

# EU UNITARY PATENT PACKAGE

Intensive Programme Course

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# *EU Unitary Patent Package - Introduction*

It aims at

> creating a unitary patent system for all the European Union

*i.e.* a single title:

- granted by a centralized European office
- providing uniform protection in all the internal

market

- under a special jurisdiction of a EU Patent Court

# *EU Unitary Patent Package - Introduction*

It consists of

- > two "substantive" EU Regulations
  - Reg. n. 1257/2012 on unitary patent protection
  - Reg. n. 1260/2012 on applicable translation arrangement
  
- > one "jurisdictional" international agreement
  - Agreement on a Unified Patent Court

## *EU Unitary Patent Package - Introduction*

It derives from

> substantive regulations:

enhanced cooperation among 25 Member States  
*[no Italy and Spain]*

> jurisdictional agreement:

international law treaty among 25 Member States  
*[no Poland and Spain]*

## *EU Unitary Patent Package - Introduction*

Is it entered into force? NOT YET

> regulations have been issued on 17 December 2012

> agreement has been signed on 19 February 2013

*But* → for both entering into force,

the agreement has to be ratified by 13 Contracting States

[included Germany, France, United Kingdom]

# *EU Unitary Patent Package - Basics*

What is a PATENT?

> an Immaterial [Industrial><Intellectual] Property Right Title

- granted by an administrative office
- on conditions of patentable subject-matter, novelty, inventive step, industrial applicability
- which provides exclusive rights on invention

exploitation

- following the territoriality principle

# *EU Unitary Patent Package - History*

Territoriality Principle

= one title for one legal order

fundamentally with effects on a national basis in the relevant territory]

# *EU Unitary Patent Package - History*

International Trend of Patent law

Convention Union, Paris, 1883

-> National Treatment Principle

-> Priority Principle

## *EU Unitary Patent Package - History*

International Trend of Patent law *[following]*

Patent Cooperation Treaty (PCT), Washington D.C., 1970,  
-> International Application

single international procedure for patent application

with a unique novelty research in different elected States,

but the grant of the title has to be followed by the national offices]

## *EU Unitary Patent Package - History*

International Trend of Patent law *[following]*

European Patent Convention (EPC), Munich, 1973,

-> European Application and Grant

single procedure from application to grant by a European Patent Office  
[however not rendering a sole title but just a bundle of national patents]

## *EU Unitary Patent Package - History*

International Trend of Patent law *[following]*

Trade Related Aspects of IP Rights (TRIPs), Marrakech, 1994,  
-> International Substantive Approximation of Laws

covering also patents for invention in the WTO legal framework,  
[but not insisting on the creation of an international title or procedure]

# *EU Unitary Patent Package - History*

## European Union Trend of Patent law

### a EU Community Patent?

- > Luxembourg Agreement, 1989 [never ratified]
- > Council Regulation Proposal, 2000 [never adopted]

Why? Legal regime and other substantive issues,  
But most of all the linguistic problem

## *EU Unitary Patent Package - Today*

The Linguistic Problem = official patent language

Efficiency vs. Identity

Reducing translation costs vs. Rising economic barriers

*Which [Whose] languages and how many? -> matter of politics*

## *EU Unitary Patent Package - Today*

The Compromise Solution = trilinguism [DE, FR, EN]

sacrifice of the weaker – a due step in the right direction  
no monolingualism – lack of strength or lack of interest?

Italy and Spain say NO -> a political stall in the consensus path

*What to do next?*

## *EU Unitary Patent Package - Today*

Forcing the solution = Enhanced Cooperation Procedure

Treaty Conditions for Council Decision

-> Art. 20 (1) TEU: only for EU non-exclusive competences

-> Art. 20 (2) TEU: only as a last resort measure

-> Art. 326 (1) TFEU: complying with Treaties and EU law

-> Art. 326 (2) TFEU: not undermining the Internal Market

not constituting a barrier to inter-state trade

not distorting competition between States

## *EU Unitary Patent Package - Today*

Action -> Council Decision 2011/167/EU of 10 March 2011

Reaction -> Application for Annulment under Art. 263 TFEU  
by Italy and Spain lodged on 30-31 May 2011

