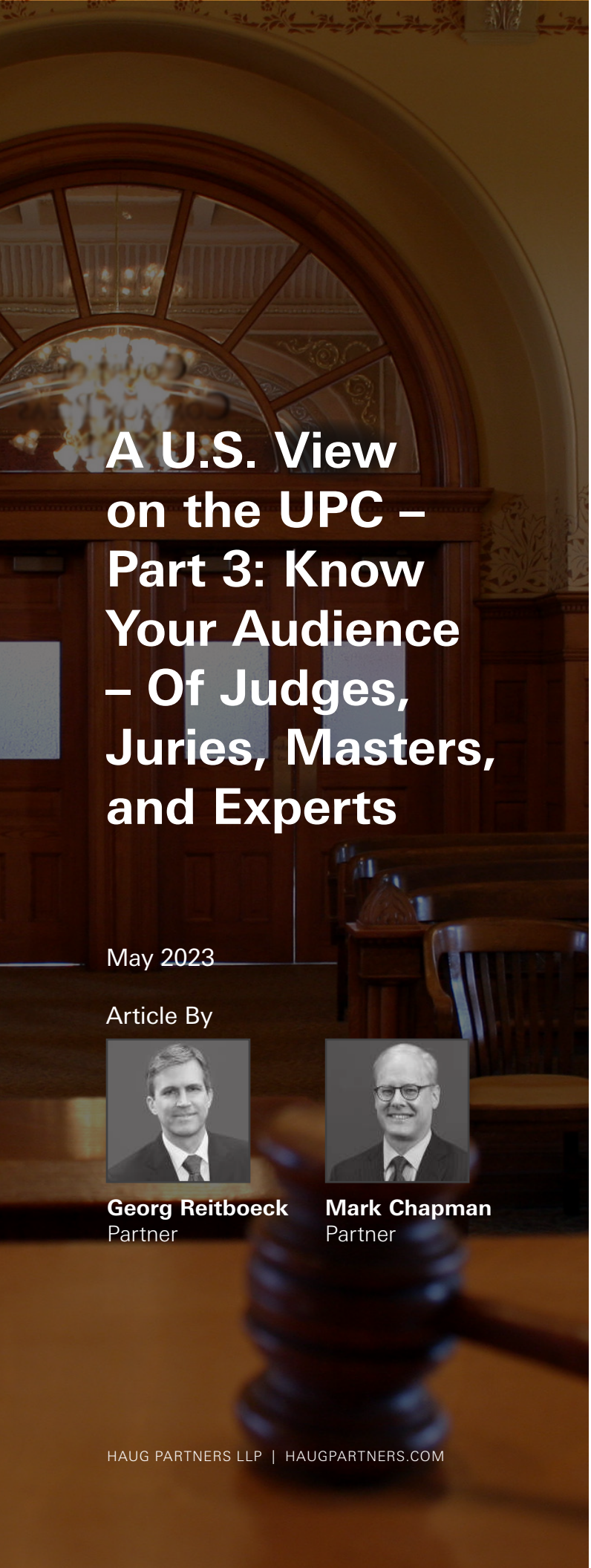

A U.S. View on the UPC – Part 3: Know Your Audience – Of Judges, Juries, Masters, and Experts

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On June 1, 2023, the new European Unified Patent Court (UPC) will open its doors, and enforcement of European patents in (currently) 17 contract member states will be possible with one action. This series of articles – directed at U.S. practitioners trying to familiarize themselves with the basic features of the UPC – aims to provide a high level view on the key aspects of the UPC system, compare them to patent litigation in the U.S., and consider their implications on U.S.-European parallel patent litigation.

To read other articles in this series, see here.

This part of the series takes a closer look at, and compares, the people involved in deciding a patent infringement action in the U.S. and the UPC – judges, magistrate judges, juries, masters, and court-appointed experts.

For parties in a patent case (as in any other case), it is imperative to understand whom they are trying to convince – who are the people deciding the case? As discussed below, the decision-makers in the UPC are quite different from those in a typical U.S. patent case. Accounting for those differences likely will be important, in particular in U.S.-UPC parallel patent litigation.

JUDGES

Patent infringement actions in the U.S. are subject to federal jurisdiction, so they must be filed in one of the 94 U.S. district courts. As a result, one of the roughly 670 district court judges will preside over a U.S. patent case. Federal judges are appointed by the President, with the advice and consent of the Senate, and may hold office for life – at least "during good behavior."[1] U.S. district court judges have typically gained extensive legal experience upon being appointed, but only sometimes have a technical education, let alone pro-

[1] *See* U.S. Const., art. III, § 1; 28 U.S.C. § 134(a).

fessional experience in a technical field. In addition to patent cases, district court judges are charged with handling a wide variety of cases that can be brought in federal court, such as federal criminal cases, disputes between citizens of different states, civil rights cases, federal labor law cases, and actions by or against the United States government. District court judges are therefore not specialized in patent law, but bring a broad perspective from a variety of legal areas. Moreover, among district court judges, there is a wide variety of experience with patent cases. On the one hand, a small number of judges hears a large share of cases – of the patent cases filed between 2020 and 2022, roughly 43% were assigned to only five judges in Texas and Delaware.[2] On the other hand, plenty of patent cases are litigated in front of judges who rarely encounter patent law.

