

D YOUNG & CO PATENT NEWSLETTER *no.101*

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Webinar invitation: Lexology masterclass
"The UPC One Year On - Where Are We Now?"

The Unified Patent
Court one year on
UPC special edition
patent newsletter



UPC



As reported across the profession this week marks the one year anniversary of the start of the Unified Patent Court; a court that has been in the making for years and which is now fully functioning. This newsletter focuses on various aspects of the court including our analysis of the last 12 months, statistics and expectations for the future. We are watching developments closely and will keep you informed. With 66 fully qualified European patent attorneys, of whom 59 are registered representatives before the UPC, we expect our UPC caseload to expand this year. Finally, we are delighted to once again be ranked top tier by IAM Patent 1000, a prestigious accolade for our talented attorneys. We hope you find the newsletter informative.

Anthony Albutt, Editor

Events



The UPC 1 year on: where are we now?
[Lexology masterclass](#), [webinar on demand](#)
 Anthony Albutt, Rachel Bateman and Lawrence King provide an insightful mix of court statistics, case commentary and practical considerations from key decisions of the UPC's first year, as well as anticipated developments for year two. Register at dycip.com/upc-1year-lexology

IPO European Committee Conference
London, UK, 20 June 2024

Catherine Keetch and Sophie Slater will be attending this conference.

European Biotech Patent Case Law
Webinar, 9am, 12pm & 5pm, 25 June 2024

Simon O'Brien and Nathaniel Wand present our latest webinar update of new and important EPO biotechnology patent case law.

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UPC / EPO / revocation

UPC revocation v EPO opposition

Differences, similarities and revocation strategies

It has now been a year since the UPC opened its doors and there have already been 185 revocation actions filed with the new court. While not on a par with the roughly 3,000 oppositions filed annually with the European Patent Office (EPO), the numbers filed at the UPC indicate it is proving popular.

In this article we explore some of the differences and similarities between the two options for central revocation, and outline some of the factors to consider when deciding on a revocation strategy.

An important note is that it is not a case of "one or the other"; it is possible to have parallel opposition and revocation proceedings before the EPO and UPC on the same patent. Indeed, there are currently ten UPC revocation actions that have pending parallel oppositions before the EPO. Some of these cases have different opposing parties before the EPO and UPC. Nevertheless, there may be some benefit to the same party filing both if, for example, new prior art or evidence of prior use has been found after the nine-month opposition period at the EPO has expired. A UPC revocation action provides an opportunity to have such prior art considered without any questions regarding its admissibility.

D Young & Co is well placed to advise on how to handle parallel proceedings as we are the representative on a number of oppositions for which there are ongoing UPC revocation actions.

Timings

Perhaps the most striking advantage of the UPC from a revocation perspective is the possibility of centrally attacking a European patent at any time after grant. There is no deadline for filing any revocation action. This contrasts with the strict deadline of nine months after grant for filing any opposition before the EPO. The UPC may therefore benefit third parties that have only become interested in a patent after the opposition

period has expired as it provides a cheaper and more efficient alternative to seeking revocation actions in each separate country in which revocation is desired, which was the only option prior to the launch of the UPC. The lack of deadline for launching a UPC revocation action also gives competitors the opportunity to have a second chance to challenge if an opposition has not returned the results desired.

Territorial scope

The UPC does not have jurisdiction in all EPO member states and a successful revocation action will be effective only in UPC-contracting states. In contrast, if a patent is revoked or limited during EPO opposition proceedings the decision will be effective in all European Patent Convention (EPC) states. Therefore, if the patent is of concern in non-participating states such as the UK, an EPO opposition may be the more effective option. At the time of writing, the following countries are not within the jurisdiction of the UPC: Cyprus, Czech Republic, Greece, Hungary, Ireland, Romania, Slovakia (EU member states not yet ratified); Spain, Poland and Croatia (EU member states not participating); Albania, Iceland, Liechtenstein, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland, Turkey, and the UK (not EU member states). Romania deposited its instrument of ratification on 31 May 2024, and will become the 18th member state of the UPC on 01 September 2024.

Cost

EPO oppositions are generally much cheaper than UPC revocation actions. The official fee required by the EPO for an opposition is €880, while the UPC requires a fee of €20,000 to initiate a revocation action. However, unlike the EPO where parties bear their own costs unless in exceptional circumstances, the general rule at the UPC is that costs will be awarded to the winning party up to a reasonable limit. Therefore, despite the high official fees, a UPC revocation is an attractive option where there is a high chance of success because it may be possible to recover at least some cost.

Duration

If it is important to have the matter resolved quickly then a UPC revocation action may

Case details at a glance

Decision level: Munich central division
Case: UPC_CFI_252/2023
Order/decision: ORD_574057/2023
Parties: President and Fellows of Harvard College v Nanostring Technologies Europe Limited
Date: 30 October 2023
Decision: dycip.com/harvard-nanostring

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Inventive step at the UPC: 12-months in, what do we know so far? 06 June 2024, page 08 of this newsletter or on our website: dycip.com/upc-1year-inventive-step

UPC v EPO: A comparison of claim construction approaches, 06 June 2024, page 10 of this newsletter or on our website: dycip.com/upc-epo-claim-construction

Revocation at the UPC: can UPC revocation actions be filed using a strawman? 02 June 2023: dycip.com/upc-revocation-strawman

There are early indicators that the UPC & EPO will converge on some procedural aspects



this newsletter). These early decisions from the UPC suggest that it may take a more holistic approach, more akin to the approach of some national courts. Additionally, there is speculation that the UPC may take a less strict approach to added subject matter than the EPO, especially if the trend of using the description to interpret the claims is continued. Therefore, our suggestion, at least at this early stage, is that an EPO opposition may be the most productive route if the strongest attack is one of added subject matter. We are of course closely monitoring the decisions that come out of the UPC and will be able to advise on strategies depending on facts of the case.

Anonymity

It is possible to file an EPO opposition anonymously by filing the name of a strawman. As yet, it is unclear to what extent this may be possible before the UPC. A UPC revocation action must be filed by a party concerned by the patent, and so it may not be possible to file it anonymously. As such, if it is important that the opposing party should not be notified of the opposing party's interest in the patent, an EPO opposition is recommended as it allows for anonymity to be retained.

Converging approaches on procedural aspects from the EPO and UPC

As noted, it is too early to comment on whether the EPO and UPC will be similar in how they decide on substantive matters. However, we have seen early indicators that the UPC will handle some procedural aspects in a similar way to current EPO practice. For example, while there was some concern about whether it would be possible to amend one's case in UPC proceedings (such as, to file further auxiliary requests or additional documents after the initial claim or reply), in *President and Fellows of Harvard College v Nanostring Technologies Europe Limited (UPC_CFI_252/2023)* the Munich central division adopted a similar approach to the EPO in allowing late-filed auxiliary requests and documents into the proceedings. Indeed, the division noted that it saw no legal basis for categorically ruling out the submission of further auxiliary requests.

Author:

Sophie Slater & Claire Webster



be the preferred route. The UPC aims to provide a decision within twelve months of the revocation action being filed. While EPO oppositions are faster than they once were, the opposition proceedings cannot begin until at least nine months has elapsed from grant, and the proceedings generally take between 18-24 months from filing the opposition. That said, EPO oppositions can be accelerated if there is a parallel UPC revocation action (even if the claimant in the revocation action is not the opponent in EPO proceedings), and conversely a UPC action may be stayed where a rapid decision is expected from EPO. However, the only two requests for a stay filed to date have been rejected on the basis that an EPO hearing taking place in just three months does not constitute a rapid decision. It therefore seems as though such stays may be rare.

Grounds

The grounds for an EPO opposition are lack of novelty and/or inventive step, insufficiency of disclosure, lack of patentable subject-

matter, and added subject-matter. The UPC Agreement includes these grounds for revocation, but also includes lack of entitlement, broadening of scope post-grant, and lack of validity over a national prior right (for example, a French-only patent). National prior rights are not prior art in EPO opposition proceedings. Therefore, if there is a relevant national prior right, a UPC revocation action would provide a significant advantage of allowing revocation across all UPC states based on this document.

Substantive decisions

No final decisions have yet been issued in any revocation actions before the UPC, so there is currently some uncertainty about whether the UPC will follow EPO case law or whether we may see deviations from EPO decisions. Early indicators suggest that there may be some differences in outcomes, for example, the UPC has deviated from EPO approach with regard to claim interpretation and inventive step (see pages 08 & 10 of

The unitary patent and opt-out statistics

One year in

We have previously explored uptake of both the unitary patent (UP) and the opt-out in articles published three months and six months respectively after the UPC agreement came into force. This article looks at how the picture has changed now the twelve month threshold has passed.

