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# 16. PROPORTIONALITY AND FLEXIBILITIES IN FINAL INJUNCTIVE RELIEF

*Lisa Van Dongen*

## **1. Introduction**

In 2006, the patent world was shaken to the core by *eBay v MercExchange*,<sup>1</sup> a case that questioned several basic principles in patent enforcement that were considered well established for quite some time. The US Supreme Court found that the rights holder is not *entitled* to final injunctive relief and that, depending on the circumstances of the case, other interests may be assigned more weight. It was a clear signal from the US Supreme Court that patent rights were not to be considered absolute, and courts should thus not enforce them in an automated fashion with injunctive relief. This case has received considerable attention globally, with many (European) patent scholars analysing it in meticulous detail and questioning the European approach. In Europe, there are very strong automated tendencies in judicial enforcement that essentially equate the finding of an infringement to the (blanket) grant of a permanent injunction. There have been many (comparative) works both before and after this case, focusing on the balance struck between interests,<sup>2</sup> on concepts such as abuse of rights<sup>3</sup>

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1 *eBay Inc et al v MercExchange, LLC* [2006] 547 US 12 (Supreme Court of the United States).

2 See, for instance, Graham M Dutfield and Uma Suthersanen, 'The Innovation Dilemma: Intellectual Property and the Historical Legacy of Cumulative Creativity' (2004) 4 *Intellectual Property Quarterly* 379; Daniel Krauspenhaar, *Liability Rules in Patent Law: A Legal and Economic Analysis* (1st edn, Springer-Verlag Berlin Heidelberg 2015); Klaus Grabinski, 'Injunctive Relief and Proportionality in Case of a Public Interest in the Use of a Patent' [2021] GRUR 200.

3 See, for instance, Alain Strowel and Amandine Léonard, 'Cutting Back Patent Over-Enforcement - How to Address Abusive Practices Within the EU Enforcement Framework' (2020) 11 *JIPITEC* 3; Léon Dijkman, 'Het octrooirechtelijk verbod: Heilig huisje in de storm?' [2019] BIE 186.

and proportionality,<sup>4</sup> differing interests per industry<sup>5</sup> and types of products,<sup>6</sup> as well as in-depth analyses of specific remedies<sup>7</sup> and actors<sup>8</sup>, etc. Even though there is no agreement on the optimal balance in patent enforcement (and likely never will be), even the most adamant proponents of strong patent enforcement agree that there may be other interests that merit the denial or tailoring of final injunctive relief. Moreover, we recently witnessed the contentious development of an act amending the German Patentgesetz to implement, amongst other things, the principle of proportionality into the provision on

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- 4 See, for instance, Ansgar Ohly, 'Three Principles of European IP Enforcement Law: Effectiveness, Proportionality, Dissuasiveness' in Josef Drexl and Hanns Ullrich (eds), *Technology and Competition: Contributions in Honour of Hanns Ullrich* (Larcier 2009); Marcus Norrgård, 'The Role Conferred on the National Judge by Directive 2004/48/EC on the Enforcement of Intellectual Property Rights' (2005) 6 ERA Forum 503 <<http://link.springer.com/10.1007/s12027-005-0014-4>> accessed 30 March 2022; Rafał Sikorski, 'Towards a More Orderly Application of Proportionality to Patent Injunctions in the European Union' (2022) 53 IIC - International Review of Intellectual Property and Competition Law 31 <<https://link.springer.com/10.1007/s40319-021-01139-6>> accessed 30 March 2022.
  - 5 See, for instance, Jan A Bergstra and Paul Klint, 'About "Trivial" Software Patents: The IsNot Case' (2007) 64 Science of Computer Programming 264 <<https://linkinghub.elsevier.com/retrieve/pii/S0167642306001754>> accessed 17 August 2020; Rosa Maria Ballardini, 'Legal Certainty and Software Patents: A European Perspective', *Transitions in European Patent Law: Influences of the Unitary Patent Package* (Kluwer Law International 2015); Dan L Burk, 'Patent Law's Problem Children: Software and Biotechnology in Transatlantic Context' (2014) 50 Legal Studies Research Paper Series 37 <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2496250&download=yes](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2496250&download=yes)>.
  - 6 See, for instance, C Bradford Biddle and others (eds), *Patent Remedies and Complex Products* (Cambridge University Press 2019); Thomas F Cotter, *Patent Wars: How Patents Impact Our Daily Lives* (Oxford University Press 2018).
  - 7 Stephen Bennett, Stanislas Roux-Vaillard and Christian Mammen, 'Shifting Attitudes to Injunctions in Patent Cases' (2015) 246 Managing Intellectual Property 22; R Lundie-Smith and G Moss, 'Bard v Gore: To Injunct, or Not to Injunct, What Is the Question? Is It Right to Reward an Infringer for Successfully Exploiting a Patent?' (2013) 8 Journal of Intellectual Property Law & Practice 359 <<https://academic.oup.com/jiplp/article-lookup/doi/10.1093/jiplp/jpt025>> accessed 2 April 2022. See, for instance, for a comprehensive comparative overview Jorge L Contreras and Martin Husovec, *Injunctions in Patent Law: Trans-Atlantic Dialogues on Flexibility and Tailoring* (Cambridge University Press 2022).
  - 8 See, for instance, Martin Stierle, *Das Nicht-Praktizierte Patent*, vol Geistiges Eigentum und Wettbewerbsrecht 139 (Mohr Siebeck 2018); Wolfgang von Meibom and Ralph Nack, 'Patents without Injunctions? – Trolls, Hold-Ups, Ambushes, and Other Patent Warfare' in Wolrad Prinz zu Waldeck und Pyrmont and others (eds), *Patents and Technological Progress in a Globalized World* (Springer Berlin Heidelberg 2009) <[http://link.springer.com/10.1007/978-3-540-88743-0\\_35](http://link.springer.com/10.1007/978-3-540-88743-0_35)> accessed 29 March 2022.

final injunctions.<sup>9</sup> With all this traction, it is surprising that automated tendencies in patent enforcement in Europe remain as prevalent as they have been for several decades without any clear departures by courts from such tendencies indicative of course changes.

What is more, is that the possibility to break with automated tendencies in enforcement will soon be further complicated by the addition of another layer to Europe's existing patent systems, namely by the creation of the Unified Patent Court (UPC) and the unitary patent. Whether one is a proponent or not, it looks like its realisation is inevitable with the Unified Patent Court Agreement (UPCA) entering into force soon. If this system takes off, decisions of this new court will carry significant weight in European patent enforcement due to several organisational and territorial aspects. The UPC has even been described as a potential judicial counterbalance to pro-patent tendencies in patent offices, particularly the European Patent Office (EPO).<sup>10</sup> However, considering the strange construct of its creation, it is questionable that the UPC will be that judicial counterbalance and lead the way for other courts in Europe. Some of these aspects might also create some tension with other systems it will have to co-exist and interact with. A closer look is thus imperative. This chapter aims to do just that from an EU law perspective, testing the hypothesis:

The UPC will *not* bring about a change in the current automated tendencies in granting final injunctions, but rather cement them.

First, this contribution will explain in section 2 why there will be no push from the EU to try and do so based on the current status of EU harmonisation in the enforcement of intellectual property rights. While EU law allows and asks for the utilisation of flexibilities in this field, they are not or seldom used in practice. Next, the UPC's capability and willingness to break with the existing automated tendencies will be questioned in section 3 based on the UPCA's formulations and the UPC's organisational features. In subsequent sections, the

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9 Entwurf eines Zweiten Gesetzes zur Vereinfachung und Modernisierung des Patentrechts 2021 (Drucksache 19/25821); Fabian Hoffmann, 'Stellungnahme Zum Gesetzentwurf Eines Zweiten Patentrechtsmodernisierungsgesetzes' (Bundesgerichtshof 2021) <<https://www.bundestag.de/resource/blob/823364/6e3d65255c293c1bcbab-74f1e510e547/stellungnahme-hoffmann-data.pdf>>; 'Stellungnahme Des Verbands Der Automobilindustrie e.V. (VDA)' (2020) Position Paper <[https://www.bmjv.de/Shared-Docs/Gesetzgebungsverfahren/Stellungnahmen/2020/Downloads/02282020\\_Stellungnahme\\_VDA\\_DiskE\\_PatMoG.html](https://www.bmjv.de/Shared-Docs/Gesetzgebungsverfahren/Stellungnahmen/2020/Downloads/02282020_Stellungnahme_VDA_DiskE_PatMoG.html)>.

10 Clement Salung Petersen, Thomas Riis and Jens Schovsbo, 'The Unified Patent Court (UPC) in Action: How Will the Design of the UPC Affect Patent Law?' in Rosa Maria Ballardini, Marcus Norrgård and Niklas Bruun (eds), *Transitions in European Patent Law: Influences of the Unitary Patent Package* (Wolters Kluwer Law & Business 2015).

wording in the UPCA on judicial discretion in granting final injunctions and the ambiguous role of national law will be critically analysed in 3.A. Some thought will also be dedicated in section 3.B to the specialisation of the UPC and the isolation in which it will operate from other courts. Last, section IV is divided into three parts, first considering the feasibility and effectiveness of amending the UPCA and EPC, followed by the potential and limitations of other legislative course corrections by the EU, particularly the option of a strengthened principle of proportionality, before revisiting the hypothesis in the conclusion.

In the endeavour to test this hypothesis, the primary focus will be on the relevant EU and UPC legal frameworks. Furthermore, it will not explicitly consider factors that distinguish infringement disputes between rights holders and direct infringers involving claims for permanent injunctions from those involving other types of parties or claims (including interlocutory injunctions). Finally, the black letter analysis conducted here revolves around the overarching principle of proportionality, rather than specifying or considering all the different types of factors and interests capable of falling within its scope in their own right.

