

# A U.S. View on the UPC – Part 7: “Discovery”

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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 takes a closer look at discovery in the UPC – or, to be exact, what may be considered “discovery” from a U.S. point of view.*

A common conception in the U.S. is that in European litigation, parties have no means to obtain evidence from the opponent or a third party and have to produce any evidence they want to rely on by themselves. Not quite so – at least in the UPC. While there is no “discovery” in the UPC that is comparable in scope, duration or expense to U.S.-style discovery, there are various procedural mechanisms to obtain evidence that is in another’s possession.

## ORDER TO PRODUCE EVIDENCE

In the U.S., Federal Rule of Civil Procedure 34 authorizes parties to request documents and things from each other. Usually, parties request broad categories of documents from their opponents and have to produce reams of documents themselves. As long as they are “relevant to any party’s claim or defense and pro-

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portional to the needs of the case,”<sup>1</sup> broad document requests are fair game and it is not unusual for parties to produce hundreds of thousands of pages. All of this comes with lengthy efforts and enormous expenses for tasks like document collection, privilege review, confidentiality designations, and production logistics. The court only gets involved to resolve disputes. Documents in the possession of third parties can be obtained by way of subpoenas under Federal Rule of Civil Procedure 45; while the scope of requested documents is generally narrower than for litigants, the burden on subpoenaed parties is usually still substantial.

In the UPC, a party can obtain evidence in another’s possession, but the procedure is targeted and controlled by the court. “At the request of a party which has presented reasonably available evidence sufficient to support its claims and has, in substantiating those claims, specified evidence which lies in the control of the opposing party or a third party, the Court may order the opposing party or a third party to present such evidence, subject to the protection of confidential information.”<sup>2</sup> Under the same conditions, the court may also order “the communication of banking, financial or commercial documents under the control of the opposing party.”<sup>3</sup>

Various safeguards are built into this provision: To begin with, the requesting party must have already supported its claim with reasonably available evidence. Further, it must “specify” the evidence it seeks. Seeking broad and generic *categories* of documents, as is done in the U.S., does not seem to be allowed under this provision; rather, the requesting party must articulate the specific evidence it seeks. It is then in the discretion of the court whether and how to grant the request and order production of the requested evidence (“may order”). For the protection of confidential information, the court may order that the evidence be disclosed to certain named persons only and be subject to appropriate terms of non-disclosure.<sup>4</sup>

A party may request an order to produce evidence during the written and interim procedure; after giving the other or third party an opportunity to be heard, the “judge-rapporteur” decides on the request.<sup>5</sup> An order

<sup>1</sup> Fed. R. Civ. P. 26(b)(1).

<sup>2</sup> UPC Agreement, Article 59(1).

<sup>3</sup> UPC Agreement, Article 59(2).

<sup>4</sup> See UPC Rules of Procedure (RoP), Rule 190.1; see also UPC Agreement, Article 58.

<sup>5</sup> See UPC RoP, Rules 190.2 and 190.3. For a discussion of the “written procedure” and “interim procedure” stages of the proceedings as well as the “judge-rapporteur,” see Part 1 of this [series of articles](#).

to produce evidence must specify under which conditions, in what form, and within what time period the evidence shall be produced, as well as any potential sanctions for non-compliance.<sup>6</sup> The order can – from a U.S. perspective, remarkably – be separately and immediately appealed to the Court of Appeals.<sup>7</sup>

Specific financial evidence can also be obtained in the context of the “procedure for the determination of damages and compensation.” As discussed in [Part 1](#) of this series of articles, the determination of damages may be the subject of separate proceedings after infringement and validity are already decided, and the detailed UPC rules for this stage of the case indicate that such separate proceedings will be the norm. As part of the application for the determination of damages, the applicant can request an order to “lay open books.” While the applicant can request access generally to “information held by the unsuccessful party,” the Rules of Procedure mention, in particular, “documents relating to turnover and profits generated by the infringing products or regarding the extent of use of the infringing process as well as accounts and bank documents, and any related document concerning the infringement.”<sup>8</sup> Access to this evidence can, again, be restricted to specific persons to protect confidential information.<sup>9</sup>

When U.S. parallel litigation is pending or on the horizon, it can be expected that the party obtaining evidence under the above provisions may want to use it in the U.S. action. Whether the court orders restricted access to the evidence and/or other terms of non-disclosure will be important in such a situation, and the parties will likely spend significant efforts arguing about this issue.

### ORDER TO COMMUNICATE INFORMATION

In the U.S., parties may request written information from each other by way of interrogatories under Federal Rule of Civil Procedure 33. Within 30 days, the responding party must answer interrogatories, to the extent not objected to, in writing and under oath. Interrogatories may relate to “any nonprivileged matter that is relevant to any party’s claim or defense and proportional to the needs of the case,”<sup>10</sup> and parties

<sup>6</sup> See UPC RoP, Rule 190.4.

