

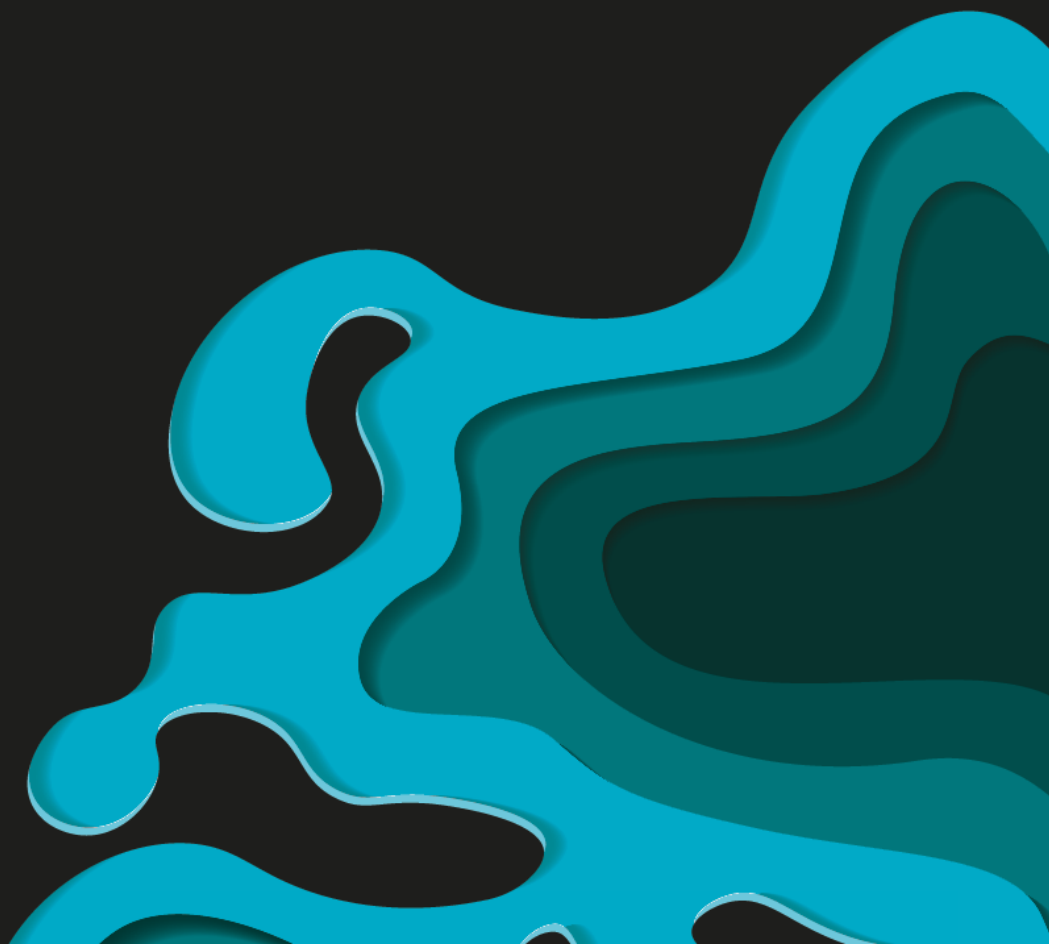
UNITARY PATENT

A Guide to the Unitary Patent
and the Unified Patent Court



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INTRODUCTION

If you have filed a patent application you will know that there are many options; so many that your Patent Attorney will take great pride in explaining all of their benefits and draw backs and advising you of the best option for your business. The problem has always been that patent laws are not fully harmonised in all countries, so to obtain and enforce a patent worldwide the applicant must dedicate a lot of money to navigate the law in each country, although groups of countries have harmonised laws at least to some degree.

Many offices (World Intellectual Property Organisation, European Patent Office, African Regional Intellectual Property Organisation etc.) and systems (Paris Convention, TRIPS, Patent Cooperation Treaty, European Patent Convention) have been created in attempts to simplify the procedure for obtaining patent protection in many countries and to reduce costs.

Your Patent Attorney may have mentioned the benefits of filing an international patent application using the Patent Cooperation Treaty or a European patent application under the European Patent Convention. The past decade has seen an attempt to create what looks on paper to be a relatively simple concept - a single European patent which provides protection across all the countries of Europe.

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WHAT IS THE CURRENT EUROPEAN PATENT SYSTEM?

The current system, under the European Patent Convention, is not an EU system. Non-EU countries can be, and some are, signatories to the European Patent Convention. For example, Switzerland has been a signatory since the European Patent Convention came into force in 1977, but has never been a member of the European Union. Applicants file a European patent application which is examined centrally by the European Patent Office, leading to grant or refusal.