## **2. EU “harmonisation” as UPC source**

### *A. The role of EU law*

The UPCA defines the body of law on which the UPC *shall* base its decisions, specifying certain sources without being exhaustive. It makes the UPC’s legal framework a complicated one: the UPCA itself, EU law, the European Patent Convention (EPC), other international agreements relevant to patent enforcement, and national laws of the EU Member States that have signed and ratified the UPCA. The UPC will have to strike a balance between what each of these sources demands in a given case.<sup>11</sup> However, EU law has been embedded in the

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11 This means the UPC will be called upon to interpret instruments with members that may not be part of the UPC system or even the EU, such as with the Paris Convention, the TRIPS Agreement and the EPC. In turn, their judicial bodies will indirectly weigh in on the UPC’s interpretation and application of such instruments through disputes brought before them on issues relevant to the UPC. It is beyond the scope of this contribution to consider them all. However, most of these other international agreements can be expected to be less impactful due to the fact that they contain more broadly phrased objectives for their member to achieve rather than the exact means. Since these instruments have been around for a while, this also means that the most forceful obligations have long since found their way into EU and national law. Their utilisation in

UPCA as a limiting source more explicitly than the other sources.

The final draft of the UPCA contained several provisions to clarify the relationship between the UPC system and the EU. While brought to life via a non-EU treaty, this agreement came about between the vast majority of EU Member States through the EU's enhanced cooperation procedure. It created an international court common to the Member States with a limited relationship with the ECJ. It consists of divisions of *multinational* compositions – thus not national courts – spread across the participating EU Member States that have ratified the UPCA *and* agreed to host divisions. Despite the explicit statement in the UPCA itself that the UPC is an EU Member State's court,<sup>12</sup> it is important to emphasise that the UPC is not a *pure* EU court but a specialised patent court which the drafters have intentionally tried to isolate from (EU) judicial review as much as possible.<sup>13</sup> The latter aspect and the multinational composition of these divisions, combined with the fact that the UPC will also apply EU law, while the ECJ has no direct jurisdiction over the UPCA and is limited in its ability to affect the UPC's course, all underscore this.

Nevertheless, the UPC is required by the UPCA to apply EU law. As laid down in the UPCA, the UPC *shall* issue its decisions within the perimeters set by EU law,<sup>14</sup> *shall* refer preliminary questions to the ECJ when required based on Article 267 TFEU<sup>15</sup> and adhere to its decisions, as they are *binding* upon the UPC.<sup>16</sup> Any breach by the UPC could trigger liability for EU Member States, both jointly and individually. While there seem to be some teeth behind the liability scheme, we have seen in the process of EU harmonisation of intellectual property rights enforcement that this might not amount to much in practice.

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patent disputes has thus become more theoretical over time. Having said that, a likely exception can be found in the European Convention on Human Rights (ECHR) because the EU Charter on Fundamental Rights only applies when EU law is applied. If this were interpreted in a limited fashion by the UPC, the ECHR's role might be more prominent and direct in fundamental rights questions before the UPC.

12 Agreement on a Unified Patent Court 2013 OJ C175/1, Article 1.

13 Thomas Jaeger, 'Shielding the Unitary Patent from the ECJ: A Rash and Futile Exercise' (2013) 44 IIC - International Review of Intellectual Property and Competition Law 389, 391 <<http://link.springer.com/10.1007/s40319-013-0050-5>> accessed 23 November 2021. Even if unsuccessful in some ways, as evident by the aforementioned provisions, the role of the ECJ is still a mostly passive one. The ECJ only has a say through the preliminary reference procedure on the limited aspect it is consulted on as relevant for the case. Given that EU patent law is limited, the case law developed by the ECJ will mostly involve related aspects from other fields of law.

14 UPC Agreement Articles 24 and 20.

15 *ibid* Article 21.

16 *ibid*.

Additionally, the broad wording required for legal provisions to be workable in practice, to provide room for interpretation (particularly in applying national law), and to make it withstand the test of time, results in a degree of deniability in determining whether or not the UPC is in breach of EU law. Therefore, it may in practice only pose an incentive for the UPC to try and avoid the clearest of breaches.

Some of the aforementioned aspects – and many more – create doubt as to the way the UPC will apply EU law and involve the ECJ, but at the end of the day, the UPC *is* bound by EU law and required to apply it. EU patent law is, however, quite limited, but there are existing EU instruments relevant to patent enforcement through which the EU can provide input for the UPC.<sup>17</sup> Those relevant to the consideration and application of the principle of proportionality by courts in deciding whether or not to grant injunctive relief and, if so, in what form, will be explored below.

### *B. Final injunctions under EU law*

As *lex generalis*, the Enforcement Directive is the most significant instrument for the enforcement of all types of intellectual property rights. While originally developed with a strong emphasis on the protection of copyright, its scope was broadened to encompass all types of infringements of all types of intellectual property rights. As a result, it conveyed somewhat of a mixed message, portraying itself as an instrument setting a *minimum standard* for strengthening the protection of intellectual property rights,<sup>18</sup> while at the same time emphasising

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17 Regulation (EU) No 1257/2012 of the European Parliament and of the Council of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection 2012 OJ L361/1; Regulation (EU) No 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements 2012 OJ L361/89; Directive 98/44/EC of the European Parliament and of the Council of 6 July 1998 on the legal protection of biotechnological inventions 1998 OJ L 213/13; Directive 2004/48/EC of the European Parliament and of the Council of 21 April 2004 on the enforcement of intellectual property rights 2006 OJ L195/16. There are also those containing specific provisions referenced by the UPCA as exceptions it recognises, such as Directive 2001/82/EC of 6 November 2001 on the Community code relating to veterinary medicinal products 2001 OJ L 311/1; Directive 2001/83/EC of 6 November 2001 on the Community code relating to medicinal products for human use 2001 OJ L 311/67; Directive 2009/24/EC of 23 April 2009 on the legal protection of computer programs 2009 OJ L 111/16.

18 See, for instance, language to that effect: Enforcement Directive Recitals 3, 10, 21, 27 and 29 and Article 2(1). The latter is quite interesting, as it speaks of the possibility of

the importance of harmonisation,<sup>19</sup> the functioning of the market and promotion of innovation<sup>20</sup> and the significance of proportionality in enforcement.<sup>21</sup> Some of the latter considerations are arguably capable of also constraining enforcement standards on a case-specific basis in their severity for the infringer or more general interests. The Enforcement Directive thus also provides a *ceiling* to enforcement. This reading is supported by certain provisions of the Enforcement Directive, particularly Article 3.

### 1. Mandatory discretion

Article 3 is a mandatory provision of general application that demands of Member States and their courts that procedures, measures and remedies shall be fair, equitable, effective, proportionate, dissuasive, applied as to avoid creating barriers to legitimate trade and that safeguards are provided against their abuse. Additionally, remedies shall not be unnecessarily complicated or costly, nor entail unreasonable time-limits or unwarranted delays. Importantly, the EU legislator has formulated this exercise broadly yet forceful, specifically requiring remedies to remain within Article 3's confines. In that respect, its formulation deviates from its source of inspiration in the TRIPS Agreement, which only mentions procedures.<sup>22</sup> The most significant components of Article 3 are the principles of effectiveness, dissuasiveness and proportionality. Effectiveness and dissuasiveness can be best understood as generally requiring strong protection for intellectual property rights, whereas proportionality calls for balancing all relevant factors. Put differently, a remedy should be effective and dissuasive enough without becoming disproportional. The latter thus pertains to interests other than those of the rights holder.

These principles thus have somewhat of an overarching reach because they encompass most of the other components (if not all) and play a role in weighing the other components in a given case. This also means this provision cannot be considered exhaustive since more factors are capable of falling within the scope of these principles. What is more, is that these principles are not phrased

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providing domestically for i.e. remedies *more favourable* to rights holders than the Enforcement Directive, while also recognising Article 3 as a *limit* to this.

19 *ibid* Recitals 7-10.

20 *ibid* Recitals 1, 8 and 9.

21 See, for instance, formulations to that effect: *ibid* Recitals 17, 24, 25 and 32 and Article 2(1) and 3.

22 Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 Article 41(1) and (2). Article 3 of the Enforcement Directive includes all of Article 41(1) and (2)'s components but deviates from the latter by also explicitly including the principles of dissuasiveness and proportionality, as well as expanding the scope from procedures to include measures and remedies.



as limited to the parties of the case or even those with a direct interest. It thus provides room for the consideration of, for example, public interests or the functioning of a market. The consideration of all these factors is always fact-sensitive, meaning that the assessment needs to be done on a case-by-case basis. This cannot be done on the legislative level; it is an assignment for judicial enforcers. Consequently, this article charges the courts to weigh all mitigating/aggravating circumstances to ensure that an appropriate balance is struck, thus functioning as both a floor and a ceiling to remedies. However, courts are only able to perform this assessment and strike the balance warranted in a given case if they are given enough discretion domestically as well.

This also means that the imposed balancing of interests is not limited to the question of whether or not to grant a remedy but also applies to its form. One could think of granting an injunction with a certain delay or constraint in time, excluding certain actors or components from an injunction order, or, if an injunction by itself would be found severe, that other requested remedies may be (partially) denied or granted instead. In fact, some of the components of Article 3 pertain more to the specifics of a remedy, such as not being unnecessarily complicated or costly, or not granted with unwarranted delays. Article 3 thus requires case-specific balancing in two distinct stages, signifying that a specific remedy may be warranted given the balance of interests, but the court also needs to strike the appropriate balance in its form. It is thus a vital part of this imposed test that courts scrutinise the appropriateness of potential forms of a remedy and adjust its scope accordingly.