= ECJ-> Judgement of Grand Chamber on 16 April 2013  
joined cases C-274/11 and C-295/11

## *EU Unitary Patent Package - Today*

ECJ = dismisses the annulment actions

First plea: *lack of competence [exclusive vs. non-exclusive]*

Second plea: *misuse of powers [circumventing unanimity]*

Third plea: *last resort condition [ongoing negotiations]*

Fourth plea: *damage to EU uniformity [limited IP integration]*

Fifth plea: *disregard of judicial rules [not actually specified]*

-> ENHANCED COOPERATION CONFIRMED

# *EU Unitary Patent Package - Today*

## European Union Trend of Patent law

### a EU Patent Court?

- > it has been always included in the discussion
- > it has to be reconciled with the EU judicial system

Why? Creation of a specialised and autonomous Court may conflict with CJEU supreme jurisdiction

## *EU Unitary Patent Package - Today*

Creation of Patent Court = International Agreement outside EU  
[in order to avoid Treaty modification and possible disputes]

> Unified Patent is a [common] national judge

*But* as any international agreement under art. 218 TFEU  
the ECJ has to render a compatibility opinion with EU law

## *EU Unitary Patent Package - Today*

ECJ: Opinion n. 1/09 of 8 March 2011

NEGATIVE Response

- NO preliminary ruling mechanism
- NO Contracting States' liability for EU law violation

> so structured, the Unified Patent Court would impair the competences attributed to EU institutions, competences which are essential for the safeguard of EU law

# EU Unitary Patent Package - Today

Agreement on a Unified Patent Court [Brussels, 19 Feb 2013]

> amended according to Opinion n. 1/09

Art. 1 (2): General Provisions

- *“The Unified Patent Court shall be a court common to the Contracting Member States and thus subject to the same obligations under Union law as any national court of the Contracting Member States”*

Art. 20: Primacy of and respect for EU law

- *“The Court shall apply Union law in its entirety and shall respect its primacy”*

## EU Unitary Patent Package - Today

Agreement on a Unified Patent Court [Brussels, 19 Feb 2013]

> amended according to Opinion n. 1/09

Art. 21: Requests for Preliminary Rulings

- *“As a court common to the Contracting Member States and as part of their judicial system, the Court shall cooperate with the CJEU to ensure the correct application and uniform interpretation of Union law, as any national court, in accordance with Article 267 TFEU in particular. Decisions of the CJEU shall be binding on the Court”*

## *EU Unitary Patent Package - Today*

Agreement on a Unified Patent Court [Brussels, 19 Feb 2013]

> amended according to Opinion n. 1/09

Art. 23: Responsibility of the Contracting Member States

- *“Actions of the Court are directly attributable to each Contracting Member State individually, including for the purposes of Art. 258-260 TFEU [infringement proceeding], and to all Contracting Member States collectively”*

# EU Unitary Patent Package - Merit

## Reg. 1257/2012

Content: Art. 3 (2), European Patent with Unitary Effect

-> *“A EPUE shall have a unitary character. It shall provide uniform protection and shall have equal effect in all the participating Member States. It may only be limited, transferred or revoked, or lapse, in respect of all the participating Member States. It may be licensed in respect of the whole or part of the territories of the participating Member States”*

# *EU Unitary Patent Package - Merit*

## Reg. 1257/2012

Procedure: Recital 5, 19

- > *“A European patent granted by the EPO should, at the request of the patent proprietor, benefit from unitary effect by virtue of this Regulation in the participating Member States”*
- > *“Patent proprietors should pay a single annual renewal fee for a European patent with unitary effect”*

## *EU Unitary Patent Package - Merit*

### Reg. 1257/2012

Scope: Art. 5 (1), Uniform Protection

-> *“The EPUE shall confer on its proprietor the right to prevent any third party from committing acts against which that patent provides protection throughout the territories of the participating Member States in which it has unitary effect, subject to applicable limitations”*

