



## Unitary patent, unified patent court and "Opt-Out"

### I. Introduction

A European patent is granted centrally for all member states of the European patent convention (EPC). In the past, protection was only established in those countries in which the granted European patent had been nationally validated.

From June 1, 2023, there is a new option of requesting a European patent with unitary effect (in the following "unitary patent"; abbreviated "UP") in addition to the option of nationally validating a granted European patent in individual member states of the EPC.

Accordingly, now the patentee has the choice to

- nationally validate the European patent in specifically selected individual member states of the EPC and/or
- to request a unitary patent for the member states of the unitary patent system.

### II. The unitary Patent

#### 1. Member states of the unitary patent system

The unitary patent provides protection in all the member states of the unitary patent system. In the beginning, member states of the unitary patent system are

- Belgium,
- Bulgaria,
- Germany
- Denmark,
- Estonia,
- Finland,
- France,
- Italy,
- Latvia,
- Luxembourg,
- Lithuania,
- Malta,
- The Netherlands,
- Austria,
- Portugal,
- Sweden and
- Slovenia

(in the following "member states of the unitary patent system").

However, it is also possible to validate the European patent in individual member states of the unitary patent system and/or in other countries. However, a European patent can not be nationally validated in a country which is already covered by a requested unitary patent.

Upon ratification of the agreement on a unified patent court (UPCA) further EU member states will become member states of the unitary patent system. A unitary patent covers all the countries in which the UPCA has been ratified on the date of the grant of the European patent.

If the patentee of a European patent is interested in patent protection in a country which is no member state of the unitary patent system, the protection requires a national validation of the European patent in this country. At present, the countries which are covered by the EPC but which are no member states of the unitary patent system are

- Albania,
- Lichtenstein,
- Czech Republic,
- Switzerland,
- Spain,
- United Kingdom,
- Greece,
- Croatia,
- Hungary,
- Ireland,
- Island,
- Monaco,
- Montenegro,
- North Macedonia,
- Norway,
- Poland,
- Romania,
- Serbia,
- Slovakia,
- San Marino,
- Turkey und
- Cyprus.

## **2. Examination and grant procedure**

The filing, examination and grant procedure for a European patent is the same for a unitary patent as the normal route to a European patent with national validations.

## **3. Requirements for a unitary patent**

A unitary patent requires that the European patent has the same owner for all member states of the unitary patent system. The unitary patent is only granted if, at the time of the request for the unitary patent, all the member states of the unitary patent system are still designated and the same patent claims apply for all the member states of the unitary patent system.

## **4. Requesting a unitary patent**

The option of requesting a unitary patent applies to all European patents granted on or after June 1, 2023. The unitary patent has to be requested within one month from the publication of the grant of the European patent. With the request for a unitary patent a full text translation has to be filed.

## **5. Translation requirements**

Translations of the patent claims in German, English and French have to be provided for all granted European patents.

In case that a European patent is granted in German or French as the procedural language, an English full text translation has to be filed when requesting a unitary patent. If the procedural language is English, a full text translation into German (or French) has to be filed when requesting a unitary patent.

It is intended that the requirement for providing a full text translation terminates in six or at the most 12 years assuming that after the expiration of these time spans machine translations have the required quality for automatically providing suitable translations of any unitary patent into all the official languages of the EU member states.

For providing the required translation, we can in some cases use an existing version of a patent family member. In case that there is no such version, we might use a machine translation, a translation by a commercial translator or a translation provided by our patent attorneys. As the full text translation is not published and does not have any legal effect, we are of the opinion that the use of a machine translation might be sufficient and will save costs.

## **6. Annuities of a unitary patent**

For a unitary patent, just a single annuity per year has to be paid centrally. The amount of the annuity has been determined on the basis of the sum of the corresponding annuities for national patents in Germany, France, Italy and the Netherlands. An estimate of the costs of a unitary patent provided by the European Patent office can be found here: [www.epo.org/law-practice/unitary/unitary-patent/cost\\_de.html](http://www.epo.org/law-practice/unitary/unitary-patent/cost_de.html)

## **7. Double patenting**

On June 1, 2023 the inadmissibility of double patenting in Germany terminated. Accordingly, a German patent having an identical scope of protection as a unitary patent remains effective. This also applies with respect to a European patent which is nationally validated in Germany as long as no "Opt-Out" is declared (sp. III.2.).

