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THE UNITARY PATENT SYSTEM AND THE UNIFIED PATENT COURT (UPC)

By Dr Christoph Wiegand, LL.M.

On 1 June 2023, the long-awaited launch of the Unitary Patent System and the Unified Patent Court (UPC) occurred. The Unitary Patent is a European Patent with unitary effect in the territories of all participating EU Member States that have ratified the Agreement on a Unified Patent Court (UPC Agreement). The participating EU Member States are currently Germany, France, Italy, Austria, Portugal, the Netherlands, Belgium, Luxembourg, Austria, Slovenia, Denmark, Sweden, Finland, Estonia, Latvia, Lithuania and Bulgaria. The UPC is a common court of the participating EU Member States and contracting states of the UPC Agreement. It has exclusive jurisdiction over Unitary Patents and classic European Patents which have been validated in one or more states as well as over both infringement and nullity proceedings. The UPC decisions have direct effect in the territories of all participating EU Member States which have ratified the UPC Agreement.

The success of the Unitary Patent System with the associated UPC will certainly depend on how many of the EU Member States will ultimately ratify the UPC Agreement. The more EU Member States participating in the Unitary Patent System, the more interesting and significant it will be for patent owners and patent applicants. Especially if the European market and economic area is understood in a uniform way; only a uniform patent protection makes sense. With the aforementioned 17 participating EU Member States, it seems that we have already established a successful institution. Those are rather major European jurisdictions and it could certainly be questioned whether a patent is still worthy at all if held invalid by the UPC with direct effect to the current participating Member States.

The Unitary Patent System, as well as the proceedings before the UPC, have the chance to be time- and cost-saving or be carried out

in a correspondingly efficient manner. In this context, The Rules of Procedure provide for electronic proceedings, electronic submission of party observations and evidence, as well as interim procedures and oral proceedings in the form of video conferences. Proceedings before the UPC might therefore be a “sharp sword” against patent infringer.

Ultimately, it remains to be seen how the Unitary Patent System will be finally accepted by patent applicants and patent owners and what the UPC will make of it. At first glance, it seems that the UPC is already quite busy and the acceptance seems rather high. By the end of October 2023, 90 cases have been filed with the UPC, comprising all kinds of possible actions that the UPC Agreement provides: actions of infringement, counterclaims for revocation, actions for revocation, requests for preliminary measures, for preserving evidences and inspection. The Unitary Patent System certainly offers portfolio-strategic and procedural possibilities for enforcing and defending rights. After all, a new court has been constituted whose judges will bring their respective national patent law doctrine and jurisprudence to the UPC, and technically qualified judges are also involved in the decision-making.

Artificial Intelligence (AI)

AI is an everyday “hot topic” within IP questions. This does not only affect patent law, but also copyright and other IP laws. Currently, one of the most important questions is whether, according to national / EU law, AI itself can qualify as the owner and/or creator

of any IP. The German Patent and Trademark Office, for instance, recently decided (as some other patent offices have done as well) that AI cannot qualify as an inventor, but seems to be open to the idea that inventors can use AI as a tool to be inventive. AI, however, cannot be named as the inventor in the patent application form. We therefore need to decide how to deal with (solely) AI generated IPs and with the use of AI as tool within the creation process in order to get legal certainty in, amongst others, IP (particularly patent) litigation. In the coming years, considering the current legal landscape and use of AI, we might see an increased focus on what is an acceptable amount of AI that is considered acceptable use in a creation/invention in order to reach the inventive step and to grant any IP rights. A second topic might be the use of AI tools and legal tech tools in order to structure and organise IP (mass) litigation to make such proceedings more efficient for lawyers, courts and clients. The same applies for IP application and prosecution.

Preliminary injunction proceedings in the event of patent infringement and legal validity of the injunction patent according to ECJ “Phoenix Contact/Harting”

In patent cases, the issuance of a preliminary injunction (PI) is possible in principle. However, in patent infringement cases, a technical issue has to be assessed, which the court will rarely be able to do in so-called summary proceedings (here, only a preliminary and cursory examination takes place) due to its complexity.

The case law (so far) also assumes this. In principle, it only considers the issuance of a preliminary injunction if both the existence of the patent and the patent infringement are clear (i.e., an erroneous decision to be revised in any subsequent main proceedings must not be seriously to be expected). This is a prognosis decision to be made by the court and German courts have established a specific case law with prerequisites in order to make such prognosis decisions.

The Regional Court of Munich I (Case No. 21 O 16782/20) had doubts about this case law and had referred a corresponding question to the European Court of Justice (ECJ) as to whether this case law was compatible with Art. 9(1) of the Enforcement Directive (Directive 2004/48). It had asked, in rather general terms, whether the issuance of preliminary measures against patent infringements can in principle be refused if the patent in question has not survived at least first instance opposition or nullity proceedings.

In its response (Case No. C-44/21 – “*Phoenix Contact/Harting*”), the ECJ emphasised that there is a presumption of validity for European Patents (EP) applied for from the date of publication of their issuance and that they therefore enjoy the full scope of protection of the Enforcement Directive from

that date. Therefore, there was no need for a decision preserving the rights in a proceeding concerning the legal validity as a prerequisite for the merits of the injunction proceedings.

The decision of the ECJ, however, leaves the courts of instance the necessary freedom to develop criteria according to which it can be assumed with sufficient certainty that the injunction patent is valid in preliminary injunction proceedings (a schematic approach being finally prohibited and all circumstances of the individual case must be duly considered). The practical impact of the ECJ's decision is not yet fully apparent. It can be assumed that the instance courts will not deviate significantly from their previous case law, but rather implement the principles of the ECJ into it (first Regional Court of Munich I and Regional Court of Düsseldorf decisions already give some indications but not a complete picture as still Higher Regional Court decisions with detailed discussion seem not yet available).

Do not overlook: SEP EU draft regulation proposal

The EU Commission has issued a draft regulation on supplementary protection certificates (SPCs) and on standard essential patents (SEPs). This draft is currently under discussion and we should not lose sight of it.



Dr Christoph Wiegand, LL.M. is a German qualified lawyer and his practice focuses on intellectual property law (in particular, patents, trademarks, designs and unfair competition). He advises national and international clients from various industries on dispute resolution in and out of court, often in cross-border cases. This includes in particular the enforcement of trademark and unfair competition claims and the defense against the assertion of such claims by third parties. In addition, Dr Wiegand supports his clients in the enforcement of trademark registrations before the EUIPO and the DPMA. His practice also includes issues relating to commercial and corporate disputes, contract law and private international law and civil procedure law.



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