Unitary Patent and Unified Patent Court
Outline of the new patent package and
state of implementation

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The patent package - Basic architecture

- **Unitary Patent Regulation (EU)**
  EU Regulation No. 1257/2012 of 17.12.2012 / OJ EPO 2/2013, 111-131
  - Introduction of the European Patent *with unitary effect*

- **Translation Regulation (EU)**
  - Translation arrangements for the European Patent *with unitary effect*

- The two Regulations will be applicable:
  - for EU Member States (except Spain and Italy and except Croatia who has joined the EU only afterwards)
  - on the date of the entry into force of the Agreement on a Unified Patent Court (UPC)
Signature of the Regulations by the Presidents of the European Parliament and the Council on 17 December 2012
Agreement on a Unified Patent Court (UPC) (International/Intergovernmental Agreement - outside of the EU context between 25 MS)

- OJ EPO 5/2013
- Creation of a common court of the Member States with jurisdiction for both classical EP and new Unitary Patents

The Agreement on a UPC was **signed** on 19 February 2013 by 25 EU Member States (except Spain, Croatia and Poland - Italy signed the UPC agreement although it does not (yet) participate in the Unitary Patent. Poland did not sign although it participates in the Unitary Patent)

It will enter into force 4 months after the deposit of the **13th instrument of ratification or accession** (including Germany, France and the United Kingdom)
Signature of the UPC Agreement on 19 February 2013
The Unitary Patent - Concept

- **Post-grant** transformation of a European Patent (EP) into a European Patent with unitary effect ("Unitary Patent") in the territory of the 25 participating Member States (MS)

- A "European Patent with unitary effect" is
  - a EP granted by the EPO under the EPC's rules and procedures (nothing will change during the pre-grant procedure)
  - to which, after grant, unitary effect is given
  - for the territory of the 25 participating MS (all EU MS except Italy and Spain and except Croatia)
  - on request of the patent proprietor

The Unitary Patent is a new option for the patent holder. He can also chose to go the traditional route and to validate the European Patent individually in some or all Member States
The Unitary Patent - Concept

Same grant procedure as for a classical European Patent

European Patent application

Filing and formalities examination

Search report with preliminary opinion on patentability

Substantive examination

Grant of European Patent

Refusal or withdrawal of application

Limitation Revocation Opposition proceedings

Appeal proceedings

On request of the patent proprietor

European Patent with unitary effect (Unitary Patent) in the territories of the 25 participating MS

In addition the European Patent can be validated nationally in those countries, who do not participate in the Unitary Patent such as Spain or Italy or Switzerland.
The Unitary Patent - to be administered by the EPO

The EPO will be responsible for the registration and administration of the Unitary Patent. National Patent Offices have no role to play for Unitary Patents.

- The following **new tasks** in particular will be given to the EPO:
  - examination of requests for unitary effect
  - registration of unitary effect in a new "Register for Unitary Patent protection"
  - publication of translations during transitional period
  - receipt and administration of renewal fees for Unitary Patents
The Unitary Patent - Registering unitary effect

- Unitary effect may be requested for any EP granted on or after the date of application of the Regulations

- Unitary effect may be registered only if the EP was granted
  > with the same set of claims
  > in respect of all participating MS

(Need to check whether all 25 MS had been designated. Withdrawal of designations or limitations of claims for certain countries need to be avoided)
The request for unitary effect shall be filed by the patent proprietor

- **Time limit**: no later than one month after the mention of the grant of the EP in the European Patent Bulletin
- **Form**: in writing, in the language of proceedings
- **Translation**: only to be filed during the transitional period which may last of up to 12 years

During the transitional period one translation of patents granted in German or French into English and of patents granted in English into any other EU official language will be required. This is the only translation requirement for the Unitary Patent which will disappear after 12 years at the latest.