# EU Unitary Patent Package - Merit

## Reg. 1257/2012

Scope: Art. 5 (2)(3), Uniform Protection [*for real?*]

-> “The scope of that right and its limitations shall be uniform in all participating Member States in which the patent has unitary effect”

-> “The acts against which the patent provides protection referred to in par. 1 and the applicable limitations shall be those defined by the law applied to EPUEs in the participating Member State whose national law is applicable to EPUE as an object of property in accordance with Art. 7”

# *EU Unitary Patent Package - Merit*

## Reg. 1257/2012

Applicable law: Art. 7, EPUE as a national patent

- > *“A EPUE as an object of property shall be treated in its entirety and in all the participating Member States as a national patent of the State of:*
- applicant’s residence or principal place of business*
  - applicant’s other place of business*
  - headquarters of European Patent Organisation*

# EU Unitary Patent Package - Merit

## Reg. 1257/2012

Exhaustion Principle: Art. 6, Exhaustion of EPUE

-> *“The rights conferred by a EPUE shall not extend to acts concerning a product covered by that patent which are carried out within the participating Member States in which that patent has unitary effect after that product has been placed on the market in the Union by, or with the consent of, the patent proprietor, unless there are legitimate grounds for the patent proprietor to oppose further commercialisation of the product”*

# *EU Unitary Patent Package - Merit*

## Reg. 1257/2012

Substantive law: Where is it?

-> Moved to UPCt Agreement

- *art. 25, Right to prevent the direct use of the invention*
- *art. 26, Right to prevent the indirect use of the invention*
- *art. 27, Limitations of the effects of a patent*
- *art. 28, Right based on prior use of the invention*

# *EU Unitary Patent Package - Translation*

## Reg. 1260/2012

Why a separate EU regulation?

> Because of different Treaty competences:

*art. 118 (1) TFEU [EU IPRs title] = Council & Parliament [OLP]*

*art. 118 (2) TFEU [EU IPRs language] = Council [consulting EP]*

# EU Unitary Patent Package - Translation

## Reg. 1260/2012

Language choice rational: recital 6

-> *“Since the EPO is responsible for the grant of European patents, the translation arrangements for the EPUE should be built on the current procedure in the EPO. Those arrangements should aim to achieve the necessary balance between the interests of economic operators and the public interest, in terms of the cost of proceedings and the availability of technical information”*

EPO, and so EPUE, Official languages = German, French, English]

# EU Unitary Patent Package - Translation

## Reg. 1260/2012

Translation aid: art. 5, Compensation scheme [recital 10]

-> *“In order to facilitate access to EPUE, in particular for SMEs, applicants should be able to file their patent applications at the EPO in any official language of the Union.*

*As a complementary measure, certain applicants obtaining EPUE, having filed an application in one of the official languages of the Union, which is not an official language of the EPO, and having their residence or principal place of business within a Member State, should receive additional reimbursements of the costs of translating, beyond what is currently in place at the EPO”*

# *EU Unitary Patent Package - Translation*

## Reg. 1260/2012

No further translation principle: art. 3

*-> As the EPUE has been published, no further translation shall be required*

Art. 14(6) EPC, provides that the European patent is published in the language of the proceedings before the EPO and includes a translation of the claims into the other two EPO official languages]

# EU Unitary Patent Package - Translation

## Reg. 1260/2012

Further translation in case of dispute: art. 4

-> *The patent proprietor shall provide at its own costs a full translation of the EPUE:*

- *at the request of the alleged infringer,  
into the language of infringement place or domicile*
- *at the request of the competent court,  
into the language of the proceedings*

# EU Unitary Patent Package - Translation

## Reg. 1260/2012

Translation and good faith in infringement: art. 4 (4)

-> *“In damage claims, the court shall assess and take into consideration, in particular where the alleged infringer is a SME, a natural person or a non-profit organisation, a university or a public research organisation, whether the alleged infringer acted without knowing or without reasonable grounds for knowing, that he was infringing the EPUE before having been provided with the translation referred to in par. 1”*

