



LEGAL LENS ON THE UNIFIED PATENT COURT

IN THIS JULY 2024 ISSUE

[UPC RESOURCE CENTER →](#)

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INTRO

The Unified Patent Court (UPC) is revolutionizing the way patents are enforced in Europe, and McDermott’s intellectual property team is here to help you navigate this dynamic landscape. Our *Legal Lens on the Unified Patent Court* newsletter is designed to keep patent holders and legal departments well-informed. And with an on-the-ground team in Germany, France, the United Kingdom and the United States, we offer a unique cross-border perspective.

NOTABLE CASES & POTENTIAL IMPACT

[FRANZ KALDEWEI GMBH & CO. KG V. BETTE GMBH & CO. KG](#)

Topics: first UPC decision on the merits; permanent injunction; UPC prior use defense not successful

On July 3, 2024, the Local Division Düsseldorf delivered the first UPC decision on the merits and issued the first-ever permanent injunction, covering seven UPC Member States, thus making history in the intellectual property world.

The patent is directed to a sanitary tub device. The Court found the granted patent to be invalid but upheld an amended version of it as an auxiliary request. The Court jointly heard the infringement case and the counterclaim for revocation based



on lack of inventive step. The Court moved quickly, resolving both the infringement and invalidity questions in just over a year and only a few weeks after the oral hearing.

In the assessment of “inventive step,” the Court proceeded pragmatically and flexibly, just like the UPC Court of Appeal (CoA) in the [10x Genomics, Inc. case](#). This approach is unlike the European Patent Office’s (EPO), which focused on the closest prior art and a problem-solution approach.

The Court also affirmed that a narrow doctrine of “contributory infringement” (*i.e.*, indirect use of the invention) exists in the UPC. The Court applied a double territorial requirement in which the offer and/or delivery of the essential element must take place within UPC territory, and the invention must also be used within UPC territory. The Court left open whether it is sufficient that the offering/delivery exists in one of the member states but direct use of the invention is intended for a different member state, so further case law will need to provide clarity.

The Court also found that there is no such defense as a “pan-European right of prior use” in the UPC. The existence of a right of prior use must be asserted before the UPC regarding each concerned member state, individually, according to its national law.

TAKEAWAYS:

- This is the first-ever permanent injunction granted by the UPC, and it was based on an amended claim.
- There is no “pan-European” prior use defense in the UPC. There are only national rights of prior use.
- Regarding claim interpretation, the Court followed the CoA’s decisions from February 26, 2024, and May 13, 2024, applying the principles of Article 69 of the European Patent Convention to both validity and infringement proceedings.

DEXCOM, INC. V. ABBOTT

Topics: first UPC revocation; bypassing existing jurisdiction in national court

In a separate action, just one day after the Local Division Düsseldorf granted the UPC’s first permanent injunction, the Local Division Paris delivered its first revocation decision involving a patent for a blood glucose sensor.

The Local Division Paris addressed a complex jurisdictional posture where the patent in suit was also the subject of revocation proceedings before the German Federal Patent Court. The German action was filed on May 9, 2023, prior to the UPC’s existence. However, the German action was brought by only one of the defendants in the UPC case. The Local Division Paris held that it was therefore not obliged to decline jurisdiction in favor of the first court seized under Article 29(3) of the Brussels Regulation (recast) because there was no identity of parties nor subject matter. The parties were different because the revocation action in Germany concerned only the German part of the patent and defendant eight was the sole claimant there.

The Court exercised its discretion to not decline its jurisdiction nor defer the case to the local German court as the German Federal Patent Court is not expected to give its final decision until after the present UPC decision is issued. The Court considered that, in light of the principles of efficiency and expediency laid out in the Agreement on a Unified Patent Court

(UPCA), it would not be in the best interest of the proper administration of justice to decline jurisdiction in favor of the German Federal Patent Court or to stay the proceedings.

Additionally, the Court confirmed that in the case of parallel national infringement litigation, the patentee is free to avoid a *lis pendens* defense by carving out the country with national infringement litigation from its UPC infringement complaint because the parties define the dispute's subject matter as a general principle of law, which is expressed in Article 76(1) of the UPCA. Therefore, the patentee is allowed to exclude acts of infringement in countries with parallel infringement litigation. However, the defendant's UPC counterclaim for revocation does not have to be limited according to the carve out. The defendant can always counterclaim for revocation in *all* UPC countries where the patent is valid since no legal text that binds to the UPC expressly states such a limitation.

TAKEAWAYS:

- This decision demonstrates the UPC's relevance in complex global disputes where companies are litigating the relevant accused products in multiple jurisdictions within the European Union and beyond.
- The UPC's speed and efficiency enables it to overtake slower national proceedings.

