

# Unitary Patent and Unified Patent Court



Patents

The option to centrally protect granted European patent rights in multiple countries via the Unitary Patent (UP) system went live on 1 June 2023. The Unified Patent Court (UPC) also opened its doors on that date and is the sole forum for litigation involving UP rights as well as being available to hear litigation involving some other European patent rights.

## What is the Unitary Patent (UP)?

European patents are applied for centrally at the European Patent Office (EPO) and historically on grant these have been converted into a bundle of individual national patent rights via the validation process. Now the UP is available, this allows an applicant to choose a UP validation when a European patent grants and this will give a unitary patent right providing protection in all EU states that have signed up to the UP at that time.

The countries that are currently covered by a UP validation are Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Slovenia and Sweden.

All EU countries other than Spain, Poland and Croatia have agreed to participate in the UP, so it is expected the remaining EU countries will complete the formalities to allow them to be covered by a UP in due course.

Non-EU states covered by a European patent application will not be party to the UP, these are Albania, Switzerland/Lichtenstein, Iceland, Monaco, Macedonia, Norway, Serbia, San Marino, Turkey and the UK.

## What now happens when a European patent grants?

For patents granted by the EPO as from 1 June 2023, the applicant can choose whether to file a request for a UP validation. Any request must be filed within one month after grant of the European patent. A translation of the complete specification into one other official language of an EU state is required for an English language specification; patents that grant in French or German must be translated into English.

As an alternative, the applicant will still be able to obtain protection in any or all of the countries covered by a European patent application in the usual way. Further, even if a UP validation is requested an applicant can still protect the invention in any desired countries that are not covered by the UP.

This means that an applicant may end up with just a UP, or just a bundle of separate national patents, or a bundle of a UP and separate national patents based on the European patent application. This will depend on the countries of interest and the applicant's feelings on the UP.

### **What is the deadline for requesting a UP?**

As mentioned above, the actions for obtaining a UP validation must be taken within one month after grant of a European patent.

In contrast, the deadline for converting a European patent into a bundle of individual national patent rights is unchanged, and so for most countries is three months from grant.

### **What are the translation requirements for a UP?**

When requesting a UP for a European patent that has granted in English a translation of the granted patent text into one other language of an EU state will be required. This cannot be a machine translation.

### **What is the cost of requesting a UP?**

The costs of requesting a UP will normally be roughly the same magnitude as validating in one country under the current system where this country requires a full translation of the granted patent into its local language.

However, in cases where a traditional national validation is also being completed in a country where a translation into an EU language is required (e.g. Spain or Poland), the cost of a UP will be significantly reduced because the translation can be re-used. The cost for the UP validation will then be roughly the same magnitude as validating in one country under the current system where this country does not require a translation.

### **What is the cost of maintaining a UP?**

There is a single renewal fee each year to maintain the UP in all of its countries, because it is a unitary right. The renewal fee level for the UP was set to match the official fees for renewing a patent over its 20-year term in Germany, France, the UK and the Netherlands, and was weighted to make the first 10 years cheaper than the second 10 years.

There will only be a single administrative agency cost because there is a single renewal fee, rather than there being a professional charge to pay the renewal fee in each country.

This is good value for covering 18 countries, but less so if you generally only validate a patent in a couple of countries, or if countries you would select are not part of the UP and so will still need to be protected and renewed separately.

Importantly, the payment of a single annual renewal fee means that you cannot reduce the renewal fees due each year by letting protection lapse in countries no longer of importance.

## Can all European patents select a UP validation?

To be able to choose a UP at validation the European patent application must:

- Have a filing date on or after 1 March 2007
- Have a grant date on or after 1 June 2023
- Designate all countries that have ratified the UP as at the date of the grant of the patent
- Have the same claim set for all of those UP countries

## What are the pros and cons?

The key benefit is value for money. A UP will be at a cost that is approximately comparable to obtaining protection, after grant of a European patent, in just a single country that requires a full translation under the current system. The annual renewal costs will be comparable to the current costs for renewing in three or four EPC member states. Therefore, the UP provides an applicant with the option of cheaper protection in their countries of interest, if they usually choose more than three or four UP countries, or the option of protecting the invention in more countries than usual for the same money.

A downside is that the UP stands or falls as a single right throughout its lifetime. Therefore, applicants have to weigh up cost savings/greater country coverage for the same cost against the risk of losing their UP patent rights from a single centralized attack.

Another issue to consider is the short deadline; a UP must be requested by one month from grant, and this is not extendable. Therefore, prompt action is needed to take advantage of this new route.

Furthermore, a UP is automatically under the jurisdiction of the new Unitary Patent Court (UPC), rather than the existing well-established national patent court systems. So for now there is uncertainty as to the approach that will be taken in the judgements handed down from this court and to what extent it might be seen as pro-patentee.

A Unitary Patent validation will be optional, and we suggest that its use should be decided on a case-by-case basis.

## What is the Unified Patent Court (UPC)?

The UPC has the power to both revoke and decide on infringement of UP validations for all participating member countries, in a single action.

The UPC includes a court of first instance having a decentralised structure, spread over the member states; this includes a central division and a number of local/regional divisions. There is also a common Court of Appeal, with its seat in Luxembourg, and a Centre for Arbitration and Mediation, with seats in Ljubljana and Lisbon.

An action taken at the UPC should normally be of lower cost as compared to running parallel litigation actions in multiple countries in separate national courts. However, this is a new court, so currently untested. There is therefore some uncertainty as to how it will perform, as compared to national courts.

Advantageously, the UPC allows a patent owner to bring a single infringement action in a single court to obtain injunctions and damages for infringement of a patent throughout the countries covered by the UP. This avoids the cost and difficulty of bringing legal actions in many different countries.

However, a downside to the UPC structure is that a single invalidity action may be brought centrally against a UP, which if successful would lead to the cancellation of a patent throughout all of the UP member states.

By default, the UPC also has jurisdiction over any patents obtained through traditional validation in any country that has ratified the UPC Agreement. This includes all of the UP countries. However, it is possible to opt-out from the UPC for European patents where there are traditional validations.

### Should I opt-out of the UPC?

During a transitional period lasting up to 1 June 2030, applicants who follow the traditional route of obtaining a European patent and converting this into a bundle of individual national patent rights can file an opt-out request, if they do not wish their granted European patent to fall within the jurisdiction of the UPC. There is the possibility that the transitional period could be extended by a further seven years.

It is not possible to request a UP validation and opt-out of the UPC; opting out is only possible if the applicant validates the EPO patent in the traditional way.

One strategy for patentees is to choose to opt-out until the UPC has become established and tested, at least for their most valuable patents. It is an option to opt back in at a later date, in order to be able to bring infringement proceedings centrally, provided that no national court actions relating to the European patent have commenced.

Once the transitional period has ended, existing opt-outs will remain in place, but it will no longer be possible to file any new opt-outs from the UPC's jurisdiction. Therefore, all European patent applications granted after that date will be subject to the UPC in respect of those EU countries that have ratified the UPC Agreement. For these countries, direct national filings would be the only way to avoid the use of the UPC.