

Bird & Bird

UPC – Impact on Strategy, Litigation & Licensing

March 1st, 2023



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1

Introduction to the UP and UPC

Latest news

- Unitary Patent – Transitional measures at the EPO started on **January 1st, 2023**
 - Applicants can file an early request for unitary effect and for a delay in issuing the decision to grant a European Patent where a R.71(3) communication has been sent
- Unified Patent Court
 - Provisional Application Phase started on January 19th, 2022
 - Judges have been selected October 19th, 2022
 - Testing of IT system by users – 2nd sunrise practice period February 13th-24th
 - Court opens on **June 1st, 2023**
- Sunrise period
 - Starts on **today March 1st, 2023**
 - Patent proprietors can file opt-out declaration to exclude UPC jurisdiction

UP and UPC

UP: a single *patent right* that applies across multiple states

In practice:

- Subject to late ratification, a UP will apply across all the 24 UP/UPC countries.
- A finding of infringement on a UP will give damages and injunction across all UP/UPC countries.

UPC: a single *court* that can enforce or invalidate a UP or an EP

In practice:

- A finding of infringement on an existing EP will give damages and an injunction only in those countries in which the EP is validated and has been renewed.
- The UPC has some extra-territorial jurisdiction but its powers are limited to the UPC states.
- During the transitional period (7-14 years), EPs may be opted out and subject to national proceedings, not the UPC

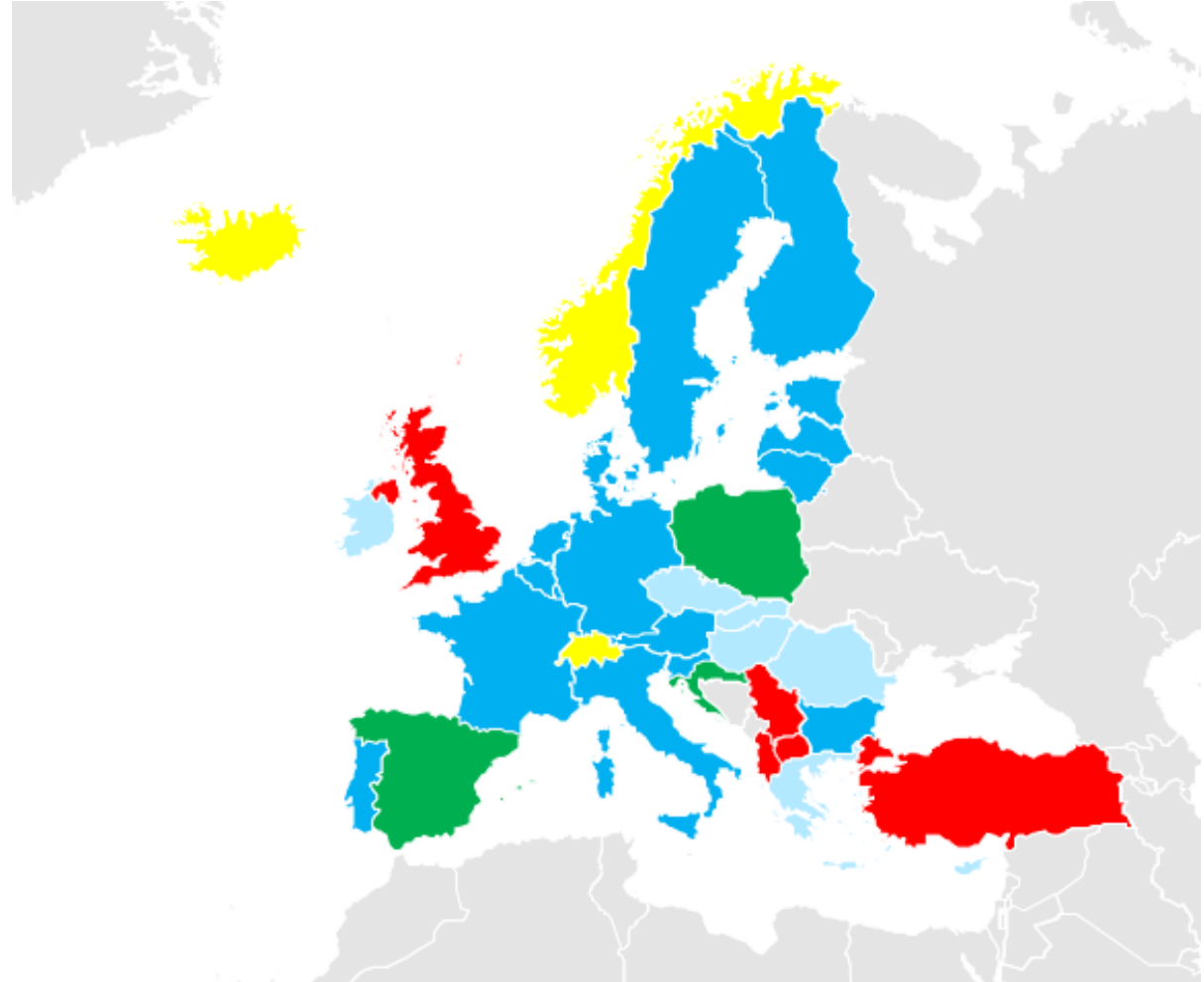
UP/UPC countries

UPC countries
(light blue not yet ratified)

