

STRATEGIC USE OF THE ENGLISH JURISDICTION IN UPC PROCEEDINGS

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A Split UK-UPC System, post-Brexit

The German Federal Constitutional Court decided on 13 February 2020 that the German law implementing the Unified Patent Court (UPC) is null and void on constitutional grounds. Undaunted, the German Government has stated that it will attempt to overcome the procedural irregularity in the Bundestag, which largely gave rise to this decision, and pursue ratification. When is unknown.

What we do know is that, if the UPC does go ahead in its current form, the United Kingdom will not be part of it now it has left the EU.

For a long time, despite the result of the UK referendum on membership of the EU on 24 June 2016, participation looked possible, both as a matter of politics and law. In particular, after a lengthy delay in the aftermath of the decision to leave the EU, the UK Government decided to press on with ratification of the UPC and Unitary Patent. Until recently, the government was still insisting that it would explore whether it would be possible to remain within the new systems in a 'no deal' scenario. A number of opinions also surfaced, suggesting that legal participation would be possible in

certain circumstances, although this was not the unanimous view.¹ The most recent analysis, however, turned out to be the most prescient. This came from JURI, the Legal and Parliamentary Affairs Committee of the European Parliament.² Whilst JURI concluded that 'the jurisprudence of the CJEU is not expressly excluding [*sic*] the possibility to allow a non-EU Member State forming part of the UPCA', rather than seeing a legal bar to UK participation, the analysis instead focused on how the politics of Brexit would be an obstacle: 'Maintaining the UK within the UPCA would need innovative legal solutions, as the UPC is an international court applying EU law – and the reason for Brexit was all about not applying EU law anymore'.

Sure enough, on 27 February 2020, news emerged from government that the United Kingdom would not be seeking to participate in the UPC or Unitary Patent after all, rendering all previous opinion academic. The government's objection is the role of the CJEU in the system.

As the second largest economy in Europe and one of the three most designated countries for the grant of European patents, the United Kingdom or, more accurately, the jurisdiction of the Patents Court of England and Wales, as well as the Intellectual Property and Enterprise Court (IPEC), will remain important for patent litigation in Europe.

There is still some way to go before the UPC and Unitary Patent themselves become a reality. First of all, the new system must be found compatible with the German Constitution (having been found 'null and void' on 20 March 2020, at the first attempt), the life sciences branch of the central division relocated and the provisional period undertaken. So uncertainty continues. But if the system goes ahead, what role might the English jurisdiction have to play, being within the European patent system, but outside the UPC, when European and Unitary Patents³ are enforced and challenged in Europe? What do we know about patent proceedings in the English courts that is likely to feature in a combined strategy with UPC proceedings?

1) See, for example: 'Re the effect of Brexit on the Unitary Patent Regulation and the Unified Patent Court Agreement, Opinion', Richard Gordon QC and Tom Pascoe, Brick Court Chambers, 12 September 2016, paragraphs 50 to 71; Professor Dr Ansgar Ohly, lecture at the European Judges' Forum, San Servolo, Venice, 28 November 2016; Professor Dr Winfried Tilmann, 'Unitary Patent and UPC: the way forward', EPLAW Congress and General Assembly, 25 November 2016; M. Lamping and H. Ullrich, 'The impact of Brexit on Unitary Patent

protection and its court', Max Planck Institute for Innovation and Competition, 10 September 2018.

2) *EU Patent and Brexit*, 5 November 2019.

3) In a split UK-UPC system, Unitary Patents would not extend to cover the United Kingdom, but counterpart European patents to those Unitary Patents will be available.

This article suggests some responses to these questions.

The article assumes the position in which the United Kingdom breaks free of EU law in its entirety and, in particular, in which Regulation (EU) No 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters ('Brussels Regulation (recast)') no longer has force in the UK. It also assumes that the United Kingdom will not participate in the similarly framed Lugano Convention 2007.⁴ These assumptions are based on an exit from EU law on 31 December 2020 without further agreement on replacement provisions in this area.

