

Beyond patent expiry: injunctive relief and resulting damages before the UPC

Patrícia Paías, Francisco Marques Azevedo, and Clara Nolasco Lamas of MFA Legal & Tech explore how patent expiry under the UPC can leave unresolved questions about provisional measures, liability, and compensation for wrongful injunctions.



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Patent expiry is not the end of the story. While patent expiry prevents further patent enforcement, there is something to be said about the protection granted to the invention while the patent was in force through injunctive relief whenever there is no merits decision on an infringement or threat of infringement. In the UPC context, this means that expiry often shifts the dispute rather than resolves it. The question is no longer “Is the patent being infringed?” or “Is the patent threatened to be infringed?” but rather “Was the injunction justified?” This article explores this shift in the context of injunctive relief granted by the UPC and the questions it raises regarding liability and damages.

The granting of an injunction assumes that an infringing act occurred during the time period the patent is in force. After expiry, an injunction does not have the effect of excluding competitors from the market.

However, while injunctive relief may lose its forward-looking effect after expiry, its procedural and economic footprint often remains. This is the case, for example, in the pharmaceutical sector, particularly when the medicine in question is intended for public hospitals, which are driven by time-constrained tender procedures and regulatory steps that must be undertaken in accordance

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with a strict calendar. In cases such as this, injunctive relief may give rise to exclusionary effects.

This means that once a patent expires, the Court’s logic must shift from upholding an exclusion to awarding damages for a wrongfully granted injunction.

In this matter, compensation in the context of injunctive relief is expressly foreseen in the UPC legal framework, in Article 82(2) of the UPCA, as well as in Rules 213.2 and 354.2 of the RoP. Specifically, Rule 213.2 RoP states that “[w]here provisional measures are revoked, or where they lapse due to any act or omission by the applicant, or where it is subsequently found that there has been no infringement or threat of infringement of the patent, the Court may order the applicant, upon request of the defendant, to provide the defendant with appropriate compensation for any injury caused by those measures.” In other words, whenever a provisional measure is granted and later found to be unfounded, there may be compensation for injuries caused.

These damages can, in principle, include all damages suffered by a defendant against whom an injunction has been granted, including lost profits. This is particularly important in the context of the UPC, which

has territorial jurisdiction to grant injunctions across all Contracting Member States and, in turn, order compensation for damages suffered in all Contracting Member States.

The UPC has already been confronted with cases in which provisional measures granted had a concrete effect on the market, and it decided to close the merits proceedings based on patent expiry without a decision on the merits. This means that, for the UPC, access to compensation mechanisms is not automatic. Rather, early experience before the UPC shows that the expiry of a patent often resolves only the formal subject matter of the dispute, namely the claim to exclude future conduct, while leaving unaddressed the substantive impact of interim relief granted during the lifetime of the patent. When the Court terminates the main proceedings based on patent expiry without a merits decision on infringement or validity, the defendant is left in a procedural limbo, given that it has suffered the effects of an injunction, but without the clear judicial finding of “no infringement” that Rule 213.2 RoP envisages as a foundation for compensation. This reinforces the idea of a “liability tail” and, at the same time, highlights the importance of procedural strategy for both sides.

When the UPC grants a provisional measure, it does so based on an assessment of infringement and validity, combined with considerations of urgency, proportionality, and the balance of interests. This necessarily involves decision making under conditions of uncertainty. The Court accepts that, to prevent imminent harm to the patentee, it may have to intervene before the factual and legal issues have been exhaustively examined. The price for that early intervention is the possibility that, later, once the case has

been fully argued, it may transpire that no infringement existed.

It is in that gap between the preliminary assessment and the final determination that the liability regime operates. Rule 213.2 RoP identifies several scenarios in which the Court may be called upon to shift the financial burden of the provisional measures back onto the applicant. If the provisional measures are revoked, lapse through the applicant’s own act or omission, or are subsequently found not to have caused or threatened any infringement, the defendant may request “*appropriate compensation for any injury caused by those measures.*” The breadth of that formulation is deliberate. It is designed to permit the Court to capture the full economic impact of an unjustified exclusion.

The UPC’s unitary jurisdiction magnifies both sides of this equation. On the one hand, a preliminary injunction granted by the UPC can exclude a competitor from multiple national markets in a single stroke, thereby creating a very strong enforcement lever for the patentee. On the other hand, if that injunction is later undermined, the corresponding damages exposure will also extend across all affected Contracting Member States. A defendant may be able to claim, in one Court, for lost profits and lost opportunities in several jurisdictions that would previously have required separate proceedings in separate Courts.

