



Update on the EU Unitary Patent System

EU-Japan Centre, Tokyo
28 September 2017

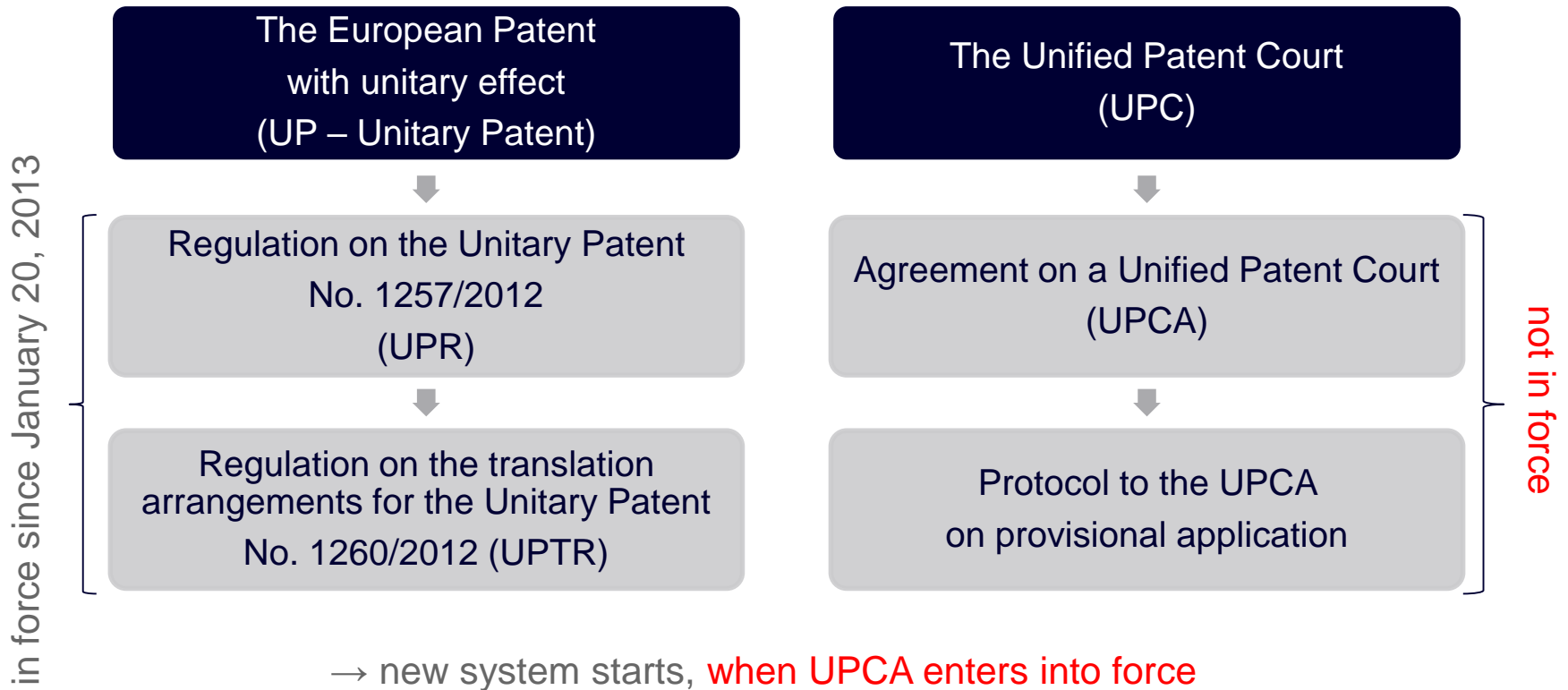
Start of the new system

- ~~January 1st, 2014~~
- ~~End of 2015~~
- ~~Middle of 2016~~
- ~~December 2017~~
- ...?

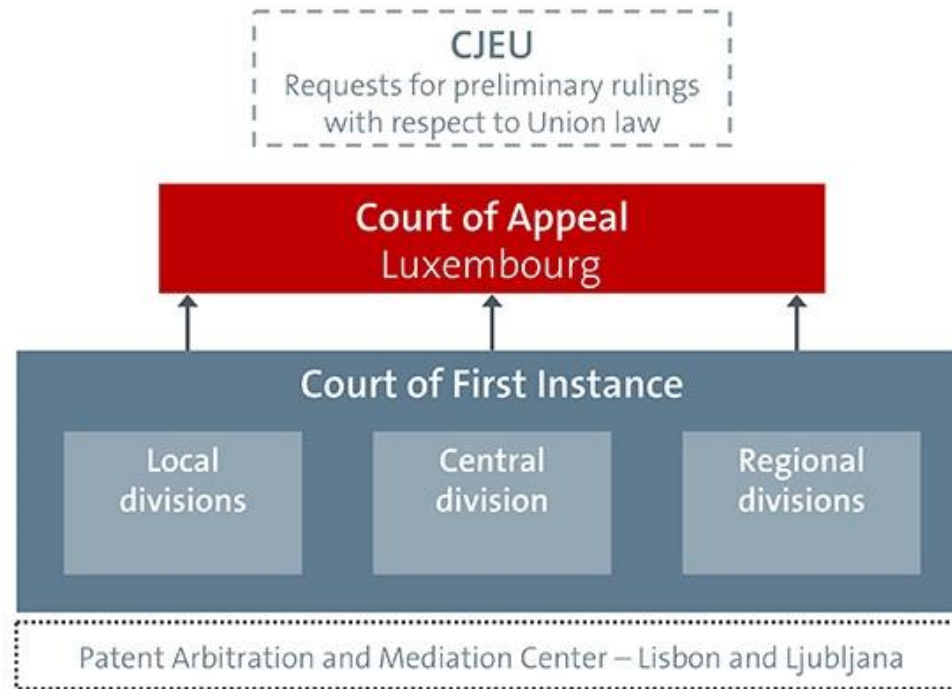
- ~~Early 2015~~
- ~~Early 2016~~
- ~~Spring 2017~~
- First quarter 2018