Using English National Actions

Extending General Persuasive Value

Patent proceedings in the English Patents Court are primarily concerned with enforcing or defending patents in the UK market in its own right. However, even under the present European patent system this jurisdiction has tactical value with respect to parallel proceedings in other countries:

(i) Speed – most final decisions on both infringement and validity come from the Court of Appeals⁵ within less than two and a half years from filing;⁶ first instance decisions can be obtained in as little as 12 months, expedition being possible in appropriate cases to shorten this time to just a few months (see below).

(ii) Evidential rigour – the procedures of the Patents Court are designed to elicit and scrutinise the evidence in great detail: experiments, disclosure (albeit limited), party appointed experts. This rigour is reflected in the quantity and detail of the material typically placed before the court, the cross-examination of experts and the detailed reasoning and analysis of the evidence in English judgments.

Foreign judges frequently take notice of English judgments (and vice versa). These judges are under no obligation to follow an English decision, and indeed procedural and legal differences can present foreign judges with different evidence. However, it has been the practice for a number of years for judges to refer to and, where possible, be consistent

with the decisions of foreign judges. In *Research in Motion UK Ltd v Inpro Licensing SARL*,⁷ Laddie J remarks on this:

The existence of the German proceedings is a fact of life. It is no part of my function to interfere with German proceedings. I have to take account of the existence of the German proceedings as, no doubt, the German courts take account of the existence of English proceedings and their outcome. As I understand it from the evidence, Dr Klaus Grabinski, a well-known judge in Germany, who is in the court which is seized with the German infringement action, has indicated, unsurprisingly, that he would take account of what the English courts do and the timetable imposed by the English courts. Just as a matter of courtesy, I would do the same for German actions or French or Dutch actions. Furthermore, we can no longer consider litigation in England in isolation when at least one of the parties is engaged in pan-European business, as RIM is here.

This approach is echoed a few years later by Jacob LJ in the Court of Appeal in *Grimme Maschinenfabrik GmbH & Co KG v Derek Scott (t/a Scotts Potato Machinery)*:⁸

Broadly we think the principle in our courts – and indeed that in the courts of other member states – should be to try to follow the reasoning of an important decision in another country. Only if the court of one state is convinced that the reasoning of a court in another member state is erroneous should it depart from a point that has been authoritatively decided there. Increasingly that has become the practice in a number of countries, particularly in the important patent countries of France, Germany, Holland and England and Wales. Nowadays we refer to each other's decisions with a frequency which would have been hardly imaginable even twenty years ago. And we do try to be consistent where possible.

An early success by a party in the English Patents Court therefore has a supra-national value: the judgment may be a factor in the result of pending patent litigation concerning the same patent taking place in parallel in other European

4) OJ L339, 21 December 2007.

5) Appeals to the UK Supreme Court are rare in patent cases.

6) See the Taylor Wessing patent map: <https://united-kingdom.taylorwessing.com/patentmap>.

7) [2005] EWHC 1292 (Pat).

8) [2010] EWCA Civ 1110.

countries. In a UPC system in which most EU countries are served by the UPC, the influence of a quickly obtained and detailed English decision on the result of UPC litigation (whether concerning counterpart European patents or Unitary Patent) would be potentially more far-reaching.

A Factor in UPC Decisions

In addition to a general persuasive value, there are specific preliminary stages in UPC actions for which a fast English decision may be an important factor. These are:

- (i) A decision to stay a bifurcated infringement action; and
- (ii) A decision to grant a preliminary injunction.

A factor in a decision to stay bifurcated UPC infringement proceedings

Under the UPC Agreement, a revocation counterclaim may follow an infringement claim that has been lodged in a local or regional division.⁹ The UPC Agreement then provides alternatives for the local or regional court seized with the action on how to proceed. This happens by way of a decision under Article 33(3) UPC Agreement. The Article 33(3) decision must be made as soon as practicable after the closure of the written procedure.¹⁰ The alternatives for the local or regional panel are:

- (i) Proceed with both the action for infringement and with the counterclaim for revocation;
- (ii) Refer the counterclaim for revocation for decision to the central division and suspend or proceed with the action for infringement; or
- (iii) With the agreement of the parties, refer the case for decision to the central division.