Technical field of UPs

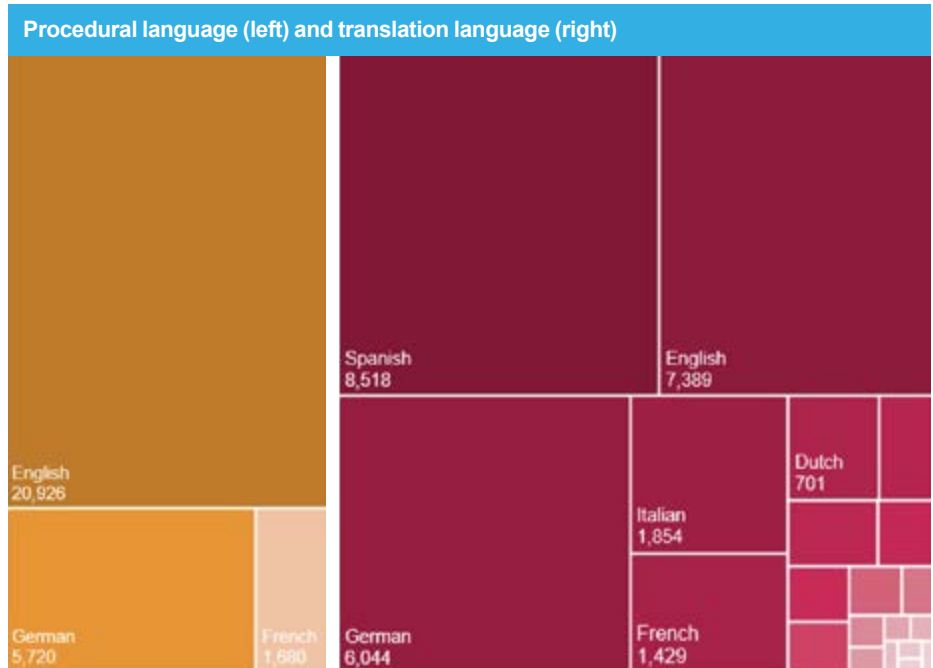
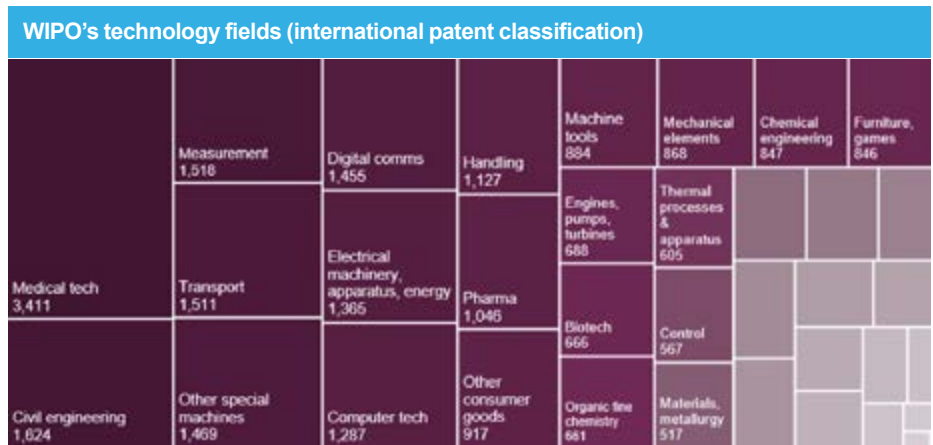
The graphic (right) illustrates the proportion of UPs obtained so far for each of the 35 technology fields defined by the World Intellectual Property Organization (WIPO). The relative share of UPs obtained by technical field remains fairly well distributed, with no technology fields seeing their share fall or rise particularly sharply.

It still appears that some of the more contentious technology areas or those in which patents have a higher individual value, such as chemistry, pharmaceuticals or biotechnology, have a relatively lower UP uptake rate than patents in the mechanical or electronic fields. This can likely be explained by the fact that, although a greater cost effectiveness could potentially be achieved through the UP compared to validating individually in the traditional manner, the risk of central revocation at the UPC is too high. Many patentees in these fields would therefore appear to be more willing to spend a little more money to obtain patent protection across a broad selection of states while opting their patents out of the UPC.

Language choice for patent translation

Upon filing, a request for unitary effect to obtain a UP a full translation of the patent specification in one of the languages of the European Union must be filed. A little over a quarter of these translated specifications, where the procedural language of the patent is French or German, must be English. However, for all patents where the procedural language of the patent is English, it is up to the applicant to choose the language of translation.

By far the most popular choice of translation language is Spanish, with 30.1% of all requests for unitary effect (UP requests) being



accompanied by the filing of a translation of the patent into Spanish, with 40.7% of all UP requests for patents where the procedural language of the patent is English being accompanied by a Spanish translation. It seems that this is widely used as a cost-saving tactic by applicants. Spain is not a member of the UPC, somewhat ironically due to the Spanish Government's objection to the Spanish language not being chosen as an official language of the UPC. This means that the only way to obtain patent protection in Spain is by validating a granted European patent in the traditional way at the Spanish

Patent and Trademark Office (OEPM), which requires a full translation of the specification into Spanish. Patentees are therefore able to make use of this same translation to obtain a UP and a Spanish national patent.

The 30.1% figure is a little higher than the 28.6% of UP requests accompanied by a Spanish-translated patent seen by the start of December 2023, when the UPC Agreement had been in force for six months. Similarly, the 40.7% figure is higher than the 39.7% of UP requests for patents with English as the procedural language accompanied by a Spanish-translated

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dycip.com/upc-sixmonths-statistics](#)

patent seen by the same point. This perhaps is indicative that Spanish has cemented itself as the most popular translation language for English patent specifications. Another factor to note is that the number of granted European patents for which UP requests have been filed, where the language of procedure is English, has risen slightly with respect to German and French, from around 72% to roughly 73.9%. This may suggest that a higher share of non-European patentees, whose patents are more likely to use English as the procedural language, are obtaining UPs than at the start of the UPC system.

Opt-outs

When the UPC came into effect on 01 June 2023 it was reported that 418,095 applications to opt European patents out of the court's jurisdiction had been filed during the three-month sunrise period that preceded it. Since that date a further 112,354 opt-outs have been filed, taking the total number to well in excess of half a million. Interestingly, the number of opt-outs filed from 01 June 2023 to 01 June 2024 (112,354) is greater than the number of European patents granted in 2023 (104,609).

Clearly, with large numbers of UPs being obtained, patentees and applicants are still playing catch-up in terms of opting out their European patents and patent applications, and only a proportion of the opt-outs filed in the past twelve months were filed for European patents at the time of grant. When this factor is viewed in combination with the approaching end of the transitional period in June 2030 (though, of course, this may yet be extended), it may reasonably be expected that the number of opt-out applications will drop off over the coming years, although this will remain to be seen.

UP registration status and uptake rate

As of 01 June 2024, 27,609 UPs have been registered, with another 654 requests pending, 34 requests withdrawn, 26 requests rejected, and 3 registered UPs now lapsed.

The European Patent Office (EPO) indicates that the uptake rate of UPs (the number of granted European patents for which unitary effect was requested) was 17.5% for the calendar year 2023. During 2024 to date the

Unitary patent requests September 2023 compared with June 2024						
Country	UP requests 17 September 2023		UP requests 01 June 2024		% change	
	Number	%	Number	%		
Germany	1,834	29.49	5,334	28.43	-1.06	
USA	1,327	21.34	4,211	22.45	1.11	
France	738	11.87	1,977	10.54	-1.33	
Switzerland	536	8.62	1,549	8.26	-0.36	
China	492	7.91	1,563	8.33	0.42	
UK	410	6.59	1,159	6.18	-0.41	
Japan	319	5.13	1,026	5.47	0.34	
Netherlands	343	5.52	1,013	5.40	-0.12	
South Korea	220	3.54	929	4.95	1.41	

uptake rate is 24.0%: a significant increase.

While the difference in these figures can be mostly explained by the fact that UPs could only be obtained from 01 June 2023 (for only a little over half of 2023) it was possible from 01 January 2023 to delay grant of European patents until after the UPC system began, so as to take advantage of the possibility of requesting UPs for those patents. So, perhaps another factor in explaining the increase in UP uptake rate for 2024, when compared to 2023, is simply an increase in popularity of UPs among applicants.

With Romania having deposited its instrument of ratification on 31 May 2024, the number of states in which UPs will have effect will rise to 18 on 01 September 2024. This may prompt a further small rise in the UP uptake rate.

UP requests by country of applicant

In our October 2023 UP statistics update (see 'useful link' above right), we explored how the number of UP requests as compared to granted patents changed with respect to the country of applicant. It was shown that there was a large difference in UP take-up for European based applicants compared to those from the USA or East Asia. At the time, we noted that greater familiarity with the European patent system and the higher importance of markets in smaller European

states where protection was therefore desired may be among the reasons for this.

The countries considered in that article included France, Germany, and the Netherlands (European nations covered by the unitary patent), the UK and Switzerland (European nations not covered by the unitary patent), and non-European nations Japan, China, South Korea, and the USA. The table above shows how the relative proportion of UP requests across those nine nations has changed since that article was published.

As can be seen, the relative share of UP requests filed over the past twelve months is greater for all five non-European nations and lower for all four European nations, as compared to the snapshot taken on 17 September 2023. On the opposite ends of the scale France's share of the total number of UP requests filed by applicants from these countries has decreased by 1.33%, while South Korea's share of UP request filed by applicants from among these countries has increased by 1.41%.. It therefore seems as though uptake of the UP is beginning to increase in non-European nations, at least in relative terms, as the UPC system ticks over into its second year.

Author:
David Al-Khalili



First anniversary of the Unified Patent Court

Benefits, drawbacks, and the road ahead

After more than 40 years in the making, the one-year anniversary of the UPC is a milestone to be celebrated. Despite a record number of opt-outs being filed during the sunrise period, and various issues with the case management system, it is encouraging to see that the court is being used by a range of parties across different technologies. The first instance divisions and the UPC Court of Appeal also appear committed to issuing rapid decisions that seek to harmonise enforcement of European patents across the participating member states.

