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C H A N C E

**UPDATE 2017:**

THE UNITARY PATENT AND THE UNIFIED PATENT COURT

# UPDATE 2017:

## THE UNITARY PATENT AND THE UNIFIED PATENT COURT

### BREXIT:

- In order for the UPC Agreement to come into force, Germany and UK still have to ratify.
- Despite the Brexit, the UK Minister of State for Intellectual Property announced on November 28, 2016, that the **UK would ratify the UPC Agreement.**
  - Recognition of supremacy and autonomy of EU law is necessary
  - UK will be bound to all rights and obligations of the agreement
  - Terms of the agreement have to be amended so that EU membership is no longer a requirement after ratification
  - Central division of the court in London can be maintained
- It is now expected that the UPC will become operational on **1st December 2017.**

### SUNRISE-PERIOD:

- On **1st of September 2017**, the "**sunrise-period**" is likely to start, giving current owners and applicants of "classical" European Patents for a **minimum of three months** the opportunity to decide whether they want to opt-out their European Patents from the UPC before the Court becomes operational.
- Afterwards, patent holders may for a **transitional period of seven years** still choose whether to stay in the UPC system or opt-out of it – except if an invalidity action has already been filed in the UPC before opting-out.

### OPTING-OUT:

- The opt-out has to be filed by the **actual proprietor** (irrespective of the register). Co- applicants/co-proprietors must act **together.**
- Simple **electronic filing** via UPC Case Management System (CMS): <https://secure.unified-patent-court.org/login>.
- **No administrative costs** are involved for opting-out.
- The opt-out requests will immediately appear on the **publicly available register.**
- Any valid opt-out filed during the sunrise-period is considered registered the day the UPC Agreement comes into force.

### Pro opting-out:

- ✓ Avoid risk of a central attack, preference to litigate on a court by court basis
- ✓ If one prefers a well-known national court above an unknown UPC panel
- ✓ If litigation takes place in one country only, it might be less costly and sufficient to settle the dispute
- ✓ If one prefers national procedural rules, e.g. on bifurcation

### Contra opting-out:

- ✓ Profit from advantage of a single court with jurisdiction for the whole territory where EP is valid
- ✓ Simple enforcement
- ✓ High quality judges

### FORUM SHOPPING:

- There will be a choice between different patent courts:
    - **National patents** → national courts
    - **Unitary Patent** → UPC
    - **"Classical" EPs** → UPC is intended to be exclusive
      - after a transitional period of seven years during which infringement and revocation actions may also be brought before national courts
      - Concurrent jurisdiction allows patentees to select between the two court systems concerning actions over the same patent case-by-case
      - Lis pendens rules:
        - Choose UPC first → national courts are blocked
        - choose national courts first → competence of UPC is limited
- Thus, compared to the current system the UPCA gives **more opportunities to forum shopping**

### POSSIBLE STRATEGIES:

- **National patents:** If patent is needed only in certain jurisdictions

#### – Advantages:

- Conversion to utility model possible
- No issues concerning double patenting
- Can be used as torpedoes to prevent others from being granted a Unitary Patent

#### – Disadvantage: Translations necessary

- **Unitary Patent:** If patent protection is needed in all of Europe or patentee does not want to litigate cases in various jurisdictions or location of future market is unclear

#### – Advantage: Validity confirmed for all participating European countries

#### – Disadvantage: Risk of central attack

- **Traditional European patent – jurisdiction of UPC**

#### – Advantage: Effective enforcement throughout Europe

#### – Disadvantage: Patent can be revoked for all of Europe in only one decision

- **Traditional European patent – Opt-out:** Useful if validity of patent is uncertain

#### – Advantage: No risk of central attack

#### – Disadvantage: Patentee has to litigate in various jurisdictions

- **Parent and divisional application:** One being a traditional, opted out European patent and the other one being a Unitary Patent

#### – Useful if validity of the patent is unclear and patent protection is required in several countries

#### – English if European Patent was obtained in French/German

#### – Another EU language if European Patent was obtained in English

- **Renewal fees:**

#### – Level of renewal fees: TOP 4 (= identical with the accumulated fees of Germany, France, UK and the Netherlands)

#### – Balances the goal of making the Unitary Patent attractive for patentees and the demand to gain a sufficient budget for the European Patent Office (EPO)

- **Litigation/Opposition costs (official fees excluding legal fees):**

#### – EPO opposition: EUR 785 (excluding patent attorney fees)

#### – UPC revocation: EUR 20,000 (excluding UPC attorney fee)

#### – UPC infringement EUR 11,000 + fee based on value (excluding UPC attorney fee)

## CONTACTS:



### Miquel Montaña

Partner, Barcelona

T: +34 93 344 2223

E: miquel.montana@cliffordchance.com



### Claudia Milbradt

Partner, Düsseldorf

T: +49 211 4355 5962

E: claudia.milbradt@cliffordchance.com



### Vanessa Marsland

Partner, London

+44 20 7006 4503

E: vanessa.marsland@cliffordchance.com



### Stephen Reese

Partner, London

T: +44 20 7006-2810

E: stephen.reese@cliffordchance.com

## COSTS:

- Comparing the costs of the Unitary Patent and the classical European Patent is hardly possible because this depends on the patentee's individual needs (particularly the number of countries in which the patent is to be granted). Taking into account not only the renewal fees but also the transactional costs, **on average the unitary patent will be less expensive than a classical European patent that is validated in multiple countries**

- **Translation costs:** Request to receive Unitary Patent protection must be followed by a translation of the obtained European Patent

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Clifford Chance  
Königsallee 59  
40215 Düsseldorf

Clifford Chance  
Mainzer Landstraße 46  
60325 Frankfurt am Main

Clifford Chance  
Theresienstraße 4-6  
80333 München

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