Alternatively, infringement and revocation actions concerning the same patent and the same parties may be lodged in different divisions of the UPC from the beginning of the action (if the revocation is filed first), without a further revocation counterclaim. In this case, the local or regional division must

decide, subject to the agreement of the parties, whether to refer the whole action to the central division, or retain the infringement action only.¹¹

If, by exercise of the above alternatives, the infringement and validity actions are bifurcated, or remain bifurcated, there are three further possibilities:

- (i) The local or regional division proceeds with the infringement action in parallel to a revocation action in the central division (by original filing or by counterclaim). In this case, the central division must endeavour to accelerate the revocation proceedings;¹²
- (ii) The panel, at its *discretion*, stays the infringement action pending a final decision in the revocation proceedings;¹³ or
- (iii) Where there is a 'high likelihood' that the relevant claims of the patent being enforced are invalid, the panel *must* stay the infringement action until a decision has been made in the revocation action.¹⁴

The question regarding the impact of English proceedings is whether an invalidity decision of the Patents Court is evidence of a high likelihood that the patent being enforced is invalid. This is unknown at present, but it is fair to assume some influence, given the persuasive value described above. But the decision must be obtained early enough to be used in this way. In some circumstances, this may depend on whether the use of an English decision to stay bifurcated UPC infringement proceedings is a sufficient reason for the English court to expedite proceedings, either on its own or in combination with other factors.

Expedition in the English court and the role of foreign validity decisions in preliminary injunctions in the UPC is discussed below.

Influencing a decision on the award of a preliminary injunction

Can an early English Patents Court decision also be used to defend against a preliminary injunction in UPC proceedings? The panels of the UPC divisions have a wide discretion to

9) Article 33(3). In these circumstances, if a central revocation action concerning the same patent and the same parties has already been lodged in the central division before the infringement action was started, it will be stayed (Rule 75.3, Rules of Procedure).

10) The panel may take an earlier decision 'if appropriate' having given the parties an opportunity to be heard.

11) UPC Agreement, Articles 33(5) and 33(3)(c).

12) UPC Rules of Procedure, Rule 40(b).

13) *Ibid*, Rule 37.4.

14) *Ibid*. There is currently no guidance on the factors that the court would consider relevant to determining a 'high likelihood' for this purpose. These may include a finding by the EPO that the patent is invalid. It is also unclear in what level of detail a local or regional division will be prepared to consider this question.

decide whether or not to grant provisional measures. A principal basis for granting these is the demonstration of an infringement or imminent infringement. However, the degree to which infringement must be proved when requesting preliminary measures is an open question.

There is no express requirement for the panels of the UPC to take into account decisions on infringement or non-infringement of a foreign court. However, a panel hearing an application for a preliminary injunction may require the applicant to provide reasonable evidence that the patent is valid.¹⁵ Specifically, the Rules of Procedure state that the court should take into account whether the patent has been upheld in an opposition procedure before the EPO or has been the subject of proceedings *'in any other court'*.¹⁶ Hence, a decision of invalidity from the English court is relevant. If a foreign decision on validity is relevant to a preliminary injunction, there is reason to suppose that it should also be relevant to the stay of bifurcated infringement proceedings.

The challenge for a party seeking to use an English decision in both the ways described above will be timing. Any decision on whether to stay a bifurcated infringement action will come after the close of the UPC written procedure, approximately five to eight months after the filing of the action. The timeframe for the hearing of a preliminary injunction can be expected to be much shorter.¹⁷ This emphasises the need for pre-emptive action in the English court and the role of expedition.

Expedition of English proceedings

A first instance decision on the merits is normally obtained in the Patents Court in approximately one year. Filing an action in England and Wales before the UPC can therefore be expected to yield a decision on the merits before the UPC. But, in order to assist in the preliminary decisions described above, early action that pre-empts these UPC proceedings may be required. So it is relevant that, in certain circumstances, an English patent dispute can also be expedited, obtaining a decision in a shorter period of time than would otherwise be the case. The principles on

expedition are set out by Lord Neuberger in *W.L. Gore & Associates GmbH v Geox SpA*:¹⁸

To my mind, when considering such an application there are four factors to take into account. The first is whether the applicants ... have shown good reason for expedition; the second is whether expedition would interfere with the good administration of justice; the third is whether expedition would cause prejudice to the other party; and the fourth is whether there are any other special factors.

