

## **Firsthand Experiences in UPC Revocation Proceedings, in particular with regard to Cost Aspects**

(This case deals with the first patent to fall in a revocation suit before the UPC.)

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### Quick overview

*The Unified Patent Court (UPC) introduces new avenues for patent infringement and revocation proceedings in Europe. However, its case law remains in an early stage of development. It is eagerly anticipated how the court will shape areas that lack clear statutory guidance.*

*A recent decision by the UPC's Court of Appeal addresses the issue of cost allocation in cases where the patent proprietor surrenders the patent shortly after a revocation action is filed. This ruling offers valuable insights for parties contemplating revocation proceedings before the UPC. The case at the heart of the decision marks the first instance in which a patent has been nullified in a revocation suit before the UPC.*

*It appears that an isolated action for a declaration of invalidity before the UPC is a very powerful tool for quickly removing a patent that exists in several countries, provided that the relevant rules of the EPC and the UPC are strictly observed.*

### The UPC decisions here focused on

1st Instance: Paris Central Division, order of 23 May 2024 (UPC\_CFI\_372/2023)

2nd Instance: of the Unified Patent Court, order of March 26 2025, (UPC\_CoA\_290\_2024)

These decisions deal with a revocation action before the UPC, and the relevant background of the case includes the content of pre-litigation correspondence of the parties. The later revocation claimant was contacted in late 2022 by the later revocation defendant prior to the proceedings regarding a possible patent infringement at a trade fair. In order to minimize risk, the later revocation claimant sought to clarify the situation as quickly as possible. They gently argued that the patent was invalid. Due to the risk that an opt-out will be declared (i.e., a request that future patent infringement or patent invalidity proceedings be withdrawn from the jurisdiction of the UPC) and the case would be split into a large number of national revocation actions, a cautious approach was taken in the pre-litigation phase.

Eventually, the claimant filed a revocation action in October 2023, arguing the invalidity of the patent in question, mainly by citing the prior art that was cited in the pre-litigation proceedings, and in particular arguing that the priority claim was invalid. In order to further bolster their standpoint, the claimant also added further prior art that had not yet been presented in the pre-trial correspondence.



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In their defenses filed in November 2023 and January 2024, the proprietors acknowledged invalidity referring to the documents that were presented for the first time in the revocation action and arguing that they would have surrendered the patent earlier had they been aware of these documents prior to the initiation of the proceedings.

After filing invalid requests for revocation with the national patent offices, on 15 January 2024, the proprietors filed a request for revocation of the patent in question pursuant to Art. 105a European Patent Convention (EPC) with the European Patent Office (EPO). The revocation of the patent was published in the European Patent Bulletin on 28 February 2024.

Both parties declared that there was no longer any need to adjudicate on the action, applying for an order pursuant to Rule 360 of the UPC's Rules of Procedure (R. 360 RoP).

The subsequent appeal proceedings then focused solely on the costs of the proceedings, with each party requesting that the other party be ordered to pay the costs.

### Discussion

The decision contains valuable practical information for both claimants in revocation proceedings and patent owners. In order to avoid bearing the costs as a revocation claimant in the event of immediate patent surrender after the action has been brought, the subsequent claimant must contact the patent owner before bringing an action for revocation before the UPC, inform him of the intended revocation action and inform him of all possible grounds for revocation.

With regard to the requirements for the level of detail required when stating the grounds for invalidity, it is noteworthy that, in the opinion of the Court of Appeal, the question of costs in the present case does not depend on whether the lack of legal validity was already apparent from the plaintiff's pre-trial submissions or not. Instead, the Court of Appeal focuses on the fact that it cannot be ruled out that the lack of legal validity might have been recognized based on an additional prior art document submitted only when the action was filed.

The decisive factor in assessing the question of costs was therefore not how relevant, i.e., how promising, the pre-litigation attacks on invalidity were in comparison to the attack from the additional prior art document submitted only with the action.

It is therefore advisable for the subsequent plaintiff to bring all documents whose mention is intended in the action to the attention of the patent proprietor at the time of the request for waiver, if one wishes to avoid negative cost consequences in the event of an "immediate" waiver of the patent within the time limit for responding to the statement of defense. From the plaintiff's point of view, this means that the state of the art should be fully researched before the relevant request for waiver.

If, in the course of preparing the action for revocation, further prior art emerges that is to be mentioned in the statement of claim and was not yet mentioned in the last request for waiver, the subsequent plaintiff should consider sending a revised request for waiver before filing the action.

To what extent this applies to revocation arguments in general (in particular to lack of enforceability or inadmissible extension) in addition to printed documents is an open question.

