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Making the Fictional Skilled Person Real: The First Oral Examination of Expert Witnesses at the UPC

Patent disputes often hinge on the "skilled person," a fictional representation of someone working in the relevant technical field. While most European courts typically rely on documentary evidence, some courts use expert witness testimony to bring this figure to life. The Unified Patent Court allows for both. A recent case before the Nordic-Baltic regional division saw the first oral examination of expert witnesses, suggesting this division may be receptive to such testimony in complex technical disputes.

At the heart of most patent disputes is a crucial individual: the skilled person, through whose eyes the patent specification, the prior art, and the original disclosure are to be read. This skilled person is generally accepted to be a fictional person, rather than being identifiable with any real person. Yet the attributes of the skilled person are based on a distillation of the collective attributes of a real cohort of people, those working in a particular technical field at a particular moment in time, yet stripped of any capability of inventive faculty. The motivations, specialist knowledge and even prejudices of the skilled person play a fundamental role in determining whether any patented invention is worthy of protection. A Court hearing a patent dispute therefore has to put itself in the shoes of the fictional skilled person before it can decide the case – but how should a Court, made up of experienced judicial practitioners, obtain a realistic view of the attributes of the skilled person?

Approaches to answering this question vary. The Boards of Appeal of the European Patent Office (EPO), for example, include technically-qualified members alongside legally-qualified members, and while the EPO's rules of evidence allow for both the appointment of independent experts and the submission of expert evidence about the skilled person, it is generally recognised that the Boards typically feel sufficiently informed about the technologies which they address not to feel a need to rely extensively on expert witness evidence. To the extent that expert evidence of the common general knowledge is considered in EPO proceedings, such evidence, when admitted, tends to be in the form of textbooks and review articles or other documentary sources.

In national judicial proceedings, Court-appointed experts can play a greater role. For example, in national Italian patent proceedings, the Court will typically appoint a court technical expert, often a patent attorney, who prepares an independent report on the relevant issues to guide the Court in evaluating the patent. Such a practice is far from universal, however, and for example in national French and Dutch patent proceedings, court technical experts are rarely appointed, with the parties' own written pleadings and written evidence, which may include expert declarations, having the function to inform the Court about the technology and the attributes of the skilled person. The court system in Germany presents a further variant, in which, under its bifurcated approach, the infringement Court will typically not have the benefit of a court-appointed expert or any technically-qualified judge, while the validity (nullity) Court has the benefit of sitting in a composition of three technically-qualified judges and two legally-qualified judges. In the pre-eminent patents courts of continental Europe, judges therefore for the most part do not rely heavily on expert evidence when deciding cases.

The situation is somewhat different across the English Channel, where, in the UK Patents Court, the character, attributes and motivations of the skilled person are brought to life by party-appointed expert witnesses. Like the court technical expert in Italy, the primary function of these witnesses is to educate the court in the technology. However, as part of this, the experts give evidence as to the attributes of the ordinary skilled person, and what such a person would or would not think and do, considering particular disclosures in the art. Such experts, although having an obligation above

all to the Court, typically present very different perspectives on these issues, and the Court is left in the position of deciding, for any particular contested issue, which evidence is the more credible. In the UK Court system, such experts are typically subject to cross-examination, in which counsel for the adverse party questions them in order to expose weaknesses or contradictions in their evidence. This approach brings a certain reality to the skilled person, who through the evidence of the experts should more closely approximate the true attributes of those working in a particular technical art. Especially in rapidly-moving technical fields such as medical devices and pharmaceuticals, parties choose the UK Courts for litigation in the hope that the British system will more accurately assess whether a particular invention was or was not worthy of patent protection.

The Unified Patent Court (UPC) is Europe's new court system for the adjudication of patent disputes. The UPC's Rules of Procedure provide for the appointment of both party and court-appointed experts. The UK is, of course, since Brexit not part of the UPC system, and many who were hoping that the influence of British judges would lead to a greater role for expert evidence in the new court felt that such a possibility was now lost, and that the Court would regard itself as sufficiently informed on the technical issues, particularly since, in actions in which the validity of a patent is put in issue, the panel hearing the matter includes, alongside three legally-qualified judges, one technically-qualified judge. An early decision of the Munich local division showed that this division, in particular, felt no need to have either an expert appointed by the Court, or party experts heard.[1]

Recently, proceedings in the matter of Abbott v Dexcom[2] before the Nordic-Baltic regional division of the UPC have re-opened the question of whether party expert witnesses should be offered, and moreover examined, in UPC proceedings, in particular in view of the prevalence of the examination of party expert witnesses in Swedish national patent infringement proceedings.

The case in question was one of a series of cases addressing continuous glucose monitoring (CGM) technology forming part of a global litigation between the parties, involving disputes in the USA and Europe, including national, EPO and UPC proceedings. The patent at issue, EP 3 977 921 B1, related to methods and devices for inserting a glucose monitoring assembly into a person's skin, which assembly was configured to provide glucose data to a remote device (such as a smartphone) using Bluetooth. Interpretation of the patent claims and the novelty and obviousness of the claimed invention were disputed by the parties, and both parties had adduced expert statements from well-respected individuals involved in the development of medical devices in support of their cases. The experts included a consulting engineer with decades of experience in medical technology innovation, a former leader of a CGM technology program at a global healthcare company, a senior academic and innovator in the field of biomedical electronics at one of the UK's most prestigious research universities, and a consulting engineer in the field of telecommunications.

The UPC procedure is divided into a written procedure and an oral procedure, and during the written procedure it was clear that the party experts, who contributed a number of written statements, differed substantially on key issues, including the extent to which the skilled person would in reality be a skilled team and the technical competences within that team, the priorities for development of particular features of CGM systems by the skilled team, the extent to which particular pieces of prior art would be viewed as a realistic starting point for further development by the skilled team, in particular in view of certain technical hurdles which might have to be overcome, and the way in which certain wireless protocols would be understood by the skilled team to operate.

In view of the substantial differences of opinion, the parties asked the Court for the opportunity to present their experts in oral examination before the oral hearing. The Court, in composition of a Swedish legally-qualified presiding judge, an Estonian legally-qualified reporting judge and an Italian legally-qualified third judge, complemented by a French technically-qualified judge, agreed to this request, and ordered two hearing days to be appointed, one day for examination of witnesses followed by one day for the oral hearing of the action. It might be imagined that this division of the UPC was particularly receptive to the oral examination of party experts in view of the familiarity of at least the presiding judge with this practice from his own national judicial background.

[1] UPC_CFI_15/2023
[2] UPC_CFI_430-2023

This order of the Court led to the first ever oral examination of witnesses in proceedings before the UPC, in December 2024. This author was privileged to be present as a representative, and what took place is, in this author's view, very encouraging for the prospects of adducing oral witness evidence before the UPC.

