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Bitte GG

Danke und Gruß

Karcher

Bundesministerium der Justiz und für Verbraucherschutz	
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-----Ursprüngliche Nachricht-----

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Betreff: Expert Panel meeting - 4 February 2015 - Agenda and supporting papers

Dear Expert Panel Members

I attach the agenda and supporting papers for next Wednesday's meeting in London.

2/11
[redacted]
9/2

kind regards

[redacted]

Head of Secretariat

UPC Preparatory Committee

Tel +44 (0) [redacted]

9/5/16 - 31 481 2015

Unified Patent Court

2nd Expert Panel meeting, 4 February 2015

12 noon at UK IPO, 4 Abbey Orchard Street, London

Agenda

1. Welcome & Introductions

There will be new members of the Expert Panel and a number of additional attendees who will take part in the discussion, therefore, some time will be taken for a tour de table of introductions.

2. Court fee structure (paper attached)

The Expert Panel has already exchanged written comments on these documents. A further opportunity at the meeting on 4 February will be a chance to reflect and discuss the key areas. The discussion will be helpful to both the Legal and Finance Working Groups 'fine tune' the documents before they are tabled for the February Preparatory Committee.

3. Opt out (paper attached)

The first note on opt out, published on the UPC website, has created some discussion, raising questions from practitioners and users. The Chairman, therefore, is considering a follow up note clarifying the position. The attached note is a first draft to address this. It would be useful to hear the Expert Panel's collective thoughts on this as some issues are connected and for this to take place ahead of any Preparatory Committee discussion (though it is not envisaged that it will be tabled at February's Committee meeting). The note contains initial thoughts of the Chairman that have not been discussed elsewhere.

4. Any other business

5. Conclusions and date of next meeting

CONFIDENTIAL (not to be cascaded)

January 14th 2014

version 19 clean

Consultation Document

Legal and Financial Working Group

Rules on Court fees and recoverable costs

I. Draft Proposal for

A – an amendment of Rule 370 of the Rules of Procedure

B – a table of fees

C – a scale of ceilings for recoverable costs

II. Explanatory Note

A. Proposal for an amendment of PART 6 of the Rules of Procedure

Part 6 – FEES AND LEGAL AID

Court Fees

Rule 370 – Court fees

1. Court fees provided for in these Rules shall be levied in accordance with the provisions contained in this part and the table of fees adopted by the Administrative Committee in accordance with Art. 36 (3) UPCA.
2. The court fees shall be paid to the Court using a method of payment provided by the Court for that purpose.
3. A fixed fee shall be paid in accordance with section I (fixed fees) of the table of fees adopted by the Administrative Committee for the following actions:
 - (1.) Infringement action [R. 15]
 - [(2.) Counterclaim for revocation [R. 26]]¹
 - (3.) Revocation action [R. 47]
 - (4.) Counterclaim for infringement [R. 53]
 - (5.) Declaration of non-infringement [R. 68]
 - (6.) Action for compensation for license of right [R. 80.3]
 - (7.) Application to determine damages [R. 132]
 - (8.) Appeal pursuant to Rule 220.1 (a) and (b) [R 228]
 - (9.) Other counterclaims pursuant to Article 32 (1) (a) UPCA
4. In addition to the fixed fee a value-based fee shall be due in accordance with section II (value-based fees) of the table of fees for those actions of the preceding paragraph, which exceed a value of 500.000 €.
5. For the following procedures and actions a fee shall be paid in accordance with section III (other procedures and actions) of the table of fees adopted by the Administrative Committee:

¹ see "3. Counterclaim for revocation" on page 13 of the Explanatory Note

- [(1.) Counterclaim for revocation [R. 26]]²
- (2.) Application for provisional measures [R. 206.5]
- (3.) Application for opt-out [R. 5.5]
- (4.) Application for withdrawal of an opt-out [R. 5.8]
- (5.) Action against a decision of the European Patent Office [R. 88.3]
- (6.) Application to preserve evidence [R. 192.5]
- (7.) Application of an order for inspection [R. 199.2]
- (8.) Application of an order to freeze assets [R. 200.2]
- (9.) Lodging a protective letter [R. 207.3]
- (10.) Prolong the period of a protective letter kept on the register [R.207.8]
- (11.) Application for leave to appeal [R. 221]
- (12.) Interlocutory appeals [R. 220.1 (c)]
- (13.) Request for discretionary review [R. 220.2, R. 228]
- (14.) Application for rehearing [R. 250]
- (15.) Application for re-establishment of rights [R. 320.2]
- (16.) Application to review a case management order [R. 333.3]
- (17.) Application to set aside decision by default [R. 356.2]

6. The assessment of the value of the relevant action (Rule 370.4) shall reflect the objective interest pursued by the filing party at the time of filing the action. [In deciding on the value, the Court shall in particular take into account the criteria laid down in the decision of the Administrative Committee for this purpose.]

7. Reimbursements of fixed and value-based fees

(a) If the action is heard by a single judge (Rule 345.6.) the debtor of the Court fees will be reimbursed by 30 %.

(b) In case of a decision by default (Rules 355-357) the debtor of the Court fees will be reimbursed by

65 %	if the decision is handed down before the conclusion of the written procedure
45 %	if the decision is handed down before the conclusion of the interim procedure
25 %	if the decision is handed down before the conclusion of the oral procedure

(c) In case of the withdrawal of an action (Rule 265) the debtor of the Court fees will be reimbursed by

² see "3. Counterclaim for revocation" on page 13 of the Explanatory Note

65 %	if the action is withdrawn before the conclusion of the written procedure
45 %	if the action is withdrawn before the conclusion of the interim procedure
25 %	if the action is withdrawn before the conclusion of the oral procedure

(d) If the parties have concluded their action by way of settlement the debtor of the Court fees will be reimbursed by

65 %	if the action is settled before the conclusion of the written procedure
45 %	if the action is settled before the conclusion of the interim procedure
25 %	if the action is settled before the conclusion of the oral procedure

(e) Only one of the reimbursements referred to in subsection (a), (b), (c) and (d) will apply per action and party. Where more than one reimbursement is applicable, the larger will be applied for each party.

(f) In exceptional cases, having regard, in particular, to the stage of the proceedings and the conduct of the party, the Court may decide to deny or decrease the reimbursement according to subsection (b), (c) and (d) of the aforementioned provisions.

