



TRANSATLANTIC PERSPECTIVES ON ADR AND PATENTS: RESOLVING CONFLICTS IN THE UPC SYSTEM AND IN THE USA

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PMAC - Rules of Operation of the Mediation and Arbitration Centre of 2022



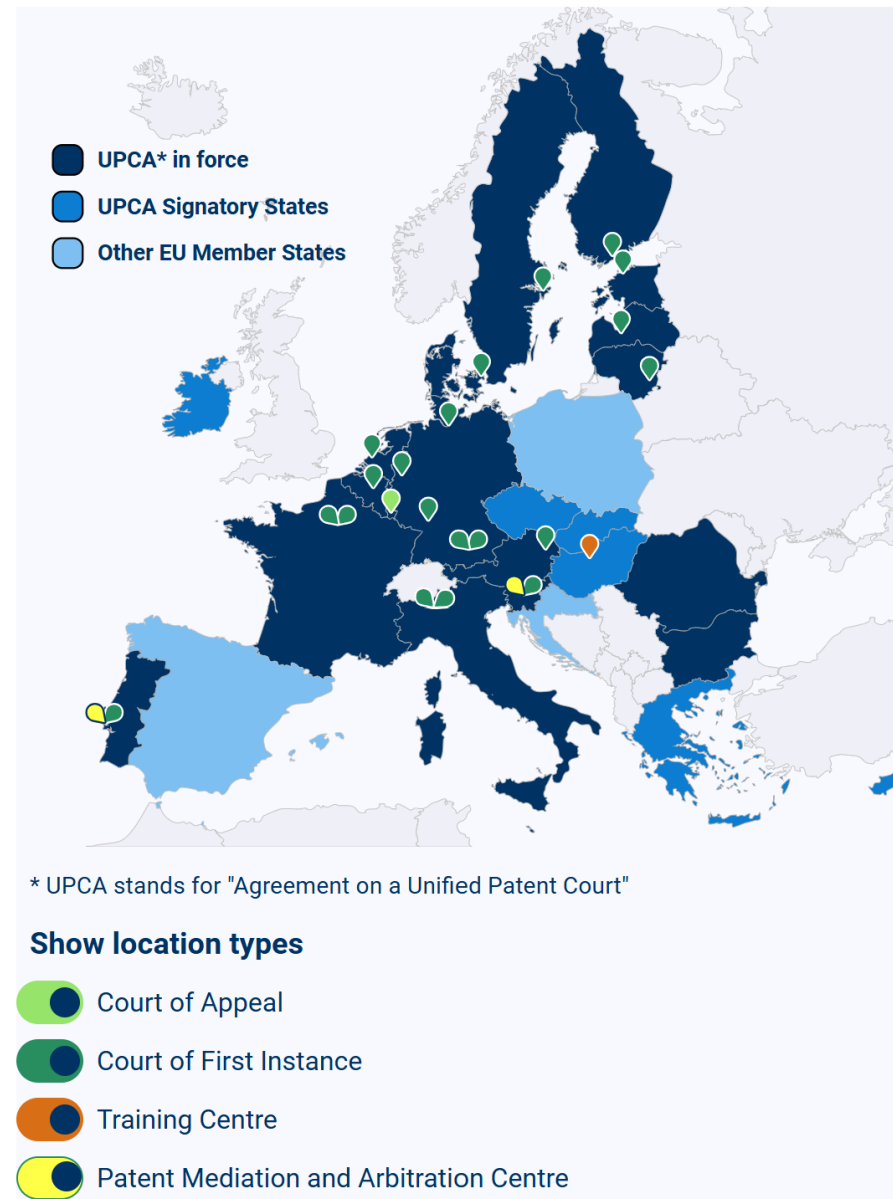
The Centre forms part of the Unified Patent Court (UPC).



It operates independently, but carries out its tasks in close contact and cooperation with the committees/bodies of the UPC which will have to take decisions in relation to the operation of the Centre



The Centre has its seats in Ljubljana, Slovenia, and Lisbon, Portugal (Article 35 UPC Agreement). It will have a permanent address in both cities which can be used for official communications.



ORGANS OF THE CENTRE

The Organs of the Centre are:

- the director,
- the administrative committee (of the UPC),
- the budget committee and the auditors (of the UPC),
- the expert committee.