## **2. Mere authority or reiteration of discretion?**

Furthermore, there is Article 11 of the Enforcement Directive on final injunctive relief to consider. Like its source of inspiration, Article 44 of the TRIPS Agreement, there has been some discussion on whether Article 11 obligates EU Member States to provide their courts with the authority to grant final injunctions, or whether it requires Member States to provide their courts with discretion on the matter.<sup>23</sup> The way this provision is phrased, the latter is more plausible: 'Member States *shall* ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities

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23 Alexander Von Muhlendahl, 'Enforcement of Intellectual Property Rights - Is Injunctive Relief Mandatory?' (2007) 38 IIC - International Review of Intellectual Property and Competition Law 377, 377; George Cumming, Mirjam Freudenthal and Ruth Janal, *Enforcement of Intellectual Property Rights in Dutch, English and German Civil Procedure* (Kluwer Law International 2008) 169; Rafael Garcia Pérez, 'Injunctions in Intellectual Property Cases: What Is the Power of the Courts?' (2016) 1 Intellectual Property Quarterly 87.

*may* issue against the infringer an injunction.’ To rephrase, Member States are to provide their courts with the *discretionary* authority to grant this remedy. At the very least, one cannot take away from this provision that final injunctions must follow upon finding an infringement of a valid patent. The use of the word *may* in Article 11 clearly indicates that injunctions need not to be granted when an infringement is found.<sup>24</sup> Moreover, no conditions are hereto given.

The fact that it is not specified how (much) this discretion should be exercised makes sense due to its general applicability. As each intellectual property right has a different objective, different criteria, different functioning and, in most cases, its own specific instrument (*lex specialis*),<sup>25</sup> it makes sense that the Enforcement Directive as *lex generalis* could not be more specific on this matter. It needs to leave room for variation in *lex specialis*. An example of very limited discretion in granting final injunctions can be found in the field of trademarks,<sup>26</sup> which focuses predominantly on combating harmful confusion amongst consumers, whereas a very roomy discretion is afforded in the area of trade secrets.<sup>27</sup> However, even for *lex specialis*, the mandatory Article 3 applies as floor and ceiling. Due to EU law’s primacy, the UPC would also be bound by it. Sadly, the undefined margin of discretion afforded by Articles 3 and 11 poses a challenge to changing course towards a more prominent role for proportionality. This discretion also allows courts to decide against using it if they consider that appropriate for the case at hand. That enforcement should not be automated is clear, but the weight that should be assigned to proportionality against effectiveness and dissuasiveness is not.

### *C. The status quo of harmonisation: national implementation*

#### **1. (Not) Following the English example**

Sadly, as hinted at before, the law in the books differs from law in practice. Somewhat ironic considering Brexit, the English judges were at the forefront of

24 Garcia Pérez (n 24) 94.

25 Dan L Burk and Mark A Lemley, *The Patent Crisis and How the Courts Can Solve It* (University of Chicago Press 2009) 8, 38; James Bessen and Micheal J Meurer, *Patent Failure: How Judges, Bureaucrats, and Lawyers Put Innovators at Risk* (Princeton University Press 2008) 10–16.

26 Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union Trade Mark 2017 OJ L 153/1, Article 130.

27 Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure 2016 OJ L 157/1, Article 13.

EU harmonisation of intellectual property rights enforcement. Both in copyright and patent cases, there were various examples of injunctions being denied or tailored. Article 3 of the Enforcement Directive has been explicitly recognised as providing a ceiling, and English judges found on numerous occasions that the public interest heeded the rejection or delay of a permanent injunction, as well as excluding certain specific circumstances from its scope.<sup>28</sup> It is thus not merely approached as a matter of whether or not to grant a remedy, but also as of its appropriate form.<sup>29</sup> While other domestic courts in the EU have often looked at English practices, as suggested by references to English cases in their judgments, it has not perceivably moved courts of other Member States to less restrictive practices.

In looking at the practices in other states, Contreras and Husovec derived that, in the case of final injunctions, England was an outlier in the EU.<sup>30</sup> Some EU Member States have endowed their courts with judicial discretion (e.g., Poland<sup>31</sup> and Finland<sup>32</sup>), but it is not used in practice. Then there are states that are reported to provide little to no judicial discretion at the far left of the

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28 *GlaxoSmithKline UK Limited v Wyeth Holdings LLC* [2017] EWHC 91 (Pat) 9 (Chancery Division) paras. 27-28.

29 *HTC Corp v Nokia Corp (No 2)* [2013] EWHC 3778 (Pat), [2014] RPC 30 [27]; *Edwards Lifesciences v Boston Scientific* [2018] EWHC 1256 (Pat) 15 (Chancery Division (patents Court)) [60]. Another interesting example is *GlaxoSmithKline v Wyeth Holdings*, which revolved around the appropriateness of account of profits for future infringement, as proposed by the patentee as an alternative to an injunction. Justice Henry Carr denied the remedy concluding, amongst other things, that this would essentially have the same effect as an injunction. *GlaxoSmithKline UK Limited v Wyeth Holdings LLC* (n 29) paras. 27-28.

30 Jorge L Contreras and Martin Husovec, 'Issuing and Tailoring Patent Injunctions - A Cross-Jurisdictional Comparison and Synthesis' in Jorge L Contreras and Martin Husovec (eds), *Injunctions in Patent Law: Trans-Atlantic Dialogues on Flexibility and Tailoring* (Cambridge University Press 2022).

31 Rafal Sikorski and Tomasz Targosz, 'Injunctive Relief under Polish Patent Law' in Jorge L Contreras and Martin Husovec (eds), *Injunctions in Patent Law: Trans-Atlantic Dialogues on Flexibility and Tailoring* (Cambridge University Press 2022).

32 Marcus Norrgård, 'Injunctive Relief in Finland' in Jorge L Contreras and Martin Husovec (eds), *Injunctions in Patent Law: Trans-Atlantic Dialogues on Flexibility and Tailoring* (Cambridge University Press 2022).

spectrum, amongst which Italy,<sup>33</sup> France,<sup>34</sup> Germany<sup>35</sup> and the Netherlands.<sup>36</sup> However, for completeness, the Dutch provision based on which final injunctions are granted is one of general application, not limited to patents or even intellectual property law. This is of note, because Dutch courts have found the same provision to be less proscriptive in the area of copyright.<sup>37</sup> Finally, Germany merits a closer look as well due to the implementation of the principle of proportionality into the Patentgesetz's provision on final injunctive relief.

## 2. Proportionality in Germany

The recent amendment to Section 139(1) of the Patentgesetz (in effect since 18 August 2021) essentially compels courts to grant damages in lieu of a permanent injunction if the latter would otherwise result in disproportionate hardship for the infringer or third parties not justified by the exclusive right due to the special circumstances of the individual case and the requirements of good faith.<sup>38</sup> Given this amendment, one may expect Germany to take over the

33 Alessandro Cogo and Marco Ricolfi, 'Patent Injunctions in Italy' in Jorge L Contreras and Martin Husovec (eds), *Injunctions in Patent Law: Trans-Atlantic Dialogues on Flexibility and Tailoring* (Cambridge University Press 2022).

34 Thibault Gisclard and Emmanuel Py, 'Injunctive Relief in French Patent Law' in Jorge L Contreras and Martin Husovec (eds), *Injunctions in Patent Law: Trans-Atlantic Dialogues on Flexibility and Tailoring* (Cambridge University Press 2022).

35 Peter Georg Picht and Anna-Lena Karczewski, 'Patent Injunctions in Germany: Legal Framework and Developments' in Jorge L Contreras and Martin Husovec (eds), *Injunctions in Patent Law: Trans-Atlantic Dialogues on Flexibility and Tailoring* (Cambridge University Press 2022).

36 Contreras and Husovec (n 31).

37 Examples of Dutch courts denying the grant of final injunctions despite copyright infringement are *Cozzmoss BV v Haarlemse Volkstuindersvereniging ZWN* [2010] ECLI:NL:RBHAA:2010:BQ6771 (Rb Haarlem); *BührmannUbbens BV v Silk Screen* [2011] ECLI:NL:RBALK:2011:BR4987 (Rb Alkmaar); *Trouw v anonymous website proprietor* [2011] ECLI:NL:RBAMS:2011:BV6471 (Rb Amsterdam); *Martinelli Luce SPA v 4udesigned* [2017] ECLI:NL:RBNHO:2017:4377 (Rb Noord-Holland); *COZZMOSS BV v Management Adviesgroep '88 BV* [2012] ECLI:NL:RBUTR:2012:343 (Rb Utrecht); *Freelancers v NPS* [2002] ECLI:NL:RBAMS:2002:AE3459 (Rb Amsterdam); *Anonymous artist v kerkgenootschap Protestantse Gemeente Bilthoven* [2016] ECLI:NL:RBMNE:2016:6956 (Rb Midden-Nederland).

