

MCC INTERVIEW: Herbert Kunz / Fish & Richardson

# What You Need to Know about Patents in Europe

*For high-tech, Germany is the place*

**H**erbert Kunz is the Fish & Richardson principal who manages its office in Munich. A trained European and German patent attorney with 20 years' experience, he focuses on patent drafting and prosecution, patent opposition and litigation, and nullity proceedings for a broad range of clients, ranging from startup inventors to large global corporations. His areas of expertise include mechanics, electronics, software and medical devices. He also learned a lesson he's never forgotten when he took a class at Cambridge from Stephen Hawking. The interview has been edited for style and length.

**MCC:** Tell us a little about your background.

**Kunz:** I have a Ph.D. in physics from the University of Berlin, a diploma in physics from the University of Hamburg and a master's degree in theoretical physics from the University of Cambridge. When I was getting my master's degree at Cambridge in 1983, I was one of only eight students in a class with Professor Stephen Hawking, which was a life-changing experience for me. I remember him coming late to our second or third class and telling us about a great "breakthrough" he had just had in describing the so-called world formula. I didn't understand anything that he presented to us that day, which was OK, because at a later class he basically said, "Never mind." I was only 23 years old at the time, but I was quite taken with his sheer tenacity to never give up. Whenever I confront a difficult challenge, I think of him in his wheelchair barely able to speak and all of the accomplishments he has had, and I don't give up.

**MCC:** Why is Germany so important for companies who seek to patent their technology in Europe?

**Kunz:** Germany is Europe's high-technology center and home to the European Patent Office (EPO). The EPO was established by the European Patent Convention in 1973, and many people don't realize that the EPO is not run by the European Union (EU). A patent owner who obtains a patent from the EPO receives patent protection in all 31 contracting states that are part of the convention. The EPO has been heavily influenced by German patent prosecution practice, so German patent practitioners have substantial insight into how to obtain EPO patents. Germany is a great venue for companies that need to enforce their patents through litigation because of its bifurcated system, which separates the trials for infringement and validity. Enforcing patents in Germany is also less expensive than in many other countries. German courts allow for limited discovery, typically resolve within a year and offer good options for injunctive relief. And because technically skilled judges rule on patent validity, parties typically don't have to take much time to teach their technology to the court.

**MCC:** What are German utility models, and when should a company consider using one?

**Kunz:** A utility model is an IP right created under German law and registered through the German Patent and Trademark Office. A utility model functions



almost like a patent and conveys many of the same rights – i.e., cease and desist claims, damage claims, claims to render account and even destruction claims. But unlike a traditional patent, the claims of a utility model are not examined by the Patent Office before the rights are granted. This expedited process allows an applicant to obtain enforceable rights – including the right to injunctive relief – with a fraction of the time and expense required to prosecute a patent application.

Utility models are registered through the German Patent and Trademark Office (DPMA). These applications can be filed by themselves, or branched off from pending German, European or Patent Cooperation Treaty patent applications. As long as the applications meet the DPMA's formal requirements, they will be registered as utility models within two to three months. This

registration process is one of the principal advantages of utility models over patents. Like their U.S. counterparts, German and European patent applications may remain pending for years before enforceable rights are granted. Utility models can be registered in a fraction of that time because they are not examined for novelty and inventiveness. The utility model will be registered as long as the filing is in the proper form, granting the owner presumptive authority to enforce the claims as originally filed.

There are many advantages to filing a German utility model. Firstly, the ability to branch off from a pending patent application gives companies an effective way to measure and monitor the market and/or the competitors' products, i.e., the claim language of the utility model to be branched off can be drafted so as to cover the competitor's products. Secondly, if a product has an expected short lifetime, it is advantageous to have an enforceable right within the two to three months, which is much shorter than the regular examination period of a patent. Utility models are also much cheaper to obtain than traditional patents. The application fee for a utility model is 30 euros, and the maintenance fees for the whole lifetime of the right are below 1,000 euros.

**MCC:** If a U.S. company wants to patent the same technology in both the U.S. and Europe, in what order should this be done? Does it matter?

**Kunz:** There is no legal reason to file in any particular order. A company's international business and marketing plans should be the controlling factor in its international patent filing strategy. It is important to note, however, that by statute you must apply to the United States Patent and Trademark Office (USPTO) for a foreign filing license if you plan to file a patent application in any foreign country (including in the EPO) within six months of filing a patent application on the same invention in the U.S. As a strategic matter, companies that are planning to file for patent protection on the same invention in the U.S. and in Europe should make sure that the claim language in both applications is synchronized. This is something that we do routinely at Fish, where we have both U.S. and European patent attorneys who work closely together on patent applications.

**MCC:** How are the USPTO post-grant procedures different from opposition or nullity proceedings in Europe?

**Kunz:** Post-grant proceedings in the USPTO have some similarities to nullity proceedings in Europe. Both are actions within the patent office that challenge

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## Patents in Europe

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the validity of a patent. Like many procedures in Europe, nullity proceedings are less expensive than post-grant proceedings in the U.S. Nullity actions do not allow any discovery, unlike post-grant proceedings where some discovery is allowed, but take longer – typically about two years compared to about one year for post-grant. Perhaps the most significant difference is with respect to estoppel. In post-grant proceedings, a party that challenges a patent is estopped in subsequent district court litigation from raising challenges on any grounds that were raised, or those that reasonably could have been raised, during the post-grant review. Nullity proceedings have no estoppel effect on litigation related to the patents at issue. For example, in some situations where Fish has filed an inter partes review (IPR) and nullity cases for the same family of patents with similar technology claims pending, the outcome issued by the nullity case judges has been a useful tool in the pending IPR.