Before 01 June 2023, there was a lot of speculation and discussion as to the advantages and disadvantages of the UPC. Some reflections on these are set out below, followed by a brief comment on what we may see in the UPC's second year.

UPC successes

- Pan-European enforcement.
- A well-run court: quick, efficient and cost-effective.
- Language: prominent use of English.
- Avoiding administrative time and cost of opting out.

To a large extent, these remain unchanged.

Several preliminary measures have been granted with effect across Europe. In *myStromer AG v Revolt Zycling AG* (UPC_CFI_177/2023) the Düsseldorf local division granted an *ex parte* preliminary injunction with effect in Germany, the Netherlands, France and Italy. Although overturned on appeal, in *10x Genomics Inc v Nanostring Technologies Inc* (UPC_CFI_2/2023) the Munich local division granted an *inter partes* preliminary injunction based on a unitary patent which had effect in all 17 participating member states.

The decisions issued so far have been thorough: preliminary measures are assessed with a detailed infringement and validity analysis, and the court seems able to handle complex technical issues in a competent

manner. In *Nanostring Technologies Inc v 10x Genomics Inc* (UPC_CoA_335/2023), the Court of Appeal presented guidance on claim construction and inventive step, and instead of referring to the evidence filed by the parties, highlighted that the panel included two technically qualified judges: Dr Friedrich and Dr Schuller.

The court is also committed to efficiency; the full oral hearing for the consolidated revocation and infringement actions in *Sanofi-Aventis Deutschland GmbH v Amgen Inc* (UPC_CFI_1/2023 and UPC_CFI_14/2023) has been scheduled for one day (04 June 2024), and the Munich central division stated "it is the court's firm intention to conclude the hearing in one day". This commitment was also seen in *Carrier Corporation v BITZER Electronics A/S* (UPC_CFI_263/2023) where the Paris central division refused to stay proceedings pending a decision in the parallel European Patent Office (EPO) opposition. The EPO decision was not considered "rapid" because there was no "concrete proof" as to the date it would be issued.

Finally, we may see an increase in proceedings in English following the Court of Appeal guidance in *Curio Bioscience Inc v 10x Genomics Inc* (UPC_CoA_101/2024) suggesting that a request by a defendant to change the language to that of the patent is likely to be successful.

UPC shortcomings

- Proceedings could be expensive or complex.
- The risk of central revocation.
- An untested court.
- Maintain the status quo.

Apart from the court being untested, these remain largely unchanged. As noted, the court is conducting a detailed infringement and validity analysis when assessing preliminary measures. There is also an emphasis on written procedure. Thus, while UPC proceedings should be more cost-effective compared to multiple national proceedings, it is advisable to front-load actions and this can lead to significant expense.

Related webinar



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The avoidance of central revocation and maintaining status quo still appear to be the leading factors for parties not using the UPC and opting-out. For the opt-out to be effective, it has been confirmed that all proprietors for all states must be named (*Toyota Motor Europe NV/SA v Neo Wireless GmbH & Co KG*: UPC_CFI_361/2023), and an action must not have been started in the UPC, including an action for provisional measures (*CUP&CINO Kaffeesystem-Vertrieb GmbH & Co KG v ALPINA COFFEE SYSTEMS GmbH*: UPC_CFI_182/2023).

Year two of the UPC: three projections

As we navigate the second year of the new court, we predict the following developments.

Milan central division, Ireland and other EU ratification

The Milan seat of the central division (responsible for IPC class A: human necessities) is expected to start operation in June 2024. It is unlikely that Ireland will join the UPC in 2024 as the Irish referendum has been delayed. Romania has deposited its instrument of ratification on 31 May 2024 and will become the 18th member state of the UPC on 01 September 2024. We wait to see whether this prompts any of the other EU signatories into action.

UPC v EPO

We expect to learn more on the interplay between EPO and UPC proceedings. While the UPC has been reluctant to stay proceedings without concrete proof of when the EPO decision will be issued (*Carrier Corporation v BITZER Electronics A/S*: UPC_CFI_263/2023) we have yet to see a UPC revocation and an EPO opposition or appeal decision issue on the same patent. This will be of keen interest to European patent attorneys who are able to represent parties in both forums.

An established forum for patent enforcement

With further UPC Court of Appeal decisions on procedure and practice, we expect the continued growth of the court as an established forum for patent enforcement across Europe.

Authors:

Rachel Bateman



Proposed EU standard essential patents regulation

Using the UPC to shape industrial policy in the EU?

On 28 February 2024, the European Parliament voted to approve the proposed regulation on standard essential patents (the SEP regulation). Article 24 of the SEP regulation states that a SEP that is not registered within six months from grant (Article 20(3)) may not be enforced, in relation to the implementation of the standard for which registration is required, in a competent court of a member state, until its registration.

The competent court is most likely to be the UPC, although it could be a national court for an European Union (EU) country if the European patent has been opted out or an EU country not part of the UPC. Is this an example of the European Commission/EU using the UPC to shape industrial policy in the single market? Will the SEP regulation upset the ecosystem that produces technical standards?

Technical standards in telecommunications

Over the last 30 years or so an ecosystem has developed, in which innovators and technology providers collaborate to produce a technical standard which allows interoperability of technical devices, perhaps from different manufacturers, which conform to that technology. Obvious examples are LTE, 4G, 5G, 6G, Wi-Fi, DVB, Bluetooth, and MPEG. The ecosystem seems to work; the public gets a technology standard and implementers can produce devices which can work with devices produced by others.

Standard essential patents

Although technology providers are collaborating, they are competing through the patent system by patenting the technology which is then incorporated into the standard; hence SEPs. Whilst implementers earn from selling the technical devices, technology providers recover their investment in research and development through the patent system by licensing SEPs. As part of the cooperation with the standard-setting bodies, technology providers agree to licence their SEPs on fair reasonable and non-discriminatory (FRAND) terms. However, there can be an imbalance in power between parties with deep pockets (that can hold out against a potential licensor) and patent holders that can demand royalties from

Will the SEP regulation destabilise the ecosystem that produces technical standards?



implementers (perhaps with limited resources and with the fear of those implementers being blocked from the market through the possibility of an injunction). So establishing FRAND terms may be difficult in practice.

The laudable aims of the SEP regulation are to bring transparency and to ease licensing of SEPs on FRAND terms to the benefit of both implementers and SEP holders.

EUIPO competence centre and SEP register

The SEP regulation provides a legal framework to establish a competence centre at the EUIPO. The competence centre will establish an SEP register and evaluators will be appointed to administer essentiality checks to ensure that patents declared as essential, either directly or through a standards setting body, are indeed essential and can be published on the SEP register. It appears that a professional practice area will develop around negotiating with evaluators to have a patent entered onto the SEP register, with associated procedural law forming part of the SEP regulation.

Aggregate patent royalties

Once the SEPs are on the register, then third parties can apply for an aggregate royalty, which is a royalty for all of the patents owned by a party in order to licence that technology.

Contentious proceedings

The second role of the competency centre will be to facilitate negotiations (non-binding expert opinion, Article 18) or to establish an aggregate royalty in contentious proceedings. To this end, the competence centre will appoint conciliators. Articles 34 to 60 in the proposed SEP regulation set out a legal framework of a process of setting FRAND licensing

Related article

Appeal against wide form confidentiality regime in SEP infringement proceedings: InterDigital Technology Corp v OnePlus Technology (Shenzhen) Co, 23 May 2023: dycjp.com/2023-ewca-civ-166

terms, including oral proceedings (in person hearings) in the contentious sense. There are provisions for determined FRAND rates to remain confidential, with other provisions for publishing non-confidential FRAND terms and conditions determined by competent courts of member states of the UPC. The general flavour however is one of promoting transparency.

Implications for SEP owners

The proposed SEP regulation is not yet law and must now be negotiated and approved by EU member states. Whilst its aims are laudable, the regulation jars somewhat because SEP owners are typically reluctant to disclose royalty rates agreed with other parties in order perhaps to preserve their negotiating position (see 'related article' above right). Why would an SEP owner declare its patents and publish a royalty rate on a public register? The answer is that under the SEP regulation, within six months of publication of grant, an SEP owner must register a patent with the competency centre at the EUIPO for inclusion on the register. Under Article 26, failure to register a patent as being an SEP may result in that patent being unenforceable in a competent court. Under the UPC agreement, the competent court will be either the UPC or a court of an EU member state. What if the European patent has been opted out? Does that affect what is meant by a competent court? It would appear not.

Although not yet law, this is perhaps an early example of the UPC being used by the European commission/EU to shape industrial policy within the single market.

Author:
Jonathan DeVile



Inventive step at the Unified Patent Court 12-months in, what do we know so far?

For an invention to qualify for patent protection it must have an inventive step; however, the manner in which inventive step is assessed may vary by jurisdiction.

With the UPC in its infancy, patent attorneys have been eagerly awaiting guidance from the UPC Court of Appeal on substantive matters of patent law, such as inventive step.

In this article, we look at the UPC's approach to inventive step, with reference to the Court of Appeal's decision in *Nanostring Technologies Inc v 10x Genomics Inc* (UPC_CoA_335/2023).

