

# **Unitary Patent and Unified Patent Court**

## **in the European Union**

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# Speakers

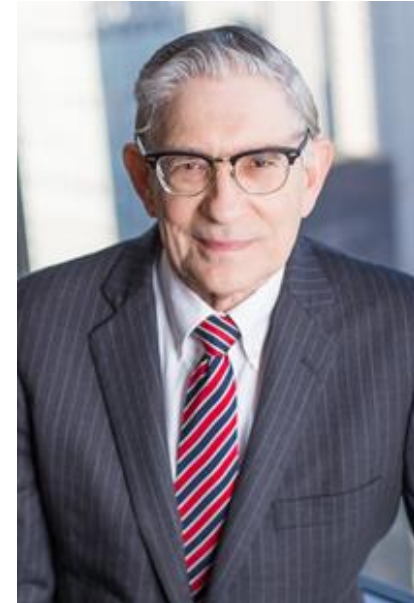
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## **Disclaimer**

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# European Patent System Today

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

# An Imagined Conversation

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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

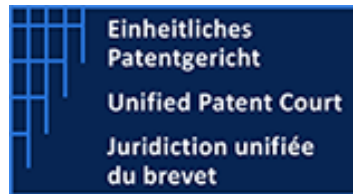
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- **Introduction**
  - **What ?**
  - **Where ?**
  - **When ?**
- **Unitary Patent (UP)**
- **Unified Patent Court (UPC)**
- **UPC Opt-Out Considerations**

# The Organizations Involved

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## UPC



The Unified Patent Court Agreement creates the UPC for most of the 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 and pursuant to the EU Regulations, the EPO will

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

# What Is the Unified Patent Court?

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- **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 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 UPs**



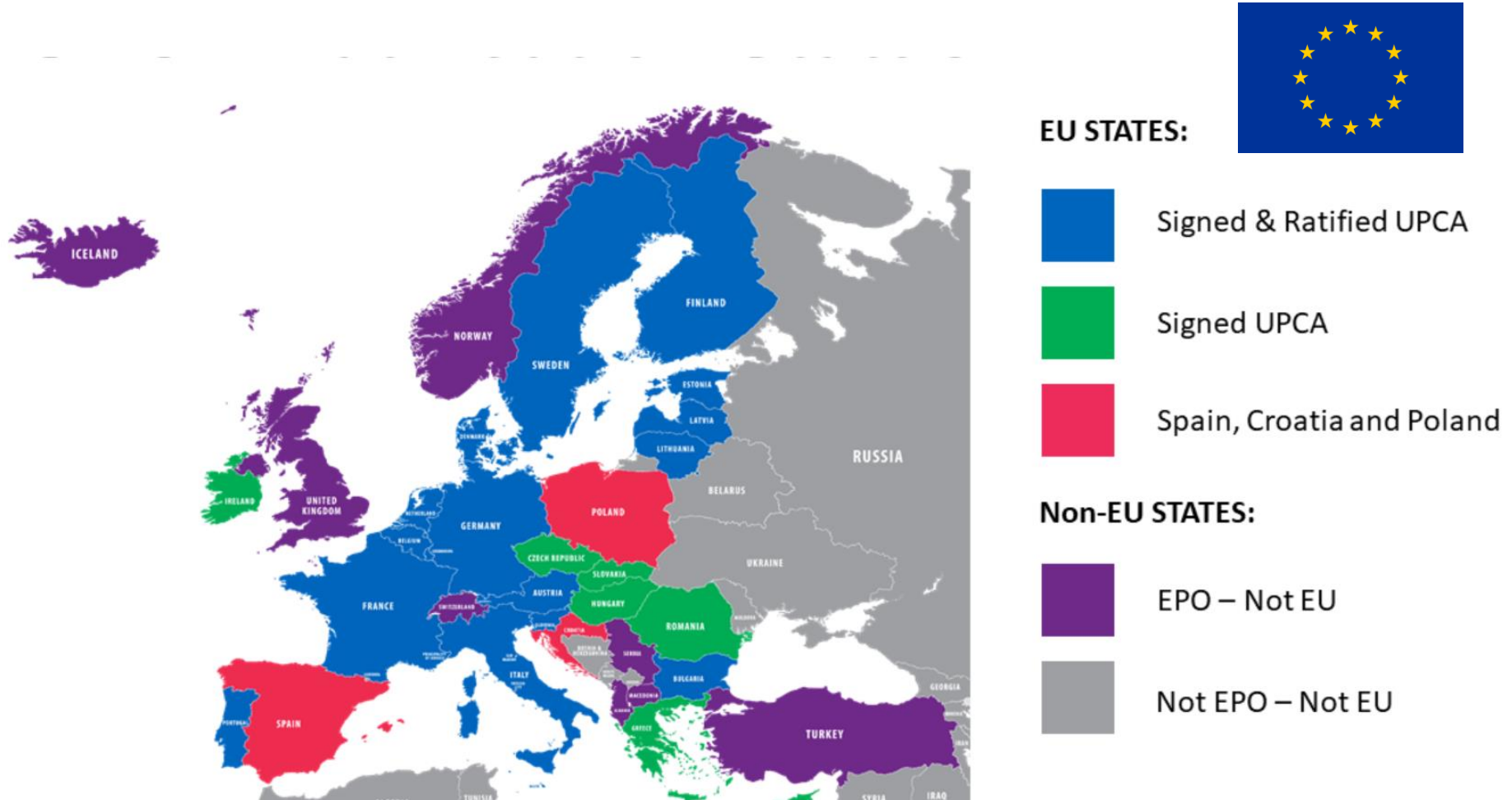
# What Is the Unitary Patent?