38 Entwurf eines Zweiten Gesetzes zur Vereinfachung und Modernisierung des Patentrechts. Article 139(1) of the Patentgesetz now reads: "(1) Wer entgegen den §§ 9 bis 13 eine patentierte Erfindung benutzt, kann von dem Verletzten bei Wiederholungsgefahr auf Unterlassung in Anspruch genommen werden. Der Anspruch besteht auch dann, wenn eine Zuwiderhandlung erstmalig droht. Der Anspruch ist ausgeschlossen, soweit die Inanspruchnahme aufgrund der besonderen Umstände des Einzelfalls und der Gebote von Treu und Glauben für den Verletzer oder Dritte zu einer unverhältnismäßi-

front position from England in the EU's harmonisation process. This may turn out to be the case, but there are a few hurdles for German courts to overcome as Germany has a history of strong property logic. In fact, their enforcement practices have long been used as the prime example of automated injunctive relief upon finding an infringement. The amendment is also rather binary since it does not provide for a compromise solution but leads to the automatic refusal of a final injunction. This could be construed as severely limiting the use of proportionality based on this amendment, seemingly excluding tailoring in a case that would satisfy the amendment's conditions. Additionally, these conditions appear to set a very high threshold. However, they have taken the step to codify the principle of proportionality, combined with a shorter term for the Bundespatentgericht to decide upon validity questions. Due to their bifurcated system, courts dealing with enforcement only check for the clearest indications of invalidity, yet they tend not to await the Bundespatentgericht's judgment on it. Instead, they proceed to the infringement question and, if answered in the affirmative, grant final injunctive relief. It was thus imperative that the time between these two different judgments would be reduced as much as possible to mitigate the harm of an injunction in case of subsequent revocation of a patent.

Yet, there was a lot of criticism of the new formulation of the injunction provision, on the language used in the Explanatory Memorandum and, last, on the procedure and consultation of opponents and proponents. This was to be expected due to the high stakes, with the amendment either starting the break with the present automation or cementing the status quo. It is noteworthy that two Bundesgericht judges, namely judges Klaus Grabinski and Fabian Hoffmann spoke out in separate works *before* the adoption of the amendment.<sup>39</sup> While finding themselves on opposing sides in some respects,<sup>40</sup> both judges essentially see the amendment as a *mere codification of the current practice*. Judge Hoffmann started his position paper by explicitly stating that

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*gen, durch das Ausschließlichkeitsrecht nicht gerechtfertigten Härte führen würde. In diesem Fall ist dem Verletzten ein angemessener Ausgleich in Geld zu gewähren. Der Schadensersatzanspruch nach Absatz 2 bleibt hiervon unberührt."* The part in *Italic* was added by the amendment.

39 Grabinski (n 3); Hoffmann (n 10).

40 For instance, they differed in their stances on whether or not proportionality should also encompass third-party interests not caught by the compulsory licensing scheme. Judge Grabinski took the position that if third-party interests were not sufficient to qualify for a compulsory license, they should not be considered by a court performing a proportionality test in infringement proceedings. Judge Hoffmann, on the other hand, foresaw circumstances which would nevertheless warrant the consideration of such third-party interests even if unable to satisfy the bar for a compulsory license.

no fundamental changes in the approach to deciding upon whether or not to grant injunctive relief (with(out) delay) are to be expected. That does not reassure proponents of a stronger role for proportionality, nor will these positions from two renowned members of the German court arguably encourage other German judges to depart from current practices.

Nevertheless, it will remain to be seen what effect the amendment will have in German enforcement, as other judges may yet disagree. Ultimately, there is the potential here for Germany to advocate and push other Member States and their courts toward a more influential principle of proportionality with a lower threshold. Even so, this will not happen overnight, and it does not mean other courts will follow as illustrated by the limited spill-over effect of the English approach. Of course, this may be explained to some extent by the fact that England has a common law tradition, which may have proved too much of a barrier for civil law courts to follow the English approach to permanent injunctions. Germany might thus be more influential in this respect.

#### *D. EU institutions weighing in (unsuccessfully)*

##### **1. The Commission on Article 3**

The Commission's input towards a more balanced approach in enforcement is notable because it has been pushing for stronger and stronger enforcement of intellectual property rights for over two decades. Therefore, the fact that there was even some signaling for moderation from the Commission is quite a departure. In 2017, the Commission published two separate communications, the first one homing in on Standard Essential Patents<sup>41</sup> and the other on the Enforcement Directive.<sup>42</sup> In both, the Commission explicitly affirmed that courts are bound by Article 3. The Commission stressed that, given the broad impact an injunction may have on businesses, consumers and on the public interest, the proportionality assessment needs to be done carefully on a *case-by-case basis*. Seeing that the Commission considers it necessary to reiterate the importance of Article 3 and advocate for a more balanced approach, this implies the current weight assigned to its balancing act in judicial enforcement is deemed insufficient. Sadly, these instruments are of a guiding nature

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41 Commission, 'Setting out the EU Approach to Standard Essential Patents' (2017) Commission Communication COM/2017/0712 final.

42 Commission, 'Guidance on Certain Aspects of Directive 2004/48/EC of the European Parliament and of the Council on the Enforcement of Intellectual Property Rights' (2017) Commission Communication COM/2017/0708 final.

and lack the teeth to force change in the domestic approach.<sup>43</sup> It is thus up to Member States to recognise and work with this assignment, but so far, no clear departures appear to have been observed in domestic enforcement practices.<sup>44</sup>

## 2. The ECJ's ceiling rhetoric

There have been plenty of references to the principle of proportionality and other elements of Article 3 as constraining factors in the ECJ's case law. For instance, in both *Scarlet* (2011)<sup>45</sup> and *Netlog* (2012),<sup>46</sup> the ECJ found that Article 3 requires a remedy not to be unnecessarily complicated or costly, while emphasising that the EU Charter does not make an intellectual property right inviolable.<sup>47</sup> That was clear language conveying that there are limits to enforcement. To boot, the ECJ made a clear distinction between the fundamental rights context and Article 3 as separate mandatory constraints to be applied by courts.<sup>48</sup> Furthermore, in *L'Oréal v eBay* (2011), the ECJ emphasised the need to strike a balance between all components of Article 3, essentially putting the principles of effectiveness and dissuasiveness opposite fairness, proportionality, the preclusion of excessive costliness and not creating barriers to legitimate trade.<sup>49</sup>

However, these cases all involved intermediaries, not direct infringers. There are only a few cases targeting direct infringers, such as *Bastei Lübbe* (2018),<sup>50</sup>

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43 Of course, the Commission could bring proceedings against Member States for not complying with EU law, but this is not a realistic option. For instance, it would require the Commission to target each Member State individually, and to prove that their domestic courts have erroneously misapplied their judicial discretion.

44 Commission (n 42) 10; Commission (n 43) 9–10.

45 *Scarlet Extended v SABAM* [2011] European Court of Justice (Third Chamber) Case C-70/10, ECLI:EU:C:2011:771.

46 *SABAM v Netlog NV* [2012] European Court of Justice (Third Chamber) Case C-360/10, ECLI:EU:C:2012:85.

47 *Scarlet Extended v SABAM* (n 46) paras. 36, 43 and 48; *SABAM v Netlog NV* (n 47) paras. 34 and 41.

48 For a more detailed consideration of fundamental rights and Article 3 of the Enforcement Directive in IPR enforcement, please see my recent work: Lisa Van Dongen, 'Proportionality in IP Enforcement: A Tale of Two Frameworks' (2022) 38 *Intellectuele Eigendom en Reclamerecht* (IER) 213.

49 *L'Oréal SA and Others v eBay International AG and Others* [2011] European Court of Justice (Grand Chamber) Case C-324/09, ECLI:EU:C:2011:474 paras. 136-141.

50 *Bastei Lübbe GmbH & Co KG v Michael Strotzer* [2018] European Court of Justice (Third Chamber) Case C-149/17, ECLI:EU:C:2018:841.

*Oławska Telewizja Kablowa* (2017),<sup>51</sup> *Bayer Pharma* (2019),<sup>52</sup> *DACOM*,<sup>53</sup> and *Phoenix Contact v HARTING* (2022).<sup>54</sup> There is currently no preliminary ruling available in *DACOM*, but there are for the other cases. *Bastei Lübbe* revolved directly around Article 3, but solely around its two other principles. In *Oławska Telewizja Kablowa*, the ECJ notably cautioned domestic legislators and courts, citing abuse of rights under Article 3(2) as a potential ceiling for increased damages.<sup>55</sup> Furthermore, in *Bayer Pharma*, the ECJ noted that Article 3 requires domestic courts to assess on a case-by-case basis that all that is covered by Chapter II of the Enforcement Directive is not abused.<sup>56</sup> This is also important, because this implies that Article 3 is not limited to interim or corrective measures or remedies against intermediaries, but applies to all Chapter II's remedies, including final injunctive relief. Or more correctly: all these remedies should be considered and applied within Article 3's framework. Last, in *Phoenix Contact*, the ECJ noted that the safeguards in the provision on interlocutory injunctions correspond to, *inter alia*, the obligation to weigh other interests based on Article 3.<sup>57</sup> In doing so, the ECJ reiterated again the importance of balancing interests and the mandatory nature of Article 3 in domestic enforcement practices.

There are thus plenty of cases in which the ECJ stressed that the components of Article 3 should be weighed by courts whenever contemplating granting a remedy and their appropriate form. There is also nothing to suggest that they would not apply to final injunctive relief against direct infringers. Yet, there are no strong signals of this being picked up by domestic courts. It cannot be established unequivocally why the ECJ is such an ineffective harmoniser in

51 *Oławska Telewizja Kablowa v Filmowców Polskich* [2017] European Court of Justice (Fifth Chamber) Case C-367/15, ECLI:EU:C:2017:36.

52 *Bayer Pharma AG v Richter Gedeon Vegyészeti Gyár Nyrt and Exeltis Magyarország Gyógyszerkereskedelmi Kft* [2019] European Court of Justice (Third Chamber) Case C-688/17, ECLI:EU:C:2019:722.

53 *Dacom Limited v IPM Informed Portfolio Management AB* [2019].

54 *Phoenix Contact GmbH v HARTING Deutschland GmbH* [2022] European Court of Justice (Sixth Chamber) Case C-44/21, ECLI:EU:C:2022:309.

