

A U.S. View on the UPC – Part 4: Injunctions



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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 discusses the UPC's authority to grant provisional and permanent injunctions.

One of the most significant changes that will occur when the UPC opens its doors will be the ability of patent owners to seek and obtain both provisional and permanent injunctions in all of the contracting member states in one action. The advantages of obtaining injunctive relief across such a large marketplace presumably will induce many patent owners to file infringement actions in the UPC instead of national courts.

As discussed below, it also seems likely that the UPC should be more willing than a U.S. court to grant provisional and permanent injunctions, in particular for patent-assertion entities that do not compete with infringers but seek only to license their patents. This is because (with one narrow exception) the UPC Agreement does not expressly require the court to find that a patent owner will suffer irreparable harm before it can grant an injunction. In contrast, a U.S. court will grant an injunction only if the patentee demonstrates that it will suffer irreparable harm that cannot be remedied by damages, which is typically difficult for patent-assertion entities. Given this difference, it seems likely that more patent owners—especially patent-assertion entities—may decide to file more actions in the UPC, including potentially as one front in an international enforcement campaign alongside parallel litigation in the U.S.

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THE RIGHT TO PREVENT USE OF THE INVENTION

Articles 62 and 63 of the UPC Agreement authorize the UPC to grant provisional and permanent injunctions to enjoin infringement.¹ These injunction remedies are a key means of enforcing the basic right conferred by a patent to prevent others from using the invention without permission. In the UPC Agreement, this basic right is set forth in Articles 25 and 26, both of which state that “[a] patent shall confer on its proprietor the right to prevent any third party not having the proprietor’s consent from” performing enumerated acts of direct and indirect infringement, respectively,² including, for example, “making, offering, placing on the market or using a product which is the subject matter of the patent”³ and “using a process which is the subject matter of the patent.”⁴

The U.S. patent statute sets forth essentially the same basic right. Section 154(a)(1) states that each patent “shall contain ... a grant to the patentee, his heirs or assigns, of the right to exclude others from” enumerated acts of infringement, including making, using, offering for sale, or selling the invention in the U.S., and importing the invention into the U.S.⁵ Section 271 sets forth the various infringing acts.⁶

Even though essentially the same basic right to prevent use of the patented invention exists in the UPC and in the U.S., it seems likely that the UPC should be more willing than a U.S. court to grant an injunction as a remedy to enforce this right, as discussed below.

PERMANENT INJUNCTIONS

Article 63 authorizes the UPC to grant a permanent injunction against future infringement after the court finds infringement in its decision on the merits. Paragraph 1 states that “[w]here a decision is taken finding an infringement of a patent, the Court may grant an injunction against the infringer aimed at prohibiting the continuation of the infringement,” and that “[t]he Court may also grant such injunction against an inter-

mediary whose services are being used by a third party to infringe a patent.”⁷ The court is also authorized to impose a “recurring penalty payment” against an infringer that fails to comply with an injunction.⁸

Article 63 is based on, and very similar to, Article 11 of EU Directive 2004/48/EC (Enforcement Directive).⁹ The Directive, adopted in 2004, requires member states to “provide for the measures, procedures and remedies necessary to ensure the enforcement of” intellectual property rights as set forth in the Directive, and further requires that “[t]hose measures, procedures and remedies shall be fair and equitable” and “effective, proportionate and dissuasive.”¹⁰

The use of the permissive term “may” in paragraph 1 of Article 63 (quoted above) suggests that the UPC will have the discretion to decide whether to grant a permanent injunction, but Article 63 does not set forth any criteria or other guidance for the court to follow in this regard. Article 42 requires the court to ensure that the remedies in the UPC Agreement are “fair and equitable.”¹¹ However, although the Directive requires remedies to be “fair and equitable” and “proportionate,”¹² the national courts of many contracting member states, including Germany, France, Italy, and the Netherlands, normally grant a permanent injunction after they find infringement.¹³ Therefore, it seems likely that this practice will continue in the UPC, especially given that many of the court’s judges are from one of these countries.¹⁴

In contrast, U.S. courts take a flexible and discretionary approach to all injunctions, including permanent injunctions in patent cases. In the U.S., an injunction is an equitable remedy, and a court has the equitable

¹ See Agreement on a Unified Patent Court (“UPC Agreement”), Articles 62, 63; *id.*, Article 32(1)(c).