In this decision the Court of Appeal overturned a first instance ruling for a preliminary injunction against Nanostring Technologies, finding the patent asserted by 10x Genomics to be "more likely than not" invalid.

This was the first decision by the Court of Appeal that included a detailed assessment of infringement and validity.

UPC Court of First Instance

10x Genomics alleged infringement of European unitary patent EP4108782 by Nanostring Technologies' "CosMx" products, and applied for a preliminary injunction against Nanostring Technologies in Europe. The patent claims concern a method of detecting a plurality of analytes in a cell or tissue sample. The UPC Court of First Instance found "with sufficient certainty" that the patent was valid and infringed, and ordered that a preliminary injunction be issued.

A key point under inventive step was whether it would have been obvious to apply the *in vitro* method of a prior art document, Göransson, to an *in situ* method involving cell or tissue samples (as specified in the patent claims).

Without referencing it explicitly, the

Court of First Instance's assessment of inventive step used many of the cues of the problem-solution approach, which is how inventive step is assessed at the European Patent Office (EPO). It involves:

1. determining the closest prior art;
2. assessing the technical effect achieved by the claimed invention when compared with the closest prior art;
3. defining the objective technical problem to be solved, the object of the invention being to achieve said effect; and
4. considering whether or not the claimed solution, starting from the closest prior art and the objective technical problem, would have been obvious to the skilled person.

An important element of the problem-solution approach is the determination of the closest prior art, and on this the Court of First Instance commented:

"The (closest) prior art to be used for determining lack of inventive step is usually a prior art document disclosing an object developed for the same purpose or with the same aim as the claimed invention and having the most important technical features in common with it, i.e. requiring the fewest structural changes. An important criterion in choosing the most promising starting point is the similarity of the technical task. The skilled person would not have used Göransson as a realistic starting point, let alone as the closest prior art, in view of the task according to the patent. Göransson is not aimed at detecting a large number of analytes in a cell or tissue sample [...]. Rather, the object of consideration in Göransson is ASMs [amplified single molecules] on "a new random array format".

Göransson does disclose a similar "encoding and decoding method" to that used in the patent at issue, but in a very different context, namely ASMs on an array".

Ultimately, the Court of First Instance was "not convinced" that the patent "will be declared invalid for lack of inventive step".

Related articles

[UPC Court of Appeal reverses first instance decision: an in-depth review and analysis, 05 March 2024:](#)
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[Inventive step? How will the UPC decide? 11 October 2023:](#)
dycip.com/inventivestep-oct2023

UPC Court of Appeal

The Court of Appeal disagreed with the Court of First Instance's assessment of inventive step, and particularly the suitability of Göransson as the closest prior art:

"[Göransson] D6 would have been of interest to a person skilled in the art who, at the priority date of the patent at issue, was seeking to develop high-throughput optical multiplexing methods for detecting target molecules in a sample, as it discloses a method for detecting a plurality of amplified single molecules (ASMs) by encoding and decoding the single molecules, wherein the encoding is performed via probe-mediated generation of ring-shaped DNA and the decoding is performed by temporally sequential detection of the targeted ASMs.

This is admittedly disclosed in D6 for ASMs ordered *in vitro* in an array format. However, given the demand for multiplex analysis techniques, especially for test samples, at the priority date [...], there was a need to consider whether the encoding and decoding method disclosed in D6 could be transferred to the detection of ASMs in cell or tissue samples".

The Court of Appeal considered that "after successful application of an *in vitro* multiplex method for the detection of ASMs the next step was to consider transferring the method to an *in situ* environment".

The Court of Appeal overturned the first instance decision, based on the finding that claim 1 of the patent "more likely than not" will prove to be obvious.

Assessment of inventive step

The manner in which inventive step is assessed can of course have a significant impact on the outcome of a case. For example, while the EPO problem-solution approach involves identifying the closest prior art, the approach before the German national courts typically does not. Instead, the German courts consider that the starting point for assessing inventive step can

Case details at a glance

Decision level: Court of Appeal, Luxembourg
Case: UPC_CoA_335/2023
Order/decision: ORD_595990/2023
(26 February 2024) & ORD_12169/2024
Parties: Nanostring Technologies
(Inc, Germany GmbH & Netherlands
BV) v President and Fellows of Harvard
College, 10x Genomics Inc
Date: 11 March 2024
Decision: dycip.com/nanostring-10x-coa

Decision level: Munich local division
Case: UPC_CFI_2/2023
Order/decision: ACT_459746/2023
Parties: Nanostring Technologies
(Inc, Germany GmbH & Netherlands
BV) v 10x Genomics Inc, President
and Fellows of Harvard College
Action: Application for provisional measures
Date: 19 September 2023
Decision: dycip.com/upc-nanostring-10x-cfi

Useful links

WIPO: *an international guide to patent case management for judges, chapter 5 Germany*:
dycip.com/patent-case-management-guide

EPO: *case law of the Boards of Appeal, tenth edition, I. Patentability, D. Inventive step, 3. Closest prior art, July 2022*:
dycip.com/caselaw-boa-inventivestep

Lessons from the UPC Court of Appeal concerning assessing inventive step



be any reference(s) a skilled person would find realistic *ante inventionem* (before discovery). One can envisage scenarios in which a prior art document considered too remote for selection as the closest prior art under the EPO problem-solution approach might be considered an acceptable starting point for the German courts.

In *Nanostring Technologies v 10x Genomics*, the Court of Appeal neither endorsed nor criticised the problem-solution approach, and did not state that it had used any particular methodology.

In effect, the Court of Appeal left open the possibility of assessing inventive step using the problem-solution approach or a national approach, or establishing its own approach.

Interestingly, the Court of Appeal did not refer to any case law (EPO or national) in relation to inventive step. Perhaps this was a deliberate attempt to avoid drawing attention to a specific approach at this early stage. Nevertheless, the Court of Appeal decision is somewhat consistent with a “broad” line of EPO case law, which is that “if the skilled person had a choice of several workable routes...the invention has to be assessed relative to all these possible routes”.

The most represented nationalities of UPC judges are German, French, Italian, Dutch, and Swedish. With this in mind, it can be reasonably expected that such national (and EPO) case law may significantly influence practice at the UPC.

France, Italy, and Sweden assess inventive step similarly to the EPO, using a problem-solution approach. The Netherlands also uses a similar approach, but does not exclude others. Germany approaches

inventive step differently from the EPO. As discussed, a key difference is that while the EPO requires identification of the closest prior art Germany does not.

In *Nanostring Technologies v 10x Genomics* the legally qualified Court of Appeal judges included Mr Klaus Grabinski (German), Ms Françoise Barutel (French), and Mr Peter Blok (Dutch), and the technically qualified judges included Mr Rainer Friedrich (German), and Mr Cornelis Schüller (Dutch). All had significant experience before the EPO and/or national courts, and the technically qualified judges had relevant technical expertise in biotechnology.

An evolving approach to inventive step

In view of the Court of Appeal’s non-committal approach to inventive step in *Nanostring Technologies v 10x Genomics* it is advisable to assess inventive step bearing in mind the problem-solution approach and the national approaches, at least until a set methodology is established. In practice this will involve developing full inventive step attacks or defences from any prior art document constituting a reasonable starting point.

It also must be remembered that in *Nanostring Technologies v 10x Genomics* the Court of Appeal was assessing validity in the context of whether to grant a preliminary injunction. Whether the Court of Appeal will take a more definitive approach in main proceedings on the merits remains to be seen. Many substantive decisions will be issued in 2024 and 2025 and are expected to provide guidance on this topic.

It is noteworthy that the patent under consideration in *Nanostring Technologies v 10x Genomics* is also subject to opposition before the EPO. Those EPO proceedings have been accelerated, and it will be interesting to see how the approach by the EPO opposition division compares to the different approaches of the UPC Court of First Instance and Court of Appeal.

Author:
Joseph Flood



UPC v EPO

A comparison of claim construction approaches

In the last year claim construction has been a topic of debate for both the UPC and the Boards of Appeal at the EPO. This article looks at the evolution of the approaches taken in recent decisions at the UPC and EPO.

Claim interpretation at the EPO is defined by Article 69 of the European Patent Convention (EPC), which states the extent of the protection conferred by a European patent shall be determined by the claims, but the description and drawings shall be used to interpret the claims.

In contrast to the EPO, Article 24(1) of the UPC Agreement stipulates that the UPC shall base its decisions on *inter alia* EU law, the EPC, other international agreements applicable to patents and binding on all the contracting member states, and national law.

Recent UPC decisions have provided some insight as to how much weight the UPC is giving to the EPC over other legal precedents.

Recent EPO decisions

Although claim construction has been considered by the Boards of Appeal at the EPO since its inception, in recent years there has been an apparent divergence in case law.

In T 1473/19, the Board of Appeal held that Article 69 EPC was the only provision in the EPC containing rules for the interpretation of claims, and that the description and the drawings provide context-specific information about the claimed subject-matter. It referred to earlier decisions which set out that the claims must be interpreted in the context of the document as a whole, but added that only the claims determine the extent of protection, and therefore it cannot be deduced that the description has the same weight as the claims.

The EPO Board of Appeal decided that an interpretation of a feature in the claim could not be dismissed simply because it was not disclosed in the description or drawings, provided the interpretation was not nonsensical or incompatible with the remaining claim features.

