

International Patent Strategy

15 November 2023

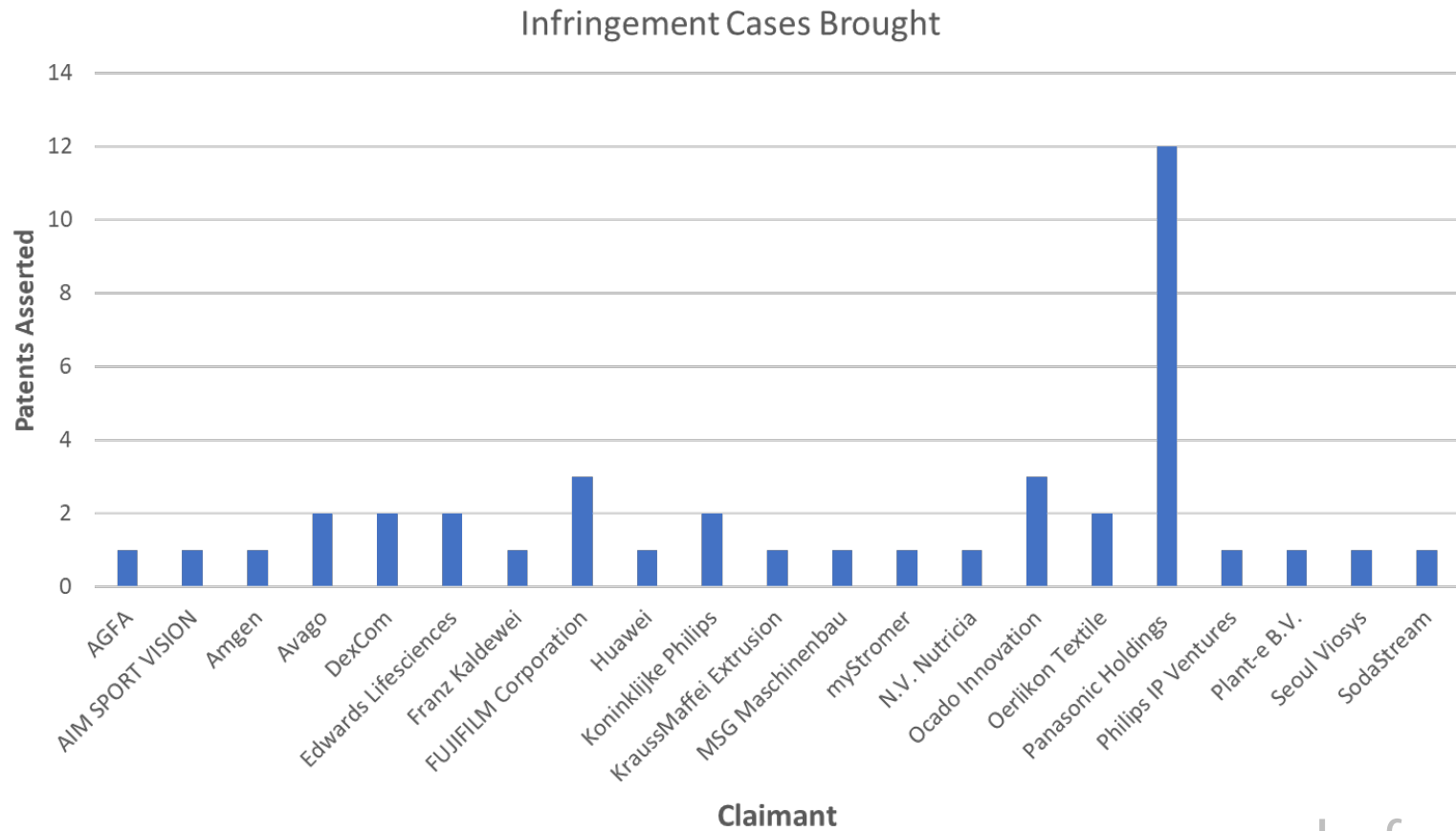
Moderator: Andrew McGettrick

Panel: Ken Korea, Keith Newburry, Jason Hannon and Sam Baird

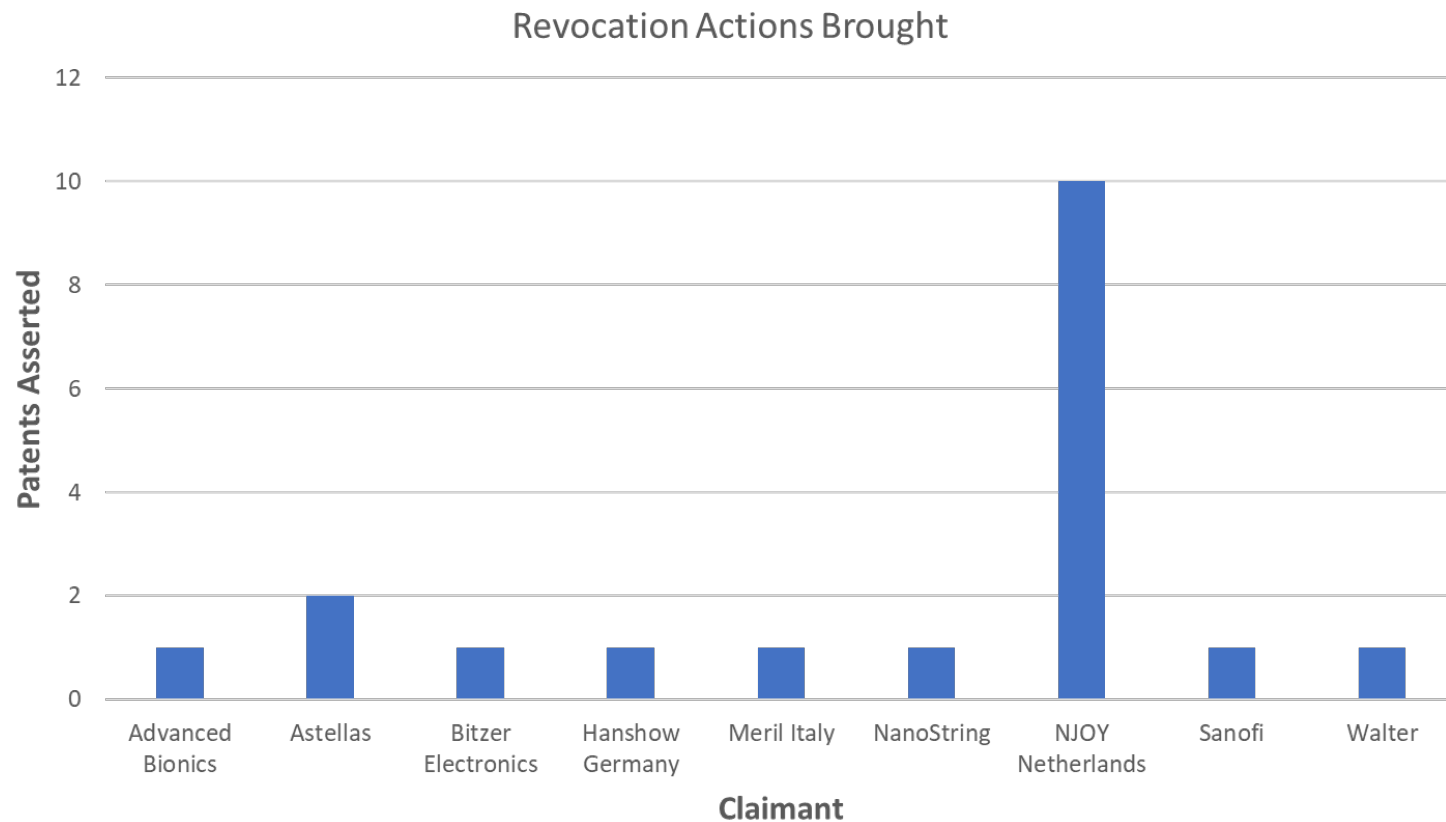
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Infringement Proceedings – 44 actions



Revocation Proceedings – 19 actions



— No evidence of any challenges to the validity of opt-outs – yet!

Reasons not to be on the receiving end of a UPC claim

- You will have to respond quickly!
- UPC aims to reach a decision **10.5 months** with the procedure heavily focussed on front-loaded written submissions, which are to be completed within a maximum of **9 months**
 - If you receive an infringement or revocation action, which may have taken many months to prepare, you will have:
 - **1 month** to respond on certain formal/technical matters (challenge jurisdiction of the court, competence of the UPC division to hear the case and the language arrangements)
 - A further **2 months** to file a full response, including evidence to support the case and substantiated counter-claims
 - Concerns this favours whoever is initiating proceedings
- The court is still untested and the quality of the decisions is still uncertain
- The amount of work will be significant if a case is initiated
- Loser pays

EU SEP Proposal

- 1st proposal released on April 27, 2023
- Updated after receiving feedback from SEP holders and implementers through August 10, 2023
- Does not apply to royalty-free SEPs
