

# A U.S. View on the UPC – Part 6: Appeals

**HAUG  
PARTNERS**



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*On June 1, 2023, the new European Unified Patent Court (UPC) opened its doors, and enforcement of European patents in (currently) 17 contract member states is now 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 of 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 patent appeals to the UPC Court of Appeal from decisions and orders of the Court of First Instance, and compares them to patent appeals in the U.S. Court of Appeals for the Federal Circuit.*

The UPC includes a Court of Appeal that hears and decides appeals from decisions and orders of the Court of First Instance in all actions with respect to all issues, including validity, infringement, damages, injunctive relief, and costs. Although several aspects of patent appeals in the Court of Appeal are similar to patent appeals in the U.S. Court of Appeals for the Federal Circuit, there are some key differences that may have an impact on litigation strategy.

## **UPC COURT OF APPEAL AND ITS JUDGES**

The UPC Court of Appeal is in Luxembourg.<sup>1</sup> Each panel consists of a “multi-national composition” of five judges: (a) three legally qualified judges “who are nationals of different Contracting Member States”

<sup>1</sup> Agreement on a Unified Patent Court (“UPC Agreement”), Article 9(5).

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(one of whom chairs the panel); and (b) two technically qualified judges “with qualifications and experience in the field of technology concerned.”<sup>2</sup> The technical judges are assigned to the panel by the President of the Court of Appeal, and are drawn from the same pool as the judges of the Court of First Instance.<sup>3</sup>

The UPC currently has 37 legally qualified judges (including seven on the Court of Appeal) and 68 technically qualified judges.<sup>4</sup> The President of the Court of Appeal is currently Klaus Grabinski, formerly a judge in Germany.<sup>5</sup> The other six legally qualified judges currently on the Court of Appeal are or were judges in the Netherlands (two judges), or France, Germany, Italy, or Sweden (one judge each).<sup>6</sup>

In the U.S., the Federal Circuit has 19 judges, of which 13 are in regular active service and six have senior status (with a reduced caseload). A patent appeal is typically heard by a panel of three judges.<sup>7</sup> None of the judges is required to have any technical qualifications, much less in the technological field of an appeal. However, several judges have one or more degrees in science or engineering in addition to their law degree, and several have patent law experience from before they were appointed to the court.

### APPEAL DEADLINES

An unsuccessful party may appeal to the UPC Court of Appeal from a final decision or an order of the Court of First Instance.<sup>8</sup> The deadline to appeal a final decision is two months after notification of the decision.<sup>9</sup> For certain interlocutory orders, including an order to produce evidence,<sup>10</sup> an order to preserve evidence or inspect premises,<sup>11</sup> a freezing order,<sup>12</sup> and a provisional

injunction,<sup>13</sup> the appeal deadline is 15 days after notification of the order.<sup>14</sup> Other orders can be appealed only with leave of the Court of First Instance, within 15 days;<sup>15</sup> otherwise these orders can be appealed in an appeal of the final decision.<sup>16</sup> Finally, the appeal deadline for a costs decision is 15 days after service of the decision.<sup>17</sup>

In the U.S., typically only a final district court judgment or a final ITC or PTAB decision can be appealed to the Federal Circuit.<sup>18</sup> Interlocutory orders generally cannot be appealed, including district court and ITC claim construction and motion decisions and PTAB institution decisions. There are two notable exceptions. First, a party can immediately appeal an interlocutory order regarding injunctive relief.<sup>19</sup> Second, a party can seek review of an interlocutory order in a mandamus petition, often to challenge an order declining to transfer a litigation to another district court.<sup>20</sup> In general, the appeal deadline is 30 days after a district court judgment or order,<sup>21</sup> 60 days after an ITC final decision,<sup>22</sup> and 63 days after a PTAB final decision.<sup>23</sup>

### WRITTEN PROCEDURE

An appeal to the UPC Court of Appeal follows the same three-stage procedure as an action in the Court of First Instance: (1) a written procedure; (2) an interim procedure; and (3) an oral procedure.<sup>24</sup>

To initiate an appeal (except of a costs decision<sup>25</sup>), an

<sup>2</sup> UPC Agreement, Articles 9(1), 9(3). The technically qualified judges “shall have a university degree and proven expertise in a field of technology,” as well as “proven knowledge of civil law and procedure relevant in patent litigation.” UPC Agreement, Article 15(3).

<sup>3</sup> UPC Agreement, Articles 9(1), 18(2).