² UPC Agreement, Articles 25 (direct infringement), 26 (indirect infringement).

³ UPC Agreement, Article 25(a).

⁴ UPC Agreement, Article 25(b).

⁵ 35 U.S.C. § 154(a)(1).

⁶ See 35 U.S.C. § 271.

⁷ UPC Agreement, Article 63(1).

⁸ UPC Agreement, Article 63(2) (“Where appropriate, non-compliance with the injunction referred to in paragraph 1 shall be subject to a recurring penalty payment payable to the Court.”); *id.*, Article 82(4); UPC Rules of Procedure, Rule 354(3).

⁹ See Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, Article 11.

¹⁰ EU Directive 2004/48/EC, Articles 1, 3(1), 3(2).

¹¹ UPC Agreement, Article 42(2).

¹² EU Directive 2004/48/EC, Articles 3(1), 3(2).

¹³ See J.L. Contreras, M. Husovec, “Issuing and Tailoring Patent Injunctions – A Cross-Jurisdictional Comparison and Synthesis,” Chapter 15, *Injunctions In Patent Law: A Trans-Atlantic Dialogue on Flexibility and Tailoring* (Cambridge University Press 2021) at A.1.b.

¹⁴ A list of the UPC judges is at: <https://www.unified-patent-court.org/en/news/unified-patent-court-judicial-appointments-and-presidium-elections>

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discretion to decide whether to grant a permanent injunction after a final judgment of infringement.¹⁵ This is reflected in Section 283 of the U.S. patent statute, which states that courts “may grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent, on such terms as the court deems reasonable.”¹⁶

In its *eBay* decision, the U.S. Supreme Court rejected the Federal Circuit’s “general rule that courts will issue permanent injunctions against patent infringement absent exceptional circumstances.”¹⁷ Instead, in deciding whether to grant a permanent injunction, a court must “appl[y] the four-factor test historically employed by courts of equity.”¹⁸ First, the patentee must demonstrate that it has suffered an irreparable injury, *i.e.* that without an injunction, it will suffer irreparable harm caused by the infringement.¹⁹ Second, it must demonstrate that legal remedies, such as monetary damages, are inadequate to compensate for that injury.²⁰ Third, it must demonstrate that, considering the balance of hardships between the patentee and the defendant, a remedy in equity is warranted.²¹ Fourth, it must demonstrate that the public interest would not be disserved by a permanent injunction.²²

Given these factors, and the equitable and discretionary nature of the remedy, it is not uncommon for a U.S. court to deny a permanent injunction in a patent case.²³ In particular, a U.S. court should deny a permanent injunction if the patentee does not demonstrate that, without an injunction, it will suffer an irreparable injury caused by the infringement that cannot be remedied by damages.²⁴ This often happens, for example,

¹⁵ See *eBay Inc. v. MercExchange LLC*, 547 U.S. 388, 391-94 (2006).

¹⁶ 35 U.S.C. § 283.

¹⁷ *eBay*, 547 U.S. at 391-92 (quoting *MercExchange LLC v. eBay Inc.*, 401 F.3d 1323, 1339 (Fed. Cir. 2005)).

¹⁸ *eBay*, 547 U.S. at 390.

¹⁹ See *eBay*, 547 U.S. at 391 (citation omitted); *Apple Inc. v. Samsung Elecs. Co., Ltd.*, 809 F.3d 633, 639-40 (Fed. Cir. 2015) (requiring a “causal nexus” between the infringement and the harm that will be suffered without an injunction).

²⁰ See *eBay*, 547 U.S. at 391 (citation omitted).

²¹ See *eBay*, 547 U.S. at 391 (citation omitted).

²² See *eBay*, 547 U.S. at 391 (citation omitted).

²³ If the court denies a permanent injunction, it may order that the defendant pay the patentee an “ongoing royalty” as compensation for future infringement. See, e.g., *WhitServe, LLC v. Computer Packages, Inc.*, 694 F.3d 10, 35 (Fed. Cir. 2012).

