



INTRODUCTION TO UNITARY PATENT SYSTEM AND THE UNIFIED PATENT COURT.

Anticipated start date 1 April 2023.

- **WHAT IS A UNITARY PATENT?**

The Unitary Patent System (UPS) provides for a single unitary patent (UP) that will cover all EU Member States that have ratified the UPC Agreement¹. Note that the current 'classical' system will still be available in tandem with the UPS, for example if protection is only required in one or two countries and/or for Member States that are not currently party to the Agreement, such as the UK, Spain, Ireland, Croatia and Poland.

A European Patent will continue to be obtained in the conventional manner before the European Patent Office but the **post-grant procedure will change** depending upon whether or not a Unitary Patent is desired.

Requesting a UP greatly simplifies the post-grant procedure for a European Patent that would normally be validated in at least four of the Member States that have ratified the UPC Agreement (UPCA), enabling a single post-grant procedure for the Patent to be effective throughout these Member States, with a single renewal fee to be paid annually to the EPO to keep the UP in force. Recordals for assignments and licence agreements can also be carried out centrally at the EPO. Additionally, and crucially, both a European Patent that has Unitary Effect and a classical European Patent² will fall under the exclusive jurisdiction of the Unified Patent Court (UPC), a newly established international patent court which will settle disputes, including infringement, revocation and declaration of non-infringement actions.

- **HOW DO I OBTAIN A UNITARY PATENT?**

It will be possible to request that the European Patent has Unitary Effect within **one-month from grant** of the European Patent. This date is **not extendable** and therefore a decision regarding whether unitary effect is desired should be made as early as possible in the application procedure.

¹ Currently the Unitary Patent will extend to 17 Member States. This number may grow in time as other countries ratify the Agreement but note that existing Unitary Patents will not extend to these new countries, only Unitary Patents requested after their date of ratification will benefit from the additional coverage.

² It will be possible for a classical EP to opt-out of the jurisdiction of the UPC during a transitional period.

A full translation of the European Patent into English (if the patent is in FR or DE) or into another official EU language (if the patent is in EN) must also be filed within the one-month post-grant deadline.

It is necessary for the request to be made by the proprietor(s) (true owner(s)) of the European Patent.

Once the request is granted, the European Patent will have Unitary Effect for all Member States that had ratified the Agreement at the grant date of the Patent. It must be renewed as a whole and assigned as a whole but may be licensed for the whole of the Unitary territory or only part of it.

The Unitary Patent will fall under the exclusive jurisdiction of the Unified Patent Court.

Note it is possible to delay granting of pending EP applications during 'a sunrise period', a three-month period before the UPCA comes into force, so that the Patentee is provided with an opportunity to request Unitary Effect on grant of the Patent.

- **WHAT ABOUT COUNTRIES THAT ARE NOT PARTY TO THE UPC AGREEMENT?**

Protection can be obtained in these EPC territories in the normal classical manner by validating the Patent before the national patent office (for example, by appointing a local address for service and filing a translation of the claims or specification, as appropriate) and then attending to payment of annual renewal fees in that territory to keep the patent in force.

However, these territories will still fall under the exclusive jurisdiction of the Unified Patents Court UNLESS the proprietor **opts-out** during the transitional period. Following the transitional period (which will remain in force for at least a period of 7 years) it will not be possible to opt-out and all European Patents will fall under the exclusive jurisdiction of the UPC.

The Patentee may opt-out during the sunrise period or after this date but only if no proceedings have been commenced in relation to the Patent in the UPC. There is also a single opportunity to opt back in (i.e., withdraw the opt-out) should the Patentee wish to bring the case back into the exclusive jurisdiction of the UPC.

- **WHAT IS THE UNIFIED PATENT COURT?**

A new international patent court will be established to settle disputes in relation to Unitary Patents and classical European Patents. Following Brexit, the UK is not part of the UPS or UPC and therefore the courts will now be outside of the UK, most notably in Munich, Paris and Luxembourg.

Disputes relating to the Patent will be settled centrally NOT on a national level, although classical European Patents can opt-out of the exclusive jurisdiction of the UPC during the transitional period, as indicated above.

There will be a Court of First Instance with local, regional and central divisions and a Court of Appeal. Additionally, there will be a Central Registry for arbitration, mediation and training purposes.

The predominant language of the proceedings is likely to be English but may be in another official EU language. Each party must be represented before the court.

