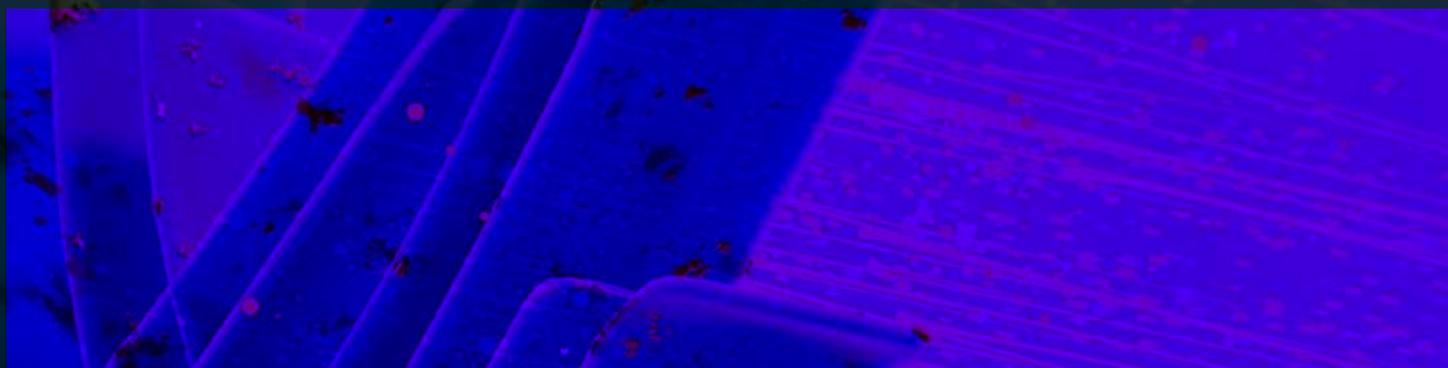




The biggest change  
to European Patent  
Law in 50 years

The Unitary Patent &  
Unified Patent Court



You may have heard that patent law in Europe is changing. The final steps have been taken to bring those changes into play. There are now new ways for you to protect your commercial interests in Europe.

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The “Unitary Patent” and the “Unified Patent Court” are exciting developments in European patent law.

The Unitary Patent offers new flexibility and may offer a cost-effective route to obtain patent protection covering Europe compared to using national validations.

The Unified Patent Court has significant consequences in relation to infringement and enforcement of patents.

There is no hiding from the additional complexity and difficult strategic decisions that the introduction of the Unitary Patent and the Unified Patent Court bring.

# Why change anything?

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The existing system overseen by the European Patent Office results in grant of a bundle of national patents. Each patent in the bundle offers protection in only one contracting state to the European Patent Convention. As a result, some patent holders find that obtaining, maintaining, and enforcing rights across Europe comes at significant financial and administrative cost.

The Unitary Patent provides a route by which it is possible to obtain grant of a single patent which offers protection across a set of EU member states.

Holders of existing “European” patents will know that enforcement or invalidation of a traditional “European” bundle of patents occurs on a state-by state basis.

To support the introduction of the Unitary Patent, a new court system has been created. The Unified Patent Court will offer a forum in which disputes relating to a unitary patent will be decided. As a result, one judgment could mean a loss or win which has effect across all unitary patent states.

## When do things change?

Germany put the final piece of the puzzle into place in February 2023, and the new system will commence on 1 June 2023.

## Why do I need to consider these changes?

If the protection and exploitation of intellectual property in Europe is important to your commercial activity, you should consider the impact of the introduction of the Unitary Patent and the Unified Patent Court on that activity.

The arrival of the new system means that there are new choices to be made about how to protect an invention in Europe. We can help guide you through those choices.

In relation to new European applications and European applications currently in prosecution, the choices to be made relate to whether you obtain a Unitary Patent, continue to validate nationally, or whether to proceed with a combination of both.

In relation to the Unified Patent Court, the choices relate to whether you want your European patents to fall under the jurisdiction of the Unified Patent Court. This is a choice that needs to be made in relation to existing European patents, new European applications and those European applications currently in prosecution.

