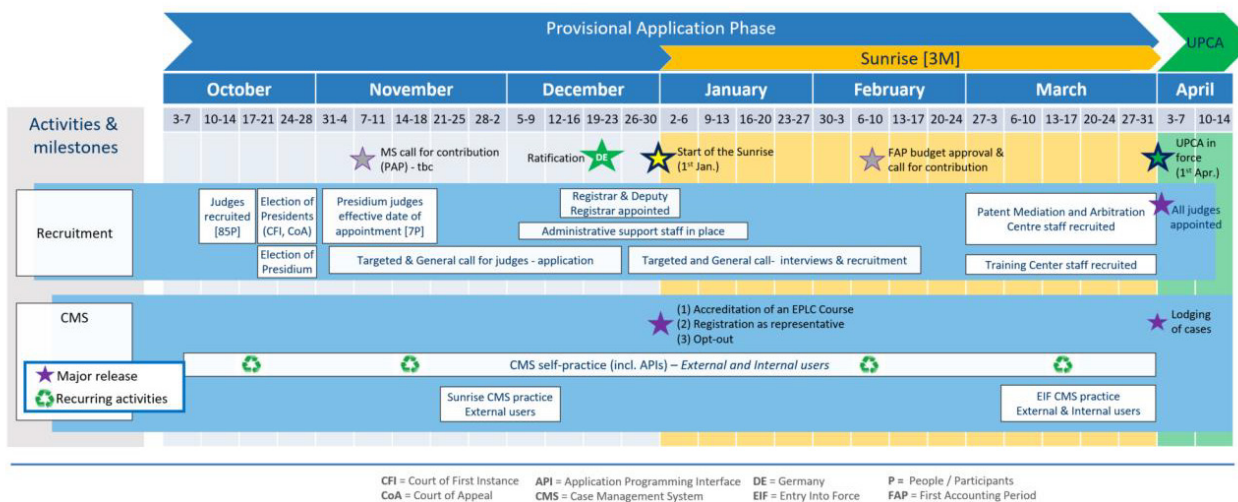


UP & UPC: NEW SCENARIOS IN IP PROTECTION

UPDATES ON UP & UPC: THE LAUNCH PLANNED FOR APRIL 1

According to the latest available information, the European patent with unitary effect (hereinafter referred to as 'the Unitary patent') and the Unified Patent Court (or UPC for short) are expected to come into operation on April 1, 2023 (see the UPC's official website: https://www.unified-patent-court.org/sites/default/files/upc_-_exco_-_upc_external_roadmap-v0.9_edit.pdf).



Source UPC website

After so many postponements, appeals and setbacks, the date chosen sends us back to April Fools' Day jokes and makes us question whether it is all true.

In the initial phase, the Unitary patent will take effect in 17¹ of the current 27 EU member states, while at full effect it will extend to all EU member states except Croatia, Poland and Spain, but it is not yet possible to make predictions on the timing of entry for Cyprus, Greece, Ireland, the Czech Republic, Romania, Slovakia and Hungary.

The Unitary patent will coexist with the current system whereby the granted European patent is transformed into a bundle of national patents in the relevant contracting states.

There are 38 contracting states to the European Patent Convention, of which 9 are not member states of the European Union.

¹ Austria, Belgio, Bulgaria, Denmark, Estonia, Finland, France, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Portugal, Slovenia and Sweden.



In light of the forthcoming entry into force of the Unitary patent and the situation outlined above, the following options are available to the proprietor of a European patent:

- (a) validate the patent in the traditional form in selected countries among the 38 contracting states to the European Patent Convention;
- b) file a request for unitary effect in order to obtain unitary protection in the 17 countries that are party to the Unitary patent and validate in countries selected from among the 21 contracting states to the European Patent Convention that are not included in the Unitary patent.

The applicant for a European patent application or proprietor of a granted European patent also has the option to file an opt-out application to remove the European patent from the jurisdiction of the UPC. The above-mentioned opt-out application eliminates the risk of undergoing an invalidity action before the UPC, resulting in the revocation of the patent or a limitation to the scope of patent in all countries where the European patent has been validated in the event of a negative outcome.

The patent holder is therefore in the position of choosing the options described above with a view to economic convenience and business strategies as well as mitigation of legal risk.

The opt-out may be filed in a period that precedes the entry into force of the UPC by three months and is referred to as the "sunrise period".

An absolute requirement for the validity of the opt-out is that there is no pending litigation before the UPC. The early filing of the opt-out during the sunrise period is therefore advisable to avoid that an invalidity action may be commenced before the UPC, thus nullifying any possible request for an opt-out after the litigation start. However, enforcement of the European patent in the UPC would always be possible by waiving the opt-out.

If you believe that the Unitary patent is a suitable tool to support your business strategies, we would like to point out that the EPO has introduced two provisional measures aimed at facilitating the use of the Unitary patent even when the usual grant timing would not allow it.

Specifically, these measures provide for:

- the early request for unitary effect;
- the possibility to postpone the grant of the European patent.

The early request for unitary effect is granted if the client has been notified of the intention to grant the European patent (communication according to Rule 71(3) EPC) and Germany has deposited the instruments of ratification (at the moment Germany has not deposited the instruments of ratification and we will promptly provide the information when this happens, because this formal act will establish the starting date of the new system based on the Unitary patent and the UPC and of the sunrise period).

A request to postpone the grant of a European patent can be made by using an appropriate form, provided that the proprietor has not yet approved the application text attached to the intention to grant.

Although there is still no definite information on the start date of the new system, the perception is that it is very near and it is therefore advisable to reflect now on the opportunities offered by the Unitary patent and the UPC, and to make well-considered and timely choices on opting out.

It is impossible to give a general indication on whether or not to opt-out, as such a choice depends on factors that have to be assessed on a case-by-case basis.

By way of example, factors to be taken into consideration are the business importance of the patent (the risks associated with a possible centralised revocation are greater in the case of a patent that is crucial for competitive advantage) and the 'strength' of the patent (the risk of revocation of



a patent granted in the same form in several jurisdictions or maintained after opposition and appeal is less than for a patent of doubtful validity). Other important factors are the territorial scope of protection, the likelihood that the patent can be enforced in various countries, to be assessed according to the characteristics of the market and competition, and the possible existence of licences.

Studio Torta's professionals are available to discuss the above issues in greater detail and find solutions tailored to your business strategies.

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