The application of these factors has been illustrated in cases dealing with the relationship between English validity proceedings and infringement proceedings in Germany. These explore the circumstances in which English proceedings can be expedited to assist in obtaining a stay of infringement proceedings in Germany, pending a decision on validity by the Bundespatentgericht. The attitude of the English court to this is touched on in broad terms by Laddie J:¹⁹

It is not in any sense intended to be taken as a criticism or, indeed, a comment on German procedures, but I think that the fact that issues of infringement will be determined in Germany speedily is itself a reason why the issue of validity in this country for essentially the same patent should also be dealt with speedily. This is not a matter of trying to trump the German courts, but it seems to me that in all senses it would be fairer if RIM's ability to sell BlackBerrys and, in particular, the risk of it being held to have infringed a valid patent should be determined rapidly rather than slowly. The German courts happen to have in place a means by which infringement, at least in that country, will be determined rapidly. I see every reason for saying that the issue of validity should also be considered rapidly in this country. Even if on a normal timescale this trial would come into the lists next year, I think it is suitable for expedition to come on towards the end of November of this year and I will so direct.

15) *Ibid*, Rule 211.2.

16) *Ibid*, Rule 209.2.

17) No specific timeframe is suggested in the UPC Rules of Procedure.

18) [2008] EWCA Civ 622. See also *Evalve and Others v Edwards Lifesciences Ltd* (27 March 2019, unreported).

19) *Research in Motion UK Ltd v Inpro Licensing SARL* [2005] EWHC 1292 (Pat).

More recently, the specific issue of employing an expedited English decision on validity was raised in *HTC Europe Co Ltd v Apple Inc.*²⁰ The authorities are nuanced, as can be seen from the summary given by Arnold J:

*It seems to me that the position is as follows. To date, the English courts have accepted that a factor which may be relied upon by a party applying for expedition is that the finding of this court in relation to the validity of the European patent (UK), the German counterpart of which is being litigated in infringement proceedings in Germany, will be of assistance to that party with regard to the question of whether there should be a stay of [the German] proceedings. It is not, however, a factor which has been treated in any of the cases as being a particularly strong or important factor. Thus, by way of example, in *RIM v Visto*,²¹ I said it was a factor to which I attached 'less weight', but one which provided 'some further support' to the request for expedition.*

In the *HTC* case, HTC had wanted to get a validity decision on the UK counterpart of a patent being litigated in Mannheim. This was sought to persuade the Mannheim court to stay infringement proceedings. Although Arnold J was prepared in principle to take the German proceedings into account, the application failed, at least in part due to a lack of certainty about the actual dates of the relevant hearing in Germany.

In *HTC*, the judge did, however, expedite the proceedings concerning two other patents, the counterparts of which were subject to infringement proceedings in Munich. Whilst the existence of the parallel proceedings in Munich appears to have been a factor in this decision, more important for the court was the commercial imperative for HTC and its customers to know whether it infringes certain patents, in the context of a precarious, fast-moving and expanding market, in which it had already gained a significant market share. As the same judge notes in a case heard a short time later, *ZTE (UK) Limited v Ericsson*,²² the existence of German proceedings so

far as he is aware has never provided a ground for ordering expedition on its own; it is a factor, even though it is not a strong one.

Commercial and practical imperatives are therefore needed if expedition of English proceedings is sought for the purpose of assisting a stay of infringement proceedings, or to defeat a preliminary injunction, in the UPC. Certainty about the timing of these hearings in the UPC proceedings, so that the English court knows why it is being asked to expedite, would also be important.

English Cross-border Declarations of Non-infringement

Overview of Powers under English Law

In *Actavis Group HF v Eli Lilly and Company*,²³ Arnold J had to decide whether the English Patents Court had jurisdiction to hear an action for declarations of non-infringement in respect of the UK, French, German, Italian and Spanish counterparts of a European patent.