<sup>4</sup> M. Klos, “UPC judges: A complete overview” (Aug. 16, 2023).

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> Federal Circuit Rules, Rule 47.2.

<sup>8</sup> UPC Agreement, Articles 73(1), (2); UPC Rules of Procedure, Rules 220(1), (2).

<sup>9</sup> UPC Agreement, Article 73(1); UPC Rules of Procedure, Rules 220(1)(a), 224(1)(a).

<sup>10</sup> UPC Agreement, Article 59.

<sup>11</sup> UPC Agreement, Article 60.

<sup>12</sup> UPC Agreement, Article 61.

<sup>13</sup> UPC Agreement, Article 62.

<sup>14</sup> UPC Agreement, Article 73(2)(a); UPC Rules of Procedure, Rules 220(1)(c), 224(1)(b). This 15-day deadline also applies to appeals of orders under Articles 49(5) and 67. UPC Agreement, Article 73(2)(a).

<sup>15</sup> UPC Agreement, Article 73(2)(b)(ii); UPC Rules of Procedure, Rules 220(2), 224(1)(b).

<sup>16</sup> UPC Agreement, Article 73(2)(b)(i); UPC Rules of Procedure, Rules 220(2), 224(1)(b).

<sup>17</sup> UPC Rules of Procedure, Rules 157, 221(1).

<sup>18</sup> 28 U.S.C. §§ 1295(a)(1), (a)(4)(A), (a)(6); 19 U.S.C. § 1337(c); 35 U.S.C. §§ 141, 314(d), 319.

<sup>19</sup> 28 U.S.C. §§ 1292(a)(1), 1292(c)(1).

<sup>20</sup> Federal Rules of Appellate Procedure, Rule 21; Federal Circuit Rules, Rule 21; 28 U.S.C. § 1651(a).

<sup>21</sup> Federal Rules of Appellate Procedure, Rule 4(a)(1)(A); 28 U.S.C. § 2107(a).

<sup>22</sup> Federal Rules of Appellate Procedure, Rule 15(a)(1); Federal Circuit Rules, Rule 15; 19 U.S.C. § 1337(c).

<sup>23</sup> Federal Rules of Appellate Procedure, Rule 15(a)(1); Federal Circuit Rules, Rule 15; 35 U.S.C. § 142; 37 C.F.R. § 90.3(a)(1).

<sup>24</sup> UPC Rules of Procedure, Rules 224-241.

<sup>25</sup> To appeal a costs decision, an appellant must lodge an Application for leave to appeal within the 15-day deadline,

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appellant must lodge a Statement of appeal in the Court of Appeal within the applicable two-month or 15-day deadline.<sup>26</sup> The Statement must identify the parties and the decision/order(s) being appealed, and state “the order or remedy sought by the appellant.”<sup>27</sup>

In an appeal of an order with a 15-day deadline, the appellant must also lodge a Statement of grounds of appeal with the Statement of appeal.<sup>28</sup> However, in an appeal of a decision with a two-month deadline, the Statement of grounds of appeal must be lodged within four months, *i.e.* two months after the Statement of appeal.<sup>29</sup> In both cases, the Statement of grounds of appeal must set forth “an indication of which parts of the decision or order are contested,” “the reasons for setting aside the contested decision or order,” and “an indication of the facts and evidence on which the appeal is based.”<sup>30</sup>

After the Registry reviews and serves the Statement of appeal, the President of the Court of Appeal assigns the appeal to a panel, and the presiding judge designates one legally qualified judge on the panel as judge-rapporteur.<sup>31</sup>

The respondent must lodge its Statement of response within three months or 15 days of service of the Statement of grounds of appeal (in an appeal with a two-month or 15-day deadline, respectively).<sup>32</sup> The Statement of response must set forth “a response to the grounds of appeal.”<sup>33</sup> Like an appellee in a Federal Circuit appeal, a respondent in a UPC appeal may support the decision below “on grounds other than those given in the decision.”<sup>34</sup>

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which must set forth “the reasons why the appeal should be heard” and, “where necessary, the facts, evidence and arguments relied on.” UPC Rules of Procedure, Rules 221(1), (2)(a)-(b). A standing judge decides whether to grant leave to appeal and, if leave is granted, also decides the appeal. UPC Rules of Procedure, Rules 221(3), (4).

<sup>26</sup> UPC Rules of Procedure, Rules 224(1)(a)-(b).