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- **A single patent for EU participating states**
- **At grant of an EP application by the EPO, Applicants may choose between**
  - **Conventional EP 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**

# Where?

## Which EU States Are Participating?



# Where in the EU?

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## Signed & ratified:

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

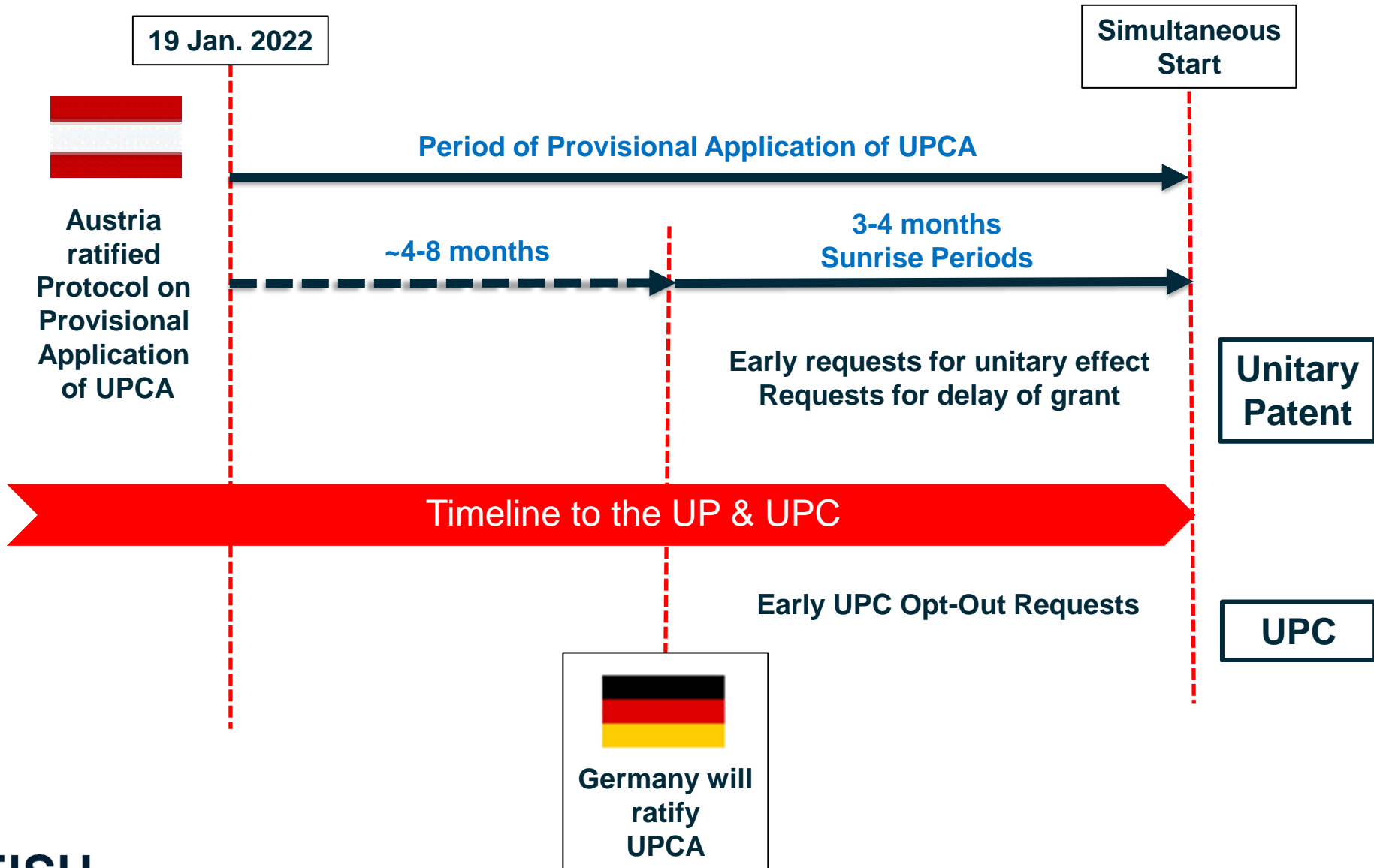
## Signed only

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

## Not signed:

- Croatia
- Poland
- Spain

# When?



# When?

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- The EPO is ready to grant Unitary Patents
  - EPO is waiting for the UPC to complete its preparations
- Latest prediction by the UPC Administrative Committee (as of 6 April 2022) is last quarter of 2022 or early 2023
- Our current predictions:
  - Possibly: October 1, 2022
  - **More likely: November 1, 2022**
  - Maybe: January or February 1, 2023

# Unitary Patent

# The Unitary Patent – Key Features

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- **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

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- **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

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- **Ownership rights can only be transferred for all countries of the Unitary Patent**
- **Unitary Patent can be licensed for all or part of the territories of the Unitary Patent**
- **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**
- **Larger territory for exhaustion assessments**

# Mechanics of Filing a UP Request

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- **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 file in any other language of the EPO**
  - Filed in French or German, then file English translation
  - **These translations are for informational purposes only; no legal effect**
- **No translations needed with UP request after the translation transitional period**

# Duties of EPO Unitary Patent Division

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**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*

# What Property Law May Apply?

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- Unitary Patent is considered a national patent of the member state of:
  - First Applicant's residence or principal place of business at the time the European patent application was filed according to the European Patent Register
    - Otherwise, that of next in line Applicant
  - **Otherwise, first Applicant's place of business at the time the European patent application was filed**
    - Otherwise, that of next in line Applicant
  - **Otherwise, Germany**

**Therefore, consider the listed order of Applicants when filing an EP patent application**

# Cost of a 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.

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
<b>Total</b>	<b>35 555</b>	<b>160 633</b>

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

# Cost of a Unitary Patent – Renewal Fees

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

- France
- Germany
- Italy
- Netherlands

**Get UP coverage in at least these states essentially for free:**

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

**And in these states for UPs granted after they ratify the UPCA:**

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

# 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
<b>Total cost up to year 10</b>	<b>7 400</b>	7 600
	difference UP vs EP: <b>EUR -200 = -3%</b>	
Total official fees for years 5-12	7 635	6 585
Total external costs* years 5-12	3 625	5 265
<b>Total cost up to year 12</b>	<b>11 260</b>	11 850
	difference UP vs EP: <b>EUR -590 = -5%</b>	
Total official fees for years 5-15	15 025	13 345
Total external costs* for years 5-15	5 105	8 645
<b>Total cost up to year 15</b>	<b>20 130</b>	21 990
	difference UP vs EP: <b>EUR -1 860 = -8%</b>	
Total official fees for years 5-20	35 270	30 750
Total external costs* years 5-20	9 150	17 350
<b>Total costs up to year 20</b>	<b>44 420</b>	48 100
	difference UP vs EP: <b>EUR -3 680 = -8%</b>	

# Steps You Can Take Before the Start Date

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- **Decide whether you may want a Unitary Patent for pending EP applications**
- **If you want a Unitary Patent:**
  - Verify that you are entitled to validate the application as a Unitary Patent
  - Early request for unitary effect
  - Delay the notification of intent to grant a European Patent until the Sunrise Period
  - File request for validation of as a Unitary Patent with translation in the Sunrise Period, after receiving the notification of intent to grant a European Patent