However, it is not possible to base infringement proceedings on the German patent in case that infringement proceedings between the same parties and related to the same infringing product are pending or have become subject to a final decision based on the corresponding unitary patent or a European patent nationally validated in Germany.

## **8. Infringement proceedings on the basis of a unitary patent**

In case of an infringement of a unitary patent there are only centralized infringement proceedings in front of the new unified patent court (UPC). The decision of the UPC has a unitary effect in all member states of the unitary patent system.

## **9. Nullity proceedings related to a unitary patent**

Centralized **nullity proceedings** related to a unitary patent are under the exclusive jurisdiction of the unified patent court. The final decision of the unified patent court has a unitary effect in all the member states of the unitary patent system.

## **10. Separation principle**

In Germany, proceedings relating to patents are subject to the principle of separation: Nullity proceedings are litigated in front of the German Federal Patent Court (Bundespatentgericht; BPatG) with technical and legal judges. On the other hand, infringement proceedings are litigated in front of a district court (Landgericht; LG) with legal judges.

At the new unified patent court being responsible for the unitary patents, infringement proceedings and nullity proceedings are litigated in front of one and the same court with technical and legal judges. (In infringement proceedings without correlated nullity proceedings, a technical judge will only be involved upon request.)

This means that, at the unified patent court, counter claims related to a nullity of the patent can be raised in the infringement proceedings.

## **II. Unified patent court (UPC) and proceedings in front of the UPC**

### **1. General**

The unified patent court is a new court applying new procedural rules and having no established case law. Accordingly, an estimate of the outcome of proceedings might for some years be rather difficult.

### **2. Organization of the unified patent court**

The unified patent court has two instances, namely the Court of First Instance and the Court of Appeal as the second instance.

The Court of First Instance has a central division located in Paris and Munich. Furthermore, the Court of First Instance has local divisions in the different member states of the new unified patent system and might have regional divisions for a plurality of member states of the unitary patent system. There are at the most four local divisions in any member state of the unitary patent system. The German local divisions are located at Düsseldorf, Hamburg, Mannheim and Munich.

The Court of Appeal is located in Luxembourg and has two panels with five judges each.

The unified patent court has a registry being responsible for administrative procedures like the processing of declarations to "Opt-Out", the handling of the proceedings and the handling of any documents of the unified patent court.

Furthermore, the unified patent court has a patent mediation and arbitration center.

### **3. Responsibilities of the unified patent court**

The unified patent court is responsible exclusively for infringement proceedings, nullity proceedings, provisional and protective measures and injunctions, action for compensations for licensees and action for declarations of non-infringement of patents.

The unified patent court is responsible for claims to the right to the European patent against the registered patentee. Instead, the responsibility for these proceedings remains with the national courts.

#### **4. Territorial responsibility of the unified patent court**

Generally, the plaintiff has the choice between

- a local division (or a regional division, respectively) where the actual or threatened infringement has occurred or may occur, or
- the local division (or the regional division, respectively) of the member state where the defendant has its residence or the central division in case that the defendant has no residence in one of the member states of the unitary patent system.

In case that no infringement proceedings are pending, the central division is responsible for any nullity proceedings and actions for declarations of non-infringement. On the other hand, with already pending infringement proceedings, the division responsible for the infringement proceeding is also responsible for counter claims based on the nullity of the unitary patent in suit.

#### **5. Language in front of the unified patent court**

The procedural language of a local division is the official language of the country in which the local division is located or, in case that the local chamber has agreed, any official language of the EPO (German, English, French). Upon agreement of the parties, the procedural language may, alternatively, be the language in which the patent has been granted.

The procedural language of the central division is always the language in which the patent has been granted.

