

Unitary Patent System will enter into force – Guidance for Applicants and Proprietors

I Basis of the Unitary Patent System (UPS)

The Unitary Patent System (UPS) is based on the

- **Unitary Patent (UP**, or EP-UE, European Patent with Unitary Effect) and the
- **Unified Patent Court (UPC)** as an international organisation. It is presently intended to have local and regional courts in: AT, BE, DK, FI, FR, DE (4 local divisions), IT, NL, SI, SE (Stockholm, SE is hosting the regional Sweden-Nordic-Baltic division) and PT. Central divisions will be in Munich and Paris as well as at one further, yet to be determined, location.

The UPS is presently expected to start in late 2022, but a delay to (early) 2023 cannot be excluded. In its current state, the UPS will cover 24 states but for example not the UK.

In the following, we provide practical advice regarding the decisions to be taken by Applicants and Proprietors of patents/SPCs (supplementary protection certificates), while reference is made to the homepage of the European Patent Office (EPO) regarding the legal framework of the UPS (bit.ly/ups_legal).

II Choices to be made for each patent application/patent/SPC

II.A Options

For an EP patent application/patent one can choose from the following options:

1. Patent applications and patents up to 1 month after grant

- 1.1 Request for Unitary Patent within 1 month after grant* (which Unitary Patent will then be dealt with exclusively by the UPC, e.g., with respect to revocation/infringement) and optionally validate the patent in non UPS states;
- 1.2 Continue with a "classical" EP patent after grant by validation in desired states and opt-out of UPC** (it is possible to opt-in later again);
- 1.3 Continue with a "classical" EP patent after grant by validation in desired states and decide to not opt-out of UPC.

2. Patents (and SPCs) already 1 month after grant (no Unitary Patent possible)

- 2.1 opt-out**
- 2.2 not opt-out

*We will handle the request for a Unitary Patent for our clients (no official fees).

**At least during a transitional period of 7 years after entry into force of UPS, an "opt-out" of the competence of the Unified Patent Court is possible once for each application/patent. No official fees fall due for such opt-out. Court actions such as infringement/revocation are then dealt with by national courts. Opt-out also applies to SPCs granted on the patents. We will handle the opt-out and opt-in (no official fees for opt-out/opt-in) for our clients.

During the transitional period, court actions (e.g. revocation, infringement) can be brought before the national courts or the UPC (choice of plaintiff). Opt-out and opt-in is restricted by already pending court actions before the UPC or national courts. After the transitional period, every EP application will result in an EP patent (UP or "classical" EP) which will be dealt with by the UPC with respect to the UPS member states (no opt-out/opt-in option anymore).

In the following, we provide guidance regarding the available options for patent applications and patents/SPCs and then comment on the practical steps to be taken for applications and patents.

II.B Guidance for making the choices

II.B.1 "Classical" EP patent or Unitary Patent

Costs:

The official fees for a Unitary Patent are lower than for a European patent validated and maintained in four (DE, UK, FR and NL) of the 24 Member States participating in the Unitary Patent System. A comparison of the annuities of a Unitary Patent with that of a "classical" EP patent validated in 24 states has been provided by the EPO (https://bit.ly/unitary_patent_costs).

Translation: during transition period of 6-12 years, complete translation is required:

- into EN if the patent is in DE/FR or
- into official language of the EU if the patent is in EN.

No validation fees are necessary for the Unitary Patent and one request is sufficient for all member states (no local counsels have to be involved). Administrative efforts can thus be reduced.

The costs for national court fees and recoverable costs vary significantly between the countries. For the UPC, a fixed fee shall be paid based on the table of fees adopted by the Administrative Committee. In addition to the fixed fee, a value-based fee shall be due for those actions at the Court of First Instance, which exceed a value of 500.000 €. Please contact us for more detailed information.

Court competence:

UP will exclusively be dealt with by the UPC. Court actions before the UPC can result in complete revocation of the UP. The validated states which do not participate in the UPS will not be directly affected.

"Classical" EP patent will be dealt with by national courts or the UPC during the transitional period (if no opt-out). The UPC can then also decide on revocation and infringement regarding all UPS member states where the "classical" EP patent is validated!

"Classical" EP patent, after opt-out, will exclusively be dealt with by national courts (even after transitional period opt-out is effective and no opt-in is available). No opt-out is possible for patents granted after the transitional period. This means that the UPC will later have competence for both UP and "classical" EP patents.

- If it is desired to wait until some experience has been gained with the UPC (case law and practice), or if the patent shall be defended before each national court (if need be), the UPC can only be avoided by choosing a "classical" EP patent and opt-out of the UPC.
- If it shall not be possible to revoke the "classical EP patent" in all UPS member states in one stroke, opt-out should be chosen.

If court actions are rare in a certain technical field, the decision to apply for a Unitary Patent could be taken based on costs only.

Flexibility:

"Classical" EP patents can be validated in various countries and, depending on further developments, payment of annuities in some countries (or even all but one) can be stopped to let the patent lapse, which reduces costs. Thus, the Unitary Patent is less flexible over the lifetime.

II.B.2 "Opt-out" and "opt-in" again

Costs:

No official fees (request based on list of cases possible). If desirable, one can opt-in again once. However, opt-out/opt-in is excluded if court actions have already been filed.

Court competence:

See item II.B.1 above.

II.B.3 Steps to be taken - timing

Early request for unitary effect (UP):

For applications where the text intended to grant has already been issued (Communication under Rule 71(3) EPC), an early request for unitary effect will be available as early as during the „sunrise period“ (three months before UPS enters into force, probably starting from autumn 2022 = date when Germany ratifies UPC agreement). If the 1 month term for requesting an UP ends before the UPS enters into force, the granting process may be delayed as discussed below.

Opt-out:

May also be „pre-declared“ as early as during the „sunrise period“.

At the latest, it has to be declared at least 1 month before end of transitional period(s) (at least 7 years) after entry into force of UPS and before a complaint is raised with the UPC.

Pending applications where "1 month period after grant" will shortly end before UPS comes into force

For applications where the granting process is quite advanced, the EPO will allow to delay the grant during the "sunrise period" if the Communication under Rule 71(3) EPC was received in order that a Unitary Patent will be available once the UPS enters into force.

Where delaying the grant is not possible, it is also possible to delay the granting process by making corrections to the text intended for grant.

Please feel free to contact us with any questions or comments by sending an email to wuesthoff@wuesthoff.de, subject-line "UPC".