The witnesses were heard in the order indicated by the Court, with strict time limits per witness of twenty minutes per round of questioning allocated. After each witness was sworn in and asked to confirm their written testimony, including making any clarificatory or corrective statements, counsel for the party presenting the witness had a first opportunity to put questions to the witness in examination. Generally, each party used this opportunity to highlight particular elements in the written testimony of their witness and draw out key explanations as to why each witness held the view they did, giving the party the chance to place key elements of the witness testimony squarely into the minds of the judges in preparation for the next day's oral hearing of the action. Next, the adverse party had an opportunity to question the witness in cross-examination, with counsel for the adverse parties using this as an opportunity to probe the statements the witness had made with a view to exposing weak justification for those statements or highlighting potential contradictions in the evidence. Following this cross-examination, the party presenting the witness had a final opportunity for putting questions to the witness, which was typically used to allow the witness to clarify the statements previously given. Finally, the Court addressed questions to the witness, which was in the main via the technical judge. After each witness had been taken through the sequence of examination, cross-examination and questioning from the Court, each party was given the opportunity to recall one or more of the witnesses for further questions before the evidence session was closed.

It is notable that, owing to the good atmosphere in the courtroom sustained by the presiding judge and the professional and careful approaches of the examining counsel for the parties, the witness hearing seemed effective in bringing the skilled person, and the circumstances surrounding them at the relevant date, to life, with each expert having the opportunity to show the Court not only what their views were, but why they held them, and in particular the strength of conviction behind each key statement.

The hearing of witnesses in this case was notable for another reason, too, since the Court also gave permission for a transcript to be taken of the oral examination of the witnesses by means of a remotely-participating transcript-writer, with each party and the Court receiving overnight a copy of the transcript from the previous day. This allowed for careful regard to be given to precisely what questions were asked and what each witness stated, and avoided the problem of, during the second day's oral hearing, unproductive disputes regarding what each party recalled a witness to have declared.

Although the litigation between the parties settled before the Court could render a decision, and therefore it is not possible to assess the extent to which the witness evidence would have been influential in assisting the Court to reach its decision, it is plain from the willingness of the Court to hear the witnesses, the close attention paid by the Court to the examination and cross-examination, and the careful questioning by the Court, and in particular the technically-qualified judge, to the witnesses, that the Court saw value in examining expert testimony in this way. Parties who feel that the attributes of the skilled person, and the common general knowledge, at the relevant date are unlikely to be represented by documentary evidence, for example in fast-moving technical fields, may find the Nordic-Baltic regional division an attractive venue for litigation before the UPC. Moreover, the willingness of this regional division to allow the parties the chance to orally examine their witnesses can be regarded as justification for asking other divisions of the UPC to consider a similar procedure. The clear benefit to the parties and the Court in having a contemporaneous transcript of the examination of witnesses can be used as a justification for allowing a similar facility to be available in future proceedings.

However, it is clear that, in particular with the front-loaded nature of the UPC proceedings, the typical one-to-two-day trial schedule which is the norm in UPC proceedings, and the need to appropriately conserve the Court's resources, parties should present compelling reasons as to why the hearing of expert witnesses would be appropriate. Moreover, it is clear from the experience before the Nordic-Baltic regional division that both judges and litigation teams with deep experience in examination of witnesses are available within the UPC system, and so a party adducing an expert witness should ensure that they are clear and convincing not only on paper, but moreover should they be required to take the witness stand.

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Shall It Be Kept Secret? Strategic IP Considerations

Companies must often decide between filing a patent application or keeping the invention secret. This article aims to provide an overview of what trade secrets are, their usefulness *vis-à-vis* patents for the protection of commercially relevant assets and how to use them as a defense in infringement proceedings.

Introduction

Each and every invention subject of a patent application should be a secret at first, at least until the filing date. Other inventions never make it to a patent application and are kept as trade secrets for long periods of time. Well-known examples are Coca-Cola's secret recipe, McDonald's special sauce, Google's search algorithm or the methodology behind the New York Times Bestseller List. Trade secrets are relatively straightforward, exempt of registration or prosecution processes and virtually anything can be kept as a secret. Their existence and the unlawfulness of their acquisition, use, or disclosure highly depend on courts' factual evaluation and the interpretation of the legal terms concerning them. It is therefore important to know **what** trade secrets are, **when** it may make sense to keep an invention secret, **how** the secrets need to be protected, and **how** to enforce them in case of dispute.

In Europe, the Trade Secret Directive (Directive 2016/943, TSD)[3] tried to shed light on and unify the answers to the above questions in the European Union (EU).

What are trade secrets and how can I protect them?

A trade secret is confidential information that has value due to its secrecy and which is subject to reasonable steps taken by the rightful holder to keep the information secret.[4]

Virtually any kind of information can be the subject of a trade secret, including technical and scientific information, business and commercial information, and financial information. The definition of trade secret **excludes:**

- trivial information;
- experience and skills gained by employees in the normal course of their employment; and
- information which is generally known among, or is readily accessible to, persons within the circles that normally deal with the kind of information in question.[5]

[3] Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.

[4] Art. 39(2) TRIPS Agreement; Art. 2 TSD.

[5] Recital 14 of the TSD.

The information should be commercially valuable (whether actually or potentially) because of its secrecy; a causal link between secrecy and commercial value is needed to qualify as a trade secret. Which steps qualify as *reasonable* depends on the circumstances of each case. A start-up will generally not be expected to take the same secrecy measures as established resourceful companies. However, the more important the secret information is for the company, the more effort generally needs to be put into maintaining its secrecy. Some courts have provided insights on the definition of "reasonable steps":[6]

- Austrian Supreme Court: a logging system with a username and password, to which only a limited number of people had access, was sufficient, even if there was a security breach;[7]
- Turin Court of Appeal: reasonable measures are measures that do not make it easy for specialists to find out trade secrets using reverse engineering;[8]
- Court of Madrid: measures should be reasonable and adequate; both internal and external measures are required;[9]
- Schleswig Higher Regional Court: "adequate" protection does not require the best possible protection. The type and scope of measures depend on the significance of the information for the company;[10]
- Dresden Higher Regional Court: protective measures need not only prevent unauthorized access from the outside, but measures with respect to the company's own employees are also necessary.[11]

A trade secret does not need to be registered. To exist, it simply needs to *qualify* as a trade secret. Therefore, it is of utmost importance to properly identify the company's trade secrets (i.e., keeping a record of them), define the company's policy regarding trade secrets and implement appropriate measures to keep the information secret. General steps like broad non-disclosure agreements (NDAs) have been considered insufficient; steps should be specific and targeted to the protected information. Helpful tools to keep the information secret are:[12]

- Technical protection measures – restricted access, identity verification, strong passwords, cybersecurity, encryption, clean desk policies;
- NDAs with employees and business partners;
- Non-compete clauses in contracts;
- Non-solicitation agreements;
- Document marking "confidential";
- Employee training and monitoring – to ensure awareness of trade secret policies and compliance with security measures.

No secret is really safe

Keeping information secret may be challenging. The acquisition of a trade secret may be **lawful**, i.e., if the trade secret is obtained by:[13]

- independent discovery or creation;
- reverse engineering;
- former employees' use of experience and skills fairly acquired in the course of their employment;
- any practice aligned with honest commercial standards.

[6] Michaël De Vroey and Margo Allaerts, "Trade secrets protection: an interim update of Belgian and EU case law", Journal of Intellectual Property Law & Practice, 2021, Vol. 16, No. 12.

[7] Austrian Supreme Court, Decision n°4 Ob 165/16t of 26 October 2016. This decision was taken before the TSD was implemented in Austria.

[8] Italy, Court of Appeal Turin 19 May 2017. This decision was taken before the TSD was implemented in Italy.

[9] Spain, Provincial Court of Madrid (nr. 441/2016). This decision was taken before the TSD was implemented in Spain.

