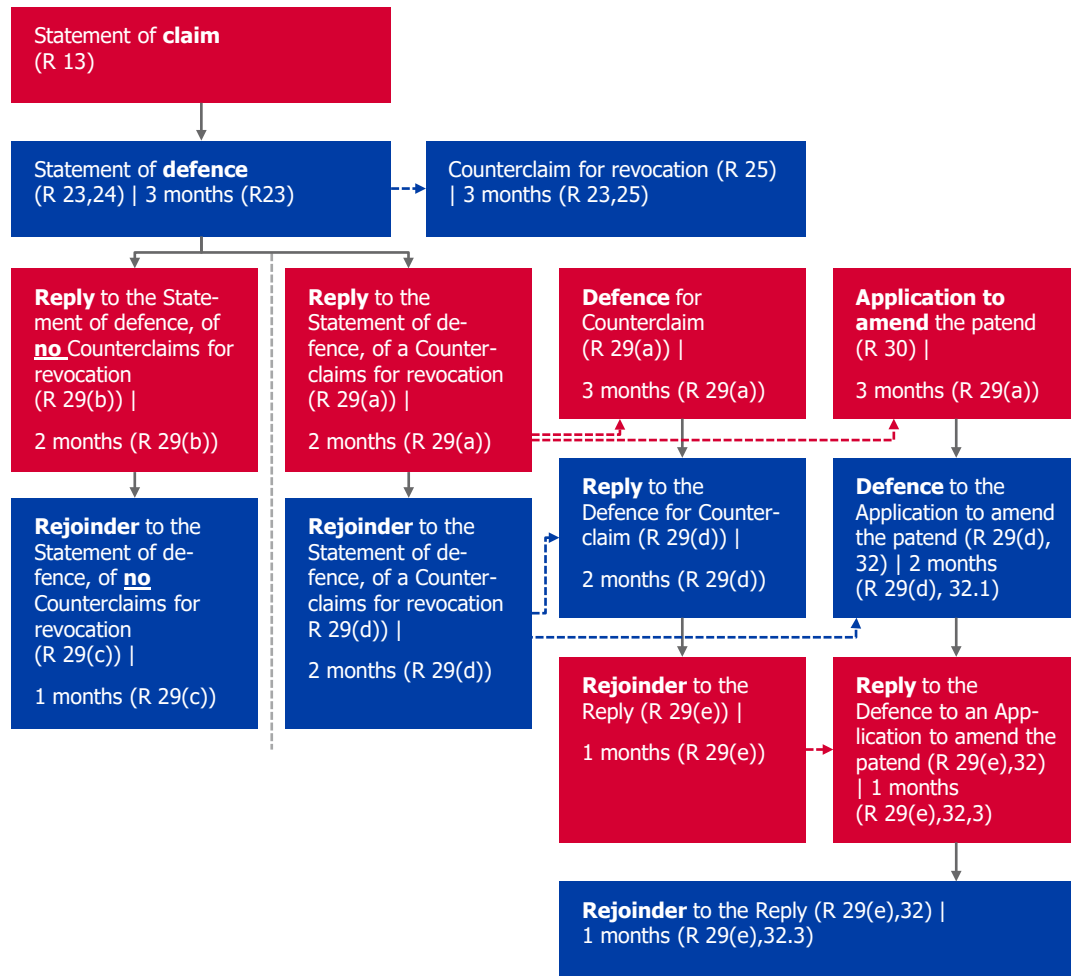


Refund of Costs DE vs UPC

Winning party can claim costs, again based on the "Value of action"



...blink and you'll miss it



Source: UPC Website

- Front Loaded Proceedings:
 - Complete case at filing
- Written based proceedings
- Short oral proceedings at conclusion
- No US-style discovery, but:
 - Inspection orders
 - Production of document orders
 - Protective orders – confidential info
- 3 months to find prior art and file nullity counterclaim
- Online filing using dedicated software

AIM:
Conclude 1st instance within ONE YEAR!



...blink and you'll miss it – Stages of proceedings: Written; Interim; Hearing

Written Procedure: **Around 6 months in duration**

- Objection on competence, language 1 month after filing
- Answer & counterclaim for nullity 3 months after filing
- Reply & Answer to counterclaim 2 months after counterclaim

Interim Procedure: **Around 3 months in duration**

- Case Management Hearing with Reporting Judge
- Agreement on further deadlines for additional briefs

Oral Hearing: **Usually 1 day long**

- May be longer if witnesses/experts are heard



Timescales and structure of case (high written focus) comparable with those in Germany

Validity Standard – some EPO hangovers?