EMERGING LEGAL ISSUE

UPDATE ON PRELIMINARY INJUNCTIONS AT THE UPC

One of the most compelling attractions of the UPC is the potential for obtaining an injunction covering more than 17 EU Member States through a single court action, avoiding the need to seek injunctions in multiple national courts. As a relatively new court, there is little in the way of a track record and, therefore, less predictability. The preliminary injunction actions that have been heard thus far have provided mixed results for patent owners. [Earlier this year, NanoString Technologies, Inc. succeeded in overturning a preliminary injunction](#) that had been granted to 10x Genomics, Inc. based on concerns over the validity of the underlying patent.

The Local Division Hague recently heard two applications for preliminary actions filed by Abbott Diabetes Care Inc. against SiBio Technology Limited et al. regarding patents related to continuous glucose monitoring. One of the two applications was granted, the other denied, establishing further precedent in how preliminary injunctions will be addressed.

An injunction may not be granted if the patent is likely invalid. After hearing arguments from both partners in UPC_CFI_131/2024, the Local Division Hague found that, on the balance of probabilities, Abbott's patent (EP 3831283) was "more likely than not" to be invalid due to "added subject matter" (the claimed subject matter may not extend beyond the disclosure of the original application and/or any parent applications as filed) ([ORD_30431/2024](#), grounds, para 3, 5). In this particular case, the Court applied a standard similar to the EPO and found that the claims likely extend beyond the scope of both the application and the parent application as filed because the specifications disclosed the claimed subject matter in combination with a feature that was omitted from the granted independent claim. This omission was held to result in an

intermediate generalization of the subject matter, meaning the patent was “more likely than not” to be invalid. Consequently, a preliminary injunction was not granted.

Policy considerations. In the other case, SiBio did not challenge the validity of Abbott’s patent (EP 2713879) but instead argued against a preliminary injunction based on a policy argument that it would serve no purpose. This is because SiBio had already filed a cease-and-desist declaration and, allegedly, left the markets covered by the patent. Abbott successfully argued that SiBio had not complied with the declaration, having purchased the alleged infringing device *after* the declaration was filed. Presiding Judge Brinkman held that SiBio, having allegedly left the relevant markets, had no legitimate interest in opposing the injunction. The preliminary injunction was granted with an order for delivery of any stock of the device in Germany, France, the Netherlands and Ireland ([ORD_30434/2024](#)).

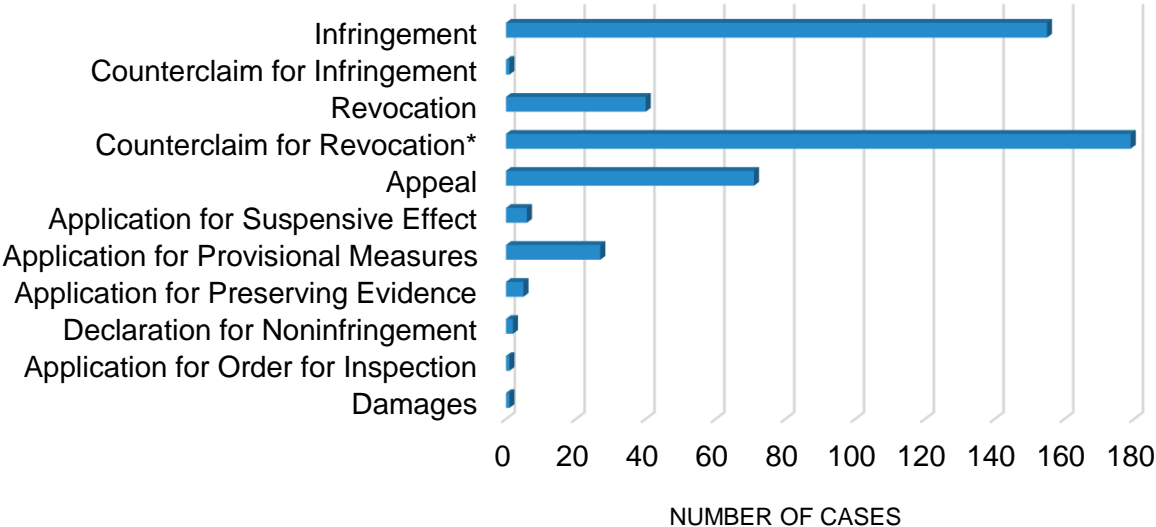
What about Ireland? In addition to the participating UPC Member States in which the patents are in force, Abbott’s applications were interpreted as a request for the injunction to cover Ireland. While Ireland is a signatory it has not yet ratified the UPCA and, therefore, is not participating in the UPC. Presiding Judge Edger Brinkman decided that the Local Division Hague was competent with respect to Ireland, citing Brussels Regulation 1215/2012 ([ORD_30434/2024](#), grounds, para 1). A similar implied request for the UK was dismissed as it is not part of the UPC or the EU. This demonstrates how the UPC can grant an injunction covering EU Member States that are not participating in the UPC, potentially increasing its scope.