[10] Chambers and Partners, "Five Years of the TSA: Relevant Changes to the Protection of Trade Secrets in German Law", https://practiceguides.chambers.com/practice-guides/trade-secrets-2024/germany/trends-and-developments

[11] Chambers and Partners, "Five Years of the TSA: Relevant Changes to the Protection of Trade Secrets in German Law", https://practiceguides.chambers.com/practice-guides/trade-secrets-2024/germany/trends-and-developments

[12] European IP Helpdesk – Trade Secrets: Managing Confidential Business Information, ISBN: 978-92-9460-723-2, DOI: 10.2826/449107, Catalogue number: EA-09-21-244-EN-N, April 2021 (Trade Secrets: Managing Confidential Business Information - European Commission).

[13] Art. 3 of the TSD.

Unlawful acquisition happens when the trade secret is obtained by:[14]

- unauthorized access, appropriation, or copying of materials containing the trade secret;
- any conduct deemed contrary to honest commercial practices; and
- if the person knew or should have known that the trade secret was obtained from someone acting unlawfully.

Trade secret misappropriation can happen due to espionage or cyberattack, but most frequently, it happens through current or former employees,[15] see Figures 1 and 2,[16] or when making business or agreements with third parties.

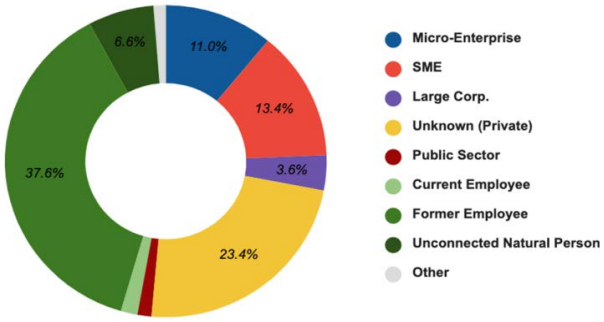

Figure 1. Distribution of defendant profiles (source: "Trade secrets litigation trends in the EU – IPR enforcement case-law collection", EUIPO, 2023)

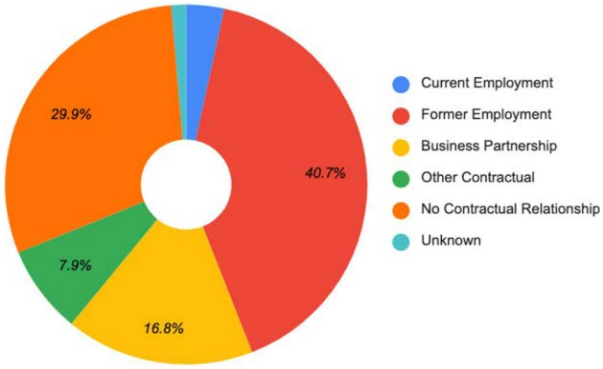

Figure 2. Distribution of claimant-defendant contractual relationships (source: "Trade secrets litigation trends in the EU – IPR enforcement case-law collection", EUIPO, 2023)

How can I enforce my trade secret?

Trade secrets do not grant exclusive rights to their owner, but prevent others from unlawfully disclosing, acquiring and/or using the secret information. Therefore, trade secret holders have the possibility to seek legal remedies for trade secret misappropriation. The TRIPS Agreement provides a minimum standard that WTO members need to implement in their legislations.[17] The enforcement of trade secrets through litigation, remedies and procedural rules varies significantly from one jurisdiction to another.

The burden of proving the existence of a trade secret lies with the holder. In practice, claimants should prove that reasonable secrecy measures have been taken. If such measures have not been taken, the information may no longer meet the requirements for trade secret protection.[18] Further, misappropriation of the information should be proven. This is also challenging, as misappropriators are generally aware of their unlawful behavior, which is usually performed without leaving any evidence. Trade secret owners should start collecting evidence of misappropriation as soon as they start suspecting that unlawful behavior is happening.

[14] Art. 4 of the TSD.

[15] WIPO Guide to Trade Secrets and Innovation, Part V: Trade secrets in litigation.

[16] Trade secrets litigation trends in the EU – IPR enforcement case-law collection, ISBN: 978-92-9156-339-5 DOI: 10.2814/565721 TB-04-23-598-EN-N, European Union Intellectual Property Office, 2023.

[17] TRIPS agreement, Part III, Section 1, Art. 41.

[18] WIPO Guide to Trade Secrets and Innovation, Part V: Trade secrets in litigation.

Trade secrets or patents?

Deciding whether to protect the invention by filing a patent application or keeping it a secret may be difficult. However, in some situations, the decision can be easy. For information which cannot be patented because it is excluded from patentability[19] or which is clearly not inventive, trade secrets are definitely the best option. For inventions which can be reverse-engineered or where the likelihood of independent, lawful creation (e.g., in highly competitive fields) is high, patents are the IP tool of choice. If exclusive rights are important for the competitive advantage of the business, or if monetization is necessary, patents should also be considered the better option.

+ TRADE SECRETS	− TRADE SECRETS
— Any kind of information – including non-patentable subject matter; — Indefinite protection – as long as the information is kept secret; — No public disclosure; — No registration necessary – cost effective, although reasonable measures need to be implemented to keep the information secret; — Immediate effect – no examination procedures.	— Need to be kept as a secret; — Risk of disclosure or reverse engineering; — Difficult to enforce; — No exclusive rights if information lawfully acquired by third parties (employee mobility risks); — Limited monetization – Trade secrets are hard to commercialize without disclosure risks; — Non-secure protection.
+ PATENTS	**− PATENTS**
— Exclusive registered rights; — Easier to enforce; — Easy monetization though licenses or sales; — Secure protection.	— Patentability criteria need to be met; — Protection limited generally to 20 years; — Information eventually becomes publicly available; — Filing and prosecution-associated costs.

Figure 3. Pros and cons of trade secrets and patents

[19] Art. 52 EPC.

Defense strategies in infringement proceedings

A trade secret owner may be sued for patent infringement if a third party lawfully acquired the information and obtained a patent for it. The defense of the alleged infringer and trade secret owner may be based on a prior use right. Prior use rights are provided for by the different national legislations – but such provisions only have **national effect**. A defense in prior use right is **very limited**: it is limited to a specific country, it is limited in scope (new use or expansion beyond the original application might be subject to infringement) and it is not shareable. A recent example is Unified Patent Court (UPC) case UPC_CFI_7/2023. The Court rejected a prior use defense raised by Bette GmbH & Co. KG because evidence of ownership and use of the invention was provided only for Germany, but not for the contracting states of relevance in the case.[20] Relying on prior use rights is generally not recommended and it is strongly advised not to rely thereon as a freedom-to-operate strategy.

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[20] Under Art. 28 Unified Patent Court Agreement (UPCA), a prior user right is only valid in the state(s) where the prior use took place, so the right can only be invoked for said state(s).

The New Face of EU Designs

The Directive (EU) 2024/2823 of the European Parliament and of the Council of October 23, 2024, on the legal protection of designs (recast) ("Recast Directive") and the Regulation (EU) 2024/2822 of the European Parliament and of the Council of October 23, 2024, amending Council Regulation (EC) No 6/2002 on Community designs and repealing Commission Regulation (EC) No 2246/2002 ("Amended Regulation") come into force this year.

