



THE UNIFIED PATENT COURT AND UNITARY PATENT PROTECTION

The Unified Patent Court (UPC) and the European patent with unitary effect (Unitary Patent) are expected to launch in Spring 2023 and will revolutionize the way patents are enforced in Europe. The UPC will make it possible to enforce, attack, and defend a patent before a single court for, initially, 17 European Union (EU) member states that ratify the UPC Agreement.

Now is the time to begin preparing for the new system.



The states that will participate in the Unitary Patent system. Additional EU member states [Epo.org](https://www.epo.org) are expected to join in due course.

THE BASICS

The Unified Patent Court

Currently, European patents are granted by the European Patent Office (EPO) in a centralized procedure. This allows patent protection to be obtained in up to 39 countries, including all EU Member States, but also the UK, Turkey, and Switzerland and others, through a single application. However, current European patents result in a “bundle” of national patents that must be enforced on a country-by-country basis. Parallel litigation in multiple countries often occurs, which increases legal costs and may result in delayed proceedings and conflicting decisions.

The UPC is expected to launch in mid-2023 and will eventually become the exclusive forum for infringement and validity actions for European patents in relation to the participating states. There are currently 17 states participating in the UPC, with other countries expected to join the system in the near future. Spain and Poland are not currently participating in the UPC; non-EU states, such as the UK, Turkey, and Switzerland are ineligible.

The UPC will consist of a court of first instance and a court of appeal. The court of first instance will include a central division, local divisions that are set up in individual Member States, and regional divisions which may be set up jointly by Member States. Central division jurisdiction will be held in Germany or France, according to the technology involved. Rules of Procedure have been prepared specifically for the UPC. UPC validity and infringement decisions will be binding in all participating states, replacing current parallel national litigation. It will be possible to “opt-out” European patents and pending European patent applications from the UPC system for an initial period, but it will not be possible to “opt-out” of being sued in the UPC for infringement.

Litigation in the UPC is expected to proceed quickly, with a final oral hearing on issues of infringement and validity occurring within a year of a proceeding being initiated. With the potential for a single, speedy decision covering multiple jurisdictions, including an injunction across those jurisdictions, the UPC is poised to be an attractive forum for enforcement of European patents.

The Unitary Patent

A Unitary Patent will also become available as a replacement for part of the “bundle” of national patents resulting from a granted European patent. After a European patent is granted, the patent proprietor will be able to request unitary effect in the participating states. The Unitary Patent can reduce the cost of obtaining and maintaining patent protection across multiple countries.

Authors



Chuck Larsen

Partner
Boston/London
clarsen@mwe.com
Tel +1 617 535 4136



Henrik Holzapfel

Partner
Düsseldorf
holzapfel@mwe.com
Tel +49 211 30211 230

WHAT AND HOW WILL THE UPC DECIDE?

The goal of the UPC is to reduce the cost and complexity associated with enforcing patents in EU Member States, and to generally improve the patent system in Europe to help support European industry. A UPC decision on infringement, validity, injunction, and damages will be enforceable in all participating states. The UPC will be the exclusive forum for actions relating to Unitary Patents. It will also be competent for traditional European patents, unless the European patent has been proactively opted-out, and for supplementary protection certificates (SPCs) granted for European patents.

Opting Out

The right to opt-out European patents and pending European patent applications from the jurisdiction of the UPC will be available for an initial transitional period of 7 years (which may extend to 14 years). During this period, infringement and validity actions relating to an “opted-out” patent will take place in the national courts, as currently done on a country-by-country basis. Opting-out would protect a patent from being revoked in a single court action. A key factor to consider, therefore, is whether the risk of centralized revocation outweighs the benefits of the UPC system, including its speed, cost, simplicity, and potential disposition toward patent owners.

A request to opt-out must be filed before an action concerning the patent is lodged at the UPC in order to be effective. Opt-out requests should be filed before the UPC officially opens.

HOW US FIRMS PREPARE

The UPC provides many opportunities and potential benefits but, as a new court, it remains untested. MWE's IP studied the UPC Rules and compared them to the patent courts of Europe and the U.S. and from this is well-positioned to navigate through the Unitary Patent System. For example, Chuck Larsen, focuses on strategic transatlantic patent counseling, and how the UPC will alter practice before the EPO and USPTO and courts in England and the U.S. He draws on having handled numerous oppositions and advised clients in many cross-border U.S. and European litigations. Based in Germany, Henrik Holzapfel has in-depth knowledge of the European patent litigation landscape and has experience advising on all aspects of IP law. Henrik has compared carefully the UPC and the courts of Germany.

McDermott's capabilities with respect to the UPC include:

- **Developing a Robust Cross-Border Strategy.** We thoroughly understand the patent laws and practice in both the U.S. and Europe. We offer in-depth knowledge of our clients' industries, including their economic and regulatory environments, and can offer our guidance on both offensive and defensive strategies.
 - **Offensive.** Our team can advise on whether the UPC is the right avenue for enforcement according to a client's priorities and goals. When the time comes, we can prepare and file infringement and revocation actions in the UPC. We can also advise on whether U.S. or U.K. litigation should be included in enforcement strategy through cross-border measures.
 - **Defensive.** Our team is well qualified to advise on patents that may be at risk, and products that may face heightened infringement risk by the new venue. We can help manage those risks and defend against competitor or NPE attack. If an action is filed, we can prepare the defense in the litigation.
 - **Opt-out.** Our team can also advise on whether opting out of the UPC is the right course of action.
- **Unitary Patent Filings.** Our team can assist with the strategy and paperwork for obtaining Unitary Patents and national patents.
- **R&D and License Agreements.** We can also advise on how to address these existing or to-be-negotiated R&D agreements and licensing agreements.