

The Unitary patent

One European patent for a large part of the EU

As it stands, we might have a new type of European patent soon (2022/2023) in addition to the existing European ‘bundle’ of national patent rights; the ‘Unitary patent’. The Unitary patent is a European patent that, after grant, is valid in a large part of the EU. You can choose between the ‘bundle’, the Unitary patent or a combination thereof.

The entry into force of the related agreement also has consequences for existing European patents. It is important that you are aware of the available choices and consequences of the new legislation for your new and existing European patent rights.

We hereby provide you with an overview of the available choices and consequences.



The difference between the Unitary patent and the existing 'bundle'

According to current regulations, a European patent can be validated per member state, after grant, for a selection of member states of the European Patent Convention. In this way, a European 'bundle' of national patent rights is created. The 'bundle' is not limited to member states of the European Union. The European patent may for example be validated in the United Kingdom and Switzerland, but also in Turkey or Morocco.

In the near future, it will also be possible to validate the European patent after grant with unitary effect, i.e. as a Unitary patent. After grant, the Unitary patent is valid in all EU member states that are participating in the 'Unified Patent Court Agreement' (UPCA). The Unitary patent thus provides an alternative to validating the European patent in the same EU member states individually as part of the aforementioned European 'bundle' of national patent rights. The Unitary patent provides patent protection in a large part of the EU against fewer costs.

The substantive examination procedure of the European patent application remains unchanged. It is only after grant that you may choose for the Unitary patent, one or more countries from the current 'bundle' or a combination thereof.

Disputes regarding the validity of and infringement on the Unitary patent will be dealt with by a central court, the 'Unified Patent Court' (UPC), instead of nationally per member state as is the case with the current European 'bundle' of national patent rights. This should lead to more uniform case law.

The Unitary patent however also has some drawbacks. For example, the Unitary patent is not valid in countries which are not within the European Union, such as the United Kingdom, Norway and Switzerland. Moreover, not all of the countries of the European Union have (yet) participated in the Unitary patent. In contrast, these countries are part of the European 'bundle' of national patent rights. Therefore, there is a large discrepancy between the country coverage of the Unitary patent and countries that can be chosen with the 'bundle'.

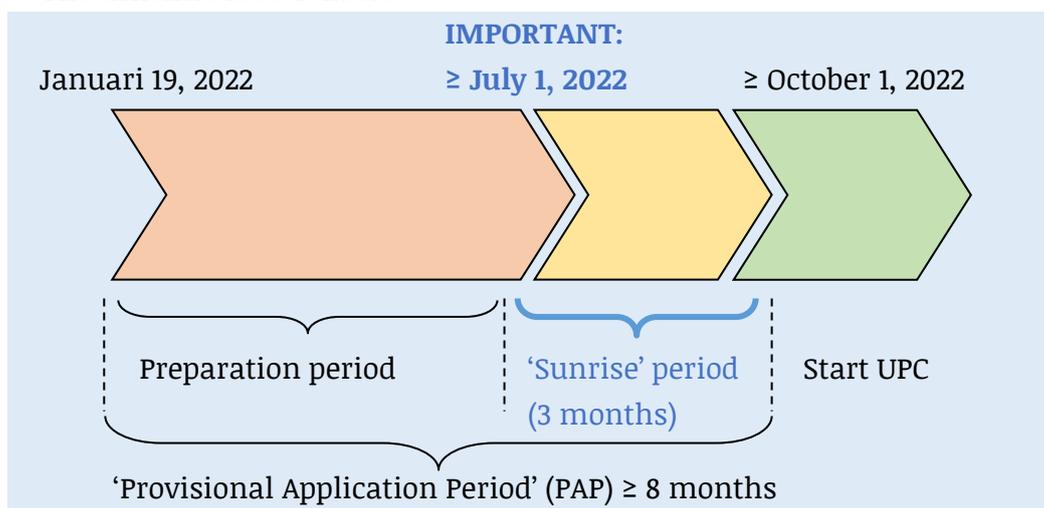
In addition, the Unitary patent is not flexible when you want to reduce the country coverage in the future, for example because of the costs, and the Unitary patent may be invalidated in one go by the central court, whereas the European 'bundle' of national patent rights, at this moment, still have to be invalidated per country.