²⁴ See, e.g., *Nichia Corp. v. Everlight Americas, Inc.*, 855 F.3d 1328, 1341-44 (Fed. Cir. 2017); *ActiveVideo Networks, Inc. v. Verizon Comm’n’s, Inc.*, 694 F.3d 1312, 1337-40 (Fed. Cir. 2012).

where the patentee has licensed the patent to others and does not compete with the infringer in the marketplace.²⁵ On the other hand, a U.S. court is much more likely to find irreparable harm and grant a permanent injunction where the patentee competes directly with the infringer.²⁶ Indeed, one study of permanent injunction decisions since *eBay* concluded that “operating companies who compete against an infringer still obtain permanent injunctions in the vast majority of cases that are successfully litigated to judgment,” but that, “[i]n contrast, non-competitors and other non-practicing entities are generally denied injunctive relief.”²⁷

Article 63 of the UPC Agreement does not expressly require the UPC to find that the patent owner will be irreparably harmed in order to grant a permanent injunction. Unless the UPC decides that it must find irreparable harm—perhaps based on the Directive requirement that remedies be “fair and equitable” and “proportionate”²⁸—it seems likely that the UPC should be more willing than a U.S. court to grant permanent injunctions, in particular to patent-assertion entities. As a result, patent-assertion entities may decide to file more actions in the UPC, in order to try to use the risk of a cross-border injunction as leverage in settlement negotiations.

PROVISIONAL INJUNCTIONS

Article 62 of the UPC Agreement authorizes the UPC to grant a provisional injunction pending the outcome of the court’s decision on the merits. Paragraph 1 states that the court “may” grant a provisional injunction against “imminent infringement” or “on a provisional basis ... the continuation of the alleged infringement.”²⁹

²⁵ See, e.g., *Nichia*, 855 F.3d at 1341-44; *ActiveVideo*, 694 F.3d at 1337-40.

²⁶ See, e.g., *Broadcom Corp. v. Emulex Corp.*, 732 F.3d 1325, 1337-38 (Fed. Cir. 2013).

²⁷ C.B. Seaman, “Permanent Injunctions in Patent Litigation After *eBay*: An Empirical Study,” 101 *Iowa L. Rev.* 1949, 1949 (2016). This study also found that “grant rates vary significantly by field of technology, with injunctions nearly always granted in cases involving patented drugs and biotechnology, but much less often for disputes involving computer software.” *Id.* at 1953.

²⁸ EU Directive 2004/48/EC, Articles 3(1), 3(2).

²⁹ UPC Agreement, Article 62(1) (“The Court may, by way of order, grant injunctions against an alleged infringer or against an intermediary whose services are used by the alleged infringer, intended to prevent any imminent infringement, to prohibit, on a provisional basis and subject, where appropriate, to a recurring penalty payment, the continuation of the alleged infringement or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder.”).

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The court may also impose a “recurring penalty payment” against an infringer that fails to comply with a provisional injunction.³⁰

In considering a provisional injunction, the court “may ... require the applicant to provide any reasonable evidence in order to satisfy [the court] with a sufficient degree of certainty” that the applicant owns the patent and that the patent is valid and being (or about to be) infringed.³¹ Moreover, paragraph 2 states that the court “shall have the discretion to weigh up the interests of the parties and in particular to take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction.”^{32, 33} Notably, although paragraph 2 permits the court to consider the “potential harm” to the patent owner of refusing a provisional injunction, it does not expressly state that the court can only grant the injunction if the patent owner will suffer harm that is irreparable.

Rules 205 to 213 of the UPC Rules of Procedure set forth the procedure for provisional injunction requests.³⁴ A patent owner must lodge an application requesting a provisional injunction, either before or after it files its statement of claim.³⁵ The application will be “treated by way of summary proceedings” consisting of a written procedure and an oral procedure that

may include an oral hearing.³⁶ The application must set forth the reasons why a provisional injunction is necessary, and the supporting facts and evidence, including with respect to validity, infringement, and the weighing of party interests and harm.³⁷ It also must include a “concise description” of the infringement action and its supporting facts and evidence.³⁸ The applicant can choose to submit the application *ex parte* and request that the court urgently grant a provisional injunction without notice to the defendant.³⁹ An *ex parte* application must additionally set forth “the reasons for not hearing the defendant” and “information about any prior correspondence between the parties concerning the alleged infringement.”⁴⁰

