



## The Unitary Patent

A Unitary Patent may be obtained from any European Patent Office (EPO) application that has a filing date of 1 March 2007 or later. Following grant of a European Patent based on such an application, it is possible to request that the patent have unitary effect for all countries available as part of the Unitary Patent system. Electing for a Unitary Patent (UP) gives rise to a single patent covering all relevant countries.

A Unitary Patent is subject to payment of a single annual renewal fee, payable to the EPO, and is subject to the exclusive jurisdiction of the UPC. An action for infringement of a UP can only be brought before the Unified Patent Court. Similarly, an action for revocation of a UP can only be brought before the UPC, throughout the life time of the UP.

Separately, for countries not available as part of the Unitary Patent system, national validations can be obtained post-grant for any countries of interest, resulting in individual national patents for each country. National validations also remain available for countries participating in the Unitary Patent system, if it is not desired to obtain a UP. For a participating country, it is not though possible to both elect a UP and secure a national validation. It is also not possible to subsequently convert a UP into individual patents for one or more of the relevant countries.

Accordingly, the post-grant procedure at the EPO involves obtaining a UP and/or one or more national validations. It is important to note that the pre-grant application procedure at the European Patent Office is the same irrespective of which option(s) are taken post-grant. The usual EPO filing, examination and opposition procedures thus apply. It is not necessary to indicate on filing that a UP is desired, as this decision is only required post-grant.

### How to obtain a Unitary Patent

A Unitary Patent (UP) may be elected following grant of a European Patent by the European Patent Office (EPO), by filing of a request for unitary effect. The pre-grant procedure is the same irrespective of whether a UP is ultimately to be obtained, and involves filing at and examination by the EPO, as usual.

A request for unitary effect must be made within one month of grant. By the same one-month deadline it is also necessary to file one translation of the complete patent. Where the patent is in English the patentee may choose any other EU language for the translation. This translation could be a translation prepared for use in a non-participating country (e.g. a Spanish translation). Where the patent is not in English the translation must be into English. The translation will be for information purposes only (but it should not be a machine translation).

Unitary Patent protection may be requested for any patent which designates all of the countries in which have indicated that they

will take part in the Unitary Patent system and which has the same claims for all countries. As almost all EPO applications designate all EPC countries (and have a single set of claims) this means that Unitary Patent protection will be an option at least in principle for almost all pending applications. However in order to be eligible for a Unitary Patent, applications will require a filing date of 1 March 2007 or later, this being the date when the last participating country, Malta, joined the EPC.

### Decisions needed on grant

At the allowance/grant stage of a European Patent, applicants need to decide whether or not a Unitary Patent (UP) should be requested for those countries available as part of the Unitary Patent system and/or whether to proceed with conventional national validations of the European Patent in one or more countries. For countries not available as part of the Unitary Patent system, national validations must be obtained. It is also possible to secure national validations for countries that are available as part of the Unitary Patent system, if it is not desired to obtain a UP. (For a country available as part of the Unitary Patent system, it is not though possible to both elect a UP and secure a national validation.)

There are two main post-grant options following the centralised examination and grant procedure at the EPO. The choice has cost implications and implications for which court(s) will have jurisdiction.

#### Option 1

Select a Unitary Patent (UP) and optionally individual national validations of a European Patent for countries not participating in the Unitary Patent system. The UPC will have exclusive jurisdiction for the Unitary Patent; it will not be possible to enforce or revoke the Unitary Patent in a national court. For validations in non-participating countries, jurisdiction remains with their national courts.

#### Option 2

Select individual national validations of a European Patent thereby retaining flexibility (e.g. for decisions on renewal fee payments). For participating countries, the UPC and national courts share jurisdiction, unless the patent is opted out of the UPC's jurisdiction.

#### Reasons to choose a Unitary Patent

The main attractions of a Unitary Patent (UP) are wide geographical coverage at reasonable cost, and increased simplicity.

#### Broad geographical coverage at low cost

The UP will cover at least 17 EU countries and ultimately 25 countries if all EU countries in principle available as part of the

Unitary Patent system ultimately ratify the UPCA. The cost of validating the European Patent as a Unitary Patent will be significantly lower than validating the European Patent in a large number of countries in the traditional way, because only a single translation will be required. Additionally, the renewal fees for a Unitary Patent will be equivalent to the total cost of renewal fees in the UK, Germany, France and the Netherlands. For more than 6 countries the UP is likely to save you money compared to national validation. From another perspective, the UP will provide much broader coverage across at least 17 countries at a cost comparable to 6 national validations. The UP thus provides a cost-effective and more affordable solution to protecting an invention as widely as possible across Europe. The need to pay only a single renewal fee also reduces the administrative burden (compared with paying renewal fees to each of the national offices).

