

1. INTRODUCTION

After many years of anticipation and delay, the most significant changes to European Union (EU) patent law in decades are close to coming into force. The changes are the introduction of (1) the Unitary Patent and (2) the Unified Patent Court. The changes will come into effect on June 1, 2023.

Currently, 24 of the 27 EU states are expected to participate in the unitary patent and the Unified Patent Court (although not all 24 have ratified the relevant legislation yet), including France, Germany, and Italy, but excluding Spain, Poland and Croatia.

Countries that are not EU members are excluded from the Unitary Patent and the Unified Patent Court, for example, the UK, Switzerland, and Norway.

2. UNITARY PATENT

a. What is it?

The Unitary Patent is a single patent covering participating EU member states.

When the Unitary Patent comes into effect, an applicant will be able to choose to validate a European patent in individual countries of interest (in a conventional manner) and/or select a Unitary Patent. For example, the applicant may select a Unitary Patent covering all the participating EU states and validate in Spain, the UK and Switzerland.

The Unified Patent Court is the sole jurisdiction for litigation of a Unitary Patent.

b. How can I get one?

The process for applying for patent protection in the European Patent Office is unchanged. To obtain a Unitary Patent, a request must be made within one month of the date of grant of a European patent. In addition, for a transitional period, a translation into one of the official languages of the EU must be filed. This translation has no legal effect and is for information purposes only.

c. Unitary Patent - pros and cons

PROS

Single patent covering participating EU member states – significant European market coverage potentially simplifying and reducing the costs of pan-European infringement proceedings.

Single renewal fee for the Unitary Patent with the official fee set at roughly the level as is currently the case for renewal in 4 countries.

The more countries in which you validate and maintain protection currently, the greater the renewal fee savings for a Unitary Patent.

Potentially significantly reduced post-grant translation costs – although this depends on the countries you typically validate in.

Can only be litigated in the Unified Patent Court – clarity on forum.

CONS

Single patent open to centralized challenge (versus. multiple national patents in individual states, each of which would have to be challenged separately).

Does not cover countries not in the EU, for example the UK and Switzerland

If you currently validate only in say UK, France, and Germany, then renewal fees will be higher if a Unitary Patent is requested.

This is for two reasons: 1. the Unitary Patent renewal fees are higher than the sum of renewal fees for France and Germany and 2. Renewal fees would have to be paid in the UK.

It will not be possible to selectively abandon patents in individual countries covered by the Unitary Patent.

If you currently validate only in say UK, France, and Germany, then in the transitional period translation costs will be higher.

Can only be litigated in the Unified Patent Court – national forum shopping is not possible.

3. UNIFIED PATENT COURT

a. What is it?

The Unified Patent Court is an international court for participating EU member states and has full and sole jurisdiction over Unitary Patents. The Unified Patent Court will also have exclusive competence for all European patents that have been validated in participating EU states. This is, however, subject to transitional provisions, which are discussed below.

The Unified Patent Court will comprise:

- a Court of First Instance
- a Court of Appeal
- a Registry.

The Court of First Instance will be composed of a central division (in Paris and Munich) and several local and regional divisions. The Court of Appeal will be in Luxembourg.

b. Unified Patent Court - pros and cons

PROS

Single court covering participating EU member states – significant European market coverage – potentially simplifying and significantly reducing the costs of pan-European infringement proceedings for both Unitary Patents and conventional European patents.

The judges being appointed to the Unified Patent Court are among the best in Europe.

Patentees can influence the early case law and so potentially shape the future of the system.

For unitary patents enforcing method claims may be easier in cases where there is cross-border activity – different process steps being taken in different EU countries.

CONS

Single court covering participating EU member states – potentially simplifying and reducing the costs of pan-European revocation proceedings for both Unitary Patents and conventional European patents in participating states. The possibility of a single central attack may make revocation proceedings more appealing.

Court untested and so there will be uncertainty as to approach and outcomes.

Experimenting with important or particularly valuable cases could be risky.

It is possible that over time the different local / regional divisions may apply the law differently and this may encourage forum shopping within the Unified Patent Court divisions.

c. Transitional arrangements

In a transitional seven-year period (which may be extended), European patents that have been validated in participating EU states can be litigated in the Unified Patent Court or one or more of the national courts, and so the Unified Patent Court is an alternative to the national courts. This applies to existing European patents and patents granted after the commencement date of the Unified Patent Court.

In the transitional period, having the option to choose between the Unified Patent Court or the national courts can be viewed as an advantage and a disadvantage. It is an advantage because it gives patentees flexibility in terms of forum. It is a disadvantage because it gives the same flexibility to parties wishing to challenge the patent. Hence, a third party wishing to revoke a validated patent has the option of commencing proceedings in the Unified Patent Court (unless the patentee has opted out – see below), in which case all patents under the jurisdiction of the Unified Patent Court are simultaneously subject to challenge, or in the national courts, in which case individual validated patents can only be challenged in the country in which proceedings are commenced.

d. Opting out

For the transitional period of seven years, a patentee can opt-out of the Unified Patent Court (although not for Unitary Patents). This means that proceedings can only be conducted in the national courts. The patentee can choose later to opt back into the Unified Patent Court, but cannot then opt-back out (i.e., opting out can only be done once).

A patentee can choose to opt-out at any time, provided proceedings have not commenced in the Unified Patent Court. Equally, a patentee can opt back in at any time provided proceedings have not commenced in the national courts.

e. Sunrise Period

A sunrise period starts on 1 March 2023, during which it will be possible to opt-out of the Unified Patent Court prior to its commencement date.

4. WHAT DO I NEED TO DO?

There are two questions that patentees need to address going forward:

- I. Do I request a Unitary Patent?**
- II. Do I opt out of the Unified Patent Court?**

There are no right or wrong answers to these questions. How you adapt to the changes will depend on your current commercial circumstances and patent strategy. Some matters to consider are set out below.

I. Unitary Patent

1. Unitary Patents can only be litigated in the Unified Patent Court. If you do not want this, then do not request a Unitary Patent.
2. Is having a single Unitary Patent covering many significant European countries commercially attractive? If yes, then request a Unitary Patent.
3. Where do you normally file and what are the current costs versus costs for a Unitary Patent? If you only validate currently in the UK, France, and Germany, cost considerations may be important.

II. Unified patent court - opting out (not an option for Unitary Patents)

1. Is being able to litigate across multiple participating countries in a single court commercially attractive? If not, then opt-out.
2. Can you live with the uncertainty of litigating in a new, untested court? If not, then opt-out.
3. Is the possibility of a central challenge to your European patent a significant commercial threat? If yes, then opt-out.
4. How often do you initiate proceedings for infringement, and where do you currently do this?
5. How often are your patents challenged, and where does this most often happen?