Timeline and key moments

Because Austria was the 13th member state to ratify the UPCA on January 18, 2022, a 'Provisional Application Period' (PAP) has started on **January 19, 2022**, to prepare for the Unitary Patent. This period will last for at least 8 months and in any case until Germany deposits its instrument of ratification, after which the start date for the central court can be determined.

3 months before the start date (to be determined), a so-called '**Sunrise**' period will commence. In this period, you as holder of one or more European patent applications and/or European patents needs to take **a number of important decisions to ensure that your interests are secured in the best way possible in the new situation.**

The timeline is as follows:



The 'Sunrise' period will commence **at the earliest on July 1, 2022**. From that moment, the following decisions can be made:

- What to do with pending European patent applications; and
- OPT-IN / OPT-OUT for existing European patents.

However, it is already possible to delay the prosecution of pending European patent applications, even now, in anticipation of the 'Sunrise' period.

The considerations for the decisions above will be explained in further detail hereafter.

What to do with European patent applications which are still pending?

If your European patent application has not yet been granted or is to be granted soon, you may have the following decisions to consider:



Decision 1: Delaying the grant

A European patent can only be validated as a Unitary patent after the Provisional Application Period (PAP) has ended. If your patent application is still being prosecuted, there are several possibilities to delay the grant procedure so that you can make use of the Unitary patent when it becomes available. For example by late filing of a response to an office action, requesting for an extension of time or using 'further processing'. Your patent attorney can provide you with advice.

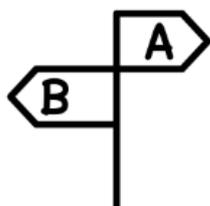
As soon as the 'Sunrise' period has commenced (3 months before the start date of the central court, July 1, 2022, at the earliest), a further request can be made to delay the grant.



Our advice:

Scenario A: If you are in doubt if the Unitary patent is the right choice for you, or if you want to keep the option of the Unitary patent open at grant, then please discuss the possibilities to delay the grant with your patent attorney.

Scenario B: If you are not interested in the Unitary patent, then there is no need to delay the grant procedure, unless you want to postpone the costs associated with said grant.



Decision 2: European 'bundle' of national patent rights, the Unitary patent or both?

After the start date of the central court, a choice can be made between the European 'bundle' of national patent rights, the Unitary patent or a combination of both.

The following considerations may help you determine the best choice:

2.1. Country coverage

As discussed earlier, there is big discrepancy between the country coverage of the European 'bundle' of national patent rights and the Unitary patent (see also the country list in the Appendix).

Fortunately, you do not have to choose between the European 'bundle' of national patent rights *or* the Unitary patent; you may also combine both types. In other words; the European 'bundle' of national patent rights and the Unitary patent can coexist.

You may for example choose to have a Unitary and in addition the European 'bundle' of national patent rights in on or more countries not covered by the Unitary patent, for example the United Kingdom, Spain and Poland.

2.2. Costs

To maintain a patent, you are required to pay an annually increasing renewal fee.

The renewal fee for a Unitary patent is based on the costs of maintaining a European 'bundle' of national patent rights in the top 4 of the EU countries where most European patents have been validated in the past.

If you want to obtain protection in more than 4 EU countries, a considerable cost saving is possible, which will continue as long as the Unitary patent is maintained.

However, it may be sufficient for your business to maintain the patent in only a few major countries of the European Union. If the number of EU countries is less than or equal to 4 countries, it may be financially more favorable to only validate the European patent in a 'bundle' of the countries of interest and not to use the Unitary patent.