<sup>27</sup> UPC Rules of Procedure, Rules 225(a)-(e).

<sup>28</sup> UPC Rules of Procedure, Rule 224(2)(b).

<sup>29</sup> UPC Rules of Procedure, Rule 224(2)(a).

<sup>30</sup> UPC Rules of Procedure, Rules 226(a), (b), (c).

<sup>31</sup> UPC Rules of Procedure, Rules 230(1), 230(2), 231. The judge-rapporteur reviews the Statement of grounds of appeal and, if it does not comply with the requirements, gives the appellant leave to file an amended Statement. UPC Rules of Procedure, Rules 233(1), (2).

<sup>32</sup> UPC Rules of Procedure, Rules 235(1), (2).

<sup>33</sup> UPC Rules of Procedure, Rule 236(1)(d).

<sup>34</sup> UPC Rules of Procedure, Rule 233(2); *Rexnord Indus., LLC v. Kappos*, 705 F.3d 1347, 1356 (Fed. Cir. 2013) (an appellee can defend the appealed decision “on any ground that is supported by the record”).

The respondent may also lodge a cross-appeal by including in the Statement of response a Statement of cross-appeal which, like a Statement of grounds of appeal, must set forth “an indication of which parts of the decision or order are contested,” “the reasons for setting aside the contested decision or order,” and “an indication of the facts and evidence on which the [cross-]appeal is based.”<sup>35</sup> If there is a cross-appeal, the appellant may lodge a Reply that sets forth “a response to the grounds of appeal” in the cross-appeal, within two months or 15 days of service of the Statement of cross-appeal (in an appeal with a two-month or 15-day deadline, respectively).<sup>36</sup>

The appellant’s Statement of appeal in the UPC Court of Appeal is analogous to the notice of appeal that must be filed to initiate an appeal in the Federal Circuit, which also contains a short statement identifying the appellant, the tribunal below, and the decision, order, judgment, etc. being appealed.<sup>37</sup> Moreover, the appellant’s Statement of grounds of appeal and the respondent’s Statement of response (including any Statement of cross-appeal) in the UPC Court of Appeal are analogous to the appellant’s brief and the appellee’s (or cross-appellant’s) brief in a Federal Circuit appeal, which are the primary written submissions setting forth their arguments in support of reversing/vacating or affirming the decision below.<sup>38</sup>

However, there is one important difference between the written submissions in the two appeal courts. In the Federal Circuit, the appellant files a reply brief to respond to the appellee’s brief, and the cross-appellant files a reply brief to respond to the portions of the appellant’s reply brief that respond to the cross-appeal.<sup>39</sup> In contrast, there is no written reply by the appellant (or the cross-appellant) in the UPC Court of Appeal. This is noteworthy because a reply usually further develops and crystalizes the parties’ positions and helps focus the court on the dispositive issues before the oral hearing.

### SUSPENSIVE EFFECT OF APPEAL

Except in an appeal against a revocation decision, which “shall always have suspensive effect,” an ap-

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<sup>35</sup> UPC Rules of Procedure, Rules 226(a), (b), (c), 237(1), (2).

<sup>36</sup> UPC Rules of Procedure, Rules 238(1), (2).

<sup>37</sup> Federal Rules of Appellate Procedure, Rule 3.

<sup>38</sup> Federal Rules of Appellate Procedure, Rules 28(a), (b), 28.1(c)(1), (2); Federal Circuit Rules, Rule 28(a).

<sup>39</sup> Federal Rules of Appellate Procedure, Rules 28(c), 28.1(c)(3), (4).

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peal to the UPC Court of Appeal does not suspend the appealed decision or order, “unless the Court of Appeal decides otherwise at the motivated request of one of the parties.”<sup>40</sup> Similarly, an appeal to the Federal Circuit does not stay the appealed decision, unless the Federal Circuit or the lower tribunal grants a stay.<sup>41</sup>

An appeal in the UPC Court of Appeal against certain interlocutory orders, including an order to produce evidence,<sup>42</sup> an order to preserve evidence or inspect premises,<sup>43</sup> a freezing order,<sup>44</sup> and a provisional injunction,<sup>45</sup> does not stay the proceedings in the Court of First Instance.<sup>46</sup> However, the Court of First Instance must not issue its decision before the Court of Appeal issues its decision in the appeal of the order.<sup>47</sup>