# What is a “Unitary Patent”

## What is a “Unitary Patent”?

The Unitary Patent is an indivisible patent right which will be renewed, amended, transferred, revoked or lapse in respect of ALL the participating Member States.

The idea underlying the Unitary Patent **was** to provide a single patent right which covered all European Union (EU) Member States.

## “Was”?

The legal framework underlying the Unitary Patent is set out in EU Regulations:

### EU Regulation 1257/2012

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32012R1257>

&

<https://eur-lex.europa.eu/legalcontent/EN/T/?uri=CELEX%3A32012R1260&qid=1648813060412>

Currently some EU Member States (Spain, Croatia) have chosen to remain out of the agreement, so the Unitary Patent, at least initially, will not be a true “EU patent”.

## So a Unitary Patent won't cover all of Europe?

EU Member States which have not ratified the Unified Patent Court Agreement and non-EU Member States which are contracting states of the European patent Convention (for example, the UK and Switzerland) cannot be covered by a Unitary Patent. You can, however, obtain patent protection in those countries, for example, by nationally validating a granted European Patent.

## Where WILL a Unitary Patent have effect?

The answer to this question is one which you will need to revisit each time one of your European patent applications moves towards grant, particularly in the early years of the Unitary Patent.

A Unitary Patent covers those EU Member States which have

- (i) Agreed to be Contracting Member States of the Unitary Patent and Unified Patent Court systems; AND
- (ii) Ratified the Unified Patent Court Agreement at the date that a patent owner registers a request that a patent has unitary effect

As of 1 March 2023, the following EU Member States have completed their ratification: Austria, Belgium, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovenia, and Sweden (17 countries).

<https://www.consilium.europa.eu/en/documents-publications/treatiesagreements/agreement/?id=2013001>

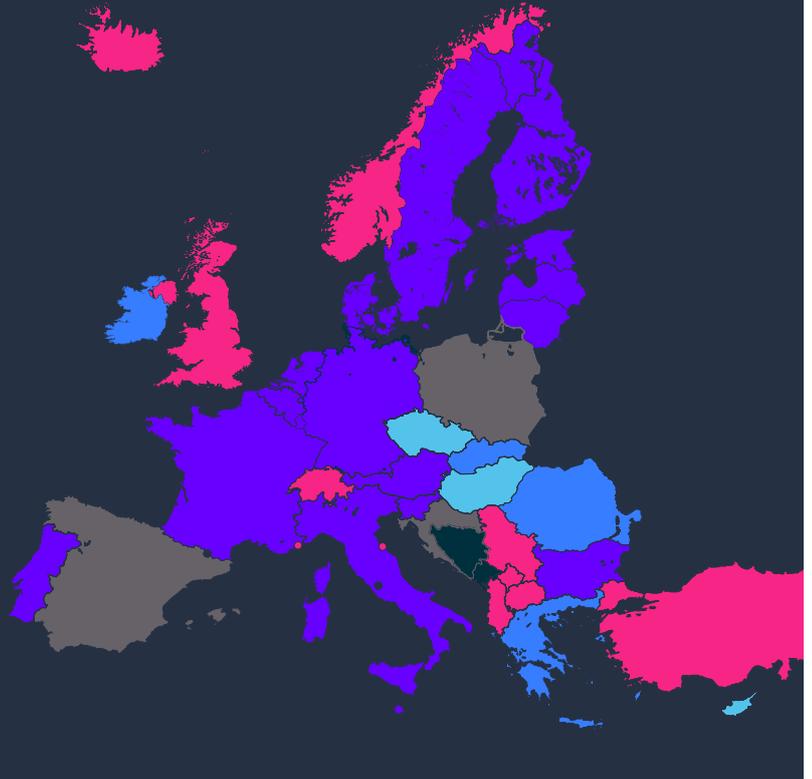
## When can we start obtaining Unitary Patent protection?