55 *Oławska Telewizja Kablowa v Filmowców Polskich* (n 52) para 31.

56 *Bayer Pharma AG v Richter Gedeon Vegyészeti Gyár Nyrt. and Exeltis Magyarország Gyógyszerkereskedelmi Kft.* (n 53) paras. 67-69.

57 This contribution focuses on final injunctions (which' focal provision – Article 11 – does not contain any safeguards), however, there is something alarming in this ruling for interlocutory injunctions worth noting. Even though the ECJ did not allude in any way to the conditions of Article 9 being exhaustive in respect of Article 3, nor exclude other more balanced national safeguards on top of what Article 9 currently covers, the ECJ did not say anything to the contrary either in concluding against the prohibitive domestic practice that was in question. Rather than offering resolution, this ruling is likely to have caused *more* uncertainty.



this particular matter. It is true that the ECJ's opportunities to speak on this were limited, as domestic courts only mentioned the principle of proportionality in the referred questions in three cases,<sup>58</sup> and only in one to Article 3 of the Enforcement Directive.<sup>59</sup> However, the ECJ found a few opportunities to communicate on this as shown above. These low numbers may suggest that this provision and its principle are not purposefully considered among domestic courts, but in some cases, it could also just mean they did not (appear to) play a role in the answers the domestic courts were looking for. Some cases revolved around the definition of intermediary in the context of potentially granting an injunction against it,<sup>60</sup> and others focused on the interpretation of other provisions.<sup>61</sup> The ECJ's ineffectiveness might thus still be explained partially by the limited number of relevant cases. Yet, the ECJ does not appear to shy away from involving legal concepts not brought in explicitly by domestic courts. For instance, the court took to fundamental rights rhetoric in twelve cases,<sup>62</sup> even

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58 *Scarlet Extended v SABAM* (n 46); *Bonnier Audio AB and Others v Perfect Communication Sweden AB* [2012] European Court of Justice (Third Chamber) Case C-461/10, ECLI:EU:C:2012:219; *United Video Properties Inc v Telenet NV* [2016] European Court of Justice (Fifth Chamber) Case C-57/15, ECLI:EU:C:2016:611.

59 *Bastei Lübbe GmbH & Co. KG v Michael Strotzer* (n 51). Interestingly, this preliminary ruling from the ECJ was the result of questions referred by a German court. However, the questions focused on the role of the other two principles, namely effectiveness and dissuasiveness, and left proportionality out of the equation.

60 See, for instance, *LSG-Gesellschaft zur Wahrnehmung von Leistungsschutzrechten GmbH v Tele2 Telecommunication GmbH* [2009] European Court of Justice (Eighth Chamber) Case C-557/07, ECLI:EU:C:2009:107; *Tommy Hilfiger Licensing LLC and Others v DELTA CENTER a.s* [2016] European Court of Justice (Second Chamber) Case C-494/15, ECLI:EU:C:2016:528; *Coöperatieve Vereniging SNB-REACT UA v Deepak Mehta* [2018] European Court of Justice (Third Chamber) Case C-521/17, ECLI:EU:C:2018:639; *Coty Germany GmbH v Stadtparkasse Magdeburg* [2015] European Court of Justice (Fourth Chamber) Case C-580/13, ECLI:EU:C:2015:485.

61 See, for instance, *ACI Adam BV and Others v Stichting de Thuiskopie* [2014] European Court of Justice (Fourth Chamber) Case C-435/12, ECLI:EU:C:2014:254; *Realchemie Nederland BV v Bayer CropScience AG* [2011] European Court of Justice (Grand Chamber) Case C-406/09, ECLI:EU:C:2011:668; *United Video Properties Inc. v Telenet NV* (n 59); *Christian Liffers v Producciones Mandarin SL and Mediaset España Comunicación SA, anciennement Gestevisión Telecinco SA* [2016] European Court of Justice (Fifth Chamber) Case C-99/15, ECLI:EU:C:2016:173; *Bayer Pharma AG v Richter Gedeon Vegyészeti Gyár Nyrt. and Exeltis Magyarország Gyógyszerkereskedelmi Kft.* (n 53); *Oławska Telewizja Kablowa v Filmowców Polskich* (n 52).

62 In addition to the five aforementioned cases, the ECJ mentioned fundamental rights in the following seven cases: *NEW WAVE CZ, a.s v ALLTOYS* [2017] European Court of Justice (Ninth Chamber) Case C-427/15, ECLI:EU:C:2017:18; *Coty Germany GmbH v Stadtparkasse Magdeburg* (n 61); *Bonnier Audio AB and Others v Perfect Communi-*

though the questions only referenced fundamental rights in five.<sup>63</sup> The same is true for proportionality (included in referred questions in two cases yet included by the ECJ in eleven) and Article 3 (included in referred questions in one case, but covered by the ECJ in ten). These numbers are reiterated in the figure below.

Reference to	Fundamental rights	Proportionality	Article 3 of the Enforcement
<i>In referred question(s)</i>	5 cases	2 cases	1 case
<i>In ECJ's analysis</i>	12 cases	11 cases	10 cases

Notably, there is some overlap in cases referencing proportionality and/or Article 3, as well as with fundamental rights rhetoric.<sup>64</sup> This might have led to confusion about the applicability and distinction between the two different proportionality frameworks. Indeed, the ECJ does not make a clear distinction between Article 52's proportionality test<sup>65</sup> and the much broader general principle. This makes the ECJ's messaging seem less deliberate and coherent, which may be another reason why it has been an ineffective harmoniser in this area.

### 3. The UPC(A) itself

With progress in judicial enforcement being stalled in the EU on several fronts, the UPC should thus not expect a clear push or assignment by the EU or its members to break with the EU's automated tendencies. If nothing changes, this means such a course correction depends on the extent to which the possi-

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*cation Sweden AB* (n 59); *LSG-Gesellschaft zur Wahrnehmung von Leistungsschutzrechten GmbH v Tele2 Telecommunication GmbH* (n 61); *Bericap Záródástechnikai Bt v Plastinnova 2000 Kft* [2012] European Court of Justice (Third Chamber) Case C-180/11, ECLI:EU:C:2012:717; *Bastei Lübbe GmbH & Co. KG v Michael Strotzer* (n 51); *United Video Properties Inc. v Telenet NV* (n 59).

63 *McFadden v Sony Music Entertainment Germany* [2016] European Court of Justice (Third Chamber) Case C-484/14, ECLI:EU:C:2016:689; *UPC Telekabel Wien GmbH v Constantin Film Verleih GmbH and Wega Filmproduktionsgesellschaft mbH* [2014] European Court of Justice (Fourth Chamber) Case C-314/12, ECLI:EU:C:2014:192; *SABAM v Netlog NV* (n 47); *Scarlet Extended v SABAM* (n 46); *Promusicae v Telefónica de España SAU* [2008] European Court of Justice (Grand Chamber) Case C-275/06, ECLI:EU:C:2008:54.

64 Van Dongen (n 49) 218–219.

65 Charter of Fundamental Rights of the European Union 2000 OJ C364/1, Article 52.

bility and push are present internally in the UPC's framework. Unfortunately, the UPC and the UPCA, themselves, are also unlikely to be a new force for proportionality for a number of reasons. Those that will be explored here are rooted in the unusual framework of its court, as well as the wording of the UPCA's provisions relevant to final injunctive relief. This section will start with a discussion in section III.A.1 of some of the UPCA's provisions mirroring those of the Enforcement Directive discussed earlier, the unclear role that domestic law is to play in section III.A.2 and, finally, in section III.B some of the organisational aspects of the UPC that may pose grounds for concern.

### *A. The wording of the UPC Agreement*

#### **1. Judicial discretion in deciding upon injunctive relief**

A lot of the provisions in the UPCA and the Unitary Patent Regulation (UPR)<sup>66</sup> were essentially copied from those of other instruments. The UPCA's provision on final injunctions is no exception here, but the wording of the UPCA's provision on proportionality differs from its EU counterpart. Article 63 of the UPCA conveys that courts *may* issue an injunction without requiring it. As is the case for Article 11 of the Enforcement Directive, no additional guidance is provided within the provision itself on how to exercise this judicial discretion. Naturally, such discretion is not unlimited, but it cannot be ignored that the words "*may grant*" were chosen and not "*shall*", nor was "absent exceptional circumstances" or something along that line included.

Rule 118 of the Rules of Procedure also supports this. The Rules of Procedure lay down the details of the proceedings before the UPC, but in a supporting role since this document cannot contradict or alter the UPCA. It is binding on the UPC, but in case of conflict, the UPCA has priority.<sup>67</sup> It is adopted by the Administrative Body, which consists of a representative per participating Member State, with a member of the Commission only as observer.<sup>68</sup> There have been many drafts due to numerous consultation rounds with experts and different committees, with the latest draft (no. 18) having been adopted on 19 October 2015. The 15<sup>th</sup> edition included a paragraph that provided for the possibility of granting damages instead of injunctive relief, but only in very

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66 Unitary Patent Regulation.

67 Preliminary set of provisions for the Rules of Procedure of the Unified Patent Court (18th edn) 2015 Preamble and Rule 1(1).

