

21st Annual IP Law & Policy Conference Fordham

Session 2B:

The European Unitary Patent and the Unified Patent Court



Unitary Patent and UPC: Strategic Considerations for the Patentee

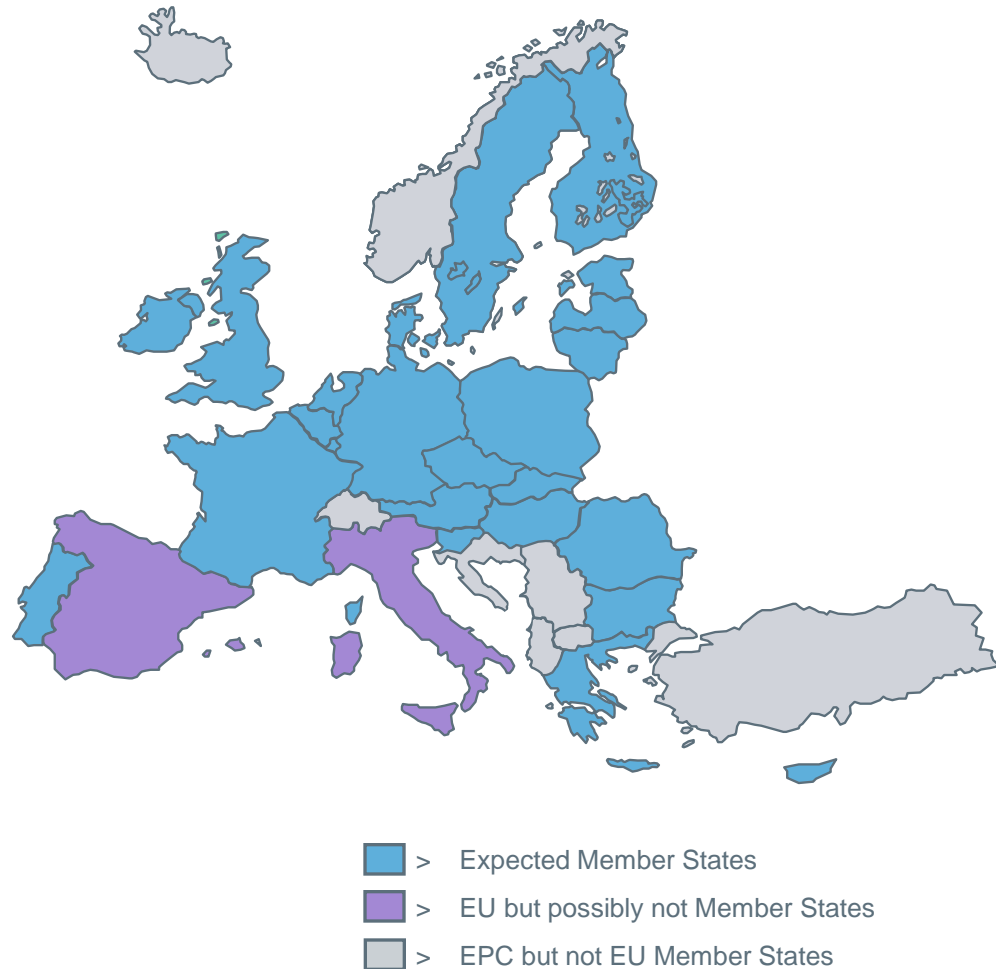
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Unitary Patent and UPC - Strategic Considerations for the Patentee

- > **Choice of the patent:** Unitary patent, European Patent, national patents, divisionals
- > **Stay-in or opt-out:** Options for European Patent owners during the transitional period of the UPC system
- > **Forum shopping and multiple actions** against the same product under the UPC system

The Unitary Patent

- > EP patent with unitary effect in the MS
- > Requirements for a UP
 - EPP in force before grant of the EP
 - EP patent application
 - Designation for all MS
 - Identical claims for all MS
 - Application for unitary effect within one month after grant of the EP
- > Note: Residence/Place of Business of the applicant might influence the applicable law



