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# The Unitary Patent and the Unified Patent Court

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## Overview

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**I. Status quo**

**II. What's new?**

**III. Unitary Patent**

**IV. Unified Patent Court**

**V. Impact on license agreements**

## I. Status quo

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# I. Status quo

## I. Status quo

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### 1. National Patents

- Prosecution before national Patent Office
- Enforcement by national courts
- Downsides: various languages, representation, legal regimes



## I. Status quo

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### 2. European Patent

- Prosecution & opposition procedure before EPO
- Enforcement (and revocation proceedings) by national courts
- Advantages:
  - one single prosecution procedure (representation, languages)
  - lower costs if more than 4 states are covered
- Downsides: various validation requirements & legal regimes for enforcement



## I. Status quo

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### 3. Current patent litigation in EU (number of cases per year)

- Germany: 1,250
- FR+ IT (each): 250
- UK + NL (each): 50
- All others: less than 10

### 4. Why Germany?

- High quality judgments at reasonable costs
- Procedural law favors plaintiff
- Important market



## II. What's new?

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# II. What's new?

## II. What's new?

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### 1. Unitary Patent

- European Patent with unitary effect within all 25 member states
  - Prosecution before EPO
  - Single set of substantive and procedural law
  - Enforcement and revocation by single new court (**Unified Patent Court**)
- In addition to national and European Patents





## II. What's new?

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### 2. Legal basis – The “Patent Package”

- Unitary Patent Regulation (Regulation (EU) No 1257/2012)
- Translation Regulation (Regulation (EU) No 1260/2012)
- Unified Patent Court Agreement (OJ of EU 2013/C 175/01)



## II. What's new?

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### 3. Requirement for entry into force of UPCA

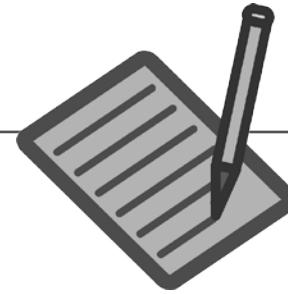
- ✘ Ratification in 13 member states (incl. DE, FR, GB)
- ✘ Entry into force 4 months after last necessary ratification

### 4. Ratification status quo

- ✘ PT ratified as 8<sup>th</sup> member state (incl. FR) on 6 August 2015
- ✘ GB intends to ratify until spring of 2016
- ✘ Effectiveness expected for early 2017



# III. Unitary Patent



#### 1. How to obtain an Unitary Patent?

➤ Application and examination procedure before EPO

- Prosecution same as European Patent
- Application for unitary effect within one month after publication of grant of European Patent

➤ Costs

- „Top 4“ (DE, FR, GB, NL)
- Annual fees: € 35 (2nd year) to € 4,855 (20th year)
- total costs for 20-year period: € 35,555

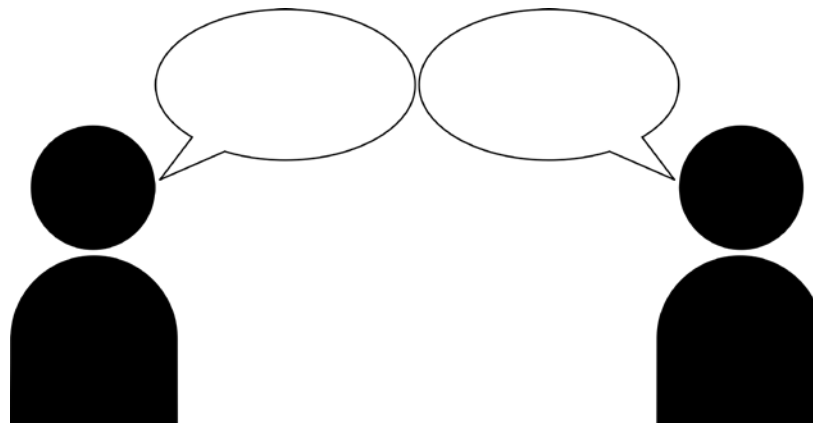


### III. Unitary Patent

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## 2. Languages Regime

- Transitional period of 7 years
  - One English translation of complete specification always required
- After transitional period
  - No requirements for translations
  - Exception: during litigation on request of opponent