68 UPC Agreement Article 12.

limited circumstances.<sup>69</sup> This paragraph was amended in the 16th edition<sup>70</sup> and ultimately removed in the 17th edition. Furthermore, the explanation and amendment to the first paragraph were amended in the 17th edition specifically to safeguard the discretion granted under *inter alia* the UPCA's provision on injunctive relief.<sup>71</sup> As can be inferred from the public consultation,<sup>72</sup> there was extensive debate on the practical use of such a limited exception and its negative implications for the general discretion granted to the UPC under Article 63.<sup>73</sup> This supports a more generous reading of judicial discretion in deciding upon final injunctive relief. However, the explanation then concluded that the UPC may only refuse injunctive relief upon finding an infringement in *very exceptional* circumstances.<sup>74</sup> This seems counterintuitive when looking at the justification for deleting paragraph 2. However, in a telling move, this addition was removed in the 18th and (currently) final edition of the Rules of Procedure;<sup>75</sup> the reference to “very exceptional circumstances” has thus *not* made

69 Preliminary set of provisions for the Rules of Procedure of the Unified Patent Court (15th draft) 2013. Article 12 of the Enforcement Directive is an optional provision covering damages as an alternative measure to permanent injunctions. This paragraph was modelled after Article 12 of the Enforcement Directive on alternative measures.

70 For clarification of the discretion of the UPC, two amendments were made to Rule 118(2) of the Rules of Procedure. First, it now started with the words: ‘Without prejudice to the general discretion provided for in Articles 63 and 64 of the [UPC] Agreement, ...’. Second, the wording now provided for the option to grant damages *or* compensation instead of injunctive relief, whereas the previous version allowed for damages *and/or* compensation to be granted. Preliminary set of provisions for the Rules of Procedure of the Unified Patent Court (16th draft) 2014; ‘Table with Explanatory Notes to the Changes Made in the 17th Draft of the Rules of Procedure’ (Legal Group of the Preparatory Committee 2014) 11, Rule 118(2).

71 ‘Table with Explanatory Notes to the Changes Made in the 17th Draft of the Rules of Procedure’ (n 71) 10, Rule 118(1). ‘In addition to the orders and measures *and without prejudice to the discretion of the Court* referred to in Articles 63, 64, 67 and 80 of the Agreement the Court may, if requested, order the payment of damages or compensation according to Articles 68 and 32(1)(f) of the Agreement. The amount of the damages or the compensation may be stated in the order or determined in separate proceedings [Rules 125-143],’ Preliminary set of provisions for the Rules of Procedure of the Unified Patent Court (17th edn) 2014 Rule 118(1). Emphasis added.

72 ‘Responses to the Public Consultation on the Rules of Procedure of the UPC’ (2014) 93–98 <<https://www.unified-patent-court.org/sites/default/files/rop-digest.pdf>> accessed 21 March 2022.

73 ‘Table with Explanatory Notes to the Changes Made in the 17th Draft of the Rules of Procedure’ (n 71) 11.

74 *ibid.*

75 Preliminary set of provisions for the Rules of Procedure of the Unified Patent Court (18th edn) Rule 118. Oddly, the website of the UPC organisation mentions the 18<sup>th</sup> draft

it to the final version of this document. Evidently, there was a lot of debate on how to define – if at all – the discretion that the UPC is given in respect of final injunctions. This creates ambiguity on its limits, but what is clear from all this is that the UPC is, at the very least, supposed to have discretion here and that limiting it was ultimately considered undesirable.

Sadly, the UPCA's transposition of the principle of proportionality does not provide clarity. Article 42 of the UPCA reiterates only a few elements of Article 3 of the Enforcement Directive. Article 42 covers fairness and equity similarly, but the inclusion of proportionality diverges and "avoiding the creation of barriers to legitimate trade" was changed to "do not distort competition".<sup>76</sup> This means two of the overarching principles are missing (dissuasiveness and effectiveness), while the third is incorporated in a more limited way. As aforementioned, the principles of effectiveness and dissuasiveness tend to be understood as benefitting the rights holder as a remedy needs to be strong enough to satisfy these principles. Since both legislation and case law already contain a strong emphasis on strengthening the protection of intellectual property rights, their omission will not affect their relevance. In comparison, the different framing of proportionality in Article 42 of the UPCA could negatively affect its reach and function as a counterbalance. Article 3 of the Enforcement Directive frames the proportionality principle as a general obligation with an essentially all-encompassing scope, whereas Article 42 connects proportionality to the importance and complexity of a case in terms of how the UPC has to approach a case. This is quite an ambiguous formulation, leaving a lot of room for interpretation.

Naturally, the inclusion of Article 42 in the UPCA does not affect the mandatory nature of Article 3 of the Enforcement Directive, but it may create confusion and turn the focus towards the more limited provision of the UPCA instead. Since Article 3's presence in patent enforcement has been underwhelming so far, Article 42 is likely to affect the clarity and strength of the general obliga-

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as updated last on 15 March 2017, whereas the then attached draft is the 19 October 2015 version. 'Draft Rules of Procedure – Updated March 2017' (10 April 2017) <<https://www.unified-patent-court.org/news/draft-rules-procedure-updated-march-2017>> accessed 21 March 2022. The wording of the rules discussed in this section does not differ from the "old" 19 October 2015 version, so if there are discrepancies between versions, they are not of relevance for this analysis.

76 UPC Agreement, Article 42 reads: "Proportionality and fairness

1. The Court *shall* deal with litigation in ways which are proportionate to the importance and complexity thereof.
2. The Court *shall* ensure that the rules, procedures and remedies provided for in this Agreement and in the Statute are used in a fair and equitable manner and do not distort competition." Emphasis added.

tions imposed on the UPC negatively rather than strengthen them. Unfortunately, the UPC's assignment on balancing is, in this respect, thus arguably less direct and forceful in the UPCA than EU law.

## 2. The ambiguous role of domestic law

Another factor that will affect the UPC's approach to patent enforcement is the role played by domestic law. The unitary patent will be governed by the national law of a single participating Member State. Which state is based on the applicant's residence or principal place of business within the unitary-patent area.<sup>77</sup> If not applicable, any other location of business will first be determinant unless also not applicable, in which case the applicable law will be that of Germany due to the EPO having its headquarters in Munich.<sup>78</sup> However, no definitions are given (i.e., what do "principal" and "location" mean? Would a P.O. box suffice?), nor any guidance on *who* determines which state's law is chosen when there are multiple candidate states (the applicant? The EPO?) and based on *what*. Determining which state's law a UPC division would have to apply is thus by no means a clearcut exercise.

Furthermore, what kind of national law the UPC would have to apply is also not self-evident. That the unitary patent is governed by the law of one Member State at least suggests national law will have a role to play. However, the UPR, UPCA and national law all contain substantive patent law. Especially the former is of interest since it is an EU regulation and thus directly applicable, which covers i.e., exhaustion. Taking a more specific look at the references to national law, there appears to be quite some variation in their implications. There are, for instance, some references that merely amount to allow or prescribe that the UPC awaits the completion of certain national procedures,<sup>79</sup> but also some that imply that if something meets a certain threshold or applies in national law, this suffices for i.e. eligibility under the UPC framework.<sup>80</sup> Notable examples of the latter are the definition of infringement and the prior-use exception,<sup>81</sup> which could indeed have a great impact on enforcement. It may merely mean that judges should apply UPCA and UPR provisions directly and resort to

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77 Unitary Patent Regulation Article 7(1)(a).

78 *ibid* Article 7(1)(b) and (3).

79 See, for instance, Preliminary set of provisions for the Rules of Procedure of the Unified Patent Court (18th edn) Rules 295 and 311.

80 See, for instance, *ibid* Rule 286; Unitary Patent Regulation Article 5(3); Nari Lee, 'Adding Fuel to Fire: A Complex Case of Unifying Patent Limitations and Exceptions through the EU Patent Package' in Rosa Maria Ballardini, Marcus Norrgård and Niklas Bruun (eds), *Transitions in European Patent Law: Influences of the Unitary Patent Package* (Wolters Kluwer Law & Business 2015) 224–225.

81 UPC Agreement Article 28.

national law only when specifically referenced by a provision relevant to the dispute at hand, but it also invites the interpretation that the UPCA should be understood as the framework in which to interpret and apply the UPR and/or national law, similar to an EU directive. In other words, that the UPCA just provides the limits, mostly to guide national frameworks in their application in closer approximation and to correct if something is not provided for domestically.<sup>82</sup> Under the current regime, questions on validity and infringement of patents are (partly) contingent on the domestic approach,<sup>83</sup> which thus does not appear to change under the UPCA. The UPR's references to national law to define the acts against which a European patent protects, and the applicable limitations seem to underscore this.<sup>84</sup> However, that makes the implications of the aforementioned UPCA provisions on permanent injunctions and proportionality even more ambiguous, given the potential divergencies resulting from their interaction with different national frameworks. Despite the overall automated European approach, there may still be important variations from one state to another.

Last, national patents and opted-out European patents will remain a part of the European patent landscape, but the UPC will not have jurisdiction over disputes involving those types of patents. They will remain to be dealt with by the EPO's Board of Appeal and, more importantly, national courts.<sup>85</sup> Since the unitary patent will be governed by domestic law of a Member State part of the unitary-patent area, the UPC should thus pay attention to how legal doctrines

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82 Thomas Prock and Graham Burnett-Hall, 'European Union: Q&A: Unitary Patent And Unitary Patent Court' (*mondaq Intellectual Property*, 1 February 2022) <<https://www.mondaq.com/uk/patent/1155458/qa-unitary-patent-and-unitary-patent-court>> accessed 10 March 2022; Federica Baldan and Esther Van Zimmeren, 'The Future Role of the Unified Patent Court in Safeguarding Coherence in the European Patent System' 52 *Common Market Law Review* 1529, 1570.