<sup>7</sup> See UPC RoP, Rule 220.1(c).

<sup>8</sup> See UPC RoP, Rule 141(c).

<sup>9</sup> See UPC RoP, Rules 144.1(a) and 190.1.

<sup>10</sup> Fed. R. Civ. P. 26(b)(1) and 33(2).

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routinely ask each other for broad categories of information, including the details of, and bases for, their legal positions (“contention interrogatories”). As with document requests, the court only gets involved to resolve disputes. Under the Federal Rules of Civil Procedure, there are no interrogatories to third parties.<sup>11</sup>

The UPC *Agreement* provides for *specifically listed* information to be obtained from *specific* parties, with the court’s involvement. In particular, in response to a “justified and proportionate request,” Article 67 authorizes the court to order *an infringer* to inform the applicant of: (a) the origin and distribution channels of the infringing products or processes; (b) the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the infringing products; and (c) the identity of any third person involved in the production or distribution of the infringing products or in the use of the infringing process.<sup>12</sup> The court may also order certain *third parties* to communicate the above information, in particular any third party who: (a) was found in the possession of the infringing products on a commercial scale or to be using an infringing process on a commercial scale; (b) was found to be providing on a commercial scale services used in infringing activities; or who was indicated by the person referred to in points (a) or (b) as being involved in the production, manufacture or distribution of the infringing products or processes or in the provision of the services.<sup>13</sup> Speaking of “an *infringer*” and “*infringing* products or processes” and listing damages-related information, Article 67 seems to be geared towards the “procedure for the determination of damages and compensation,” *i.e.*, when the court has already found infringement in a preceding infringement action.<sup>14</sup>

While Article 67 of the UPC *Agreement* is restricted to the specifics described above, Rule 191 of the UPC’s *Rules of Procedure* (which indicates that Article 67 is its basis<sup>15</sup>) goes well beyond that: It authorizes the court to order, “in response to a reasoned request by a party,” “the other party or any third party” to communicate not only the information specified by the UPC *Agreement* (see above) but also “such oth-

er information as is reasonably necessary for the purpose of advancing that party’s case.”<sup>16</sup> While the UPC *Agreement* lists in detail, and thereby seems to restrict, the information that can be requested (see above), the Rule’s wording – “reasonably necessary for the purpose of advancing [the requesting] party’s case” – is remarkably broad. For example, technical information “reasonably necessary” to advance a claimant’s infringement case, such as technical information regarding the design and operation of the accused device, would *prima facie* be covered under this provision, while it is not under the UPC *Agreement*. Further, while under the UPC *Agreement*, only an *infringer* and certain narrowly-described third parties can be ordered to communicate information, the wording of the Rule is not so limited: “the other party or any third party” can be ordered to communicate information. It will be interesting to see how the court will apply this broad provision in practice and handle what seems to be an inconsistency with the UPC *Agreement*. That said, it seems unlikely that the court would, even under the Rules of Procedure, allow the discovery of *categories* of information; instead, the court likely will restrict the order to *specific* information.

As with evidence ordered to be produced, the court may order that the information be disclosed to certain named persons only and be subject to appropriate terms of non-disclosure,<sup>17</sup> and in case of U.S. parallel proceedings, this question will be very important. As an order to produce evidence, an order to communicate information can be immediately appealed to the Court of Appeal.<sup>18</sup>

### ORDER TO PRESERVE EVIDENCE AND TO INSPECT

Following the French tradition of “*saisie contrefaçon*,” the UPC may further issue an order to preserve evidence and/or an order for inspection. During or even before the commencement of infringement proceedings, a party may apply for such an order; among other things, it has to present “reasonably available evidence to support the claim that the patent has been infringed or is about to be infringed”<sup>19</sup> and clearly indicate the measures requested.<sup>20</sup>

<sup>11</sup> Notably, however, third parties can be deposed pursuant to a subpoena. There are no depositions in the UPC; see below.

<sup>12</sup> UPC *Agreement*, Article 67(1).

<sup>13</sup> UPC *Agreement*, Article 67(2).

<sup>14</sup> See UPC RoP, Rules 125–144. See in more detail Part 1 of this [series of articles](#).

<sup>15</sup> Underneath Rule 191 itself, the Rules of Procedure contain the note “Relation with the Agreement: Article 67.”

<sup>16</sup> See UPC RoP, Rule 191 (emphasis added).

<sup>17</sup> See UPC RoP, Rules 191 and 190.1

<sup>18</sup> See UPC RoP, Rule 220.1(c).

<sup>19</sup> UPC *Agreement*, Article 60(1).

<sup>20</sup> See UPC RoP, Rule 192.2.

