The Unitary Patent and Unified Patent Court
Key Strategies

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Agenda

- Refresher – what are the Unitary Patent and Unified Patent Court, and how can we support
- Most common questions and misconceptions
- Key strategies with case studies from the industry
- Q&A session with our experts
REFRESHER + LATEST DEVELOPMENT
What are the UP and UPC?
UP / UPC – Main considerations

Current situation
Only a centralized European patent granting procedure (before the EPO)
- Leads to a bundle of national patents after the validation procedure

New opportunities... and risks
- 1 translation (for UP),
- 1 renewal (with the EPO),
- 1 specialized court rendering quick decisions,
- 1 decision for enforcement in 17 countries,
- low cost for a patent covering 17 countries
  - BUT
- risk of central revocation
- uncertainty about UPC case law
- costly if usually validate in 4 or fewer UPC countries
- some key countries not covered by UP
- not possible to let lapse some countries and to renew some others

Unitary Patent
A patent covering all participating UPC Member States
- no need for a validation procedure
A pan-European patent that can be enforced in several EU member states at once

Unitary Patent ≠ Unified Patent Court
- The Unitary Patent (UP) is an IP right, a patent, an object of property
- The Unified Patent Court (UPC) is a patent court with the power to issue decisions on infringement (including preliminary injunctions) and validity of both:
  - “classical” EP validated rights
  - the new Unitary Patent rights (exclusive jurisdiction)
UPC’s competence is not limited to the UP!
Transitional period (7 years + 7 years)

- UPC and national courts have shared jurisdiction for classical EP patents

- Delay of the grant
- Early request for UP

Germany triggers the start of the Sunrise Period

March 1, 2023

June 1, 2023

Simultaneous start of

Unitary Patent

Unified Patent Court

3 months

Opt-out possible

Transitional period (7 years + 7 years)

2 transitional measures as of January 1

- Delay of the grant
- Early request for UP

today
MOST COMMON QUESTIONS / MISPERCEPTIONS
What is the difference between a “European patent” and a “Unitary patent”? And what do they have in common?
Unitary Patent and UPC: the available options

A combination of both options is possible
Will it be possible to convert an active granted and validated EP to a Unitary patent?

NO
Which countries are part of the UP system?
Geographical coverage

Classic EP (also for non-EU Countries)

Member States of EPO (39)

- Austria
- Belgium
- Bulgaria
- Denmark
- Estonia
- Finland
- France
- Germany
- Italy

17 member states (ratified by start) -> UP in effect

- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Portugal
- Slovenia
- Sweden

7 member states may ratify at a later stage

- Cyprus
- Czech Republic
- Greece
- Hungary
- Ireland
- Romania
- Slovakia

3 member states are not part of UPC Agreement

- Spain
- Poland
- Croatia

Source: www.epo.org

39 Member States of EPO + 5 Validation and Extension States (in blue)
As more countries ratify the UPC Agreement, does the territorial protection of a unitary patent extend?

NO
Will it always be cheaper to choose a Unitary Patent?
What are the differences between a traditional EP and UP when it comes to language translations?

- European Patent Convention Article 14(6)
- Council Regulation (EU) No 1260/2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements
  - Article 3: Translation arrangements
  - Article 6(1): Transitional measures
Why is opting out such an important question?

Avoid the risk of a central revocation (rather than several national actions before each relevant national court).
Is it possible to opt out a UP?

NO
Can you change your mind about opting out?

YES - ONCE  ✔
What can be opted out?

- European patent applications
- European patents
- Non-active European patents
- Supplementary Protection Certificates (SPC)
KEY STRATEGIC ISSUES
What are the key factors applicants should consider when deciding whether to request unitary effect?

- Available budget
- Market interest in EU countries
- Competitors in the same field of technology
- The strategic importance of the patent
- Strength of the assessment of the validity of the patent
- How widely validated is the patent
- Size of patent portfolio
- Impact on investment or licensing revenue
- Type of licensing arrangements
- Complexity around the ownership of the patent
What are the pros and cons of opting out EPs from the UPC?

**PROS OF OPT-OUT**

1. Avoid the risk of the central revocation of the patent before the UPC
2. At any time during the lifetime of the patent
3. Opting-out maintains the status quo
4. “Opt-in”
5. Time and costs associated with filing an opt-out are relatively minimal

**CONS OF OPT-OUT**

1. Faster for infringement proceedings
2. Time and costs required to manage any due diligence are minimised
3. Influence the development of its case law
4. Addresses the complaint that the current European patent system is fragmented
5. To prevent infringement across multiple jurisdictions in a single action
How easy will it be to file revocation actions at the UPC?

How are these likely to compare with oppositions at the EPO?
<table>
<thead>
<tr>
<th><strong>Opposition</strong></th>
<th><strong>Central revocation</strong></th>
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<tbody>
<tr>
<td><strong>Forum</strong></td>
<td>European Patent Office (EPO)</td>
</tr>
<tr>
<td><strong>Entitlement to file</strong></td>
<td>Any party, including strawman</td>
</tr>
<tr>
<td><strong>Official fee</strong></td>
<td>Opposition fee = €840</td>
</tr>
<tr>
<td><strong>Recovery of legal fees</strong></td>
<td>Usually no recovery available</td>
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<tr>
<td><strong>Time limit</strong></td>
<td>Within 9 months of grant</td>
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<tr>
<td><strong>Territorial jurisdiction</strong></td>
<td>All 38 EPC states</td>
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<tr>
<td><strong>Time to first decision</strong></td>
<td>15 months to 1st instance decision (“stated aim for “standard” cases with one opponent – can often take longer)</td>
</tr>
<tr>
<td><strong>Existing case law</strong></td>
<td>Wealth of case law</td>
</tr>
<tr>
<td><strong>Merging of proceedings</strong></td>
<td>Even if multiple oppositions are filed, opponents become parties to a single opposition proceedings</td>
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CASE STUDIES
A pharmaceutical company

ASSUMPTIONS:
• several and aggressive competitors
• experience in patent litigation
• Interest in EU market
• possession of valuable patents
A start-up company in the green energy field

ASSUMPTIONS:

- not many competitors
- not a huge patent portfolio
- no experience in patent litigation
- interest in EU market
- interest in optimizing costs
A telecoms company in an area where there are a large number of patents and applications

ASSUMPTIONS:
- several and aggressive competitors
- experience in patent litigation
- possession of valuable patents
- several licensing agreements
- huge patent portfolio
THE FINAL COUNTDOWN
CHECKLIST

What to do right now?

- Do a patent portfolio audit and identify co-owners of patents
- Consider and decide opt-out strategies
- Consider new possible patent strategies
- Conduct audit of IP licences and other agreements
- Monitor opt-out trends

What to do after 1 June?

- Monitor cases brought before Court, including by competitors
- Consider whether to file infringement and/or revocation actions before UPC to test the system
- Review patent strategy in light of UPC developments
Any questions about the new system?
Thank you, for your attention!

Do you have any questions?

Contact the EPV / UPC team! We are always happy to help.