After grant the applicant then holds not a single patent but a “bundle” of separate national patent rights, one patent per country, which each stand on their own. To bring these into force, European patents may have to be “validated” separately in each European country where patent protection is desired. This may involve the payment of a validation fee, and in some countries a translation of the patent or part of it into a national language and the appointment of a national agent in that country. This process can be both expensive and administratively demanding, and typically must be carried out within 3 months of grant of the European patent. Annual renewal fees are then required to maintain the patent in each country.

The procedural and economic savings in the European patent system are therefore mainly in the filing and prosecution of just one application, as opposed to up to 38 individual national patent applications all in various different languages. However, procedural and economic savings could still be made if the patent were to be handled centrally after grant. This is more difficult legally to implement, as the current European patent system still allows each country to apply their own law regarding how the claims of the patent are infringed in that country.

“EUROPEAN PATENTS MAY HAVE TO BE ‘VALIDATED’ SEPARATELY IN EACH EUROPEAN COUNTRY WHERE PATENT PROTECTION IS DESIRED.”

“ANNUAL RENEWAL FEES ARE THEN REQUIRED TO MAINTAIN THE PATENT IN EACH COUNTRY.”

WHAT IS THE PROPOSED UNITARY PATENT?

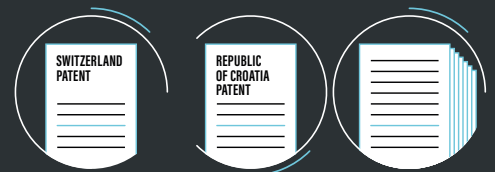
It is proposed that the Unitary Patent system will grant a single unitary patent which provides protection in multiple EU countries simultaneously.

The countries where protection is afforded are the EU countries that have signed and ratified the UPC Agreement (All EU countries except for Spain, Croatia, Poland and Czech Republic – see below for Germany and the UK). Non-EU countries, such as Switzerland, would still need to be pursued separately if protection there is of interest. This is an additional system, and will operate in parallel to the above well established EPO validation system, allowing the applicant to make a choice in some countries as to whether a Unitary Patent or a standard European patent is desired, and allowing the applicant to validate the patent in non-EU countries that are not covered by the Unitary Patent but that are EPC member states. Furthermore, national patent systems will continue to allow for national patents to be granted completely independently of both of the Unitary Patent and the classic European patent route.

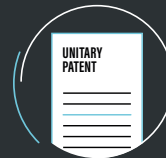
“THE UNITARY PATENT SYSTEM WILL GRANT A SINGLE UNITARY PATENT WHICH PROVIDES PROTECTION IN MULTIPLE EU COUNTRIES SIMULTANEOUSLY.”

EUROPEAN PATENT APPLICATION

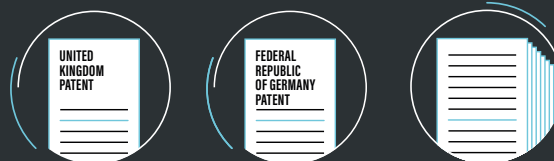
One or more National Patents



Unitary Patent



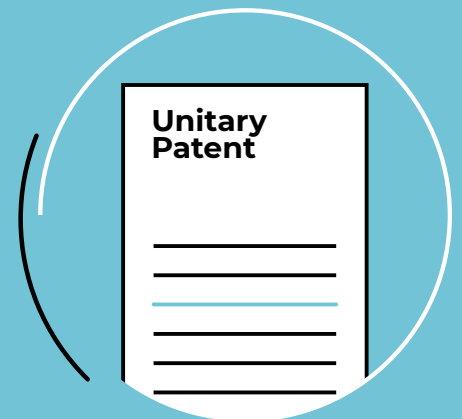
NATIONAL PATENT APPLICATION



HOW CAN I GET A UNITARY PATENT WHEN OR IF IT COMES INTO FORCE?

The filing, examination and grant are identical to the current procedure.

After grant, for EU countries participating in the system the applicant can choose to opt for a Unitary Patent covering all of those countries instead of performing the above mentioned validation procedure. This choice is made by filing a “request for unitary effect” and filing a translation of the whole patent within 1 month of the mention of grant. If the patent was granted in German or French, the translation must be in English. If the patent was granted in English, the translation can be in any official language of any EU member state. No other translations are needed for the Unitary Patent to have effect. However, if protection is desired in a country which is not taking part in the new system, the classic validation requirements, including the relevant translations, will be required for that country, as before.



WHAT ABOUT RENEWAL FEES?

