

Unitary Patent and Unified Patent Court

A legal innovation in patent law: a European intellectual property right and a single court to enforce it – a short note on key characteristics

What is the current situation?

Patents protect inventions and thus investments in innovation. Until now, patents in Europe have been national rights for all practical purpose. There is one system to apply for a patent for the whole of Europe, but after grant such a European Patent needs to be registered at national level, which also involves a recurring fee per country. It only provides protection in the countries where it is actually registered. In general, actions against infringers need to be brought in the national courts on a country-by-country basis.

The European Patent Convention has 38 member states. In practice an international patent dispute tends to be litigated in 3 – 6 countries. The European Court of Justice only allows national courts to decide for more than their own country in very limited situations.

What is the Unitary Patent?

This is a type of European Patent, which after grant is registered for unitary effect at the European Patent Office (in which case it covers the 25 EU member states that have joined the so-called enhanced cooperation (with the exclusion of Italy and Spain)). It is not a Community Patent because it proved politically impossible to achieve agreement within the EU institutions. Instead, it was created as a form of enhanced cooperation between states that wanted it, but under the EU umbrella. However, since all but Italy and Spain will participate, it is virtually identical in scope to Community rights, such as the Community Trademark. The patent owner will have to pay a recurring fee to the European Patent Office, but does not need to register at national level anymore.

What is the Unified Patent Court?

This is a real novelty: an international court for the enforcement of both traditional European Patents and Unitary Patents. This new court has jurisdiction to decide on infringement and validity for all countries for which the patent is registered. For the Unitary Patent, this means that the court can decide for all 25 countries that participate in the enhanced cooperation. For traditional European Patents, the court can decide for those countries out of the 26 EU member states where such patent is actually registered (only Spain does not participate).

The court will have a central division with seats in Munich, London and Paris. It will have local divisions in countries that volunteer to host one, including at least the United Kingdom, Germany, France, The Netherlands and Belgium. There may also be regional divisions in which countries cooperate; currently there are initial discussions on a Nordic Regional Division. Infringement cases will primarily be in local and regional divisions, including counterclaims for invalidity; independent validity cases will be in the central division, where

the local and regional divisions can also refer the validity counterclaims. The Rules of Procedure allow for a “couleur locale” per division, but the Court of Appeal may develop and impose best practices over time.

What is the legal basis for this system?

Two so-called enhanced cooperation regulations under the EU-umbrella, the Unitary Patent Regulation and the Regulation on Translation Arrangements, and a multilateral treaty, the Agreement on a Unified Patent Court. In addition, the Brussels I Regulation on jurisdiction and enforcement will play a role and there may be some changes to national patent laws to support the system.

What law will the court apply?

Primarily its own. The validity of European Patents and therefore also of Unitary Patents will be governed exclusively by the existing European Patent Convention. The basic criteria for infringement are in the UPC Agreement itself. The procedural law is also in the UPC Agreement and in the Rules of Procedure based on it. There already is a quite comprehensive draft of 382 detailed rules.

However, in addition there is a whole body of existing international law that will also apply and if that does not provide a solution, the court will apply national law as indicated by private international law.

When will it start?

With the signing of the UPC Agreement on 19 February all documents have been signed, but the UPC Agreement still needs to be ratified and the system needs to be set up. The European Commission is pushing very hard for the system to go live by April 2014, but it may take a number of additional months to be able to guarantee sufficient quality. Next to the UPC Agreement there is a declaration signed by the states that provides the framework for setting up the implementation which doesn't require ratification. Preparatory work has already commenced and a kick-off meeting will probably be held before the end of March.

Nevertheless, this is a massive job. A cross-border ICT-system needs to be built that will support case management and electronic filing of submissions, the central registry needs to be set up, judges need to be appointed and educated, facilities for court hearings need to be selected or even built.

Is the system mandatory?

The Unified Patent Court will be the only venue to litigate Unitary Patents, but for the first 7 years it will be optional for litigating traditional European Patents, with a possibility to extend that transition period for another 7 years.

Do you need expert counsel?

Every lawyer who is authorised to litigate in a national court can also litigate in the Unified Patent Court, as well as European Patent Attorneys who have obtained a special litigation certificate, so that provides a wide choice throughout Europe.

However, this system adds a new dimension to patent enforcement that requires developing elaborate strategies. There are new options for forum shopping among divisions of the Unified Patent Court and national courts. Procedural practices and substantive case law need to be developed. That calls for true in-depth knowledge and involvement in all relevant countries.

This is what Bird & Bird stands for, based on its Europe-wide coverage of patent law and sector know how at the highest level. We monitor and anticipate this new exciting system on a daily basis and provide the best advice available to our present and future clients. This area of the law requires top level expertise.

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