MEDIATION, ARIBTRATION, UPCA, RoP

Mediation, Arbitration and UPCA	Mediation, Arbitration and RoP
Art. 35 Art. 52 art. 79 Art. 82	Rule 11 Rule 104 Rule 287 Rule 343 (2) (b) Rule 365

PMAC – Art. 35 UPCA

- A patent mediation and arbitration centre ('the Centre') is hereby established. It shall have its seats in Ljubljana and Lisbon.
- The Centre shall provide facilities for mediation and arbitration of patent disputes falling within the scope of this Agreement. Article 82 shall apply mutatis mutandis to any settlement reached through the use of the facilities of the Centre, including through mediation.
- However, a patent may not be revoked or limited in mediation or arbitration proceedings.
- The Centre shall establish Mediation and Arbitration Rules.
- The Centre shall draw up a list of mediators and arbitrators to assist the parties in the settlement of their dispute.

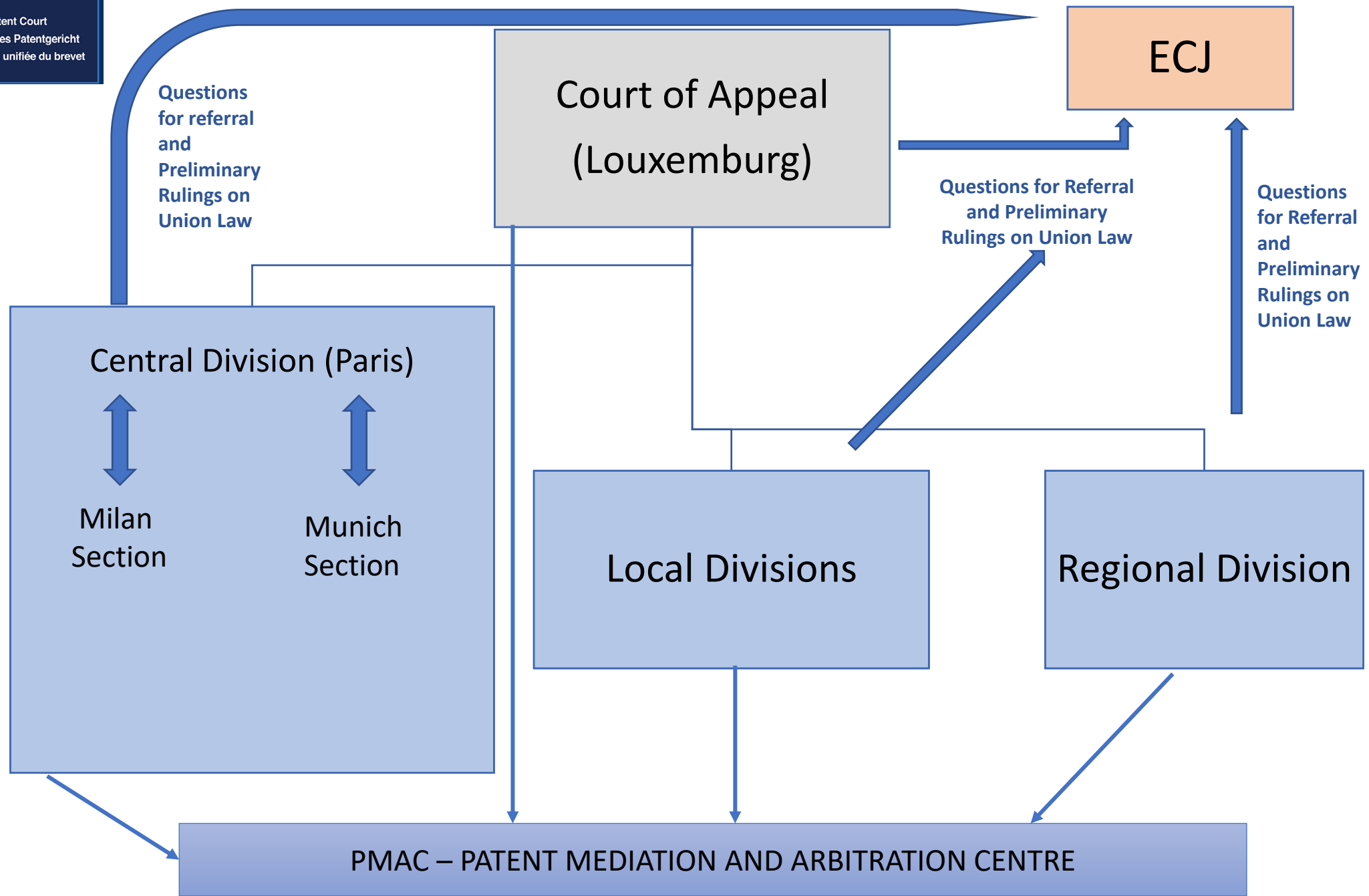


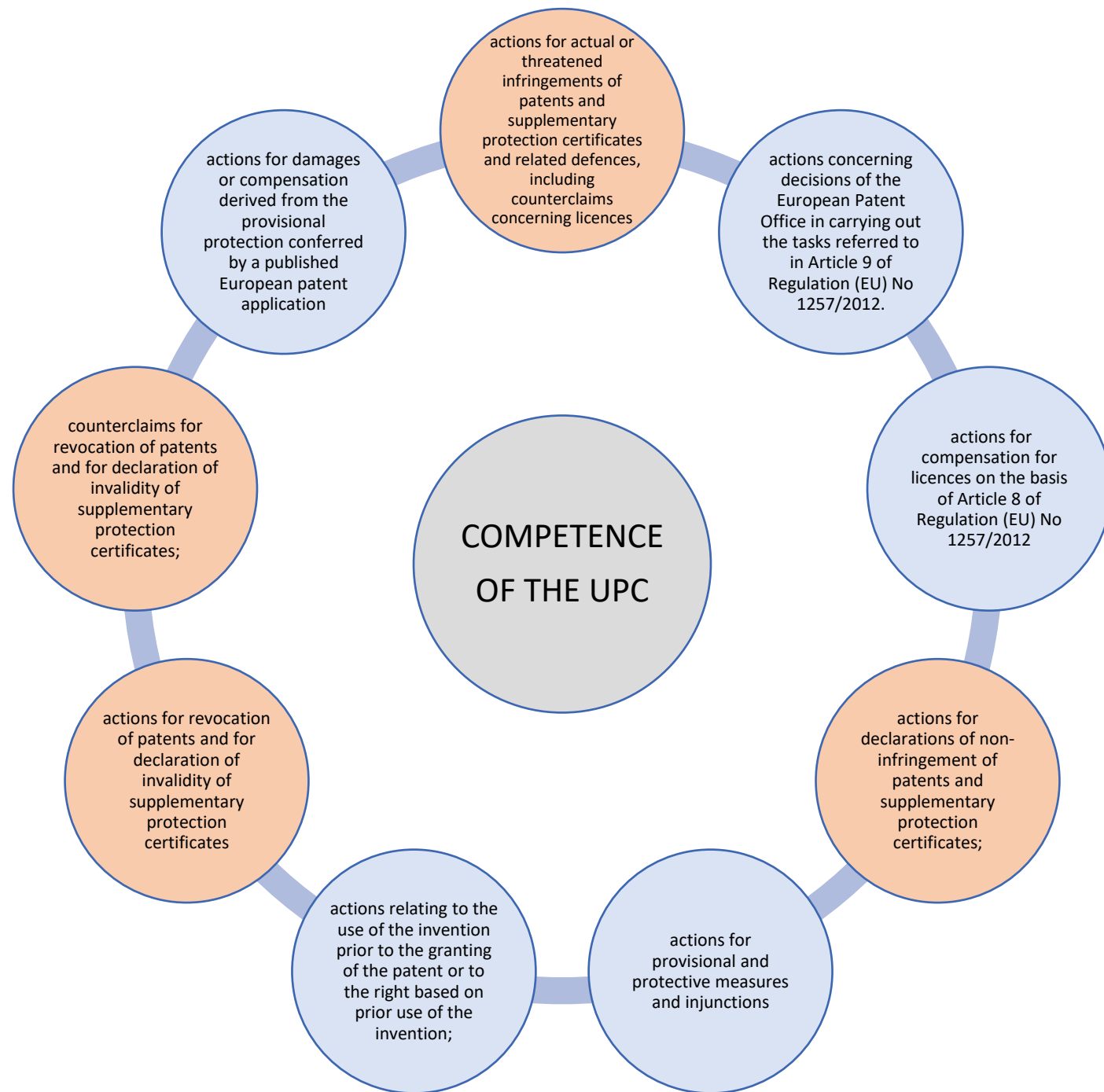
PMAC – Rule 11 RoP

- At any stage of the proceedings, if the Court is of the opinion that the dispute is suitable for a settlement, it may propose that the parties make use of the facilities of the Centre, in order to settle or to explore a settlement of the dispute. In particular, the judge-rapporteur shall during the interim procedure, especially at an interim conference in accordance with Rule 104(d), explore with the parties the possibility of a settlement, including through mediation and/or arbitration, using the facilities of the Centre.
- Parties who choose mediation in an attempt to settle a dispute are subsequently not prevented from initiating judicial proceedings before the Court in relation to that dispute by the expiry of limitation or prescription periods during the mediation process, which will stay the limitation or prescription periods until the end of the mediation process.

PMAC – Rule 11 RoP

