



Introducing the EU Unified Patent Court and Unitary Patent

Tuesday, February 21, 2023

FISH.

Meet The Speakers



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An Imagined Conversation

Did you hear that soon we can get a single patent covering at least 17 states in the EU?

GREAT !

And did you hear that soon we can enforce a patent in one court with effect in at least 17 EU states?

Also GREAT !

What's the Catch ?

Outline of Presentation

- **European Patent System Today**
- **A New Patent System for Participating States of the European Union**
- **Unitary Patent (UP)**
- **Unified Patent Court (UPC)**
- **UPC Opt Out Considerations**

European Patent System Today

- Obtain a European patent through the European Patent Office (EPO)
 - File, prosecute, obtain, and defend against any opposition filed at the EPO
 - EPO opposition must be filed within 9 months of grant
 - Validate and maintain the granted EP patent in each desired contracting state of the European Patent Convention (EPC) (expensive and complex)
 - Enforce and defend in each specific contracting state (expensive and complex)

OR

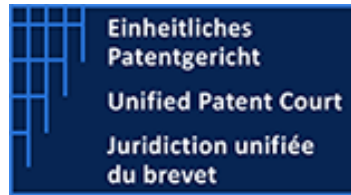
- Obtain a national patent in each desired (European) country
 - File, prosecute, obtain, maintain, enforce, and defend in each specific country (expensive and complex)



Introducing:
**A New Patent System for
Participating States of the
European Union**

The Separate Organizations Involved

UPC



The Unified Patent Court Agreement creates the UPC for most major EU states

EU



Two EU Regulations

- Create a European Patent with unitary effect (Unitary Patent or UP) for EU states participating in the UPC, and
- Create a simplified, transitional translation requirement for the Unitary Patent

EPO



Upon request, the EPO will

- Register a European Patent, at grant, as a Unitary Patent, and
- Handle administration of the Unitary Patent

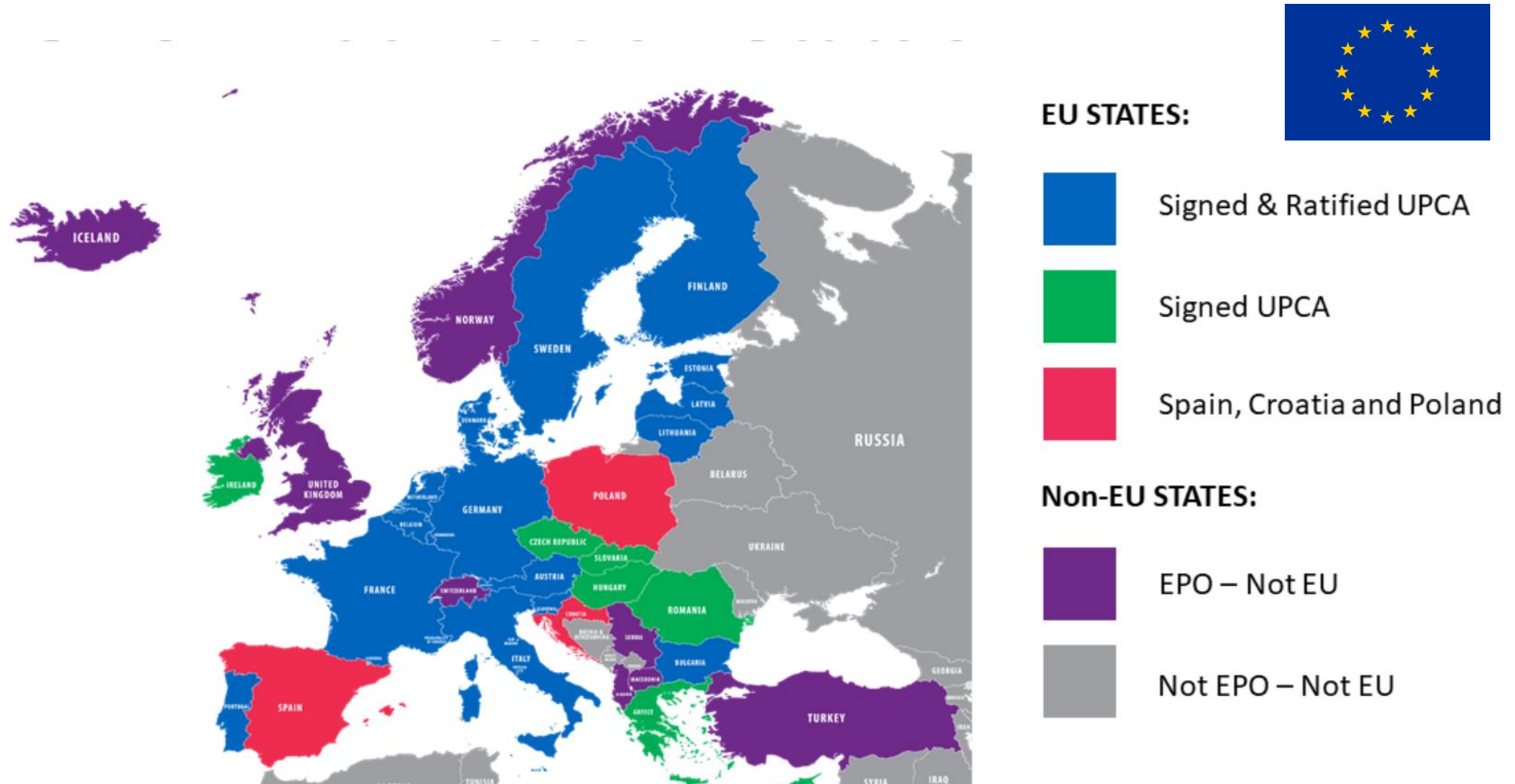
What Is the Unitary Patent?