The UPC is still in the early stages of developing its own case law regarding injunctions, and it remains to be seen whether and how practices of the various local divisions might differ. However, the availability for a pan-European injunction is already providing patent owners with a highly compelling tool for enforcing their patents, particularly with the potential for EU coverage beyond those countries currently participating in the UPC.

RECENT FILINGS

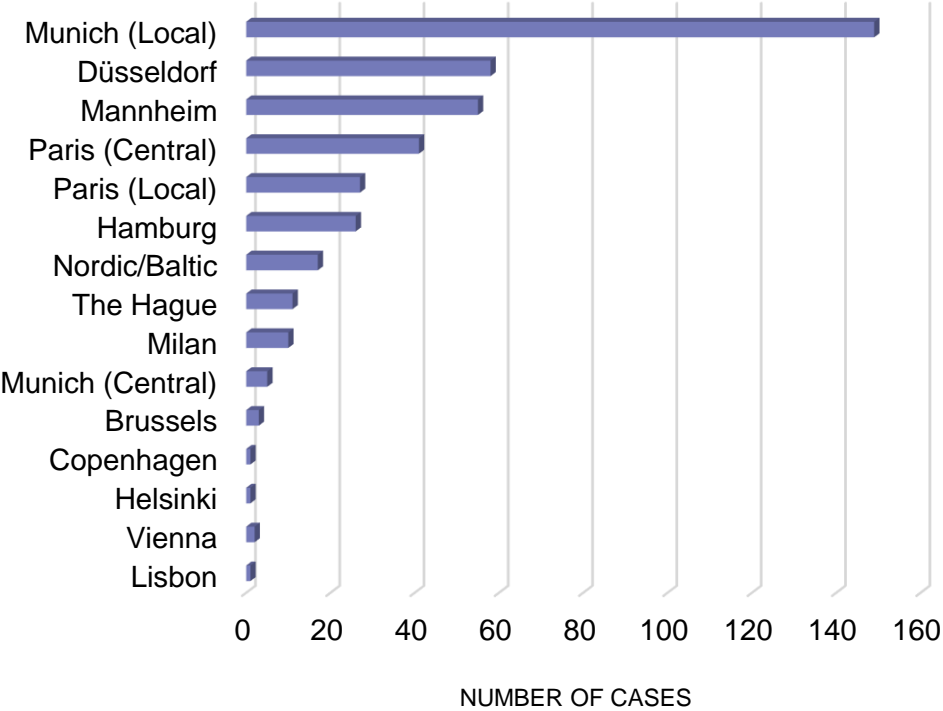
This section reflects updated data regarding UPC usage, taken from the UPC’s register as of July 19, 2024.

NUMBER OF CASES ON UPC REGISTER BY TYPE

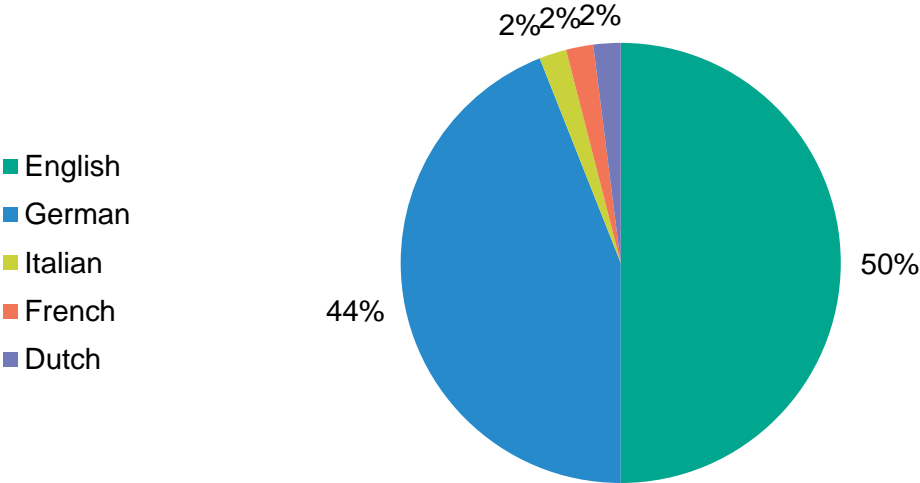


**The number of counterclaims for revocation cases does not necessarily reflect the UPC’s true case load because the UPC’s Case Management System required several defendants in infringement proceedings to launch their own counterclaim for revocation, even if the substance of the counterclaims was fully identical across the parties. This inflates the number.*