The Unified Patent Court will open and Unitary Patents will become available on 1 June 2023.

**The Unified Patent Court will open and Unitary Patents will become available on 1 June 2023**

# EPC and UPC Comparison

- EU and EPC country which has joined the UPC
- EU and EPC country intending to join the UPC
- EU and EPC country which has signed but not ratified UPC
- EU and EPC country not joining UPC
- Non-EU EPC country which cannot join UPC



Country	EPC Contracting State	EU and EPC country which has joined the UPC	EU and EPC country intending to join the UPC	EU and EPC country not joining the UPC
AL	Albania			
AT	Austria	-		
BE	Belgium	-		
BG	Bulgaria	-		
CH	Switzerland			
CY	Cyprus			
CZ	Czech Republic			
DE	Germany	-		
DK	Denmark	-		
EE	Estonia	-		
ES	Spain			-
FI	Finland	-		
FR	France	-		
GB	United Kingdom			
GR	Greece		-	
HR	Croatia			-
HU	Hungary			
IE	Ireland			
IS	Iceland		-	
IT	Italy	-		
LI	Liechtenstein			
LT	Lithuania	-		
LU	Luxembourg	-		
LV	Latvia	-		
MC	Monaco			
ME	Montenegro			
MK	North Macedonia			
MT	Malta	-		
NL	Netherlands	-		
NO	Norway			
PL	Poland			-
PT	Portugal	-		
RO	Romania		-	
RS	Serbia			
SE	Sweden	-		
SI	Slovenia	-		
SK	Slovakia		-	
SM	San Marino			
TR	Turkey			
	<b>39 Total</b>	<b>17 Total</b>	<b>4 Total</b>	<b>3 Total</b>

# The Unitary Patent

## How will I protect my inventions in Europe when the Unitary Patent starts?

The prosecution phase in Europe when the Unitary Patent starts is absolutely identical to the one you know and love: it is overseen by the European Patent Office and the governing law in relation to patentability remains that set out in the European Patent Convention.

Significant change only comes into play when an application being prosecuted at the European Patent office enters the grant stage.

## Unitary Patent or stick with validation in each country of interest?

Once an application enters the grant phase you will need to decide in which European countries you want to obtain patent protection. If the countries of interest include any of the 17 which could be covered by a Unitary Patent you will need to decide whether to cover these countries by validation in that country or by applying for a Unitary Patent.

If you choose to proceed via a Unitary Patent, you will obtain protection in all UP countries. You cannot obtain protection in a UP country via both a Unitary Patent and a national validation. For example, you cannot obtain protection in France by validating in France and by choosing to proceed and obtain a Unitary Patent.

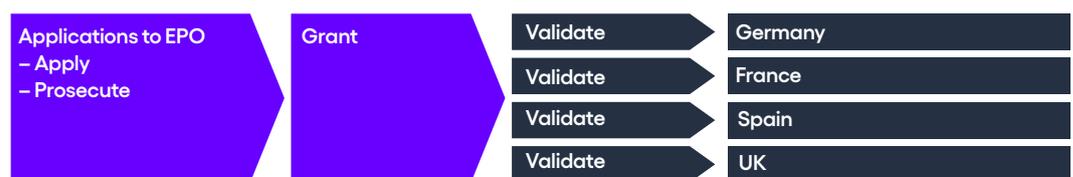
For countries which are not covered by the Unitary Patent you can simply continue to validate the granted European patent in each country.

It is possible to obtain protection in Europe using a combination of a Unitary Patent and 'classical' European patent country-by-country validations (in countries which are not Unitary Patent countries).

