

## **The European Unitary Patent and Unified Patent Court – Overview and Decision Points**

After years of delay caused by legal challenges in Germany to ratification of the Agreement on a Unified Patent Court (also known as the “UPC Agreement” or “UPCA”), the Unified Patent Court (UPC) and the European Unitary Patent (UP) is set to come into effect in April 2023.

### **What needs to happen before the UPC and UP can come into effect?**

The UPC is now in a period of provisional application (“PAP”) of the UPC Agreement, during which final preparations for the operation of the system are being completed. This involves establishment of the necessary infrastructure and recruitment of judges and staff.

Once all of the preparations for operation of the UPC have been completed, Germany will deposit its instrument of ratification of the UPC Agreement. As reported [here](#), the UPC will come into effect on 1 April 2023 based on Germany’s plans to ratify in December 2022.

### **What do European patent holders and applicants need to consider now?**

European patent holders and applicants should now review their portfolios and consider a number of issues which will be relevant once the UPC comes into effect.

#### **“Opting out” of the jurisdiction of the UPC**

The UPC will have sole jurisdiction for litigation relating to UPs, and after a transitional period (of between 7 and 14 years), will also have sole jurisdiction for non-unitary European patents in states that participate in the UPC (i.e. for litigation involving traditional national validations of a European patent), unless those European patents are “opted-out” beforehand. During the transitional period, both the UPC and the national courts of the participating member states will have jurisdiction for litigation relating to non-unitary European patents (unless “opted-out” of the UPC’s jurisdiction beforehand).

This means that existing granted non-unitary patents could be subject to central revocation (i.e. revocation in all of the EPC member states that participate in the UPC) following a successful validity challenge brought in the UPC.

There will be a “sunrise period”, lasting for three months before the UPC becomes fully effective, in which patentees will be able to opt their European patents out of the jurisdiction of the UPC from the outset, thereby protecting the patents from the possibility of central revocation by the UPC. Based on the current roadmap, the sunrise period will be from 1 January 2023 to 31 March 2023.

Once the UPC comes into effect, it will still be possible to opt non-unitary European patents (and applications) out of the jurisdiction of the UPC during the transitional period, provided that no action is pending at the UPC in relation to the patent. Once an action has been commenced in the UPC in relation to a particular non-unitary European patent, it will no longer be possible to opt that patent out of the UPC’s jurisdiction.

There will be no official fee for opting patents out of the jurisdiction of the UPC.

An opt-out of the UPC’s jurisdiction can be reversed at a later date, provided no proceedings are pending in relation to the relevant patent in a national court. Thus the patentee may initially opt a European patent out of the UPC (thereby protecting it from central revocation), but later opt back in to instigate proceedings at the UPC, seeking multi-jurisdictional remedies against an infringer. Note however that opting back in in this way will expose the patent to the risk of central revocation.

**Action required: Identify any European patents and patent applications that the patentee does not wish to come under the jurisdiction of the UPC in preparation to opt them out during the sunrise period.**

## **Validation of existing European patent applications – Unitary Patent or traditional national patents?**

Once the UPC comes into effect, it will be possible to validate granted European patents as UPs (which will have effect in all of the member states of the European Patent Convention which are participating in the UP system) and/or as traditional individual national patents.

Note that if a granted European patent is to be validated as a UP, a “Request for Unitary Effect” must be filed at the European Patent Office within one month of publication of the grant of the European patent.

Validating granted European patents as UPs will have a number of benefits.

In purely procedural terms, validating a granted European patent as a UP will likely involve a lower administrative and cost burden to the patentee, as only a single translation of the patent will be required, whereas for traditional national validations many states require a national agent to be appointed and a translation of at least part of the patent specification.

In terms of renewal fees, a UP will likely be more cost-effective than a “bundle” of four or more traditional national validations (in states that participate in the UP), as renewal fees for UPs are based on the cost of renewals in the four UP-participating states in which European patents are most commonly validated.

For litigation, there are obvious benefits to having a single patent right that can be enforced in multiple jurisdictions in a single action. However, as outlined above, UPs (and traditional European patents that have not been opted-out) will be subject to the jurisdiction of the UPC, and so central revocation of these rights is a risk.

It is important to note that although 24 EU states have agreed to participate in the UPC and UP, the UP will not cover all of those countries at the outset. Only states that have both signed and ratified the UPC Agreement at the time of filing a request for a UP will be covered by that UP.

At the time of writing, Croatia, Spain and Poland have not signed the UPC Agreement, and a number of signatory countries have not yet ratified the UPC Agreement. It is expected that the geographical scope of the UP will expand over time as more countries come on board.

Additionally, a UP can only cover EU member states. Thus, although a number of non-EU states (including the UK, Norway and Switzerland) contract to the European Patent Convention, the protection conferred by a UP cannot extend to these states – if patent protection is desired in these states, traditional national validations will be required in addition to a UP.

Applicants will therefore need to weigh up the benefits and risks associated with validating their European patents as UPs or traditional national validations, and formulate appropriate validation strategies. Applicants may wish to pursue a mixed approach, using traditional national validations and opt-outs for strategically important patent assets to avoid the risk of central revocation, and UPs (with additional national validations as necessary) for less important patents.

**Action required: Consider the strategic importance of pending European patent applications and the territorial extent of protection required, to decide upon a validation strategy for each pending application or class of applications in a portfolio.**

## **Delaying grant of pending European patent applications to allow validation as UPs**

Many applicants will have pending European patent applications that are approaching grant, and which they wish eventually to validate as UPs. If such applications are granted before the UPC comes into effect, however, it will not be possible to validate them as UPs. There are tactics that can be used to delay grant in such cases, e.g. by making use of extensions and/or further processing, to delay grant until the option of validation as a UP becomes available.

**Action required: Identify applications that are approaching grant and consider whether action is required to delay grant until the Unitary Patent is available.**

## Where can I get more information?

If you have any questions on the Unitary Patent or the Unified Patent Court, please contact [up@hik-ip.com](mailto:up@hik-ip.com) or your usual HLK contact.