As regards subject matter jurisdiction, Actavis accepted that jurisdiction cannot be founded under Article 4(1) or Article 7(2) of the Brussels Regulation (recast), because Eli Lilly is domiciled in the State of Indiana, USA, with only a subsidiary registered in the United Kingdom. Jurisdiction is instead a matter of national law.²⁴ In this respect, in circumstances where Actavis had undertaken not to challenge validity, Eli Lilly did not dispute that the claims of the non-UK designations were justiciable before the English court. The substance of Eli Lilly's case was instead that service had not been validly effected in the United Kingdom and/or that Eli Lilly had not consented to it. Having found that service was validly effected, the court went on to consider whether the Patents Court was nonetheless *a forum non conveniens* – that there was some other available forum, having competent jurisdiction, which was the appropriate forum for the trial of the action.²⁵ The judge held that the national courts of the

20) [2011] EWHC 2396 (Pat).

21) *Research in Motion UK Ltd v Visto Corp* [2008] EWHC 3025 (Pat). See also *Research in Motion UK Ltd v Inpro Licensing SARL*, Note 19 above.

22) [2011] EWHC 2709 (Pat).

23) Joined with *Medef EHF v Eli Lilly and Company* [2012] EWHC 3316 (Pat). The Court of Appeal later upheld Arnold J's decision that the English court has jurisdiction to hear the actions in [2013] EWCA Civ 517.

24) Brussels Regulation (recast), Article 6(1).

25) *Spiliada Maritime Corp v Cansulex Ltd* [1987] AC 460.

respective European counterpart patents were not clearly and distinctly more appropriate than the Patents Court and declined to order a stay.

In a split UK-UPC system, in which neither the Brussels Regulation (recast) nor the Lugano Convention applies to the United Kingdom, the principles applicable in *Actavis v Eli Lilly* would instead apply. What would be the potential impact on UPC proceedings if such a declaration of non-infringement were obtained in the English Patents Court?

Stay or Dismissal of a UPC Action

The award of a cross-border declaration of non-infringement in the English Patents Court raises the possibility of duplicative actions with the UPC, provided all the relevant proprietors and licensees likely to take part in an UPC infringement action are parties to the English action.²⁶ The risk of duplicative actions between the UPC and the national courts of the *contracting Member States* of the UPC Agreement during the transitional period is addressed in amended Brussels Regulation (recast).²⁷ However, in a post-Brexit UK-UPC system, the Patents Court is no longer a court of a contracting Member State. Attention therefore turns to the international *lis pendens* provisions in Article 33 Brussels Regulation (recast)²⁸ as they would apply to the UPC proceedings:

Article 33 states:

1. Where jurisdiction is based on Article 4 or on Articles 7, 8 or 9 and proceedings are pending before a court of a third State at the time when a court in a Member State is seised of an action involving the same cause of action and between the same parties as the proceedings in the court of the third State, the court of the Member State may stay the proceedings if:

(a) it is expected that the court of the third State will give a judgment capable of recognition and, where applicable, of enforcement in that Member State; and

(b) the court of the Member State is satisfied that a stay is necessary for the proper administration of justice.

2. The court of the Member State may continue the proceedings at any time if:

(a) the proceedings in the court of the third State are themselves stayed or discontinued;

(b) it appears to the court of the Member State that the proceedings in the court of the third State are unlikely to be concluded within a reasonable time; or

(c) the continuation of the proceedings is required for the proper administration of justice.

3. The court of the Member State shall dismiss the proceedings if the proceedings in the court of the third State are concluded and have resulted in a judgment capable of recognition and, where applicable, of enforcement in that Member State.

4. The court of the Member State shall apply this Article on the application of one of the parties or, where possible under national law, of its own motion.

Further to Article 33.2, if the UPC is seised by an action concerning the same parties and the same cause of action as a court of a third state (for example, the English Patents Court), it has the discretion to stay its proceedings. If the action in the third state has resulted in a decision that is capable of recognition, the UPC must stay (Article 33.3).