Conversely, in T 169/20, the Board of Appeal disagreed with the premise that Article 69 EPC was the only provision in the EPC containing rules for the interpretation of claims; it instead considered Article 84 (claims) and Rules 42 and 43 EPC (content of the description, and form and content of the claims, respectively) provide guidance on how to interpret the claims.

In particular, the Board of Appeal considered the requirement of Article 84 EPC that the claims be “supported by the description” provides legal basis for determining how and when the claims should be interpreted in light of the description, namely that this explicitly limits the role of the description to aid understanding of the claims in exceptional cases where clarity or technical explanations of the subject matter is required, rather than to limit the scope of the claims.

This difference in approach was highlighted in T 439/22, where the novelty of claim 1 hinged on whether the term “gathered sheet” should be interpreted in light of a paragraph of the description or from the wording of the claim alone. In the decision under appeal, the opposition division did not accept the opponent’s arguments that reference should be made to the description. The opponent argued the description teaches that a gathered sheet implies a sheet that is “convoluted, folded or otherwise compressed” and therefore encompasses any sheet that is deformed substantially perpendicularly to the axis normal to its surface, such as the rolled sheet of D1. The opposition division disagreed, believing that “gathered” should be interpreted based on claim language with reference to the term’s meaning “widely used in the tobacco industry” in line with T 169/20, and therefore found claim 1 to be novel over D1.

Although the EPO Board of Appeal hasn’t published its decision, it confirmed in the minutes of the oral proceedings that it will refer the question of whether content in the description should be used to interpret the claims to the Enlarged Board of Appeal.

Recent UPC decisions

One of the first decisions from the UPC to consider claim construction was *SES Imagotag SA v Hanshow Technology Co Ltd et al* (UPC_CFI_292/2023).

Rather than starting from Article 69 EPC the Munich local division looked at the file history, in particular the original version of the claims in order to interpret the granted claims, stating the original claims “can be used as an interpretation aid in connection with changes made in the granting process.” The original claims had a spatial arrangement between a printed chip and an antenna arranged on a circuit board.

From reviewing the prosecution history, the court considered that amendments to the claim were made to clarify the technical effect provided by this feature, rather than to broaden it to cover other arrangements of the antenna on the circuit board, such as the one on the allegedly infringing articles.

In *NanoString Technologies Inc v 10x Genomics Inc* (UPC_CoA_335/2023), in one of its first substantive decisions, the Court of Appeal used Article 69 EPC as a starting point, stating the patent claim is not only the starting point, but also the decisive basis for determining the scope of protection.

Rather than relying solely on the strict literal meaning of the claim terms, the court ruled the description and drawings must always be used as explanatory aids for interpretation, not just to resolve any ambiguities in the claim language. Only after examination of the description and drawings does the scope of the claims become apparent.

The court confirmed the patent should be interpreted from the point of view of the person skilled in the art, and that the aim of applying these principles is to combine

🕒 **EPO case details at a glance**

T 1473/19, *Schleifring GmbH v Siemens Healthcare GmbH*, EPO Boards of Appeal, 30 September 2022:

dycip.com/epo-t-1473-19

T 0169/20, *Reckitt Benckiser Vanish BV v Henkel AG & Co KGaA*, EPO Boards of Appeal, 13 January 2023:

dycip.com/epo-t-016920

🕒 **UPC case details at a glance**

Decision level: Court of Appeal, Luxembourg

Case: *UPC_CoA_335/2023*

Order/decision: *ORD_595990/2023*

(26 February 2024) & *ORD_12169/2024*

Parties: *Nanostring Technologies*

(Inc, Germany GmbH & Netherlands

BV) v *President and Fellows of Harvard*

College, 10x Genomics Inc

Date: 11 March 2024

Decision: dycip.com/nanostring-10x-coa

Decision level: Munich local division

Case: *UPC_CFI_292/2023*

Order/decision: *ORD_596193/2023*

Parties: *SES-imagotag SA v*

Hanshow Technology Co Ltd et al

Date: 20 December 2023

Decision: dycip.com/upc-cfi-292-2023

Decision level: Court of Appeal, Luxembourg

Case: *UPC_CoA_1/2024*

Order/decision: *ORD_17447/2024*

Parties: *SES-imagotag SA v Hanshow*

Technology Co Ltd & Ors

Date: 13 May 2024

Decision: dycip.com/upc-coa-1-2024

In what way have UPC decisions diverged in their approach from those of the EPO?



adequate protection for the patent proprietor with sufficient legal certainty for third parties.

It also set out that these principles of claim interpretation apply equally to the assessment of infringement and validity. By applying these principles it disagreed with the Court of First Instance's interpretation of the patent claim, taking a broader interpretation of the claims to find fewer features of claim 1 to be novel over D6.

Following this decision, the Court of Appeal heard the case of *SES Imagotag SA v Hanshow Technology Co Ltd et al* (*UPC_CoA_1/2024*) following *SES Imagotag SA's* appeal of the decision discussed. In the recently published decision the

Court of Appeal applied the principles set out in *NanoString Technologies Inc v 10x Genomics Inc*. From reviewing the description the Court of Appeal concluded that, although it was taught the chip and the antenna could be arranged in different positions on or in the electronic label, disadvantages of positioning them on the same surface or positioning the antenna on the back next to the chip were disclosed. Although applying a different approach, the Court of Appeal agreed with the Court of First Instance's conclusion that the claims require a spatial separation between the printed chip and the antenna.

Divergences between the EPO and UPC

The recent decisions of the UPC Court of Appeal put more emphasis on use of the

description in claim interpretation than at the EPO. As evidenced in these two decisions, however, this does not necessarily result in a broader interpretation of the claims.

Although in *SES Imagotag SA v Hanshow Technology Co Ltd* the Court of Appeal applied a different approach to claim construction than the Munich local division, it arrived at the same conclusion. This is partly because, although the Munich local division considered the file history, the technical effect proposed during examination was derived from the description, and therefore the local division did, indirectly, consider the description in coming to its decision.

If the description mentions a disadvantage of a particular feature or arrangement this can apparently give rise to an interpretation at the UPC of it falling outside the claim scope, particularly where the disadvantage is contrary to the technical effect achieved by the claimed feature.

In contrast, the EPO's approach provides for a broader interpretation, provided the disadvantageous arrangement is not incompatible with other features in the claim.

In view of above decisions by the UPC Court of Appeal the opponent's arguments in *T 439/22* may have been more persuasive if the case were heard at the UPC given the definition of "gathered sheet" provided in the description. The imminent referral to the Enlarged Board of Appeal will hopefully provide clarity on the EPO's approach to claim interpretation, and we await with interest as to whether any reference is made to the recent UPC decisions on this matter.

Author:

Andrew Cockerell



UPC forum shopping Choice of division for infringement and revocation actions

The UPC has already seen a number of cases which influence an infringement claimant's ability to forum shop between divisions of the UPC. Claimants may want to forum shop to select a particular language of proceedings for their action, by bringing the action before a division using that language. As case law develops, claimants may also seek a division that is most likely to provide them with a favourable decision. In this article we report on two cases with implications for forum shopping at the UPC.

Infringement actions

The UPC Agreement provides some flexibility as to where a proprietor can bring an infringement action. A proprietor can decide which local or regional division to start an action in, provided that:

1. an infringement has taken place in the state of that division, or
2. the defendant has its domicile or principal place of business in the state of the division.

In the cases of multiple countries or multiple defendants, this enables the proprietor to forum shop to at least some extent.

Specifically, Article 33(1)(b) of the UPC Agreement states that in the case of multiple defendants an infringement action may be brought before the local division hosted by the contracting member state, where one of the defendants has its residence or principal place of business (or in the absence of residence or principal place of business, its place of business, or the regional division in which that contracting member state participates). Moreover, an action may be brought against multiple defendants only where the defendants have a commercial relationship and where the action relates to the same alleged infringement.

In *SVF Holdco v ICPillar LLC* (ORD_18817/2024 in UPC_CFI_495/2023) the issue of jurisdiction of a local division where there are multiple defendants was addressed. In this case, ICPillar brought an infringement action before the Paris local division against twelve defendants.

Unified Patent Court local and regional divisions (June 2024)



One of the defendants had their domicile in France, and the other defendants were based outside France: some in contracting member states, some in the EU but outside contracting member states, and others outside the EU.

Some of the defendants subsequently filed a preliminary objection, challenging the jurisdiction of the UPC local division of Paris. This was filed on the ground that there is no explanation as to why the Paris local division has jurisdiction for all defendants, given that some of the defendants are based outside of France, the contracting member states, and/or the EU. In addition, it was argued that the requirement of a commercial relationship between all the defendants had not been proven.

Given that one of the defendants had their domicile in France, the court held that this is a situation foreseen by Article 33(1)(b) of the UPC Agreement, that is, a case of multiple defendants with one having its residence in France. This is regardless of whether the other defendants are based inside or outside a contracting member state or the EU.

Hence, the court held that the only requirements to be met are:

1. the multiple defendants have a "commercial relationship" in the sense of Article 33(1)(b) of the UPC Agreement; and
2. the action relates to the same alleged infringement.