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The court has the discretion to inform and hear the defendant and/or summon both parties to an oral hearing, or decide the application without informing or hearing the defendant.<sup>21</sup> Such an *ex parte* decision is particularly appropriate “where any delay is likely to cause irreparable harm to the applicant or where there is a demonstrable risk of evidence being destroyed or otherwise ceasing to be available.”<sup>22</sup> If measures to preserve evidence are executed *ex parte*, the defendant is given notice at that time and may then request a review hearing and the revocation or modification of the order.<sup>23</sup>

As for the actual measures of preserving evidence, the court may order: “(a) preserving evidence by detailed description, with or without the taking of samples; (b) physical seizure of allegedly infringing goods; (c) physical seizure of the materials and implements used in the production and/or distribution of these goods and any related document; (d) the preservation and disclosure of digital media and data and the disclosure of any passwords necessary to access them.”<sup>24</sup> The court may also order “an inspection of products, devices, methods, premises or local situations *in situ*.”<sup>25</sup>

In its order, the court further specifies the person who shall carry out the ordered measures and present a written report thereon, following the national law of the place where the measures are executed.<sup>26</sup> This person shall be “a professional person or expert, who guarantees expertise, independence and impartiality,” such as a bailiff.<sup>27</sup> The applicant may be represented, when the measures are being carried out, by an independent professional practitioner, but not by one of its employees or directors.<sup>28</sup>

Various aspects protect the interests of the defendant. As with orders to produce evidence and orders to communicate information, the court may order that the evidence be disclosed to certain named persons only and be subject to appropriate terms of non-dis-

closure.<sup>29</sup> Further, unless otherwise ordered by the court, the outcome of the measures to preserve evidence may only be used in the proceedings on the merits of the case.<sup>30</sup> As a default, therefore, evidence resulting from an order to preserve evidence cannot be used in U.S. parallel proceedings. The court may further order security to be provided by the applicant (deposit or bank guarantee) for any injury to the defendant which the applicant may be liable to bear; if the order was made *ex parte*, security is the default.<sup>31</sup> Finally, an order to preserve evidence can be immediately appealed to the Court of Appeal.<sup>32</sup>

Moreover, in the order, the court specifies a date tied to the written report on the executed measures (see above); if the applicant does not start proceedings on the merits within 31 calendar days or 20 working days, whichever is longer, the order is, on the defendant’s request, revoked or otherwise ceases to have effect.<sup>33</sup> In addition, if the measures to preserve evidence are revoked or lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of the patent, the court may order the applicant to provide the defendant appropriate compensation for any injury caused by those measures.<sup>34</sup>

In the U.S., the concept of preserving evidence before an action is pending is addressed in Federal Rule of Civil Procedure 27. In particular, Rule 27(a) provides a method for obtaining testimony – by deposition or written interrogatories – before the filing of a suit when there is an expectation of future litigation and a risk that testimony will be lost if not preserved.<sup>35</sup> In order to perpetuate evidence, the court may also issue orders like those authorized by Rule 34 – *i.e.*, for the production or inspection of documents and things.<sup>36</sup> The court’s order is preceded by a hearing.<sup>37</sup> In practice, Rule 27 is not used frequently in patent litigation. Once a litigation is pending, all of this discovery can be obtained under the familiar Rules 30 (depositions), 33 (interrogatories) and 34 (production or inspection of documents and things) of the Federal Rules of Civil Procedure – without the requirement of Rule 27 of

<sup>21</sup> See UPC RoP, Rule 194.1.

<sup>22</sup> UPC RoP, Rule 197.1; see also UPC Agreement, Article 60(5).

<sup>23</sup> See UPC RoP, Rule 197.2 to 197.4; UPC Agreement, Article 60(6).

<sup>24</sup> UPC RoP, Rule 196.1; see UPC Agreement, Article 60(2).

<sup>25</sup> UPC RoP, Rule 199; see UPC Agreement, Article 60(3) (note that unlike RoP Rule 199, the UPC Agreement speaks of inspection of *premises* only).

<sup>26</sup> See UPC RoP, Rule 196.4.

<sup>27</sup> See UPC RoP, Rule 196.5.

<sup>28</sup> See UPC RoP, Rules 196.3(a) and .5; UPC Agreement, Article 60(4).

<sup>29</sup> See UPC RoP, Rule 196.1.

<sup>30</sup> See UPC RoP, Rule 196.2.

<sup>31</sup> See UPC RoP, Rules 196.3(b) and 196.6; UPC Agreement, Article 60(7).

<sup>32</sup> See UPC RoP, Rules 196.7 and 220.1(c).

<sup>33</sup> See UPC RoP, Rule 198.1; UPC Agreement, Article 60(8).

<sup>34</sup> See UPC RoP, Rule 198.2; UPC Agreement, Article 60(9).

