



The Unitary Patent and Unified Patent Court Key Strategies

28 March 2023

Our team of expert speakers



James Nurton
Writer and editor
specializing in
Intellectual Property law
jnurton@lextelpartners.com



Dr. Massimo Galluppi
Italian and European
Patent Attorney and
European Patent Litigator
mgalluppi@dennemeyer-law.com



Damien Sabathié
Commercial Product
Manager
dsabathie@dennemeyer-law.com

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



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

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

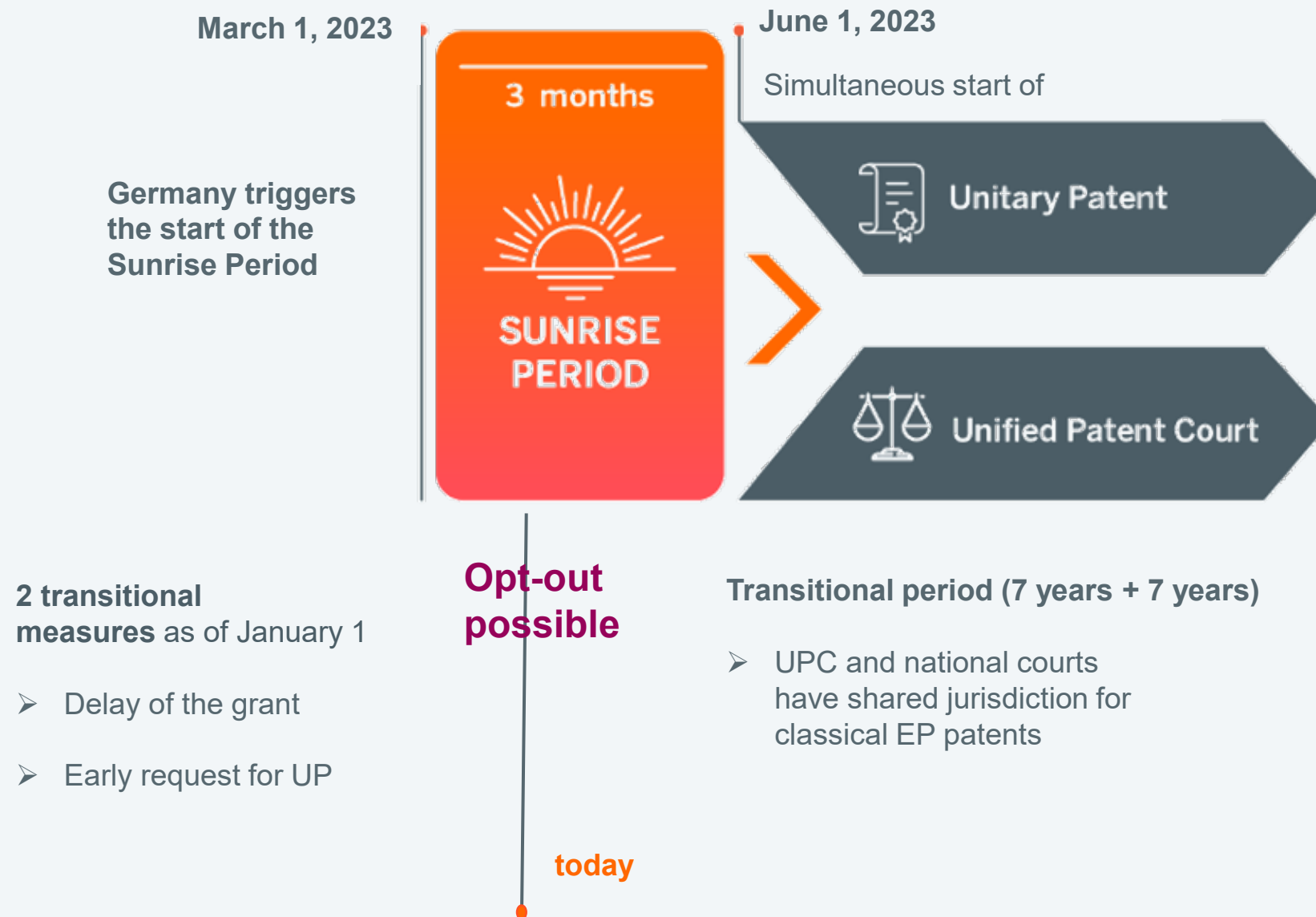


Unitary Patent ≠ Unified Patent Court

- **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!