➤ Case details at a glance

Decision level: Paris central division

Case: UPC_CFI_255/2023

Order/decision: ORD_578356/2023

Parties: Edwards Lifesciences

Corporation v Meril Italy srl

Date: 13 November 2023

Decision: dycip.com/edwards-lifesciences-meril

Decision level: Paris local division

Case: UPC_CFI_495/2023

Order/decision: ORD_18817/2024

Parties: SVF Holdco v ICPillar LLC

Date: 11 April 2024

Decision: dycip.com/svf-holdco-icpillar

Regarding the first requirement, the court agreed with the defendants in that the requirement of a commercial relationship implies a “certain quality and intensity”. However, the court stated that “to avoid multiple actions... and the risk of irreconcilable decisions from separate proceedings, and to comply with the main principle of efficiency within the UPC, the interpretation of the link between the defendants should not be too narrow.”

The court found that “belonging to the same group (of legal entities) and having related commercial activities aimed at the same purpose (such as R&D, manufacturing, sale and distribution of the same products) are sufficient to be considered as “a commercial relationship” within the meaning of Article 33(1)(b) [UPCA]”. The court held that all of the defendants were part of the same corporate group at the time of development of the product that is the subject of the infringement action, and according to the court the whole group had a commercial activity dedicated to that product, so the court decided the link between all the defendants was sufficient to establish the existence of a commercial relationship of a certain quality and intensity. The first requirement was therefore met.

Regarding the second requirement, the court held that lack of proof of the reality of the alleged infringement and the involvement of each defendant in the alleged acts of infringement were matters to be considered later in the main proceedings. At the preliminary stage of proceedings it was sufficient for the claimant to show that the claim brought against all the defendants relates to the same alleged infringement. Thus, the second requirement was also met. Therefore, the court concluded that because one of the defendants was domiciled in France, all the defendants had a commercial relationship, and the action relates to the same alleged infringement, the internal jurisdiction of the Paris local division under Article 33(1)(b) of the UPC Agreement was justified.

Leveraging forum shopping benefits in multiple defendant UPC cases

As can be seen, the court was reluctant to provide a narrow interpretation of the

commercial relationship requirement. The order also confirmed that in the case of multiple defendants, an infringement action can be brought before any local or regional division in which **one** defendant has their domicile or principal place of business, regardless of whether the other defendants are based inside or outside a contracting member state, or inside or outside the EU. Therefore, this order could pave the way for defendants being introduced into proceedings for the purpose of being in the jurisdiction of a particular court. This would further enable a proprietor to forum shop between different divisions of the UPC, depending on where the defendants are based.

Revocation actions

According to Article 33(4) of the UPC Agreement, a stand-alone revocation action must be brought before the central division of the UPC. However, a counterclaim for revocation in response to an infringement action must be brought before the same local/regional division as the infringement action, provided that both the infringement and revocation actions are between **the same parties** and relate to the same patent.

Since an infringement claimant has some flexibility to forum shop between divisions, it may be assumed that an infringement claimant will choose a division which they believe will be most favourable to them. Therefore, when bringing a subsequent revocation action, the revocation claimant may want to avoid the division chosen by the infringement claimant. Accordingly, strategies are being developed to obtain revocation actions in the central division, even when there are parallel infringement proceedings in a local division.

One example of such a strategy has been seen in Edwards Lifesciences Corporation v Meril Italy srl (UPC_CFI_255/2023). On 01 June 2023, Edwards Lifesciences Corporation brought an infringement action in the Munich local division against Meril Life Sciences Pvt Ltd (Meril India) and its German subsidiary Meril GmbH (Meril Germany). Subsequently, Meril Italy srl (Meril Italy) brought a revocation action in relation to the same patent in

the **Paris central division**. Meril Italy is a wholly-owned subsidiary of Meril India.

In response, Edwards Lifesciences filed a preliminary objection requesting that the revocation action be dismissed as inadmissible. Edwards Lifesciences argued that an infringement action between “the same parties” on the same patent was already pending before the Munich local division, and therefore the Paris central division lacked competency to hear Meril Italy’s revocation action under Article 33(4) of the UPC Agreement.

The competency of the Paris central division to hear the revocation action therefore depended on whether Meril India and its wholly-owned subsidiary Meril Italy could be considered as “the same parties” within the meaning of Article 33(4) of the UPC Agreement. Meril argued that Meril Italy is a separate legal entity and has separate headquarters from Meril India. As such, Meril Italy was not one of “the same parties” in the infringement proceedings before the Munich local division. The judge-rapporteur agreed, and concluded that Meril Italy was not the same party as its parent company, Meril India. This meant that the stand-alone revocation action could continue in the Paris central division

Strategic advantages through subsidiary revocation actions

This decision offers defendants in infringement actions a potentially useful way of securing a revocation action in the central division. If the defendant has a subsidiary that is able to act before the central division, the defendant can use the subsidiary to bring a revocation action before the central division, even if there are pending infringement proceedings involving the parent company before a local division. This is likely to mitigate some of the advantages gained by the infringement claimant when choosing the forum for its actions. The battle for control of forum between infringement and revocation claimants is likely to be a feature of many UPC cases to come.

Author:
Jake Leggat



Language of proceedings UPC Court of Appeal provides further clarity

A number of orders have issued from the UPC in relation to changing the language of proceedings, including a recent order from the Court of Appeal.

In general, the language of proceedings before the UPC Court of Appeal is the language used in the first instance proceedings. Before the central division of the UPC Court of First Instance, or where parties agree before a local division, the language of proceedings may be the language in which the patent granted. However, before any local or regional division, an official language of the hosting state(s) is available, but states may also designate one or more of the official European Patent Office (EPO) languages (English, French and German).

Notably, English is available before all of the UPC's local and regional divisions, and is now the predominantly used language at first instance (50%), having gradually increased in use since the UPC's statistics first published in December 2023.

Theoretically, UPC forum shopping allows a claimant to sue in an unfamiliar language. However, an application can be made for changing the language of proceedings to that in which the patent granted. In the majority of cases European patents are granted in English. Two UPC Court of First Instance

decisions granted a change in the language of proceedings to English, favouring the small and medium-sized enterprise (SME) defendants. Similarly, the UPC Court of Appeal has since issued an order overturning a UPC Court of First Instance decision to reject Curio Bioscience Inc's request to change the language of proceedings from German to English.

Curio Bioscience Inc v 10x Genomics Inc

At first instance, the court decided that Curio Bioscience had not supported its argument of disproportionate disadvantage as an SME using an unfamiliar language, and otherwise failed to demonstrate that use of German was unfair. Curio Bioscience appealed against the order.

Admissibility

Admissibility of the appeal was questioned with regard to errors in the appellant's and respondent's names, and the timing of the request (between the oral hearing and the UPC Court of First Instance's decision in the main proceedings).

However, the UPC Court of Appeal found the necessary formal requirements had been fulfilled elsewhere, and there is no obligation for a change of language of proceedings to be decided before the last oral hearing. Instead, it must be decided before the UPC Court of First Instance makes a decision in the main proceedings. Given that the first instance language of proceedings determines that on appeal the UPC Court of Appeal recognised the applicant's continued interest in its request after the oral hearing.

Therefore, the appeal was admitted.

Merits: general principles

On the merits, the order discussed and exemplified the relevant general principles before applying them to the facts of the case.

In particular, the UPC Court of Appeal emphasised that when making the decision on grounds of fairness, all relevant circumstances must be taken into account, and these should primarily be related to the specific case and position of the parties.

For the specific case the UPC Court of Appeal considered the primary language of the technological field, and the language of the evidence (including prior art), to be relevant.

For the parties, their nationality or domicile, and their relative size and resources, were deemed relevant.

The court reasoned that a party unable to fully understand each party's submissions is not compensated by representatives being proficient in the language of proceedings, as they still have to rely on translations.

The court also considered potential delays to proceedings, which are generally disadvantageous to a claimant. However, the UPC's strict time limits were understood to be an extra burden for defendants using an unfamiliar language.

In contrast, a representative's language skills and a judge's nationality were not deemed relevant, and any risk of judges overlooking nuances in submissions could be mitigated by providing translations at the claimant's cost.

The court acknowledged that Article 49(5) of

Languages used before UPC local and regional divisions (December 2023 to May 2024)

Language	December 2023		January 2024		February 2024		March 2024		April 2024		May 2024	
	%	Δ%	%	Δ%	%	Δ%	%	Δ%	%	Δ%	%	Δ%
German	49	-2	47	+1	48	-1	47	+2	45	+3	44	+1
English	40	+3	43	0	43	-1	45	+2	48	+3	50	+2
French	4	0	4	0	4	-1	3	0	3	0	2	-1
Italian	4	0	4	-1	3	0	3	0	3	0	2	-1
Dutch	3	-1	2	0	2	0	2	-1	1	0	2	+1

➤ **Useful link**

Case load of the UPC since start of operation in June 2023:
dycip.com/upc-caseload-may2024

➤ **Related articles**

UPC favours SMEs for language change: claimants ordered to sue in the language of the granted patent, 18 April 2024:
dycip.com/upc-smes-languages-apr2024

UPC forum shopping: choice of division for infringement and revocation actions at the UPC, 06 June 2024, page 12 of this newsletter or our website:
dycip.com/upc-forum-shopping-division

➤ **Case details at a glance**

Decision level: Mannheim local division
Case: UPC_CFI_410/2023
Order/decision: ORD_13321/2024
Parties: Advanced Bionics AG & Ors v MED-EL Elektromedizinische Geräte Gesellschaft mbH
Date: 15 April 2024
Decision: dycip.com/advanced-bionics-med-el

Decision level: Court of Appeal, Luxembourg
Case: UPC_CoA_101/2024
Order/decision: ORD_18194/2024
Parties: Curio Bioscience Inc v 10x Genomics Inc
Date: 17 April 2024
Decision: dycip.com/curio-bioscience-10x

the UPC Agreement states that the position of the defendant in particular is to be taken into account. Therefore, if the interests of both parties are considered equal overall the position of the defendant is the decisive factor.

