

Limits of the Unified Patent Court's long arm with regard to Spain (III): applicable law

This paper examines which are the rules that the Unified Patent Court must apply when it has jurisdiction to hear actions relating to classic European patents validated in States that are not Contracting States party to the Agreement on a Unified Patent Court.

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1. Introduction

The Unified Patent Court ('UPC' or 'Court') has jurisdiction, in certain cases and within the limits laid down in the Brussels Ia Regulation and the Lugano Convention, to hear actions relating to classic European patents validated in States that are not contracting parties to the Agreement on a Unified Patent Court (as well as to hear

actions relating to supplementary protection certificates granted by those States). However, this does not mean that, when hearing such actions, the Court may apply the same rules as if the actions related to a unitary patent. On the contrary, the applicable law will be the patent law of the State that is not a party to the Agreement on a Unified Patent Court ('UPC Agreement' or 'Agreement') in which the classic

European patent has been validated (in our case, Spanish law).

2. Determination of the applicable national law

The UPC Agreement sets out in Article 24 the list of “sources of law” on which the court will base its decisions when hearing a case brought before it. To this end, it shall apply: a) European Union law; b) the UPC Agreement; c) the European Patent Convention (‘EPC’); d) other international agreements applicable to patents and binding on all the Contracting Member States; and e) national law.

The hierarchy of sources established in the UPC Agreement places national law last, which raises the *question* of which national law may be applicable. This question must be answered in accordance with private international law rules. The fact that the Court must apply Union law in the first instance means that Union private international law rules must be followed. This is reiterated in Article 24(2)(a), which provides as follows:

To the extent that the Court shall base its decisions on national law, including where relevant the law of non-contracting States, the applicable law shall be determined [...] by directly applicable provisions of Union law containing private international law rules.

In the absence of directly applicable provisions of Union law (or where these are not applicable), national law shall be determined by international instruments

containing private international law rules. Finally, in the absence of Union law or international instruments, the national law to be applied shall be that established ‘by national provisions on private international law as determined by the Court.’ (the wording of this last reference could be greatly improved, because it does not specify whether those national provisions of private international law are those of the State in which the Division of the Court of First Instance of the UPC is located and, furthermore, those provisions will be applied “as determined by the Court”, leaving the court with a margin of manoeuvre that may be excessive).

Among the “directly applicable provisions of Union law containing private in-

When the court hears disputes concerning European patents validated in Spain, it must apply Spanish law

ternational law rules”, Regulation (EC) No 864/2007 of the European Parliament and of the Council of 11 July on the law applicable to non-contractual obligations (Rome II) stands out, Article 8(1) whereof provides that the law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed, where it must be understood — as expressly stated in recital 26 of the Rome II Regulation — that ‘intellectual property rights’ should be interpreted as meaning, for instance, copyright, related rights, the sui generis right for the protection of databases and industrial property rights. The *lex loci*

protectionis rule therefore applies, which means, among other things, that it is the national law of the State which recognises the right that will determine the existence of the infringement and the compensation for harm that may be due. Therefore, as the Court of Justice has held, “proceedings concerning a patent infringement also involve a thorough analysis of the scope of the protection conferred by that patent in the light of the patent law of the country in which that patent was granted” (Judgment of 8 September 2022, *IRnova*, C-399/21, EU:C:2022:648, para. 48).

It is also very important to bear in mind that the application of national law resulting from the *lex loci protectionis* rule under the Rome II Regulation does not only imply the obligation to apply the rules in force in that State, but also its case law (since, as the Spanish Supreme Court has already pointed out, when foreign law is applicable, it must be proven “not only in its exact form, but also in the meaning and scope assigned to it by the courts of that country” (Judgment of 30 June 1962). Furthermore, the application of the law referred to in Article 8(1) of the Rome II Regulation is mandatory and may not be derogated from by an agreement between the parties, as provided for in Article 8(3) of that regulation.

That being the case, the application of the UPC Agreement and of the Rome II Regulation may lead to the Court having to apply the national law of States that are not party to the Agreement (and, consequently, it may have to apply Spanish law). This is expressly recognised in Article 24(2) of the Agreement (“[t]o the extent that the Court shall base its decisions on national law, including where relevant the law of non-contracting States...”) and in para-

graph 3 of the same article, according to which the law of non-contracting States shall apply, where appropriate, in particular in relation to the content and limits of the law, the burden of proof and shifting thereof, corrective measures in proceedings for infringement of patent rights, damages and the limitation period. Article 24(3) of the UPC Agreement provides that “[t]he law of non-contracting States shall apply when designated by application of the rules referred to in paragraph 2, in particular in relation to Articles 25 to 28, 54, 55, 64, 68 and 72”. Once again, the wording is imprecise, because national law does not apply in relation to the aforementioned articles of the Agreement, but in relation to the matters regulated in those articles, which are those indicated. In any event, what is clear is that this provision imposes on the UPC an obligation to apply national law in such cases, without any margin of discretion.

