

Insights: Alerts

Unified We Stand? The Dawn of the European Unified Patent Court and Unitary Patent

January 31, 2023

Europe is scheduled to implement its Unified Patent Court (UPC) and Unitary Patent (UP) on June 1, 2023. The Unified Patent Court is a new, multinational court system that will have sole jurisdiction over patent infringement and enforceability of Unitary Patents and may have jurisdiction over existing European patents that have been validated in participating countries. The countries participating in the UPC include France, Germany, the Netherlands, and 14 other countries. The United Kingdom and Spain are not participating in the UPC.

The Unitary Patent is a single patent that covers all countries participating in the UPC. The UP is distinct from the “classic” European (EP) patent, which is a single granted patent application that can be individually validated in 39 countries and five validation and extension countries. Upcoming key dates for the UPC/UP include:

- **March to May 2023** – “Sunrise period” during which European patent applications and patents granted by the European Patent Office (EPO) may be opted out of the jurisdiction of the UPC.
- **June 1, 2023** – Entry into force of the UPC Agreement and opening the UPC to hear invalidity/infringement cases. The EPO will begin granting Unitary Patents.

Patent owners and applicants in EPO will need to do the following:

1. Decide before June 1, 2023 whether to opt out existing EP patents from the jurisdiction of the UPC.
2. Decide whether to delay the grant of pending EP applications until June 1, 2023 to obtain a Unitary Patent.

1. Whether to opt out of the jurisdiction of the UPC

European patent applications and patents can be opted out of UPC jurisdiction during the sunrise period of March 1, 2023 to May 31, 2023. Thereafter, European applications and patents can be opted out if no action regarding the patent has been brought at the UPC.

The following are important considerations for whether to opt out of the UPC:

1. The UPC could revoke all EP patents in the 17 participating countries in one court action. A patent owner may wish to opt out of the UPC if there is a large risk of central revocation or case law in national courts is currently favorable to the client.

2. The UPC could stop an infringer in the 17 participating countries in one court action. A patent owner may wish to have a patent under the UPC if a multi-jurisdictional infringement action is likely.
3. There is currently no UPC case law, and there will be little case law for some time. Hence, predicting court outcomes is difficult to impossible in the near future. A patent owner may wish to proceed in the UPC if the patent owner would like to shape court law.
4. Patent holders can opt-in later to the UPC system after initially opting out, assuming no action in the national courts.

Initially opting out of the UPC system provides the most flexibility to patent owners. Patent owners should consider the advantages of initially opting out of the UPC system. European law firms expect many requests for opting out of the UPC. Thus, patent owners should decide on opting out EP patents sooner rather than later.

2. Whether to obtain a Unitary Patent

In the near future, patent applicants will have two options for patent protection in UPC member countries: a “classic” European patent that is validated in individual countries or a Unitary Patent that provides a single validation covering all UPC member countries.

Whether to obtain a Unitary Patent depends on several factors, including costs for validating in individual countries, renewal fees in individual countries, and risks/benefits of being under the jurisdiction of the UPC. The decision, therefore, depends on the individual patent applicant and the individual patent.

A patent applicant may want to consider the following:

1. Is coverage in the 17 countries desirable? For example, greater coverage may improve licensing potential. If greater coverage is desirable, then an applicant may wish to obtain a UP.
2. Does a UP save on validation and renewal fees? For example, a UP may be more cost-effective when validating in 5 or more UPC countries.
3. Is the risk of a central revocation action acceptable? For example, if the patent is a “crown jewel” patent, the applicant may prefer a “classic” EP patent that can be opted out of UPC jurisdiction, even if the costs are higher than the UP.
4. Is there likely to be an infringement action against a party in multiple UPC countries? If so, then an applicant may wish to obtain a UP.

All EP applications that have not yet been granted can now have their grant officially delayed until June 1, 2023, so that UPs can be obtained.

Conclusion

There is no universal answer to whether a patent applicant should pursue a Unitary Patent. A Unitary Patent may lower validation and renewal fees when pursuing a patent in several Unified Patent Court countries. A UP may be advantageous when bringing enforcement actions against an infringer in multiple countries. However, a UP is at risk of being revoked in all 17 countries with a single UPC action.

For existing EP patents, a patent owner may wish to opt out of the UPC system because opting out may provide the most flexibility. An EP patent can be opted into the UPC after initially being opted out, provided no national court action has been initiated.

If you have European patents or pending applications, please reach out to a Kilpatrick Townsend attorney to discuss this new system and to determine the best path for protecting your intellectual property.