Key dates	Events
18 November 2024	Publication of the recast Designs Directive
April 2025	EUIPO Designs Guidelines to be updated
1 May 2025	Administrative changes take effect
1 July 2026	Secondary legislation takes effect
9 December 2027	Member States must have updated their national laws to comply
9 December 2032	All Member States must provide a spare parts defence to infringement

I – A new name

From May 1st, 2025, the "*Community Design*" will be known as *"EU Design"*, and the *"Community Design Court"* known as *"EU Design Court"*. This reflects historical changes of the EEC nomenclature into the EU, rendering the term *"Community"* obsolete, and aligning EU design law with both the Lisbon Treaty and Regulation (EU) 2017/1001 on the EU trademark.

II – A new face

The legal reforms introduce clarity for rights owners who can now use a Ⓓ registration symbol (Art 24 Dir; Art 26a Reg), akin to the ™, ®, ©, and "Pat. Pend." symbols used for other IP rights:

This new symbol Ⓓ (known as *"Design Notice"*) informs the public that a design has been registered, and facilitates the marking and marketing of design-protected products. This also means that lack of awareness as a defence to an infringement claim will be difficult to plead. Thus, the marking of design rights[21] with this symbol will have an impact on the award of damages in infringement proceedings.

III – Keeping up with (virtual) reality

An objective of both the Directive and Regulation is to encourage the innovation and the creation of new product designs, in particular in the digital age, and thus to move with the times.
Notably, the legal definition of a design now clearly includes animated designs and graphical user interfaces (GUIs) and refers to:

> *"movement, transition or any other sort of animation of those [design] features" (Art 2(3) Dir.; Art 3(1) Reg.).*

The Directive also specifies at Article 26(1) that the design representation requirements *"may be static, dynamic or animated"*. By doing so, the recast Directive bridges the discrepancies between the current EUIPO Guidelines which make reference to animated designs and GUIs, and the current Directive, which does not.

It is not yet known whether any practical changes in the filing procedure will follow. At present, animated designs may be represented by a sequence of views which are visually related and which show the design at specific moments in time in a clearly understandable progression (Section 5.3.6 EUIPO Design Guidelines), and the possibility of representing an animated design via recording of a moving image would address many of the formal objections frequently raised against the still views.[22]

[21] "Marking Your IP Territory", *HOFFMANN EITLE Quarterly*, June 2022, pp. 6-7.
[22] "The UKIPO Clarifies the Requirements for Representing Animated Designs", *HOFFMANN EITLE Quarterly*, June 2024, pp. 11-13.

Keeping up with the technological advancements in the metaverse, a product may now be designed:

> *"regardless of whether it is embodied in a physical object or materialises in a digital form" (Art 2(4) Dir.; Art 3(2) Reg.).*

The legal definition of a design in the current Directive refers to *"product"*, but it was questionable whether this definition encompassed designs not embodied in a physical product. This revised definition provides a welcome clarification to digital designers working in virtual realities.

IV – Facilitating access to IP rights

An overarching drive for reform related to the accessibility by newcomers to the IP system. This resulted in a simplification of filing procedures.

The requirement for each and every design in a multiple-design application to belong to the same Locarno class has been removed (Art 37 Reg; Art 40 Dir). As a counterbalance measure, a new limit of 50 designs per application has been introduced (Art 37(a)(1) Dir). However, this new upper limit is not harmonized with the Hague Agreement limit of 100 designs per application, such that division of international design applications at the EU stage may be required.

As part of a revised fee structure, the invalidity proceedings and appeal proceedings official fees (Art 35(1) Reg; Art 50d Reg) have significantly been reduced, whilst the publication, transfer, and file inspections fees have been scrapped altogether (Art 36(4) Reg; Art 13(1) Reg; Art 52(2) Reg).

V – Casting a broader net

The Directive and Regulation both address a wider range of cases of infringement. The definition of infringing acts has been broadened to include acts of transit (Art 16(3) Dir; Art 19(3) Reg). The motivation is to remove both disruption in intra-EU trade and barriers to competition in some Member States with regards to spare parts (e.g. for repair).

The *"repair"* defence clause (which enables a purchaser of a design-protected product to repair the product back to its original appearance) is to be harmonised across all Member States by December 9th, 2032, following decisions reached in Cases C-397/16 and C-435/16 (Acacia). Historically, no agreement could be reached on the availability of the repair defence, the Recast Directive includes a 'freeze-plus clause' which allows Member States to maintain their existing laws, or to amend them provided the purpose of the amendment is to liberalise the spare parts market. The addition of this defence is consistent with - and complementary to - Regulation (EU) 461/2010 (the Motor Vehicle Block Exemption Regulation or 'MVBER') in the field of antitrust policy, whilst bolstering efforts put forward in the European Commission's Sustainable Product Initiative,[23] which aims to promote repairs and the circular economy.

3D infringing acts (Art 19(2) Reg) are also specified in the Amended Regulation and *"creating, downloading, copying, and sharing or distributing to others any medium or software which records the design"* now fall within the scope of infringing acts, targeting developments in the field of industrial 3D printing.

VI – The interplay between IP rights

The overlap in legal protection between different IP rights is common sight, but the extent of this overlap post-registration is not clear or harmonised across Member States. To this effect, the reform introduces copyright defences (Art 18(1) Dir; Art 20(1) Reg) into design law. That is, new acts carried out for the purposes of comment, critique, or parody, of teaching, and referential use in the context of comparative advertising, following the verdicts of C-24/16 and C-25/16 (Nintendo), are now appropriate defences.

This interplay with copyright law is driven by the principle of cumulation and is complemented by the introduction of a new ground of invalidity (Art 14(2) Dir), should the design contain a *"total or partial reproduction of elements belonging to cultural heritage that are of national interest"*. This novel ground is seen to demarcate protection of design rights from protection conferred under TCK (traditional cultural knowledge) or TCE (traditional cultural expressions) provisions under WIPO – but may have other consequences (e.g. increased number of oppositions)

[23] Sustainable product policy & ecodesign - European Commission.

for designs relying heavily on national landmarks or national dress.

The overlap with other IP rights is also clarified, in that no prejudice is given to any provisions of Member State national laws relating to trademarks or other distinctive signs or unfair competition (trade dress) in relation to unregistered design rights (Art 22 Dir). The latter was specified due to the introduction in Article 3(1) of the Design Directive of the unregistered designs now exclusively being provided by the Unregistered EU Design Right (i.e. Member States cannot provide their own national unregistered design rights past 2026). The EU Reforms rationalised this change by explaining that this will result in no actual need for parallel (potentially diverging) unregistered protection across the EU.

VII - The question of harmonisation

Most revisions in the Recast Directive and Amended Regulation highlighted hereinabove align the legal framework with current technological advancements. However, these revisions will only have jurisdiction in the EU. Other jurisdictions could follow and indeed appear to be moving in the same direction.

On 22 November 2024, the 193 WIPO member states approved the Riyadh Design Law Treaty,[24] which will *"will make it easier, faster and more affordable for designers the world over to protect their designs both at home and abroad, marking a major step forward in empowering designers and fostering international collaboration in design"*.

"The Riyadh Treaty will help to make the framework for design protection procedures more predictable and make the procedures themselves less complex and more affordable. It will be easier for designers to file applications in several different jurisdictions".

We also expect that the legislation will continue to evolve with present and future developments, including AI-generated designs.

