

Developments around the European ‘unitary’ patent

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EXISTING LEGAL FRAMEWORK IN EUROPE

Ways to get patent in Europe

- Via national route (only way until 1977)
- Via European Patent Convention (since 1977)
- Via PCT application converted to Europe (since 1977)
- Via Community patent (not successful)

National route

- Disadvantages as felt in 60-ties and 70-ties:
 - A. Prosecution stage: patent may get different claims per country
 - B. Enforcement: different systems per country
 - C. Costs:
 - Prosecution costs per country
 - Translation costs per country
 - Registration costs (transfer, licence, etc.) per country
 - Renewal fees per country
 - Enforcement costs per country

- So:
 - Complex and
 - Very expensive








European Patent Convention (EPC) I

- Adopted in 1973, into force 1977
- Separate legal framework outside EU legal order
- Any state can become member state:
 - Total # 38 member states:
 - All EU member states # 27
 - # 11 more, like: Croatia, Iceland, Norway, Switzerland and Turkey
 - several extension states:
 - If designated at time of application, then patent as granted is also valid in these countries
 - Maybe even countries outside Europe: Morocco (?)

European Patent Convention (EPC) II

- Features:
 - A. Prosecution:
 - i. Single prosecution until grant
 - ii. Single opposition
 - iii. Single appeals
 - B. Enforcement:
 - i. Separate per country (bundle of patents)
 - C. Costs:
 - i. Single fees until grant
 - ii. Validation per country (translation costs)
 - iii. Renewal fees per country
 - iv. Enforcement costs per country

European Patent Convention (EPC) III

- Advantages / disadvantages achieved by EPC:
 - A. Prosecution: one single patent 
 - Less complex
 - B. Enforcement: 
 - Bundle of patents: nothing changed
 - C. Costs:
 - Prosecution costs much lower 
 - Validation costs still high 
 - Registration costs (transfer, licence, etc.) high 
 - Renewal costs still high 
 - Enforcement costs still high 

European Patent Convention (EPC) IV

- Examples of costs:
 - EP patent in 13 countries 10 times more expensive than USA patent:
 - € 18,536 instead of € 1850 *
 - London protocol:
 - Open to be signed by any member state
 - Reduces validation (translation) costs (see next page)
 - Adopted in Oct 2000, into force 1 May 2008

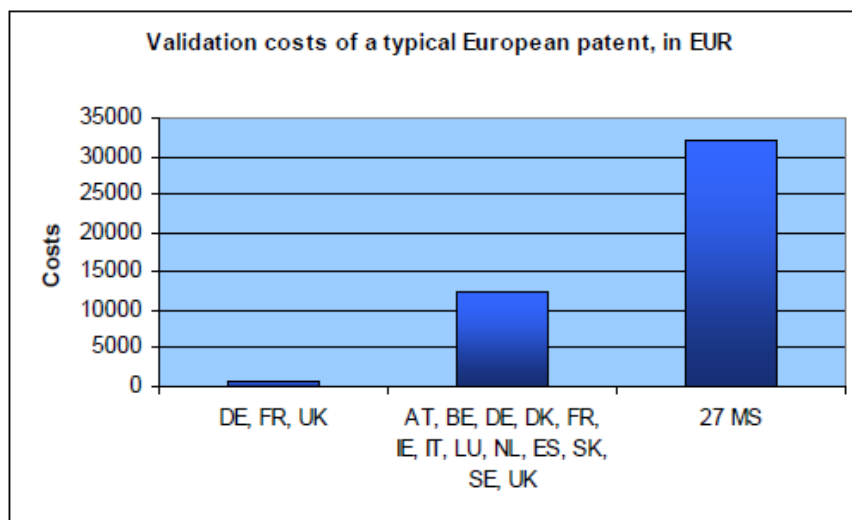
European Patent Convention (EPC) V, London Protocol

Table 1 – Summary of the translation requirements in the Member States (2011)

Requirement	Member State
No translation requirement for the description or claims	Germany, France, Luxembourg, UK
Translation of claims to official language of the MS but no translation requirement for the description	Latvia, Lithuania, Slovenia
Translation of claims to the official language and the description to English	Denmark, Netherlands, Sweden, Hungary
Translation of the claims and the description to the official language(s) of the MS	Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Estonia, Finland, Greece, Spain, Ireland, Italy, Malta, Poland, Portugal, Romania, Slovakia