# *EU Unitary Patent Package - Jurisdiction*

## UPCt Agreement

Institution: art. 6

-> *“The Unified Patent Court shall comprise a Court of First Instance, a Court of Appeal and a Registry”*

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

Court of First Instance: art. 7

-> *“The Court of First Instance shall comprise  
a central division as well as local and regional divisions”*

Central Division: seat in Paris, with sections in Munich and London

Local Division: set up by a single Contracting State

Regional Division: set up by Contracting States jointly

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

Court of Appeal: art. 9

-> *“The Court of Appeal shall have its seat in Luxembourg”*

-> *“Any panel shall sit in a multinational composition of five judges, three legally qualified judges who are nationals of different Contracting Member States and two technically qualified judges with qualifications and experience in the field of technology concerned”*

# *EU Unitary Patent Package - Jurisdiction*

## UPCt Agreement

Language: before local/regional division, the State official language  
before central division, the language of the patent  
before court of appeal, the language in first instance

Appeal: may be based on points of law and matters of facts  
[new evidence only if not reasonable in first instance]

Procedure: Special Statute of the Court and Rules of Procedure

Mediation: Patent Mediation and Arbitration Centre to be established

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

Competence: art. 32 -> *“the Court shall have exclusive competence on:*

- a) actions for actual or threatened infringements of patents and defences*
- b) actions for declarations of non-infringement of patents*
- c) actions for provisional and protective measures and injunctions*
- d)-(e) actions and counterclaims for revocation of patents*
- f) actions for damages or compensation from provisional protection*
- g) actions relating to the right based on prior use of the invention*
- h) actions for compensation for public open licences*
- i) actions concerning decisions of the EPO in administrative tasks*

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

Competence: art. 33 [action for infringement]

> *Alternative choice for the patent owner:*

*(i) forum commissi delicti “potential”*

*local/regional division where the actual or threatened infringement may occur]*

*(ii) forum rei “multiple”*

*local/regional division where one of the defendants has its residence or principal place of business, with attractive effects for the other defendants]*

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

Competence: art. 33 [action for non-infringement]

> *if autonomous,*

*the opponent shall act exclusively before the central division*

> *if already pending an infringement action between same parties,*

*the opponent shall act only before that local/regional division*

[it is a rule for avoiding forum shopping and torpedo actions]

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

following action for non infringement]

> *BUT in the autonomous case, the patentee has a faculty:*

*= to start an action for infringement within three months before the competent local/regional division, and then the central division has to stay its proceedings on non-infringement*

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

Competence: art. 33 [action for revocation (invalidity)]

> *if autonomous,*

*the opponent shall act exclusively before the central division*

> *if already pending an infringement action between same parties,*

*the opponent shall act only before that local/regional division*

same as above]

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

following action for revocation (invalidity)]

> *BUT in the pending case, the judge has different options:*

1. *proceed with both the actions, adding a special technical judge*

2a. *refer the counterclaim for revocation to the central division and suspend the action for infringement [stay for high likelihood]*

2b. *refer the counterclaim for revocation to the central division and proceed with the action for infringement [bifurcation]*

3. *with agreement of parties, refer both actions to central division*

# EU Unitary Patent Package - Jurisdiction

## UPCt Agreement

following action for revocation (invalidity)]

➤ *BUT ALSO in the autonomous case, the patentee has a faculty:*

*= to start an action for infringement within three months before the competent local/regional division, and then the central division has the same options described above for pending case*

where the central division is not obliged to stay the proceedings on revocation]

# *EU Unitary Patent Package - Issues*

## EU law issues

Enhanced Cooperation and EU Integration Policy  
Compromise Weaknesses and Multi-layer Structure  
Interpretative Jurisdiction of CJEU

*Is it really a EU Patent?*

## IP law issues

Justice for Heroes against Villains  
Referral to National Law for core patent aspects

*Is it really a step forward?*

*Thank you,*