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[24] 2024 Riyadh Design Law Treaty.

Hoffmann Eitle's Significant Contributions to the Development of European Case Law in 2024

Attorneys at Hoffmann Eitle work at the cutting edge of European intellectual property law. Our advocacy for our clients resulted in many interesting case law developments in 2024. In the following, we outline some of these. One of our most significant contributions concerning the UPC is discussed in the article starting on p. 2.

Replacing Opposition Division members

It is very unusual for the EPO Opposition Divisions (ODs) to replace one of their members due to the appearance of partiality. Yet exactly this happened in the opposition proceedings relating to EP 3 368 069 B1 following a request by Hoffmann Eitle.

The fact pattern was as follows:

- Hoffmann Eitle were acting as one of the opponents, and shortly before the hearing became aware that the first Examiner of the OD had discussed the divisional of the opposed patent with the Proprietor on the phone.
- Reacting rapidly to this development, arguments were filed in writing asking for the first Examiner of the OD to be replaced.
- The reasons given were that these telephone conversations caused an **appearance of partiality**, which is a sufficient reason for such a request for exclusion under the provisions of Article 24 EPC and G 5/91.
- Although it was unclear exactly what was discussed in the calls between the Examiner and the patentee concerning the divisional, it was clear that there was significant overlap with the claims and documents discussed in the opposition case. As such, it could not be excluded that the Examiner had unduly exposed themselves to the position of the patentee **without** hearing the response of the opponents.
- Following this request, the Examiner was replaced shortly before the hearing, and the patent was subsequently revoked.

To our knowledge, this is the first time that an OD member has been excluded under such circumstances. It is a useful lesson to opponents before the EPO to be vigilant about the activities of OD members concerning divisional applications.

T 2229/19: Requests to delete dependent claims late in the proceedings can be inadmissible

The EPO Boards of Appeal are well known to take a strict approach to admissibility of new requests filed late in the appeal proceedings, but generally permit deletion of invalid dependent claims.

Hoffmann Eitle's opposition appeal case T 2229/19 has gained recognition for demonstrating for the first time that in some circumstances, the Board will not admit such requests. In this case in first instance, the relevant dependent claims had been objected to as adding matter beyond the content of the application as filed. The OD did not agree but revoked the main request for insufficiency. In the early stages of the appeal process, patentee maintained their main request but did not file any requests dealing with the added matter objections against the dependent claims. The opponent represented by Hoffmann Eitle maintained their arguments against these dependent claims.

As often occurs during EPO appeal proceedings, the Board's preliminary opinion did not follow the OD decision and concluded that the dependent claims did add matter. Patentee responded at this late stage of the appeal proceedings by filing new auxiliary requests deleting these dependent claims. Opponent requested that the new requests not be admitted as late filed, referring to the RPBA which establish that requests filed at this stage should only be admitted in "exceptional circumstances".

While the Boards of Appeal have generally permitted such late-stage deletions previously, in this case they decided that the requests could not be admitted into the proceedings.[25] As argued by the Opponent they first took the position that the filing of a new set of claims is to be regarded as an amendment of the appeal case and its admittance is therefore subject to the Board's discretion, even if only dependent claims were deleted. This much is in line with several previous decisions.

But additionally, the Board accepted the proposition from Opponent that while the amendment introduced with the auxiliary requests overcomes the added matter objection, the objection of lack of sufficiency remained. The OD had revoked the patent for this reason and the Board followed their decision in the preliminary opinion. As such, without actually taking a decision on insufficiency, the Board still found that the auxiliary requests were not suitable to resolve issues admissibly raised in the appeal proceedings as required by the RPBA.

The Board also noted that a favorable decision of the OD in first instance on added matter does not allow the patentee to rely on this decision and not address objections raised in the original opposition. Thus, as all requests on file contained the offending dependent claims, the patent was revoked because no request deleting these claims had been timely filed.

T 1324/21: Confirms public prior use based on confidential analysis

In T 1324/21, the EPO Board of Appeal addressed the role of internal evidence in proving public prior use. The case related to claims to a pharmaceutical composition containing specific polymorphic forms of rifaximin.

The opponents raised a novelty objection based on the public prior use of Xifaxan tablets available on the market before the priority date. A key piece of evidence was a declaration presenting internal analyses that described the exact composition of the prior use product based on internal production records.

In the first instance, the OD excluded this piece of evidence, reasoning that the analysis was internal and confidential, and thus not part of the state of the art. However, the Board of Appeal reversed this decision, emphasizing a crucial point: while the analysis itself was confidential, it merely confirmed the composition of the product that was publicly available before the priority date.

The Board's reasoning drew on G 1/92, which establishes that the composition of a publicly available product becomes part of the state of the art if it can be analyzed and reproduced by a skilled person. The internal nature of the evidence did not undermine its relevance in proving that the public had access to a tablet falling within the scope of the claimed composition before the priority date.

Ultimately, the Board revoked the patent based on this finding. This decision highlights the importance of well-documented evidence in proving prior use and demonstrates that such evidence can play an important role in opposition and appeal proceedings even if found in internal documents which are not prior art.

T 1639/21: Clarifies that synergy alone does not imply inventive step

At the EPO, the presence of a synergistic technical effect is normally indicative of an inventive step. But following Hoffmann Eitle's advocacy, the EPO Board of Appeal in T 1639/21 clarified that synergy alone does not imply inventive step.

The case related to the combination of an mRNA vaccine (e.g., against cancer) together with an antibody to counteract an "immune checkpoint". Such immune checkpoints were known to prevent the immune system from attacking cancer. The distinguishing feature was that the antibody targeted a different immune checkpoint.

[25] The reasoning is given in T 2229/19, reasons 25 to 30.

Based on the evidence in the patent, the Board concluded that the combined effect of the vaccine and the antibody was greater than the sum of the individual effects, and as such could be acknowledged to be synergistic. The same synergistic effect was known from the closest prior art, albeit with the distinct target for the antibody. The objective technical problem was therefore formulated as providing a further synergistic vaccine/immune checkpoint inhibitor combination.

The Board thus had to answer the question of whether the skilled person would have had a reasonable expectation of achieving a synergistic effect with an antibody targeting a different immune checkpoint.

The Board determined from the prior art, including common general knowledge, that the skilled person would have reasonably considered PD-1 as a promising immune checkpoint target for combination with cancer vaccines, including with mRNA vaccines as claimed. Critically, while the antibodies of the closest prior art and the claims acted by different mechanisms, no evidence was provided to suggest a direct molecular interaction between the vaccine and the antibodies. Instead, the synergy observed in the claimed invention was commonly known to be attributed to the indirect interaction outlined above: the antibody counteracted the immune checkpoint, enabling a more effective immune response to vaccination. Thus, the skilled person would also not have been deterred by the mRNA vaccine format as claimed, which was moreover already used in the closest prior art.

Other cited documents explicitly disclosed a synergistic effect between various different formats of cancer vaccines and antibodies against the same immune checkpoint as that claimed. Given this state of the art, the Board found that the skilled person would have had a reasonable expectation that combining the claimed vaccine and antibody would achieve a synergistic effect.

The Board thus distinguished this case from a number of earlier cases cited by the Patentee as suggesting that a "synergistic effect was per se unpredictable" and would therefore "automatically" warrant an inventive step. The Board also refused to refer a question to the Enlarged Board of Appeal on this topic.