The proceedings are “front loaded” with the initial written procedure requiring detailed pleadings with a short timetable for the filing of a complete defence (3 months).

- **ADVANTAGES OF THE UNITARY PATENT SYSTEM AND UNIFIED PATENT COURT.**

The cost and admin burden for validation could be greatly reduced depending upon where protection is required post-grant as less translations may be required, and fees associated with national validations will be reduced.

There will be a reduction in cost if the Patentee wishes to validate in at least 4 States that form part of the UP. Procedure can be carried out centrally using appointed EPO representative without the need for local representation and associated costs. The EPO is expected to set the cost of the annual renewal fee at a level substantially equivalent to the total of the annual renewal fee for the 4 most common EP/UP states in which a classical EP is validated. Thus, if the Patentee normally validates 5 or more Member States that will form part of a UP, there will be significant cost savings over the life of the Patent.

It also provides the Patentee with the opportunity to enforce their Patent simultaneously via the UPC if multiple infringements are occurring throughout Member States. The Defendant can apply for central revocation. Prior to the UPC, separate national actions would be required. Thus, the UPC provides Patentee with a means of avoiding the high costs, risk and complexity associated with multiple litigation in different jurisdictions. It is expected that the judges will be specialized and highly qualified (including technically qualified judges) who will aim to establish harmonized case law and increase legal certainty. The UPC’s rulings are pan-European, having effect in the territories of all the contracting Member States that have ratified the UPCA.

- **POTENTIAL DRAWBACKS OF THE UNITARY PATENT SYSTEM AND UNIFIED PATENT COURT.**

The overall cost may be greater if protection is only desired for a few Member States.

The UP does not extend to all EPC Member States. Therefore, the Patentee will still need to validate the granted Patent in any non-UP Agreement countries where protection is required, such as UK, ES, PL and IE.

It is not possible to maintain the UP in only some territories if commercial requirements alter over time. In contrast, European Patents validated in the conventional manner may be allowed to lapse on an individual basis. This 'all or nothing' nature of the UP may result in it being more expensive to maintain long-term.

If the UP is abandoned or revoked centrally, protection is lost in its entirety for all MS of UP.

There will be different generations of Unitary Patents with different territorial coverage due to the UP only covering the territories of those participating Member States in which the UPCA has taken effect at the date of registration of the unitary effect by the EPO. This will result in Patentees with large patent portfolios having different territorial coverage via their UPs making the system complicated to manage.

Future licensing agreements are likely to be complex due to it being a unitary right.

The UPC is an entirely new court system with new procedural rules. Therefore, the outcome of proceedings may, at least in the early years, be more difficult to predict.

UPC proceedings are front loaded with full submissions required early on. The time period for providing a full defence is very short. This may make proceedings before the UPC undesirable, particularly for small-to-medium sized firms, especially in the short-term.

It is necessary for the claims to be the same in each of the MS of the UP. It may be necessary, for example, due to a prior national right, to have claims of different scope in different territories. This would prevent grant of a European Patent with Unitary Effect.

- **STRATEGIC ISSUES TO CONSIDER NOW.**

1. **Weigh up cost benefit of requesting European Patent with Unitary Effect against the risk of central attack of the Patent in a newly established court.**
2. **Existing European Patents will fall under the new court unless opted-out. Urgent consideration should be given to opting-out of this jurisdiction during the sunrise period which may commence as early as January 2023.**

THIS NEWSLETTER IS PROVIDED AS A GENERAL INTRODUCTION INTO THE UNITARY PATENT SYSTEM AND UNIFIED PATENT COURT. THE INFORMATION IS NOT EXHAUSTIVE AND DOES NOT REPRESENT SPECIFIC LEGAL ADVICE. IF YOU HAVE ANY PARTICULAR QUERIES CONCERNING YOUR PATENT PORTFOLIO YOU SHOULD CONTACT SAPPHIRE IP FOR FURTHER ADVICE AND ASSISTANCE.

ADDITIONAL INFORMATION AND RESOURCES CAN ALSO BE FOUND AT

[The Unitary Patent and Unified Patent Court - GOV.UK \(www.gov.uk\)](http://www.gov.uk);
[Unified Patent Court | A single patent court covering 24 countries \(unified-patent-court.org\)](http://unified-patent-court.org);
[EPO - Unitary Patent & Unified Patent Court](http://epo.org)