A declaration of non-infringement of a patent is the same cause of action as a claim for infringement of that patent.²⁹ Therefore, a cross-border declaration of non-infringement from the Patents Court, concerning one or more European patents or a Unitary Patent and recognised in their countries of registration,³⁰ has the potential to trigger Article 33 in respect of an infringement action in the UPC. In respect of European patents, this raises the question of whether the UPC would be barred by the application of the international *lis pendens* provisions from:

26) To avoid a situation such as that in the pemetrexed litigation, in which the German Regional Court did not recognise the jurisdiction of the English court due to the different parties before them both.

27) Article 71c, Brussels Regulation (recast), as amended by Regulation (EU) 542 / 2014.

28) The objection might be made that Article 33 does not refer to the UPC, but only to the courts of the Member States. However, the UPC Agreement makes

clear that the UPC is a court common to the Contracting Member States and thus subject to the same obligations under Union law as any national court of the Contracting Member States (Article 1, paragraph 2, UPC Agreement).

29) *Owners of Cargo Lately Laden on Board the Ship Tatry v Owners of the Ship Maciej Rataj* (Case C-406/92) [1999] QB 515.

30) Or the relevant countries protected by the Unitary Patent.

(1) Proceeding with the infringement action with which it is seised in respect of all designations in the European bundle; or,

(2) Proceeding with the infringement action regarding only the national designations at issue in the English cross-border decision, but proceeding with the others.

Interpretation (2) appears inconsistent with the requirement that all European patent designations are dealt with by the UPC together and at the same time. However, it has the advantage of avoiding the risk of an irreconcilable judgment while allowing the action concerning the other designations to progress. There is no definitive answer to this question at present in respect of European patents (or Unitary Patents), but in either case the effect of a declaration of non-infringement is evident.

Accepting cross-border jurisdiction in the context of the UPC
Would the English patents court accept jurisdiction for a cross-border declaration of non-infringement, in the context of parallel proceedings in the UPC? As described above, in *Eli Lilly*, Arnold J accepted jurisdiction for an action seeking a declaration of non-infringement for Italy, Spain, Germany, France and the United Kingdom. It was held that all of these actions are justiciable and that Eli Lilly had consented to them on accepting service of the action. However, the court went on to consider whether, had there been no consent, the principles of *forum non conveniens* would require the court to stay the action.

The principles of this doctrine are set out by Lord Goff of Chieveley in *Spiliada Maritime Corp v Cansulex Ltd*.³¹ As summarised in *Actavis v Eli Lilly*, these are:

(a) The basic principle is that a stay will only be granted on the ground of *forum non conveniens* where the court is satisfied that there is some other available forum, having competent jurisdiction, which is the appropriate forum for the trial of the action, i.e. in which the case may be tried more suitably for the interests of all the parties and the ends of justice.

...

(d) Since the question is whether there exists some other forum which is clearly more appropriate for the trial of

the action, the court will look first to see what factors there are which point in the direction of another forum. These are the factors which Lord Diplock described, in *MacShannon's* case [1978] AC 795, 812, as indicating that justice can be done in the other forum at 'substantially less inconvenience or expense'. ... Lord Keith of Kinkel, in *The Abidin Daver* [1984] AC 398, 415 ... referred to the 'natural forum' as being 'that with which the action had the most real and substantial connection'. So it is for connecting factors in this sense that the court must first look; and these will include not only factors affecting convenience or expense (such as availability of witnesses), but also other factors such as the law governing the relevant transaction ... and the places where the parties respectively reside or carry on business.

(e) If the court concludes at that stage that there is no other available forum which is clearly more appropriate for the trial of the action, it will ordinarily refuse a stay ...

(f) If however the court concludes at that stage that there is some other available forum which prima facie is clearly more appropriate for the trial of the action, it will ordinarily grant a stay unless there are circumstances by reason of which justice requires that a stay should nevertheless not be granted. In this inquiry, the court will consider all the circumstances of the case, including circumstances which go beyond those taken into account when considering connecting factors with other jurisdictions. One such factor can be the fact, if established objectively by cogent evidence, that the plaintiff will not obtain justice in the foreign jurisdiction ...