In conclusion, this important decision clarifies that synergy alone does not necessarily establish an inventive step. Depending on the facts, synergy may in some cases be reasonably expected and thus obvious based on prior art.

T 943/22: Clarifies procedural limitations in EPO appeals following opponent withdrawal

In T 943/22, the Board of Appeal clarified the scope of appeal review in cases where all opponents withdraw their oppositions. In particular, when no active opposition remains, the Board may limit its review to those grounds of opposition specifically raised in the appeal or by the OD.

In the first instance before the OD, the patentee's main request (claims as granted) was found to add matter, while an auxiliary request was maintained. The proprietor appealed the decision, seeking reinstatement of the main request. By the end of the appeal proceedings, however, all opponents had withdrawn their oppositions.

During the oral proceedings, the proprietor convinced the Board that the main request did not add matter. However, the procedural question then arose: could the Board examine other grounds of opposition raised earlier by the opponents, given their withdrawal? After deliberation, the Board announced that, after the opponent withdrew its opposition and appeal, the proprietor became the sole party in the opposition and appeal proceedings.

While Rule 84(2) EPC allows the EPO to continue opposition proceedings after an opposition is withdrawn, this does not apply to appeal proceedings, as clarified by G 8/91 and G 8/93. According to these decisions, the withdrawal of the opposition by the sole appellant automatically ends the appeal.

In this case, however, the opponent was not the sole appellant, and the appeal continued due to the proprietor's still-pending appeal. After allowing the proprietor's appeal, the Board applied the principles outlined in the G decisions above to conclude that it could not assess the remaining grounds of opposition raised by former opponents or interveners. This will be good news for sole appellant patentees who may otherwise be concerned that the Board may continue to examine grounds of opposition even after withdrawal of the oppositions.[26]

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On Thin Ice: Adding an Embodiment and Saving the Priority

According to a recent decision of the German Federal Court of Justice, the priority of an earlier application can be validly claimed even if the subsequent application comprises an additional exemplifying embodiment in which individual terms have a different meaning than in the patent claim, but which also falls within the scope of the claim according to the original interpretation of the terms. This is also the case if the additional embodiment comprises further functions not featured by the patent claim and not disclosed in the earlier application.

1. Introduction

Priority refers to the right of an applicant to claim the filing date of an earlier patent application (the "priority application") in a subsequent application for the same invention. The concept is enshrined in the Paris Convention for the Protection of Industrial Property and in Article 87 of the European Patent Convention (EPC). It ensures that once an invention has been disclosed in an earlier patent application, subsequent applications filed within the 12-month priority period (known as the "priority year") and claiming priority of the earlier application are treated as if they had been filed on the date of filing of the priority application for the purpose of assessing what constitutes the state of the art.

However, if a subsequent application has been amended with respect to the priority application, the question arises as to whether the priority can still be validly claimed. The recent decision X ZR 82/23[27] of the German Federal Court of Justice (FCJ) dealt with this question and in this specific case, the FCJ decided in favor of the patent proprietor.

2. Case at hand

Case X ZR 82/23 concerns the validity of a European patent relating to video coding technology. Specifically, the case concerns whether the patent in question could validly claim priority from earlier US provisional applications[28] and whether it met the requirements for patentability under the EPC and the German Patent Act (PatG).

The Federal Patent Court (FPC) which was the court of first instance in this case, originally ruled that the priority was not validly claimed. This resulted in certain prior art documents, which were made available during the priority period, being seen as anticipating the claimed subject-matter.[29] Specifically, the FPC found that the interpretation of the term "slice segment" went beyond how the term could be interpreted according to the earlier applications, as the earlier applications did not disclose an "independent slice" and a successive "dependent slice" as a group for arbitrary arrangements in video coding and their associated decoding modes.

FCJ's key findings regarding claiming priority

Article 87(1) EPC allows a European patent application to claim priority from an earlier application if both pertain to the same invention. This requires that the invention claimed in the subsequent application be directly and unambiguously derivable from the earlier application.

[27] GRUR 2025, 230 "Slice-Segmente", available from https://juris.bundesgerichtshof.de/cgi-bin/rechtsprechung/document.py?Gericht=bgh&Art=en&sid=e32a33f7f98bb7c01a72c958f76704b8&nr=139921&anz=2&pos=0

[28] The US provisional applications did not comprise any claims.

[29] 2 Ni 3/21 (EP), available from https://juris.bundespatentgericht.de/cgi-bin/rechtsprechung/document.py?Gericht=bpatg&Art=en&Datum=2006&Sort=3&Seite=0&nr=43618

Based on this requirement, the FCJ overturned the FPC's decision. The FCJ confirmed that priority could still be claimed even if the subsequent application included additional embodiments or functions not explicitly disclosed in the earlier application, as long as the earlier application inherently disclosed the claimed invention. This principle also applies if new terms or slightly altered interpretations are introduced, provided that these variations fall under the scope of the original disclosure. To this end, the FCJ emphasized that the relevant disclosure of the earlier application is not limited to the wording of its claims but to the entirety of the application documents.

Specifically, the court found that the earlier US applications disclosed the key features of the patent, including the distinction between independent and dependent slices in video coding and their associated decoding modes. Although the concept of "slice segments" was not explicitly mentioned in the earlier applications, the court held that the additional functionality described in the patent at hand was not inconsistent with the original disclosure. The fact that the patent at hand disclosed additional functions in connection with the second embodiment, which were not derivable from the earlier applications, was found to be irrelevant since the claim did not comprise these functions and the priority documents neither explicitly nor implicitly disclaimed these functions. That is, the additional exemplifying embodiment was considered to describe a narrower interpretation falling within the original disclosure.

Outcome

As a result, the higher court overturned the FPC's finding that the patent did not validly claim priority, so that the cited prior art, which was published within the priority period, was excluded from the patentability assessment. Consequently, the patent was upheld as valid, as the technical teaching of the claims was found to meet the requirements of novelty and inventive step when evaluated against the relevant prior art.

3. Conclusion

The decision of the FCJ underscores the nuanced interpretation of breadth of disclosure and emphasizes the importance of consistency between the original disclosure in priority applications and subsequent applications when claiming priority. If the embodiment added to the description of the subsequent application had shifted or broadened the original interpretation, then the priority would have been lost. Although, in the case at hand, the priority was found to be valid despite the addition of an embodiment in the subsequent application, the decision is a reminder that even the slightest change to the description between the priority application and the subsequent application may lead to a loss of priority. This is true under German law and under the EPC alike.

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Intervention During EPO Appeal Proceedings: G 3/04 Called Into Question

Board of Appeal 3.2.04 referred questions to the EPO's Enlarged Board of Appeal concerning the status of the intervener in opposition appeal proceedings. The case, now known as G 2/24, has significant practical implications for the conduct of litigation based on European patents.

Background

An infringement action may be brought before a national court or the Unified Patent Court (UPC) on the basis of a European patent in respect of which opposition proceedings are pending before the European Patent Office (EPO). In such a situation, the Defendant in the infringement action may intervene, pursuant to Article 105(1)(a) EPC, in the opposition proceedings even after the expiration of the opposition period.[30] Article 105(2) EPC also provides for that an admissible intervention shall be treated as an opposition. By virtue of that fiction, the intervener is treated as an opponent.