# Unified Patent Court

# The European Patent Court System Today

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- **Revocation proceedings for challenging validity in that specific state only**
- **Infringement proceedings for enforcing patents in granted state**
- **National court procedures and nationally qualified attorneys**
- **Proceedings in a national language of the court**
- **Patent Examination 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

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- **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) , start: Autumn 2022**
  - **Infringement actions; Revocation actions; Declarations of non-infringement**
  - **Related counterclaims**
  - **Not contractual disputes, license disputes, or ownership disputes**

# The Unified Patent Court - Locations

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- **Court of First Instance**
  - **Local Divisions**
    - 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 is contemplated
      - In Stockholm
      - For Estonia, Latvia, Lithuania and Sweden
  - **Central Division**
    - Initially, two branches: Munich and Paris
- **Court of Second Instance (Court of Appeal)**
  - In Luxembourg

# The Unified Patent Court

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- **Court of First Instance**
  - **Local and Regional Divisions**
    - infringement actions with or without revocation counterclaims
    - Proper bifurcated system
  - **Central Division**
    - revocation actions with or without an infringement counterclaim

# Which Division?

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- Parties can agree on a particular division

## If no agreement of the parties:

- For Infringement proceedings:
  - Local or Regional Division of participating **state** where **infringement occurred**
  - Local or Regional Division of participating **state** of **Defendant's residence, primary place of business, or otherwise place of business**
  - **Central Division in certain cases**
    - For example, cases against Defendants not resident or infringing in UPC states

# Which Division?

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- **For Petitions for Revocation or Declaration of non-infringement proceedings**
  - **Relevant branch of the Central Division**
    - Munich: mechanical engineering; lighting; heating; weapons; blasting
    - Paris: performing operations; transporting; textiles; paper; fixed constructions; physics; electricity
    - TBD: human necessities; chemistry

# Representation

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- Each party must be represented by:
  - **Any attorney-at-law authorized to practice in a court of a participating country**
    - No central list of such attorneys-at-law

## And/or

- **European patent attorneys who meet certain litigation qualifications**
  - No nationality or residency requirements
    - EP patent attorneys based, for example, in Switzerland, Turkey or the UK are eligible, if they have the litigation qualifications
  - UPC will have central list of qualified EPO patent attorneys



# Who Will Be the Judges?

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- **Local and Regional Divisions**
  - Three legally-qualified judges and possibly one technically qualified judge in infringement cases
  - Parties can agree to have case heard by a single judge
- **Central Division**
  - Two legal judges and one technical judge
  - Parties can agree to have case heard by a single judge
- **Court of Appeals**
  - Three legal judges and two technical judges

# Who Will Be the Judges?

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- **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**
  - **Probably, most judges will have good ability in English**
- **Legal judges must have qualifications of a national judge**

# Types of Evidence

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- **Hearing the parties & witnesses;**
- **Requests for information;**
- **Production of documents;**
- **Opinions by experts;**
- **Inspection;**
- **Comparative tests or experiments; and**
- **Sworn statements in writing (affidavits).**

# Limited Discovery

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**Art. 53 (1) (c) UPC:**

**In proceedings before the Court, the means of giving or obtaining evidence shall include in particular the following:**

...

**(c) production of documents**

**Rule 172 – Duty to produce evidence**

**1. Evidence available to a party regarding a statement of fact that is contested or contestable by the other party must be produced by the party making that statement of fact. ....**

# First Instance Proceedings

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## 1. Written Procedure

- 6-9 months
- File detailed claims, detailed counterclaims, detailed defenses, detailed replies