The court explained that this is because the claimant benefits from several advantages when litigating via the UPC. They can choose any of the designated languages of the local or regional division, and often have the choice of when and where to bring the action. Also, they can spend any amount of time preparing the statement of claim (unless there is urgency), whereas the defendant must immediately adhere to the UPC's strict time limits.

Moreover, the claimant chose the language in which the patent application was filed, and should be aware that this has legal consequences for EPO proceedings. Therefore, "as a general rule... the language of the patent as the language of the proceedings cannot be considered to be unfair in respect of the claimant".

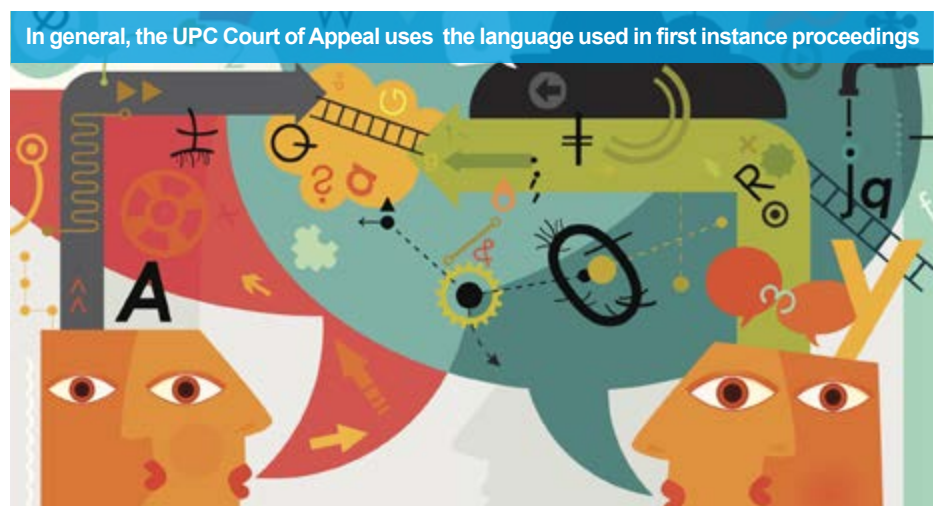
The UPC Court of Appeal noted that the language of grant is also (1) important to infringement actions; (2) the language of proceedings at the central division; and (3) available for parties to agree to use under Article 49(3) of the UPC Agreement.

Merits: present case

On the basis of those principles the UPC Court of Appeal considered arguments presented by Curio Bioscience (both parties are US companies; the language of the underlying technology field is English; and most documents in the proceedings are only available in English) were of considerable weight, and undisputed by 10x Genomics.

Although Curio Bioscience being an SME was disputed the UPC Court of Appeal did not consider this decisive. However, it did account for its smaller size, and the resulting disadvantage of using an unfamiliar language.

In contrast, the circumstances presented by 10x Genomics (30% of EU citizens speaking German; Curio Bioscience being active in Germany; and the language skills



of the representatives and judges) were considered to be less or not relevant.

The Düsseldorf local division believed a delay in proceedings was likely in this case. However, the UPC Court of Appeal recognised that its decision could be delivered in German, together with a certified translation, limiting the additional work to translation of the decision.

Overall, the UPC Court of Appeal decided that "the order must be set aside, because it is based on an incorrect reading of what constitutes fairness and what circumstances are relevant under Art. 49(5) UPCA". Therefore, the language of proceedings was changed to English.

The UPC Court of Appeal decided that there is no need for specific translation arrangements. However, should the order of the UPC Court of First Instance be appealed the parties are requested to file uncertified translations of their own first instance statements, at their own cost.

Costs

Both parties requested that the other party bears the cost of the change of language proceedings. The UPC Court of Appeal recognised that the outcome of the appeal should be considered but the decision on costs should only be made when the proceedings before the UPC Court of First Instance are concluded.

Implications for applicants

By discussing and exemplifying the general principles applicable the UPC Court of Appeal has provided further clarity about changes of language of UPC proceedings. Notably, such changes are not limited to SMEs. Therefore, claimants should not assume they will be able to cause trouble for smaller companies by forum shopping and suing in a language other than that in which the patent granted.

However, a number of requests have been rejected at first instance. Recently, in *Advanced Bionics AG & Ors v MED-EL Elektromedizinische Geräte Gesellschaft mbH* (UPC_CFI_410/2023), the UPC Court of First Instance found the applicants had not shown a significant disadvantage.

Although the defendant's position in particular is to be taken into account, applicants seeking to change the language of proceedings on grounds of fairness should at least try to demonstrate significant detriment resulting from the circumstances of the case, or the position of the parties. As exemplified by the UPC Court of Appeal such disadvantage could result from the primary language of the technological field or evidence in the case, the applicant's nationality or domicile, or an imbalance of size and resources between the parties.

Author:
Laura Jennings



Caseload insights

Trends from the UPC's first year

The UPC continues to publish monthly reports on the caseload of the courts, providing a valuable insight into the activity of the UPC divisions. A year into proceedings before the UPC, we take the opportunity to review the statistics concerning cases lodged at the UPC to analyse any trends or insights showing the story so far of how the UPC is being utilised.

Infringement: courts of first instance

According to the report, a total of 373 cases had been filed before the UPC first instance courts within the first twelve month period, with 133 infringement actions before the local divisions and a combined 204 revocation actions before all divisions of the UPC (including both direct revocation actions and counterclaims for revocation brought during infringement proceedings).

So far, the German-based local divisions have proven to be the most popular venues for infringement proceedings, with more than 75% of the total infringement cases being lodged at a German local division. As shown (above right), the Munich local division is the most popular by far, followed by Düsseldorf, Mannheim and Hamburg. The Paris local division and the Nordic/Baltic regional division also appear to be popular with litigants.

Defendants in infringement proceedings have filed 165 individual counterclaims for revocation at the UPC, representing the vast majority of total revocation actions. However, it should be noted that these counterclaims have been filed in relation to only 63 individual infringement actions, generating an inflated impression of the revocation actions being initiated at the UPC. This is largely due to separate defendants in multi-party infringement actions bringing separate counterclaims.

There is a clear trend that local and regional divisions are preferred venues for bringing infringement actions. This is perhaps not surprising, given that Article 33 of the UPC Agreement broadly stipulates that infringement actions should be brought before the relevant local and regional divisions

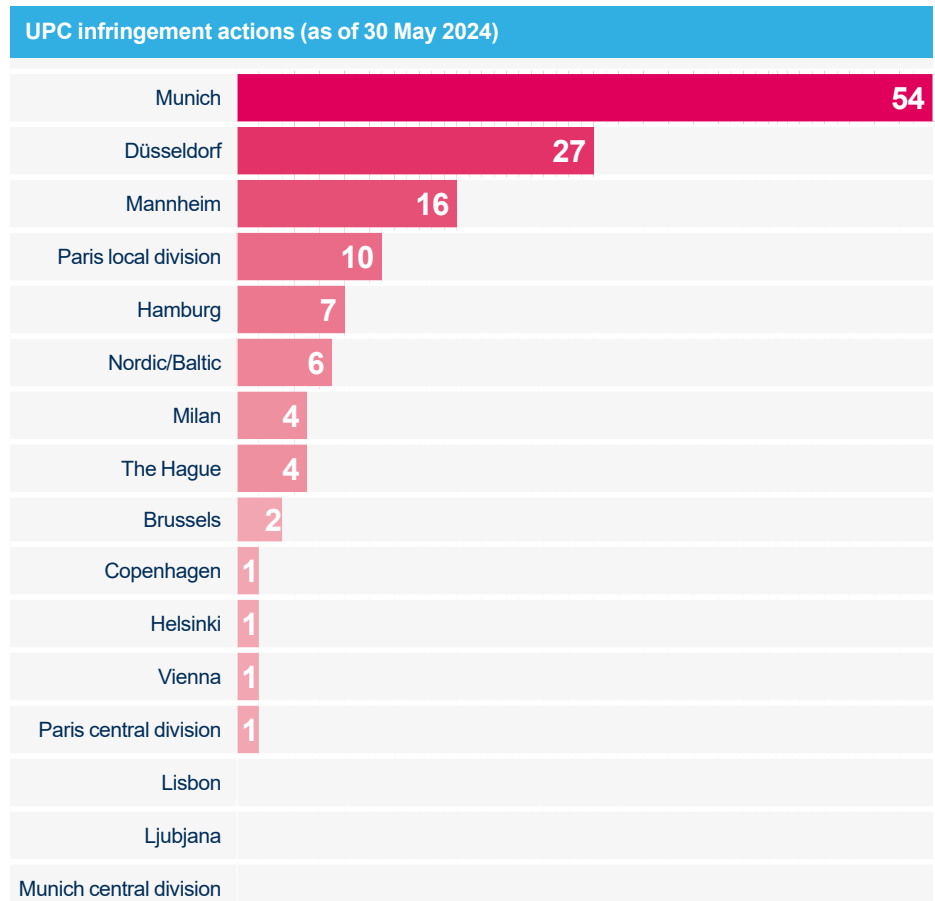
where infringement has occurred, or the defendant has their residence or place of business. However, it is noteworthy that only a single infringement action has been initiated before any central division (Paris).