The Court of Appeal always uses the procedural language of the Court of First Instance. However, upon agreement by the parties it is possible to change the procedural language to the language in which the patent has been granted.

If required, interpreters are provided by the division/Court of Appeal.

#### **6. Representation in front of the unified patent court**

All the patent attorneys of RHP are admitted as representatives in front of the unified patent court.

In adaption to the specific cases RHP will recommend a double representation in front of the unified patent court by a patent attorney and an attorney at law (as also practiced in the past in front of German courts).

#### **7. Cost of the proceedings in front of the unified patent court**

As a general rule the cost risk of proceedings in front of the unified patent court are higher than e.g. corresponding proceedings in front of German courts.

##### **a) Infringement proceedings**

Court fees of the unified patent court in infringement proceedings comprise two components: A fixed court fee for each court proceeding is € 11.000. Starting from a value in dispute of € 500.000 there is a complementary fee which depends on the value in dispute. The amount of the supplemental fee starts with € 2.500

for a value in dispute of € 500.000 and is € 325.000 for a value in dispute of € 50.000.000.

The court fees in the appeal proceedings depend on the type of appeal. However, differing from the practice in Germany, their amount is similar to the amount of the proceedings in the first instance.

With respect to the refundable representation cost of the winning party, there are upper limits which are independent on the number of parties involved, the number of representatives, the number of raised claims and the number of the patents underlying the dispute. The upper limits can be increased or reduced by the unified patent court in exemptional cases. The amount of the cost to be refunded will be fixed by the unified patent court according to the specific circumstances, and they may be reduced below the aforementioned upper limits. The unified patent court will consider the procedural behavior of the parties, the relationship of the upper limit to the annual sales volumes of the parties, and the economic activities of the parties.

The refundable upper limits are much higher than the refundable representation cost in German patent infringement proceedings even when considering a double representation of both parties by a patent attorney and an attorney at law.

#### **b) Nullity proceedings**

The court fees for nullity proceedings are only € 20.000.

When raising counter claims of nullity in infringement proceedings the court fee is the same as the court fee in the infringement proceedings, however the court fee for the counter claim is limited to € 20.000.

The court fees for the appeal depend on the type of appeal. However, the amount of court fee for the appeal is similar to the amount of the proceedings in the first instance.

The general rules explained under a) correspondingly apply to the attorney's cost and the procedural risk.

### **III. National validations of a European patent**

#### **1. General**

It is still possible or even necessary to nationally validate a European patent in specifically selected member states of the EPC. For any country of a national validation national annuities have to be paid. Non-payment of a national annuity in one country of a national validation does not affect the validity of the European patent in other countries. It is possible that validations of the European patent in different member

states of the EPC have different patent owners. Further, even for a nationally validated European patent, the inadmissibility of double patenting does no longer exist.

## **2. Jurisdiction over a European patent**

Generally, the unified patent court has jurisdiction for the member states of the unitary patent system over the unitary patents as well as

- over European patents granted before the introduction of the unitary patent, and
- over future European patents in the case that the patentee does not decide for a unitary patent.

In this way, the options of suing infringers of European patents and of attacking granted European patents centrally for all member states of the unitary patent system in centralized proceedings in front of the unified patent court are retro-actively provided.

However, with respect to the jurisdiction of the unified patent court over European patents in the member states of the European of the unitary patent system there are the following exemptions:

- For 7 years from June 1, 2023, infringement proceedings, nullity proceedings and actions for declarations of non-infringement are under the jurisdiction of the unified patent court or a responsible national court; and the plaintiff has the choice of the court.
- The patentee has the option to declare an "Opt-Out": In the case that the Opt-Out has been declared, there is no jurisdiction of the unified patent court but the exclusive jurisdiction of the responsible national courts. The Opt-Out has to be declared to the registry of the unified patent court. As long as there are no proceedings pending at a national court, it is possible to withdraw the Opt-Out by declaring an "Opt-In".

## **IV. Commonalities between a unitary patent and national validations of a European patent.**

Up to the grant of the European patent, the filing procedure, the examination procedure and the grant procedure are the same for the unitary patent and the national validations of the European patent. Accordingly, there is only a single centralized prosecution for all the member states of the EPC including the member states of the new unitary patent system.

