

CLIENT ALERT

Unified Patent Court: Preliminary Injunction Proceedings

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This series of alerts will provide practical information and professional comment on all the ramifications regarding the introduction of the Unified Patent Court (UPC). For further information, please [see our UPC leaflet PDF](#) or contact the lawyers listed near the bottom of each alert. To view other alerts in this series, [please click here](#).

Patents have always bestowed territorially limited rights. The Unitary Patent (UP) and the Unified Patent Court (UPC) will not change this. However, while a national judge can, strictly speaking, only order measures with respect to his or her country of origin where there is a finding of infringement of the national part of a European patent, the UPC will be able to issue pan-European orders, including preliminary injunctions. Although one could say that in theory this will be a major game changer in European patent litigation, in practice, Article 62 of the UPC Agreement and Rules 205-213 of the Rules of Procedure leave quite some questions unanswered. The pan-European preliminary injunction will probably not be a paper tiger, but the answers given by the UPC will have an important impact on the efficacy and popularity of this new enforcement tool. Hereunder we suggest how some of these questions should be answered.

1. Will preliminary injunctions be possible *ex parte*, or will they have to be applied for on notice?

Ex parte provisional relief will be possible, but it seems that this will only be granted in exceptional circumstances. Indeed, after having discussed on notice provisional relief in Rules 206-211 of the Rules of Procedure, Rule 212 confirms that the Court may order *ex parte* provisional relief in particular circumstances. However, what these circumstances are is not clear. Rule 212 mentions cases "*where any delay is likely to cause irreparable harm to the applicant or where there is a demonstrable risk of evidence being destroyed*", but does not limit the possibility for *ex parte* relief to these circumstances. Moreover, concepts like "*irreparable harm*" are not objective and will certainly be interpreted differently by different judges.

2. Can other parties, besides the patentee or exclusive licensee, also request a preliminary injunction?

Yes, they can. Rule 206 of the Rules of Procedure states that "*a party*" may lodge an application for provisional measures. Unlike Rule 192, which relates to the lodging of an application for measures to preserve evidence, Rule 206 does not state that an applicant must be a "party" in the sense of Article 47 UPC. Nonetheless, it would seem logical to interpret "*a party*" in that sense (*see also* Rule 211.2) and it would therefore include the following:

- The patentee.
- The exclusive licensee (unless the license excludes this right) upon simple notification of the patentee.
- The non-exclusive licensee, provided that the license explicitly grants this right and upon notification of the patentee.
- Any other natural or legal person, or anybody entitled to bring actions in accordance with his or her national law, if that person is concerned by the patent in question.

From a strategic point of view, it is interesting to note that a counterclaim in nullity against a licensee is not possible unless the patentee joins the proceedings (Article 47(5) of the UPC Agreement).

3. Where, when and in what language should you file an application for preliminary relief?

Rule 206.1 confirms that the application can be lodged either during or prior to proceedings on the merits. Although it is not clear where the application should be filed, the same rules as for measures for preserving evidence should apply. If proceedings on the merits are already pending, the application for preliminary measures should be lodged at the division where the applicant has commenced the infringement proceedings on the merits. If proceedings have not yet commenced, the applicant should address the division where it intends to start proceedings on the merits (if the central division would not be competent, this will typically be the division competent for the territory in which the infringement occurred or in which the infringer is located). This approach is in line with the obligation under Rule 206.2(e) to explain in the application for provisional measures what action "*will be started before the Court, including an indication of the facts and evidence which will be relied on in support of the main proceedings on the merits of the case.*"

If the application is lodged during proceedings on the merits, then it should be drawn up in the language of the pending proceedings. If lodged prior to proceedings, Rule 14 seems to apply. In essence this means that the application will have to be drawn up in (one of) the language(s) of the local/regional division in question. If it is before a central division, it will have to be drawn up in the language of the patent.

