

Protective Letter

The preparations for the launch of the Unified Patent Court (UPC) are currently in progress. An international court that would be exclusively competent in matters of validity and infringements of unitary patents as well as European patents granted by the EPO, will start functioning in late 2022 or early 2023. The emergence of the UPC will dramatically change the landscape of industrial property rights' enforcement in the territory of Europe as we know it. It should be expected that the impact of the new framework will extend beyond the situation of individuals from states that will be directly within the jurisdiction of the UPC (24 member states of the EU).

We have announced recently on our website and through our social media channels that in the upcoming weeks and months **we will be successively publishing materials concerning the procedure before the Unified Patent Court**. As promised, we are presenting you the first entry in this new cycle. We would like to introduce you here to **the institution of the protective letter**: a specific solution meant to provide protection to a person who might be sued for a patent infringement. Why is it important? Why is the protection of a potential infringer necessary? In fact, due to broadly defined competences of the UPC with respect to ordering provisional and protective measures (more on that below) and the territorial scope of such measures covering most of the EU states, they would

be capable of affecting the situation of the individual against which they are directed to a major extent. It is, therefore, crucial to minimize the risk of their abuse.

The legal basis

The institution of the protective letter **has been regulated in the Rules of Procedure of the Unified Patent Court**. A few words concerning the legal character of that act might be appropriate. Namely, the basis for its adoption can be found in Article 41 of the UPC Agreement. Pursuant to Article 41(1), the Rules of Procedure shall lay down the details of the proceedings before the Court; they shall comply with the Agreement and the Statute. A body entitled to adopt them is the Administrative Committee, which is required to conduct broad consultations with stakeholders, as well as seek the European Commission's opinion of the compatibility of the Rules of Procedure with Union law (Article 42(2)). The Agreement defines a certain standard that the Rules of Procedure are to be held to: they shall guarantee that the decisions of the Court are of the highest quality and that proceedings are organized in the most efficient and cost effective manner; shall ensure a fair balance between the legitimate interests of all parties, as well as the required level of discretion of judges without impairing the predictability of proceedings for the parties (Article 42(3)).

The current version of the Rules of Procedure was adopted in April 2017; it had been developed by the UPC Preparatory Committee. Let us add that is already the eighteenth version of the document — the first expert project saw the light of day as early as in May 2009. The Rules of Procedure will become legally binding once they are formally adopted by the Administrative Committee which should take place in the period of the provisional application of the UPC Agreement. Right now, they are waiting for the European's Commission opinion regarding their compatibility with the EU law.

Specific rules regarding the protective letter can be found, above all, in **Article 207 of the Rules of Procedure**.

Who can file a protective letter

First of all, a person is eligible for filing a protective letter if they are entitled to start proceedings under Article 47 of the UPC Agreement. The rule that is referred here concerns primarily proprietors of patents. It also provides for the legal standing of license holders, however subject to a few limitations: the holder of an exclusive license can start pro-

ceedings only if the patent proprietor is given a prior notice and only under the same circumstances as the patent proprietor could; whereas the non-exclusive license holder — also pursuant to a prior notice to the patent holder and only in so far as expressly permitted by the license agreement. Article 47 mentions also any other natural or legal person, or any body entitled to bring actions in accordance with its national law, who is concerned by a patent — they may bring actions in accordance with the Rules of Procedure.

Secondly, an essential premise has to be fulfilled: **the eligible person considers it likely that an Application for provisional measures against them as defendants may be lodged before the Court in the near future.**

At this point, it is necessary to address the question of the regulations regarding provisional measures that found its way into the UPC Agreement. We have mentioned in the introduction to this article that the UPC has been equipped with far-reaching powers in that respect. Pursuant to Article 60(1), the Court may, even before the commencement of proceedings on the merits of the case, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, if the request is made by the applicant who has presented reasonably available evidence to support the claim that the patent has been infringed or is about to be infringed. The Agreement specifies what forms such measures can take: e.g., the detailed description, with or without the taking of samples, or the physical seizure of the infringing products, and, in appropriate cases, the materials and implements used in the production and/or distribution of those products and the documents relating thereto (Article 60(2)); the Court may also order the inspection of premises (Article 60(3)). Moreover, on the basis of Article 61, the Court may, also even before the commencement of proceedings, order a party not to remove from its jurisdiction any assets located therein, or not to deal in any assets, whether located within its jurisdiction or not. Finally, provision of Article 62 should be noted: the Court may grant injunctions against an alleged infringer (or against an intermediary whose services are used by the former), prohibiting on a provisional basis the continuation of the alleged infringement or allowing for it but making such continuation subject to the lodging of guarantees intended to ensure the compensation for the rights holder — in particular cases it can be also subject to a recurring penalty payment (Article 62(1)). Another competence of the Court in that area is enshrined in Article 62(3): the UPC may also order the seizure or delivery up of the products suspected of infringing a patent so as to prevent their entry into, or movement, within the channels of commerce; and if the applicant demonstrates circumstances likely to endanger the recovery of damages, the Court may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of the bank accounts and of other assets of the alleged infringer.