8. If the amount of payable Court fees threatens the economic existence of a party, who is not a natural person, and has presented reasonably available and plausible evidence to support that the amount of Court fees threatens its economic existence, the Court may upon request by that party, reimburse the fixed fee and reduce the value-based fee to be paid. The request shall be decided by the Court without delay. In reaching a decision the Court shall reflect on all circumstances of the case and shall take into account the conduct of the party.

B. Table of fees**DRAFT****The Administrative Committee of the Unified Patent Court****Decision**

The Administrative Committee adopts pursuant to Article 36 (3) of the Agreement on a Unified Patent Court the following table of fees:

I. Fixed fees

Actions	Fixed fee
Infringement action [R. 15]	11.000 €
[Counterclaim for revocation [R. 26]]³	[11.000 €]
Revocation action [R. 47]	11.000 €
Counterclaim for infringement [R. 53]	11.000 €

³ see "3. Counterclaim for revocation" on page 13 of the Explanatory Note

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]	11.000 €
Appeal pursuant to Rule 220.1 (a) and (b) [R 228]	21.000 €
Other counterclaims pursuant to Article 32 (1) (a) UPCA	11.000 €

II. Value-based fees

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 €	5.000 €
Up to and including 1.500.000 €	10.000 €
Up to and including 2.000.000 €	15.000 €
Up to and including 3.000.000 €	20.000 €
Up to and including 4.000.000 €	25.000 €

Up to and including 5.000.000 €	30.000 €
Up to and including 6.000.000 €	35.000 €
Up to and including 7.000.000 €	40.000 €
Up to and including 8.000.000 €	45.000 €
Up to and including 9.000.000 €	50.000 €
Up to and including 10.000.000 €	55.000 €
Up to and including 15.000.000 €	70.000 €
Up to and including 20.000.000 €	85.000 €
Up to and including 25.000.000 €	115.000 €
Up to and including 30.000.000 €	150.000 €
more than 30.000.000 €	220.000 €

III. Other procedures and actions

Procedures/actions	Fixed Fee
[Counterclaim for revocation [R. 26]] ⁴	[11.000 €]
Application for provisional measures [R. 206.5]	11.000 €

⁴ see "3. Counterclaim for revocation" on page 13 of the Explanatory Note

Application for opt-out [R. 5.5]	[80 €] [0 €]
Application for withdrawal of an opt-out [R. 5.8]	0 €
Action against a decision of the European Patent Office [R. 88.3]	1.000 €
Application to preserve evidence [R. 192.5]	350 €
Application of an order for inspection [R. 199.2]	350 €
Application of an order to freeze assets [R. 200.2]	3.000 €
Lodging a protective letter [R. 207.3]	200 €
Application to prolong the period of a protective letter kept on the register [R. 207.8]	100 €
Application for leave to appeal [R. 221]	3.000 €
Interlocutory appeals [R. 220.1(c.)]	3.000 €
Request for discretionary review [R. 220.2, 228]	1.500 €
Application for rehearing [R. 250]	2.500 €
Application for re-establishment of rights [R. 320.2]	350 €
Application to review a case management order [R. 333.3]	300 €
Application to set aside decision by default [R. 356.2]	1.000 €

C. Scale of ceilings for recoverable costs

DRAFT

The Administrative Committee of the Unified Patent Court

Decision

The Administrative Committee adopts pursuant to Art. 69 of the Agreement on a Unified Patent Court and pursuant to Rule 152 (2) of the Rules of Procedure the following Scale of ceilings for recoverable costs:

Scale of ceilings for recoverable costs:

Value of the dispute (million €)	Ceiling for recoverable costs of representation per instance and party
0 – 0,5	Up to 100.000 €
0,5 – 4,0	Up to 250.000 €
4,0 –	Up to 500.000 €

costs of representation

costs of representation

II. Explanatory Note

A. Rule 370 RoP

The Unified Patent Court Agreement (in the following "the Court" and "the Agreement") contains a set of principles on which the structure and the level of Court fees have to be built.

Article 36 (1) of the Agreement contains the principle, that the budget of the Court shall be financed by the Court's own financial revenues, namely Court fees (Article 36 (2) of the Agreement) paid by the parties (Article 70 of the Agreement), and, at least in the transitional period referred to in Article 83 of the Agreement as necessary, by contributions from the Contracting Member States. Where the Court is unable to balance its budget out of its own resources, the Contracting Member States shall remit special financial contributions (Article 36 (4) of the Agreement).

As to the structure of Court fees the Agreement provides in Article 36 (3) that the Court fees shall consist of a fixed fee, combined with a value-based fee above a predefined ceiling. In this context the "Declaration of the Contracting Member States concerning the preparations for the coming into operation of the Unified Patent Court" specifies that the Signatory States consider that the fee system of the Court should be straightforward and predictable for the users. Accordingly, the Court should apply a mixed system of fixed and value-based fees. To this end the Legal Working Group has presented its draft proposal to the Preparatory Committee PC/08/180314 setting out – on the basis of the draft Rules of Procedure – the individual procedures for which fixed fees and value-based fees should be paid.

On this basis the Legal and Financial Working Groups suggest an appropriate level of Court fees. The basis is an estimation of the expected volume of activity, staff and operating costs. These estimates served as point of reference for the calculation of the Court fees which at the end of the transitional period will need to ensure a self-financing state.

Fee-reimbursements and reductions

Rule 370 (7) provides for fee-reimbursements

- if the action is heard by a single judge,
- in case of a decision by default,
- in case of the withdrawal of action and
- if the parties have concluded their action by way of settlement.

It is assumed, that in all these cases the Court has to work less. Therefore, a reduced fee seems reasonable. In order to prevent misuse the Court is allowed to deny or to decrease the level of reimbursement depending on all circumstances.

According to Rule 370 (8), the Court may upon request by a party, who is not a natural person, reimburse the fixed fee and reduce the value-based fee to be paid if the payment of those fees threatens the economic existence of that party. Such a request shall be administered by the Court without delay.

SME Support

Article 36 (3) of the Agreement states that "The Court fees shall be fixed at such a level as to ensure a right balance between the principle of fair access to justice, in particular for small and medium-sized enterprises, micro-entities, natural persons, non-profit organizations, universities and public research organizations and an adequate contribution of the parties for the costs incurred by the Court, recognising the economic benefits to the parties involved, and the objective of a self-financing Court with balanced finances. (...) Targeted support measures for small and medium-sized enterprises and micro entities may be considered". The Declaration attached to the Agreement develops this point further and suggests that "The Court should be accessible for parties with limited resources. (...) The fee system should provide adequate and specific tools to ensure proper access for small and medium-sized enterprises, micro entities, natural persons, non-profit organizations, universities and public research organizations to the Unified Patent Court, especially in relation to cases of high economic value".