## Illustrative example of ways protect an invention in Germany, France, Spain and the UK:

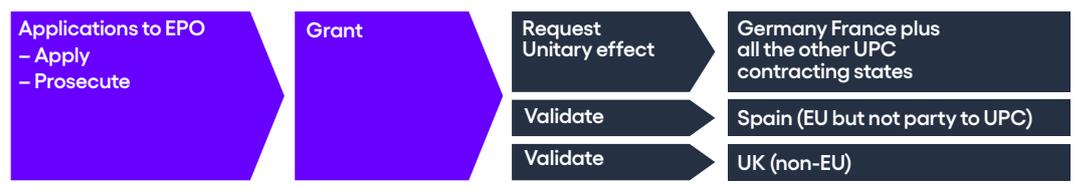
### Traditional European Route

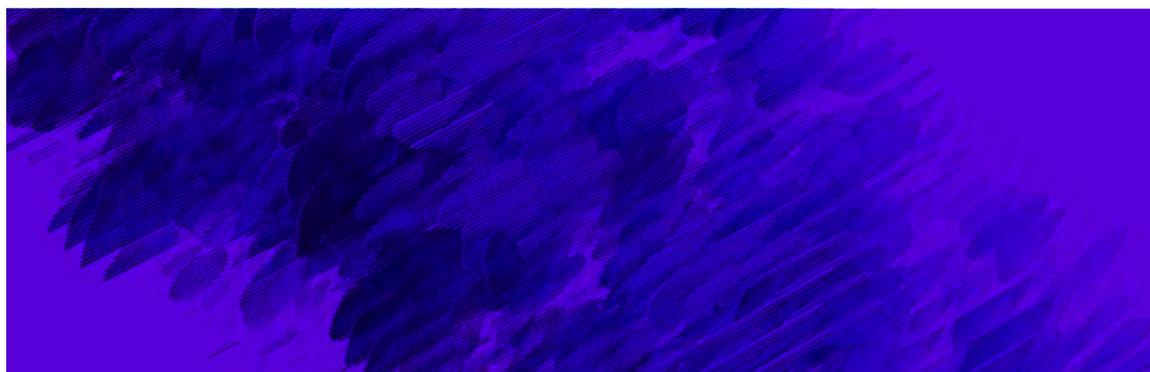
(Still available even when Unitary Patent available)



### Unitary Patent

(Alternative when Unitary Patent becomes available)





### What do I need to do at grant stage?

You can obtain a Unitary Patent by filing a request for unitary effect at the EPO within one month of grant of a European patent.

The request for unitary effect does not have an associated EPO official fee. In order to obtain a Unitary Patent it will be necessary to file a translation of the complete European patent specification.

For European patents which have been prosecuted in English, a translation of the entire specification into any other official language of the EU will be required.

### What actions need to be taken and when?

An approximate timeline for actions to be taken:

In view of the short deadline for filing a request for unitary effect, you should start to consider how it might be best to protect your invention in Europe at the time that the EPO indicates the application is in order for allowance.

Timing	Action
T=0	Approval of text for grant in response to Rule 71(3) Communication
+4-6 weeks	Date of Grant of the European Patent
1 month after Date of Grant	Deadline for requesting unitary effect leading to <b>UNITARY PATENT</b>
3 months after Date of Grant	Deadline for completing national validations leading to <b>NATIONAL PATENTS</b>

# Do I want one?

**The Unitary Patent offers new ways to protect inventions in Europe. There is no single approach which will be the right one for everyone. Whether the Unitary Patent and Unified Patent Court offer an attractive option to you will depend upon the nature of your business and your commercial strategy in Europe. It is possible for some clients that the Unitary Patent option will need consideration each time an application proceeds to grant.**

## Geographical Coverage

If you only do business in a small number of the Unitary Patent countries, the Unitary Patent may not be an attractive prospect. Conversely, if you see value in having patent protection in many (or all) of the Unitary Patent countries, you may see immediate value in obtaining Unitary Patents.

## Cost of a Unitary Patent

This is likely to be a key driver.

## Prosecution

The cost of prosecution to the point of grant of a European patent will not change.

## Obtaining a Unitary Patent

Whilst there is no official fee associated with a request for unitary effect, there will be some administrative costs and the cost of obtaining a translation of the full specification.