Overview on the Unitary Patent System

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Structure of the UPC



from: European Patent Office, www.epo.org

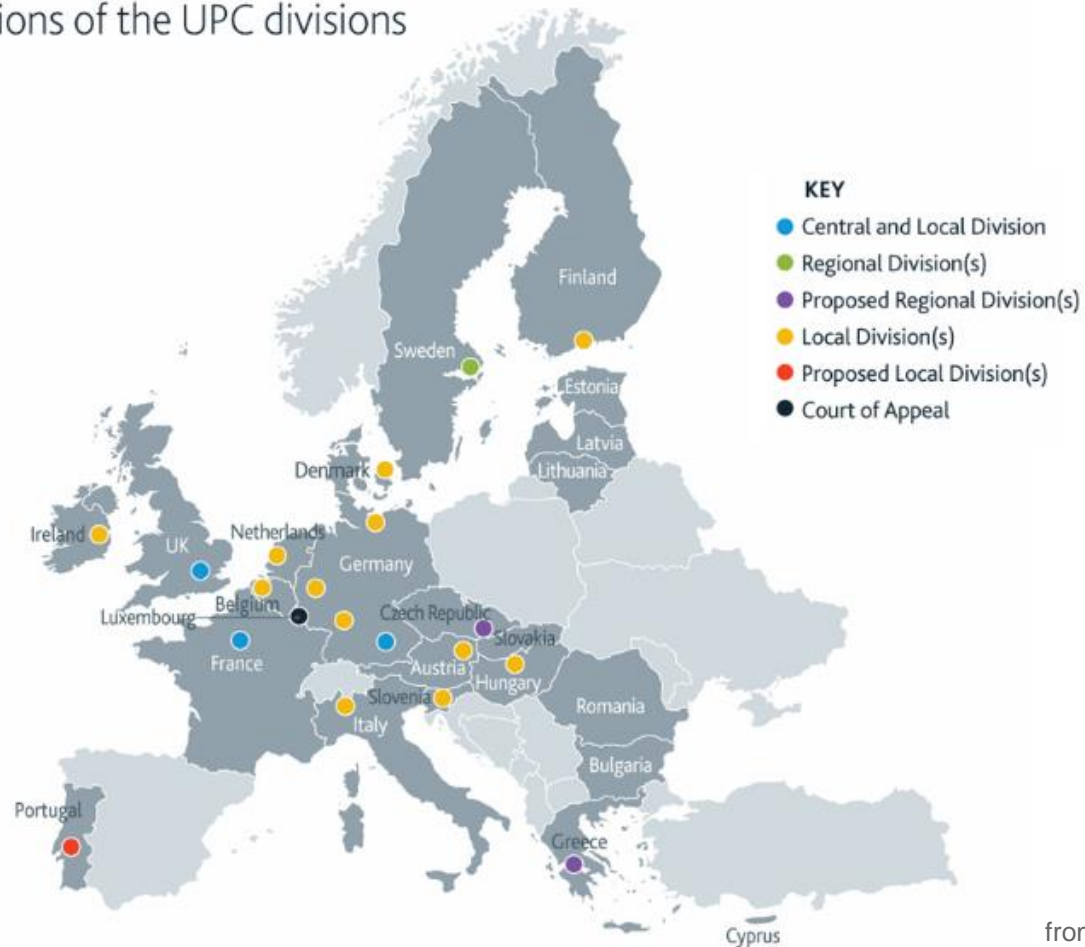
Central Division in Paris, London, Munich

Regional Divisions in Sweden (Nordic-Baltic), Greece (South-East)

Local Divisions i.a. in Austria, Belgium, France, Germany (4), Italy, Netherlands, UK, ...