### INTERIM PROCEDURE

During the interim procedure, which begins after the written submissions, the judge-rapporteur must “make all necessary preparations for the oral hearing.”<sup>48</sup> Once the judge-rapporteur considers the appeal ready, he or she will summon the parties to the hearing, giving at least two months’ notice (unless the parties agree to a shorter time period) in an appeal of a final decision.<sup>49</sup>

In a Federal Circuit appeal, after all the briefs and the joint appendix of the appeal record have been filed, the Clerk of the court will schedule the oral argument for one of the court’s monthly oral argument sessions, typically within a few months.<sup>50</sup>

<sup>40</sup> UPC Agreement, Articles 74(1), (2). A party must lodge an Application for suspensive effect that sets forth “the reasons why the lodging of the appeal shall have suspensive effect,” and “the facts, evidence and arguments relied on.” UPC Rules of Procedure, Rules 223(1), (2)(a), (b). The Court of Appeal must decide the Application “without delay.” UPC Agreement, Article 74(1); UPC Rules of Procedure, Rule 223(3).

<sup>41</sup> Federal Rules of Appellate Procedure, Rules 8(a), 18(a); Federal Circuit Rules, Rules 8, 18.

<sup>42</sup> UPC Agreement, Article 59.

<sup>43</sup> UPC Agreement, Article 60.

<sup>44</sup> UPC Agreement, Article 61.

<sup>45</sup> UPC Agreement, Article 62.

<sup>46</sup> UPC Agreement, Article 74(3).

<sup>47</sup> *Id.*

<sup>48</sup> UPC Rules of Procedure, Rule 239(1). Several rules that govern the interim procedure in the Court of First Instance apply *mutatis mutandis* to the interim procedure in the Court of Appeal. UPC Rules of Procedure, Rules 101-110, 239(1).

<sup>49</sup> UPC Rules of Procedure, Rule 239(2).

<sup>50</sup> Federal Rules of Appellate Procedure, Rule 34; Federal Circuit Rules, Rule 34.

### APPEAL RECORD

In the UPC Court of Appeal, an appeal of a decision or an order “may be based on points of law and matters of fact,” and the record on appeal considered by the Court of Appeal consists of the “[r]equests, facts, evidence and arguments submitted by the parties” in the appeal, together with “the file of the proceedings before the Court of First Instance.”<sup>51</sup>

“New facts and new evidence may only be introduced” on appeal where their submission “could not reasonably have been expected during proceedings before the Court of First Instance.”<sup>52</sup> Accordingly, the Court of Appeal has the discretion to decide whether to consider or disregard “[r]equests, facts and evidence which have not been submitted” below, taking into account whether “the new submissions could not reasonably have been made” below, their relevance, and the position of the adverse party.<sup>53</sup>

The Federal Circuit only considers the record in the lower tribunal and will not consider new evidence submitted on appeal.<sup>54</sup> Similarly, the Federal Circuit typically will not consider new arguments presented for the first time on appeal that were not presented to the lower tribunal, which the court often considers forfeited or waived.

### ORAL PROCEDURE

After the interim procedure in the UPC Court of Appeal, the presiding judge of the panel takes over management of the appeal for the oral procedure, in consultation with the judge-rapporteur.<sup>55</sup> The oral hearing is held before the panel and is directed by the presiding judge.<sup>56</sup>

Several rules that govern the procedure at an oral hearing before the Court of First Instance apply *mutatis mutandis* to an oral hearing before the Court of Appeal.<sup>57</sup> One of these rules provides not only for oral

<sup>51</sup> UPC Agreement, Articles 73(3), 76; UPC Rules of Procedure, Rule 222(1).

<sup>52</sup> UPC Agreement, Article 73(4).

<sup>53</sup> UPC Rules of Procedure, Rule 222(2)(a)-(c).

<sup>54</sup> Federal Rules of Appellate Procedure, Rules 10(a), 16(a), 30(a); Federal Circuit Rules, Rule 30(a); 35 U.S.C. § 144.

<sup>55</sup> UPC Rules of Procedure, Rule 239(2).

<sup>56</sup> UPC Rules of Procedure, Rule 240. The oral hearing in an appeal of a costs decision is heard by the standing judge. UPC Rules of Procedure, Rule 241.

