UP &UPC FAQs

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# **UNITARY PATENT - INTRODUCTION**

## What is an Unitary Patent?

A Unitary Patent is a granted European Patent that gives protection to all European Union (EU) member states participating in the Unitary Patent Package.

## **Why is it important?**

The unitary Patent provides uniform protection in many EU member states with one single procedure. It can be significantly cheaper and simpler than the current validation system of the classical European Patent.

## **For which patents can I request an Unitary Patent?**

The Unitary Patent can be requested for any European Patent (EP patent) granted on or after the day when the Unitary Patent Package will become operational. This date has been extended since long time ago, but last voices speak end of 2018, beginning of 2019.

## **Can I request an Unitary Patent from a national patent?**

No, you can only request a Unitary Patent for an EP granted patent, even if the national patent comes from a member state of the EPO.

## **Does the Unitary Patent close the option of national patents?**

No, the Unitary Patent is an additional option for patent protection in Europe, together with the national route or the classical European Patent (EP granted patent + validation in EPC member states).

# **EUROPEAN COUNTRIES AND UNITARY PATENT PROTECTION**

## **Which countries will be part of the Unitary Patent?**

Overall, the Unitary Patent is thought for seeking protection in all European Union countries which cooperate in the consolidation of the Unitary Patent Package and further have ratified it.

This package is constituted by the following:

* EU regulation for the creation of the Unitary Patent Protection;
* EU regulation for the applicable translation arrangements of the Unitary Patent Protection;
* The Unitary Patent Court Agreement (UPCA) (see point 3 below)).

The Unitary Patent goes hand in hand with the constitution of the Unitary Patent Court (UPC). All EU member states that want to participate in the Unitary Patent must ratify the Unitary Patent Court Agreement so that their patents will come under jurisdiction of the UPC in case of civil dispute in patent cases.

Spain, Poland and Croatia are not part of the Unitary Patent Package, therefore it will not be possible to request a Unitary Patent in these countries (nor use the UPC as civil court). The proprietor of a granted patent who seeks protection in Spain, Poland or Croatia must use the classical validation scheme after the EP application is granted.

Moreover, there are some countries who have participated in the Unitary Patent Package, but are still to ratify the UPCA. This means that the Unitary Patent will not cover all EU member states when starting to operate, and it is likely that different Unitary Patents will have protection in a different number of countries through the years.

## **What about EPC member states?**

Indeed, the number of member states of the European Patent Convention (EPC) that rules the laws of the European Patent is broader than the European Union member states. For instance, countries such as Norway, Switzerland, Serbia or Turkey, among others, are members of the EPC but not members of the European Union. As such, these countries will not be part of the Unitary Patent Package.

If protection is sought in these countries, the proprietor of a granted European Patent should use the classical validation scheme as before.

## **This is a bit complicated. Can you give me a full list of countries participating?**

To make things easier, please find below a list of European countries that participate (or not) in the EPC and in the UPCA.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Member state | EPC member state | EU member state | UPCA agreement signature | UPCA agreementRatification |
| **Albania**  | YES | NO | NO | NO |
| **Austria**  | YES | YES | YES | YES |
| **Belgium**  | YES | YES | YES | YES |
| **Bulgaria**  | YES | YES | YES | YES |
| **Switzerland**  | YES | NO | NO | NO |
| **Cyprus**  | YES | YES | YES | NOT YET |
| **Czech Republic**  | YES | YES | YES | NOT YET |
| **Germany**  | YES | YES | YES | NOT YET |
| **Denmark**  | YES | YES | YES | YES |
| **Estonia**  | YES | YES | YES | YES |
| **Spain**  | YES | YES | NO | NO |
| **Finland**  | YES | YES | YES | YES |
| **France**  | YES | YES | YES | YES |
| **United Kingdom**  | YES | YES | YES | YES |
| **Greece**  | YES | YES | YES | NOT YET |
| **Croatia**  | YES | YES | NO | NO |
| **Hungary**  | YES | YES | YES | NOT YET |
| **Ireland**  | YES | YES | YES | NOT YET |
| **Iceland**  | YES | NO | NO | NO |
| **Italy**  | YES | YES | YES | YES |
| **Liechtenstein**  | YES | NO | NO | NO |
| **Lithuania**  | YES | YES | YES | YES |
| **Luxembourg**  | YES | YES | YES | YES |
| **Latvia**  | YES | YES | YES | YES |
| **Monaco**  | YES | NO | NO | NO |
| **FYR of Macedonia** | YES | NO | NO | NO |
| **Malta**  | YES | YES | YES | YES |
| **Netherlands**  | YES | YES | YES | YES |
| **Norway**  | YES | NO | NO | NO |
| **Poland**  | YES | YES | NO | NO |
| **Portugal**  | YES | YES | YES | YES |
| **Romania**  | YES | YES | YES | NOT YET |
| **Serbia** | YES | NO | NO | NO |
| **Sweden**  | YES | YES | YES | YES |
| **Slovenia**  | YES | YES | YES | NOT YET |
| **Slovakia**  | YES | YES | YES | NOT YET |
| **San Marino**  | YES | NO | NO | NO |
| **Turkey**  | YES | NO | NO | NO |