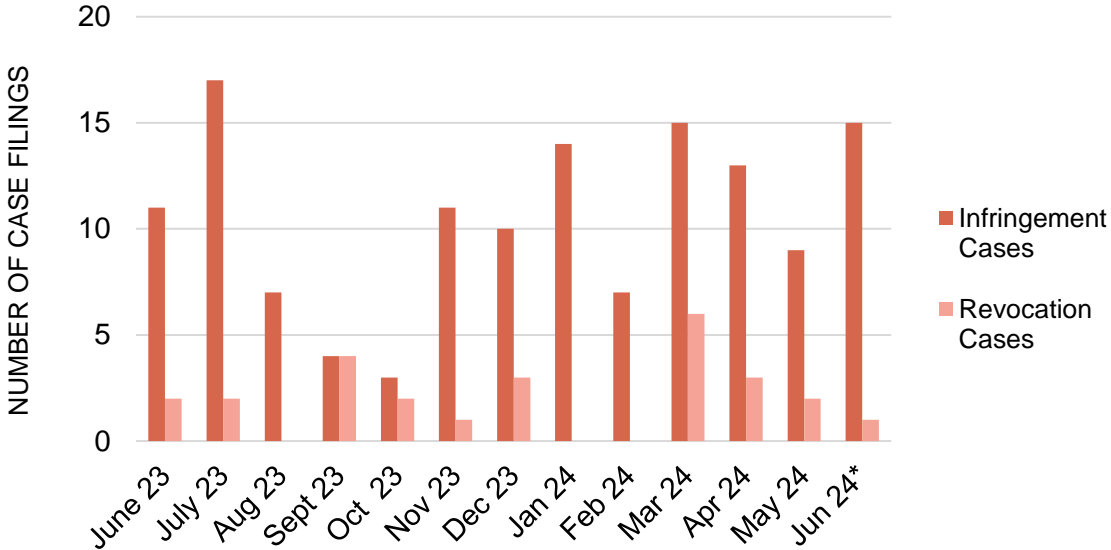
NUMBER OF CASES ON UPC REGISTER PER DIVISION



LANGUAGE OF UPC PROCEEDINGS

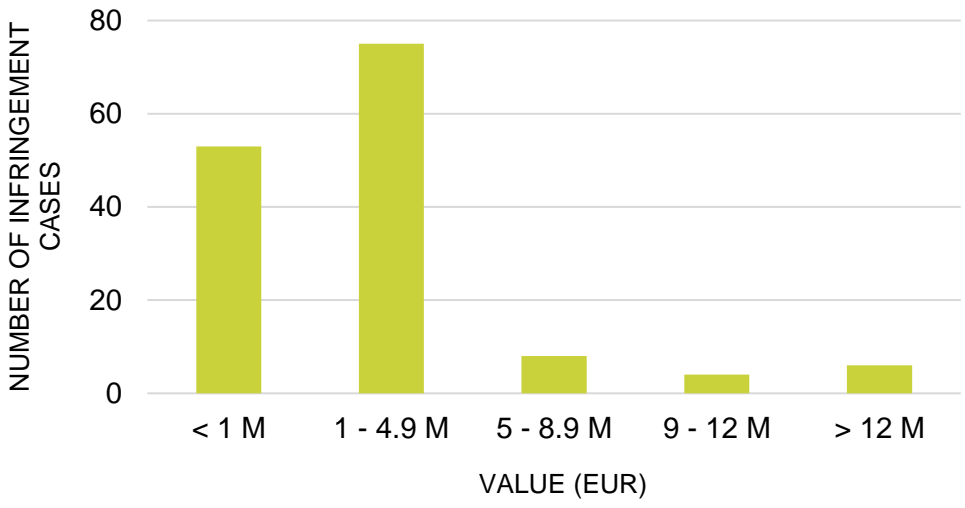


FIRST INSTANCES OF INFRINGEMENT AND REVOCATION CASES PER MONTH IN 2023 AND 2024



*June 2024 values are potentially incomplete.

INFRINGEMENT CASE VALUES



LATEST INSIGHTS

We provide real-time insights on UPC filings, decisions and other related developments. Check out our latest insights below.

[1 Year at the UPC: Implications for Transatlantic Disputes](#), July 17, 2024

[Legal Lens on the Unified Patent Court](#), June 2024

[Legal Lens on the Unified Patent Court](#), May 2024

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WANT TO DISCUSS YOUR UPC STRATEGY?

Contact a member of our UPC team below.



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