- Pursuant to Rule 365 the Court shall, if requested by the parties, by decision confirm the terms of any settlement or arbitral award by consent (irrespective of whether it was reached using the facilities of the Centre or otherwise), including a term which obliges the patent owner to limit, surrender or agree to the revocation of a patent or not to assert it against the other party and/or third parties.





COMPETENCE OF THE CENTRE

At any stage of the proceeding, as provided by rule 11 RoP, does not mean that the Mediation cannot start before proceedings. In fact, according to par. 1 *“Parties who choose mediation in an attempt to settle a dispute are subsequently not prevented from **initiating judicial proceedings before the Court** in relation to that dispute by the expiry of limitation or prescription periods until the end of the mediation process”*.

Thus, Parties may submit to mediation disputes which may arise between them.

The above also in light of art. 35 UPCA «*The Centre shall provide facilities for mediation and arbitration of patent disputes **falling within the scope of this Agreement***”.

Thus, the Centre may be invoked **even before the proceedings** and in **all disputes** which fall under the jurisdiction of the UPC as provided under provisions of art. 31 and 32 of the Agreement and, in any case, with respect to any matter closely related to a matter falling under the jurisdiction of the UPC.

COMPETENCE OF THE CENTRE



Moreover, even if according to art. 35 of the Agreement a patent **may not be revoked** or limited in mediation or arbitration proceedings, the Court, as expressly provided by par. 2 of Rule 11 and according to rule 365 RoP:



*“...shall, if requested by the parties, by decision **confirm the terms of any settlement or arbitral award** by consent (irrespective of whether it was reached using the facilities of the Centre or otherwise), **including a term which obliges the patent owner to limit, surrender or agree to the revocation of a patent or not to assert it against the other party and/or third parties**”. Said Decision, according to art. 34 UPCA shall cover **all the territories of the CMS** for which the European patent has effect.*

UPC AND SETTLEMENT

A settlement proceeding may also be concluded if multiple proceedings are pending between the same parties. In such a case the settlement may have procedural effect for other proceedings before UPC.

ERGO

Cost-effective definition of
MULTIPLE disputes

DRAFT OF THE ARBITRATION RULES UNDER DISCUSSION- 2025

Article 2 The scope of application

1. The arbitration service of the Patent Mediation and Arbitration Centre (hereinafter “the Centre”) offers support in the resolution of disputes relating to European patents, European patents with unitary effect and supplementary protection certificates for which UPC is competent pursuant Article 32 of the UPCA and related disputes.
2. Pursuant to Rule 365 and Rule 11.2. of the RoP, the UPC shall, if requested by the parties, by decision confirm the terms of any settlement or arbitral award by consent, reached using the facilities of the Centre, including a term which obliges the patent owner to limit, surrender or agree to the revocation of a patent or not to assert it against the other party and/or third parties.
3. The parties may agree that any other disposable right or obligation factually or legally linked to the dispute be included in the arbitration.
4. An application for arbitration can be made by the parties to a dispute or by the one of the parties with the express consent of the other parties or following a recommendation by the UPC or other competent authorities to resolve the dispute.
5. The Centre is the only body authorized to administer the Proceedings.