<sup>57</sup> UPC Rules of Procedure, Rule 240 (“Subject always

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submissions by counsel but also questioning of and testimony by witnesses and experts.<sup>58</sup> However, in a typical appeal in which no new evidence is submitted (see above), an oral hearing in the Court of Appeal presumably will be confined to oral submissions by counsel, including responses to the judges' questions to counsel. As a result, oral hearings in the Court of Appeal typically should be shorter than oral hearings in the Court of First Instance.

However, oral hearings in the UPC Court of Appeal likely will be longer than oral arguments in the Federal Circuit, for which counsel for each side is typically allotted only 15 minutes to present their arguments, including responding to the judges' questions.<sup>59</sup>

### COURT OF APPEAL'S DECISION

The UPC Court of Appeal's decision "shall either reject the appeal or set the decision or order aside totally or in part substituting its own decision or order."<sup>60</sup> In particular, "if an appeal ... is well-founded, the Court of Appeal shall revoke the decision of the Court of First Instance and give a final decision."<sup>61</sup> Moreover, the Court of Appeal is authorized to "exercise any power within the competence of the Court of First Instance."<sup>62</sup> Notably, neither the UPC Agreement nor the UPC Rules of Procedure state that the Court of Appeal must defer to any decisions or findings by the Court of First Instance. Therefore, it appears that the Court of Appeal can decide any issue or make any finding, regardless of whether or how the Court of First Instance decided the issue or found.

This contrasts significantly with the Federal Circuit, which reviews and decides only legal issues *de novo* without deference to the lower tribunal. Unlike the UPC Court of Appeal, the Federal Circuit must defer to the lower tribunal's findings on fact issues unless they are "clearly erroneous" (for findings by a district court) or not supported by "substantial evidence" (for findings by a jury, the ITC, or the PTAB). Moreover, the Federal Circuit must defer to the lower tribunal's evi-

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to Rule 222, Rules 111, 112, 115, 116 and 117 shall apply *mutatis mutandis*.").

<sup>58</sup> UPC Rules of Procedure, Rule 112.

<sup>59</sup> Federal Circuit Rules, Rule 34, Practice Notes.

<sup>60</sup> UPC Rules of Procedure, Rule 242(1). The Court of Appeal's decision shall also include "an order for costs both in respect of the proceedings at first instance and on appeal." *Id.*

<sup>61</sup> UPC Agreement, Article 75(1).

<sup>62</sup> UPC Rules of Procedure, Rule 242(2)(a).

dentary, equitable, and other discretionary rulings unless it "abused" its discretion. Given these deferential standards of review, successful patent appeals in the Federal Circuit often focus on legal issues reviewed *de novo*, such as claim construction.

The UPC Court of Appeal's decision must state "the grounds for the decision," be "reasoned" and in writing,<sup>63</sup> and made by a majority of the five-judge panel.<sup>64</sup> The Federal Circuit also decides appeals by a majority of the three-judge panel, and one judge will typically write an opinion setting forth the reasons for the decision. However, a panel can also decide to summarily affirm the decision below, in which case it can issue a perfunctory order without explanation.<sup>65</sup>

Finally, a judge on a panel of the UPC Court of Appeal "may express a dissenting opinion," but only in "exceptional circumstances."<sup>66</sup> In contrast, it is common for a Federal Circuit judge to issue a dissenting opinion, or a concurring opinion based on different reasoning.

### REFERRING A CASE BACK TO THE COURT OF FIRST INSTANCE

The UPC Court of Appeal is also authorized, "in exceptional circumstances," to "refer the action back to the Court of First Instance for decision or for retrial."<sup>67</sup> However, "[i]t shall not normally be an exceptional circumstance justifying a referral back that the Court of First Instance failed to decide an issue which it is necessary for the Court of Appeal to decide on appeal."<sup>68</sup> Thus, using the corresponding U.S. terminology, it appears that the UPC Court of Appeal will not often vacate the decision below and remand, but instead will affirm, reverse, or modify the decision, even if it must decide an issue or make a new finding that the Court of First Instance did not decide or make.

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<sup>63</sup> UPC Agreement, Article 77(1); UPC Rules of Procedure, Rule 350(1)(g).

<sup>64</sup> UPC Agreement, Article 78(1).

<sup>65</sup> Federal Circuit Rules, Rule 36(a).

<sup>66</sup> UPC Agreement, Article 78(2); UPC Rules of Procedure, Rule 350(3).