Whether obtaining a Unitary Patent is cost-effective in the short term is likely to depend upon how many of the Unitary Patent countries are of interest to you: If you require protection in only a handful of countries, the cost of validating the patent in those countries may be less than the cost of providing the translation needed to obtain a Unitary Patent; conversely if you require protection in a large number of the Unitary Patent Countries, obtaining a Unitary Patent may offer an immediate cost saving.

## Maintaining a Unitary Patent

If you have an existing European patent portfolio, you will know that after grant of a European patent, renewal fees become payable annually in each country that you have chosen to validate your European patent.

The ongoing cost of maintaining patent protection across many countries in Europe can be significant.

Annual renewal fees will also be payable to maintain a Unitary Patent. The level of the renewal fees for the Unitary Patent has been selected to be approximately equivalent to the cost of maintaining a traditionally validated European patent in the four biggest Unitary Patent countries.

Some clients (those that usually validate in a large number of countries) will therefore be able to reduce their patent maintenance costs by using the Unitary Patent.

It is, however, not possible to pay a Unitary Patent renewal fee for only some of the Unitary Patent countries and so the cost of renewal cannot be reduced by dropping some countries and having a Unitary Patent means that the territorial scope of protection (for the UP countries) cannot be tailored during the life of the patent.

### The UPC

A key feature of the Unitary Patent is the introduction of the Unified Patent Court (UPC). The UPC is a new forum in which disputes relating to a Unitary Patent will be decided. As a result, one judgment could mean a loss or win which has effect across all Unitary Patent states. The likelihood of litigation in your business sector will determine whether the UPC is a key factor for you to consider.

### What is the “Unified Patent Court”?

Under the existing regime, a granted and validated European patent will be litigated separately in each validation country. A decision by a national court in one country has no binding effect upon the validity or infringement of that European patent in another country. Parallel litigation to enforce or defend rights across Europe results in significant cost, uncertainty and inconsistency.

The Unified Patent Court offers a route by which decisions on infringement and/or validity of European patents can be made and have effect across all participating countries.

The countries which have signed the Unified Patent Court agreement will transfer jurisdiction in relation to European patents and SPCs from their national courts to the new centralised court.

### Which patent rights can be litigated at the Unified Patent Court?

The Unified Patent Court will have competence to decide matters of infringement and validity. Decisions of the Unified Patent court will have effect across all Unified Patent Court Agreement countries.

An action can be brought at the Unified Patent Court on the basis of:

### European Unitary Patents

All granted European patents for which an applicant files a request for unitary effect will fall under the jurisdiction of the Unified Patent Court.

### Existing European Patents and SPCs (which have been validated in one or more countries which are party to the Unified Patent Court Agreement)

In order to provide the Unified Patent Court with a workload, existing validated European patents have been automatically “opted in” to the Unified Patent Court system.

During a transitional period of at least 7 years, it will still be possible to start litigation in relation to a traditionally validated European patent in a national court, rather than at the Unified Patent Court.

### My existing rights have been “opted in”?

The automatic opt-in represents a significant change to all those who have traditionally obtained European patent rights and, to counteract that significant change, an ability to “opt out” has also been introduced.

The ability to opt out is only available during the transitional period. Use of the opt out can help a patent proprietor to ensure that proceedings can ONLY be brought in the national courts.

In other words, using the opt-out allows patent proprietors who already have traditionally validated European patents to maintain the status quo.

After the transitional period, in relation to the Unitary Patent Countries, the Unified Patent Court will have jurisdiction over all patents granted by the EPO whether Unitary patent protection, or national validation is selected.

Once the transitional period ends, the only way to avoid being pulled into the jurisdiction of the Unified Patent Court will be to file separate national applications at the relevant national patent offices of those countries which are signed up to the Unitary Patent and Unified Patent Court Agreement.

# Good or bad?

The Unified Patent Court offers new opportunities for both patentees and other litigants. Whether those opportunities are attractive will depend upon the nature of your business and the commercial strategy employed by you, and your competitors, across Europe.