- **Formal name: “A European Patent with Unitary Effect”**
 - A single patent for EU participating states
 - Not for non-EU states, such as Switzerland and the UK
 - Not for EU states that have not ratified the UPC Agreement
- **At grant of an EP application by the EPO, Applicants may choose between**
 - Conventional European Patent (bundle of national patents), or
 - Unitary Patent
- **Costs are comparable to or less than costs of patents in “TOP 4” states of France, Germany, Italy and the Netherlands**

What Is the Unified Patent Court?

- **A single court for patent litigation in all of the participating EU states**
- **Created by the Unified Patent Court Agreement (UPCA)**
 - A treaty signed by almost all EU states
- **Intended to have exclusive competence for litigation of all European Patents and Unitary Patents**
- **During a transitional period of at least seven years:**
 - Parallel competence with national courts for conventional EPs, and
 - Owners can “Opt Out” of UPC jurisdiction for conventional EPs, but not for Unitary Patents

Which EU States Are Participating?



Where in the EU?

Signed & ratified:

- Austria
- Belgium
- Bulgaria
- Denmark
- Estonia
- Latvia
- Lithuania
- Finland
- France
- Germany
- Italy
- Luxembourg
- Malta
- Netherlands
- Portugal
- Slovenia
- Sweden

Signed only

- Cyprus
- Czech Republic
- Greece
- Hungary
- Ireland
- Romania
- Slovakia

Not signed:

- Croatia
- Poland
- Spain

When?

- **The EPO will begin registration of Unitary Patents on the UPC Start Date**
- **The EPO is ready to register Unitary Patents**
 - It has been waiting for the UPC to complete its preparations
- **Start Date for both the Unitary Patent & the UPC is**

June 1, 2023



Unitary Patent

The Unitary Patent – Key Features

- A single patent right having effect in all participating EU states.
- Simply obtain your EP patent through the EPO just like you currently do, and then request unitary effect to obtain a Unitary Patent for the participating European Union countries
- EPO opposition and appeal procedures still apply to Unitary Patents
- The Unified Patent Court must be used for all Unitary Patent litigation proceedings
 - After the 9-month EPO opposition period ends, the validity of a Unitary Patent can only be challenged in the Unified Patent Court

The Unitary Patent

- **Does not preclude ability to pursue direct national filings in specific European countries**
 - National patents and unitary patents can co-exist, subject to double-patenting rules that may apply in particular countries
- **Does not preclude ability to pursue an EP patent through the EPO and validate in specific European countries**
 - Validated EP patents and unitary patents also can co-exist, again subject to double-patenting rules that may apply in particular countries
- **Strategies:**
 - Work with co-existing national and EP applications including divisional applications to benefit from both systems

