



# **Introducing the Unitary Patent**

## What is the Unitary Patent System?

The Unitary Patent system entered into force on 1 June 2023 and offers inventors a new option for obtaining patent protection and enforcement across Europe.

The Unitary Patent system consists of two key elements: the Unitary Patent and the Unified Patent Court.

A Unitary Patent is granted by the EPO based on the European Patent Convention (EPC) and offers uniform coverage across the 17 EU Member States which have signed and ratified the Agreement of a Unified Patent Court (UPC Agreement). All EU member states are eligible to join the Unitary Patent system.

Unitary Patents will not replace the existing national and European patents but can be combined with these options.

The Unified Patent Court is a supranational court which will adjudicate both on Unitary Patents and classic European patents. Its rulings will apply in all Member States that have ratified the UPC Agreement.

#### What are the most notable features of the Unitary Patent system?

The Unitary Patent system aims to modernise, simplify and streamline the patent protection and enforcement system in Europe. The Unitary Patent will significantly reduce the complexity of the existing system by enabling inventors to obtain uniform patent protection (including patent validation and renewal) across the territory of the participating EU member states in a simple and cost-effective manner. This change is expected to boost Europe's competitiveness by facilitating a barrier-free internal market for technology and centralizing the European patent granting and validation system on the EPO. The Unitary Patent system will become operational on 1 June 2023.

The Unified Patent Court (UPC) will serve as a single adjudicative body of patent law in Europe and in doing so, create harmonised body of law, remove jurisdictional forum shopping and provide greater legal certainty in European patent law.

#### The EPO as a one-stop shop for users

Applying for a European patent with unitary effect – a Unitary Patent - will be a simple centralized process with the EPO:

Users will be able to obtain their Unitary Patent by filing a single request with the EPO within one month from the grant of the corresponding European patent. The EPO will then act as a one-stop shop for patent owners, centrally administering the Unitary Patent and the related payment of fees: Unitary Patent proprietors will pay the EPO a single renewal fee in a single currency – euro - following a single regime of time limits and accepted payment methods. It will no longer be necessary for patent owners to validate their patent in several states individually. This change will significantly reduce red tape and cost involved in validating and maintaining the patents. Moreover, thanks to the fee level agreed by the member states, the costs of validating a Unitary Patent covering 17 Member States will be less expensive than the costs associated with validating a classic European patent for the four most frequently designated countries under the current system.

#### Benefits of the UPC

The UPC will have jurisdiction over disputes, including infringement and revocation actions, **relating to both Unitary Patents and European patents** in the participating EU member states.

As a forum for enforcing and challenging patents, the UPC will benefit inventors, third parties and the general public alike: patent proprietors will be able to enforce their patents more efficiently, while third parties and the general public will be able to seek revocation of EPC and Unitary Patents in a single centralised procedure. This will put an end to parallel disputes over the same patent in different countries and so make litigation considerably cheaper. In addition, the UPC will enhance legal certainty by eliminating the risk of conflicting national decisions and by harmonising the case law.

The Court of First Instance will have a decentralised structure with local or regional divisions in the member states and a central division in Paris with a section in Munich. The Registry and the Court of Appeal are located in Luxembourg.

#### Positive impact of the UP system on trade and technology transfer

The harmonisation of patent protection brought by the Unitary Patent system is expected to have positive impact on trade and FDI flows in IP- and technology-intensive industries in Europe. According to an EPO study from November 2017 conducted in collaboration with the University of Colorado Boulder and the London School of Economics, an alignment of EU countries on the best existing standard of patent protection has the potential to generate a 2% increase (EUR 14.6 billion) in annual trade inflows and a 15% increase (EUR 1.8 billion) in annual FDI inflows in these industries in the EU.

The broad territorial protection the Unitary Patent offers will facilitate cross-border technology transfers and co-operation across European countries. A central register containing legal status information on transfers of Unitary Patents and licences – including licences of rights – will help to establish an efficient market for technology transfer in the participating Member States.

#### What significance did 1 June 2023 have for the Unitary Patent system?

On 1 June 2023, the Unitary Patent system entered into force and the UPC opened its doors to users and start receiving cases. From 1 June 2023 onwards, patent applicants can request unitary effect for their newly granted European patent. The request is easily filed and free of charge and will be examined by a specialised unit. Patents with unitary effect will appear in the Register.