European Patent Convention (EPC) V, London Protocol

Figure 4 – Example of total validation costs (in EUR) of a European patent of typical length in a selection of EU Member States



Source: European Commission

- Assumptions **:
 - EP patent of 15 pages specification, 4 pages claims
 - € 85 per page

PCT - EP

- Route available since 1977
- Delay of costs:
 - Advantage: options open for > 130 countries until 30 months
- Apart from that: same advantages and disadvantages

PROPOSALS FOR A FUTURE UNITARY PATENT SYSTEM

Community Patent proposals

- History
 - 1950s: Discussions about a patent system for the EC.
 - 1970: The Community Patent Treaty was designed, but it never came into effect. Signed/concluded 1975, again 1989
 - 2000 – 2010: several new attempts
 - 2010: The latest proposal for an EU Patent Regulation was blocked by Spain and Italy.
 - Main hurdles:
 - language regime
 - E.g. 2003 proposal: translation of claims into all Community languages
 - single court system

Successful IP initiatives on EC level

- Directive 2004/48/EC of the European Parliament and the Council of 29 April 2004, on the enforcement of intellectual property rights
- Council Regulation No. 1383/2003; actions against counterfeit goods and pirated goods
- Biodirective

Envisaged legal framework for a unitary patent




- A. A unitary patent granting system
- B. A unitary patent as an object of property subject to unified provisions governing:
 - rights conferred,
 - enforcement, and
 - revocation.
- C. A unitary patent litigation system, with a single supreme court.

Advantages for businesses

- **Cost effective:** pay fees for only a single unitary patent, transfers apply to the whole of Europe
- **More legal certainty:** only one unified court would decide about infringement and revocation for whole Europe.
- Incentive for innovation
- Enhance competitiveness
- **One law office (Nederlandsch Octrooibureau)** could provide clients with a single / validity infringement advice that would be valid across Europe

Envisaged legal framework for a unitary patent (status)

status

- A. A unitary patent granting system 
- B. A unitary patent as an object of property subject to unified provisions governing:
 - rights conferred,
 - enforcement, and
 - revocation.
- C. A unitary patent litigation system, with a single supreme court. 

Only A) is currently in operation !!

Unitary patent framework, language issues in 2010 I

- Proposal in 2010:
 - A unitary patent that is valid only in the EU, with
 - the language regime of the EPC, meaning: patents drafted in French, German, or English. Translation of the claims in these three languages.
 - No further translations necessary !
- Blocked by Spain and Italy, because
- they required a role equal to current French and German role for their own languages



Unitary patent framework, language issues in 2010 II

- Alternative proposal in 2010:
 - A unitary patent that is valid only in the EU, with
 - English as the only language
- Blocked by France and Germany, because
- they require a role for their languages in the patent system.



UNITARY PATENT FRAMEWORK, GRANTING SYSTEM

2011: proposal for unitary granting system I

- Impossible to make legal framework for all member states
- # 12 countries proposed “enhanced cooperation” *
- March 10, 2011: Adopted by Council after consent of EU Parliament (Council decision 2011/167/EU)
- after adoption, # 13 more member states joined (only ES and IT did not)
- Result:
 - Proposal for unitary patent
 - Proposal for translation arrangements
 - Proposal for single court

2011: Proposal for unitary granting system II

- COM(2011) 215 final, April 13, 2011

Proposal for

“Regulation of the European Parliament and of the
Council”

“implementing enhanced cooperation in the area of the
creation of unitary patent protection”

2011: Proposal for unitary granting system III

- COM(2011) 215 final, April 13, 2011, main art's:
 - Art 1: unitary patent will be a **European** patent under Art 142 EPC; applicant has to indicate wish for unitary patent at time of grant (it will coexist with current European patent)
 - Art 3: in principle identical scope everywhere, inclusive of licences, transfers, limitations, or lapsing (apart from 54(3) designations)
 - Art 6/7: enforcement via direct and indirect use
 - Art 9: exhaustion after patent owner (or 3rd party with his consent) has put product on market anywhere in EU

2011: Proposal for unitary granting system IV

- COM(2011) 215 final, April 13, 2011, main art's (cont):
 - Art 12: EPO is to set up special Register for unitary patents
 - Art 14: **renewal fees to be paid to EPO** (also after grant!)
 - Art 16: 50% of renewal fees (minus admin costs) is to be transferred to participating member states
 - Art 22: entry into force: on 20th day after publication in OJ of EU, but:
 - Only together with language regime (COM(2011) 216)
 - (expected) only with rules for single court system
- Needs a “co-decision” by the participating (now 25) member states and EU parliament
- EC hopes it enters into force in 2013