The Unitary Patent

- Ownership rights can only be transferred for the entire Unitary Patent in all countries
- Unitary Patent can be licensed for all or part of its territories
- It is possible to base a national supplementary protection certificate (SPC) on a Unitary Patent
 - EU is considering the possibility of a unitary SPC
- Large territory for infringement assessments

Mechanics of Filing a Unitary Patent Request

- **File within one month of grant**
 - Reinstatement of rights is available
- **Filed by proprietor or proprietor's representative**
 - If multiple proprietors, filed by common representative
- **During a transitional period of 6-12 years, file with one translation**
 - Filed in English, then translate into any other language of the EU
 - Filed in French or German, then file English translation
 - These translations are for informational purposes only; no legal effect
- **No translations will be needed with a UP request after the translation transitional period**

Duties of EPO Unitary Patent Division

- **After grant, the EPO will handle all aspects of Unitary Patents, in particular:**
- **UP Division is responsible for all the EPO's additional tasks relating to Unitary Patents**
- **Maintain a Unitary Patent Registry**
 - Date of registration of unitary effect (defines territorial coverage)
 - Details about any SPCs
 - Any registered information about the transfer of rights
 - Information about any Unitary Patent Court proceedings
- **Collect renewal fees**
- **Actions against decisions of the Unitary Patent Division must be brought before the UPC and not before the EPO boards of appeal**

Unitary Patent – Renewal Fees

UP vs. 25 Countries

- Renewal fees only:
UP fee level is attractive, particularly in early years
- The more countries a classic European patent would have been validated in, the more cost-effective a Unitary Patent will be.

Source: <https://www.epo.org/law-practice/unitary/unitary-patent/cost.html>

Year	Unitary Patent (EUR)	25 member states (EUR)*
2	35	220
3	105	1 452
4	145	1 857
5	315	2 506
6	475	3 250
7	630	3 861
8	815	4 615
9	990	5 554
10	1 175	6 463
11	1 460	7 526
12	1 775	8 655
13	2 105	9 854
14	2 455	11 028
15	2 830	12 189
16	3 240	13 569
17	3 640	14 912
18	4 055	16 166
19	4 455	17 729
20	4 855	19 227
Total	35 555	160 633

Unitary Patent – Renewal Fees

UP renewal fees approximately equal to sum of renewal fees for:

- France
- Germany
- Italy
- Netherlands

Get UP coverage in these states, essentially for free:

- ✓ Austria
- ✓ Belgium
- ✓ Bulgaria
- ✓ Denmark
- ✓ Estonia
- ✓ Finland
- ✓ Latvia
- ✓ Lithuania
- ✓ Luxembourg
- ✓ Malta
- ✓ Portugal
- ✓ Slovenia
- ✓ Sweden

EPO Estimated Overall Costs

Estimate includes:

- Attorney costs:
- Translation (24 pages),
- Validation and maintenance of a European patent granted during the 4th year after filing of the application.

<https://www.epo.org/law-practice/unitary/unitary-patent/cost.html>

	Unitary Patent (UP)	Classic European patent (EP) validated and maintained in four countries
Total official fees for years 5-10	4 400	3 745
Total external costs* for years 5-10	3 000	3 855
Total cost up to year 10	7 400	7 600
	difference UP vs EP: EUR -200 = -3%	
Total official fees for years 5-12	7 635	6 585
Total external costs* years 5-12	3 625	5 265
Total cost up to year 12	11 260	11 850
	difference UP vs EP: EUR -590 = -5%	
Total official fees for years 5-15	15 025	13 345
Total external costs* for years 5-15	5 105	8 645
Total cost up to year 15	20 130	21 990
	difference UP vs EP: EUR -1 860 = -8%	
Total official fees for years 5-20	35 270	30 750
Total external costs* years 5-20	9 150	17 350
Total costs up to year 20	44 420	48 100
	difference UP vs EP: EUR -3 680 = -8%	

Steps You Can Take Before the Start Date

- **If you want a Unitary Patent**
 - Verify that you are entitled to validate the application as a Unitary Patent
 - Get a translation
 - File request for validation of as a Unitary Patent with translation in the Sunrise Period, after receiving the EPO's notification of intention to grant a European Patent