After the court receives a provisional injunction application, it has the discretion to (and presumably always will except for some *ex parte* applications) notify the defendant and invite it to lodge an objection, setting forth the reasons why a provisional injunction should be denied, and the supporting facts and evidence.⁴¹ Moreover, a party that anticipates that a patent owner will seek a provisional injunction against it “in the near future” may lodge a pre-emptive protective letter explaining why the anticipated injunction should be denied, with supporting facts and evidence, which can include “any assertion that the patent is invalid and the grounds for such assertion.”⁴²

The provisional injunction application, as well as any objection and protective letter, will be assigned to a panel of judges (the panel assigned to the main action if already filed) or, in “urgent cases,” to a single judge.⁴³ The court may order an oral hearing, to be held as soon as possible, and can request additional documents and other evidence before or during the hearing.⁴⁴ The court must issue its decision on the provisional injunction request in writing as soon as possible after the hearing.⁴⁵ In deciding whether to grant a provisional injunction, the court must “have regard to any unreasonable delay in seeking” the injunction.⁴⁶ If the court grants a provisional injunction, it may (and in most cases presumably will) order the

³⁰ See UPC Agreement, Article 62(1); *id.*, Article 82(4); UPC Rules of Procedure, Rule 354(3).

³¹ UPC Agreement, Article 62(4) (“The Court may ... require the applicant to provide any reasonable evidence in order to satisfy itself with a sufficient degree of certainty that the applicant is the right holder and that the applicant’s right is being infringed, or that such infringement is imminent.”). Similarly, paragraph 2 of Rule 211 states that “[i]n taking its decision the Court may require the applicant to provide reasonable evidence to satisfy the Court with a sufficient degree of certainty that the applicant is entitled to commence proceedings pursuant to Article 47, that the patent in question is valid and that his right is being infringed, or that such infringement is imminent.” UPC Rules of Procedure, Rule 211(2).

³² UPC Agreement, Article 62(2). Similarly, paragraph 3 of Rule 211 states that “[i]n taking its decision the Court shall in the exercise of its discretion weigh up the interests of the parties and, in particular, take into account the potential harm for either of the parties resulting from the granting or the refusal of the injunction.” UPC Rules of Procedure, Rule 211(3).

³³ Although much of Article 62 is based on, and similar to, Article 9 of the Directive, Article 9 does not expressly confer discretion to weigh interests and harm as in paragraph 2 of Article 62. See EU Directive 2004/48/EC, Article 9.

³⁴ See UPC Rules of Procedure, Rules 205-13.

³⁵ See UPC Rules of Procedure, Rule 206(1).

³⁶ See UPC Rules of Procedure, Rule 205.

³⁷ See UPC Rules of Procedure, Rules 206(2)(c)-(d).

³⁸ See UPC Rules of Procedure, Rule 206(2)(e).

³⁹ See UPC Rules of Procedure, Rule 206(3).

⁴⁰ See UPC Rules of Procedure, Rule 206(3).

⁴¹ See UPC Rules of Procedure, Rule 209(1).

⁴² See UPC Rules of Procedure, Rules 207(1)-(3).

⁴³ See UPC Rules of Procedure, Rules 208(2)-(4).

⁴⁴ See UPC Rules of Procedure, Rules 210(1)-(2).

⁴⁵ See UPC Rules of Procedure, Rules 206(4), 220(c).

⁴⁶ See UPC Rules of Procedure, Rule 211(4).

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patent owner to provide security adequate to compensate the defendant for the resulting injury if the injunction is later revoked.⁴⁷

The UPC may grant an urgent request for an *ex parte* provisional injunction “if necessary ... in particular where any delay is likely to cause irreparable harm to the proprietor of the patent.”⁴⁸ Notably, this is the only provision in the UPC Agreement that expressly directs the court to consider irreparable harm when considering injunctive relief. If an *ex parte* injunction is granted, notice must be provided to the defendant “without delay and at the latest immediately after” the injunction is granted, and the defendant can request a review to determine whether it should be “modified, revoked or confirmed.”^{49, 50} Moreover, if the court grants an *ex parte* injunction, the patent owner must provide security.⁵¹