## **Will I be able to seek protection in all European Union member states from the moment the Unitary Patent comes into force?**

Unfortunately, not… yet.

Apart from the absences of Spain, Poland and Croatia (which are welcome to join and ratify the UPCA agreement at their convenience), and the uncertainty of a United Kingdom post-Brexit (please see point 4.7. below for explanation) the ratifications of the UPCA are not happening at the same time. As can be seen in the table above, there are still several countries that are part of the UPCA agreement, but have not yet ratified it. As countries that have not ratified the UPCA cannot be listed in the Unitary Patent, different Unitary Patents throughout time will provide protection in different European Countries.

As things are right now, and following the table above, an Unitary Patent registered today (If that would be possible) would give protection in 16 EU member states. A classical validation process should then be followed insofar protection is sought in the rest of the countries in the list.

The EPO will make sure that the proprietor of a granted patent gets accurate information on the countries where the Unitary Patent applies. The EPO will provide a list of the participating member states covered by a given Unitary Patent that will be also found in the EPO’s communication informing the date of the registration of the Unitary Patent.

## **What do I need to do if I want full protection of my granted European Patent in every country in Europe, when the Unitary Patent comes into force?**

You can combine the Unitary Patent route for the UPCA member states together with the classical validation option for the rest of EPC member states, as explained in the list above.

Please be aware that the request of a Unitary Patent is not mandatory, but offers another possibility of protection in Europe, together with the classical validation scheme and the national protection.

## **What keeps the Unitary Patent from becoming operational?**

The Unitary Patent will become operational after at least 13 countries of the EU have ratified the UPCA (which is already achieved), **but**, among these countries, Germany, United Kingdom and France must be included.

This is because Germany, United Kingdom and France are the top filers of European patents and it is believed that an Unitary Patent without them will be of less interest for patent proprietors.

At this moment, France and United Kingdom have ratified the UPCA. Germany delays making a final decision about ratifying the UPCA, awaiting the outcome of a dispute that has been brought to the Constitutional Court in this country.

# **UNITARY PATENT COURT**

## **What is the Unitary Patent Court (UPC)?**

The UPC is a common court for all EU member states that are part of the UPCA agreement and thus forms part of their judicial system. The rulings of the UPC will have effect in every country that has ratified the UPCA, but the UPC has no competence with regard to national patents.

The UPC will have exclusive competence in respect of civil litigation on matters related to European Patents (classical or unitary), European patent applications and supplementary protection certificates.

It will have competence, for example, in infringement cases, actions for provisional and protective measures and injunctions and actions for revocation. It will also have exclusive competence on actions concerning decisions of the EPO when it comes to Unitary Patent Protection.

The proprietor of a patent can be represented in the UPC by a lawyer admitted to his or hers national bar, but also by a Patent Agent who possesses the “European Patent Litigation Certificate”. This certificate is now in the draft phase.

## **Why is it so important?**

The UPC is important because of two reasons, mainly:

* First, because the Unitary Patent and the UPC cannot be disentangled.
* Secondly, the UPC will have competence over the classical European Patents validated in at least one of the EU member states that have ratified the UPCA agreement (UPC states). This will happen automatically.

This means that, even if a Unitary Patent is not requested and the granted patent goes through the validation scheme, the UPC will have competence if the patent is challenged in court.

The UPC Agreement has facilitated a temporary option for proprietors who do not want their classical patent to fall into the UPC system. This option is to opt-out of the UPC.

# **OPTING-OUT OF THE UPC**

## **What if I don’t want my granted patent to be part of the UPC?**

By default, all patent applications and granted patents will automatically fall under the jurisdiction of the UPC when the Unitary Patent Package becomes operational.

However, the UPC will be subject to a transitional period of at least 7 years during which the owner of a classical granted European patent can “opt-out” of this system. In this case, it will be each national court of justice in the countries where the patent will be / has been validated which will have competence.

There is no possibility to opt-out of the UPC for Unitary Patents.