3. The law applicable to European patents validated in Spain

The national law of a non-contracting State will apply, for example, when the court hears actions relating to classic European patents validated in one such State. Consider a patent validated in Spain whose proprietor, despite suffering acts of infringement in Spain, brings an action before the UPC by virtue of the defendant’s *forum domicilii* under the Brussels Ia Regulation. In such a case, the UPC has international jurisdiction, but the substantive law to be applied will be the national law of the State for which protection is sought.

Consequently, in the case of a European patent validated in Spain, it will be necessary to take into account, first of all, the EPC, Article 2(2) of which provides that “in

each of the Contracting States for which it is granted, have the effect of and be subject to the same conditions as a national patent granted by that State”, unless this Convention provides otherwise. And, in accordance with Article 64(1), “a European patent shall [...] confer on its proprietor from the date on which the mention of its grant is published in the European Patent Bulletin, in each Contracting State in respect of which it is granted, the same

in proceedings for infringement of patent rights, damages or limitation periods.

Even in matters where the EPC contains specific provisions (as is the case with Article 69, which deals with the scope of protection of European patents), when the UPC applies those provisions to a classic European patent validated in a State that is not party to the UPC Agreement, such as Spain, it cannot apply its case law when in-

terpreting the provisions of the EPC in relation to unitary patents, but must take into account and apply the interpretation followed by Spanish case law when analysing those provisions.

This is particularly relevant,

for example, in relation to the determination of patent infringement by equivalence, as the guidelines being used by the UPC when applying Article 69 of the EPC to unitary patents (see the Decision of 22 November 2024 of the Hague Division of the Court of First Instance of the UPC UPC_CFI_239/2023) do not match those applied by the Spanish Supreme Court (see, for example, the Judgment no. 1445/2023, of the Civil Division, of 20 October ECLI:ES:TS:2023:4412).

The Rome II Regulation and the UPC Agreement require the application of national law in such cases

rights as would be conferred by a national patent granted in that State”. Consequently, the European patent corresponds *quoad effectum* to a national patent of each designated State. And the fact that it is customary to refer to the national ‘portions’ or ‘parts’ of a European patent does not change this, since the EPC is clear in providing for the application of the relevant national patent law.

It follows, therefore, that when the UPC hears a dispute concerning a classic European patent validated in Spain, it will have to apply the rules applicable to such patents in Spain, which is to say that it will have to apply the provisions of the EPC and those of Spanish patent law. In this regard, it should be noted that the EPC regulates certain issues relating to classic European patents once they have been validated, such as the scope of protection. However, it leaves many other issues unregulated, which are governed by the legislation of the State of validation (in our case, Spain), such as corrective measures

4. Proof of the applicable national law

Once the applicable national law has been established in accordance with the provisions of the Rome II Regulation and the UPC Agreement, and insofar as it concerns legislation (and case law) with which the court is not familiar, it must be proven in an appropriate manner.

However, neither the Rome II Regulation nor the UPC Agreement establish the consequences if the claimant (who should in

If the applicable national law is not proven, the claim must be dismissed

principle bear the burden of proving his claims) fails to adequately prove the content of the applicable national law. In practice, there is no uniformity in this regard among the courts of the various Member States of the European Union, with some courts applying the law of the forum as a subsidiary measure and others opting directly to dismiss the claim.

For this reason, and given the “expansionist” trend that is emerging in the actions of the UPC, it cannot be ruled out that the national divisions of its Court of First Instance located in States where the law of the forum applies subsidiarily will follow the same rule.

However, in our view, such a course of action is contrary to the mandatory nature of the conflict rule in Article 8 of the Rome II Regulation, as well as to the clear mandatory wording of the UPC Agreement (Article 24(3) of which expressly provides that the law of non-contracting States “shall apply” where it is indicated by the private international law rules referred to in the second paragraph of that Article 24).

Furthermore, the subsidiary application of the law of the State of the specific national division of the Court of First Instance of the

UPC would mean that the parties could render the provision of Article 8(3) of the Rome II Regulation, according to which the law applicable to the infringement of intellectual property rights in accordance with the *lex loci protectionis* principle cannot be excluded by an agreement between the parties, as provided for in Article 8(3) of the Rome II Regulation. This is because, in effect, if both parties wished to exclude the application of such legislation, it would suffice for them to reach an agreement so that the claimant would not have to prove the applicable law.

Consequently, if the applicable national law is not adequately proven before the UPC, we consider that the claim should be dismissed, as follows from the most recent case law of the Spanish Supreme Court in its judgments no. 177/2018 of 3 April (ECLI:ES:TS:2018:1228) and no. 1427/2024 of 30 October (ECLI:ES:TS:2024:5263).

Furthermore, in the event that the UPC disregards the applicable Spanish law, despite it having been invoked by one or both parties, and the defendant is ultimately found liable for something for which he would not have been found liable if the applicable national law had been applied, the decision of the UPC would not only be contrary to the UPC Agreement and the Rome II Regulation, but would also affect the defendant’s right of defence.