The UPC comprises both legally qualified judges and technically qualified judges.[3] Unless the parties agree to have their case heard by a single legally qualified judge, cases are generally heard by panels of three or four judges, and every panel will have a multinational composition. One judge of the panel is designated as the presiding judge – in case of a four-judge panel, her vote prevails.[4] Cases in the local and regional divisions are heard by panels of three legally qualified judges, but upon party request, a technically qualified judge with qualifications and experience in the field of technology concerned is added. Cases in the central division are heard before two legally qualified and one technically qualified judge with qualifications and experience in the field of technology concerned. Therefore, unlike in the U.S., a party can ensure that one of the UPC judges will be technically qualified and experienced in the technology concerned.

While the judge in a U.S. patent litigation may or may not have experience with patent law, UPC judges "shall have proven experience in the field of patent litigation"[5] – although such experience may also be acquired by a training program set up by the court.[6] And, whereas U.S. federal judges deal with a variety of legal areas, the UPC deals with patent law only. At least at the UPC, judges are therefore specialized in patent law. They may, however, exercise other judicial functions at the national level; further, technically qualified judges who are not full-time employees of the UPC may engage in another occupation.[7]

UPC judges are appointed by the court's "Administrative Committee," which has one member per contracting member state.[8] Unlike U.S. federal judges, UPC judges are not appointed for life, but for a term of six years; they may be re-appointed.[9] As of April 25, 2023, 85 UPC judges were appointed – 34 legally qualified judges and 51 technically qualified judges.[10] The technically qualified judges – many of them practicing patent attorneys – have expertise in the fields of biotechnology (8 judges so far), chemistry and pharmaceutics (10), electricity (9), mechanical engineering (16), and physics (8).

Moreover, UPC judges likely will have more time to dedicate to each patent case than U.S. district court judges. As an initial matter, there will be several UPC judges assigned to each case whereas each case in the U.S. is assigned to one district judge. The UPC judges will only hear patent cases whereas U.S. district court judges typically have a heavy case docket of hundreds of cases in a wide variety of areas. Although each U.S. judge typically has one or more law clerks, it seems likely that UPC judges will have more time to spend on each case they decide, as well as the ability to consult with their colleagues on the panel.

While the above-mentioned differences in resources, specialization, technical qualifications, and appointment term are important, the most significant difference between U.S. judges and UPC judges is the scope of their authority. Whereas UPC judges decide all aspects of the case, parties in the U.S. typically have to factor in another, very different type of decision-maker: the jury.

JURIES

Enshrined in the U.S. Constitution, juries decide the majority of U.S. patent cases that reach trial.[11] The jurors – laypeople who encounter the case for the first

[2] *See* Davis, After Rules Shake-Up, Albright Remains The Top Patent Judge, Law360, February 15, 2023.
[3] *See* UPC Agreement, Article 15(1) and, for the following, Article 8.
[4] *See* Statute of the Unified Patent Court, Articles 19(1) and 35.
[5] *See* UPC Agreement, Article 15(1).
[6] *See* Statute of the Unified Patent Court, Articles 2(3) and 11.
[7] *See* UPC Agreement, Article 17.
[8] *See* UPC Agreement, Articles 12, 16.
[9] *See* Statute of the Unified Patent Court, Article 4.
[10] *See* www.unified-patent-court.org/en/news/unified-patent-court-judicial-appointments-and-presidium-elections.
[11] As a notable exception, ANDA cases are typically tried to the judge.

time when selected for trial – are charged with finding the facts and applying them to the legal instructions the judge gives them. They typically decide many of the core issues: infringement, most invalidity defenses, the type and amount of damages, and whether the infringement was willful. It is typically difficult to persuade the court to set aside the jury's findings on any of these issues after trial or on appeal. Moreover, because the jury decides these issues and is charged with doing so based on only the evidence presented at trial, the judge plays an active 'gate-keeper' role before and during trial. In particular, the judge decides whether summary judgment should be granted on any issues and whether any evidence should be excluded from the trial.

Given the important role of the jury in many U.S. patent cases, parties spend significant amounts of money, time and effort adapting and tailoring their arguments and evidence to the jury. Examples include "mock trials" intended to ascertain an average juror's reaction to arguments, witnesses and evidence, intricate visualizations of complicated technology, consultants assisting with jury selection, and efforts to present dry patent infringement analyses as part of a captivating "story." Jury decisions are notoriously difficult to predict, which incentivizes parties to settle cases even though they may have a perfectly good case.