## **How do I opt-out my patent?**

Since all patents will fall into the UPC system by default, the opting-out procedure must be actively made by notifying the Registry of the UPC (and not the EPO).

Opt-out needs to be made for every single patent individually. It can be done by the applicant / proprietor(s) of the patent or an authorized representative.

It cannot be done if an action has already been filed against a patent before the UPC.

Licensees cannot opt-out a patent. In case of a licensed patent, the licensee should get in touch with the patent proprietor(s) to check what his/her plans are with respect to opting-out.

Since the opt-out option needs to be made for every single patent, it is recommended to review the patent portfolio and decide on a case by case basis. We recommend to do this as soon as possible.

## **How long does the opt-out method last?**

Opting-out can only be requested during the transitional period, but, once made, it will last as long as the patent is alive, even when the transitional period is over.

## **Can I opt-in my patent again?**

Yes, you can; the opt-out option is revocable: the patent can opt-in the UPC system again, as long as no action is being brought against the patent in a national court.

## **What is the sunrise period?**

The sunrise period is a 3 months period before the UPC becomes operational in which patentees will have the option to opt-out their patents.

## **Should I opt-out my patent?**

The answer to this question depends on many factors that vary depending of the scope of protection of a patent, or the fear of a potential infringement, for example.

Los & Stigter experts believe that the most important factors to take into consideration are:

* Litigation in the UPC is intended to become cheaper in comparison with multi-jurisdiction litigation because the dispute will be handled by a single court with jurisdiction in every member state.
* Renewal fees may become more expensive when opting-out. Opting-out means that the renewal fees for each validated country will have to be paid separately, which can be a large amount of money if the validation is done in a large number of countries.
* Possibility of a “Central Attack”. With the UPC it will be possible to request a revocation of a patent in all member states with just one action filed.
* Possibility of a “Central Defense”. As a reply to a Central Attack, also the defendant can focus his/her efforts in a single action.
* Parallel litigation in different member states is avoided if the Patent is not opted-out. This means that the process will be simpler with the UPC.
* It is expected that the procedures before the UPC will be faster than in most national courts.
* Eventually jurisprudence may become a reliable predictor for future cases.
* When opted-out you can always opt-in back if desired (unless an action against your patent has been brought before the UPC).

## **What about United Kingdom and Brexit?**

Future is of course uncertain as to what the Brexit will finally entail for the UPC and the UP in United Kingdom. However, the UK has ratified the UPCA in April 2018 and the official intention of the UK government right now is to stay in the UPC and Unitary Patent after they leave the European Union.

However, always with a note of caution, from a practical perspective not much can be said until things are definitive. Here are the three different scenarios that we think can happen after Brexit.

* The UK remains as part of Unitary Patent and UPC. The proprietor has the possibility of requesting a Unitary Patent and, in case of litigation, the UPC will be also competent for the UK.
* The UK withdraws participation in the Unitary Patent but stays in the UPC. A granted European Patent validated in the UK will be part of the UPC system, unless its proprietor opts-out.
* The UK withdraws from both Unitary Patent and UPC. Everything remains as it is now: the UK will remain as an EPC member state, so a validation in the UK could be requested when a European Patent is granted. In case of litigation, the UK national courts will decide.

# **BENEFITS OF THE UNITARY PATENT**

## **What are the benefits of the Unitary Patent for the proprietor of a patent?**

The main benefit is that the Unitary Patent will give uniform territorial protection in all EU member states that participate in the Unitary Patent Package.

Also, it will ideally save plenty of time and money to the proprietor of a European Patent that is granted. This is because the EPO will centralize not only the registration of the Unitary Patent, but also the payment of the renewal fees.

## **How would I save money?**

Right now, a granted European patent needs to be validated in the EPC member states where protection is sought. Each European country has different laws with regards to national protection, representation, payment of publication and renewal fees, etc. not to mention translations. Validations in different countries are sometimes expensive and burdensome.

The Unitary Patent has the potential to make things easier.

First, only one request for registration of the Unitary Patent is necessary for all the member states of the UPCA.

Second, there is only one renewal fee to be paid every year for all these countries, avoiding separate payments as well as different due dates.

## **How much money is saved with the renewal fees?**

The EPO has calculated the fees of the Unitary Patent based on the sum of the fees of the 4 member states with the highest number of validations done in 2017; which are Germany, France, United Kingdom and The Netherlands.

The EPO has calculated that, having a look at the renewal fees only (and not taking in consideration translation, representation and other expenses) the Unitary Patent would be advantageous if the proprietor seeks protection in 4 or more European countries (that are also members of the UPCA).