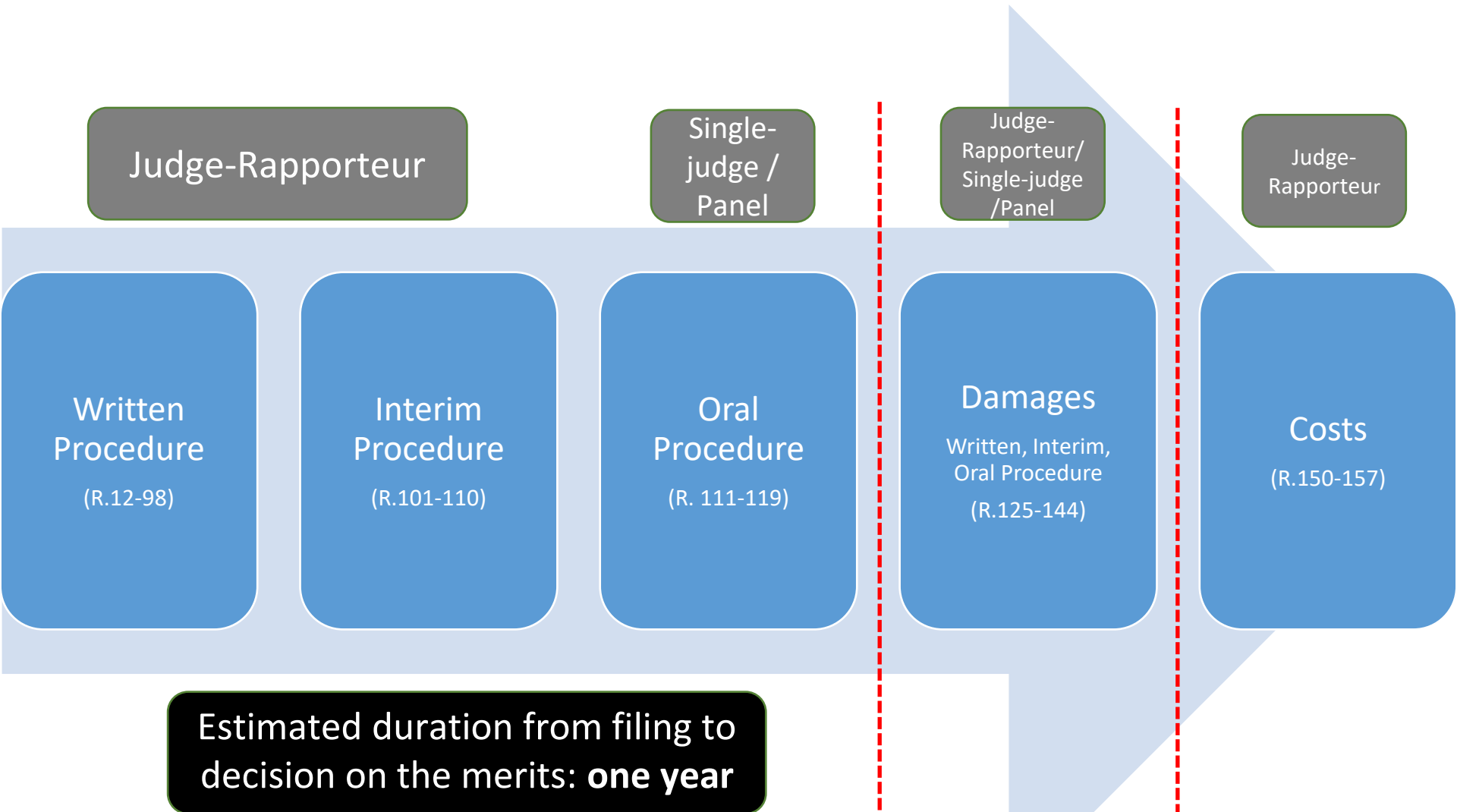
## 2. Interim Procedure

- 1-3 months
- Designated Judge directs parties on various issues to prepare the case for the oral hearing
- Possible interim hearings of various issues

## 3. Oral Procedure

- One day oral hearing held about 2 months after close of Interim Procedure
- Written decision provided about 6 weeks after oral hearing

# Structure of the proceedings



# Second Instance Proceedings

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- **Parties may appeal procedural or substantive decisions**
- **Steps are similar to First Instance Proceedings, but with shorter timelines:**
  1. Written Procedure
  2. Interim Procedure
  3. Oral Procedure

# Recovery of Costs

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- **Loser pays Fees and Costs, up to certain limits**
  - Basic, Fixed Court Fees
  - Additional, Value-based Court Fees for Infringement matters and applications to determine damages
  - Reasonable and proportionate legal costs and other expenses of the successful party
  - Expert costs and other third party costs are not capped
    - Must be necessarily and reasonably incurred



# UPC Opt-Out Considerations

# Opt Out of the UPC?

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- **When can opt-out be requested?**
  - Beginning of the “sunrise period” to the end of the “transitional period”
    - Transitional period will be at least 7 years (~Oct 2029);
    - Transitional period could be extended up to an additional 7 years