Unified Patent Court

The European Patent Court System Today

- **Infringement proceedings for enforcing patents in granted state**
- **Revocation proceedings for challenging validity in that specific state only**
- **National court procedures and nationally qualified attorneys**
- **Proceedings in a national language of the court**
- **Patent law is the European Patent Convention, but:**
 - Interpretations of granted claims may differ from court to court, and
 - Decisions of other courts may have persuasive weight, but are not binding

The Unified Patent Court

- **Exclusive court for Unitary Patents and for EP patents in participating European Union countries (except when opted out of UPC)**
 - International organization with exclusive jurisdiction regarding European Patents with or without unitary effect (exceptions during transitional period)
 - Infringement actions; Revocation actions; Declarations of non-infringement
 - Related counterclaims
 - Not contractual disputes, license disputes, or ownership disputes

The Unified Patent Court - Locations

- **Court of First Instance**
 - Local Divisions
 - One local division in most states
 - Four local divisions in Germany
 - Central Division replaces local division for states that lack a local or regional division: for example Malta
 - Regional Divisions
 - Currently, only one Regional Division, in Stockholm
 - For Estonia, Latvia, Lithuania and Sweden
 - Central Division
 - Initially, two branches: Munich and Paris
- **Court of Appeal in Luxembourg City**

Which Division?

- **Most infringement proceedings will be in a Local or Regional Division**
 - Counterclaims for revocation will be possible
- **Most Petitions for Revocation or Declaration of non-infringement will be in the Central Division**
 - Munich: mechanical engineering; lighting; heating; weapons; blasting
 - Paris: performing operations; transporting; textiles; paper; fixed constructions; physics; electricity
 - Munich or Paris, initially: human necessities; chemistry

Who Will Be the Judges?

- **Local and Regional Divisions**
 - Three legally-qualified judges and possibly one technically qualified judge
- **Central Division**
 - Two legally-qualified judges and one technical judge
- **Court of Appeals**
 - Three legally-qualified judges and two technical judges

Who Will Be the Judges?

- Initially, about 95 judges, chosen from over 1,000 who applied
- Initially, some judges will be part-time
- All judges must have patent experience or training
- All judges must have good ability in English, French or German
 - Most judges will have good ability in English
- Legal judges must have qualifications of a national judge
- Technical judges are patent attorneys

For more about the UPC:

A Deeper Dive Into the EU Unified Patent Court

Tuesday, February 28th, 1:30 -2:30 pm ET

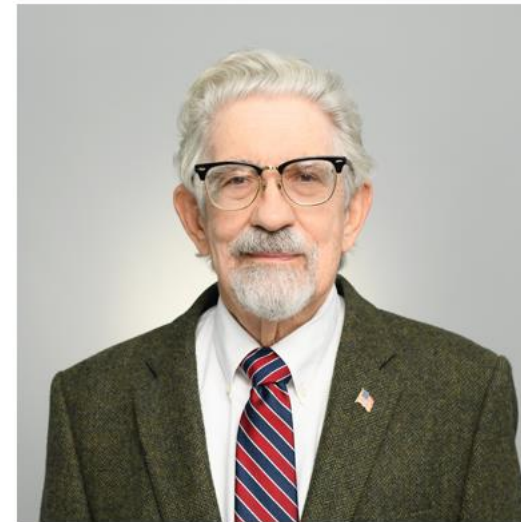
Presented by:



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German Patent Attorney



John Pegram
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Moderator

UPC Opt Out

**What Is the Opt Out?
How to Opt Out
Should You Opt Out?**

What Is the Opt Out? (1)

- The UPC is intended to become the only patent court for participating states
- During a Transitional Period of 7 years from the Start Date:
 - The UPC will have exclusive competence for Unitary patents
 - The UPC will have parallel competence with national courts for all other European Patents
 - The Owners of conventional European Patents may **Opt Out** of UPC competence
 - **No National Court competence for Unitary Patents**
 - **No Opt Out of UPC for Unitary Patents**
 - **No Opt Out if a UPC case is proceeding**

What Is the Opt Out? (2)

- The Owners may withdraw the Opt Out one time (Opt-In), but may not Opt Out again
 - Withdrawal of Opt-Outs possible only if no national court case is proceeding
 - If anyone files a national court case involving the patent during Opt Out, the patent is locked out of the UPC
- The UPC may extend the Transitional Period by up to 7 years
- The UPC will have to decide whether an Opt Out continues after the Transitional Period

When can an Opt Out be requested?