START

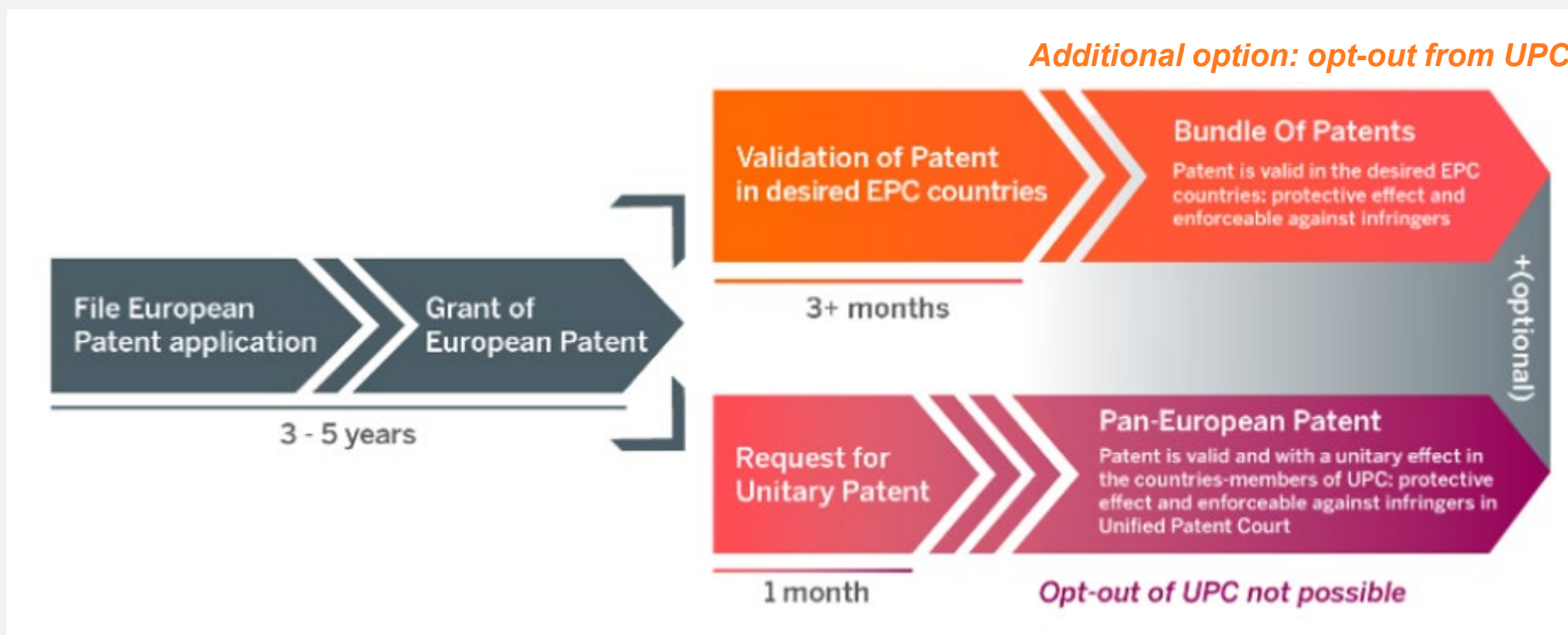


MOST COMMON QUESTIONS / MISPERCEPTIONS

**What is the difference between a
“European patent” and a “Unitary patent”?**

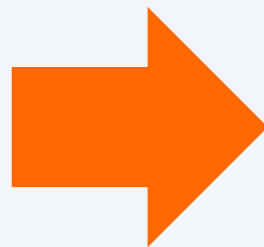
And what do they have in common?

