

## Unified Patent Court to Officially Open in Europe

April 13, 2022

A Unified Patent Court (UPC) is expected to officially open its doors in Europe in late 2022 or early 2023.<sup>i</sup> The UPC is a patent-specific court established by 24 participating European Union (EU) member states, with the goal of enhancing legal certainty and decreasing the need for parallel litigation.<sup>ii</sup> The UPC does not replace existing courts, but instead provides an additional forum with specialized patent-knowledgeable judges who can adjudicate infringement and validity of European patents.

The creation of a European patent court like the UPC had been discussed for decades. Those discussions led to a ratified agreement between EU member states in 2013. Since then delays have prolonged the UPC's long-awaited opening. In January 2022, however, all necessary milestones set by the agreement were met such that the Provisional Application Period (PAP) of the UPC agreement began to toll, setting the UPC on a short path to hearing its first cases. During the PAP—which can last up to eight months—all the necessary components required for a functioning UPC must be completed, including recruiting judges, creating the budget(s), and finalizing any remaining infrastructure to make the court operational.

A key development with the opening of the UPC is the ability to request a Unitary Patent (UP), formally called the “European patent with unitary effect.” The UP is a single patent that has uniform coverage and effect across all UPC member states.<sup>iii</sup> A patent holder may request for unitary protection with the European Patent Office (EPO) for any European Patent (EP) granted on or after the UPC's opening date.<sup>iv</sup> According to the EPO, costs associated with a Unitary Patent will be far less than the costs of a traditional European Patent with comparable coverage. In fact, a Unitary Patent will cost less than a traditional European Patent maintained in only four of the 24 member states.<sup>v</sup>

Once open, the UPC will have authority to adjudicate both Unitary and European Patents. The court structure of the UPC will consist of several primary courts, called Courts of First Instance, and a single secondary Court of Appeal in Luxembourg. Currently, the Court of First Instance will have central divisions located in Paris and Munich, as well as local divisions, i.e., a single state, and regional divisions, i.e., two or more states. Local or regional divisions are set to hear infringement actions and related counterclaims, while the central divisions will hear actions for a declaration of non-infringement and stand-alone actions for revocation, i.e., invalidity.<sup>vi</sup> Importantly, the UPC's rulings will apply across all UPC member states. A patent owner can, for

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example, file an infringement suit of a European Patent granted in Germany, France and Italy at the UPC, and if it obtains an injunction, it can enforce that injunction in those three countries without further litigation. Conversely, patent challengers can mount an invalidity challenge against the same patent, and if it prevails, the patent will be revoked in those three countries.

## Considerations:

- Do you have patent applications in the final grant stage that are eligible to become a Unitary Patent?
- If you only intend to seek patent protection in less than three UPC member states, an EP may be more cost effective than a UP.
- Should you opt-out of the UPC with traditional EPs?
- Do you primarily care about patent rights in countries that are participating in the UPC or countries that may participate but have not yet ratified or countries that cannot participate in the UPC? There are only 16 UPC member states (17 with Germany) that currently participate in enforcement of UP. There are 38 countries eligible for enforcement of an EP across Europe.
- Will you benefit from a unified litigation approach across the EU versus country (member state) specific litigation strategy?
- Speed and efficiency may be a draw for UPC proceedings but time will tell.
- Are there procedural considerations, such as obtaining greater discovery or bifurcating, that are important to your litigation strategy?

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<sup>i</sup> See THE PROVISIONAL APPLICATION PHASE AND THE UPC'S EXPECTED TIMELINE (Apr. 6, 2022), <https://www.unified-patent-court.org/news/provisional-application-phase-and-upcs-expected-timeline>.

<sup>ii</sup> EU member states not participating in the UPC include Spain and Poland. Non-EU states also do not participate in the UPC. See The UPC And Its Judges, <https://www.unified-patent-court.org/faq/upc-and-its-judges> (last visited Apr. 13, 2022).

<sup>iii</sup> Because the UPC Agreement enters into force with ratification of 13 member states, provided that three of those include Germany, France, and Italy, the Unitary Patents may not cover all participating member states at the outset, since some of the participating countries may not yet have ratified the UPC Agreement when it enters into force.

<sup>iv</sup> To support an early uptake of the Unitary Patent, the EPO has introduced two transitional measures applicable to European patent applications having reached the final phase of the grant procedure. The first transitional measure enables such applicants to file a request for early unitary effect. The second transitional measure allows such applicants to request a delay in issuing the decision to grant a European patent. Both the request for early unitary effect as well as the request for a delay in issuance can be made as of the date Germany deposits its instrument of ratification of the UPC agreement. See SUPPORTING USERS IN AN EARLY UPTAKE OF THE UNITARY PATENT, <https://www.epo.org/law-practice/unitary/unitary-patent/transitional-arrangements-for-early-uptake.html> (last visited Apr. 13, 2022).

<sup>v</sup> See COST OF A UNITARY PATENT, <https://www.epo.org/law-practice/unitary/unitary-patent/cost.html> (last visited Apr. 13, 2022).

<sup>vi</sup> If a counterclaim for revocation is launched in an infringement action, the local/regional division may proceed with both actions or refer the counterclaim to the central division. See COMPETENCE OF THE UPC, <https://www.unified-patent-court.org/faq/competence-upc-0> (last visited Apr. 13, 2022).