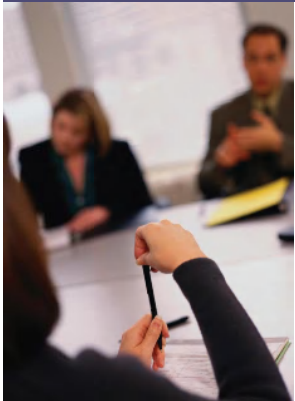
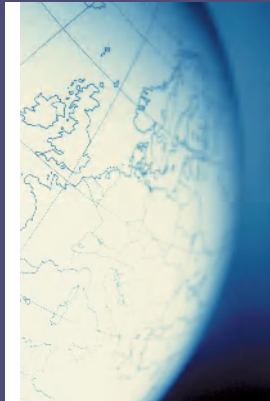


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Patent and Trade Mark Attorneys

# EP Unitary Patent and Unified Patent Court

Nicholas Wallin

Partner

Withers & Rogers LLP

## Summary: A Unitary Patent for the EU

- All EU member states except Italy and Spain have finally agreed to establish a unitary patent
- Italy and Spain can join at any stage



## EU Patent - A short history

- Three previous attempts:
  - Community Patent Convention signed in 1975
    - Never entered force because of translation and litigation issues
  - Community Patent Regulation proposed in 2000
    - Failed in 2004 - translation disagreements
  - European Patent Litigation Agreement proposed in about 2006-7
    - Failed due to technicality which meant agreement would breach the EC Treaty

## EU Patent - A short history

- Breakthrough in 2009 - Swedish Presidency
  - Proposals for a Unified Patent Court
  - Proposed to deal with translations separately
  - Proposed to create an EU patent for most of the EU using “enhanced cooperation” process - whereby EU law can be used but proceed without some countries e.g. Spain or Italy

## So where are we now?

- There are 3 new pieces of legislation
  1. EU regulation creating a new unitary patent (Reg (EU) 1257/2012)
  2. EU regulation concerning translation for unitary patents (Reg (EU) 1260/2012)
  3. Intergovernmental Agreement (i.e. not an EU law) on a Unified Patent Court
- May enter force as early as 2014

## Present Status

- Both EU regulations form part of EU law (except for Spain and Italy) from 20 Jan 2013 BUT can NOT apply until Court Agreement enters into force.
- Court agreement is still in draft but is expected to be signed in Feb 2013. Will enter into force 4 months after it is ratified by 13 countries (inc. DE, FR, and GB) but no sooner than Jan 2014
- Expect to enter into force in mid-2014

## Consequences of coming into force

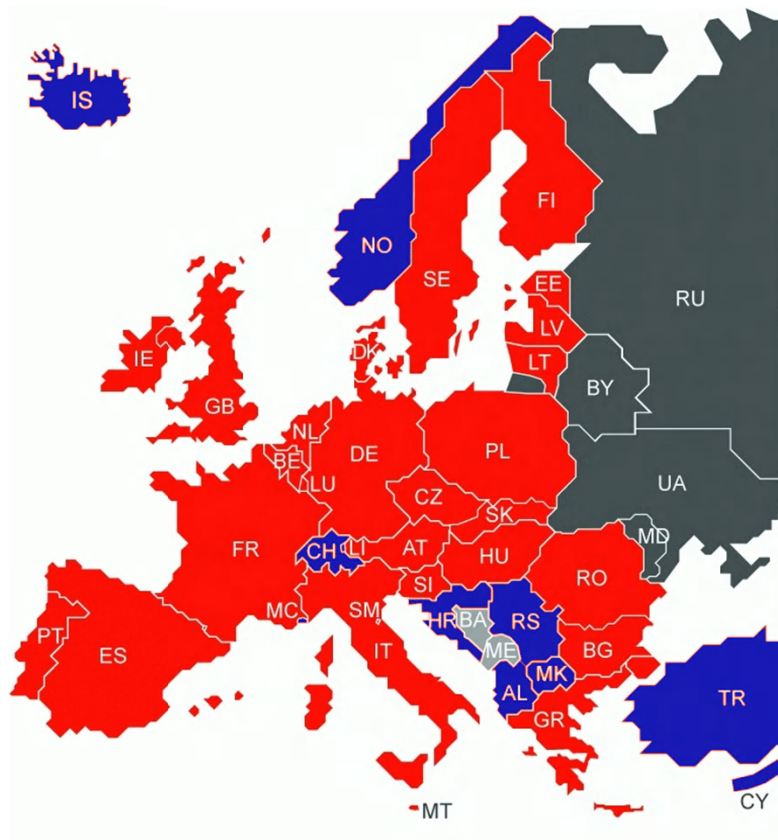
- Unitary Patents will immediately be an option for any EP patents that go to grant
  - This includes presently pending EP cases!
- Unified Court will immediately be available for use