To play it safe, the prepared statement of claim should be sent to the patent owner together with the waiver request out of legal caution before filing the action.

This approach shifts the “front-loading” of the UPC even further to the pre-litigation phase. Note that before the UPC, all prior art must be submitted with the filing of the action (R. 44 RoP), in particular paragraphs (e)–(g)), and “subsequent submission” in the further course of the proceedings is only possible under strict conditions (see also R. 222 (2) RoP).

The UPC has not yet made a binding statement on the specific time interval between the request for waiver and the filing of the action. It therefore remains unclear how much time may elapse between the request and the action. In practice, it is advisable to allow a reasonable period of time, i.e., one should not wait too long before filing the action.

In light of the decision, the patent owner should carefully examine any request to waive rights sent to them in preparation for invalidity proceedings and the invalidity attacks contained therein.

They should carefully consider whether to waive the patent prior to the proceedings or, if still possible, opt out before filing an action. In the event of a missing or insufficient waiver request prior to the filing of an action, the waiver would have to be declared immediately, i.e., in any case within the time limit for responding to the statement of defense, in order to achieve cost allocation by the plaintiff.

It is noteworthy in this regard that the court considered the exceeding of the deadline to be timely in the present case on grounds of equity only as an exception.

As a rule, it is necessary (and recommended) that the patent owner, within the time limit applicable to the response to the action for a declaration of invalidity, files an application for revocation under Art. 105a EPC with the EPO.

The fact that the Court of Appeal does not go into detail on the extent to which mere declarations to the national patent offices may be sufficient is interesting in several respects.

First, situations are conceivable in which the patent owner intends, as a result of an action before the UPC only for the countries participating in the unitary patent system and has to consider that the request for revocation under Art. 105a EPC may have a wider territorial scope, as it applies without exception to all designated states, i.e. also to countries that do not participate in the unitary patent system.

Second, if opposition proceedings are pending in respect of the patent, the patent owner will not be able to take the route provided for in Article 105a EPC. In such cases, the route of making declarations of renunciation to the national patent offices might be considered necessary and sufficient by the UPC.

The case illustrates that revocation actions before the UPC offer a powerful mechanism to swiftly eliminate a patent across a broad territorial scope.

The revocation action at the UPC may be the tool of choice if the client wants legal certainty fast (e.g., to clear the path ahead of a product launch).

The decision makes it clear that– even if the UPC agreement and the Rules of Procedure do not expressly codify immediate acknowledgment of a claim – the Court of Appeal imposes strict

requirements on the pre-litigation request for waiver so that the plaintiff in the revocation action is not left to bear the costs in the event of an immediate waiver of the patent after the action has been brought.

Yet, when considering sending a waiver request (or an “updated” waiver request as it was the case here) before filing the action, the plaintiff should consider the downsides of sending the request, in particular an undesirable delay of the proceedings or the risk of triggering an opt-out (if the patent is an EP bundle patent that has not been opted out).

#### Takeaways for the patent owner

1. *If your patent is weak, consider surrendering pre-litigation in order to avoid bearing of costs.*
2. *If a revocation action is brought against your patent, check whether waiver request was absent or insufficient; if this is the case, consider surrendering “immediately” after action has been filed.*
3. *File an application for revocation of your own patent under Art. 105a EPC with the EPO within deadline for filing the statement of defense (two months).*

#### Takeaways for the revocation claimant

1. *To avoid bearing of costs in case of immediate surrender, the revocation claimant should contact the patent owner before filing revocation action and inform them of intended action and grounds.*
2. *It does not seem to matter whether invalidity is already apparent from pre-litigation correspondence or how relevant the documents filed only with the action are.*
3. *To be on the safe side, bring all documents that are intended to be filed with the action to the attention of the proprietor before filing the action, finish prior art search before requesting a waiver, consider sending finished statement of revocation with request for waiver, and set a reasonable deadline with waiver request and don’t wait too long with the revocation action.*

*Note: PFENNING attorneys were involved in the UPC proceedings mentioned in the article.*

## Authors

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He is the author and editor of publications in the U.S., U.K., China, and Germany. His books include "Employee Inventions in Germany" (co-authored with H. Reitzle and P. Karge; C.H. Beck, 2020) and "Intellectual Property Strategies for Startups" (as editor of national editions in DE, CN, UK, and US). The German business magazine WirtschaftsWoche has repeatedly ranked him among the most renowned patent attorneys in Germany.

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He has also taught IP law at several universities, including the Technical University of Berlin and ETH Zurich.



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