UNITARY PATENT FRAMEWORK, TRANSLATION ARRANGEMENT

2011: proposal for translation arrangement I

- COM(2011) 216 final, April 13, 2011

Proposal for a

“Council Regulation”

“implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements”

2011: proposal for translation arrangement I

- COM(2011) 216 final, April 13, 2011, main art's:
 - Art 3: principally , no translation after grant
 - but: claims as granted still in English, German, and French
 - Art 4: in case of legal disputes:
 - If alleged infringer requests so: provide full translation into language of state
 - where infringement takes place or
 - in which alleged infringer is domiciled
 - If court requests: full translation into language of proceedings of the court

2011: proposal for translation arrangement II

- COM(2011) 216 final, April 13, 2011, main art's (cont):
 - Art 6: transitional period of max 12 years:
 - If patent is in French or German: full translation into English
 - If patent is in English: full translation into one arbitrary other official language of the Union [as desired by proprietor]
 - Transitional period ends if machine translations are good enough
 - Expert committee shall establish whether such machine translations are good enough
 - Expert committee: representatives of EPO and users
 - Expert committee shall evaluate every 2 years from 6th year of entry into force

2011: proposal for translation arrangement III

- COM(2011) 216 final, April 13, 2011, main art's (cont):
 - Art 7: entry into force: on 20th day after publication in OJ of EU, but:
 - Only together with enhanced cooperation regulation (COM(2011) 215)
 - (expected) only with rules for single court system
- Needs unanimous decision by all participating (now 25) member states

UNITARY PATENT FRAMEWORK, UNITARY PATENT COURT

2011: Unitary Patent Court: status I *

- Court of Justice EU objected to proposal for an intergovernmental European Patent Court (March 8, 2011) because:
 - i. a unitary patent court system is only possible within the framework of the existing EU legal system.
 - ii. EPC Member States that are not EU member countries, cannot participate in a EU unitary patent court system.
 - iii. to maintain the existing EU legal system, the new European patent court system should be built closely upon the national court institutes.

2011: Unitary Patent Court: status II

- Now new draft “Unified Patent Court” (11533/11, June 14, 2011):
 - Competent for all unitary and non-unitary European patents
 - Structure:
 - Court of First Instance:
 - Local division for those countries wishing to have one
 - Regional division for groups of contracting states
 - Central division for other countries
 - Court of Appeal
 - Registry
 - Member states can only be member states to EU (= reply to objection by CJEU)
 - Legal issues may be referred to CJEU to ensure proper application and uniform interpretation of Union law

2011: Unitary Patent Court: status III

- Entry into force
 - Will be treaty between individual EU member states, so
 - Must be adopted by diplomatic conference, and
 - Be ratified by national parliaments
- Not sure whether all participating member states have to ratify
- At least 3 states with highest # EP patents in force in year prior to dipl conference (now FR, DE, UK)

2011: Unitary Patent Court: status IV

- Transitional period:
 - During 5 years after entry into force, enforcement / invalidation actions can be initiated before National courts
 - Owners of EP patents granted before or applications pending before entry into force can opt out from Unitary Patent Court

UNITARY PATENT FRAMEWORK, SUMMARY

Unitary patent framework, summary

- A unitary patent that is valid in the EU member states that are also member states to EPC, except for Spain and Italy.
- Languages:
 - Granting patents in either French, German, or English.
 - Granted claims in both French, German, and English
 - Transitional period (until high quality machine translations):
 - Patent in German or French: then full translation into English
 - Patent in English: then full translation into 1 other EU language
- A patent litigation system within the legal framework of the EU.



Impact

- Patent protection in Europe will become less expensive
- Lower costs after grant
- Simpler administration (taxes, transfer of right)
- Valid for a large territory
- Litigation will become less expensive (one court case to decide on patent protection in all except 2 EU states)
- Fate of patent decided in a single procedure (efficient, but maybe risky)
- Until then: validate in strategic member states, i.e.
 - Those with huge markets (DE, UK, FR, IT)
 - Those where goods are imported to the EU continent (NL, DE)

Thank you very much
Nederlandsch Octrooibureau will keep you up-to-date.

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