EU, non-UPC (or UP)

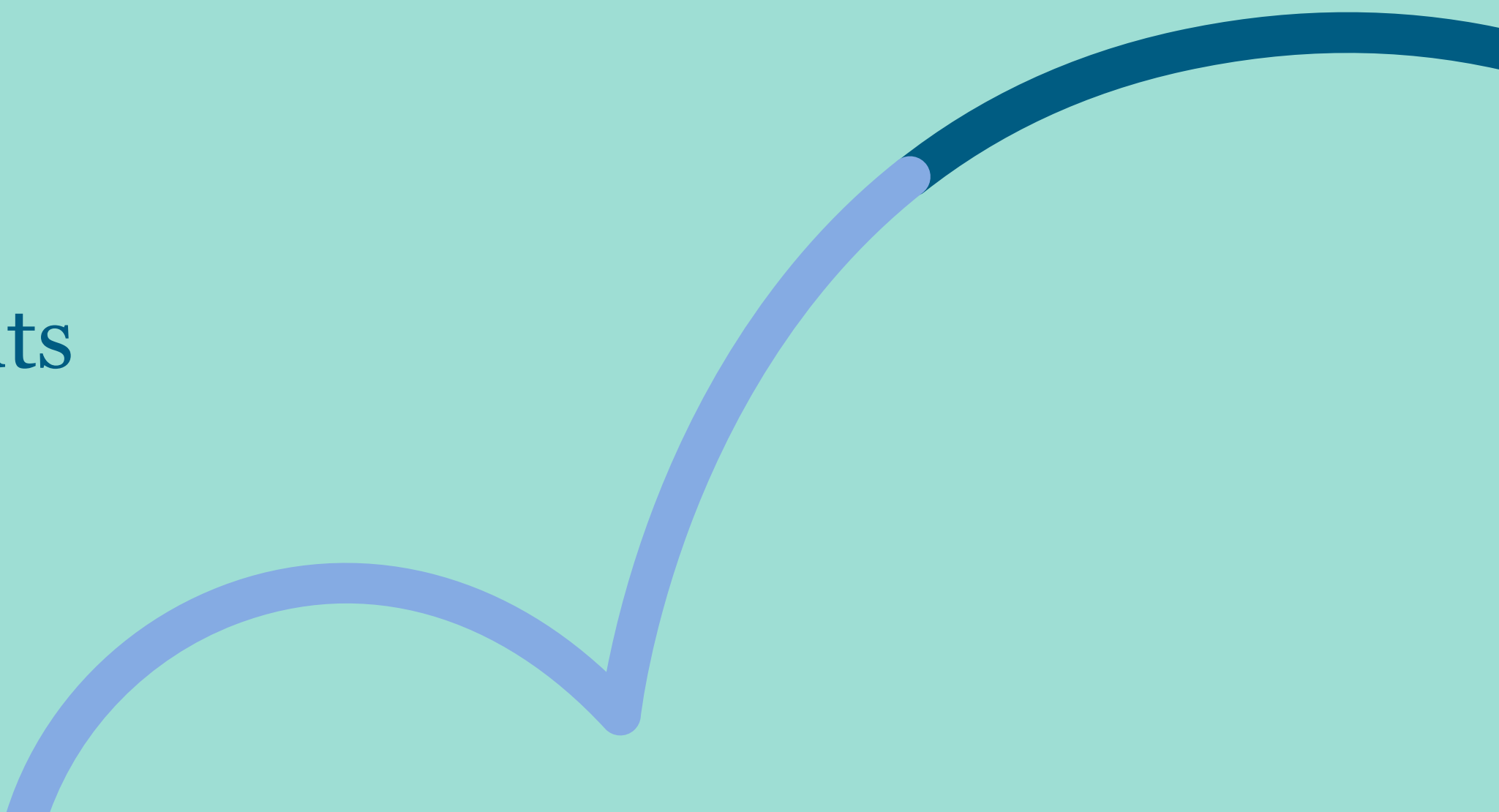
EPC, Lugano

EPC only



2

Opt-outs



Opting-out: overview

Opting-out is only relevant for "classical" EPs

- EP divisionals - Opt-out of parent (patent) does not apply to divisionals as well
- Opt out possible expired patents and published applications