If you and your competitors are highly unlikely to litigate, the potential cost advantages offered by the Unitary Patent may override any potential commercial risks associated with falling under the jurisdiction of the Unified Patent Court.

Nonetheless, it is important that you consider how some of the main features of the Unified Patent Court might play into your commercial strategy across Europe:

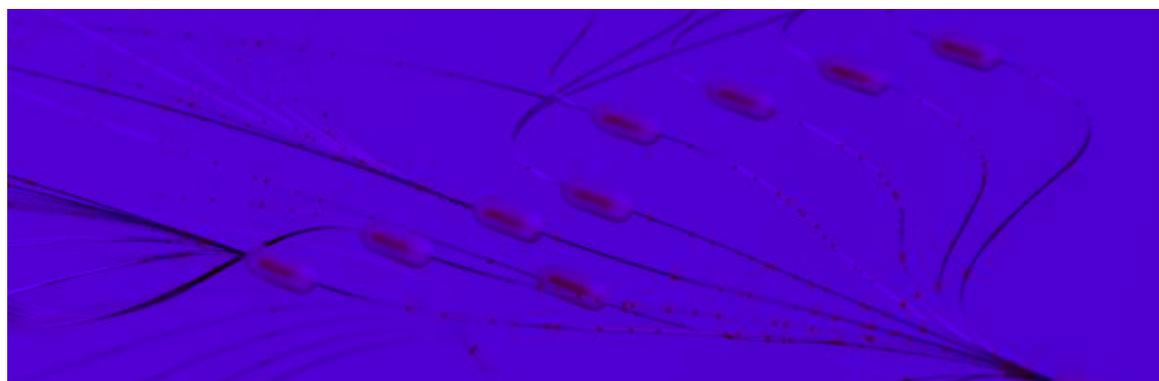
**One action for infringement will cover at least 17 key European countries, offering a patentee the opportunity to obtain a multi-country injunction or multi-country damages via a single action.**

**A third party can bring a “central” revocation action against a patent after expiry of the EPO opposition period**

**Infringement and validity issues may be settled via a potentially simpler and cheaper process than proceeding via national courts**

**The UPC is a new, untested system which may be difficult to predict, at least in the early years.**

We will help you understand which of these changes might help, or hinder, your commercial activity in Europe. Together we can make decisions which represent the best approach for your business.



# “Opting out”

## Can we just keep things as they are?

If your existing validated European patents are key to your commercial strategy you may decide that you do not want to run the risk of central revocation.

The UPC system may make it easier for third parties to achieve central revocation of a European patent across all UPC states. Indications are that some patent proprietors will choose to opt out key patents of high commercial value until it is clearer how the UPC system will function.

If you would prefer that your existing validated European patents do NOT have the potential to be litigated under the Unified Patent Court during the transitional period, we will need to take action to maintain the status quo and opt them out.

## What happens if we do nothing?

When the UPC comes into force on **June 1**, all validated European patents automatically fall under the jurisdiction of the Unified Patent Court.

If you do nothing your European patent validations in Unitary Patent countries automatically fall under the jurisdiction of the UPC (but, at least for the duration of the transitional period, may also be litigated under the national court system).

The only way to avoid falling under the jurisdiction of the Unified Patent Court during the transitional period will be to actively opt out of the Unified Patent Court.

If you want to be sure that your patents will not run any risk of falling under the jurisdiction of the Unified Patent Court, you will need to get your opt out filed BEFORE the UPC comes into force.

The 1 March 2023 marks the beginning of a three month ‘sunrise’ period before the UPC becomes operational. During the sunrise period proprietors will be able to lodge their opt out, so that it is effective from the very start of the new regime on 1 June 2023.

If you are sure you want to opt out, we recommend that we take steps to file your opt outs during the sunrise period. Opt-outs can, however, be filed up to the end of the transitional period (currently seven years from when the UPC comes into force).

## What can be opted out?

Any relevant conventional European patent can be opted out provided it has not already been litigated before the UPC.

