

The European Patent Court and Unitary Patent Don't Panic – Be Prepared

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February 2014

Patent in Europe - now

- National patents through respective national patent offices
- Respective translations into local language on filing
- Separate prosecution to grant in local language
- Enforceable on country by country basis
- Revocable on country by country basis
- Renewed on country by country basis
- Local representation required

Patent in Europe - now

- European patent through European Patent Office (EPO) under European Patent Convention (EPC)
 - Single procedure in one of official languages of GB, FR or DE
 - Claims translated into two other official languages
 - Validate in contracting states of interest to get a national patent, e.g. EP(UK), effective nationally
 - Translation of specification or claims into official national language of validation state/s
 - EPC states not same as EU states
 - EU 28 states, EPC 38 states including CH, NO, TR

European Unitary Patent

- Obtained through European Patent Office (EPO) under Regulation 1257/2012
- Established under enhanced cooperation procedure
- ES & IT not involved
- language regime (Regulation 1260/2012) follows EPO, i.e. only English, French or German as language of proceedings
- ES challenging legality to enhanced cooperation

European Unitary Patent

- Request unitary effect of a European patent within one month of grant
- For 12 year transitional period, file translation into EN or another EU language if EN procedural language within one month of grant
- Single patent right covering all EU states
- Stands or falls as one
- Licensed in respect of whole or part of the territory of the participating Member States
 - excluding ES & IT
- Cannot have different sets of claims for different participating Member States, Art 3(1)

European Unitary Patent

- Croatia (and any other latecomers) question?
 - Art 3(1) 1257/2012 – unitary effect if granted with the same set of claims in respect of all the participating Member States
 - Croatia joined EPC 1 January 2008, EU 1 July 2013
 - EP patent applications pending which were filed prior to Croatia contracting to EPC, therefore Croatia not designated
 - So must have different claims for different states as no patent - therefore no claims for Croatia - therefore no unitary effect
 - So all pending EP patent applications filed prior to 1 January 2008 cannot have unitary effect
 - What happens when next EPC contracting state accedes to EU?
 - It starts all over again
 - window between 1 July 2013 and whenever the next EPC state to accede to EU joined the EPC

European Unitary Patent

- Art 3(1) 2nd paragraph
 - European patent granted **with different sets of claims for different participating Member States** shall not benefit from unitary effect
- At present, European patents may be granted with different sets of claims for different participating Member States or amended post-grant to have different claims for different countries to avoid earlier patent right with earlier priority date than the patent but published later than the priority date of the patent
- Revoke/amend in one or more countries but maintain in one or more others
- Under the unitary patent this will not be possible. Article 5(2) EU 1257/2012
 - **The scope of that right** and its limitations **shall be uniform in all participating Member States** in which the patent has unitary effect
- An earlier national right will have prior art effect for the entire unitary patent which may be limited (or revoked) only as a whole
 - such earlier rights may not be available in English, and include utility models which can be difficult to search

Unified Patent Court

- UPC agreement signed 19 February 2013 by 25 EU member states (not ES or PL, or HR which acceded to EU after date of signing)
- Comes into force once 13 member states have ratified, which must include UK, FR & DE
 - Austria only state to have ratified
 - Official estimate for ratification early 2015
- Provides central court for infringement, revocation and other matters concerning UP

Unified Patent Court

- Court of First Instance
- Panels to be multinational
- Central division with seat in Paris and sections in London and Munich cases divided according to technical area
 - London – chemistry, pharmaceuticals and human necessities – IPC A & C
 - Munich – mechanical engineering IPC F
- Proceedings held in language of the proceedings before the EPO
- Deal with stand alone revocation, declarations of non-infringement, nullity of SPCs or counterclaims for the same, prior user rights, compensation based on provisional protection
- Whole case transferred to central division with agreement of parties or started in central division if no local/regional division
- Two legally qualified judges or just one if the parties agree
- One technically qualified judge