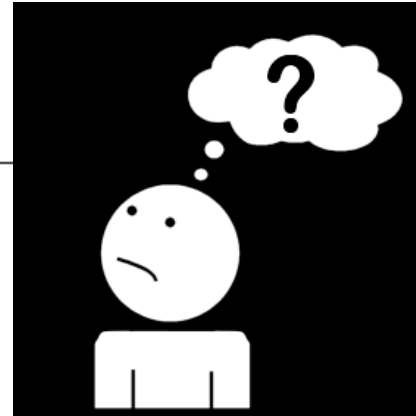
## III. Unitary Patent

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### 3. Unitary effect

- Unitary enforcement (substantive & procedural law) by UPC
- Unitary validity & transfer (“all or nothing”; license can be geographically restricted)
- Unitary effect only in participating member states (will develop over time)





#### 4. Why to apply for a Unitary Patent?

##### ➤ Pros

- Unitary enforcement
- Cost advantage if big territorial coverage needed
- simple administration

##### ➤ Cons

- Unitary validity
- Cost disadvantage: no possibility to drop patent for certain countries
- Mandatory jurisdiction of UPC (no opt-out)

# IV. Unified Patent Court



## IV. Unified Patent Court

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### 1. Subject matter jurisdiction

- Exclusive jurisdiction over
  - Unitary Patents
  - “Classical” European Patents (existing and future ~)
  - Supplemental Protection Certificates
- Competent for infringement and validity matters



## IV. Unified Patent Court

### 2. Structure of Unified Patent Court (UPC)

- Court of First Instance organized in
  - Central division (Paris, with sections in London and Munich)
  - Local divisions (for single state with > 50 cases per year)
  - Regional divisions (for multiple states)
- Court of Appeal seated in Luxembourg



## IV. Unified Patent Court

### 3. Competence of divisions

#### ▢ Infringement actions:

- Local or regional division of domicile of defendant or location of infringement
- Central division if
  - no domicile of defendant in any member state or
  - no division for member state of domicile exist

#### ▢ Revocation actions: Central division

- but counterclaim for revocation action before local / regional division possible



## IV. Unified Patent Court

### 4. Judges

- Legally and technically qualified judges
  - Local / regional division: 3 legally + 1 technically qual. judge, if ordered
  - Central division: 2 legally + 1 technically qual. judge
- Pool of judges
- Fear of high number of inexperienced judges



## IV. Unified Patent Court

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### 5. Procedure

- “German style procedure”
  - preparation by written submissions
  - interim procedure (by reporting judge)
  - oral hearing (one day)
- Counterclaim for revocation
- Speedy procedure (judgment after 12 / 14 months)



## IV. Unified Patent Court



### 6. Language of proceedings

- ▢ Central division: language of patent
- ▢ Local division: language of hosting member state (with exceptions)
- ▢ Court of Appeal: language of proceedings before Court of First Instance

### 7. Costs

- ▢ Court costs comparable to German proceedings
- ▢ Recoverable attorneys fees tend to be higher than in Germany



## IV. Unified Patent Court

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### 8. “Classical” European Patents: Option to Opt-Out from jurisdiction of UPC

- ✗ In principle: Exclusive jurisdiction of UPC
- ✗ But Opt-Out during transitional period (7 years)
  - deadline: one month before end of transitional period
    - if no lawsuit filed with UPC yet
  - can be withdrawn anytime
    - if no lawsuit filed with national courts yet
  - costs (proposed): € 80 per patent family



### Opt-out? – guidance for your decision

Patent	important	not important
strong	invalidity unlikely → still <b>opt-out</b> ? → consider additional divisional application	invalidity unlikely → <b>no opt-out</b>
weak	invalidity likely → <b>opt-out</b>	costs for opt-out too high → <b>no opt-out</b> (drop patent?)



# V. Impact on license agreements

## V. Impact on license agreements

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### 1. For licensor

- ✘ Ensure opt-out
- ✘ Consider prohibiting (exclusive) licensee from litigating at UPC

### 2. For licensee

- ✘ Consider obligation / prohibition for licensor to opt-out

### 3. Conclude supplementary agreements to existing contracts



**Thank you for your attention!**



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