## What are the different names?

- Previous names were European Union Patent and Community Patent
- The new “official” name is “European Patent with Unitary effect”
- Most people referring to as Unitary Patent, because it is
- NOT a “European Patent”. Conventional European Patents will continue to exist and whilst similar are legally distinct entities.

## Geographical Extent

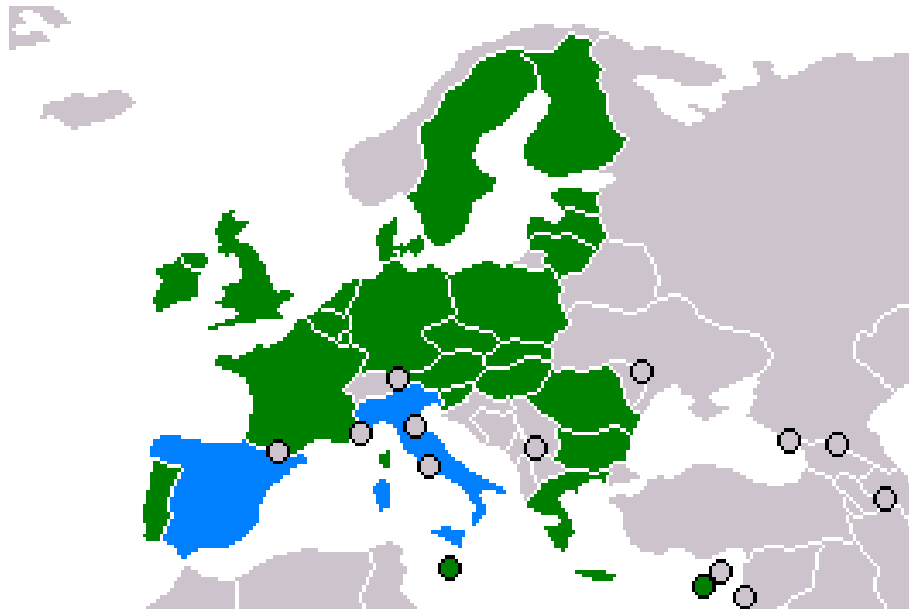


- European Union

(Croatia will join EU in July 2013)

- European Patent Convention

## Geographical Extent



- Unitary Patent Countries  
400 million people
- 20% GWP
- (may include Croatia when it takes effect)

## How do you apply for a Unitary Patent?

- Prosecution process exactly the same as now:
  - File a European patent application as you do now
  - EPO law on patentability will apply
  - EPO examination the same as now
  - Pay grant and print fees and translate claims into French and German when allowed

## How do you apply for a Unitary Patent?

- After grant:
  - Register Unitary effect of EP patent within 1 month of grant
  - Translate English language EP patents into an EU language of choice  
(other than Spanish or Italian). French and German language EP patents must be translated into English
- In future (6 or 12 years) there will be no translation required.

## How do you apply for a Unitary Patent?

- Cannot have both Unitary Patent and EP patent in those countries covered.
- Can continue to have EP patent in other EP countries (e.g. Spain, Italy, Switzerland, Norway etc) not covered by Unitary patent
- If a country later joins Unitary Patent then existing Unitary Patent will not automatically enlarge to cover it – applies only to states that recognise the Unitary Patent at the date of registration

## How do you keep a Unitary Patent?

- Single annual renewal fee paid to the EPO.
- The cost has not yet been determined. The formula for doing so is complex. Many stakeholders - the EPO has to distribute the money amongst national offices.
- May cost the same as around 4-5 EP countries at present.