Any support measures need to be looked at from a legal and a financial angle. A differentiation of Court fees according to nature and size of a party may raise legal questions about the principle of equality of arms of parties before a court. Financially any such differentiation of fees for one group would have to be compensated by

higher fees from other users. The resulting additional administration would also drive up associated costs and therefore increase the amount that needs to be recouped in order to deliver a self sustaining Court by the end of the transition period. For these reasons, amongst others, we have not provided distinct fee reductions for SMEs or others, but instead created an accessible fee structure for all that balances fair access to justice with the need for a sustainable Court.

The fee levels suggested are the lowest that will enable sustainability of the Court. In addition, a number of measures will be provided that, whilst available to all, are understood to be generally preferred by SMEs and the other entities listed above. These include Legal Aid for natural persons under the Agreement, rebates for early settlement [R. 370 (7) (d)], for withdrawal [R. 370 (7) (c)], for use of a single judge [R. 370 (7) (a)] and a rebate/reduction, where the amount of Court fees threatens a party's economic existence [R. 370 (8)], and detailed guidance on how to use the Court.

B. Schedule for fixed and value-based fees

I. Structure

1. Fixed fee

It is assumed that 25% of actions filed at the Court will fall below a threshold of 500.000 €. The experience in Germany, one of the few Member States who operate a value based system, has shown that nearly one quarter of the cases has a value of up to 250.000 €. As the EU-wide scope of UPC judgments will increase the value, we have doubled this amount to reach our proposed threshold for the value-based fee.

2. Value-based fee

The consideration that users with more significant economic interests should provide a corresponding contribution to the Court is reflected in Table II.

Again using experience in Germany as a guide, we estimate that 90 % of all actions will have a value of up to 4.000.000 €.

3. Counterclaims for revocation

Views as to the treatment of counterclaims for revocation are split; therefore the current proposal as to counterclaims for revocation is bracketed. Two differing opinions on the fee for a counterclaim for revocation have arisen during the discussions of the Legal and Financial Working Groups:

One group is of the opinion that a defendant who files a counterclaim for revocation should only pay a fixed Court fee for that action while a fixed and a value-based fee is due for direct revocation actions. The reason for this view is that a counterclaim for revocation is seen as a defence action against the action for infringement and according to this view it does not seem justifiable to also charge a value-based Court fee. Charging of a value-based Court fee could deprive the defendant of an infringement action the right for a defence.

According to the other group the revocation action and the counterclaim for revocation should be treated equally (fixed and value-based fee) for the following reasons: Both, a revocation action and a counterclaim for revocation are actions in which the Court is asked to revoke the patent with erga omnes effect. In that sense, a counterclaim for revocation is not just a pure defence, it is a counter attack with a much wider impact. This would be different if a simple "plea for invalidity" by the defendant of the infringement action would be possible leaving the validity of the patent otherwise untouched. However, this possibility was deliberately not considered in the Agreement. Even if one would want to view a counterclaim for revocation as a defence measure one would, however, need to also view a direct action for revocation as a measure of defence: Companies hardly ever start direct revocation actions without a concern that they would want to prevent becoming a defendant of an infringement action. Different pricing of direct revocation action and counter claim for revocation should not influence the party in which way it would best pursue its interest. Finally, different pricing of both remedies would, at the level of the fees, upset the delicate balance of the bifurcation compromise which the Member States after so a long debate have reached in the UPC Agreement.

II. Level

The proposed Court fees are based on estimates of costs and volumes. It is clear from the Agreement that contracting Member States will have to subsidise the Court through its early life and through the provision of facilities and, during the transitional period, of administrative support staff.

Costs are estimated to be around 30.000.000 € in year 8. As these costs can only be fairly roughly estimated until the Court is established, it will be essential that the Court regularly reviews fees and costs based on its work load.

C Scale of ceilings for recoverable costs

According to Article 69 (1) of the Agreement the unsuccessful party shall bear reasonable and proportionate costs and other expenses incurred by the successful party up to a ceiling set in accordance with the Rules of Procedure. The issue of recoverable costs consists of two parts: (1.) the specification of which costs shall be recoverable and (2.) the determination of a ceiling for the recoverable costs.

1) Recoverable costs

According to R. 150 RoP the costs incurred in the proceedings by the Court as well as the costs of the successful party are recoverable costs [e.g. costs for simultaneous interpretation, witnesses (R. 180 RoP), court experts (R. 185.7 RoP), experiments (R. 201 RoP), letters rogatory (R. 202 RoP) representation (R. 152 RoP) and Court fees].

2) Ceiling for recoverable costs

As regards the ceiling for the recoverable costs the first question is, whether all those costs should be subject to a ceiling. It follows from R. 152.1 that the successful party shall be entitled to recover reasonable and proportionate costs for representation. In R 152.2 the Administrative Committee shall adopt a scale of recoverable costs which shall set ceilings for such costs by reference to the value of the dispute. This scale may be adjusted from time to time.

The aim of a cost-ceiling is to safeguard the losing party against excessive cost burdens. The threat of such cost burdens does not emanate from costs incurred by the Court, but rather from the expenses incurred by the other party, especially the costs for representatives. The Court fees will not be an unreasonable and unpredictable cost factor. Against this background it is appropriate that representation costs should be subject to a ceiling. Furthermore, R.153 and 155 refer to which rates of payment experts, interpreters and translators should be compensated with.

Having determined the costs for which a ceiling has to be adopted it is necessary to propose an appropriate structure for a scale of these recoverable costs. It is possible to establish only one ceiling for all recoverable costs. However, such an approach would not seem to adequately take into account the fact that costs incurred may differ according to the value of the dispute. Therefore, it seems preferable that the extent of

recoverable costs depends on the value of the dispute, which is in conformity with R. 152 (2) RoP.

Due to the fact that there is no common legal basis within the 25 Member States as to the question what reasonable representation costs are and when they become excessive, a wide range of ceilings has been discussed. For example, for a case with value up to 500.000 € the discussed ceilings ranged from 24.000 € to 200.000 € per instance, i.e. differing almost by a factor of 10. In this context, the proposed ceilings are steering a middle course and are the result of a compromise reached after thorough discussions. In the light of practice of the Agreement the ceilings may in the future be adjusted according Article 69 (1) of the Agreement and R. 152.2.