83 Of course, such questions are informed by the EPC framework rather than national law. However, a European patent is ultimately a bundle of *national* patents and, domestically, judicial approaches diverge. See, for instance, *Motorola v Apple and Samsung v Apple Inc* [2013] Bundespatentgericht 2 Ni 61/11 (EP) verb. mir 2 Ni 76/11 (EP); *Apple v HTC* [2012] EWHC 1789 (Patents Court); *Apple v Samsung* [2012] Rechtbank 's-Gravenhage ECLI:NL:RBSGR:2012:BY4482. These cases all concerned Apple as the patent proprietor versus varying groupings of Samsung, Motorola and HTC as defendants, all within the context of the same Bounce-Back Patent. Apple's patent was invalidated in Germany due to a broad interpretation, yet found valid in England and the Netherlands. To boot, the differing interpretations of the patent scope in the latter two countries also affected the answers to the question of infringement. Three different courts, three different interpretations, three different outcomes.

84 Unitary Patent Regulation Article 5(3).

85 UPC Agreement Article 32(2).

develop further in these courts. However, since the UPC system's success will rely greatly on whether or not patent proprietors will take to it, the UPC might be considered to compete with national courts. Furthermore, there may be parallel or connected procedures, since proprietors of unitary patents may have chosen to protect certain elements of the same invention under national law next to unitary protection, or have the exact same patent protected in EU Member States not part of the unitary-patent area.<sup>86</sup> Nevertheless, there is no formal dialogue between national courts and UPC divisions, nor are decisions of one binding on the other. Of course, it would be impractical and undesirable that the UPC would proceed without taking account of what happens in national procedures and, if necessary, not await or signal the results of such proceedings to avoid conflicting decisions not warranted by the circumstances in a given case, but the UPC has a lot of discretion here. This is thus another way in which national law's role in UPC decision-making may be questionable.

### *B. Specialisation and isolation*

There are also concerns about the impact of certain organisational features, such as the training of the UPC judges and the isolation in which these judges will adjudicate and develop legal doctrines. It is arguable that these emanate from the uncertainty about how the UPC as a specialised court will handle the interaction between, and development of, patent law and other fields of law, as well as the consideration of non-legal aspects such as cost, externalities, justice and (other types of) societal preferences when in conflict with, or affected by, patent enforcement.

Naturally, the legally qualified judges of the UPC are likely to have had a general training in law.<sup>87</sup> For instance, they are expected to be eligible for a judicial post in their home country<sup>88</sup> and will thus have undergone more general legal training at some point. Since most EU Member States do not have fully specialised patent courts, the additional required experience in litigation is presumably of a more general nature in most cases. However, these

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86 Léon Dijkman and Cato Van Paddenburgh, 'The Unified Patent Court as Part of a New European Patent Landscape: Wholesale Harmonization or Experiment in Legal Pluralism?' (2018) 1 *European Review of Private Law* 97; Baldan and Van Zimmeren (n 83) 1571.

87 Clement Salung Petersen, Thomas Riis and Jens Schovsbo, 'The Unified Patent Court (UPC) in Action - How Will the Design of the UPC Affect Patent Law?' [2014] *SSRN Electronic Journal* 7 <<http://www.ssrn.com/abstract=2450945>> accessed 23 November 2021.

88 UPC Agreement Article 15(2).



judges will all have undergone training specifically tailored to the UPC system in preparation to increase uniformity among the UPC's approaches and decisions.<sup>89</sup> Moreover, a work programme and training guidelines will be created and updated annually.<sup>90</sup> This will obviously not lead to judges forgetting any existing general training or experience *en masse*, but any push for uniformity affects the diversity in approaches and positions these judges bring to the UPC.<sup>91</sup> Also, any standardisation tailored to patent law affects the room left for judges to consider other types of rights, laws and interests negatively and, with that, the ability of these courts to operate without developing tunnel vision. Additionally, there is no opportunity for dissenting opinions in a UPC decision. The outside world – including other UPC divisions – will thus not learn from other (out-voted) positions.

Sadly, there are two other components that further complicate this. The first is that the UPC will have exclusive competence to decide patent disputes involving (not opted-out for) European patents and unitary patents. This exclusive competence will ensure increased patent specialisation, as UPC judges would only deal with patent cases, thus becoming very trained and specialised in patent law in a very short period of time. Such specialised patent courts will on average be better equipped than general civil courts to accurately and rapidly weigh the arguments and interests involved pertaining to the workings of the patent system. However, such a strong patent-centred mandate also means that patent law will increasingly develop further under the UPC framework in isolation from other areas of law. The interaction of patent law with other fields is of paramount importance for the proper functioning and development of both.<sup>92</sup> Moreover, by being trained and asked to only decide on matters of patent law, the development of tunnel vision has been found to be a likely result.<sup>93</sup> If such tunnel vision develops, this would only further existing pro-patent biases in the EU rather than correct those tendencies under the EPO or in national frameworks. In fact, specialised courts have been found to try for clear

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89 *ibid* Statute, Articles 2(3) and 3(2); Petersen, Riis and Schovsbo (n 88) 8.

90 UPC Agreement Statute, Article 11(3).

91 Michael J Crowley, 'Restoring Order in European Patent Law: A Proposal for the Reintroduction of the Substantive Patent Provisions of the Unitary Patent Package into EU Law' (2015) 4 N.Y.U Journal of Intellectual Property and Entertainment Law 197, 211; Petersen, Riis and Schovsbo (n 88) 17.

92 Crowley (n 92) 213–214; Baldan and Van Zimmeren (n 83) 1539.

93 Crowley (n 92) 213; Jens Schovsbo, Thomas Riis and Clement Salung Petersen, 'The Unified Patent Court: Pros and Cons of Specialization – Is There a Light at the End of the Tunnel (Vision)?' (2015) 46 IIC - International Review of Intellectual Property and Competition Law 271, 273 <<http://link.springer.com/10.1007/s40319-015-0331-2>> accessed 23 November 2021.

rules and narrow policy goals in favour of uniformity and legal certainty.<sup>94</sup> This is something we have seen from practices in countries with specialised courts such as the Netherlands<sup>95</sup> and the United States before *eBay v MercExchange*.<sup>96</sup>

Another factor that may lead the UPC towards a more patent-friendly attitude is the lack of dialogue with a generalist court or, more generally, the ability of another institution – judicial or legislative – to make course corrections for the UPC.<sup>97</sup> While not without influence, the ECJ's role is too limited for it to be that generalist court that could redirect the UPC's course. Legislative course corrections would also pose a huge challenge – that would require the amendment of the EPC or UPCA, or change at the EU level by way of amending the UPR or introducing EU patent law.<sup>98</sup> The positive side to this is that the UPC's independence from the legislative and executive branches is very strongly preserved, but the balance may have tipped too far if the other branches cannot provide enough counterbalance in the sense that they could change or draft new laws for the UPC to apply in patent enforcement. As a result, the UPC will operate without consequential exposure to competing views and review by other institutions, judicial or otherwise. That is, any influence domestic courts and the UPC may have on the other may only work in one direction, namely towards stronger patent enforcement. If we consider national courts as competitors in patent enforcement to the UPC, the UPC would presumably be incentivised towards stronger pro-patent tendencies to become more attractive for patent proprietors. If the UPC would be noticeably more lenient towards other types of interests, this may push rights holders to opt-out of the UPC system.

How is a court that has no jurisdiction on these other fields, which has much to prove, going to balance other interests without influences from other fields and direct dialogue with generalist courts? Obviously, this does not spell out

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94 Crowley (n 92) 213.

95 At the moment of writing, there have only been two cases in which an infringement was found yet an injunction denied. One of these cases notably revolved around a patent concerning central heating also used in the building in which the judge worked, namely *Central Heating Case* [1987] BIE 1990, 59 (Gerechtshof 's-Hertogenbosch). The other was the more recent *Nikon v ASML* [2018] ECLI:NL:RBDHA:2018:8777 (Rechtbank 's-Gravenhage). While the latter has been portrayed as a signal that the Dutch approach is less restrictive than the German one considering certain aspects – see, for instance, Dijkman (n 4). – this case so far appears to be a lonely outlier.

96 *eBay Inc. et al. v. MercExchange, L.L.C.* (n 2).

97 Petersen, Riis and Schovsbo (n 88) 5–6.

98 Crowley (n 92) 212 and 214; Avgi Kaisi, 'Finally a Single European Right for the EU? An Analysis of the Substantive Provisions of the European Patent with Unitary Effect' (2014) 36 *European Intellectual Property Review* 170, 173.

disaster since most of this is not set in stone or would, by itself, necessarily be a major issue. It does mean that the UPC would have to be conscious and vigilant about making sure the balance is not tipped too far, as there seem to be few embedded assurances in this respect.<sup>99</sup>

#### **4. *The EU stepping in: possible solutions and their limitations***

While many have argued for a more limited role of EU law and the ECJ in the UPC system, there have also been voices that advocated for the opposite. Desirable or not, only the EU or participating Member States can effectuate change in the UPC system. Yet, as we have already seen, the EU has been rather unsuccessful so far. Unless the German amendment moves German courts away from automated practices, it shows every sign that progress in EU harmonisation in this field is stalled. The efforts of the Commission and the ECJ so far have not been able to change this. If the EU wants to push for greater adherence to Article 3 of the Enforcement Directive, the remaining options are limited.

##### *A. Amending the EPC or UPC Agreement*

There is the option of amending the UPCA or its Rules of Procedure to strengthen the proportionality principle. However, this would be very challenging for a myriad of reasons. The two most obvious ones are the difficulty of achieving it and the likelihood of success.