UPC's jurisdiction

- Exclusive for all EPs (Art. 3 UPCA) over certain subject matter (Art. 32 UPCA)
- During transitional period of 7 years (+ possibly 7 years) - Parallel jurisdiction of UPC and national courts (Art. 83(1) UPCA)
- If opt-out during transitional period → Exclusive jurisdiction of the national courts (Art. 83(3) UPCA)

3

Strategies for filing



UP *vs* EP *vs* national patents - comparison

National Patent	'Traditional' EP	UP
Separate application process and grant decision in each country's own patent office	Single application but rights granted in up to 39 countries at point of grant	Single application process and single right granted
Only enforceable in national courts	Enforceable nationally or in UPC unless opted out (during transitional period, 7-14 years)	Only enforceable in UPC
Claims may be and quite likely to be different in different countries	Claims may be different for different EPC countries if required	Claims must be the same for all countries
Cost of maintaining patent in many countries likely to exceed that of a UP	Cost of validating in many countries more expensive than UP but can allow patents to lapse in countries of choice	Cost similar to validating in 4 countries but commit to UP-scale of fees for life of patent
Patents generally prosecuted and granted in national languages	Translation requirements for validation vary by country	Minimal translation requirements
Licensing of right and similar regimes differ by country	Licensing of right and similar regimes differ by country	Patentee may declare willingness to license patent for 15% reduction in renewal fees

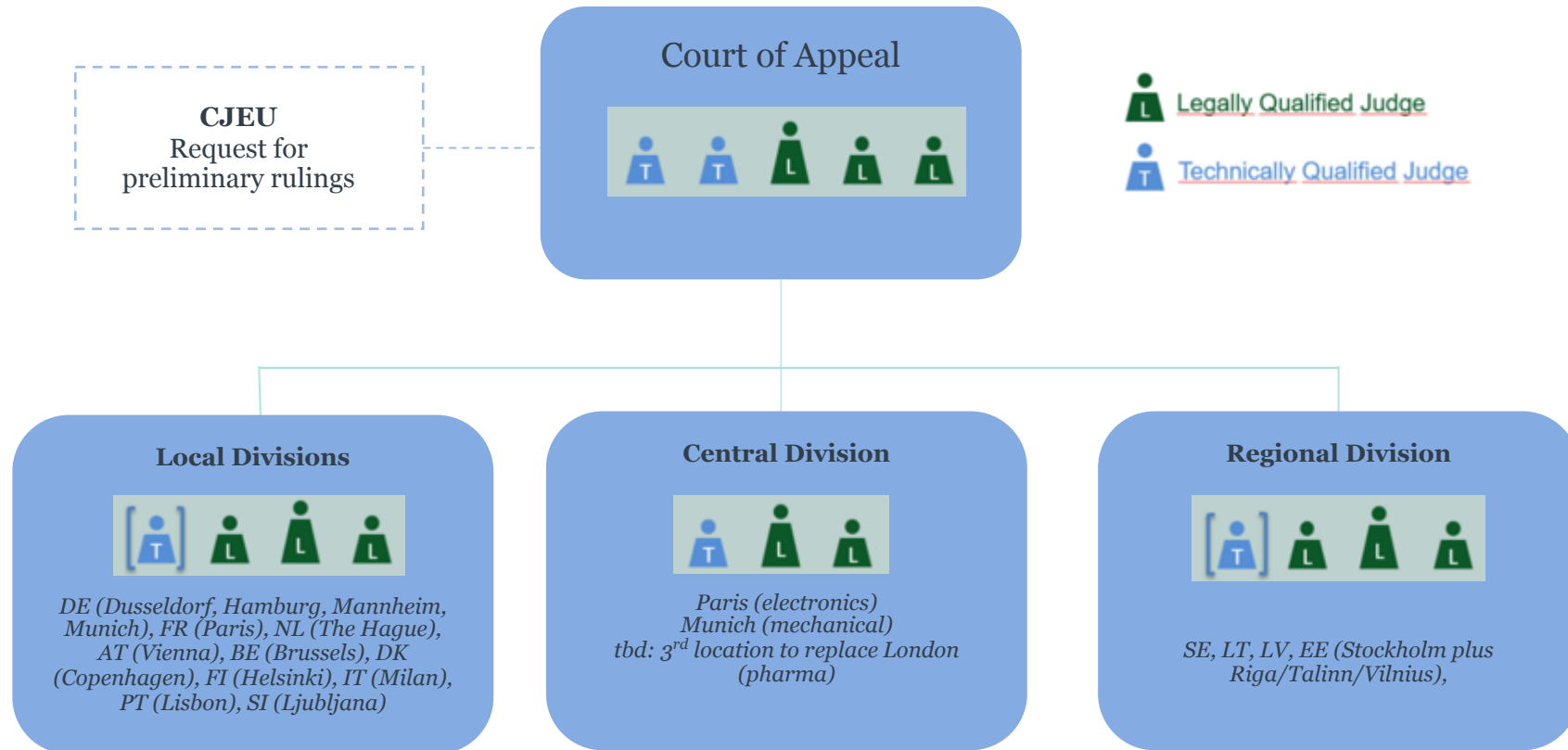


4

'Feel' of litigation in
UPC



'Feel' of UPC litigation



All the currently-ratified countries operate civil law systems.