With questions of **VALIDITY**, the standard which is applied is given in Art 138/139EPC:

Article 138(1) EPC: Subject to **Article 139**, a European patent may be revoked with effect for a Contracting State only on the grounds that:

- a) the subject-matter of the European patent is not patentable under **Articles 52-57**;
- b) the European patent does not disclose the invention in a manner sufficiently clear and complete for it to be carried out by a person skilled in the art;
- c) the subject-matter of the European patent extends beyond the content of the application as filed or, if the patent was granted on a divisional application or on a new application filed under **Article 61**, beyond the content of the earlier application as filed;
- d) the protection conferred by the European patent has been extended; or
- e) the proprietor of the European patent is not entitled under **Article 60(1)**.

Unclear at present how the (non-EPO) judges will develop case law on this – especially c)

The German Local Division

Local Divisions – GERMANY



In the German Local Divisions, there will be TWO German judges sitting and ONE non-German Judge, applying the law of the UPC

The German Judges will be the best of the best

ENGLISH is accepted – this has already been confirmed

Over 70% of all patent litigation in the EU occurs in Germany:

- Robust, reliable and well-understood/predictable system
- Patentee friendly
- Significant similarities in case preparation and presentation
- UPC procedures closely based on National German Litigation
- No lengthy discovery
- No lengthy trial – this is a paper-based system



How similar is the UPC to German Litigation?

	UPC	DE
Front loaded case filing (complete, non-speculative first filing)	✓	✓
Fact Based, not advocacy	✓	✓
Paper-based procedure	✓	✓
Expert witnesses for evidence	✓	✓
No discovery	✓	✓
Short deadlines	✓	✓
Limited Scope for Oral Argument	✓	✓
Possibility of bifurcation	Limited	✓
Value in dispute to calculate related fees/costs	✓	✓

Welcome to a German Litigation Process!

Who can act... Who SHOULD act?!

Local Divisions – GERMANY



Representatives:

- EPO Representative with additional litigation certificate
- (IP Litigation) Lawyers admitted to practice in **participating member state**

The UPC has close to 400 RoP which are all interrelated, meaning perhaps 1,000 linked Rules...



Cases will be legally and technically intense. BOTH an experienced patent litigator AND a technical expert: EPO representative with experience of litigation, required.

Welcome to a Unified (German) Litigation Process!



...looks like the party WILL continue in Munich!

With respect to infringement/validity opinions on UPC matters...



...the German focus may prove decisive

UPC vs National vs Hybrid

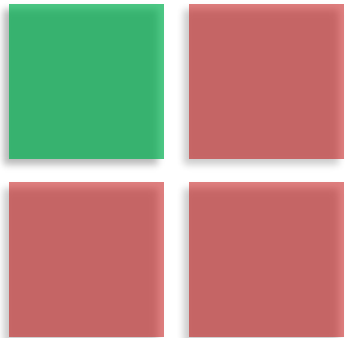


...a few considerations from us

Source: <https://www.zenatek.com/Home/Strategy?lang=en-EN>

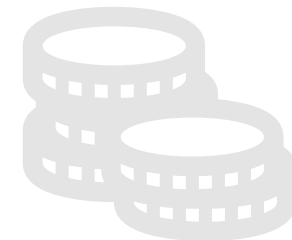
Benefit vs Risks...

The single action will provide an enforceable decision across the valid UPC states at the time the action began



- The “one court decides all” may not even be just a double-edged sword...
- For successful enforcement the Patent must be held valid and infringed
 - ✓ Valid AND infringed: **positive result across the whole jurisdiction**
 - x NOT Valid BUT infringed: the case is revoked **across the whole jurisdiction**
 - x Valid NOT infringement: no infringement **across the whole jurisdiction**
 - x NOT valid and NOT infringed **across the whole jurisdiction**

Then again, the overall costs involved may be a driver of settlements



Focus on Opt Out

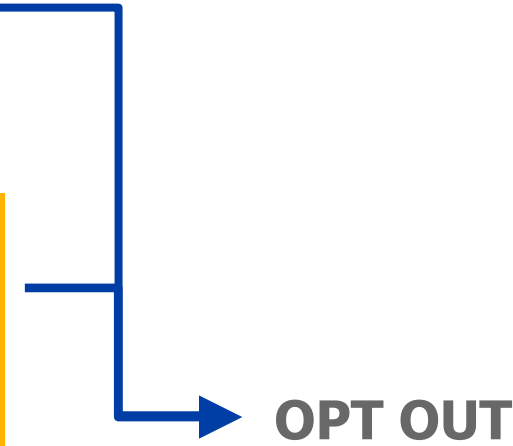


Unitary Patent

(Unitary Effect in 25 of 27 EU Member States)

A horizontal row of 25 small national flags representing EU member states that have opted into the Unitary Patent system.

