

Unified Patent Court: final stretch!

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What happened?

On 6 October 2022, the Administrative Committee of the Unified Patent Court (UPC) announced via the publishing of an **implementation roadmap** that the **entry into force of the UPC Agreement was expected for 1 April 2023**. On 5 December 2022, this timetable was adjusted and the entry into force of the UPC is now announced for 1 June 2023.

Indeed, Germany has finally¹ scheduled the ratification of the UPC Agreement for the week of 19 December 2022. The UPC Agreement, which is already ratified by 16 Member States among which are Luxembourg, Belgium, the Netherlands and France, provides that it will enter into force only after its ratification by Germany.

This announcement by the UPC Administrative Committee followed another milestone which occurred on 1 September 2022 with the entry into force of the UPC's Rules of Procedure.

More than ten years after 24 Member States signed the UPC Agreement on 19 February 2013², the patent law landscape is about to evolve significantly with the implementation of the European patents having a unitary effect (the "Unitary Patents")³ and a cross-border patent court, the Unified Patent Court, the Court of Appeal of which will be located in Luxembourg.

It is worth remembering that once a European patent is granted by the European Patent Office, the owner of that European patent must request the application of the unitary effect. Then the European patent will turn into a Unitary Patent, which will provide uniform protection and have equal effects in all the Member States which participate in the Unitary Patent system and which have ratified the UPC Agreement. **There will be no need for a separate national validation and a single annual tax will be payable after the grant of the Unitary Patent.**

By contrast, when a classical European patent is granted, it has, in each of the contracting States for

which it is granted, the effect of and is subject to the same conditions as a national patent granted by that State, unless otherwise provided in the European Patent Convention. A European patent still needs to receive a national validation in every country where patent protection is sought, and national taxes shall be paid annually in each country chosen to maintain the national title.

What's new?

Considering the scope of the UPC jurisdiction, the UPC is expected to rapidly become a leading patent court at EU level even if all EU Member States do not participate in this new judicial system (such as Spain, Croatia and Poland).

- Unitary Patents will of course fall under the exclusive jurisdiction of the UPC.
- The UPC also has jurisdiction for the classic European patents (or the European patent applications) (the “European Patents”) which do not have a unitary effect and for which the owners have not requested an opt-out from the UPC judicial system.

Indeed, for a certain period, the jurisdiction of the UPC over the classic European Patents will not be mandatory; the owners of classic European Patents will have the possibility to escape the jurisdiction of the UPC if they deem that their interests may be put at risk before the UPC. During a transitional period of seven years⁴ after the date of entry into force of the UPC Agreement, infringement or revocation actions with respect to European Patents may still be brought before national courts or other competent national authorities.

This is an important topic because the decisions of the UPC with respect to European Patents will cover the territory of all the Member States that are party to the UPC Agreement for which the European Patent has effect (while decisions of national courts with respect to European Patents only cover the territory of the concerned Member State).

To complicate matters, during the transitional period mentioned above, the owners of European Patents may opt out from the exclusive jurisdiction of the UPC only if no action involving their European Patents has already been brought before the UPC. Opt-outs can be withdrawn at any moment as long as no action has been brought before a national court.

Opting out from the UPC judicial system will be possible from the beginning of the so-called “sunrise period” which was supposed to start on 1 January 2023 according to the implementation roadmap. On 5 December 2022, the Unified Patent Court announced the postponement of the Sunrise Period to 1 March 2023. It should be noted that all the co-owners of the European Patent need to agree on and ask for the opt-out. On the contrary, licensees do not have the possibility to choose to opt out from the UPC judicial system. However, the owners of European patents must be careful not to fall “unintentionally” under the jurisdiction of the UPC because of an action initiated by an exclusive licensee as provided for under Article 47.2 of the UPC Agreement.

Further point of attention

It is interesting to observe that after any future enlargement of the European Union any EU trademark and EU registered Community⁵ design registered or applied for before the accession of new countries will automatically extend to the new Member State(s) without any formalities or fees. This will not be the case for the Unitary Patent. A Unitary Patent shall take effect only in the participating Member States at the time of the grant of the Unitary Patent⁶.

Conclusion

It is really time now for the owners of classic European Patents to think about their litigation strategy and make choices regarding the type of court that will be competent in the event legal disputes arise with respect to their European Patents. They must also review and amend their licensing agreements to ensure that the question of the Unitary Patents and the competent court is dealt with and that the patent protection strategy is not indirectly put at risk by the potential actions of exclusive licensees.

At the time Luxembourg adopted the law approving the UPC Agreement (12 April 2015), we wrote an article on the Unified Patent Court system and the Unitary Patent in which you will find more information. Please note, however, that some information has since changed. Due to Brexit, a section of the central division will not be located in London. The new location has not yet been decided and a decision will most probably be made at the highest political level. Also, Italy is now part of the enhanced cooperation since it ratified the UPC Agreement in February 2017.

- 1 The ratification process in Germany was significantly delayed by two judicial proceedings before the German Constitutional Court.
- 2 While 24 Member States signed the UPC Agreement, only 17 of them have ratified the UPC Agreement and will participate for the moment.
- 3 As provided for in Regulation (EU) 1257/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection, the rules governing the new unitary patent title shall only apply from the date of entry into force of the UPC Agreement.
- 4 The UPC Agreements provides that the 7-year transitional period may be renewed for a period up to 7 years under certain circumstances.
- 5 Both EU trademarks and EU registered Community have a unitary effect.
- 6 Article 4 of the Regulation (EU) No 1257/2012.

For any questions, please contact

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For any further information please contact us or visit our website at www.elvingerhoss.lu.

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