In *Eli Lilly*, the judge did not consider that the courts of Italy, Spain, France and Germany were clearly or distinctly more appropriate than the English courts. An influential factor in that decision was the approach taken by the Supreme Court in *Lucasfilm Limited and others v Ainsworth and another*, a copyright case, summarised by the statement:³²

There is no doubt that the modern trend is in favour of the enforcement of foreign intellectual property rights. First, Article 22(4) of the Brussels I Regulation only assigns exclusive jurisdiction to the country where the right originates in cases which are concerned with registration or validity of rights which

31) [1987] AC 460 at 476 to 478.

32) [2011] UKSC 39, at paragraph 108.

are ‘required to be deposited or registered’ and does not apply to infringement actions in which there is no issue as to validity. ... Second, the Rome II Regulation also plainly envisages the litigation of foreign intellectual property rights and, third, the professional and academic bodies which have considered the issue, the American Law Institute and the Max Planck Institute, clearly favour them, at any rate where issues of validity are not engaged.

In *Eli Lilly*, the judge was also impressed by the argument that, even if different laws were applied for each patent (which the court decided they should be), it would mean that one court (and one court on appeal) would determine all five claims, helping to eliminate the prospect of inconsistent decisions.³³ The judge did not consider relevant the fact that the English courts (first instance and appeal) would be likely to arrive at a final decision in the action quicker than the foreign courts in question:

a decision whether to grant or refuse a stay on forum non conveniens grounds, while technically an exercise of discretion, is not an exercise in determining what course appears most convenient. The question to be determined is the appropriate forum for trial.

In a UPC system that does not include the United Kingdom, similar questions would arise whether the balance of arguments is in favour of the English courts as the appropriate jurisdiction. In particular, there is the fact that the UPC itself is designed to hear questions concerning multiple designations of European patents in a single set of proceedings. Would the English court be willing to provide effectively a rival centre of litigation to the UPC on such matters? The English court could, in theory, decide for the UK European patent designation and those for all EU states (including a Unitary Patent) – a jurisdiction broader than the UPC itself.

Cross-border Arrow Declarations?

What other forms of cross-border declaratory relief may be available in the English court? Is it possible to obtain a cross-border form of the declaration obtained in *Fujifilm Kyowa Biologics Company Limited (FKB) v AbbVie Biotechnology Ltd*³⁴ and *Arrow Generics Limited & Another v Merck & Co, Inc*³⁵ (an ‘Arrow declaration’)?³⁶

In the *Fujifilm* proceedings, FKB sought a declaration that its *own* product is anticipated or obvious at the priority dates of two patents that had earlier been granted to AbbVie. The purpose of seeking the declaration was to ensure that FKB could market its own product, a biosimilar of adalimumab, in circumstances where divisionals sharing the same priority date as those patents and also concerning every other week, single dose, subcutaneous injections were being prosecuted. As applications, the divisionals could not be challenged for invalidity in the English Patents Court. The purpose of the declaration was therefore to provide a ‘Gillette defence’: that any claim asserted to cover the FKB product must also be novel or obvious. The Court of Appeal confirmed at an interim stage that, in principle, if the circumstances justify it, the courts have the jurisdiction to grant such a declaration.³⁷

Significantly, in *FKB*, by the time of trial, AbbVie had abandoned all its relevant patent protection and applications in the United Kingdom and had provided undertakings to the court that neither it nor its affiliates would obtain UK patent protection covering the dosing regimens in suit. AbbVie was unwilling, however, to consent to the declarations in the form sought. The late Henry Carr J granted the declaration and provided guidance on the justifying circumstances.³⁸ In particular, the judge held that whatever the factual background, to be justified the declarations must serve a useful purpose in the United Kingdom. Seeking a declaration

33) Subject to the different national approaches taken to Article 69 of the European Patent Convention.

34) [2016] EWHC 425 (Pat).

35) [2007] EWHC 1900 (Pat).

36) See P. England, ‘Cross-border actions in the CJEU and English Patents Court 10 years on from *GAT v Luk*’ J.I.P.L.P. 2017, 12(2), 105–114.