## Do you have to get a Unitary Patent?

- No - you can choose not to register a granted EP patent to have unitary effect. Can then validate in countries of choice as you do now.
- Ability to file via national patent offices is also unaffected.
- So there will be three types of patent protection available in Europe:
  - National Patents
  - ‘old style’ European Patents
  - Unitary European Patents



## Advantages/Disadvantages of Choosing Unitary patent

- Probably much cheaper than validating in many countries.
- May be more expensive than validating in only a few countries, but will give greater geographical coverage
- Will have to use Unitary Court – as yet untried

# Unified Patent Court

## Exclusivity

- It will come into being at the same time that Unitary Patents become available
- It will immediately become the **exclusive** court for Unitary Patents
- Long term it will also become the **exclusive** court for all **European Patents!** (in countries that have ratified the Court Agreement)
- Long term, for most of the EU, only patents granted by national patent offices can be used at national courts

## Rules of Procedure

- To be determined. May be somewhere between existing English and German systems.
- May have similarities to hearings at EPO

## Structure and Location

- Court of First Instance has many seats
  - Central Division
    - Paris (main seat)
    - London (Chemistry, human necessities-IPC code A, C)
    - Munich (mechanical- IPC code F).
  - Local Divisions
    - Can be set up in any country.
  - Regional Divisions
    - Countries can group together to have a division
- Court of Appeal is only in Luxembourg

## Revocation

- Third parties can only bring these actions before the Central Division
- Will be heard by 3 legal judges and one “technical” judge
- Revocation of a Unitary Patent will knock out protection for the whole of EU (ex Spain/Italy)
- Revocation of EP Patents by the Unitary Court will knock out protection for the whole of EU (ex Spain/Italy). Cannot pick and choose which EP patents to revoke

## Declaration of Non-Infringement

- Can only be heard by Central Division
- Will be heard by 3 legal judges and one “technical” judge

## Infringement

- Action can be heard in:
  - A. Local/Regional division where infringement has occurred
  - B. Local/Regional division where defendant is based
  - C. Central Division
- All 3 choices may be available. Choice is mostly in the control of the Patentee.



# Infringement

- Action at Central Division
  - Will be heard by 3 legal judges and one “technical” judge
- Action at Local/Regional Division
  - Will be heard by 3 legal judges, at least one will be local and at least one will be from a different country
  - Either party can request that a technical judge can be added from the central division. May be sensible for defendants if the local judges are seen as pro-patentee

## Counterclaim for revocation

- If a counterclaim is made in defence to an infringement action at a Local/Regional Division - how it is dealt with is up to the Court. It can:
  - A. Send both actions to central division
  - B. Hear both actions locally at the same time (must add a technical judge )
  - C. Send revocation action to Central division and stay infringement.
  - D. Send revocation action to Central division but proceed with infringement action i.e. German style bifurcation

## Remedies for Infringement

- Damages. Likely to be similar to now
- Destruction, delivery up, costs etc. Likely to be similar to now
- Injunctions
  - For unitary patents a single injunction will cover whole of EU (ex Spain/Italy)
  - For EP patents a single injunction will cover all countries in Unitary Area in which EP patents are in force.
  - Bifurcation at a local division may allow an EU wide injunction before validity is decided.