In addition, with the Unitary patent you can save on translation costs and costs for other validation actions that are required per member state for the European 'bundle' of national patent rights.

2.3. Flexibility

A patent can be maintained for several years, up to a maximum of 20 years after filing. Unforeseen circumstances may arise during this term. For example, a sales market in a country may turn out to be less interesting in retrospect, or you may want to abandon patent protection in a few countries for economic reasons.

With the European 'bundle' of national patent rights, it is possible to stop the maintenance for each country separately and thus reduce the maintenance costs during the term of the European patent, without the 'bundle' lapsing in all countries.

The Unitary patent must be maintained as a whole, with the associated costs, but will also lapse as a whole if the annual maintenance fee is not paid!



Our advice:

Scenario A: If you want protection in a large number of countries at a relatively low cost, and you accept the risk that the patent could be invalidated in one go for all countries, then the Unitary patent, possibly supplemented with a European 'bundle' of some national patent rights, may be the right choice for you. In that case, you have no flexibility to reduce the annually increasing costs of the maintenance fees for the Unitary patent; it's 'all or nothing'.

Scenario B: If you want to make it difficult for the competition to invalidate your European patent centrally, if you are interested in a limited number of EU countries (≤ 4), and/or if costs are less important, then a European 'bundle' of national patent rights may be the right choice for you. You have more flexibility to reduce the costs of the annually increasing maintenance fees.



Decision 3: 'OPT IN' or 'OPT OUT' for European patent applications that are still pending

At present, the case law differs per country and a strategic choice can often be made to file a court case in a country with a jurisdiction that may be beneficial to your interests. The future central court should lead to more uniform case law. However, the quality and direction of the central court's case law will depend on the experience of the judges which are currently being recruited from the member EU countries.

The Unitary patent automatically falls under the central court.

For the European 'bundle' of national patent rights, you can opt once for an 'OPT OUT' during a transition period of at least 7 years, so that the 'bundle' does not fall under the jurisdiction of the central court. Disputes are then settled on a national level. After the 'OPT OUT' you can still choose 'OPT IN' once, so that the 'bundle' falls under the jurisdiction of the central court again.



Our advice:

Whether an 'OPT OUT' is sensible for you depends on your specific situation. Due to the uncertainties about the case law of the central court, we generally advise choosing an 'OPT OUT' with a European 'bundle' of national patent rights.

Important note: If you do not make a choice, the European 'bundle' of national patent rights will automatically fall under the jurisdiction of the central court ('OPT IN') after grant.

Therefore, pass on your choice to your patent attorney as soon as possible. This is possible during the 'Sunrise' period, but also now. Make your choice in any case before the end of the 'Sunrise' period, otherwise you run the risk that a dispute regarding your European 'bundle' of national patent rights is brought before the central court!

What to do with European patents which are already granted?

If you have European patents which have already been granted, then it is no longer possible to validate those patents as a Unitary patent. Still an important decision has to be made, namely the decision to 'OPT IN' or 'OPT OUT'.

Decision 4: 'OPT IN' or 'OPT OUT' for granted European patents



For an existing European 'bundle' of national patent rights, you can also opt once for an 'OPT OUT' during a transition period of at least 7 years, so that the 'bundle' does not fall under the jurisdiction of the central court. Disputes are then settled on a national level. After the 'OPT OUT' you can still choose 'OPT IN' once, so that the 'bundle' falls under the jurisdiction of the central court again.

Our advice:

Whether an 'OPT OUT' is sensible for you depends on your specific situation. Due to the uncertainties about the case law of the central court, we generally advise choosing an 'OPT OUT' with a European 'bundle' of national patent rights.



Important note: If you do not make a choice, the existing European 'bundle' of national patent rights will automatically fall under the jurisdiction of the central court ('OPT IN') after grant.