37) *Fujifilm Kyowa Kirin Biologics Co, Ltd v AbbVie Biotechnology Ltd and Another* [2017] EWCA Civ 1 (12 January 2017).

38) *Fujifilm Kyowa Kirin Biologics Company Ltd v AbbVie Biotechnology Ltd (Rev 1)* [2017] EWHC 395 (Pat) (3 March 2017).

for solely persuasive value in another jurisdiction would not be sufficient for this purpose. In the judge's view, the declaration would, however, serve the useful purpose of providing more commercial certainty than the complex undertakings given by AbbVie, which would not have been readily understood by commercial people. The declaration would also help to protect the claimants' European supply chains by reducing the risk of injunctive relief in other jurisdictions, and serve to promote wider settlement by changing the parties' relative positions in any negotiations. The judge added that the facts of the case were highly unusual and that there were special reasons in favour of granting the declarations. In particular, these included the fact that AbbVie had threatened infringement proceedings whilst abandoning its patent portfolio in the United Kingdom in order to shield it from scrutiny.³⁹

More recently, in *Pfizer Limited v F. Hoffmann-La Roche*,⁴⁰ an *Arrow* declaration was refused. Here, there were once again multiple second medical use patent applications being prosecuted, this time relating to combinations of bevacizumab with other known cancer drugs for use in treating various types of cancer. The UK applications were de-designated and the parties agreed that no UK patents existed (or could exist). The 'useful purpose' identified by Pfizer for the declaration was to support a decision to launch its own biosimilar product on a full or a skinny label across Europe, securing its supply chain and promoting wider settlement. It also argued that there was a compelling prima facie case for lack of novelty and/or obviousness of the patents and that a patentee with faith in their patents would be unlikely to need to shield them.

Unlike in *AbbVie* where unclear undertakings were given and the patent rights in question were abandoned at the last moment, Roche abandoned its patent rights early and its position was clear. The judge said that had there been any pending applications in any of the families, this would be a plain case for an *Arrow* declaration. In the complete absence of this possibility, the reality was that the commercial value of an *Arrow* declaration to Pfizer would be its utility (along with a reasoned judgment) in helping Pfizer defend itself against

suits brought by Roche in other European countries – in particular in Belgium, to influence a Belgian court against granting a preliminary injunction in that country, where the product is manufactured. This, as *FKB v AbbVie* had already held is not sufficient reason to grant one.

It is clear, therefore, that the court requires an *Arrow* declaration to serve a useful purpose domestically and not merely be used to influence foreign proceedings. If, as in the *AbbVie* case, there is a useful purpose domestically, then an *Arrow* declaration may be influential in indicating the invalidity of later granted patents of the same family that are raised in UPC proceedings.

Summary and Conclusions

The UPC and Unitary Patent are not yet a reality. Above all, the German constitutional objection must first be overcome. What is clear is that if and when the system does come into operation, the United Kingdom will not be part of it. As a consequence, the Patents Court and IPEC may serve an enhanced strategic role in such a system, and potential parties to UPC proceedings will need to consider it as part of an overall European strategy, in particular:

- (1) An extension of its present role as a testing court producing fast, detailed and rigorously reasoned judgments on the merits of persuasive value in later UPC proceedings;
- (2) A source of pre-emptive (early filed or expedited) decisions on validity as a persuasive factor in decisions to stay bifurcated infringement proceedings in the UPC;
- (3) A source of pre-emptive (early filed or expedited) decisions on validity and/or infringement as a persuasive factor in decisions to award a preliminary injunction in the UPC;
- (4) Pre-emptive 'British Torpedo' cross-border declarations of non-infringement;
- (5) In circumstances where domestic utility justifies it, a source of '*Arrow* declarations' as a persuasive factor in later invalidity challenges in the UPC.

³⁹ For a full discussion of the cases see P. England and A. Payne, *Declaratory Relief in the English Patents Court*, BSLR 15(3), 123 to 128.

⁴⁰ *Pfizer Ltd v F. Hoffmann-La Roche AG and Another* [2019] EWHC 1520 (Pat) (20 June).