DRAFT OF THE MEDIATION RULES UNDER DISCUSSION - 2025

Article 2 The scope of application

1. The mediation service of the Centre offers support in the settlement of disputes relating to European patents, European patents with unitary effect and supplementary protection certificates for which UPC is competent pursuant Article 32 of the UPCA, and related disputes.
2. Pursuant to Rule 365 and Rule 11.2 of the RoP, the UPC shall, if requested by the parties, by decision confirm the terms of any settlement or arbitral award by consent, reached using the facilities of the Centre, including a term which obliges the patent owner to limit, surrender or agree to the revocation of a patent or not to assert it against the other party and/or third parties.
3. The parties may agree that any other disposable right or obligation factually or legally linked to the dispute be included in the Mediation.
4. A Request can be made by the parties to a dispute or by one of the parties with the express consent of the other parties or following a recommendation by the UPC or other competent authorities to settle the dispute.
5. The Centre is the only body authorized to administer Proceedings.

CENTRE: MEDIATION and ARBITRATION CMS and EUMS

Art. 35 UPCA states that art. 82 shall apply *mutatis mutandis* to any settlement reached through the use of the facilities of the CENTRE including through mediation. Nevertheless, in this case patent may not be revoked or limited in mediation or arbitration. In this latter case, remedies set out in Rule 11 (2) RoP may be applied

The recognition and enforcement of UPC decisions and orders in the EU Member States that are not a contracting party to the UPC Agreement shall be carried out in accordance with Regulation No 1215/2012 according to Article 71(2)(b) and art. 71 bis Reg. 542/14

According to rule 11(2) RoP the Court shall, if requested by the parties, by **decision** confirm the terms of any settlement or arbitral award by consent including those reached using the facilities of the Centre, and including a term which obliges the patent owner to limit, surrender or agree to the revocation of a patent or not to assert it against the other party and/or third parties. According to rule 365 RoP «**The Court shall confirm the settlement by decision of the Court, if requested by the parties, and the decision may be enforced as final decision of the Court**»

According to art. 82 UPCA»... Any decision of the Court shall be enforced under the same conditions **as a decision given in the Contracting Member State where enforcement take place**»

Therefore, a UPC order or decision shall be recognized in any of the EU Member States that did not ratify the UPC Agreement without the need of any special procedure and shall be enforceable without any exequatur.

71 (2)(b) “Judgments given in a Member State by a court in the exercise of jurisdiction provided for in a convention on a particular matter shall be recognized and enforced in the other Member States in accordance with this Regulation”.
Article 71 bis of Regulation 542/2014 recognizes the status of the Unified Patent Court (UPC) as a common judicial authority for multiple Member States.

Article 71

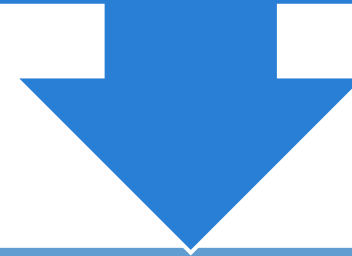
71 (1) “This Regulation shall not affect any conventions to which the Member States are parties and which, in relation to particular matters, govern jurisdiction or the recognition or enforcement of judgments”.

“With a view to its uniform interpretation, paragraph 1 shall be applied in the following manner:...”

UPC, SEPs and FRAND

UPC, SEP e FRAND

The first question is whether FRAND (Fair, Reasonable and Non-Discriminatory) can be litigated at the UPC.



Article 32 (1)(a) UPCA states that the UPC will have exclusive jurisdiction in respect of actions for actual or threatened infringements of patents and supplementary protection certificates and related defences, *including counterclaims concerning licences*