It is proposed that each ceiling for recoverable costs of representation is applicable per instance and party.

D. Assessment of the value of the action

Whether a value-based fee has to be paid depends in principal on two requirements: the specific action and the value of the action. Only if the value of the action exceeds a certain amount, which is covered by the fixed fee, the consequence of a value-based fee is activated.

R. 370.6 RoP states that:

"The assessment of the value of the relevant action shall reflect the objective interest pursued by the filing party at the time of filing the action."

Usually, the objective interest differs from action to action. The Legal and Financial Working Groups are therefore considering providing guidelines for parties to facilitate the assessment of the value of the actions. As only the German system has experience with court fees based on the case value, the guidelines for the evaluation may be derived from the German caselaw. On the one hand, such guidelines are suitable to facilitate the work of the Court in its first years, until case law of the Court has been developed. On the other hand, such guidelines would limit the discretion of the Court and the chance to build up a new system. The question regarding the need

for and the more precise format and content of guidelines will be dealt with after the consultation and taken up with the Expert Panel.

CONFIDENTIAL (not to be cascaded)**January 2015****Proposed court fees, detailed case load and distribution estimates, and assumptions made****Scope and limitations of this document**

The aim of this document is to lay out the current working assumptions that have been made to inform the UPC fees schedule. In making assumptions we have considered the 2011 study by DG Markt. However, we have not used these assumptions in favour of using more up to date data. In the absence of reliable data on applicant behaviour, estimates of case load were taken from the UPC indicative costs model (based on current German experience and our earlier group discussion), where available, or were decided by the Court fees sub group, which comprises representatives from the Legal and Financial Aspects working groups.

Given the difficulty in arriving at estimates, which will be influenced by things like the opt out, Court fees and confidence in the Court, these estimates may not be reflective of the UPC once it is up and running. In particular, there is no reliable evidence of caseloads at the UPC, how many actions will be filed as part of these cases, or the form they will take. Assumptions have also been made relating to the value of cases and the distribution of this value. Again, in the absence of evidence, assumptions have been made based on data from Germany, which has a value based fee system. However, there is no guarantee that the UPC will follow the trends displayed in the German system, although it is by far the most significant forum for European patent litigation.

It is intended that fee reimbursements will also be available in certain circumstances at the UPC. As there is no data on reimbursements, working assumptions have been made based on limited experience and prediction. As a consequence the estimates and assumptions made and detailed in this document cannot be robust. As a result, the outputs from this exercise and the estimated revenues in particular are illustrative only and a significant margin of error may be required. However, they provide an indication of the possible levels of revenue for the Court. The fees will need to be revised in the light of the functioning of the Court and later evidence.

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1. Caseload estimates

1.1. *General estimates*

- General case load estimates are taken from the costs model as follows:

Table 1 - Costs model case load estimates

Type of Action	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Infringement	120	240	360	480	600	720	840	960
Revocation	45	90	135	180	225	270	315	360
Appeal	15	30	45	60	75	90	105	120
Total	180	360	540	720	900	1,080	1,260	1,440

- It has been assumed that "Revocation" relates to the number of revocations and counterclaims for revocation
- It has been assumed that "Appeal" relates to the number of appeals as per r220.1(a) and r220.1(b)

1.2. *Detailed case load estimates*

Table 2 - Occurrences of actions eligible for a fixed and value based fee

Action eligible for fixed and value based fees:	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8
Infringement action	120	240	360	480	600	720	840	960
Revocation	36	72	108	144	180	216	315	288
Counterclaim for infringement	10	15	20	25	30	35	40	45
Declaration of non infringement	10	20	30	40	50	60	70	80
Action for compensation for license of right	5	10	15	20	25	30	35	40
Application to determine damages	10	20	30	40	50	60	70	3
Appeal pursuant to r 220.1	15	30	45	60	75	90	105	120
Total	206	407	608	809	1,010	1,211	1,475	1,613

Table 3 - Occurrences of actions incurring a fixed fee only

Action incurring a fixed fee only	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Counterclaim for revocation	9	18	27	36	45	54	63	72
Application for provisional measures	24	48	72	96	120	144	168	192
Application for opt out	50,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Application for withdrawal of opt out	0	140	1,400	2,800	2,800	2,800	2,800	2,800
Action against a decision of the EPO	30	60	90	120	150	180	210	240
Application to preserve evidence	72	144	216	288	360	432	504	576
Application for an order for inspection	5	5	10	15	20	25	30	35
Application for an order to freeze assets	5	5	10	15	20	25	30	35
Lodging a protective letter	5	10	15	20	25	30	35	40
Prolong a period a letter is kept on the register	5	10	15	20	25	30	35	40
Application for leave of an appeal r221	10	20	30	40	50	60	70	80
Discretionary review r220.2	5	10	15	20	25	30	35	40
Interlocutory appeals (r220.1(c))	5	10	15	20	25	30	35	40
Application for a rehearing	5	10	15	20	25	30	35	40
Application for re-establishment of rights	5	10	15	20	25	30	35	40
Application to review a case management order	5	10	15	20	25	30	35	40
Application to set aside a decision by default	5	10	15	20	25	30	35	40
Total load case estimates	50,312	14,454	15,876	17,438	17,600	17,762	17,924	18,086
Minus opt out	312	454	1,876	3,438	3,600	3,762	3,924	4,086

1.3. Case load assumptions

- The number or "occurrences" of all actions are estimates. In particular:
 - It has been assumed that 7.5% of infringement actions will have counterclaims for revocation
 - 20% of infringement actions will have provisional measures filed

- 60% of infringement actions will also have applications to preserve evidence filed.
- 50,000 opt outs will be filed in year 1
- For other years, 14,000 opt outs will be filed yearly, which is approximately 10% of the number of EP applications filed in 2013.