- The translation has no legal effect and is for information purposes only
Compensation scheme if application filed in one of the official EU languages that is not an EPO language of procedure:

Reimbursement of all translation costs up to a ceiling

- for SMEs, natural persons, non-profit organisations, universities and public research organisations
- having their residence/principal place of business within a EU Member State

The request for compensation is to be submitted together with the request for unitary effect
The EPO registers the unitary effect in the Register for unitary patent protection and informs the requester if the substantive and formal requirements are met.

The EPO rejects the request if the substantive requirements are not met or if the request is not filed in due time. In the latter case, a request for *restitutio in integrum* may be filed within two months after expiration of one-month period.

The EPO invites the requester to correct the deficiencies within a non-extendable period of one month if the request is filed in due time but at least one of the formal requirements is not met. The request is rejected if the deficiency is not corrected within the set period.

Requester can file an appeal with the UPC against the decisions of the EPO.
The Unitary Patent - Renewal fees

- Single renewal fee for the Unitary Patent to be paid to the EPO
  - EPO retains 50%
  - remaining amount distributed to MS only the basis of a key defining participating MS' share

- Setting the level of renewal fees
  - only broad criteria are laid down in EU Regulation
  - reductions for specific entities such as SMEs possible

- Renewal fees must be set **low enough** to be attractive to users but **high enough** to ensure the EPO's and the national offices of the MS' financial sustainability
Unitary effect is given to the EP with its registration

Consequently, the classic EP is transformed into a Unitary Patent with retroactive effect starting at the publication of the mention of grant of the EP

Different sources of law will apply to the Unitary Patent

- EU Regulation No. 1257 lays down
  - principle of uniform protection
- UPC Agreement lays down
  - Scope of protection (against direct and indirect use), limitations, right of prior use, EU exhaustion
- EPC lays down:
  - validity
  - scope of protection determined by the claims (Art. 69 EPC and Protocol)
- National law applicable as regards
  - contractual licensing and transfer of rights
  - Compulsory licences
  - Unitary Patent as an object of property
  - employees' inventions
The Unitary Patent - State of Implementation

The Unitary Patent will come into effect only together with the entry into force of the UPC Agreement (because the unitary effect requires centralised revocation and infringement proceedings)

This requires ratification of the UPC Agreement by 13 Member States (among them Germany, France and the United Kingdom)

This is not expected to happen before the end of 2015

In addition the Unitary Patent will cover only those Member States where the UPC Agreement is in force. The Unitary Patent may therefore start with less than 25 Member States
Until 2015 the implementing measures will need to be adopted.

This will be done by a **Select Committee** (SC) of the Administrative Council of the EPO established by the participating Member States on 20 March 2013.

- **Composition of the SC:**
  Representatives of the 25 Member States and the European Commission as observer plus Business Europe and EPI (European Patent Institute) plus other Contracting States of the EPC as observers.
The Unitary Patent - State of Implementation

- Competence of the SC:
  Governance and supervision of the activities of the EPO relating to the Unitary Patent

  Adoption of the Implementing Rules (governing the request for unitary effect and its processing by the EPO expected at the next meeting end of June

  Setting the level of renewal fees and the key for the distribution of 50% of the fees to the 25 Member States. (This will be the most difficult and controversial task). Discussions on the relevant financial data have started in October 2013 and continued at the last meeting in May 2014. Concrete proposals are expected at the earliest in the autumn of 2014
The Unified Patent Court – Overview

- **Specialised** patent court, **common to 25 EU Member States**, dealing with disputes relating to
  - classical European Patents and
  - new Unitary Patents
  - supplementary protection certificates (SPCs)

- Court of First Instance and Court of Appeal

- **Decentralised** Court of First Instance composed of
  - a Central Division (in Paris, London and Munich), as well as several Local Divisions and Regional Divisions set up in the EU Member States

- **Centralised** Court of Appeal (in Luxembourg)
The Unified Patent Court – Overview

Court of Appeal
with seat in Luxembourg

Requests for preliminary rulings

Court of First instance

A Central Division
Seat in Paris
—
Office of President of CFI
(B)(D)(E)(G)(H)

Section in London
—
(A)(C)

Section in Munich
—
(F)