Unified Patent Court

- National and regional divisions
- Regional division for a group of participating states
- Infringement proceedings, counterclaims for revocation
- Bifurcation – counterclaim for revocation heard in central division – DE tradition
 - Issue if central division lags national/regional division
 - Possibly found to infringe a patent (injunction etc) later revoked
- Three legally qualified judges or one with agreement of parties
- Technical judge on parties request or panel's initiative

Unified Patent Court

- Rules of Procedure
- 15th draft out for public consultation
- Discretion to allow procedures from most EU member states' legal traditions
- E.g. evidence preservation, production of evidence, inspection, asset freezing, experiments, hearing witnesses, witness questioning by judge or under control of judge (XX)
- Extent of discretion on any procedure likely to be influenced by legal traditions of a panel's members

Unified Patent Court

- Forum shopping
- Rules different from Brussels Regulation and CTM/CRD
 - Infringement proceedings
 - where infringement occurred – easy to establish
 - where defendant is based
 - at proprietor’s choice
 - Choose division implementing bifurcation
 - Divisions compete in “race to judgement” ?
 - Many divisions propose including English as a procedural language
 - Counterclaim for revocation may be transferred to central division at discretion of division
 - Infringement in central division if no local/regional division available or defendant not domiciled in a participating state

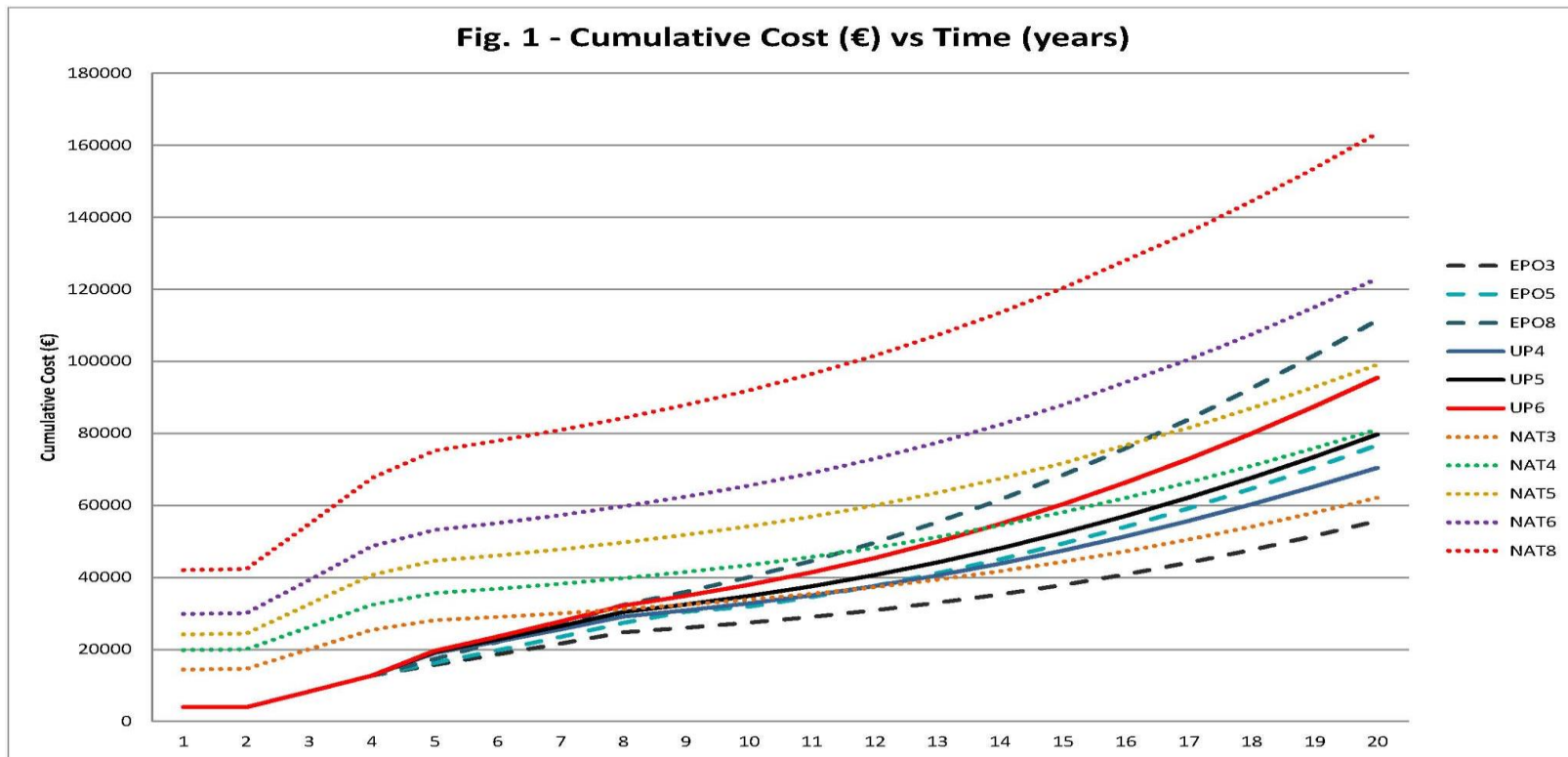
Unified Patent Court

- Court of Appeal
 - Where else but Luxembourg
 - Three legally qualified judges, two technically qualified judges
 - Language of first instance proceedings
 - Referral to CJEU
 - Agreement drafted to exclude referrals on substantive law although European Parliament disagrees
- Competence
 - Includes regular EP applications but scope limited to validated states, unless
 - Transitional
 - Opt out available for seven years at least unless proceedings already started
 - Opt out lasts for life of patent although can opt back in

