

Preparing for the European Unitary Patent System

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Practice Area: Patents & Intellectual Property

Companies and attorneys will now have to consider new patent strategies in the European Union with the upcoming launch of the new Unitary Patent System. Today, inventors protect inventions in Europe via a national patent or a European patent examined by the European Patent Office. However, European patents can become costly and complex as each granted patent must be maintained individually in each country. [1] The Unitary System attempts to address the complexity and costs of national validation procedures by paving a unified approach to patents in Europe and changing the patent litigation landscape. It is expected to begin in the second half of 2022.

The UPR and UPC

The Unitary Patent system will establish both Unitary Patent Right (UPR) and a Unified Patent Court (UPC). With UPRs, it will be possible to get patent protection in up to 25 EU member states by submitting a single registration that applies in multiple countries, with no separate validation requirements. Notable countries joining the UP system include Germany, France, and Italy. Notable countries not joining the UP system include Spain and the UK. The UPR application acts as a one-stop shop for an applicant for all member states joining the Unitary system.

If an applicant intends to file in at least four member states, then a Unitary Patent will be less expensive than a European patent validated and maintained. Consequently, the more countries a classic European patent is needed, then the Unitary Patent will be more cost-effective.[2]

The UPC is a court common to the contracting member states that will have exclusive competence for European patent and European patents with unitary effect (UPR). The court will decide the validity and infringement on:

1. Unitary patents with legal effect on all participating member states (that have ratified the UPC agreement); and
2. "Classic" EP patents, unless applicant or patent holder "opts out" during a transitional period.

The UPC will comprise of central divisions in Germany and France, as well as local divisions in Belgium, Germany, Italy, Luxembourg, and Sweden.

Co-Existence and Transition Period of European Patents and Unitary Patents

A combination of national, classic European patents, and UPRs will be available for a "transition period" of at least seven years (be careful of double patenting per national laws). During the transition period, patent holders and applicants may choose to use the current system or opt out of the jurisdiction of the UPC. If opting out is not elected, then patent holders and applicants will automatically be considered under the jurisdiction of the UPC.

Upon the UPC's entry into effect and by default, an applicant or patentee has a choice to elect a forum, the UPC or National Court. Patentees and applicants will need to decide quickly if they wish to opt out of the UPC as the opt-out option is unavailable if a third party has filed an action before the UPC. A party has from the "sunrise period" to the end of the "transition period" to choose whether to opt-out. A party should consider opting out of the UPC because of potential third party actions seeking to either invalidate a patent or declare non-infringement in the UPC. The effect of the UPC decision will apply across all the UPC contracted states, which could be devastating to an applicant or patentee. A party can reduce the risk of an adverse decision by the UPC by opting-out of the UPC jurisdiction and avoiding invalidation of the patent in all the UPC contracting members.

Patentees and applicants with portfolios comprising European patents and patent applications should begin reviewing their portfolio to protect their interests. Clients should be prepared to decide whether opting out or utilizing the UPC is in their best interests.

von Briesen & Roper, s.c., is here to help US-based applicants review European patents and applications to determine whether the Unitary System will be an effective and less-costly approach to obtaining patent rights in Europe.

[1] <https://www.epo.org/applying/european/unitary/unitary-patent.html>

[2] <https://www.epo.org/applying/european/unitary/unitary-patent/cost.html>

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