For classic European patents, renewal fees need to be paid annually from the second anniversary of filing; to the EPO while the application is pending, then to the national offices after grant. Under the new system, renewal fees will continue to be paid directly to the EPO after grant. The rate of renewal fees is around the combined fees that would be paid to the four most common validation countries in the classic system. In this regard, roughly speaking, if you would normally validate your European patent in more than four countries then the Unitary Patent renewals are likely to be more economical.

However, there are strategic implications to paying a single renewal fee which may outweigh the economic benefits. One of the great advantages of individual validation and renewal in the classic system is that the patent can be validated in lots of countries at the start, allowing the proprietor to fully test and develop their markets. Once it is decided that protection in a specific country is no longer required, the proprietor can stop paying the renewal fee for this country. Under the new system, individual countries cannot be dropped as that patent has unitary effect; either the renewal fee must be paid or the whole patent in every territory is left to lapse. It is not uncommon for patents to be validated in tens of countries at the beginning, then only renewed in a few towards the end of their life. It is clear that the cost savings vary significantly depending on the countries of interest and the long-term strategy for the patent in hand. Speak to your Creation IP Attorney for further guidance on the most economical choice for your case when it is time to decide which route to go down.



“UNDER THE NEW SYSTEM, INDIVIDUAL COUNTRIES CANNOT BE DROPPED AS THAT PATENT HAS UNITARY EFFECT; EITHER THE RENEWAL FEE MUST BE PAID OR THE WHOLE PATENT IN EVERY TERRITORY IS LEFT TO LAPSE.”

UNIFIED PATENT COURT

In the classic system, a European patent can be opposed within a nine month opposition period after grant.

This will still be available for Unitary Patents. In the classic system a challenge against the validity of the patent after expiry of this period must be filed at each of the national courts of the countries where the patent has been validated if it is desired to knock out the patent across Europe. The proposed system provides a completely new court system where Unitary Patents must be challenged centrally – the Unified Patent Court. Similarly to the unitary renewal fees discussed above, a successful attack at the Unified Patent Court will simultaneously invalidate the Unitary Patent across all of the countries it provided protection .

In reality, under the classic system it is rare that attacks are launched in every country where the patent is validated. Typically, successful attacks in key countries lead to out of court negotiations and settlement. However, the different platforms and available routes of attack must be considered thoroughly before deciding which route to go down, rather than opting simply for the most economical route for your chosen countries.



“A SUCCESSFUL ATTACK AT THE UNIFIED PATENT COURT WILL SIMULTANEOUSLY INVALIDATE THE UNITARY PATENT ACROSS ALL OF THE COUNTRIES IT PROVIDED PROTECTION.”

FREEDOM TO OPERATE

The unitary effect of the new system means that competitors who would normally only validate their patents in a few countries where their markets are, may opt for a unitary patent to benefit from the advantages above in terms of cost savings and administrative efficiencies. This would make freedom to operate searching ever more important before bringing a product to market .

“FREEDOM TO OPERATE SEARCHING WOULD BE EVER MORE IMPORTANT BEFORE BRINGING A PRODUCT TO MARKET.”

SUMMARY OF THE ADVANTAGES AND DISADVANTAGES OF THE SYSTEM

Whilst protection can be obtained in multiple countries simultaneously, some large economies will not be participating in the system. Renewal fees and translation requirements may be reduced significantly, but only if the proprietor desires protection in more than a few countries. The Unitary Patent can be enforced in multiple countries through the Unified Patent Court. However, the patent can also be revoked in multiple countries at the Unified Patent Court.

WHEN WILL THE SYSTEM BE AVAILABLE AND WHAT COUNTRIES ARE PARTICIPATING?

The EPO states (May 2020) that the system is expected for the end of 2020. However, it will only come into effect after entry into force of the UPC Agreement, and provided that thirteen Member States have ratified the agreement, including the three Member States in which the highest number of European patents had effect in the year preceding the signature of the agreement; that is France (which has ratified the Agreement), Germany and the UK. The latter two are causing some problems...



Germany

A complaint filed by an IP Lawyer in Düsseldorf in June 2017 brought Germany's long process to ratification of the UPC Agreement to a halt, just as it was waiting for final signature by President Steinmeier. The complaint led to the Germany Federal Constitutional Court in Karlsruhe asking the German legislator not to put the legislation implementing the Unified Patent Court and Unitary Patent into force, as the Act of Approval of the UPC Agreement is void as it had not reached the required two-thirds majority in the German parliament.