Structure of the UPC

Predicted locations of the UPC divisions



from: Pinsent Masons LLP,
eupatentsmatter.com

Provisional Application of UPCA

- **Background:**
 - Smooth transition into operational phase of UPC
 - Ensure proper functioning of UPC

- **Step by step introduction:**
 - Establishment of UPC as an organization
 - Constitution of the UPC's formal governing bodies
 - Interviews with candidate judges, confirmation of appointments
 - Start of Registry

- **Sunrise period:**
 - Opt out of EP from UPC system
 - Minimum of 3 months

Current Status of the UPC

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- **Ratification of UPCA**
 - Prerequisite: ratification by min. 13 MS including „Big 3“ (UK, France, Germany)
 - Status: ratification by 14 MS at the end of August 2017
 - But:
 - UK missing („Brexit“)
 - Germany missing (constitutional complaint)

- **Ratification of Protocol on provisional application**
 - Prerequisite: ratification by min. 13 MS including „Big 3“ (UK, France, Germany)
 - Status: ratification by 10 MS at the end of August 2017
 - UK ratified in July 2017
 - But:
 - Germany missing (constitutional complaint)
 - 2 other MS missing → will be done soon (e.g. Malta and Bulgaria)

Current Status of the UPC

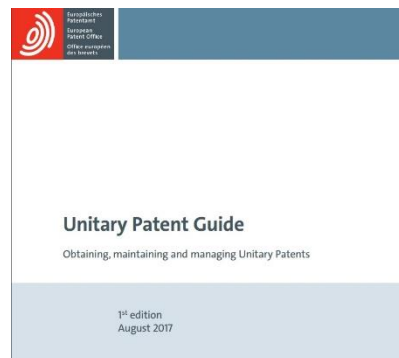
- **Situation in the UK**
 - Ratification will be continued „at the earliest opportunity this year“ after parliamentary summer break
 - Final step of UK´s ratification probably in late autumn 2017
 - New political discussion: Will UK remain in UPC system post-Brexit?

- **Situation in Germany**
 - Ratification passed the Parliament in early March 2017
 - Constitutional complaint, filed by German attorney, end of March 2017
 - German Federal Constitutional Court takes its time to look into the grounds:
Execution of UPC ratification on hold since June 2017
Court may submit certain legal points to ECJ (consistency with EU law?)

Preparation for the new system

Unitary Patent Guide

- 1st 'official' guide published by EPO in August 2017
- Available on EPO website under www.epo.org → Law & practice → Unitary patent



- Includes information on prosecution, maintenance, fees, transfers, ...
- → *No information on opt out: relates only to 'classic' European patents*

Basic Considerations

- To be or not to be part of the Unitary Patent system?
- Be prepared: Granted EPs, pending EP applications, current new inventions, imminent patent disputes have to be included in strategic considerations now.
- Existing European Patents are automatically part of the UPC system:
 - Opt out? (sunrise period)
 - Parallel national IP rights?
 - National patents
 - Utility models, e.g. as a divisional application
 - Consider clear provisions in co-ownership and/or license agreements

Characteristics of the Unitary Patent

- **Pro:**
 - Effective territorial coverage
 - Uniform enforcement
 - Reduced administrative expense

- **Contra:**
 - Not all EU Member States are part of the system → different generations of UP, depending on ratification status
 - New and unknown court system
 - Risk of ‘unitary invalidation’

- **Cost aspects:**
 - Potentially higher annual costs at the end of patent lifetime
 - Additional costs for validation of ‘classic’ European Patent where UP system does not exist (ES, PL, CH, TR, ...)

Costs of the Unitary Patent

Year	Unitary Patent		DE and FR		DE, FR, UK (in EUR)		Year
3	105	140	106	142	106	142	3
5	315	600	126	374	210	458	5
8	815	2.520	370	1.218	526	1.698	8
10	1.175	4.685	560	2.238	864	3.102	10
12	1.775	7.920	910	3.868	1.162	5.212	12
14	2.455	12.480	1.290	6.248	1.638	8.240	14
16	3.240	18.550	1.720	9.458	2.212	12.362	16
18	4.055	26.245	2.210	13.628	2.812	17.696	18
20	4.855	35.555	2.700	18.778	3.420	24.238	20

Considerations on Opt Out

- Only for 'classic' EP (bundle patents) in all designated/validated MS
- Transitional period for 7 (+ up to 7) years, Art. 83 UPCA
- Background of opt out:

Unitary Patent	European Patent
UPC	UPC + national courts

- EP: Both UPC and national courts are competent at the same time
- Opt out of the competence of the UPC (until end of patent lifetime)
- Only for entire territory
- Withdrawal of opt out (~ 'opt in') also possible after transitional period

Considerations on Opt Out

- **Pro**

- No opt out fee
- No invalidation of all national parts of the EP by one court decision
- Jurisdiction stays with familiar national courts
- Lower procedural costs if enforcement of EP in 1 jurisdiction only (depending on jurisdiction)

- **Contra**

- Risk: No 'opt in' possible after start of a national legal proceeding (by third party)
- Higher procedural costs if enforcement of EP in >1 jurisdictions
- Higher legal uncertainty in case of varying decisions in different jurisdictions
- Chance for 'quicker' final decisions at UPC (probably 2.5 years until 2nd instance decision, including infringement and validity)

Thank you very much for your attention!

Questions? – Please contact me

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