4. Will the UPC provide a template for the application?

Although this might have been a good idea, such a template was not foreseen. Article 62 of the UPC Agreement and Rule 206.2 do specify what should be mentioned in the application:

- Name and full contact details of the applicant and the defendant.
- The patent(s) that is/are invoked to justify the application.
- Information about any prior or ongoing proceedings relating to the invoked patent(s).
- Identification of the competent division and a justification as to why it is competent.
- A (clear?) indication of the provisional measures listed in Rule 211, that are being requested by the applicant.
- The reasons why the provisional measures are required "*to prevent a threatened infringement, to forbid the continuation of an alleged infringement or to make such continuation subject to the lodging of guarantees.*"
- The facts and the evidence on the basis of which the decision was taken to file the application, as well as reasonable evidence to satisfy the Court with a sufficient degree of certainty that 1.) the applicant is entitled to commence proceedings as "a party" (*see Q2 above*), 2.) the patent in question is valid and being infringed, or that such infringement is imminent and 3.) the interest of the applicant outweighs that of the defendant.
- When proceedings on the merits have not yet been initiated, the essential contents (facts and evidence) of the writ of summons that will initiate these proceedings.

It is clear that the burden on the applicant is quite significant. However, when a preliminary measure is requested *ex parte* under the UPC Agreement, the burden becomes even greater. Indeed, Rule 206.3 states that the applicant has to list all the reasons why its application should be decided *ex parte*. In that regard, Rule 197 hints that an *ex parte* decision might be appropriate

where the delay caused by a contradictory debate might cause irreparable harm to the applicant (Rule 197 also refers to the risk of evidence being destroyed, but this does not seem relevant). To ensure that the division decides whether or not to handle the application *ex parte* with complete knowledge of the matter, the applicant is required to disclose any material fact which might influence the division's decision in that regard. With respect to this, Rule 206.4 requires the applicant to mention "*any pending proceedings and/or any unsuccessful attempt in the past to obtain provisional measures in respect of the patent*". In addition, Rule 206.3(b) obliges the applicant to inform the Court about "*any prior correspondence between the parties concerning the alleged infringement*."

Although considerations of public interest are not mentioned in Rules 205-213, it would be wise to explain in the application why the public interest would not be harmed by the provisional relief and/or why the interest of the applicant outweighs the public interest. The same applies for any arguments that can convince the Court that the applicant did not unreasonable delay its application for provisional measures (Rule 211.4).

5. How fast does one need to apply for preliminary relief and how long will it take to get an authorization once the application is filed?

Although there is no explicit urgency requirement in the Rules, Rule 211.4 seems to introduce such a requirement. Indeed, Rule 211.4 states that the Court shall have regard to any unreasonable delay in seeking provisional measures. Although the word "unreasonable" by itself leaves quite some room for interpretation, it seems advisable to request preliminary measures sooner rather than later.

The short answer to the second question is that a decision will be handed down "as soon as practicable" (*see*, for example, Rule 16.1, Rule 210.4). The factors that will have an impact on the duration of the examination of the application are not under the applicant's control.

If no proceedings on the merits have been initiated yet, a first, time-consuming, element is that the Registry has to proceed to a preliminary formal examination of the application: is the patent opted out, are the elements that need to be mentioned (*see* Q4 above) present in the application, has the correct language been chosen and has the court fee been paid? If the applicant has not fully complied with these conditions, then it can make use of the 14 days cure period to satisfy the inspectors. The Registry will also verify if a protective letter (*see* below) has been filed.

After this formal examination, the assigned judge will examine the request on its merits. There are four possible decisions in the event an application has been filed: the preliminary injunction can be granted without hearing the defendant; the judge can decide to hear the defendant; or to hear the applicant; or to hear both parties. Although this hypothesis is not explicitly described in the Rules of Procedure, it should be assumed that the judge will also be able to simply reject the application, even without hearing any party. If the Court decides to involve the defendant in the debate, it will inform the applicant. The applicant then has the option to withdraw the application. We assume that, as is the case concerning an application for preserving evidence, the option to confidentially withdraw the application would also be offered if a protective letter has been filed. (The Registry will send a copy of the protective letter to the applicant once the application for an *ex parte* request has been filed).