The opposition proceedings for the European patent are under the jurisdiction of the European patent office (EPO).

Similar to national validations of a European patent, it is possible to grant licenses for the unitary patent in the whole territory of the unitary patent or only in some of the member states of the unitary patent.

## **V. Strategic considerations for a most suitable patent protection**

### **1. Required decisions by our clients**

Our clients have to decide the following:

- a) Should we request a unitary patent and/or should the European patent be nationally validated in individual member states of the EPC?
- b) Should we declare an Opt-Out for existing and future European patents?

## 2. Directives for your decisions

In the following, we give some exemplary directives for your upcoming decisions:

- a) Please note that in case that you are not only interested in protection of your invention in the member states of the unitary patent system, it is required to both request a unitary patent and to nationally validate the European patent in additional member states of the EPC.
- b) In the case that you want to limit the costs and you are only interested in a protection of your invention in a low number of countries it is generally reasonable
  - not to request a unitary patent but to nationally validate the European patent in the low number of countries, and
  - to declare an Opt-Out.
- c) As a general rule, the unitary patent leads to cost savings in case that you require protection in at least three member states of the unitary patent system.
- d) Circumventing the German separation principle by requesting a unitary patent leads to the same claim interpretation in the infringement proceedings and in the nullity proceedings. This may avoid the need of appealing all first instance decisions up to the German Federal Court of Justice (Bundesgerichtshof; BGH) in order to enforce a common claim interpretation in the final instance of both proceedings. Further, a suspension of infringement proceedings for waiting for the result of parallel nullity proceedings is not required at the unified patent court. Accordingly, the unitary patent may lead to an acceleration of the entire proceedings.
- e) In case that the protection of your invention bases on national patents, any national court decision on the validity of the patent and/or a patent infringement only has a national effect. Accordingly, the patent infringement and nullity proceedings have to be initiated separately in all countries involved. It is possible that different national courts come to differing results. In contrast thereto, a single decision of the unified patent court becomes effective in all member states of the unitary patent system. In the end, the centralized responsibility of the unified patent court is both a risk and a chance for the patentee.
- f) The unitary patent, the unified patent court, the associated material law and procedural law are new so that there is no case law and it, for some time, be difficult to estimate the outcome of the proceedings and the related cost risk.
- g) Special documents of the prior art (so-called post-published national patent applications) only have a national effect on a European patent so that these documents have no effect on the legal validity of a national validation of a European patent in other countries. One disadvantage of the unitary patent is that a document like this results in the invalidity of the whole unitary patent in all member states of the unitary patent system. However, even in case that a



document of this type surfaces, any technical difference of a feature of the granted patent claims or of subsequently amended claims is sufficient for (re-) establishing the legal validity of the unitary patent.

- h) In any case, the patentee should analyze if an Opt-Out or Opt-In should be declared before raising any claims based on a European patent against a competitor in order to selective decide for or against the jurisdiction of the unified patent court.
- i) In the case that the patentee wants to uphold the choice to litigate the patent under the jurisdiction of a national court and under the jurisdiction of the unified patent court, this aim might be achieved by parallelly upholding a national German patent and a unitary patent or a European patent nationally validated in Germany without the declaring an Opt-Out. The national German patent might e.g. be a patent granted on the parallel German priority application. It is also possible to file a divisional application before the grant of the European patent. In this case, a unitary patent may be requested for the European patent granted on the parent application, whereas no unitary patent is requested for the European patent granted on the divisional application (which requires a slightly modified scope of protection).
- j) One disadvantage of declaring an Opt-Out for a European patent nationally validated in Germany is that a parallel national German patent having an identical scope of protection (which may in particular have been granted on the priority application in Germany) still becomes ineffective.

All decisions should be made according to the specific interests of the client, and it may be appropriate to make different decisions for different patent families of the same client.

**The attorneys of RHP are available for providing individual advice for supporting your decisions.**