

The Unitary Patent System creates a new possibility for patent protection in the European landscape

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Unitary Patent System offers new opportunities for companies in Europe and will strongly influence strategic considerations

After years of negotiations, the European patent with unitary effect ("Unitary Patent") and the Unified Patent Court are about to come into existence. This will add a new possibility for patent protection to the European patent landscape which currently consists of national and European patents. The Unitary Patent System is expected to enter into force on 01 April 2023.

In this article, you will learn:

- about the new possibilities within the Unitary Patent System;
- about the possibilities to apply for a Unitary Patent before the start of the Unitary Patent System; and
- whether there are possibilities to not fall under the jurisdiction of the Unified Patent Court.

Unitary Patent and Unified Patent Court

The Unitary Patent and the Unified Patent Court will simplify the current complex national patent system in Europe by having unitary effect. But what does that mean exactly? Until now, it has been possible to file a patent application either in parallel in several countries or centrally via the European Patent Office in Munich as a European patent. The filing of a European patent enables the applicant to obtain patent protection in several European countries with a single application. However, the protection granted must be maintained for each country individually and patent infringement proceedings must be brought before the respective national courts. This causes enormous costs for the patent proprietors and sometimes leads to different procedural outcomes.

For the first time, the **Unitary Patent** (UP) establishes a uniform protection in Europe with unitary effect for the territory of the currently seventeen participating Member States¹. Legal steps taken for a Unitary Patent are automatically valid in all Member States participating in the Unitary Patent System at the time the patent is granted.

The newly established **Unified Patent Court** (UPC) is an international court. The UPC will have jurisdiction for actions for infringements and related defences, actions for declaration of non-infringement, actions for provisional

¹ The seventeen states that have ratified the UPCA are: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia and Sweden.

The accession of another seven countries is likely: Greece, Ireland, Romania, Slovakia, Czech Republic, Hungary and Cyprus.

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and protective measures and injunctions, actions for revocation and counterclaims for revocation. The European Patent Office remains responsible for patent application, examination, opposition and opposition appeal proceedings. Application fees are the same for UP and European patents. Classical European patents cannot be retroactively registered as UPs.

The UPC will have **jurisdiction** over the above-mentioned disputes for the Unitary Patents, European patents and supplementary protection certificates as from the entry into force of the Agreement on a Unified Patent Court (UPCA) on 01 April 2023. This will be the case in all participating Member States, unless an opt-out has been declared (see below). National patents do not fall under the jurisdiction of the UPC. Thus, the jurisdiction of the UPC will complement and not replace national jurisdiction.

The **Court of First Instance** of the UPC will be organised in a decentralised manner and currently comprises two central divisions in Paris (seat) and Munich (section) with different technical focuses², as well as local³ and regional⁴ divisions. The **Court of Appeal** will be in Luxembourg. The interpretation of Union law may be referred to the Court of Justice of the European Union. Very recently, the UPC Administrative Council has appointed the 85 judges of this court.

Actions for infringements can be filed either with the local or regional division responsible for the place of infringement or with the division responsible for the defendant's registered office. If there is no local or regional division, the central division is responsible.

Depending on the technical matter, the central division has jurisdiction over **actions for declaration of non-infringement** and **actions for revocation**. This is the case unless an action for infringement of the same patent between the same parties has already been filed with a local or regional division. In this case, those actions can only be brought before the same division.

Decisions of the UPC apply in the territories of all Member States which have ratified and deposited the UPCA. The same applies when a unitary decision revokes a patent or grants legal protection, including preliminary and final injunctions.

Transitional measures

The UPCA is scheduled to start on 01 April 2023. To enable users to make early use of the UPC, the European Patent Office has introduced two transitional measures for European patent applications that are already in the final stages of the grant procedure.

² The division of the technical focuses into eight sections is based on the International Patent Classifications of the World Intellectual Property Organization (WIPO). The exact division of the technical fields among the central divisions can be found in Annex II of the UPCA. Originally, another central division was planned in London, but this has been dropped due to the United Kingdom's withdrawal from the EU and the UPCA. A replacement location for London has not yet been determined, but discussions are underway with Italy about Milan as the location of the third central chamber.