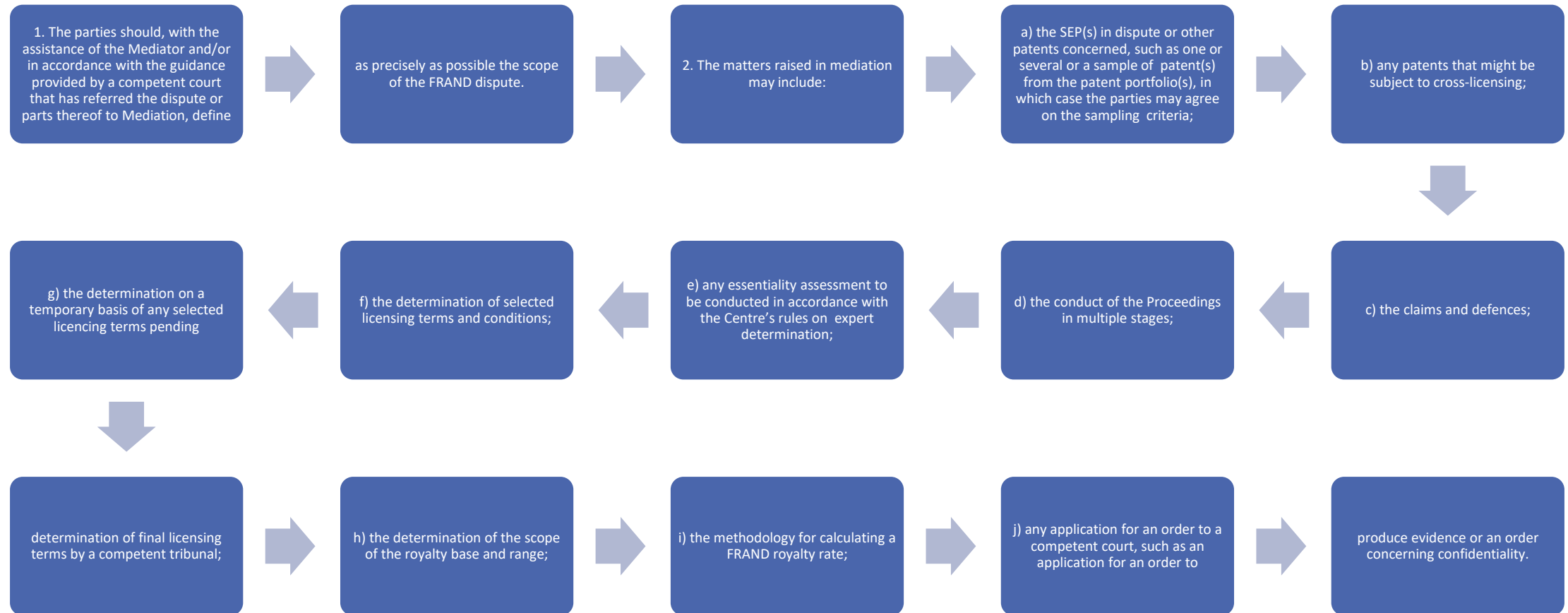
UPC, FRAND, PMAC

Moreover, the Court shall have exclusive competence in respect of...actions for compensation for licences on the basis of Article 8 of Regulation (EU) No.1257/2012

According to art. 8: *“The proprietor of a European patent with unitary effect may file a statement with the EPO to the effect that the proprietor is prepared to allow any person to use the invention as a licensee in return for appropriate consideration.*

A licence obtained under this Regulation shall be treated as a contractual licence.

SECTION 5 FRAND Disputes – Mediation Rules



SECTION 7 FRAND

Disputes – Arbitration Rules



- The parties should define as precisely as possible the scope of the FRAND dispute.

The matters raised in arbitration may include:

- (i) the Standard Essential Patent(s) in dispute or other patents concerned, such as one or several or a sample of patent(s) from the patent portfolio(s), in which case the parties may agree on the sampling criteria;
- (ii) any patents that might be subject to cross-licensing;
- (iii) the claims and defences;
- (iv) the conduct of the Proceedings in multiple stages, including for example a possible preliminary claim construction process;
- (v) any essentiality assessment to be conducted in accordance with the PMAC rules on expert determination;
- (vi) the determination of selected licensing terms and conditions;
- (vii) the determination on a temporary basis of any selected licencing terms pending determination of final licensing terms by the Tribunal or a competent court;
- (viii) the determination of the scope of the royalty base and range;
- (ix) the methodology for calculating a FRAND royalty rate;
- (x) any application for an order to the Tribunal or a competent court, such as an application for an order to produce evidence or an order concerning confidentiality

Thank you!