Like the UPC, a U.S. court has the discretion to decide whether to grant a preliminary injunction and must conduct a preliminary evaluation of the merits and weigh interests and harm.⁵² However, in the U.S., a preliminary injunction is “an extraordinary remedy that may only be awarded upon a clear showing that the plaintiff is entitled to such relief.”⁵³ As such, a patentee must demonstrate that a preliminary injunction is justified based on four criteria.⁵⁴ First, the patentee “must establish that [it] is likely to succeed on the merits,”⁵⁵ *i.e.* that it “will likely prove infringement of one or more claims of the patents-in-suit, and that at least one of those same allegedly infringed claims will also likely withstand the validity challenges presented by the accused infringer.”⁵⁶ A U.S. court will deny a preliminary

injunction if there is a substantial question as to either infringement or validity.⁵⁷ Second, the patentee must demonstrate that it “is likely to suffer irreparable harm in the absence of preliminary relief,” *i.e.* it “must make a clear showing that it is at risk of irreparable harm, which entails showing a likelihood of substantial and immediate irreparable injury.”⁵⁸ Third, the patentee must show that “the balance of equities tips in [its] favor.”⁵⁹ Fourth, the patentee must demonstrate that “an injunction is in the public interest.”⁶⁰ Finally, if a preliminary injunction is granted, the patentee must post as security a bond “in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.”⁶¹

To request a preliminary injunction in a U.S. court, a patentee must file a complaint alleging infringement and then file a motion for a preliminary injunction. Unlike the UPC, a U.S. court can issue a preliminary injunction “only on notice to the adverse party,” which requires the court to hold a hearing in which the defendant participates.⁶² Before the hearing, the court will typically permit a brief period of expedited fact and expert discovery directed to the various injunction criteria and the amount of the bond. After the motion is briefed, the court will hold an evidentiary hearing to address disputed fact issues and hear argument. The court must issue a written decision with reasoning and findings of fact in support its decision to grant or deny the preliminary injunction.⁶³ In addressing the likelihood of success, the court will make preliminary

⁴⁷ See UPC Rules of Procedure, Rules 211(5), 213(2), 352(1); UPC Agreement, Articles 60(7), 60(9), 62(5), 82(2).

⁴⁸ UPC Agreement, Articles 60(5), 62(5); UPC Rules of Procedure, Rule 212(1).

⁴⁹ UPC Agreement, Articles 60(6), 62(5); UPC Rules of Procedure, Rule 212(2).

⁵⁰ The court must revoke a provisional injunction if the patent owner does not file its statement of claim within the longer of 31 calendar days or 20 working days. See UPC Agreement, Articles 60(8), 62(5); UPC Rules of Procedure, Rules 213(1), 352(1).

⁵¹ See UPC Rules of Procedure, Rule 211(5); UPC Agreement, Articles 60(7), 60(9), 62(5), 82(2).

⁵² See *Apple, Inc. v. Samsung Elecs. Co., Ltd.*, 678 F.3d 1314, 1323 (Fed. Cir. 2012).

⁵³ *Trebro Mfg., Inc. v. Firefly Eqp’t, LLC*, 748 F.3d 1159, 1165 (Fed. Cir. 2014) (quoting *Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 22 (2008)).

⁵⁴ *Apple Inc. v. Samsung Elecs. Co., Ltd.*, 695 F.3d 1370 1373-74 (Fed. Cir. 2012) (citing *Winter*, 555 U.S. at 20).

⁵⁵ *Apple*, 695 F.3d at 1373 (quoting *Winter*, 555 U.S. at 20).

⁵⁶ *AstraZeneca LP v. Apotex, Inc.*, 633 F.3d 1042, 1050 (Fed. Cir. 2010) (citation omitted).

⁵⁷ See, e.g., *Trebro*, 748 F.3d at 1166-70.

⁵⁸ *Apple*, 695 F.3d at 1373-74 (citations omitted). In view of the Supreme Court’s *eBay* decision, courts no longer presume irreparable harm upon a finding of a likelihood of success on the merits. See *Robert Bosch LLC v. Pylon Mfg. Corp.*, 659 F.3d 1142, 1148-50 (Fed. Cir. 2011).

⁵⁹ *Apple*, 695 F.3d at 1373-74 (quoting *Winter*, 555 U.S. at 20).