Taking all this into account, it is very difficult to estimate the time it will take to obtain an *ex parte* preliminary injunction. In cases of urgency the *ex parte* request can be applied for without any of these formalities, but it will then be up to the sole discretion of the judge to decide what procedure will be followed.

6. What will the applicant be able to do if the injunction is granted?

First of all, it should be recalled that it is for the applicant to clearly indicate which of the preliminary measures mentioned in Rule 211.1 are required. Under this Rule, the Court can order an injunction against a defendant or the seizure or delivery up of allegedly infringing goods. These measures are to avoid such goods entering or being distributed on the market. Provided that the applicant can demonstrate that it will probably not be able to recover the damages awarded after the proceedings on the merits, a precautionary seizure of assets (including bank accounts) of the defendant is possible. The Court can also decide to grant an interim award of costs.

Prior to executing the preliminary measures it is possible that a security will have to be paid. In fact, if the authorization was obtained *ex parte*, a security will always have to be paid, unless there are "*special circumstances*".

7. Can the preliminary measure be executed as soon as it is granted or are additional steps required?

Unlike for an order to preserve evidence, the Rules of Procedure do not explicitly state that the preliminary injunction shall be immediately enforceable. In practice this also seems of lesser importance, because it appears that such will not be the case in any event. In fact, the Rules of Procedure seem to lay down the principle that a preliminary injunction order also has to be served by the Registry of the UPC. This would obviously cause problems if the Registry, because of a heavy workload or for other reasons, were not able to immediately notify the defendant, for example of an order to cease certain activities. To avoid precious time being lost, the applicant can ask the Court to rule that the order be served not by the Registry, but rather by the applicant directly through judicial officers, officials or other competent persons. Such an exception seems to be possible under Rule 276.1 in conjunction with 275.1, provided that the Court is given "good reason" to authorize service by a method other than passing via the Registry.

8. What can be done to avoid *ex parte* preliminary measures or to undo such measures once they have been granted?

To prevent *ex parte* preliminary relief being obtained, or to at least be able to argue against the reasons put forward by the applicant, a party that considers it likely that an *ex parte* application for such relief will be filed against it should file a protective letter. Rule 207 of the Rules of Procedure explains what should be mentioned in this document, which has to be filed with the Registry in the language of the patent in question. Although Rule 207 states that the arguments in fact and in law, as well as the evidence that should convince the Court not to grant the *ex parte* preliminary relief, "*may*" be mentioned, it goes without saying that these should be mentioned to ensure the maximal efficacy of the protective letter. The Registry will not keep a public register of all the filed protective letters. However, if an application based on the patent(s) mentioned in the protective letter is received, then the applicant will receive a copy of the protective letter. This will allow the applicant to reconsider the application and withdraw it if necessary. Protective letters 'expire' six months after they have been filed, unless a renewal fee is paid. A renewal fee will prolong the validity of the protective letter by another six months. Further extensions may be obtained on payment of further extension fees.

The preliminary injunction order will indicate that an appeal can be filed with the Court of Appeal within fifteen days after the Court's decision has been served. If the order was granted *ex parte*, then the first *inter partes* discussion is not a hearing in first instance. Such an appeal can be initiated by the applicant, if it did not obtain all the measures requested; by the defendant that was heard prior to handing down the order; or by the defendant that was not heard.

Finally, it should be noted that under Rule 213 the applicant has to start proceedings on the merits within 31 calendar days or 20 working days, whichever is the longer, from the date specified in the order. Failing to do so will not only result in the revocation of the provisional order, but may also trigger the liability of the seizing party for the damages which may be claimed by the seized party. This liability may also be triggered when in the proceedings on the merits it is subsequently found that there has been no infringement or threat of infringement of the patent.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

Kristof Roox

Partner – Brussels

Phone: +32.2.282.1843

Email: kroox@crowell.com

Jan-Diederik Lindemans

Partner – Brussels

Phone: +32.2.282.1832

Email: jlindemans@crowell.com