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)



Source: www.epo.org

39 Member States of EPO + 5 Validation and Extension States (in blue)

EP with Unitary Effect only for EU Countries

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

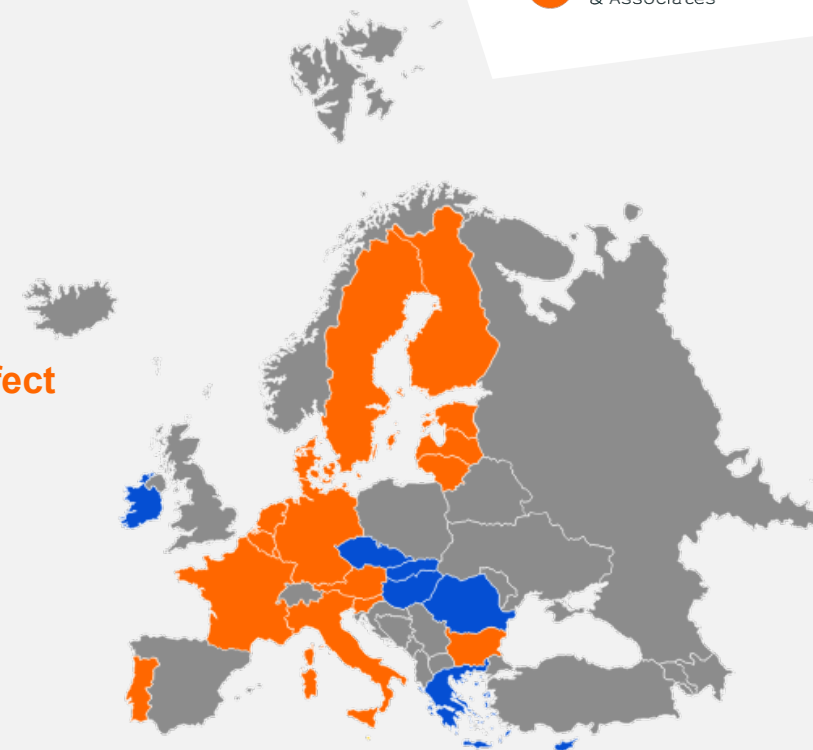
- Austria
- Belgium
- Bulgaria
- Denmark
- Estonia
- Finland
- France
- Germany
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Portugal
- Slovenia
- Sweden

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

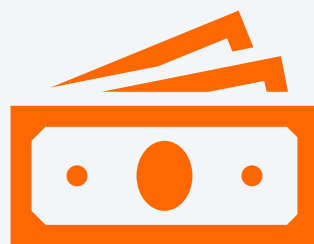
- Spain
- Poland
- Croatia



**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 **P**rotection **C**ertificates (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?

	Opposition	Central revocation
Forum	European Patent Office (EPO)	Unified Patent Court (UPC)
Entitlement to file	Any party, including <u>strawman</u>	Any party “who is concerned by a patent” (Art. 47(6) UPCA) – at present, it is not entirely clear if a strawman is allowable
Official fee	Opposition fee = €840	Revocation fee = €20,000 (partial reimbursements are available if settled or withdrawn, or if hearing with only one judge)
Recovery of legal fees	Usually no recovery available	Available, minimum limit of €38,000, increases with value of proceedings
Time limit	Within 9 months of grant	At any time during lifetime of European patent
Territorial jurisdiction	All 38 EPC states	17 UPC participating countries, may be up to 24 in future
Time to first decision	15 months to 1 st instance decision (*stated aim for “standard” cases with one opponent – can often take longer)	Less than 14 months to 1 st instance decision (*stated aim for written decision – at present, it is unclear if all revocation actions will be decided within this time frame)
Existing case law	Wealth of case law	No existing case law
Merging of proceedings	Even if multiple oppositions are filed, opponents become parties to a single opposition proceedings	Although multiple actions may be heard in a joint hearing, it appears likely that separate actions, filed by different parties, will remain separate

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

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