# Opt Out of the UPC?

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- **During the UPC's transitional period, the owner of a conventional EP may opt-out of UPC jurisdiction**
  - No opt-out for Unitary Patents
  - Opt out request must be filed when there is no pending UPC or national court action,
  - Can be withdrawn, provided no national action is pending
  - No second opt-out after withdrawal of original opt-out
  - May last for the entire term of the patent
    - This point probably will be litigated
- **Opt-out is not relevant for Unitary Patents, which are always subject to the jurisdiction of the UPC and cannot be opted out**

# Stay In or Opt Out of the UPC?

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- **When can an opt-out request be filed?**
  - From the beginning of the “sunrise period” to one month before the end of the “transitional period”
    - 7 years from UPC start date ~October, 2029
    - Transitional period could be extended up to an additional 7 years

# Opt Out: Advantages and Disadvantages

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- Some advantages of opting out of UPC jurisdiction
  - Avoid uncertainties of a new system
  - Avoid risk of a centralized revocation procedure with no set time limit
- Some advantages of remaining under UPC jurisdiction
  - Benefit of central and fast litigation that potentially reduces costs and provides earlier certainty
- Possible Strategies
  - Work with divisional applications to benefit from both systems
  - Work with co-existing national and EP applications

# Thoughts about Opt-Out

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- **Herbert**
- **Moritz**
- **John**

# Get Ready for the UPC

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- Review portfolios on a case-by-case basis and determine which patents should be opted out
- Review potential ownership issues
  - Opt-out requests must be filed by the actual proprietor (s) of the patent or patent application
  - Co-owners must agree to opt out
  - Work with licensees, as they are not able to request an opt-out
- Consider whether to opt-out during the “sunrise period” to avoid any risk of a revocation action under the UPC

**Questions?**



# Thank you!

**Moritz Ammelburg  
Herbert Kunz  
John Pegram**

**Fish & Richardson P.C.**

# Appendix 1

## Resources

# Appendix 1 – Resources

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- **Unitary Patent**
  - EPO Presentation: [https://e-courses.epo.org/pluginfile.php/89332/mod\\_label/intro/UnitaryPatent.pdf](https://e-courses.epo.org/pluginfile.php/89332/mod_label/intro/UnitaryPatent.pdf) (5 April 2022)
  - EPO - Unitary Patent Guide: <https://www.epo.org/law-practice/unitary/unitary-patent/unitary-patent-guide.html> (2017 – to be updated in 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](http://www.unified-patent-court.org)
  - Fish & Richardson website: <https://www.fr.com/services/patent-law/unitary-patent/>

# Appendix 2

## Questions Patent Owners May Ask Themselves Regarding Opt-Out

# Opt-Out Questions

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1. **Your patent is ready for grant, why are you validating it?**
  - **To protect a crown jewel?**
  - **To deter competitors?**
  - **Building a portfolio for defensive purposes?**
  - **Reward inventors?**
  - **Other reason**

# Opt-Out Questions

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- 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?**
- 4. Is there existing infringement or is it likely soon?**
- 5. How likely is it that this patent will be infringed in the next seven years?**

Comment: We say seven years because there is a disputed question regarding whether or not an opt-out of the UPC will continue after the seven year Transitional Period.

# Opt-Out Questions

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6. Are there litigious competitors?
  - Where are they located?
  
7. Do you need the UPC to gain broad infringement jurisdiction for the most likely infringers?

## Comment:

- National courts have extra-territorial jurisdiction for infringing acts by **residents** of their state;
- Jurisdiction of national courts is limited to their state when based only on **infringing acts** within their state; and
- National courts' revocation authority is limited to their own state.

# Opt-Out Questions

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8. **How likely is a revocation action soon and in the next seven years?**
9. **Has the patent been opposed or is it likely to be opposed at the EPO?**
10. **How likely is it that a revocation action might be filed before you threaten or file an infringement action?**



# Opt-Out Questions (5)

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**11. 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**
- **Sue for infringement in another court, such as the UPC?**

**12. 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?**

# Opt-Out Questions

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- 13. If this patent is revoked by a national court in one EU state how likely is it you will continue to assert it in other states?**
  
- 14. If the courts in one particular EU state decide a revocation case, how likely is it that the courts in another state would reach a different result?**
  
- 15. To what extent can you influence the choice of the first court for a revocation action or counterclaim?**

Comment: An infringement suit in a particular court may be most likely to lead to a revocation counterclaim in same court, rather than a revocation action in another court