The matter of utmost importance, especially considering the significant scope of the Court's powers with respect to provisional and protective measures, is their territorial reach. These measures will be enforceable in territories of 24 states over which the UPC has

jurisdiction. Nevertheless, in certain cases it would be possible to enforce them even beyond borders of these states — pursuant to Regulation 1215/2012 Brussels I.

The formal requirements of the letter

The protective letter shall be filed with the Registry of the UPC in the language of the patent. Payment of fee is required.

The Rules of Procedure list what should be included in the protective letter — some elements are obligatory, and some are optionals. **Obligatory elements** include:

- a) the name of the defendants or defendants and of their representative;
- b) the name of the presumed applicant for provisional measures;
- c) postal and electronic addresses for service on the defendant and the names of the persons authorized to accept service if known;
- d) postal and, where available, electronic addresses for service on the presumed applicant for provisional measures and the names of the persons authorized to accept service if known;
- e) where available, the number of the patent concerned and, where applicable, information about any prior or pending proceedings relating to the patent concerned before the Court including any action for revocation or a declaration of non-infringement pending before the central division (and the date of any such action), the EPO or any other court or authority;
- f) the statement that the letter is a protective letter.

The optional elements of the protective letter are:

- a) an indication of the facts relied on, which may include a challenge to the facts expected to be relied on by the presumed applicant and/or, where applicable, any assertion that the patent is invalid and the grounds for such assertion;
- b) any available written evidence relied on;
- c) the arguments of law, including the reasons why any application for provisional measures should be rejected.

The procedure

Once a letter is filed with it, the Registry shall as soon as practicable examine its compliance with formal requirements. If deficiencies are identified, the Registry shall as soon as practicable invite the defendant to correct the deficiencies within 14 days of service of the notification or, where applicable, to pay the fee. In case a letter is filed correctly, the Registry shall as soon as practicable record the date of receipt and assign a number to protective letter. Moreover, the letter will be recorded in the register, but its public disclosure will be possible only once the letter is forwarded to the applicant. The Registry will also have to provide details of the protective letter to all divisions of the court, as well as — where an application for provisional measures has already been lodged — inform the panel or the single judge dealing with it about the filing of the letter. If an application is lodged subsequently, the Registry's duty is to forward a copy of the protective letter to the panel or judge together with the application for provisional measures, as well as a copy to the applicant as soon as practicable.

It might also be that, contrarily to the expectations of the individual filing the protective letter, the application for the provisional measures is not lodged. If it does not occur within 6 months from the date of the receipt of the protective letter, the letter shall be removed from the register. It is, however, possible to apply prior to the expiry of such period for an extension of 6 months (subject to payment of a fee). Further extensions are possible on the condition of making further payments of the fee.

The consequences of filing the protective letter

The protective letter **plays a key role in the judicial examination of the application for provisional measures.**

The Registry of the UPC, whenever examining the correctness of an application for provisional measures, is required to examine whether any relevant protective letter (for the same patent) is recorded in the register (Article 208(1) of the Rules of procedure). **The Court which proceeds to the examination on the merits of the application, can inform the defendant about the application and invite them to lodge, within a specified time period, an objection; it can also hold an oral hearing — either summoning both parties to it or just the applicant. When exercising its discretionary powers in that regard, the Court shall in particular take into account, i.a., whether the defendant fi-**

led any protective letter. If the letter was filed, the Court shall in particular consider summoning parties to an oral hearing (Article 209(2)(d)). If the Court decides that ordering provisional measures is not possible without hearing the defendant and the applicant has applied for provisional measures without hearing the defendant, they can withdraw application and request that the Court keeps it confidential (Article 209(3)). Likewise, the withdrawal of the application and the request that it remains confidential are allowed in a situation where a protective letter has been filed (Article 209(5)).

A similar solution is provided in a case where an applicant files an application for preserving the evidence — they will be entitled to withdraw it if the protective letter has been filed for the patent that is the subject of the application (Article 194(6)).