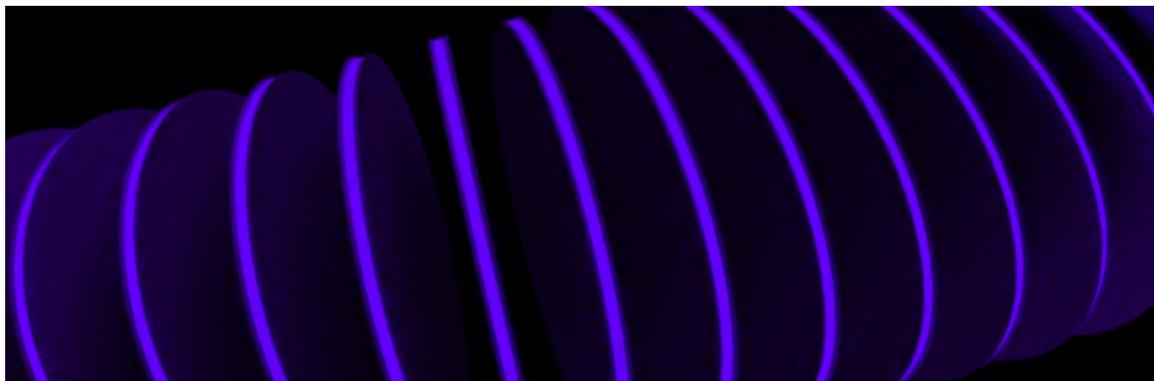
Only conventional validated European patents can be opted out. Unitary Patents cannot opt out of the jurisdiction of the UPC.

An opt-out lasts for the life of the European patent (unless the opt-out is withdrawn).

Where there are supplementary protection certificates (SPCs) attached to a patent, the two rights must be opted out together. It is not possible to opt out an SPC without the associated patent, and vice versa.

If you opt out, all of the bundle of European patents which have been validated in a Unitary Patent country are opted out. It is not possible to split the bundle. They are ALL opted in, or ALL opted out.

European patent applications can also be opted out and the opt out remains in place at grant stage. If you choose to proceed with a Unitary Patent at grant stage, the patent will automatically be opted back in to the UPC.



#### **How do I opt out?**

The opt-out procedure will only be available for the transitional period (currently seven years from when the UPC comes into force).

The opt out needs to be filed at the UPC, rather than the EPO. The opt-out has to meet certain formal requirements.

If the formal aspects of the opt out are incorrect, the opt-out will be invalid:

#### **What are the formal requirements?**

The right to opt out can only be exercised by the entitled proprietor or applicant.

If there is more than one entitled proprietor, all proprietors must agree.

The proprietorship rules also apply to SPCs which means that if an SPC and relevant patent are in different ownership, all owners must agree before a valid opt out can be filed.

A declaration or mandate must be filed to confirm that the application is made by the person entitled to opt out, and on behalf of all relevant proprietors. We will be authorised to act for you before the UPC and so, provided the other formal requirements are met, we can help you to file effective opt outs at the UPC.

#### **We got it wrong - can we opt back in?**

It is possible also to apply to opt back in to the UPC. Opting back IN can only be done once. It will not be possible to opt back out again.

Opting back in is only possible if the patent has not been litigated before a national court.

#### **I'm confused! To opt out or not?**

We know it seems complicated. Your attorney at Script will help you find a solution which best supports your circumstances.

# How can Script IP help?

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We have proven knowledge and experience of patent strategies which support all commercial approaches. We are closely following developments in European patent law and will guide you through the changes ahead.

We will help you understand which changes might help, or hinder, your commercial activity in Europe. Together we can make decisions which represent the best approach for your business.

Our attorneys will be by your side from the moment the Unitary Patent and the Unified Patent Court become available.

Want a Unitary Patent?  
We can help you get one.

Want to opt your existing European patents out of the jurisdiction of the Unified Patent Court?  
We can do that.

Want to litigate using the Unified Patent Court?  
We can handle that too.

For more information on how we can help please get in touch