UP, EP, NAT & UPC

- Unitary, European and National patents
 - Cost benefits, value for money
 - Where is the costs threshold?
 - Best route?
 - Contributory factors include
 - Cost of EPO procedure compared to national procedure/s
 - Annuities, annual fee to keep patent in force
 - Per right basis, i.e. one for Unitary Patent, one for each national Patent
 - Unitary renewal unknown
 - Increase exponentially over lifetime of Patent
 - Cost of litigation procedures
 - Single pan-European compared with one, two or possibly three national proceedings
 - Following graph compares costs of various routes

Cost comparison



Costs comparison

- EPO3, EPO5 & EPO8
 - validated in the 3, 5 & 8 largest EU countries party to the EPC
- UP4, UP5 & UP6
 - UP where renewals set at the equivalent of 4, 5 and 6 national patent office renewals
- NAT3, NAT4, NAT5, NAT6 & NAT8
 - national patents through national patent offices for the 3, 4, 5, 6 & 8 largest EU countries party to the EPC
- Size of EU country by GDP in order greatest to least
 - Germany, France, UK, Spain, Italy, Netherlands, Sweden & Belgium
 - Assumed that Spain & Italy will, at some time in the future, become parties to the Unitary patent system
 - If not costs of UP route will be greater as ES and IT will have to be validated nationally increasing renewal costs overall

Costs comparison

- If UP has equivalent of 5 national renewal fees then lifetime costs about the same as obtaining GB, DE & FR patent through national route
- Benefits of national route
 - No central opposition attack in EPO
 - No central revocation attack
 - Flexibility in choice of court
 - Still have pan-EU interlocutory decision (NL)
 - Fixed as to venue for revocation
- Drawbacks of national route
 - Not pan-EU protection on final decision
 - BUT litigation typically only occurs in one or two occasionally three jurisdictions (GB, DE, FR/NL)
 - Do not yet know costs of litigating in UPC so comparisons difficult
 - Greater costs incurred up to grant
 - Limited choice of venue for infringement

Any questions?

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