## Language of Proceedings

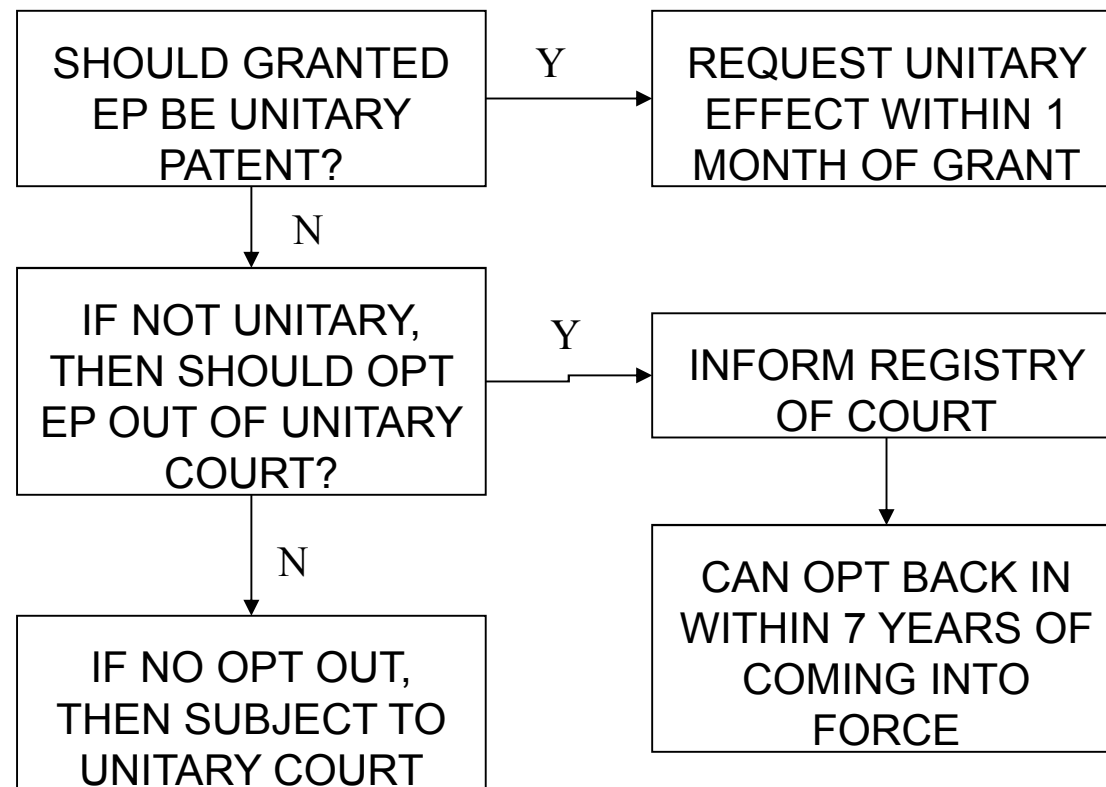
- At Central Division- language of patent
- At Local/Regional Division – it is complicated
  - Default is the language of the Division
  - Parties and Division can agree to use language of patent
  - President of the Central Court can decide on grounds of fairness
- Can request translation into a different language in some circumstances

## Opt Out for EP Patents (not Unitary Patents)

- EP patents granted or filed during transitional period can opt out from the Unitary Court
- Not clear if the opt out lasts for the life of the patent or just to the end of the transitional period – probably intended to be the life of the patent
- Can Opt out at any point between Law taking effect and one month before the end of transition.  
Cannot Opt out if there has been an action at the Unified Court
- Can withdraw Opt out at any time but not if any action has occurred at national court
- Not clear if Opt out can be used a second time once its been withdrawn

# Summary of Decisions to be made on Grant of

## EP



## Advantages of Unified Court

- Great for patentee litigants - one injunction for whole of Europe
- Cost - potentially cheaper for companies involved in pan-European litigation

## Disadvantages of Unified Court

- Potentially one point of failure for key patents - rather than multiple national patents
- Potentially difficult for defendants - invalid patents could cause havoc through bifurcation
- Unknown whether Central Division will be pro or anti patent. Local Divisions with real power may arise in countries with no history of patent litigation.
- Cost – may be more expensive to litigate than some existing national courts



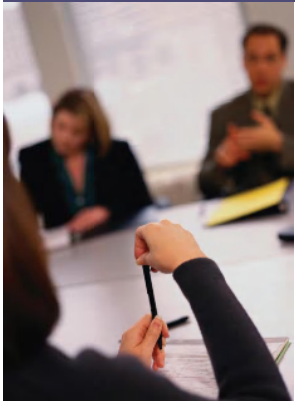
## Questions to consider

- Do you want to have Unitary Patents or continue to cover those countries by conventional EP patents?
  - First decision to be made when first patent grants after new law applies
- Should you Opt out existing EP patents?
  - If you are worried about third parties using Unified Court against patents then its sensible to opt out immediately. Generally seen as the safer option- but not without risks in a patent war. A competitor could block your ability to use Unified Court and use their own threats of EU wide injunctions as leverage
- Should you consider filing National patents instead of using the EPO?
  - Avoids Unified Court. Adds cost and complexity. May not need to consider this for several years. Wait until transitional/Opt out provisions are finalised.

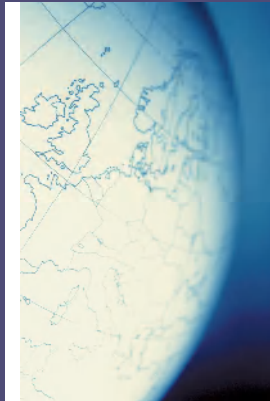
Thank you

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