<sup>67</sup> UPC Rules of Procedure, Rule 242(2)(b); UPC Agreement, Article 75(1) ("The Court of Appeal may in exceptional cases ... refer the case back to the Court of First Instance for decision."). If the UPC Court of Appeal refers the case back to the Court of First Instance, it must specify whether the same panel or a different panel (appointed by the presiding judge of the division) will "deal further with the action." UPC Rules of Procedure, Rule 243(1).

<sup>68</sup> UPC Rules of Procedure, Rule 242(2)(b).

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In contrast, although the Federal Circuit often affirms or reverses the decision below, in many cases it will vacate the decision and remand, typically when it concludes that the lower tribunal should decide a new issue, make a new finding, or reconsider an issue or finding.

If the UPC Court of Appeal refers the case to the Court of First Instance, the lower court “shall be bound by the decision of the Court of Appeal on points of law.”<sup>69</sup> Similarly, the Federal Circuit’s decision binds the lower tribunal on remand.<sup>70</sup>

### REFERRING AN APPEAL TO THE FULL COURT OF APPEAL

The panel may refer an appeal to the full UPC Court of Appeal, upon a proposal by the presiding judge, if the panel considers “the case to be of exceptional importance and, in particular, where the decision in the action may affect the consistency and unity of the case law of the Court.”<sup>71</sup> The full Court of Appeal will consist of at least the President of the Court of Appeal and no fewer than 10 legally and technically qualified judges appointed by the President and the other two judges who are members of the Presidium.<sup>72</sup> A decision of the full court must be decided by not less than a  $\frac{3}{4}$  majority of the judges of the full court.<sup>73</sup>

Similarly, the Federal Circuit can decide, by a majority vote of the full court (of judges in regular active service), that the full court should hear (or rehear after the panel’s decision, as discussed below) an appeal *en banc*, if the appeal presents a question of exceptional importance or conflicting precedent.<sup>74</sup> A party can file a petition requesting the full court to hear (or rehear) an appeal *en banc*, or the court may decide to do so *sua sponte*.<sup>75</sup> When the full court hears (or rehears) an appeal *en banc* it will often state questions for the

<sup>69</sup> UPC Agreement, Article 75(2). Similarly, Rule 243(2) states that the Court of First Instance “shall be bound by the decision of the Court of Appeal and its *ratio decidendi*.” UPC Rules of Procedure, Rule 243(2).

<sup>70</sup> Federal Rules of Appellate Procedure, Rule 41; 35 U.S.C. § 144.

<sup>71</sup> UPC Rules of Procedure, Rule 238A(1).

<sup>72</sup> UPC Rules of Procedure, Rule 238A(2).

<sup>73</sup> UPC Rules of Procedure, Rule 238A(3).

<sup>74</sup> Federal Rules of Appellate Procedure, Rule 35(a); Federal Circuit Rules, Rule 35.

<sup>75</sup> Federal Rules of Appellate Procedure, Rule 35(b); Federal Circuit Rules, Rule 35, Practice Notes.

parties (and *amicus curiae*) to address in supplemental briefs, and the full court will hear oral argument. The Federal Circuit decides *en banc* appeals by a majority vote of the full court, often with several concurring and dissenting opinions.

### REHEARING

The UPC Court of Appeal can rehear a final decision of the Court of First Instance (if the time to appeal has expired) or of the Court of Appeal.<sup>76</sup> However, rehearing may only “exceptionally be granted” in two very limited circumstances: (1) where there was “a fundamental procedural defect” in the proceedings, for example where a defendant did not receive notice of the proceedings;<sup>77</sup> or (2) in cases of a court decision that involved a criminal offense, upon “discovery of a fact” that is “a decisive factor” and was unknown at the time of the decision.<sup>78</sup>

An Application for rehearing must be lodged no later than 10 years after the decision and no later than two months after the later of the decision and the discovery of the procedural defect or new fact.<sup>79</sup> The Application must set forth “the reasons for setting aside the final decision, as well as the facts and evidence on which the Application is based.”<sup>80</sup>

A request for rehearing is assigned to a panel of three legally qualified judges.<sup>81</sup> “After hearing the parties,”

<sup>76</sup> UPC Agreement, Article 81; UPC Rules of Procedure, Rule 245(1).