1.4. Distribution of value based fee actions

Table 4 - Percentage distribution of value based fee actions

Value (€)	Percentage distribution	Year 1 Number of actions (to 1 decimal place)	Year 8 Number of actions (to 1 decimal place)
Up to and including 500 000	25%	51.5	403.3
Up to and including 750 000	20%	41.2	322.6
Up to and including 1 million	15%	30.9	242.0
Up to and including 1.5 million	10%	20.6	161.3
Up to and including 2 million	10%	20.6	161.3
Up to and including 3 million	5%	10.3	80.7
Up to and including 4 million	5%	10.3	80.7
Up to and including 5 million	2%	4.1	32.3
Up to and including 6 million	2%	4.1	32.3
Up to and including 7 million	1%	2.1	16.1
Up to and including 8 million	1%	2.1	16.1
Up to and including 9 million	1%	2.1	16.1
Up to and including 10 million	1%	2.1	16.1
Up to and including 15 million	0.5%	1.0	8.1
Up to and including 20 million	0.5%	1.0	8.1
Up to and including 25 million	0.5%	1.0	8.1
Up to and including 30 million	0.25%	0.5	4.0
Over 30 million	0.25%	0.5	4.0

1.5. Assumptions regarding the distribution of value based fees

- Value based fees are only payable on actions valued above 500,000 €
- Of the actions which incur a fixed and value based fee, in 75% of occurrences a value based fee will be payable alongside the fixed fee. In 25% of cases only a fixed fee will be paid
- DE Figures show that 7% of cases are valued above 4 million. To reflect the high value of the UPP, 10% of actions have been valued above € 4,000,000.

2. Revenues

2.1. Fixed fees

Table 5 – Proposed fixed fee schedule

Action	Fixed fee (€)
Infringement action	11,000
Revocation	11,000
Counterclaim for infringement	11,000
Declaration of non infringement	11,000
Action for compensation for license of right	11,000
Application to determine damages	11,000
Appeal pursuant to r 220.1	21,000
Other counterclaims pursuant to Article 32(1)(a) UPCA	11,000
Counterclaim for revocation	11,000
Application for provisional measures	11,000
Application for opt out	0 or 80
Application for withdrawal of opt out	0
Action against a decision of the EPO	1,000
Application to preserve evidence	350
Application for an order for inspection	350
Application for an order to freeze assets	3,000
Lodging a protective letter	200
Prolong a period a letter is kept on the register	100
Application for leave of an appeal r221	3,000
Request for discretionary review (r220.2, 228)	1,500
Interlocutory appeal (r220.1(c))	3,000
Application for a rehearing	2,500
Application for re-establishment of rights	350
Application to review a case management order	300
Application to set aside a decision by default	1,000

- Revenues from the action "other counterclaims pursuant to Article 32(1)(a)" have not been modelled and are not included in total revenues for the Court. It is assumed that such counterclaims will be infrequent.
- There are two options for the fee for the opt out: 0 € or 80 €.
- We have assumed that any fee for the opt out will be set at a level that allows for cost recovery only, and should not result in any additional income or loss for the court.
- As any opt out fee should effectively pay for itself and have no other effect on the revenue, we have modelled a fee of 0 €.

2.2. Value based fees

Table 6 - Proposed value based fee schedule

Value (€)	Cost (€)
Up to and including 500,000	0
Up to and including 750,000	2,500
Up to and including 1 million	5,000
Up to and including 1,5 million	10,000
Up to and including 2 million	15,000
Up to and including 3 million	20,000
Up to and including 4 million	25,000
Up to and including 5 million	30,000
Up to and including 6 million	35,000
Up to and including 7 million	40,000
Up to and including 8 million	45,000
Up to and including 9 million	50,000
Up to and including 10 million	55,000
Up to and including 15 million	70,000
Up to and including 20 million	85,000
Up to and including 25 million	115,000
Up to and including 30 million	150,000
Over 30 million	220,000

2.3. Estimated revenues based on proposed fixed and value based fees

Table 7 - Estimated revenues in € (no reimbursements and where revenue from the opt out fee is not included) Revenues are rounded to the nearest 100,000 €

	Year 1	Year 2	Year 3	Year 4
Total Revenues	5,300,000	10,400,000	15,500,000	20,700,000
	Year 5	Year 6	Year 7	Year 8
	25,800,000	30,900,000	37,500,000	41,200,000

3. Reimbursements

- Reimbursements will be offered when:
 - Parties agree to have a case heard by a single judge
 - Parties settle or withdraw their actions, or a decision by default is given by the Court.
- The court fees consultation document states that, where a party is entitled to more than one reimbursement, only one reimbursement will be applied and that it will be the largest of the applicable reimbursements.

3.1. **Estimated revenues after a single judge reimbursement (table 8) and a reimbursement for settlement, withdrawal or decision by default (table 9)**

Table 8 - Estimated revenues in € after reimbursements for the "single judge" option. Revenues are rounded to the nearest 100,000 €

Total Revenues after single judge reimbursement	Year 1	Year 2	Year 3	Year 4
	5,100,000	10,000,000	15,000,000	19,900,000
	Year 5	Year 6	Year 7	Year 8
	24,800,000	29,800,000	36,000,000	39,500,000

Table 9 - Estimated revenues in € after reimbursements for settlement, withdrawal or decision by default, revenues are rounded to the nearest 100,000 €

Total Revenues after reimbursement for settlement, withdrawal or decision by default	Year 1	Year 2	Year 3	Year 4
	5,000,000	9,900,000	14,700,000	19,600,000
	Year 5	Year 6	Year 7	Year 8
	24,500,000	29,400,000	35,600,000	39,100,000

- The cost of the reimbursements to the court is as follows. As the figures have been rounded to the nearest 100,000 €, the costs and revenues may not total the revenues listed in table 7.

Table 10 - Cost of single judge reimbursement in €, rounded to the nearest 100,000 €

Cost of the single judge reimbursement	Year 1	Year 2	Year 3	Year 4
	200,000	300,000	600,000	800,000
	Year 5	Year 6	Year 7	Year 8

	1,000,000	1,200,000	1,500,000	1,700,000
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Table 11 - Cost of reimbursements for settlement, withdrawal or decision by default, rounded to the nearest 100,000 €

Cost of the reimbursements for settlement,	Year 1	Year 2	Year 3	Year 4
	300,000	500,000	800,000	1,000,000
withdrawal or decision by default	Year 5	Year 6	Year 7	Year 8
	1,300,000	1,600,000	1,900,000	2,100,000

3.2. Assumptions relating to the type, occurrence and amount of reimbursement

- There will not be a scenario where both types of reimbursement are applied together.
- **Single judge:** 15% of cases will be heard by a single judge. A discount of 30% will be applied. The court fees model currently only models the reimbursement for actions that are eligible for fixed and value based fees.
 - **Settlement/withdrawal/decision by default:** 40% of cases will settle, withdraw or be subject to a decision by default before the end of the oral hearing. The level of fee reimbursement is dependent on where a settlement/withdrawal/decision occurs. The court fees model currently only models the reimbursement for actions that are eligible for fixed and value based fees.