During the Sunrise Period, starting

1 March 2023

Until one month before the end of
the Transitional Period, at least until

1 May 2030

How to Opt Out (1)

- All owners of a patent must authorize an Opt Out
 - Checking ownership is the Opt Out requester's responsibility
 - If a co-owner is not listed as a requester, the Opt Out is not effective
- The person filing the request must submit the appropriate “mandate” from the owner(s)

How to Opt Out (2)

- Opt Out requests must be filed online, in the UPC's Case Management System (CMS)
 - Information for each case should be entered manually for each case
 - **No paper filings are permitted**
- Bulk Opt Out requests can be filed using private, CMS-compatible software
 - Typically, a service provider will be used for bulk requests
 - Service providers will be unable to process last minute bulk requests before the UPC Start Date
 - **Typically, bulk requests must be submitted to the provider before 15 April 2023**

How to Opt Out (3)

- Opt Out requests will be effective upon registration
- If an Opt Out request is defective, corrections will be effective from date of correction



Opt Out or Not ?

There is no general rule

Opt Out: Advantages and Disadvantages

- Some advantages of opting out:
 - Avoid uncertainties of a new system
 - Avoid risk of a centralized revocation procedure with no set time limit
- Some advantages of UPC:
 - Benefits of a single, central litigation
 - Potential injunction and damages award for 17 states
 - Earlier certainty

Principal Risks of Opt Out or Not

- **If you do not Opt Out:**

- A single party may file a UPC action for revocation, resulting in a binding decision for all 17 participating states
 - Good for the patentee if it wins, bad if it does not
 - A national court action for revocation of a patent in one state will not bar asserting infringement of the patent in the UPC
 - A national court action for infringement of a patent against Party A will not bar asserting infringement of the patent against Party B in the UPC

- **If you do Opt Out:**

- Revocation of the patent may only be sought in individual national courts
 - A single party may file a national court action, which will block any use of the UPC against any party

Some Opt Out Questions

1. Why did you get this patent?

- To protect a crown jewel?
- To deter competitors?
- Building a portfolio for defensive purposes?
- Reward inventors?
- Or some other reason?

2. What is the potential monetary value of the patent and protected products?

3. Is this patent worth litigating and—if so—at what level of expense?

Some Opt Out Questions

4. **Has the patent been opposed at the EPO?**
5. **Is there existing infringement or is it likely soon?**
5. **Do you need the UPC to gain broad infringement jurisdiction for the most likely infringers?**
 - Are there litigious competitors?
 - Where are they located?

Some Opt Out Questions

- 7. How likely is it that a revocation action might be filed before you threaten or file an infringement action?**
- 8. How likely is a revocation action in the next seven years?**

Some Opt Out Questions

10. How would you react to a stand-alone revocation action?

- Not sue for infringement before validity is established?
- Counterclaim for infringement in the same court or another national court
- Sue for infringement in the UPC?

11. In what court do you most fear revocation of this patent and why?

- Experience of judges?
- Propensity to revoke?
- Specific, potential issues
- General or specific unpredictability?

Examples of Different Choices for Different Patents



Examples of Different Choices for Different Patents

Crown Jewel

- High Intrinsic Value
- Worth litigating in multiple jurisdictions
- Delay of decision has value

Examples of Different Choices for Different Patents

Average Litigated Patent

- Value only justifies litigating in one court
- 17 State Effect is valuable
- Quick Decision is valuable



Questions?

Thank You!



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Any questions about the webinar, contact the events team at eventsteam@fr.com

A replay of the webinar will be available for viewing at <http://www.fr.com/webinars>

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Resources

- **Unitary Patent**

- EPO - Unitary Patent Guide: <https://www.epo.org/law-practice/unitary/unitary-patent/unitary-patent-guide.html> (updated April 2022)
- EPO website: <https://www.epo.org/law-practice/unitary/unitary-patent.html>
- Fish & Richardson website: <https://www.fr.com/services/patent-law/unitary-patent/>

- **Unified Patent Court**

- UPC website: www.unified-patent-court.org
- Fish & Richardson website: <https://www.fr.com/services/patent-law/unitary-patent/>