Standalone revocation actions are few in number, relative to the counterclaim actions. The majority of these were filed within the first three months of the UPC launching, with most relating to "human necessities" matter (patents classified under the World Intellectual Property Organization (WIPO) international patent classification (IPC) section A). These cases will of course be heard at the Milan central division when it is scheduled to open its doors on 26 June 2024.

Before the UPC launched in 2023 there was extensive commentary concerning the potential for bifurcated hearings to occur before the

UPC divisions. According to the jurisdictional provisions in the UPC Agreement and Rules of Procedure an infringement claimant has initial control over the jurisdiction of the proceedings. However, the local or regional divisions hearing infringement actions have, at their discretion, the authority to refer a revocation counterclaim or indeed the whole case to the central division under certain circumstances.

In practice, bifurcated hearings have not materialised in significant number. To the contrary, it appears that local and regional divisions have generally sought joint hearings of the infringement action and the counterclaim, broadly for the reasons of procedural expediency and uniform interpretation of the patent by the same judicial panel (for example, *Plant e-Knowledge v Arkyne Technologies*: UPC_CFI_239/2023). Nevertheless, there have been some multi-party cases where bifurcation



➤ **Related link**

[UPC news release “The Unified Patent Court appoints new legally qualified judges”, 30 April 2024:
dycip.com/upc-new-judges-apr2024](#)

➤ **Case details at a glance**

*Decision level: The Hague Local Division
Case: UPC_CFI_239/2023
Order/decision: ORD_581189/2023
Parties: Plant-e Knowledge BV, Plant-e BV v Arkyne Technologies SL
Date: 18 October 2023
Decision: [dycip.com/plant-e-arkyne](#)*

*Decision level: Munich Local Division
Case number: UPC_CFI_14/2023
Order/decision: ORD_392/2024
Parties: Amgen Inc v Sanofi-Aventis (Deutschland GmbH & Groupe SA), Sanofi Winthrop Industrie SA, Regeneron Pharmaceuticals Inc
Date: 02 February 2024
Decision: [dycip.com/amgen-sanofi-regeneron](#)*

*Decision level: Court of Appeal, Luxembourg
Case: UPC_CFI_255/2023
Order/decision: ORD_7184/2024
Parties: Meril Italy srl v Edwards Lifesciences Corporation
Date: 27 February 2024
Decision: [dycip.com/meril-edwards-lifesciences](#)*

*Decision level: Court of Appeal, Luxembourg
Case: UPC_CoA_472/2023
Parties: Guangdong OPPO Mobile Telecommunications Corp Ltd, OROPE Germany GmbH v Panasonic Holdings Corporation
Date: 18 December 2023
Decision: [dycip.com/quangdong-panasonic](#)*

is being implemented, seemingly to the advantage of the revocation claimant, in that the venues for the revocation actions have or are being shifted to the central divisions, potentially favouring the revocation claimant, while the infringement actions are being heard by the local divisions (such as Amgen v Sanofi-Aventis & Regeneron or Meril v Edwards Lifesciences).

Since the commencement of the UPC, the local divisions have received 32 cases relating to provisional and protective measures, including applications for preliminary injunctions, preserving evidence and orders for inspection. A single case has also been filed at the Hamburg local division for determination of damages, while a declaration of non-infringement has also been filed before the Paris central division and the Munich local division separately.

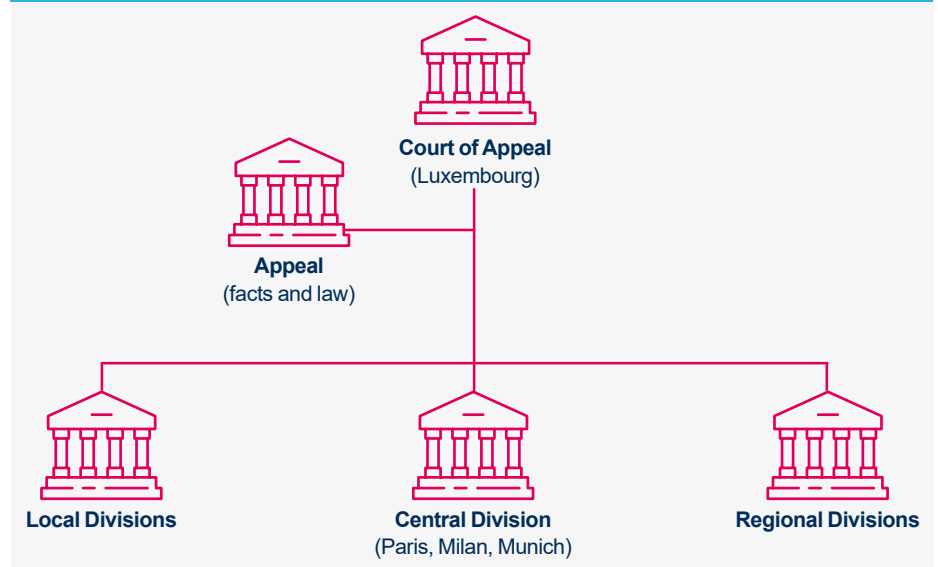
In view of the case load data published by the UPC, it is clear the central divisions are generally being utilised for the sole purpose of revocation proceedings, the only exception being that one infringement action and one declaration of non-infringement have been initiated before the Paris central division.

It is striking that 88% of the cases filed at the UPC are being heard before the local and regional divisions. Germany has hosting the majority of these divisions. In a reassuring move to support the growth in cases before the local and regional divisions the UPC has recruited additional legally qualified judges to the Munich and Mannheim local divisions. It should be expected that further judges will be recruited to the local and regional divisions as the caseloads increase. The central divisions by comparison are hearing relatively fewer cases (12% of the total first instance court case load). It will be interesting to see whether the proportion of cases heard by the central division changes, as the Milan central division opens and litigation strategies before the UPC develop.

Court of Appeal

The UPC Court of Appeal has received 16 appeals by adversely affected parties (under Rule 220.1 of the UPC Rules of Procedure) and 47 appeals against other orders (under Rule 220.2 of the UPC Rules of Procedure). The Court of Appeal has

Unified Patent Court local and regional divisions, central divisions and appeal court



also received two requests for discretionary review, five applications for suspensive effect and 15 applications for an order for expedition of an appeal. A single application for rehearing has also been made (under Rule 245 of the UPC Rules of Procedure).

We are still at an early stage with respect to appeal proceedings before the UPC. Indeed, a large proportion of appeals under Rule 220.2 of the Rules of Procedure relate to a small number of multi-party proceedings, which inflate the headline figure. However, we note that a number of requests have been lodged for expediting the appeal procedure, most of which have seemingly been rejected on the basis that those requests are contrary to the principles of proportionality, fairness and equity to all parties to proceedings (see, for example, Guangdong OPPO Mobile Telecommunications Corp Ltd, OROPE Germany GmbH v Panasonic Holdings Corporation: UPC_CoA_472/2023).

Language of proceedings

Given the popularity of the German-based divisions before the UPC, it is interesting to note that English is now the predominant language at the UPC Court of First Instance, representing 50% of proceedings. One reason for this is likely to be due to English being increasingly used as a language of proceedings before the German-

based divisions of the UPC, as well as being the predominant language in the divisions outside of Germany. For more detailed information regarding languages at the UPC, please refer to our article on pages 14-15 of this newsletter.

In future we may expect the proportion of cases heard in English to increase, given the current trajectory. It is also possible that Italian is used more frequently as the Milan central division opens in due course.

Robust growth marks UPC's first year

It is pleasing to see that the first year of the UPC has seen a strong uptake, with the caseloads before the Court of First Instance and the Court of Appeal both growing at determined rate. The focus of the UPC's case load has been in Germany, which is perhaps unsurprising given Germany's market presence and the UPC's infrastructure. However, the proportion of cases in other UPC jurisdictions is likely to grow as confidence in the UPC jurisprudence increases. It is also positive to see a varied cohort of litigants that are party to proceedings before the UPC. This implies that the UPC is already being seen as a cost-effective and effective venue for instigating infringement and validity actions.

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And finally...

Webinar invitation

Lexology masterclass The UPC one year on: where are we now?

The UPC opened its doors on 01 June 2023, amidst a palpable buzz of excitement and uncertainty. Some thirty-plus years in the making, the new court undoubtedly represents a modern landmark for stakeholders and users of the European patent system. But, one year on, has the UPC delivered on its stated aim to provide a “uniform, specialised, and efficient framework for patent litigation at a European level”?

European patent attorneys and registered representatives before the UPC, D Young & Co partners Anthony Albutt, Rachel Bateman and Lawrence King present an informal virtual “guided tour” of the UPC to commemorate

its first anniversary. Webinar participants can expect an insightful and thought-provoking mix of court statistics, case commentary and practical considerations from some of the key decisions of the first twelve months since the court’s inception. We will also consider anticipated developments in the next twelve months and the ongoing impact of the UPC on patent enforcement strategies in Europe.

Registration

This webinar is now available to view on demand:

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