Traditional European Patent



A horizontal line with a downward-pointing chevron arrow from the Unitary Patent box and another from the Traditional European Patent box. Below this line is a large light blue rectangular area. Inside this area, on the right side, is a smaller dark blue box containing the text for the Unified Patent Court.

Einheitliches Patentgericht
Unified Patent Court
Jurisdiction unifiée du brevet

A horizontal line with a downward-pointing chevron arrow from the 'OPT OUT' text. Below this line is a grey rectangular box containing the text for National Courts for Litigation.

National Courts for Litigation



Focus on Opt Out I

- It is possible to avoid the UPC jurisdiction on EP-BUNDLE patents; all UP automatically fall under the UPC
- Pending EP applications and granted EP cases can be “opted-out” of the UPC jurisdiction
- Will be possible to “opt-in” to the UPC system at any time, but only once
- Opt-in and opt-out are barred if there is a pending action at the “other court”
 - No opt-out if there is a pending UPC action
 - No opt-in if there is a pending action at a court of a UPC state
- To ensure that all cases are on the correct side of the UPC, there will be a “sunrise period” of three months before the start of the UPC to allow for requests from applicants and patentees to opt out



The Opt-out is governed by Rules 5 & 8 UPCA

Opt-out and opt-in will be possible via a special portal, the request must provide:

- Details of applicant/patentee
- Details of representative
- Application/patent number
- Declaration that applicant/patentee is entitled to be registered in the national patent register

The Registrar will enter the application in the registry, **this date of entry is the date of opt-out**

No checks as to the validity of the request are made and no confirmation will be sent to the applicant/patentee or representative, **we must check the register for confirmation ourselves**

It is, theoretically, possible for anyone to opt-out any case... whether validly or not. We can, therefore, consider checking the register to see if this occurs!

Validity of opt-out requests will be discussed (no doubt at length) in the opening rounds of a court action

National Patent Registers

- If the national patent register has not been updated, it will be necessary to declare that the requestor is entitled
 - Rebuttable presumption that the person in the national or European patent register is the person entitled to be registered
- This means that we need to have all of the paperwork for transfers of ownership and must check that it is accurate
- Validity of the requests will NOT be checked by the Registrar

Validity of requests will be discussed (no doubt at length) in the opening rounds of a court action

Probably easiest to update the national registers now, and not wait!

UPC vs National vs Hybrid



Source: <https://www.zenatek.com/Home/Strategy?lang=en-EN>



Options for strong (narrow) and/or litigation relevant **high commercial value** cases:

- File EP case AND take a National German filing (delay examination request)
- Post EPO: Take the Unitary Patent – this brings access to the EU-wide decisions
- Bring UPC actions in Germany – likely to have the most predictable outcome, also patentee friendly?
- File an EP divisional application, this can be prosecuted along the same lines for a bundle case
- Always validate in GB, this is not in the UPC
- Branch-off German Utility Models (esp if no pending DE case) with the granted UP claims (or broader), no bar to “double patenting”
 - The translation for the Utility Model can be used for the Unitary Patent

Options for weaker and/or **lower commercial value** cases:



Offensive Relevant:

- Take the UP – this brings access to the EU-wide solutions SHOULD it be relevant
 - Think EU-wide licences & settlements using threat of UPC litigation?
- Cheaper annuities and central, so lower administration
- The single shot “killer” is not such a concern

Defensive Relevant:

- Take the bundle as this is harder to knock-out EU wide



Decisions for the future!

CommScope would likely benefit from a UPC policy!

- We believe that there is no “one size fits all” approach
- Decisions will need to include commercial aspects and fit with current filing and enforcement policy and strategy
 - Offensive or defensive
 - Wait & see vs. case law trailblazer
 - Licence and solution focussed vs. litigation
- Questions for the portfolio will focus on both the legal AND commercial aspects

Once internal CommScope commercial policy is aligned, we would be delighted to provide input on the legal side to help develop a question tree which can be applied to give firm guidance on how to proceed now and in the future!

Munich – the reaffirmed capital of European Patenting

EPO
GPTO

C

L



Thank you
for your
Attention!

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