Table 12 – Reimbursement (settlement/withdrawal/decision by default) level and frequency

Reimbursement	When	Occurrence (of the 40%)
65%	If the decision is handed down within the <u>written</u> procedure	20%
45%	If the decision is handed down within the <u>interim</u> procedure	50%
25%	If the decision is handed down within the <u>oral</u> procedure	30%

3.3. How the reimbursements were calculated

- **Single judge:** When calculating the distribution of the reimbursement, the proportion of reimbursements for a given fixed fee action reflected the occurrence of the action. When calculating the reimbursements for value based fees, there was a general assumption that there were fewer high value cases than lower value cases, and therefore fewer reimbursements of high value cases than reimbursements of lower value cases, as follows:

Table 13 - Distribution of actions with a value based fee for single judge reimbursement

Value of action (€)	Occurrences of actions with a value based fee							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
[0,5-0,75)	8	14	18	25	30	35	40	50
[0,75-1,00)	2	9	17	20	25	30	35	40
[1-1,5)	3	5	6	9	9	20	25	25
[1.5-2,0)	3	5	5	7	8	9	10	8
[2,0-3,0)	2	4	5	5	7	8	9	8
[3,0-4,0)	2	2	4	5	6	6	8	7
[4,0-5,0)	1	2	3	4	6	5	6	7
[5,0-6,0)	1	1	2	3	5	4	6	6
[6,0-7,0)		1	2	3	4	3	5	4
[7,0-8,0)			2	2	3	3	4	4
[8,0-9,0)			1	2	2	2	3	3
[9,0-10,0)				1	2	1	2	3
up to 15 million					1	1	1	2
up to 20 million						1	1	2
up to 25 million						1	1	1
up to 30 million							1	1
30 million and over								1

- **Settlement/withdrawal/decision by default:** When calculating the distribution of the reimbursement, the proportion of reimbursements for a given fixed fee action reflected the occurrence of the action. Similarly, when calculating the reimbursements for value based fees, the distribution of the value reflected the distribution laid out in table 4 of this document.

Note on Article 83 UPCA

- *The interaction of the jurisdiction of the UPC with the jurisdiction of the national courts of UPCA Contracting States during the transitional period*

A. General

Over the last two years, users have raised a number of questions on the interpretation of Article 83(1) and (3) UPCA, as well as on the interaction between the jurisdiction of the UPC and the national courts during the transitional period pursuant to Article 83 (1) UPCA. This note seeks to answer those questions, and it complements the interpretative note of the Preparatory Committee of 29 January 2014 on the consequences of the application of Article 83 (3) UPCA.

B. Interpretation of Article 83 UPCA

1. What type of action can be filed with the national courts during the transitional period under Article 83(1) UPCA?

By derogation from the principle of the UPC's exclusive jurisdiction, the national courts of UPCA Contracting States will retain a certain non-exclusive jurisdiction with regard to (classical) European patents and supplementary protection certificates (SPCs) during a transitional period of seven years (Article 83(1) UPCA).

Based on the wording of Article 83(1) UPCA, the national courts' shared jurisdiction during the transitional period relates to

- (i) actions for infringement or for revocation of a European patent and
- (ii) actions for infringement or declaration of invalidity of supplementary protection certificates.

Some users have raised the question whether the limitation of the national courts' shared jurisdiction to infringement and revocation actions is intended and whether other actions, such as actions for declaration of non-infringement, counterclaims for revocation and actions for provisional and protective measures, are excluded from the shared jurisdiction of national courts during the transitional period. The question is raised in view of the principle of *expressio unius exclusio alterius*, under which whenever certain issues are specified in a law, an intention to exclude all other issues, which are not specified, from the law may be inferred.

However, it is the view of the Preparatory Committee that the legislator's objective with Article 83(1) UPCA was to give a choice of forum to the claimant during the transitional period regarding all actions which normally come under the jurisdiction of the UPC.

Excluding certain actions from the national courts' shared jurisdiction such as counterclaims for revocation or declaratory actions for non-infringement would mean that defendants would be deprived of important defences if cases are brought before national courts. It would for example not be possible to raise a counterclaim for revocation before a national court dealing with an infringement action. Instead defendants would be forced to bring a separate revocation action before the UPC. This would be arbitrary and would be against the principle of procedural equality of the parties. Moreover, the exclusion of national courts' shared jurisdiction with regard to actions for declaration of non-infringement would be contrary to the interpretation of the CJEU with regard to

Article 5(3) Regulation 1215/2012 (Brussels I Regulation which has now become Article 7(2) of the revised version of the Brussels I Regulation¹).

In its judgement *Folien Fischer v Ritrama*², the CJEU held that a negative declaratory action, seeking to establish the absence of liability in tort, delict or quasi-delict, does fall within the scope of the place of tort, pursuant to Article 5(3) Brussels I Regulation and is therefore the same type of action. This implies that infringement and negative declaratory actions must be treated in the same way and that there is no reason to limit the shared jurisdiction of the national courts in this regard.

II. Does the effect of an opt-out under Article 83(3) UPCA last only for the duration of the transitional period or for the whole life of the patent?

Some users have raised the question whether an opt-out from the jurisdiction of the UPC for a classic European patent is effective only during the transitional period under Article 83(1) UPCA or whether, once it has been notified during the transitional period, it is effective for the whole life of the patent.

As already explained in the Q&As on the Preparatory Committee's website, it is the Preparatory Committee's view that it was the legislator's objective when providing for the possibility to opt-out, to give the patent holder the possibility to remove his European patent from the jurisdiction of the UPC for the whole life of that patent. This follows clearly from the fact that an opt-out can be notified until the very last day of the transitional period. The latter would make no sense and would not have been foreseen if the effect of an opt-out was to expire on the last day of the transitional period.

III. Does an opt-out under Article 83(3) UPCA affect only the exclusivity of jurisdiction, so that the UPC in fact retains a non-exclusive jurisdiction with regard to the opted-out patent?

