

# Your Major Decisions Concerning the EU Unitary Patent & Unified Patent Court



John B. Pegram

Fish & Richardson P.C.

May 2016

# THE UP & UPC IN GENERAL

# The Package Solution by “Enhanced Cooperation”

**Unitary patent  
(UP)**



**Unified Patent  
Court (UPC)**

**Regulation (EU) No. 1257/2012** implementing enhanced cooperation to **create unitary patent protection** in participating states.

**Regulation (EU) No. 1260/2012** implementing enhanced cooperation with regard to the applicable, reduced **translation** requirements.

**Unified Patent Court Agreement (UPCA)**, a new treaty among most EU member states.  
(Non-EU states cannot participate).

# The EU Patent Package

- **Ratification** of the UPCA by a minimum of 13 EU states, including France, Germany and the UK, will trigger both opening of the UPC and grant of UPs, on the 1<sup>st</sup> day of the 4<sup>th</sup> month after minimum ratification.
- **Status:**
  - Nine states, including France, have ratified,
  - UK Parliament has passed the necessary legislation
    - BREXIT vote on June 23<sup>rd</sup>.
  - Germany has necessary legislation in progress
    - German ratification expected in late 2016.
  - Projected opening – March-June 2017

**DECISION POINT 1:**  
**SHOULD YOU OBTAIN  
UNITARY PATENTS?**

# The Unitary Patent (1)

- The Unitary Patent (formally a "European Patent with unitary effect") is
  - an EP granted by the EPO under the EPC's existing rules and procedures, (nothing will change during the pre-grant procedure)
- After grant by the EPO, the EP applicant can elect to either:
  - Validate the EP as a Unitary Patent for all states participating at that time, and select conventional EP parts for other EPO states; or
  - Validate the EP as individual national parts, in accordance with the present system.

## The Unitary Patent (2)

- Protection in **one step** for participating member states
  - Only for those states that have ratified the UPC at the time of grant of the EP by the EPO
- **Uniform litigation system** ensuring greater legal certainty
  - **A Unitary Patent can be litigated only in the UPC**
- There will be no official fee for validation as a UP.
- Translation of the full patent into one other language will be required during a transitional period of 7 to 14 years.
- Central ownership and assignment records will be maintained by the EPO.

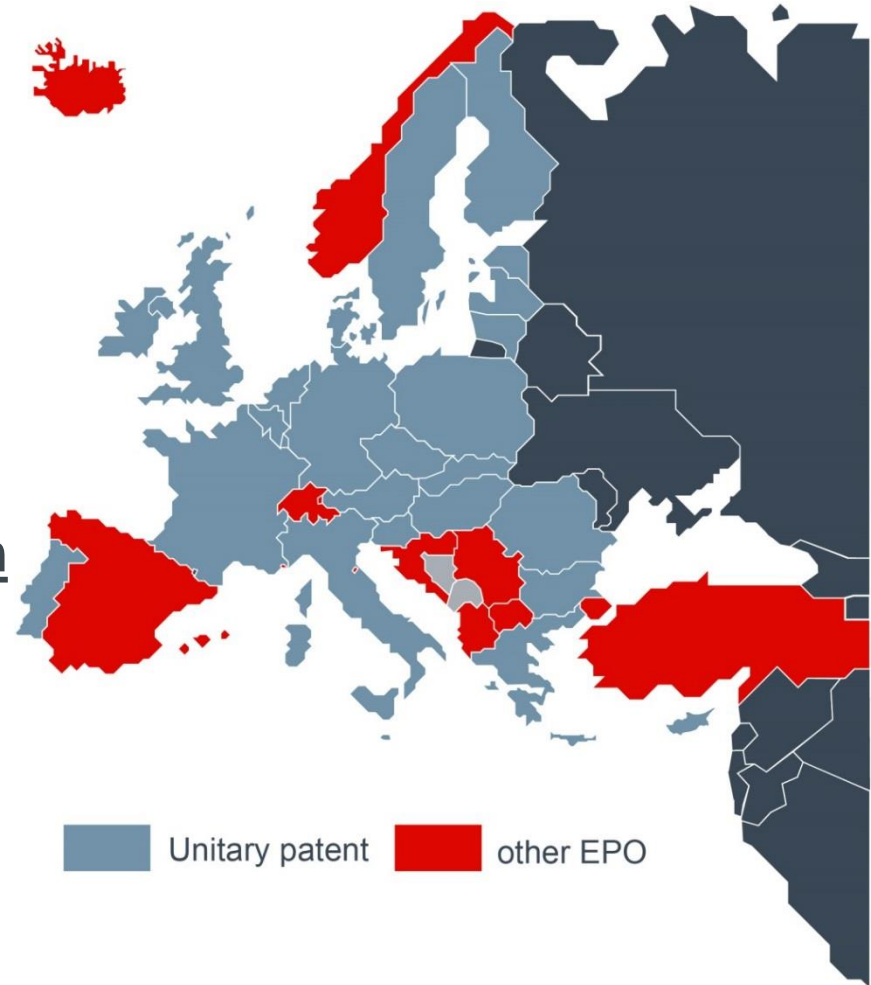
# The Unitary Patent & the EPO member states