#### **Possible increased flexibility for enforcement**

There is some increased flexibility to use of the UPC compared to national courts when bringing an enforcement action under circumstances where the patent claims relate to a method or system that an infringer may implement across multiple participating countries. Stopping some types of cross-border activity can be complex using nationally validated European Patents and is often only possible in the court of one of the countries involved. Examples of such activity include processes where a first step of a process claim is conducted in a first country, and a second step is performed in a second country, and systems where different components of a system claim are sited in different countries. The single jurisdiction of a Unitary Patent means that such cross-border activities within multiple participating member countries may be regarded as a single infringing act and a patentee will often have a choice of which Local/Regional Division of the UPC to bring an infringement action in.

#### **Guaranteed exclusive jurisdiction of the UPC**

Choosing a UP also guarantees the exclusive jurisdiction of the UPC. For nationally validated European Patents, there is a risk that the possibility of bringing an action for infringement at the UPC will be excluded due to national proceedings having been commenced in a national court. No such risk exists for a UP because only the UPC has jurisdiction. This means that a UP is guaranteed to benefit from the advantages that litigation at the UPC may provide, including the availability of injunctions and damage awards across numerous countries in a single infringement action.

#### **Reduced administrative burden of portfolio management**

Choosing a UP results in a single patent right covering multiple countries, and thus can simplify portfolio management. A single renewal fee is payable for the UP as a whole. Also, an assignment or license of a UP can be recorded centrally before the EPO in a single step. In contrast, separate renewal fees are payable for national validations, and it is necessary to record assignments/licences at each individual national patent office.

#### **Reasons to choose national validations**

National validation may provide more flexibility and lower risk compared to a UP. For some applicants, the broad geographical coverage available via a UP will also not be of interest and national validation will remain a cost-effective alternative to a UP.

#### **Less easy for third parties to attack**

A UP is vulnerable to a central revocation action before the UPC

which could lead to loss of the patent in all participating countries. In contrast, national validations can be opted out from the jurisdiction of the UPC during an initial 7 year transitional period, with the effect that third parties seeking to attack patent rights throughout Europe could need to challenge multiple national validations separately in different national courts. The increased cost and complexity of national validity actions could act as a deterrent to challenge by third parties compared to a UP. Patent proprietors may also prefer to have validity decided by national courts with known traditions/case law, compared to greater uncertainty associated with challenge under a new court system.

If central enforcement of opted out national validations subsequently becomes of interest, it is also possible to withdraw an opt out so long as no national proceedings have commenced. Thus, an opt out may be made initially to prevent challenge of validity via the UPC, while still keeping open the option of central enforcement via the UPC at a later stage.

#### **Flexibility of renewal costs**

Pursuing national validations of a European Patent allows for the opportunity to allow the patent to lapse in certain countries while remaining in force in other countries, which may be useful in a scenario where a patentee may ultimately wish to prune coverage down to only a small number of countries. The Unitary Patent is in contrast an “all or nothing” patent for which you will have to pay a renewal fee (equivalent to the rate for 4 countries) for every year in which you want the patent to remain in force.

#### **A Unitary Patent may be more expensive than a modest national validation programme**

If validation in one or two countries provides sufficient coverage, the UP is likely to be more expensive in terms of renewal fees and validation costs; validating a European Patent nationally in certain countries, such as the UK, France and Germany, does not require any translations beyond the claims translations needed for grant (which are also needed for a UP). The UP requires one full translation into a second European language.

#### **Flexibility with regard to transfer, licensing and royalties may be important**

A UP can only be assigned as a whole and thus does not allow for flexibility to assign part of a patent (e.g. an individual country) to another party. Having separate national validations in different European countries may also offer some advantages when it comes to licensing to different parties in different countries. If a UP is licenced to different parties in different countries, it would be prudent to include in any license agreement a clause relating to which parties can bring an enforcement action and thereby risk a counterclaim for invalidity (which would be effective for all countries) in a UPC infringement action. Agreement on such a clause may be difficult to reach.