Appeals based on points of law matters of fact

A number of Local Divisions
set up in the Member States

LD
LD
LD

A number of Regional Divisions
set up jointly by several Member States

RD
RD

will mostly hear
• revocation actions and (in case of bifurcation) counterclaims for revocation
• actions for declaration of non-infringement
• infringement actions against defendants outside of the EU
• actions against decisions of the EPO re. UPP

will mostly hear
• infringement actions and counterclaims for revocation
• actions for provisional and protective measures and injunctions
• actions for damages or compensation (provisional protection, licences of right)
• actions relating to the right based on prior use of the invention

Requests for preliminary rulings

only in very rare cases where law of the European Union is concerned:
Examples are the Biotechnology Directive and the SPC Regulations

Patent Arbitration and Mediation Center
Lisbon & Ljubljana

Training Centre for judges
Budapest

Appeals based on points of law matters of fact

The Unified Patent Court – Overview

A Central Division

A number of Local Divisions
set up in the Member States

A number of Regional Divisions
set up jointly by several Member States

Office of President of CFI
(B)(D)(E)(G)(H)

(A)(C)

(F)

LD

LD

LD

RD

RD

RD

...
Local divisions can be expected to be located

- 4 in Germany (Düsseldorf, Munich, Mannheim, Hamburg)
- 1 at least in the UK (London, there are talks about an additional division in Scotland)
- 1 in France (Paris)
- 1 in Italy (Milan)
- 1 in the Netherlands
- 1 in Denmark (Copenhagen)
- 1 in Finland (Helsinki)

- One regional division covering Sweden, Lithuania, Latvia and Estonia will be set up in Sweden (Stockholm)

- There are question marks about the other Member States whether they will set up local or join regional divisions
Multinationally composed panels
- legally qualified judges and technically qualified judges
Judges appointed by Member States
- on the basis of a list prepared by an independent Advisory Committee composed of patent practitioners

Reference to the Court of Justice of the European Union for preliminary rulings whenever a question of Union law requires interpretation (like national courts)

Exclusive competence in respect of patents and Supplementary Protection Certificates (SPCs)
- infringement actions
- revocation actions and counterclaims for revocation
- actions for damages
- actions for provisional and protective measures and injunctions
- actions concerning decisions of the EPO in carrying out the new tasks entrusted to it in relation to Unitary Patents
Opt-out scheme
during 7-year transitional period (extendable), applicants and proprietors of EP may opt out from the UPC's exclusive jurisdiction
opt-out must be notified to the UPC's Registry

Choice of forum
during 7-year transitional period (extendable), plaintiffs may bring actions (infringement actions or invalidity actions) relating to EP before national courts
The 25 Member States participating in the Unified Patent Court have set up a **Preparatory Committee** (PC) to implement the UPC Agreement and to deal with all the practical, technical and legal arrangements which are necessary before the UPC can start to function.

There are 5 major work streams which are dealt with by 5 subgroups of the Preparatory Committee:

- Legal Framework
- Financial aspects
- IT
- Facilities and
- Human Resources and Training
The most important work streams for the users are

- Legal Framework, which will comprise also the Rules of Procedure
- Financial aspects which will deal also with the court fees and Human Resources which will deal with the selection and nomination of the first judges
- The Preparatory Committee has established a roadmap which does not foresee to complete all the tasks before the end of 2015, which is the earliest date at which the UPC Agreement is expected to come into force
Unified Patent Court - State of implementation

- Milestones so far

- Public consultation on the 15th draft of the Rules of Procedure, publication of the 16th draft established by the Drafting Committee of expert judges and public hearing to be organized in the second half of 2014

- Call for interest for candidate judges by the Preparatory Committee, more than 1300 candidates for legally and technically qualified judges

- Training Centre for judges opened in Budapest in March 2014
More information can be found on the Website of the Preparatory Committee: http://www.unified-patent-court.org/

On the Website you will also find a list with F.A.Qs concerning the UPC.

Questions concerning the UPC (but also the Unitary Patent) can also be sent to the EPO: International_legal_affairs@epo.org
Thank you for your attention