The possibility of filing an intervention to challenge the validity of a European patent is particularly important if the infringement action has been brought before a German court. Indeed, under German law, pursuant to which infringement and validity are dealt with in separate court proceedings, a nullity action cannot be initiated while EPO opposition proceedings are pending. In other words, without the possibility to file an intervention, the Defendant would not be in a position to challenge the validity of the European patent asserted in the infringement action.

Almost twenty years ago, the EPO's Enlarged Board of Appeal decided in G 3/04[31] that if a party intervened during opposition appeal proceedings[32] – rather than during first-instance opposition proceedings – and if all appeals are subsequently withdrawn, the appeal proceedings are terminated. The reasoning in G 3/04 is essentially that a party intervening during opposition appeal proceedings only acquires the status of party as of right under Article 107, second sentence, EPC,[33] but not that of an appellant. As a result, a party intervening during opposition appeal proceedings at the EPO is currently treated in much the same way as an opponent who has not appealed against the decision of the Opposition Division, i.e. a non-appealing opponent.

On the basis of the decision issued in G 3/04, the following scenario is not uncommon. After an Opposition Division has maintained a European patent in granted or amended form, and while the appeal proceedings are pending, the patent proprietor institutes an infringement action in Germany against a third party who is not involved in the EPO opposition proceedings. In reaction, the third party intervenes during the opposition appeal proceedings. Then, after a few months or perhaps even more than a year, the proprietor concludes an agreement with the original opponent under which the latter is granted a free or discounted license and both the original opponent and proprietor withdraw their appeal. This abruptly ends the opposition appeal proceedings without a substantive decision, forcing the third party, i.e. the Defendant in the infringement proceedings, to bring a nullity action in Germany at a time when the infringement proceedings might already be well advanced, generally to the advantage of the patent proprietor.

[30] The opposition period ends nine months after publication of the mention of the grant of the European patent in the European Patent Bulletin (Article 99(1) EPC).

[31] G 3/04 (Intervention/EOS), 22 August 2005.

[32] The possibility to file an intervention during pending opposition appeal proceedings was recognized in G 1/94.

[33] Article 107 EPC reads: "Any party to proceedings adversely affected by a decision may appeal. Any other parties to the proceedings shall be parties to the appeal proceedings as of right."

T 1286/23

Board 3.2.04, which in November 2024 issued decision T 1286/23,[34] is not convinced by the reasoning in G 3/04, and has referred the following questions to the Enlarged Board of Appeal under Article 112(1)(a) EPC:

> *"After withdrawal of all appeals, may the proceedings be continued with a third party who intervened during the appeal proceedings? In particular, may the third party acquire an appellant status corresponding to the status of a person entitled to appeal within the meaning of Article 107, first sentence, EPC?"*

Specifically, the referring Board is questioning the extent to which the concept of party as of right under Article 107, second sentence, EPC can be applied to an intervener who intervenes during opposition appeal proceedings, considering that Article 107 EPC only relates to parties to the proceedings leading to the appealable decision.[35] It also appears to consider that an intervener may be adversely affected by a decision under appeal even though the intervener was not a party to the first-instance opposition proceedings before the appeal.[36] The referring Board makes a strong case that the EPC does not provide for any limitation of the intervener's opponent status even if the intervention is filed at the appeal stage, i.e. the intervener at the appeal stage should be able to acquire the appellant status[37] or a status equivalent thereto.[38]

This, in the Board's view, is also justified by "the overall legal framework and the general purpose of an intervention".[39] The intervener has "a legal interest extraneous to the proceedings conducted before the European Patent Office",[40] and its position should not be dependent on the other opponents.[41] For the referring Board, the intervener must be able to enter the EPO proceedings with full rights, without any limitation.[42]

Practical significance

The Enlarged Board of Appeal will now hear the parties on these questions to eventually issue its decision. If the Enlarged Board follows the reasoning of the referring Board and decides that an intervener at the appeal stage can be entitled not only to the status of opponent but also to the status of appellant, this would undoubtedly increase the attractiveness and predictability of the EPO opposition proceedings from the perspective of a Defendant in an infringement action. Indeed, the Defendant as intervener would no longer run the risk of facing an abrupt termination of the EPO proceedings if the original opponents all jumped ship by withdrawing their appeals. Conversely, if EPO opposition appeal proceedings are still pending, patent holders would then think twice before suing an alleged infringer, especially in Germany, considering that the alleged infringer, after having been sued, can then intervene in the EPO proceedings without any restrictions on its status.

We will report further on the Enlarged Board of Appeal's decision once it has been issued.

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[34] T 1286/23, 11 November 2024.
[35] Ibid., reasons 3.5.3, 3.5.5, and 3.5.6.
[36] Ibid., reasons 3.6.6.
[37] Ibid., reasons 3.8.3.
[38] Ibid., reasons 3.8.4.
[39] Ibid., reasons 3.9.
[40] Ibid., reasons 3.9.2.
[41] Ibid., reasons 3.10.
[42] Ibid., reasons 3.12.1.

BSH v Electrolux – The Gateway to a New Age of Cross-Border Litigation?

Forum shopping has been ubiquitous in the world of patent litigation, long before the Unified Patent Court established itself as a one-stop-shop venue covering more than half of the EU's Member states.

The judgment of the CJEU in *BSH v Electrolux*[43] opened the door for enforcing patents comprehensively at the seat of the defendant also with respect to infringement in other EU Member states and third countries. The decision opens new paths for patentees and may have far-reaching implications for the role that national courts and the UPC may play in an age of judicial competition.

Jurisdiction of Europe's national courts and the UPC - the basics

Jurisdiction within the EU is governed by the Brussels I bis Regulation ("**BrReg**").[44] From the outset, actions based on asserted patent infringement can be brought in the jurisdiction in which the infringing act took place (Art. 7(2) BrReg), or at the "home courts" of the defendant's domicile, i.e. in the country where the respective company has its seat, central administration or principal place of business (Art. 4(1), 61(1) BrReg). The latter option, i.e. suing an infringer at its domicile, in principle opens the path for asserting not only the national part of the patent that has been validated in the home country of the defendant, but also further national parts of the same European patent or even parallel foreign patents in one and the same infringement action. Except for EPO opposition proceedings, validity of patents can however only be challenged before the courts of the Member State in which the patent has been registered (Art. 24(4) BrReg). It thereby makes no difference whether the issue of validity is raised by way of an action or as a defence, as the CJEU held in the well-known decision GAT/LUK.[45]

An EU defendant could thus be sued in its home jurisdiction for infringement also of patents abroad, but according to a common reading of the GAT/LUK decision, the plaintiff in such cases risked that the court dismissed those parts of the action once the defendant asserted the invalidity of those patents.

The same principles apply to litigation before the UPC, which also determines its jurisdiction in accordance with the BrReg (Art. 71b BrReg and Art. 31 UPCA).

The CJEU confirms jurisdiction of the home courts for worldwide infringement actions

In BSH v Electrolux, the claimant brought a comprehensive action for damages for infringement of the national parts of a European patent in several EU Member states, as well as the UK and Turkey, before the defendant's home court in Sweden.