There are no juries in the UPC. All aspects of the case are decided by the judges, including procedural issues and all merits issues (e.g. infringement, validity and damages). In particular, unlike U.S. judges, UPC judges do not have a comparable "gate-keeper" role, for example, in deciding evidentiary issues. Moreover, compared to the uncertainty of an impending jury trial in the U.S., informed decisions by the parties about chances of success and risk assessment should be easier in the UPC.

Especially in U.S.-UPC parallel cases, the parties will have to carefully consider that the merits of each case will be typically decided by very differently situated people, with all the resulting differences in how the arguments and evidence are presented, as well as the resulting differences in risk assessment.

MAGISTRATE JUDGES

In the U.S., the district judge can delegate certain issues of a case to a magistrate judge, who is a judicial officer of the court. Magistrate judges often handle discovery and other non-dispositive pretrial motions (subject to review by the judge), issue reports and recommendations on dispositive motions, and sometimes even conduct the trial.[12]

No such role exists in the UPC. The closest comparison is the "judge-rapporteur," who manages the case until the Oral Procedure-phase and makes the related decisions.[13] However, the judge-rapporteur is a member of the panel of judges and participates in the ultimate decision on the merits.

MASTERS

A U.S. judge can further outsource particular issues to a "master" – a person not connected with the court – often to decide (subject to review by the judge) "pretrial and post-trial matters that cannot be addressed effectively and timely by an available district judge or magistrate judge of the district."[14] In patent cases, one issue that is comparatively often referred to a master is claim construction.

As with magistrate judges, no comparable function exists in the UPC. Parties do not have to expect, for example, that the claim construction issues of their case will be decided by anyone other than the judges themselves.

COURT-APPOINTED EXPERTS

A U.S. judge can further appoint an impartial expert witness.[15] While not a decision-maker, the parties must assume that a court-appointed expert can have substantial influence on the outcome of a case. However, appointments of court experts are rare, and courts generally view them with skepticism;[16] the concept of an independent expert does not fit well into the U.S. adversarial system. As a result, parties usually do not have to factor a court-appointed expert into their case strategy.

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[12] *See* generally 28 U.S.C. § 636; Fed. R. Civ. P. 72–73.
[13] *See* UPC Rules of Procedure (RoP), Rules 331-337.
[14] *See* Fed. R. Civ. P. 53(a).
[15] *See* Fed. R. Evid. 706.
[16] *See Monolithic Power Systems, Inc. v. O2 Micro Int'l Ltd.,* 558 F.3d 1341, 1346–48 (Fed. Cir. 2009) ("The predicaments inherent in court appointment of an independent expert and revelations to the jury about the expert's neutral status trouble this court to some extent. Courts and commentators alike have remarked that Rule 706 should be invoked only in rare and compelling circumstances.").

In the UPC, the court may appoint a court expert in order to provide expertise for specific (mainly technical) aspects of the case, and the court keeps a list of experts for that purpose.[17] Such court-appointed experts can be expected to be involved more often in the UPC than in U.S. cases. The concept of a court expert—appointed by the court itself and impartially investigating the facts—is consistent with the inquisitorial system of many UPC-member states, and court experts are nothing unusual in various national court systems of UPC-member states. Since the court will "maintain an indicative list of technical experts,"[18] it can be expected that for any particular technical area, a small number of experts will appear repeatedly – something frequent customers of the UPC should keep in mind. The parties can make suggestions about whom to appoint as a court expert, as well as suggestions regarding the questions to be put to the expert.[19] Within a time period specified by the court, the expert has to present her written report on the questions put to her by the court; the parties can then comment on the report, and the court can request – and one can expect that this will be the norm – that the expert attend the oral hearing and testify there.[20] Presumably the UPC judges will be inclined to give quite a bit of weight to the court-appointed expert's opinions, and the parties and their experts will need to focus on either supporting or undermining the court-appointed expert's opinions.

CONCLUSION

In the U.S., various aspects of a patent case can be decided by people other than the presiding judge – most notably, jurors – and parties accordingly have to account for different audiences for different aspects or phases of a case. In the UPC, in contrast, parties can, by and large, focus on the panel of judges as their audience. In U.S.-UPC parallel cases, parties will have to carefully calibrate their arguments and presentations to factor in the differences in the audience they address. They also will have to take these differences into account in assessing litigation risk.

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[17] *See* UPC Agreement, Article 57; UPC RoP, Rule 185(1).
[18] *See* UPC RoP, Rule 185(9).
[19] *See* UPC RoP, Rule 185(2).
[20] *See* UPC RoP, Rule 186-187.