<sup>35</sup> See Fed. R. Civ. P. 27(a); 6 Moore’s Federal Practice – Civil § 27.02[1].

<sup>36</sup> See Fed. R. Civ. P. 27(a)(3).

<sup>37</sup> See Fed. R. Civ. P. 27(a)(2).



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showing the potential loss of evidence.

Comparing the broad strokes of the means to preserve evidence in the UPC and the U.S., one important aspect of the UPC rules is not found in the U.S. procedural rules: The UPC rules contemplate the scenario that evidence might be destroyed, and provide for the possibility to preserve evidence *ex parte*. This element of surprise cannot be found in the U.S. Federal Rules of Civil Procedure. While destruction of evidence can result in sanctions for spoliation, there is no mechanism to preserve evidence without the affected party learning about it beforehand.

### NO DEPOSITIONS

In the U.S., depositions under Federal Rule of Civil Procedure 30 are routine and often critical in the discovery process. One primary purpose of depositions is to gather factual evidence. Not all facts can be efficiently elicited by way of document requests or interrogatories, but require oral testimony of a witness, with the chance to ask follow-up questions and explore broad topics with the witness. A deposition is also a critical means to gather information known or available to an entire organization; Rule 30(b)(6) requires a party to designate a witness to conduct an investigation and be prepared to testify regarding the organization’s knowledge regarding topics identified by the other party.<sup>38</sup> And depositions of expert witnesses can be used to vet, explore, and better understand the expert’s opinions. Another key purpose of depositions is to prepare cross-examination at trial. Following the guideline that one should avoid trial questions one does not know the answer to, a trial witness can be cross-examined on the basis of his or her earlier deposition testimony and in case of inconsistencies in the testimony, impeached. The chance to prepare such cross-examination in a preceding deposition is particularly important for expert witnesses; an attempt to “blindly” challenge an expert’s highly specialized opinions at trial without knowing what to expect is a risky proposition. Moreover, admissions obtained from witnesses during depositions are often used to support motions for summary judgment and motions to exclude evidence before trial.

Consistent with the civil law system (used in all of the current UPC member states<sup>39</sup>), there are no depositions

<sup>38</sup> See Fed. R. Civ. P. 30(b)(6).

<sup>39</sup> Ireland, which adheres to the common law system, has signed, but not yet ratified the UPC Agreement.

tions in the UPC. The questioning of witnesses before the hearing, including by exploring broad topics, is therefore not available as a fact gathering means, which is consistent with the UPC’s general approach to allow only limited fact “discovery” that targets specific information, as described above. Nor can the questioning of fact or expert witnesses at the oral hearing be prepared in the same way that cross-examination is prepared by way of a deposition in the U.S. While a party seeking to offer witness evidence in the UPC must submit “a written witness statement or a written summary of the evidence to be given,”<sup>40</sup> there is no opportunity for the opposing party to question the witness before the hearing about his or her prospective testimony. Nor does the oral hearing allow for the adversarial type of cross-examination that occurs in the U.S. – “cross-examination” is generally a common law concept. After the witness confirms, and may elaborate on, the evidence given in his or her written witness statement,<sup>41</sup> it is, first and foremost, the judges who may put questions to the witness – in line with the inquisitorial system of civil law countries.<sup>42</sup> However, the parties may then put questions to the witness – “under the control of the presiding judge,” who may prohibit any question which is not designed to adduce admissible evidence.<sup>43</sup> In practice, it can be expected that questioning of an opposing witness in the UPC will be, compared to the U.S., very limited in both scope and duration. And given that the witness has not given any prior deposition testimony, an opposing party has no choice but to ask questions without the safety net of knowing the witness’s earlier answers. Given these restrictions, counsel in the UPC likely will have less of an opportunity to test opposing witnesses’ credibility than in the adversarial U.S. litigation system.

### CONCLUSION

While the procedural options in the UPC to obtain evidence in another’s hands are not comparable to U.S.-style discovery in breadth, duration, or expense, parties in the UPC can, with the court’s pre-approval, obtain *specific* evidence and information from the opposing or a third party, and make use of the procedural mechanism of preserving evidence, such as by seizure

<sup>40</sup> See UPC RoP 175.1.

<sup>41</sup> See UPC RoP 178.3.

<sup>42</sup> See UPC RoP 112.4, 178.4.

<sup>43</sup> See UPC RoP 112.5, 178.5; see also UPC Agreement, Article 53(2) (“Questioning of witnesses and experts shall be under the control of the Court and be limited to what is necessary.”).

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of infringing goods. The common U.S. conception that there is no “discovery” whatsoever in European litigation is, therefore, not accurate for the UPC. However, the UPC’s inquisitorial system does not provide counsel with the same opportunities as the U.S. adversarial system to extensively cross-examine witnesses and test their credibility, which is often important, in particular for expert witnesses.

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