⁶⁰ *Apple*, 695 F.3d at 1374 (quoting *Winter*, 555 U.S. at 20).

⁶¹ See Federal Rules of Civil Procedure, Rule 65(c). This requirement in Rule 65(c) to post a bond also applies to the grant of an *ex parte* temporary restraining order pending a preliminary injunction hearing.

⁶² Federal Rules of Civil Procedure, Rule 65(a)(1); *Digital Equipment Corp. v. Emulex Corp.*, 805 F.2d 380, 383 n.3 (Fed. Cir. 1986). In contrast, a U.S. court may issue a temporary restraining order without notice to the adverse party if “specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition.” Federal Rules of Civil Procedure, Rule 65(b)(1).

⁶³ Federal Rules of Civil Procedure, Rules 52(a)(2), 65(d)(1). If the court grants a preliminary injunction, it must also determine the amount of the bond the patentee must post.

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findings regarding infringement, validity, and any related claim construction issues.

In sum, when considering a provisional or preliminary injunction, the UPC and a U.S. court are both required to conduct a preliminary evaluation of the merits and weigh interests and harm. However, although Article 62 confers discretion on the UPC to consider the potential harm to both parties, it does not expressly require the court to find, as a U.S. court must, that the patent owner will suffer irreparable harm. As a result, unless the UPC decides that it must find irreparable harm—perhaps as part of its discretion under Article 62 to “take into account the potential harm”⁶⁴ and/or based on the Directive requirement that remedies be “fair and equitable” and “proportionate”⁶⁵—it seems likely that the UPC should be more willing than a U.S. court to grant provisional injunctions, in particular to patent-assertion entities. Therefore, these entities may decide to file more actions in the UPC, to try to use the prospect of a cross-border injunction as leverage in settlement negotiations. However, they will need to weigh this potential advantage against having to provide security to compensate the defendant if the provisional injunction is later revoked, which for such a large, cross-border market may be quite a considerable sum.

CONCLUSION

The advent of the UPC presumably should make it simpler, easier, and less expensive for patent owners to obtain provisional and permanent injunctions in all of the contracting member states. Moreover, the absence of any express requirement in the UPC Agreement that the patentee must demonstrate irreparable harm likely will mean that the UPC should be more willing than a U.S. court to grant provisional and permanent injunctions, in particular to patent-assertion entities.

It will be interesting to see whether more infringement cases are filed in the UPC, not only between competitors, but also by patent-assertion entities seeking to use the risk of a cross-border injunction as leverage in settlement negotiations. Patent-assertion entities who file cases in the U.S. typically cannot credibly use the risk of an injunction as leverage in settlement negotiations because it is so difficult for them to demonstrate irreparable harm. Therefore, they instead rely on the

high cost and burden of U.S. litigation with its extensive document discovery and intrusive depositions of busy executives, the likelihood that the judge will not decide dispositive motions until after fact and expert discovery close to trial, the uncertainty of a jury trial that will decide all the key liability and damages issues, and the risk that the judge will treble the damages if the jury finds willful infringement.

The foregoing features of U.S. patent litigation do not exist (or are not as onerous) in European patent litigation, which makes the opportunity for a patent-assertion entity to use the risk that the UPC will grant a cross-border injunction as leverage potentially quite significant. Indeed, it will be interesting to see whether some patent-assertion entities file cases in the UPC as one front in an international enforcement campaign alongside litigation in the U.S., using as leverage the risk of a cross-border injunction and damages award in the UPC case alongside the burden, expense, uncertainty, and damages exposure of the U.S. patent case.

However, if patent-assertion entities do file cases in the UPC, they will need to weigh the tactical advantage of a potential cross-border injunction and damages award against the downsides of potentially losing the case. These downsides include the risk of having to compensate the defendant if a provisional injunction is granted but later revoked, the risk that the UPC will find the patent invalid and revoke it in all the member states in one fell swoop, and the risk of having to pay a sizable portion of the defendant’s legal fees and costs even though the patent owner’s case was reasonable.

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⁶⁴ UPC Agreement, Article 62(2); UPC Rules of Procedure, Rule 211(3).

⁶⁵ EU Directive 2004/48/EC, Articles 3(1), 3(2).