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The pharmaceutical sector provides a particularly good illustration of how this plays out in practice. A generic company that intends to launch at the expiry of a patent will structure its business around a regulatory and commercial calendar that includes price approvals, reimbursement listings, and, crucially, participation in framework agreements that will set up the future public tenders to allow supply after patent expiry. If a UPC injunction prevents that company from entering a framework agreement, which is held only every few years, it may be effectively excluded from supplying that segment of the market for the entire term of the contract, even if the patent expires or is revoked shortly afterward. The harm is not confined to a transient loss of a few months. It may encompass the entire duration of the tender, the knock on effects on reference pricing and reimbursement, and the loss of reputational and relational capital that comes with being an established supplier.

Against that backdrop, the early practice of the UPC in closing the merits proceedings upon patent expiry without a judgment on infringement or validity resolves only one aspect of the dispute. It eliminates the prospect of a permanent injunction for the future, which is logical given that the patent no longer exists. Yet it leaves open a delicate question for the parties: how is one to determine whether the interim relief was justified? Without a clear finding of non infringement, the defendant faces a difficult task in characterizing the measures as unfounded, within the meaning contemplated by Rule 213.2 RoP.

For patent holders, this procedural pattern calls for caution. It can be tempting, especially as a patent approaches expiry, to seek urgent measures that preserve the final tranche of monopoly revenues or delay the entry of competition into a newly liberalized market. That temptation is increased by the UPC's ability to grant such measures with effect across many Member States. However, patentees must also factor in the possibility that the main action will not result in a merits decision before expiry, or that the Court will be reluctant to decide on the infringement or validity once the patent has expired. In that scenario, the question of whether the measures may later be regarded as wrongful gains practical significance. It may translate directly into a multi jurisdictional damages claim that outweighs the short term gains achieved by the injunction.

For defendants, the lesson is essentially the converse. They have a strong incentive to resist characterizing the case as purely moot upon expiry and to press the Court to



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determine, at least with respect to the period during which the patent was in force, whether there was infringement or a credible threat thereof. A declaration of non infringement or an order revoking the patent will provide a foundation for a subsequent claim under Article 82(2) UPCA and Rule 213.2 RoP. In the absence of such a finding, they may still attempt to argue that the measures should be deemed unjustified on other grounds, such as a procedural defect.

This raises a broader question, which will need to be answered through UPC case law in the future, namely, to what extent should the Court be prepared to continue adjudicating on infringement and validity solely for the purposes of allocating the economic consequences of past interim relief, even when no further injunctive relief for the future is available?

Closely bound up with this is the question of what, in substantive terms, renders an injunction “unfounded” or “wrongful.” Is the mere fact that the patent is later revoked or that the Court finds no infringement sufficient to trigger liability, or will patentees be able to argue that they acted reasonably on the information available at the time? The text of the UPCA and the RoP does not clearly mandate a fault based approach, nor does it explicitly adopt a model of strict liability. The language of Rule 213.2 RoP, which states that the Court “may” order compensation, suggests that there is room for an equitable assessment taking account of all the circumstances, including the behavior of both parties, the degree of caution exhibited by the patentee, and the promptness with which the merits were pursued.

Once liability is established, the question of “how much” opens another chapter. Given that the RoP refers to “any injury caused,” the range of potentially compensable losses is wide. It may include, for example, the loss

of a chance to win a tender, reputational damage, and the additional investment required to recover a position in a market from which the defendant was unjustifiably excluded. In practical terms, a careful reconstruction and assessment of what would probably have happened had the injunction not been granted will have to be made. The cross border nature of UPC jurisdiction means that such analysis will have to accommodate differences in local market structures while being presented and assessed within a single coherent proceeding.

Finally, there is an additional layer that should not be overlooked, namely the interaction between the “liability tail” and EU competition law. In certain settings, the strategic use of a patent to obtain wide ranging provisional measures may raise concerns under Article 102 of the Treaty on the Functioning of the European Union. The line between the legitimate enforcement of intellectual property rights and their abusive deployment as instruments of market foreclosure is not always clear. The prospect of a competition law challenge, alongside a damages claim for wrongful injunctions, may further prompt patentees to exercise caution when seeking UPC relief.

In short, the UPCA has transformed patent expiry from a hard stop into a pivot point. After expiry, the patent can no longer sustain new injunctions, but the legal and economic consequences of injunctions already granted continue to unfold. Whether and how those consequences crystallize into liability will depend on future UPC decisions addressing the standards of wrongfulness, the willingness to decide past infringement/threat of infringement and validity, and the tools used to quantify harm across multiple legal and economic environments. The emerging picture is one in which enforcement risk in Europe extends beyond patent expiry, and in which parties on both sides of the “v.” must adapt their strategies accordingly.

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