- Paris: (B) Performing Operations, Transporting; (D) Textiles, Paper; (E) Fixed Constructions; (G) Physics; (H) Electricity
- Munich: (F) Mechanical Engineering, Lighting, Heating, Weapons
- Departments not yet allocated: (A) Human Necessities; (C) Chemistry, Metallurgy

³ Local Divisions: Vienna (Austria), Brussels (Belgium), Copenhagen (Denmark), Helsinki (Finland), Paris (France), Düsseldorf, Hamburg, Mannheim, Munich (all in Germany), Milan (Italy), Lisbon (Portugal), Ljubljana (Slovenia), The Hague (Netherlands).

⁴ Regional Division: currently there is only one, the Nordic-Baltic Regional Division. It is mainly based in Stockholm and is responsible for Estonia, Latvia, Lithuania and Sweden.

The **first transitional measure** will allow applicants to file applications for unitary effect from 01 January 2023 for European patents granted after 01 April 2023. If the requirements are met when filing a European patent application for an UP, the European Patent Office will register unitary effect at the start of the new system.

The **second transitional measure** enables an applicant to request a postponement of the publication of the decision granting the classical European patent. The postponement can be requested following a communication from the Office, but only if the applicant has not yet agreed to the text intended for grant. This allows access to Unitary Patent protection for European patents that would otherwise have been granted before the start of the new system.

Opt-Out

During a seven-year transitional period, dual jurisdiction applies to the classical European patent. Disputes can be brought either before the national courts or before the UPC. If the patent proprietor does not want to be sued at the UPC, he/she has the temporary possibility of opting out. This means that the European patent is withdrawn from the unitary jurisdiction of the UPC for its entire lifetime. An opt-out applies to all proprietors of the patent and can be withdrawn at any time. The possibility of opting out does not apply for UP. After the end of the transitional period, both the UP and the classical European patent will fall under the exclusive jurisdiction of the UPC.

The possibility to declare an opt-out is initially possible in the **Sunrise Period**. This period starts on 01 January 2023 and lasts for three months until the start of the UPCA. From 01 April 2023 onwards, it is possible to opt-out during the **seven-year transitional period** (which can be extended for a further seven years), provided that no proceedings are pending before the UPC. The request for opt-out is made online in the UPC's case management system. The opt-out is effective upon entry in the register.

Opt-Out: Yes or no?

Whether an opt-out is advisable depends on the individual case. Patent proprietors can consider opting out now for their European patent portfolio (incl. supplementary protection certificates). It is important to note that a request for an opt-out is only possible as long as no action against the patent has been filed before the UPC. Lawsuits are possible from the end of the three-month Sunrise Period, i.e. from the entry into force of the Unitary Patent System on 01 April 2023.

Advantages of the Unitary Patent System are extensive:

- One litigation for patent infringements before the UPC and no need for multiple litigations in different countries.
- Uniform effect of the UPC's decision in all participating Member States.
- A single renewal fee for maintaining the Unitary Patent, no need to pay a multitude of national renewal fees.
- Reduced administrative expenses.
- No validation of national patents necessary.
- No costs for translations into national languages.

- High cost savings, in particular if validity of a patent for several countries is desired.
- Double patent protection: in some home jurisdictions applicants have the option to first apply for a national patent in order to have the basic patentability examined, and to only then apply for a Unitary Patent.

Furthermore, the following should be noted:

- No opt-out for Unitary Patents possible.
- Case law must first develop as the system is new.
- Decisions of the UPC have far-reaching effects. For example, declarations of invalidity apply to all participating Member States and not only to the state where the proceedings were pending.

Next steps

The Unitary Patent System offers new opportunities for companies in Europe, regardless of their sector, and will strongly influence strategic considerations. Companies are therefore advised to start considering the impact of the new system on their patent portfolio in good time and to adapt their own application and enforcement strategy accordingly. Wolf Theiss has a specialised IP and TMT team of more than 50 attorneys who will be happy to assist your company in this matter.

About Wolf Theiss

Wolf Theiss is one of the leading European law firms in Central, Eastern and South-Eastern Europe with a focus on international business law. With more than 360 lawyers in 13 countries, over 80% of the firm's work involves cross-border representation of international clients. Combining expertise in law and business, Wolf Theiss develops innovative solutions that integrate legal, financial and business know-how.



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