<sup>77</sup> UPC Agreement, Article 81(1)(b). Rule 247 arguably expands the circumstances in which rehearing can be granted, by enumerating other examples of a “fundamental procedural defect,” including a “fundamental violation” of Article 76, which requires the Court to “evaluate evidence freely and independently” and requires its decisions on the merits to be “based on grounds, facts, and evidence” in the record “on which the parties have had an opportunity to present their comments.” UPC Agreement, Articles 76(1)-(3); UPC Rules of Procedure, Rules 247(a)-(e). However, a party requesting rehearing based on a “fundamental procedural defect” must have raised the defect during the proceedings (unless the defect could not have been raised) and must have brought an appeal based on the defect (unless the party could not have appealed). UPC Rules of Procedure, Rules 248(1), (2).

<sup>78</sup> UPC Agreement, Article 81(1)(a).

<sup>79</sup> UPC Agreement, Article 81(2); UPC Rules of Procedure, Rules 245(2)(a)-(c).

<sup>80</sup> UPC Rules of Procedure, Rule 246(2).

<sup>81</sup> UPC Rules of Procedure, Rule 254(2). The President of the Court of Appeal may order that the judges who

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the panel may, by a majority vote, reject the rehearing request or, if it is “well-founded,” “shall set aside, in whole or in part, the decision under review and reopen the proceedings for a new trial and decision,” with “directions for the future proceedings.”<sup>82</sup>

The Federal Circuit can also rehear an appeal. First, as discussed above, the full court can decide to rehear an appeal *en banc* if the appeal presents a question of exceptional importance or conflicting precedent.<sup>83</sup> Second, a panel can decide to rehear an appeal to correct an error in its decision, typically in response to a petition for panel rehearing.<sup>84</sup> However, panel rehearing is only very rarely granted, and *en banc* rehearing is granted even less often. Nevertheless, losing parties in Federal Circuit appeals routinely file a combined petition for panel rehearing and rehearing *en banc*, sometimes as a prelude to filing a petition for certiorari in the Supreme Court, which is also only very rarely granted.

### CONCLUSION

In many respects, patent appeals in the UPC Court of Appeal are similar to patent appeals in the Federal Circuit. In both courts, the parties make written submissions that set forth their arguments challenging or supporting the decision below. In both courts, there is an oral hearing at which counsel present their arguments and respond to questions by the judges that will decide the appeal. And in both courts, the full court can hear an appeal that raises a very important issue.

However, there are some key differences that may affect litigation strategy.

First, appellants (and cross-appellants) in the UPC Court of Appeal do not submit a written reply in response to the other party’s response to their appeal (or cross-appeal). As a result, the parties’ arguments may not be as fully developed and crystalized by the time of the oral hearing as they often are in a Federal Circuit

appeal, where the appellant (and cross-appellant) get the final word in their reply brief.

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participated in the decision being reviewed not be on the rehearing panel. *Id.*

<sup>82</sup> UPC Agreement, Article 81(3); UPC Rules of Procedure, Rules 255(a)-(b).

<sup>83</sup> Federal Rules of Appellate Procedure, Rule 35; Federal Circuit Rules, Rule 35.

<sup>84</sup> Federal Rules of Appellate Procedure, Rule 40; Federal Circuit Rules, Rule 40.

Second, unlike the Federal Circuit, the UPC Court of Appeal can make its own findings based on its review of the evidence instead of being required to defer to the lower tribunal’s findings. Moreover, the UPC Court of Appeal is less likely than the Federal Circuit to remand the case to the lower tribunal for further proceedings. As a result, appellants in the UPC Court of Appeal may be more willing to challenge the lower tribunal’s detailed technical and other findings than appellants in the Federal Circuit, who often make a tactical decision to focus on legal issues reviewed *de novo* because of the deference given to fact findings and discretionary rulings.

Third, the UPC Court of Appeal’s decision almost certainly will be the final court decision in the litigation. No appeal is available to a superior court from the Court of Appeal’s decision,<sup>85</sup> and the circumstances in which the Court of Appeal may grant rehearing are very limited. In contrast, although still rare, a Federal Circuit panel’s decision may be modified, vacated or reversed by the panel itself, the full Federal Circuit *en banc*, or the Supreme Court. Moreover, unlike in the UPC Court of Appeal, the Federal Circuit often vacates the decision below and remands to the lower tribunal for further proceedings. This is yet another reason why, in some cases, patent litigation in the UPC may take less time and be less expensive than patent litigation in the U.S.

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<sup>85</sup> However, the UPC must “cooperate with the Court of Justice of the European Union to ensure the correct application and uniform interpretation of Union law,” and decisions of the Court of Justice are binding on the UPC. UPC Agreement, Article 21.