The Unitary Patent

> Effects

- Reduced costs: In comparison to what?
- Unitary effect: Less flexibility; hybrid nature
- Immediate subject to the exclusive jurisdiction of the UPC and potential involvement of the EUCJ

> Prediction: Slow start during the transitional period

- Option for owners who
 - file many patents and
 - need full coverage in Europe
- Additional opportunity for owners who wish to increase the enforcement options (divisionals)

The Unified Patent Court

- > Transitional period for EPs: 7 years (extendable to 14 years)

- > Art. 83 Abs. 1 UPC Agreement
 - *“During a transitional period of seven years after the date of entry into force of this Agreement, an action for infringement or for revocation of a European patent [...] may still be brought before national courts or other competent national authorities.”*

- > Art. 83 Abs. 3 UPC Agreement
 - *“Unless an action has already been brought before the Court (i.e. Unified Patent Court), a proprietor of or an applicant for a European patent granted or applied for prior to the end of the transitional period [...] shall have the possibility to opt out from the exclusive competence of the Court. To this end they shall notify their opt-out to the Registry by the latest one month before expiry of the transitional period.”*

The Unified Patent Court

- > Stay-in: What are the consequences if the EP is not opted out?
 - UPC has jurisdiction over the EP
 - e.g. injunction for all MS, but also exposure to a UPC revocation action that can invalidate the EP in all MS
 - IS UPC jurisdiction exclusive or do the national courts have parallel jurisdiction?
 - First opinion: No, because this would require an opt-out
 - Second opinion: Yes, because Art. 83 (1) states that “during a transitional period of seven years after the date of entry into force of this Agreement, an action for infringement or for revocation of a European patent [...] may still be brought before national courts or other competent national authorities.”