## Unitary patent states (potential)

Austria • Belgium • Bulgaria • Cyprus  
Czech Republic • Denmark • Estonia  
Finland • France • Germany  
Greece • Hungary • Ireland • Italy  
Latvia • Lithuania • Luxembourg  
Malta • Netherlands • Poland  
Portugal • Romania • Slovakia  
Slovenia • Sweden • United Kingdom

## Other EPO member states

Spain • Iceland • Switzerland  
Norway • Turkey • Monaco  
San Marino • Liechtenstein • Croatia  
Serbia • Albania • Former Yugoslav  
Republic of Macedonia





# Considerations

- Coverage
  - At least 13 states including DE, FR & UK
  - Will cover only those states participating in the UP arrangement on the date of the EPO notice of intent to grant
    - National patents available for other EPO states
  - Cannot be changed during the life of the patent
- Litigation
  - Limited to the UPC
    - A plus or a minus?
    - No national revocation actions are possible

# Considerations

- Costs:
  - Translation
    - English + One EPO state
  - Save on national validation and agents' fees
  - Maintenance (renewal fees)
    - Paid to the EPO
    - Equal to sum of DE, FR, NL & UK fees
  - No ability to save costs in later years by not renewing in some states
    - The UP is a single unit.

**DECISION POINT 2:**  
**SHOULD YOU OPT-OUT OF THE  
UNITARY PATENT COURT?**

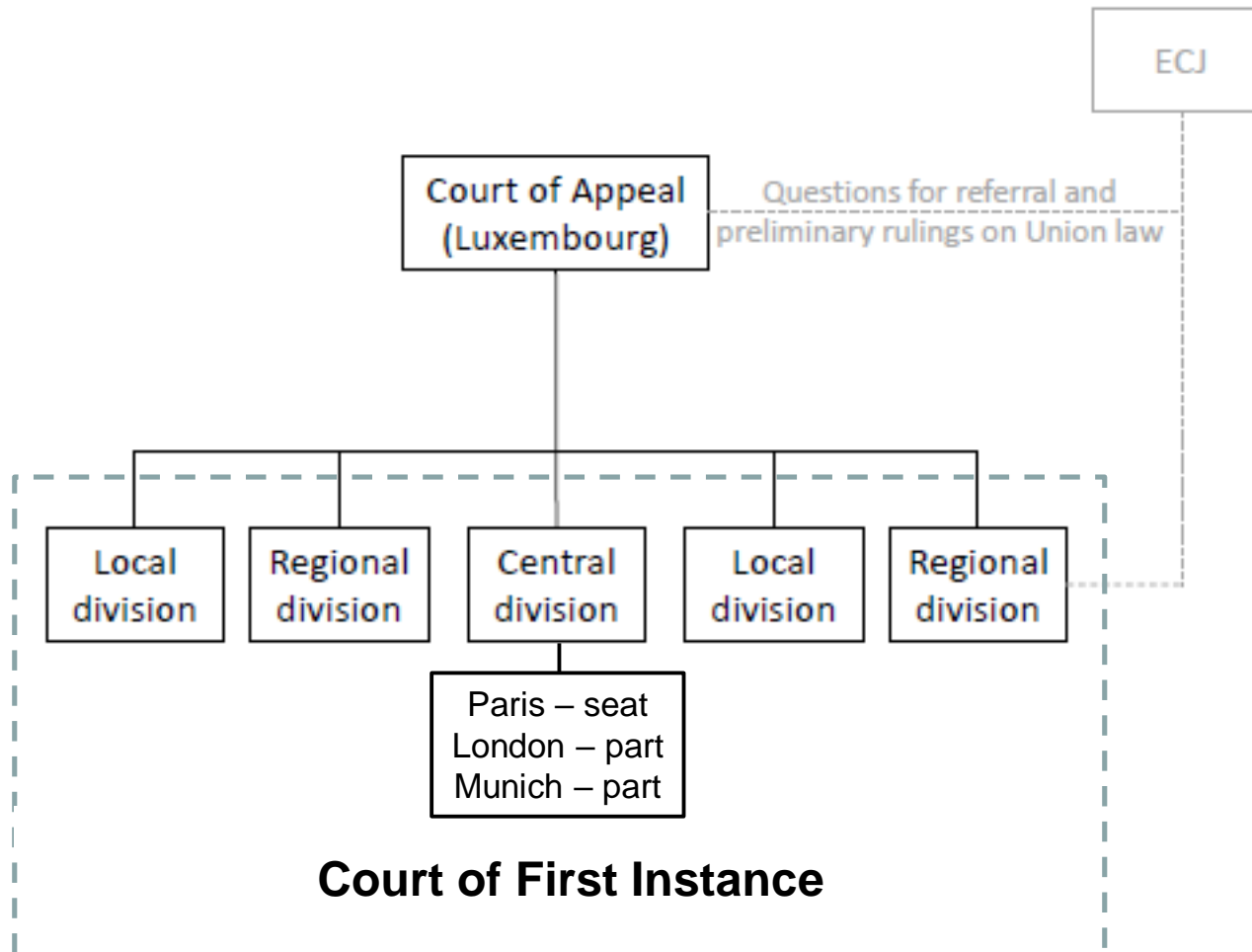
# What Is the UPC?