The CJEU made clear that it would not follow a restrictive reading of the GAT/LUK decision. If invalidity is raised as a defence, the home court does not lose jurisdiction for patent infringement in another EU Member State. This interpretation of Art. 24(4) BrReg

> *"allows the holder of a European patent, who believes that that patent has been infringed by the same defendant in several Member States, to concentrate all of its infringement claims and to obtain overall compensation in a single forum, thus avoiding, inter alia, the risk of divergent decisions."*

To solve the tension between the exclusive jurisdiction on validity and the comprehensive jurisdiction at the domicile of the defendant also for infringement abroad, the home court is called upon to resort to the

[43] CJEU, Judgment of 25 February 2025, C-339/22 – BSH Hausgeräte GmbH v Electrolux AB.
[44] Regulation (EU) No 1215/2012 as amended by Regulation (EU) No 542/2014.
[45] ECJ, Judgment of 13 July 2006, C-4/03, EU:C:2006:457 – GAT v LUK.

procedural tools available. According to the approach of the CJEU, the home court may, e.g., separate the dispute relating to the validity of the foreign patents and stay the proceedings if it considers it justified, "in particular where it takes the view that there is a reasonable, non-negligible possibility of that patent being declared invalid by the court of that other Member State that has jurisdiction."

What is more, the CJEU confirmed that the national court also has competence to hear cases on infringement and validity of non-EU patents. The exclusive jurisdiction in Art. 24(4) BrReg for validity disputes only applies to rights registered in an EU Member State. In any case, such a decision on the validity defence based on non-EU patents will only have effect between parties: Only the courts of the third state in which a patent is granted or validated have jurisdiction to declare that patent invalid with effect for everyone.

The UPC pushes ahead and assumes jurisdiction also for infringement of the UK part of a European patent

Already before the CJEU handed down its decision, the Court of First Instance of the Unified Patent Court (Local Division (LD) Dusseldorf) considered itself to have jurisdiction to also rule on infringement and validity of the UK part of such patent as long as the defendant is sued in its home jurisdiction.[46] According to the LD Dusseldorf,

> *"The Court was clearly intended to have jurisdiction (also) over non-Contracting Member States, at least in some cases."*

By way of reference, the LD Dusseldorf cites Art. 71b BrReg, which governs certain constellations in which the defendant is not domiciled in an EU member state. For those defendants, the article establishes the UPC's jurisdiction also for damages from infringement of a European patent irrespective of whether they arose inside or outside the EU. Going further, the LD Dusseldorf also assumed jurisdiction for issuing (permanent) injunctions with effect for the UK territory. Since the LD Dusseldorf found the patent invalid, its far-reaching conclusion on jurisdiction (for now) had little real-life implications for the parties. In another case between the same parties, the LD Mannheim sought to await the CJEU's decision on the BSH/Electrolux referral,[47] but is likely to confirm the position taken by the LD Dusseldorf.

The Court of Appeal's rather generous, if not expansive, approach to questions of jurisdiction and competence is unlikely to encourage lower courts to exercise restraint.[48] One sensible limitation which prevents the establishment of a fully global forum should however arise from the clear wording of Art. 1, 3 UPCA which limits the transfer of competences from the national courts to the UPC to matters involving European patents. In that regard, the national courts have an edge over the UPC.

Strategic implications – A world of unlimited opportunities?

The decision of the CJEU in *BSH v Electrolux* provides clarity on the admissibility of cross-border litigation and adds to the toolbox of a patentee:

Litigation covering infringement in third countries can be of particular interest if separate litigation for that country has been unattractive due to budget constraints (e.g. an expensive UK action in parallel to a UPC or national action) or lack of effective access to justice (e.g. litigation in more exotic markets). All that is required is for a defendant domiciled in an EU Member State to pull the strings.

While the CJEU hints at the possibility of separating and staying the infringement proceedings when invalidity is raised for foreign rights, it sets a rather low bar. In almost all cases, it should be possible to establish a "reasonable, non-negligible possibility" of invalidation. However, it is not clear from the CJEU judgment whether, in order to benefit from such a stay, it is sufficient to assert the abstract possibility of invalidation, or whether the defendant must actually bring a nullity action in one (or even all) of the EU Member states to which the action extends. The latter may open the door for judicial powerplay even further. Is it thus only a matter of time before we see infringement actions brought at the seat of Europe's multinational companies, covering not only

[46] LD Dusseldorf, Decision of 28 January 2025, CFI 355/2023 – Fujifilm v Kodak.

[47] LD Mannheim, Order of 22 January 2025, CFI 365/2023 – Fujifilm v Kodak.

[48] See Order of 16 January 2025, CoA 30/2024 – Fives v Reel, confirming the UPC's competence to hear also damages claims based on an infringement judgment by a national court.

infringement in that home jurisdiction, but also in all other European countries, possibly extending to the US and Asian countries? Will litigation before the UPC render additional proceedings against European companies, for example in the UK, superfluous, as this court will now be able to issue and enforce injunctions also with effect for that country, despite its Brexit-induced departure?

While the strategic implications should not be underestimated, practical needs may lead to a degree of self-restraint on the part of both the courts and the parties:

- The scope of the judgment is not the only factor in the choice of forum, particularly where multiple defendants are involved.[49] The best forum may not necessarily be the one that also gives the broadest international scope to the infringement action.
- Courts remain bound by the principle of territoriality and would have to apply the national law(s) of the country(ies) for which infringement and invalidity is asserted.[50] The appetite of e.g. a German court or the UPC to delve into the case law of the English courts, let alone the US courts, is likely to be rather low.
- Asserting infringement of foreign patents comes with a certain risk of escalation: To benefit from separation and a partial stay of the proceedings, defendants may choose to bring nullity action(s) against the asserted foreign patent(s) in the concerned jurisdiction(s). While rules on lis pendens reduce the risk of negative declaratory actions in parallel to an infringement action in the EU, this may not necessarily be the case for third-country jurisdictions such as the UK.
- Deciding on validity, even if only with inter partes effect, may trigger a new wave of attempts to obtain anti-suit injunctions from courts where the relevant patents are registered.

Despite the caveats, this should by no means dampen enthusiasm. Here's to a new age of cross-border litigation!

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[49] According to Art. 33(1) lit. b UPCA, an action may be brought against multiple defendants before any local division in which one of the defendants has its seat or registered place of business if they share a commercial relationship and the action relates to the same alleged infringement.

[50] Art. 8(1) Rome II-Regulation 864/2007, c.f. ECJ, Judgment of 13 July 2006, C-539/03 – Roche Nederland v Primus et al.

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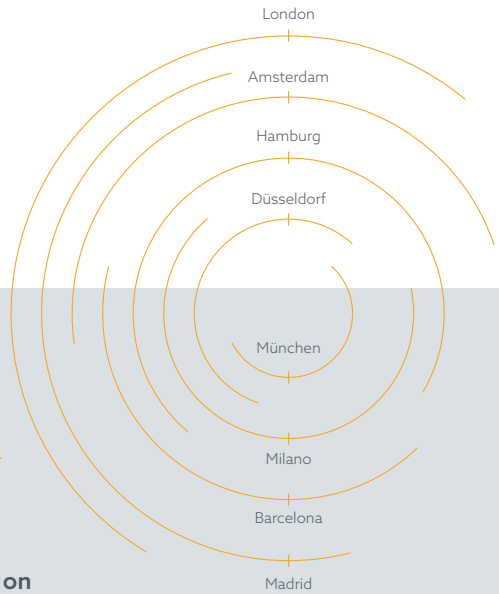

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