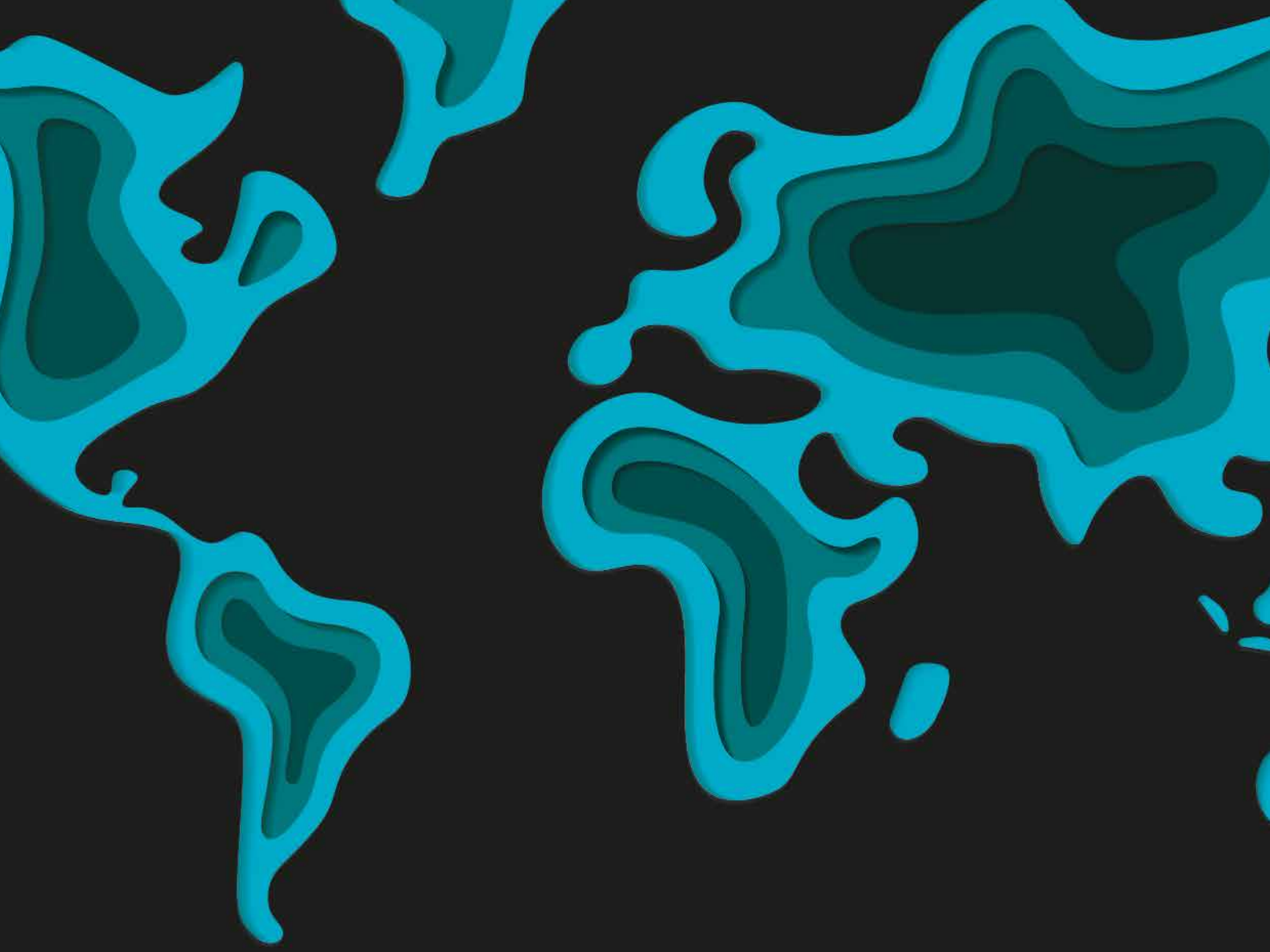
United Kingdom

In March 2020, The House of Lords EU Justice Sub-Committee published a letter from the IP Minister, Amanda Solloway, confirming that “the UK Government will not be seeking the UK's continued participation in the Unitary Patent and Unified Patent Court”. The justification being that “we will not agree to any obligations for our laws to be aligned with the EU's, or for the EU's institutions, including the Court of Justice, to have any jurisdiction in the UK”.

This was later formalised in July 2020 as the UK withdrew its ratification of the Agreement on a Unified Patent Court and the Protocol on Privileges and Immunities of the Unified Patent Court.

With two key countries not likely to participate in the Unified Patent Court and Unitary Patent anytime soon, the collapse of the whole proposal is seen as being likely, at least for now. A significant amount of time and money has been spent developing the proposal, so it may not be completely shelved without further review. However, it is likely to be years before the UPC Agreement comes into force, if at all, and it is highly unlikely that it will be this year, as wishfully thought by the EPO.





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