Article 83(3) UPCA stipulates that "*a proprietor ... shall have the possibility to opt out from the exclusive competence of the Court.*" In this regard the question has been raised whether the provision must be interpreted such that the opt-out refers only to the *exclusive* competence of the UPC, and whether in fact the opt-out results in shared competence of the UPC and national courts.

If the effect of an opt-out was limited to removing the exclusivity of the UPC's jurisdiction, Article 83(3) UPCA would, at least during the transitional period, have exactly the same effect as Article 83(1) UPCA, i.e. result in shared jurisdiction of the UPC and national courts and a choice of forum for the parties. Thus there would be no need for two different provisions in Article 83 (1) and (3). The Preparatory Committee thus takes the view that it was the legislator's intent with the opt-out to give an alternative to patent holders, allowing them to remove their patents entirely from any jurisdiction of the UPC, as already explained in the Q&As on the Preparatory Committee's website.

C. Interaction of the jurisdiction of the UPC and national courts during the transitional period

Users have recently asked many questions about the interaction between the jurisdiction of the UPC and of national courts during the transitional period. Many of these questions concerning in particular parallel actions before the UPC and national courts, are essentially questions of *lis pendens*. Rules on *lis pendens* and parallel actions are laid down in Article 29-34 (section 9) of the

¹ The term Brussels I Regulation will be used to refer to Regulation 1215/2012, including the recast, i.e. Regulation 542/2014.

² *Folien Fischer v Ritrama*, CJEU 25 October 2012 (case C-133/11).

Brussels I Regulation. This Regulation was revised in 2014 in order to clarify its application to the UPC. For this purpose – among other issues – Article 71c was introduced into the revised Brussels I Regulation which has become applicable on 10 January 2015. Article 71c clarifies that the provisions on *lis pendens* and related actions, as provided for in section 9 of the Brussels I Regulation, apply between the UPC and courts of EU member states not party to the UPCA, and also apply during the transitional period under Article 83(1) UPCA between the UPC and courts of EU Member States which are party to the UPCA.

The most relevant *lis pendens* rules, in this context, are Articles 29(1), 30(1) and 35(1) Brussels I Regulation. According to Article 29(1) Brussels I Regulation, the court later seized **must stay** its proceedings involving the **same cause of action and between the same parties** until the jurisdiction of the court first seized is established. Once the jurisdiction of the court first seized is established, any court other than the court first seized has to decline jurisdiction in favour of the court first seized (Article 29(3) Brussels I Regulation).

Moreover, under Article 30(1) Brussels I Regulation in respect of **related actions** that are pending in the courts of different Member States - irrespective of whether between the same parties or not - the court second seized also **may stay** its proceedings, without being obliged to. It can be expected that Article 30(1) Brussels I Regulation will play an important role and will often be used by the UPC and national courts especially in cases where parallel actions concern the same European patent but different territorial parts thereof or revocation actions which are brought by different claimants, in which cases Article 29(1) Brussels Regulation does not apply.

In respect of **provisional measures**, Article 35(1) Brussels I Regulation provides that the court later seized with regard to application for provisional measures **does not have to stay** its proceedings if there is an action on the substance of the matter already pending before another court of an EU Member State. In the following the resulting interaction of jurisdiction of the UPC and national courts during the transitional period is explained more in detail for different scenarios.

1. Interaction of the jurisdiction of the UPC and national courts in infringement proceedings

1. *Does the commencement of an infringement action before a national court prevent a potential infringement action before the UPC and vice versa, and if so, to what extent?*

Questions have been raised about what happens, for example, in the hypothetical scenario where patent proprietor A files an infringement action against company B at its seat in Paris before the *Tribunal de Grande Instance de Paris* relating to the French and German parts of A's European patent, and if A subsequently files a second infringement action against B before the UPC relating to the French, German *and* UK parts of the same European patent?

Under Article 71c Brussels I Regulation in conjunction with Article 29(1) of the same Regulation, the UPC (i.e. any division of the Court of First Instance seized) **must stay** the proceedings if an infringement action involving the **same parties and the same cause of action** has already been brought before a national court on the basis of jurisdiction conferred according to the Regulation. In this context, the same cause of action means that the action **concerns the same territorial parts of a European patent**³. Thus, if an infringement action concerning certain parts of the European patent has been filed with a national court and later another infringement action **between the same parties**

³ This follows from the CJEU decision *Roche Nederland BV v Primus*, 13 July 2006 (case C-539/03) in which the court held that an infringement of a European patent continues to be governed by the national law of each of the EPC Contracting States for which it has been granted and, therefore, does not involve the same cause of action if different parts of the European patent are at stake.

concerning the same parts of the European patent is filed with the UPC, the court later seized (in this case the UPC) has to stay its proceedings. This means that, as concerns the given example, the UPC would have to stay the proceedings with regard to the infringement of the French and German parts of the European patent, but not with regard to the UK part, which is not the subject of the action before the national court. In cases where different parts of the European patent are at stake the court second seized does not have to stay its proceedings according to Article 29 Brussels I Regulation, because different territorial parts of the European patent basically mean different causes of action.⁴

Once a decision has been taken by the court first seized and remedies are no longer available, the matter at stake becomes *res judicata*. *Res judicata* which is a basis principle of law means that a final judgment on the merits by a court having jurisdiction is conclusive between the parties to a suit as to all matters that were or could have been litigated in that suit. To that extent, the infringement judgment of the court first seized being limited to the particular parties and to the particular part(s) of the European patent, as far as it is final, is binding and conclusive upon all other courts of concurrent power, including the UPC. Consequently, an action which the court later seized has stayed is finally to be rejected.

2. Does the commencement of an action for declaration of non-infringement in a national court prevent a potential infringement action before the UPC and vice versa, and if so, to what extent?

An action for declaration of non-infringement involves the same cause of action as an infringement action. This was clarified by the CJEU in its decision *Tatry v Maciej Rataj*⁵. In this decision, the court held that, on a proper construction of Article 27 Brussels I Regulation (now Article 29 of the revised Brussels I Regulation), an action seeking to have the defendant held liable for causing loss and ordered to pay damages has the same cause of action and the same object as earlier proceedings brought by the defendant seeking a declaration that he is not liable for that loss. Consequently, an infringement action filed with the UPC has to be stayed on the basis of Article 71c in conjunction with Article 29(1) Brussels I Regulation if the national court was first seized with an action for declaration of non-infringement relating to the same parties and the same parts of an EP, and vice versa.