However, after 1 June 2023, it will not be possible to retroactively request unitary effect for European patents that are already in force. It is also not possible to opt Unitary Patents out of the UPC jurisdiction.

# **Key Messages**

- The introduction of the UP system is a historic landmark in the European patent system consisting of two elements: the Unitary Patent, administered by the EPO, and the Unified Patent Court (UPC), a new international court set up under the UPCA
- The EPO will serve as a one-stop-shop for the Unitary Patent. The UPC will act as a single adjudicative body for European patents and Unitary Patents.
- At the outset, Unitary Patent will cover 17 EU member states which could soon rise to 25 countries.
- The 17 member states currently participating in the Unitary Patent system have an estimated combined GDP of 12 trillion euros, corresponding to almost 80% of the entire EU's GDP and incorporate a population of nearly 300 million people.
- The 25 EU member states participating in enhanced cooperation for the Unitary Patent package are estimated to have a combined GDP of more than 14 trillion euros (corresponding to 80% of the entire EU's GDP) and incorporate a population of nearly 400 million people more than the populations of the US, Canada and Australia combined. It is important to note all EU member states can join the Unitary Patent regime.
- Based on a comparison of the overall costs, a Unitary Patent will be less expensive than a European patent validated and maintained in the four most frequently designated of the 25 Member States participating in the Unitary Patent system.
- Under the existing system, the patent renewal process is fragmented; users must pay different annual renewal fees of different amounts in different currencies to different national patent offices that operate under different legal requirements to maintain their patent.
- Under the new system, applicants can obtain a Unitary Patent by filing a single, simple request with the EPO free of charge. To maintain their Unitary Patent, proprietors will pay their annual renewal fee only to the EPO, in a single currency (euro) and under a single legal system. This change grants patent holders important savings in cost and time.

- The new Unified Patent Court will create a uniform, specialised and efficient framework for patent litigation at a European level, putting an end to parallel proceedings before various national courts.
  - Under the classical European patent, patent holders need to choose their patent territories carefully, selecting certain markets to pursue and enforce patent protection.
  - Under the new system, up to 25 EU member states (initially 17) will be covered uniformly by a single patent.
- The new system will provide enhanced legal certainty through a simpler and more harmonised system for patent holders to enforce their patents against infringement, and for third parties to challenge validity of patents.

# Relevant messages on the Boards of Appeal (BoA) and the UPC:

The EPO's BoA, the UPC and the national courts will co-exist on grounds of their different roles. Despite areas of overlap the three judiciaries are complementary bodies and will not replace each other.

## **Facts about European Innovation**

- Europe's innovation ecosystem requires a robust and high-quality patent system. With soon forty states as members of the European Patent System our products and services now touch a market of over two billion people which is roughly a quarter of the world's population.
- According to the Global Innovation Index's latest rankings, Europe, which is home to less than 10% (9.78%) of the world population, now has the largest number of innovation-leading nations of any region with 15 countries out of the top 25 countries worldwide. Europe is also home to more than a third of the world's emerging start-up ecosystems.
- Between 2017-19, IPR-intensive industries have directly and indirectly supported the creation of 82 million jobs in the EU, or 39% of total EU jobs. These industries contributed nearly half (47%) of the EU's GDP (or EUR 6.4 trillion) - equivalent to the combined GDP of Germany, the Benelux and Poland. On top, 80.1% of EU exports (or 2.2 trillion Euros) are generated by IPR-intensive industries.
- SME economy in Europe includes more than 23 million businesses which contribute on average 56% to European economies. Currently, SMEs are only accounting for 20% of patent applications filed at the EPO. 25% of our patent applications come from universities and public research organisations. EPO research indicates that SMEs that own IPRs patents, trademarks and designs have a 68% higher revenue per employee than SMEs which don't.

#### General information

Regular updates on the implementation of the UPP system, as well as relevant background and information materials are published on the dedicated pages of the EPO website.

The e-learning centre of the Academy offers relevant courses and webinars related to the UPP system, ranging from an in-depth presentations of the UPC to videos on how to find Unitary Patent information in the Register to dedicated IT-workshops on the Unitary Patents.

For updates and news on the UPC their website is recommended: The Unified Patent Court | Unified Patent Court (unified-patent-court.org)

This introductory video offers a good overview of the UP system.