Therefore, pass on your choice to your patent attorney as soon as possible. This is possible during the 'Sunrise' period, but also now. Make your choice in any case before the end of the 'Sunrise' period, otherwise you run the risk that a dispute regarding your European 'bundle' of national patent rights is brought before the central court!



The alternative: the ‘National route’

After a transitional period of 7 years (which may be extended with 7 years), it will no longer be possible to ‘OPT OUT’ the European ‘bundle’ of national patent rights from the jurisdiction of the central court. Disputes regarding the European ‘bundle’ of national patent rights as well as the Unitary patent will both be dealt with by the central court, unless parties agree to choose to have the dispute treated nationally.

If you have not yet filed a European patent application, then the filing of multiple national patent applications is perhaps an option to avoid falling under the jurisdiction of the central court.

Important note: the filing of multiple national applications will be more expensive than a European patent application very fast, depending on the selection of countries. The break-even point will be around 3 countries, depending on the translation costs for the chosen countries.

Summary

We have briefly summarized the most important considerations in the overview below:

	European 'Bundle'	Unitary patent	Nationale route
Procedure up to grant	Existing European examination and grant procedure		Per country
Grant	European 'Bundle' of national patent rights and/or the Unitary patent When choosing the 'bundle': during a transitional period of at least 7 years, the choice to 'OPT IN' and 'OPT OUT' for central processing of disputes		Per country
Validation in member states	Validation per member state	One validation for all participating EU member states	Per country
Number of member states (see Appendix)	38 member states + extension/validation states, see Appendix	24 EU member states (expected), see Appendix	N.A.
Annual renewal	An annually increasing fee per member state	An annually increasing fee per Unitary patent	An annually increasing fee for each country
Disputes	If 'OPT OUT': Nationally If 'OPT IN': Centrally, unless both parties agree to go nationally	Centrally	Per country
Expiration	Per member state	All at once for all participating EU member states	Per country
Costs	Cheaper at ≤ 4 member states	Cheaper at > 4 EU member states	Cheaper at ≤ 3 countries

Appendix

Member states

		'Bundle' (38)	Unitary patent (24)
AL	Albania	✓	✗
AT	Austria	✓	✓
BE	Belgium	✓	✓
BG	Bulgaria	✓	✓
CH	Switzerland	✓	✗
CY	Cyprus	✓	Expected
CZ	Czechia	✓	Expected
DE	Germany	✓	✓
DK	Denmark	✓	✓
EE	Estonia	✓	✓
ES	Spain	✓	✗
FI	Finland	✓	✓
FR	France	✓	✓
GB	United Kingdom	✓	✗
GR	Greece	✓	Expected
HR	Croatia	✓	✗
HU	Hungary	✓	Expected
IE	Ireland	✓	Expected
IS	Iceland	✓	✗
IT	Italy	✓	✓
LI	Liechtenstein	✓	✗
LT	Lithuania	✓	✓
LU	Luxembourg	✓	✓
LV	Latvia	✓	✓
MC	Monaco	✓	✗
MK	North Macedonia	✓	✗
MT	Malta	✓	✓
NL	Netherlands	✓	✓
NO	Norway	✓	✗
PL	Poland	✓	✗
PT	Portugal	✓	✓
RO	Romania	✓	Expected
RS	Serbia	✓	✗
SE	Sweden	✓	✓
SI	Slovenia	✓	✓
SK	Slovakia	✓	Expected
SM	San Marino	✓	✗
TR	Turkey	✓	✗

Extension states

		'Bundle' (2)	Unitary patent (0)
BA	Bosnia and Herzegovina	✓	✗
ME	Montenegro	✓	✗

Validation states

		'Bundle' (4)	Unitary patent (0)
KH	Cambodia	✓	✗
MA	Morocco	✓	✗
MD	Moldova	✓	✗
TN	Tunisia	✓	✗

Future validation states

		'Bundle' (1)	Unitary patent (0)
GE	Georgia	Expected	✗