II. Interaction in revocation proceedings

1. Does the commencement of a revocation action before a national court prevent a revocation action before the UPC and vice versa?

In the case that a revocation action is filed with a national court and afterwards another revocation action is brought by the same claimant concerning the same part(s) of the European patent, the same cause of action between the same parties is at stake and thus Article 71c in conjunction with Article 29 (1) Brussels I Regulation is applicable. Consequently, the court second seized must stay its proceedings.

The case is different if the second revocation action is brought by a different claimant or against a different territorial part of the European patent. In this case the court second seized is not obliged to stay proceedings since the second case either does not concern the same parties or not the same cause of action. However, in case of revocation actions (or counterclaims) for revocation concerning the same parties but (a) different territorial part(s) of the European patent or concerning different parties, but the same territorial part(s) of the European patent, the court second seized may still stay proceedings at its own discretion pursuant to Article 30 (1) Brussels I Regulation. This would seem in

⁴ See *Roche Nederland BV v Primus*, CJEU 13 July 2006 (case C-539/03).

⁵ *Tatry v Maciej Rataj*, CJEU 6 December 1994 (case C-406/92).

particular to be advisable in order to avoid conflicting judgements concerning the same territorial part of the European patent.

When the validity decision for the part(s) of the European patent at stake is already taken by the court first seized and remedies are no longer available, the matter at stake becomes *res judicata*. To that extent, the validity judgment of the national court, being limited only to the particular part(s) of the European patent, as long as it was final, is binding and conclusive upon all other courts of concurrent power, including the UPC. Moreover, and unlike infringement decisions which have *inter partes* effect, decisions on validity have *erga omnes* effect and, therefore, are conclusive and binding, even if the parties involved are different.

2. *Does the commencement of a revocation action before a national court prevent the commencement of an infringement action before the UPC and vice versa?*

The commencement of a revocation action before a national court by the alleged infringer does not involve the same cause of action as an infringement action. Thus, the UPC as the court second seized is not obliged under Article 29(1) Brussels I Regulation to stay its proceedings. However, on the grounds that the revocation and infringement actions are related, as only a valid European patent can be infringed, the court second seized may - at its own discretion - stay the proceedings according to Article 30(1) Brussels I Regulation.

3. (a) *Does the commencement of a revocation action before a national court of a UPCA Contracting State prevent the filing of a counterclaim for revocation in response to an infringement action brought before the UPC concerning the same part of the European patent between the same parties?*

An example may illustrate this question. A revocation action is filed with the German Federal Patent Court, relating to the German part of a European patent, and later an infringement action is filed before the UPC, concerning the German, French and UK parts of the same European patent, followed by a counterclaim for revocation before the UPC with regard to the German, French and UK parts. The UPC must stay proceedings with respect to the validity of the German part of the European patent which is being reviewed by the Federal Patent Court under Article 71c in conjunction with Article 29(1) Brussels I Regulation, as not only the same parties but also the same cause of action are involved. By contrast the UPC can deal with the counterclaim for revocation concerning the French and UK parts of the European patent.

(b) *Does the commencement of a revocation action before a national court of a UPCA Contracting State prevent the filing of a counterclaim for revocation in response to an infringement action concerning the same part of the European patent but among different parties?*

In this case, on the grounds that the parties involved are different, the court second seized will not have to stay proceedings under Article 29(3) Brussels I Regulation.

A variation of this case has been discussed among users which concerns the situation in which the counterclaim for revocation action before the court second seized is filed by a subsidiary of the defendant and claimant of the counterclaim for revocation before the court first seized. This again can be illustrated by means of an example. Patent holder A files an infringement action against alleged infringer B before the UPC with regard to the German, French and UK parts of an European patent. B responds with a counterclaim for revocation. While the case of the validity of the European patent is still pending before the UPC, B1 (a subsidiary of B) files a revocation action before the German Federal Patent Court concerning the German part of the European patent. Although the cause of action is the same (two revocation actions), the parties are not the same. Thus, Article 29(1) and (3) are not applicable and the German Federal Patent Court may proceed with its proceedings. It may however, also stay its proceedings at its own discretion pursuant to Article 30(1) Brussels I Regulation, since the actions are related.

In both cases, though, it must be made clear that once the question of validity becomes *res judicata*, the court second seized is bound by the first court's decision, due to the *erga omnes* effect of a judgement on the validity of a patent (see also 4.).

4. *Can the patentee still commence infringement proceedings before the UPC once a national court of a UPCA Contracting State has already decided on the validity of the patent and revoked part of it?*

The commencement of infringement proceedings before the UPC is still possible after a national court has decided on the validity of a patent and revoked part of it. The national court can revoke only the part of the European patent for which it has jurisdiction (Article 24(4) Brussels I Regulation). The decision of the national court, though restricted to the national territory, as long as it is final becomes *res judicata* with *erga omnes* effect. Consequently, the UPC is bound by the decision of the national court, with regard to the particular part of the European patent that has already been revoked or upheld but not with regard to other territorial parts. Let us illustrate this with an example: A brings a revocation action against the European patent of B before the Federal Patent Court in Germany, and the latter decides to revoke the European patent for the territory of Germany. Subsequently, B brings an infringement action before the UPC against C, with regard to the German, French and UK parts of the European patent. On the grounds that the final decision of the national court has *erga omnes* effect, the UPC is *ex officio* obliged to take into account the decision of the national court concerning the German part, regardless of whether or not the parties are the same. It would thus have to reject the infringement claim as regards the German part of the European patent. Likewise, if the Federal Patent Court had decided to uphold the patent, the UPC would have to regard the German part of the European patent as being valid, unless new grounds for revocation had been raised. Thus, the UPC would have to reject a counterclaim for revocation concerning the validity of the German part of the European patent that has already been decided on by the Federal Patent Court.

III. Interaction in case of provisional and protective measures

According to Article 35 Brussels I Regulation, an application may be made to the courts of a EU Member State for such provisional, including protective, measures as may be available under the law of that EU Member State, even if the courts of another EU Member State have jurisdiction as to the substance of the matter. Therefore, a court second seized with regard to provisional measures does not have to stay its proceedings if there is an infringement action already pending before a national court of an EU Member State⁶. Consequently applications for provisional and protective measures can be brought before the UPC even if an infringement action is already pending before a national court and vice versa.

⁶ See also *Solvay v Honeywell Fluorine Products Europe BV et al*, CJEU 12 July 2012 (case C-616/10).