- The Proposal calls for establishment of:
 - a) a SEP register with essentiality check
 - b) a “Competence Centre” under the EUIPO that manages the registry and the essentiality checks and provides objective information regarding aggregate royalty rates to implementers
 - c) Conciliation procedures that are prerequisite to filing SEP infringement action
 - d) a process for determination of an aggregate royalty for using a standard
- Transparency
 - SEPs are declared but not verified -> over-declaration
 - Some SDOs allow a blanket declaration -> under-declaration
 - “FRAND” rates are kept confidential

EU SEP Proposal

- Multiple SEP holders and/or patent pools for a single technology standard
- Protection of SMEs in EU
- SDO obligations
 - notify Competence Centre when establishing a new technical standard
 - not clear when this notification requirement applies, for ex, major releases, addenda, errata?
- a SEP holder may not bring SEP litigation without:
 - First registering the SEP with the Competence Centre
 - Engaging in the conciliation process

EU SEP Proposal – Pros and Cons

IMPLEMENTER

PATENT HOLDER

PRO

INCREASED TRANSPARENCY,
MORE PREDICTABLE LICENCE FEE
CALCULATIONS (REDUCED “HOLD-UP”)

REDUCED “HOLD-OUT”

CON

FRAND DETERMINATION IN NINE
MONTHS
ONLY APPLIES TO NEW STANDARDS
FOR PATENTS THAT ARE DECLARED
AS NON-STANDARDS ESSENTIAL, NO
FRAND DEFENSE?

UPENDS STATUS QUO
ESSENTIALITY CHECK
REPOSITORY OF FRAND RATES
DISPROPORTIONATE AND
COULD BE COSTLY



Thank you – Any Questions?