**MCC:** *Design patents have been gaining in popularity to protect products – what advantages are there to filing for a European design patent, and how do you enforce these types of design rights?*

**Kunz:** European design patents are a powerful tool because they can be enforced throughout the 28 EU member states. Design patents are a particularly cost-effective way to protect inventions at the EU because there is no substantive examination of designs at the time they are registered for patent protection and can be enforced immediately after having been registered. Registered Community designs (RCDs) are fast and inexpensive, and maintain their value for up to 25 years. Because RCDs provide rights in the aesthetics of the item protected, the

enforcement is much more straightforward. If a product is visually identical to the registered design, then a preliminary injunction can be requested, and if granted, the infringing product can be enjoined in two to 10 days. For example, we were able to help a client who tried to obtain a preliminary injunction with another law firm in the U.S. based on a design right, but failed. This client then hired us to obtain a preliminary injunction in Europe based on a Community design right, which was granted within three days. After the defendant realized that he had to stop selling those products in Europe, a worldwide settlement was achieved.

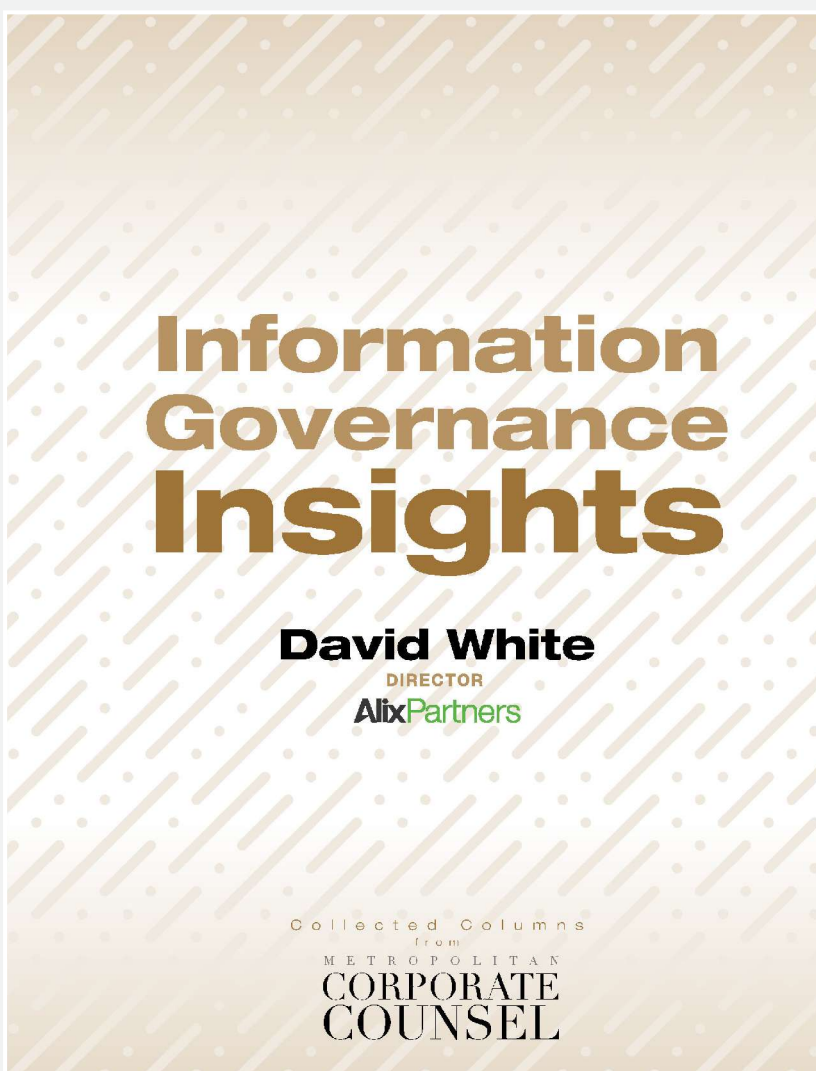
**If filing for patent protection on the same invention in the U.S. and Europe, make sure the claim language is synchronized.**

**MCC:** *There has been a lot of confusion about how Brexit will impact the EU's plan to create a Unitary Patent (UP) and Unified Patent Court (UPC) – where do things stand? What should companies do now as we await a decision on the UP and the UPC?*

**Kunz:** Brexit has brought uncertainty to everything EU-related. The U.K. was expected to play a key role in the development of the UPC, and Brexit left the future of the UP and UPC in doubt. To make matters more confusing, the U.K. announced its intent to ratify the UPC agreement despite its Brexit plans, but then missed the May 2017 deadline for ratification. Germany has not yet ratified, or made plans to ratify, the agreement, though some people believe that this will happen in November. All other EU member states have ratified the agreement. When and how the UP and UPC will be implemented remains uncertain. Companies seeking patents in Europe should not wait to implement their patent strategies but should proceed under the current system. At the same time, it is useful to understand the differences between the UP and European patents, and how both are enforced, so that you can be prepared to take advantage of the UP and UPC, when they become available.

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