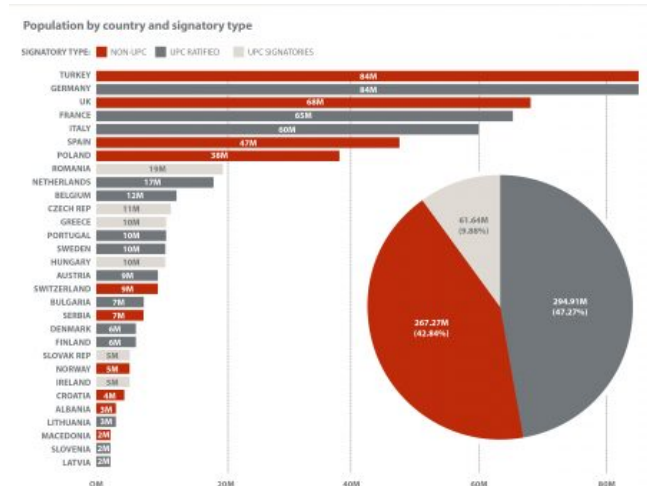
#### **Validation costs and renewal fees**

##### **Validation Costs**

The Unitary Patent (UP) is intended to reduce the cost of obtaining patent protection in the EU. Because of the national validation requirements to file a full translation and the fairly high level of renewal fees, significant savings (at least 40%, depending on the length of the specification) are available using the UP for extensive validation programs. For the most restricted validation programs the UP route will be more expensive than continuing to validate nationally (two to three times more expensive than

validating in Germany, France and the UK, for example).

The UPC has 17 participating countries (those that have ratified). A further 7 countries have signed the UPC Agreement, but not yet ratified. Of the 6 largest countries by population in which a European Patent can be made effective, only Germany, France and Italy are participating.



### Renewal Fees

Renewal fees for Unitary Patents will be payable to the EPO on an annual basis. The renewal fee will be due at the end of the calendar month containing the anniversary of the filing date. It may be paid up to six months late with a surcharge. If the renewal fee is not paid in that period, then re-establishment will be possible but this will require a demonstration that the deadline was missed in spite of all due care having been taken.

The official renewal fees will be based on the “True Top 4” i.e. matching the level of official renewal fees of the 4 participating countries (at the time the level of fees were agreed) in which the most patents are validated, i.e. the UK, France, Germany and Netherlands. The level of official renewal fees means that for patents where, under the existing arrangements, four or more of the participating countries would be of interest for validation at grant, then unitary protection is at least an option to consider. However, once unitary protection has been selected, the patentee is committed to this level of renewal fees. The level of renewal fee expenditure cannot be reduced later in the life of the patent by reducing the number of countries, as it can be for national validations of a European Patent. Thus perhaps for cases where the number of countries of interest is only just over this threshold, then unitary protection may not be the best option.

Assuming that renewal fees are paid until expiry, for a full validation program including all states available via a European Patent, using the Unitary Patent will save about 35% on official renewal fees. The saving compared to national validation reduces as the European Patent is made effective in fewer countries. Total official renewal fees payable throughout the lifetime of a European Patent increase by 30% if a UP is chosen, compared to

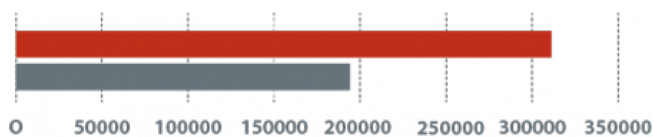
validating in 6 commonly selected countries and increase by 60% when validating only in Germany, France and the UK. Thus for modest validation programs, the national validation route looks attractive from a cost point of view and has increased flexibility in terms of having the option of litigating in the UPC or in national courts and being able to trim the countries in which renewal fees are paid over time.

Of course a range of other factors will need to be considered when deciding whether or not to select unitary protection for any particular case.

### Lifetime Cost of Validation and Renewal Fees for Different Validation Programs

A Unitary Patent provides cost savings compared to national validations in a situation where extensive country coverage is required:

All States (Unitary Patent = 37% saving compared to old system)



CH DE DK ES FR GB IE IT NL SE TR (Unitary Patent = 23% saving compared to old system)



National validations provide a cost saving compared to a Unitary Patent where only core country protection is required:

CH DE ES FR GB IT (national validations = 10% less expensive than new system)



DE FR GB (national validations = 40% less expensive than new system)



### Frequently Asked Questions

[Unitary Patent FAQs](#)