There is the possibility for the Administrative Committee to amend the UPCA,<sup>100</sup> but this is not an EU body. As explained previously, the Administrative Body consists of a representative per participating Member State and a Commission member in observing capacity. While this body would have an easier job amending the UPCA because it requires, in principle, only a majority of three-quarters of the Contracting Member States represented and voting,<sup>101</sup> the EU would still only have a limited say through this route, if at all, and it may still fail if a single Contracting Member State conveys timely not to want to be bound by the amendment.<sup>102</sup> For the EU to bring about specific changes in the UPCA, this might have to be done on the basis that the EU has maintained the authority to provide for an EU patent system. All EU Member States would

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99 Petersen, Riis and Schovsbo (n 88) 10–11.

100 UPC Agreement Article 87.

101 *ibid* Article 12(3).

102 *ibid* Article 87(3).

need to be willing to amend the UPCA accordingly, including those currently not participating. With the rocky process the UPCA has had so far, as well as all the additional political will, financial resources and time this would take, this does not seem a very likely option at the moment. With the UPCA entering into force shortly, this would also be a very risky and potentially disruptive move.

The alternative, amending the EPC to lay down a bigger role for the principle of proportionality, also appears unlikely. Indeed, it might in some ways be even more problematic to make such changes to the EPC. The EPC essentially stops after the granting phase, so this would turn the existing system on its head. Moreover, the EPO has members that are not part of the EU and EU Member States that do not participate in, or have not ratified, the UPCA. These two other types of EPO members are under no obligation to accommodate the EU Member States part of the unitary-patent area. That would thus add another complication to reaching a compromise.

Last, the effectiveness of such measures can be questioned, as this would have to be done in a way that is not diluted by the applicability of national law to a unitary patent. So, the cost of trying to accomplish this legislatively is presumably high, while the chances of success – not just in terms of it being accomplished, but also the impact it may reasonably be expected to have – are relatively low in comparison. Consequently, trying to amend the UPCA, its Rules of Procedure or the EPC to strengthen the proportionality principle are unlikely solutions.

### *B. Substantive EU Legislation*

Additionally, it has been suggested that the EU should adopt substantive patent law of its own. It is uncertain whether this will work when looking at how the UPCA came to be. For example, considering the extensive debate on how Rule 118 would affect the margin of judicial discretion, the drafters could not agree and ultimately decided not defining it was preferable. Moreover, the decision to move certain substantive patent law provisions from the UPR to the UPCA is also quite telling. Of course, the United Kingdom played a big role in this, so the result may now be different if another shot were taken at EU substantive patent law. Perhaps even more so, considering that there has been quite some resistance to the final result of the UPC system, as can be inferred from some of the other contributions in this bind. However, looking at all the different positions and arguments offered by EU Member States when the ECJ was asked for an opinion on the UPCA's draft, there was great disparity among Member States on how the UPC and the EU and ECJ would need to interact. This also seems indicative that the EU Member States are not of one mind

when it comes to the EU and the patent system.<sup>103</sup> The chosen structure for the unitary patent also carves out a large part of the EU's ability to provide for comprehensive EU patent law.<sup>104</sup> While this would still theoretically be possible as the EU has retained the possibility to once provide for an EU patent, the introduction of the UPC system via the enhanced cooperation procedure complicates this. For one, a group of Member States has already provided for something different. Any additions or changes to existing instruments would impact the UPC system. In fact, if the EU would enact a comprehensive body of substantive patent law at the EU level, that would make a large portion of the UPCA obsolete. At this stage, it is highly improbable that the EU would want to take this risk. Any legislative action from the EU will need to be surgical if one wishes to avoid creating shock waves in the patent system, especially if taking into account that the UPC will experience some start-up difficulties in any case. For the foreseeable future, the EU is thus unlikely to add to this field anything substantial through legislation.

### *C. Adding to the principle of proportionality*

The remaining legislative option at the EU level entails solely targeting the proportionality principle in patent enforcement. As seen, an action with more teeth than previous efforts is required to push courts, which presumably leaves a clearly worded amendment to the current Article 3 or the adoption of a

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103 *Opinion 1/09 on the compatibility of the draft agreement with the Treaties* [2011] ECLI:EU:C:2011:123 (European Court of Justice (Full Court)).

104 Hanns Ullrich, 'Harmonizing Patent Law: The Untamable Union Patent' (2012) 12 *Max Planck Institute for Intellectual Property and Competition Law* 59, 32. protection of patents in Europe essentially rests on national law only. The "European patent" as granted by the European Patent Organization through the European Patent Office, while internationally uniform as to the conditions of the grant, represents but a "bundle" of as many independent national patents as have been asked for by the applicant. As a consequence, the terms of the exclusive right, which they confer upon their owner, are determined by the various national laws. It is to remedy this territorially fragmented and more or less diverse protection that, since about half a century, the European Union attempts to establish an autonomous system of unitary patent protection of its own design, but has failed to achieve it whichever way it chose. The stumbling blocks have been not so much the proper determination of the substance of protection, since only little efforts of modernization have been undertaken. Rather, they were the choice of the language regime for the patents granted, and the establishment of a common patent litigation system. Both obstacles have a history of their own. While the latter is still evolving, the former actually has blocked the introduction of an EU-wide unitary European Union (ex Community

directive or regulation specifically strengthening and referencing its principle of proportionality. While this will have its own challenges, the more limited scope will require less (political) capital and time. In addition, it would be less disruptive because it would mostly amount to expanding on an existing provision in force, namely Article 3 of the Enforcement Directive. Since both the ECJ and Commission have already spoken on it, there is a lot to go on for both the EU legislator to further develop and to guide the Member States. Moreover, this approach is the one most likely to yield significant benefits compared to the other remaining options, especially in view of the overall cost of trying to achieve it. It would have the added bonus of also in effect preparing the Member States not participating in the UPC system for when they want to join, paving the way for an EU patent in the future. It would bolster the equal enforcement of all types of patents as well. The latter should carry a lot of weight, as it would be undesirable if there was a meaningful difference in treatment of different types of patents, especially if this would affect existing patents and incite undesirable competitive behaviour between domestic courts and UPC divisions.

The exact form and wording heeds much more consideration than can be offered here in this limited contribution, but some aspects can already be derived from previous passages. Chiefly, in order for this legislative action to bring about real change, such would require a considerably more explicit instruction to reduce the room courts have to disregard or minimise their applying the proportionality principle and employing flexibilities and forcing their proper motivation. It should also be made clear that national legislation may not limit the exercise of this test in a prohibitive fashion.<sup>105</sup> Additionally, it is imperative that the distinction between the two different frameworks of proportionality – Article 3 and fundamental rights – is emphasised and refined. Since the average patent-enforcement case does not involve fundamental rights balancing, it is crucial that domestic courts do not get lost needlessly or distracted by fundamental rights rhetoric.<sup>106</sup> It should be unequivocal that the (in)applicability of the latter does not negate the court's obligation to apply the other proportionality framework in the remedy context.

Furthermore, while important, the main focus should not be on whether or not to grant a permanent injunction, but on finding the most appropriate form of such a remedy. The strong preference for permanent injunctions in Continental Europe in itself is not challenged, but blanket automated granting is. Employing proportionality for a more balanced approach should not be

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<sup>105</sup> Think, for instance, of the recent amendment to Section 139(1) of the Patentgesetz discussed earlier.

<sup>106</sup> Martin Husovec, 'How Will the European Patent Judges Understand Proportionality?' (2020) 60 *Jurimetrics Journal* 1, 3–4.

seen as an either/or-option, but as a way for courts to take into account even small factors that might merit some moderation in the balance struck. Such should move courts adhering to a strong property logic to take other interests more clearly into consideration and translate their weight into the scope of a remedy, without creating a shock to the system. Any amendment or new legislative instrument targeting the proportionality principle should make it evident that tailoring is an important tool courts have in this respect, and that they are obliged to use it. However, such qualifications must not limit the room courts have to refuse the grant of final injunctive relief upon establishing an infringement.

There is much more to explore on this front, of course, but the point attempted here is that this option warrants that. Of all the ways in which the EU could step in, this is the most feasible way to mitigate automated tendencies in patent enforcement.

## **5. Conclusion**

As discussed at the beginning of this chapter, a lot of research has been dedicated to the balance in patent enforcement, homing in on different factors and concepts. Unfortunately, despite all this traction, EU harmonisation in this field appears to be stuck at “automatic”. Efforts from the ECJ and Commission to clarify and boost the implementation of the different components of Article 3 of the Enforcement Directive in the judicial balancing act in patent enforcement cases have not proven successful. The pressure on the UPC from the EU to finish what the EU has started with Article 3 is quite weak, given the current mismatch between what the law asks and what the Commission and ECJ are advocating versus what domestic courts have overall been found to be doing.

There is room for the UPC to take it upon itself to further this endeavour since there is nothing in the UPCA, its mandate or in its organisational structure to prevent the UPC from doing so, but none of them seem to force or encourage this either. This means the UPC would have to make a conscious effort to break with the automated tendencies prevalent in Europe. Given its multinational composition and the fact that it will have to apply various different national frameworks from one patent to another, this would not be an easy feat. In fact, there are certain elements of the resulting UPC framework – i.e., its more limited provision on proportionality, the ambiguity in applying national law and/or the UPCA, the strong focus on uniformity and specialisation, the limited mandate the UPC is given, its competition with national courts – that are more likely to induce the opposite. With regard to these components of the system, it was concluded that there do not seem to be enough embedded

insurances to prevent the UPC from slipping towards strong patent enforcement as well, nor elements that would encourage the UPC to move away from this direction. Consequently, based on the features explored here, the hypothesis that the UPCA and its court by themselves will not break with the current automated tendencies in granting final injunctions appears to hold true. The current practice in the EU, the wording of the UPCA and the make-up of the UPC all support this.

The EU should look to revitalise the harmonisation process itself through stronger means if Article 3 is going to play the role that both the Commission and ECJ, and many legal scholars, see for it.