The Unified Patent Court

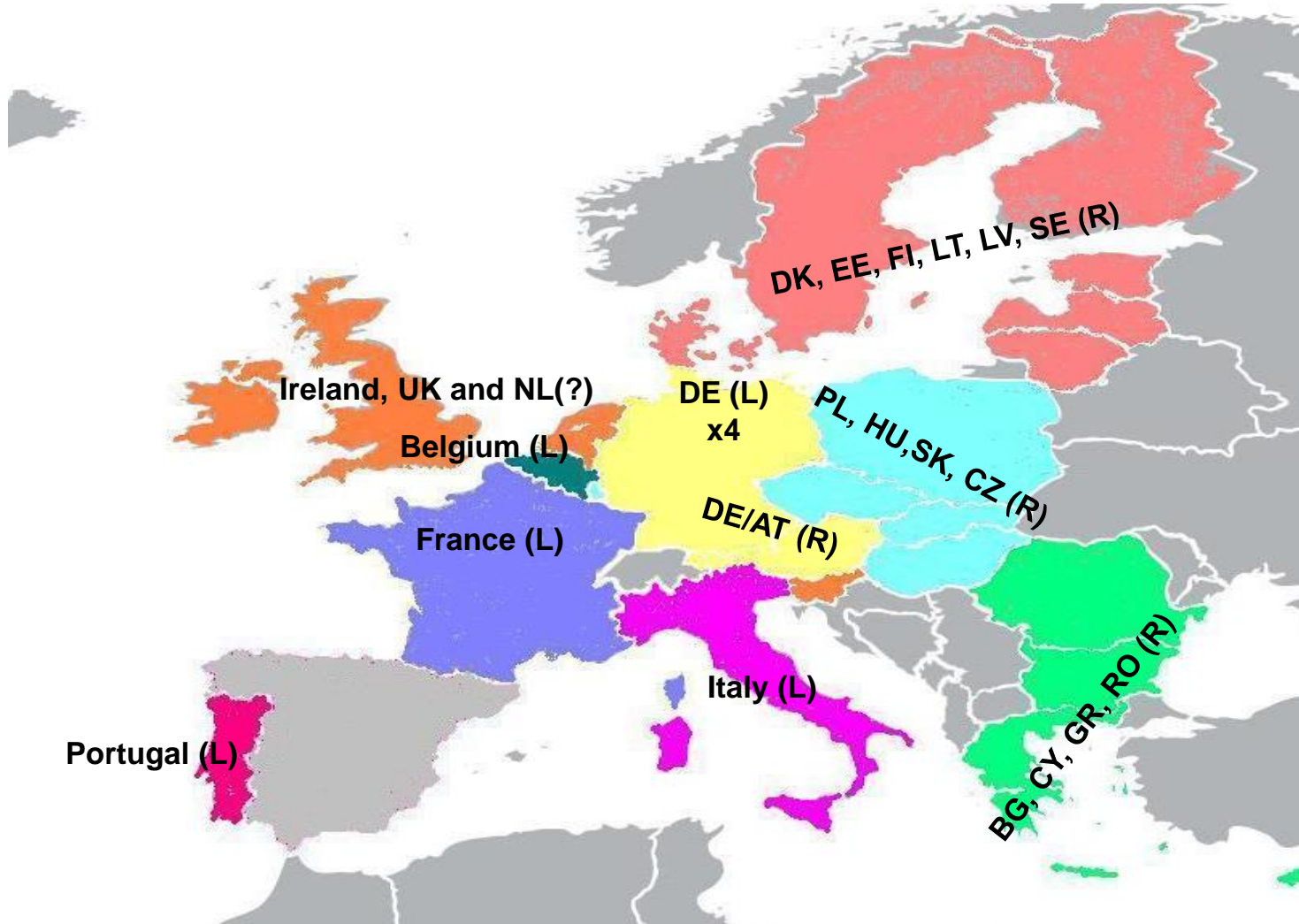
- > Opt-out: What does it mean? How does it work?
 - European Patents and European patent applications
 - Opt-out EPs are not subject to the jurisdiction of the UPC even after the end of the transitional period
 - Up to 1 month before the end of the transitional period
 - But: Not possible, if an UPC action has already been initiated
 - Consequence: Opt-out should be done quickly (sunrise period?)
 - Opt-in again:
 - Revocation of the opt-out is possible any time
 - But: Opt-in is excluded if a national action has already been initiated

The Unified Patent Court

Prediction:

- Many patent owner will opt-out as soon as possible
 - Opt out avoids the risks of the UPC system, especially the exposure to a single revocation action for all MS
 - Opt out can be revoked at any time. The risk that this option is blocked by a national non-infringement or revocation action is manageable.
- Possibility to use both systems: Divisional applications?
 - Opt out the parent EP
 - Stay in with the divisional EP
- No need to switch to national patent applications until the end of the transitional period

Possible Local/Regional Divisions under the UPC



Forum Shopping under the UPC System

Scenario 1: Allegedly infringing product is sold and promoted throughout Europe

Forum shopping options for the plaintiff:

- > International jurisdiction of the UPC (Reg. (EC) 1215/2012)
- > Any local/regional division can hear the infringement action (Art. 33 (1) a))

Options for the defendant to limit the forum shopping:

- > Clearing the way by filing revocation or non-infringement actions before the central division
 - However: Local/regional divisions remain competent to hear the infringement action
- > Request of the def. to refer the infringement action to the central division
 - Only possible if the infringement case is pending before a regional (not a local) division
- > Torpedo action in national courts outside of the UPC (e.g. Spain) still possible to block UPC (Reg. (EC) 1215/2012 (former 44/2001) applies)

Multiple Actions against the same product under the UPC system

Scenario 2:

- Product is allegedly covered by 4 different patents
- There are 10 possible defendants

UPC (Art. 33 (2)): If a case is already pending, any new action between the same parties about the same patent must be brought in the same division.

Option for the plaintiff: 40 different actions in different divisions?

Question: How will the UPC manage such a scenario?

- Rule 313: Intervention of potential defendants?
- Rule 340: Connection-Joinder in the interest of proper administration of Justice?