In this way, if the proprietor of a patent seeks protection in, for example, Germany, France and United Kingdom only (which are most of the cases), the classical validation system will still be a better choice. The Unitary Patent is indeed handy if the granted European patent is being protected in a large number of European countries (members of the UPCA, of course).

## **Transfers, licenses and compulsory licenses**

Another big advantage of the Unitary Patent is that the transfers and licenses will no longer need to be registered in every national patent office where the European patent is validated, which is what happens now. With the Unitary Patent, there will be a single registration administered directly by the EPO.

Both transfers and licenses will be subject to the payment of a prescribed fee.

The transfer can only be filed in respect for all the participating member states. On the other hand, a license can be registered for the whole or just a part of the territories participating.

Moreover, compulsory licenses are kept governed by the national laws.

# **Disadvantages**

## **Are there any disadvantages of the Unitary Patent?**

We would not be fair if we would close our eyes for the fact that, unfortunately, the Unitary Patent can bring some disadvantages to a granted patent.

1. The Unitary Patent gives uniform protection to a granted patent in all EU member states that have ratified the UPCA, but if something happens to your granted patent, it will have effect in all these states. This means that if the patent is limited, revoked or it lapses, this will be in respect of all the member states covered by your Unitary Patent.
2. In the same way, one single action in court against your patent will have consequences in all the EU member states that are covered by your Unitary Patent.
3. Flexibility will be lost. It is not possible to selectively abandon the protection for specific countries. The Unitary Patent is indeed unitary: when abandoned, protection is lost for all member states included in the unitary protection.

# **New situation in The Netherlands**

## **Will the Unitary Patent change the protection scheme of a patent The Netherlands?**

Yes, it will. The Unitary Patent will give protection to a patent in the European part of The Netherlands, but not in the Caribbean part.

The Netherlands is divided in two parts: the European part and the Caribbean Part (Aruba, Bonaire, Sint Eustatius, Saba, Curacao and Saint Marten). Except for Aruba, which has its own Patent Law, both parts are members of the EPC, but only the European part is a European Union member state. This means that the Unitary Patent can be requested in the European part of The Netherlands only.

## **What can I do if I want a Unitary Patent AND protection in the Caribbean Part of The Netherlands?**

There is a possibility to file a validation in The Netherlands within limited territory (Territoriaal Beperkt EP-NL), which will apply to the Caribbean part only (except Aruba). The normal steps and requirements are those that apply for a complete validation in The Netherlands (Dutch translation of the claims, payment of renewal fees through the Dutch Patent Office, etc.).

# **Applying for a Unitary Patent**

## **How can I apply for a Unitary Patent?**

Applying for an Unitary Patent will be easier and faster than validating a classical European Patent. Once a European Patent application is granted by the EPO, its proprietor (or representative) will have 1 month to file the “Request for Unitary Effect”.

In the first 6 years there will be a transitional period in which the request must contain a full translation of the granted patent. This translation must be done into English if the EP proceedings are in French or German. If the text of the EP proceedings is English, the translation can be into any official language of the European Union. The translation should not be made by automatic means. This 6 years period can be extended to a maximum of 12 years in total.

## **What are the filing costs involving the Request for Unitary Effect?**

When requesting a Unitary Patent, a fee can apply for professional representation.

Also, the proprietor will need to pay the costs of the translation fixed by the transitional period. Some proprietors will be able to benefit from a refund of part of the money spent in the translation of the granted patent through a **Compensation Scheme**.

## **What is the Compensation Scheme proposed by the EPO?**

For EU-based SMEs, natural persons, non-profit organizations, universities and public research organizations, a compensation scheme will cover costs related to the translation of the patent application if it was filed in an official EU language other than English, French or German. They will be paid a lump sum of EUR 500.-- when the Unitary Patent is registered.

## **Are there any more costs involved?**

Yes. To keep the Unitary Patent in force, the payment of a renewal fee must be done every year.

The payment of this maintenance fee is done in the same way as in a European Patent application. This means that a renewal fee must be paid every year after the Unitary Patent has been requested, on the last day of the month of the anniversary of the Filing date.

As with European Patent applications there is a late-payment period of 6 months after the renewal fee is due and not paid, with a 50% surcharge of the fee that should have been paid.

The renewal fees are paid directly to the EPO.

# **Further advice from Los & Stigter**

Although the EPO has deliberately made the Unitary Patent request and its procedure as simple as possible, the Unitary Patent is not free from the inherent complexities related to patent applications and their grant procedure. From Los & Stigter we highly recommend the appointment of an expert patent attorney as representative to fulfill the requirements of the Unitary Patent prosecution and monitor the payment of the annuity fees when due.