- A single patent court for all of the participating states
  - Intended eventually to be the only forum for litigation of **all patents issued by EPO** in the participating states.
- Includes a Court of Appeal and a Court of First Instance with multiple divisions

# What Is Jurisdiction of the UPC?

- Litigation concerning infringement and validity of:
  - **Unitary Patents**
    - Exclusive jurisdiction for UPs from the beginning.
  - **European Patents** (including EP patents which issued before UPC agreement entered into force, and which have not yet lapsed by then)
    - During a **transitional period of 7 years**, an action for infringement or revocation may be brought before either the UPC or national courts, and
    - Owner of a conventional EP may **opt-out** of the UPC during this period

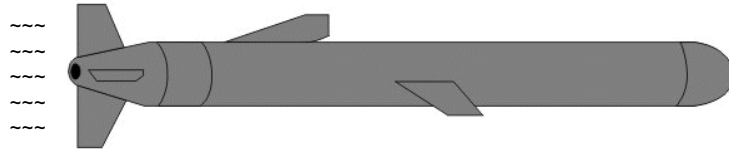
# Structure of the UPC



# Opting-Out of the UPC

- During a 7-year transitional period :
  - Plaintiffs to bring actions relating to conventional European Patents before either the UPC or national courts, except
  - Applicants and proprietors of ordinary European Patents may opt-out from the UPC's jurisdiction (avoiding a central attack on validity)
    - No official opt-out fee.
- Opt-out applies for the life of a patent, unless opted-in again.

# Beware of the Opt-Out Torpedo



- EP Owner opts out of the UPC
  - Avoids revocation action in UPC, and
  - National courts then have exclusive jurisdiction.
- Potential Defendant “fires a Torpedo”
  - files a DJ action in a slow national court
- Owner is barred from using the UPC for that patent
  - At least until the national court decides whether it has jurisdiction, and
  - Possibly until a final decision on appeal of the merits in national courts **or forever**.



# Reasons that have been suggested for opting-out

- Fears of Central Attack
- Fear of the Unknown
  - Fears of poor quality judges
- Preferences of Litigators for National Procedures
  - Known
  - Already experienced
  - Competitive reasons
- A belief that opt-out provides a Patent Owner with greater control over choice of court. (Valid ?)
- Higher costs of litigation in the UPC

# Reasons that have been suggested for not opting-out:

- To enjoy UPC benefits of a single litigation and enforcement for all participating states in which the PO has EP national parts.
- Maintain flexibility
  - Can sue in either UPC or national courts
    - Can sue in the UPC even if the same patent is involved in national court litigation filed by another party
  - Once a national court case is filed, an Owner who has opted out is barred from using the UPC  
(The “Opt-Out Torpedo”)
- Opt-out may signal that Owner believes the patent is weak

**Plan Now!**

# The End



John B. Pegram

Pegram@fr.com

For more information on the EU Unitary Patent and Unified Patent Court,  
see <http://www.fr.com/global/unitary-patent/>