5

Enforcement options within and outside UPC



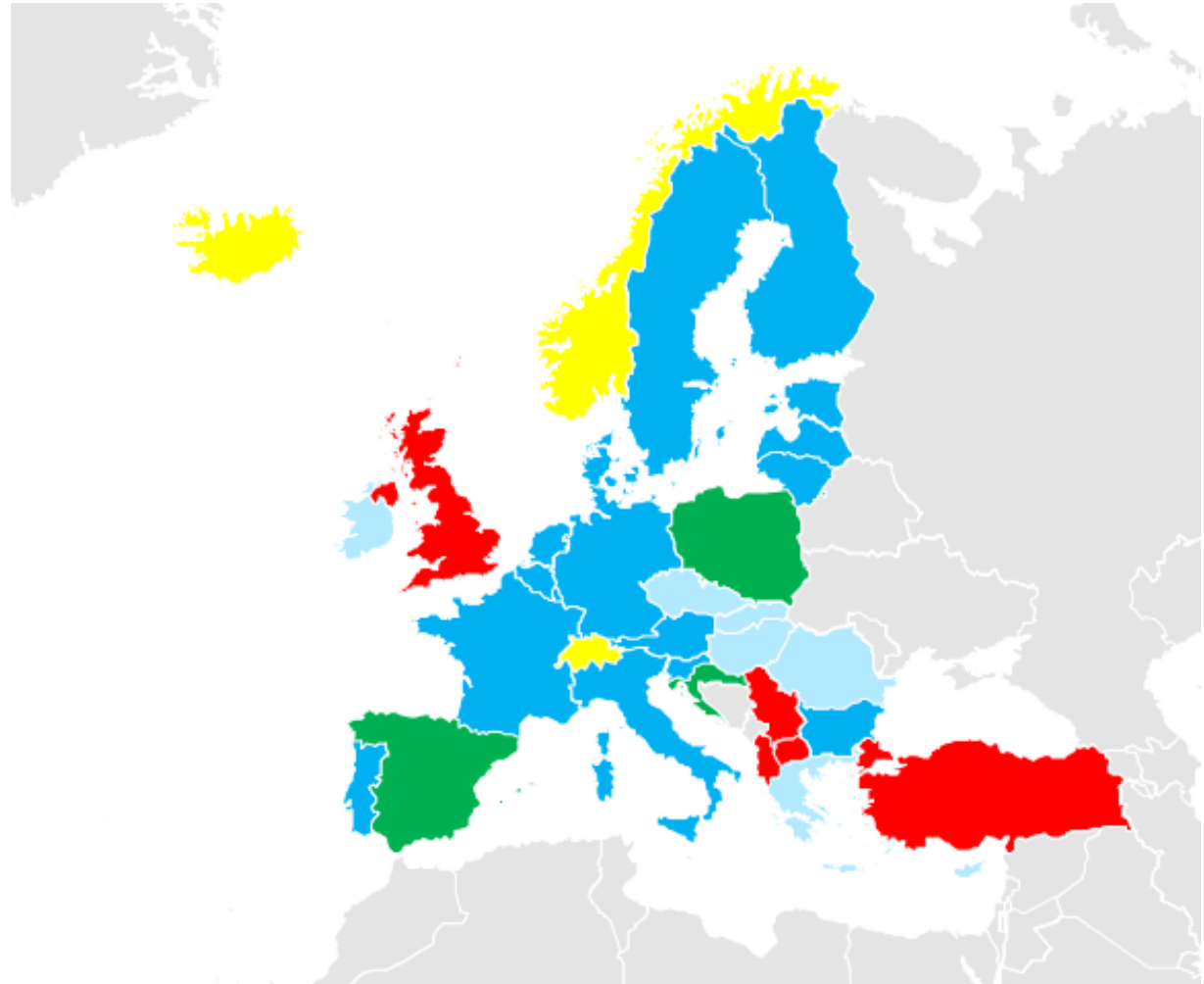
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6

Remedies



Remedies

Provisional remedies:

- Injunction
- Freezing order, seizure of goods or evidence

Final remedies

- Injunction
- Recall and destruction of goods
- Damages for infringement
- Declaration of non-infringement (DNI)

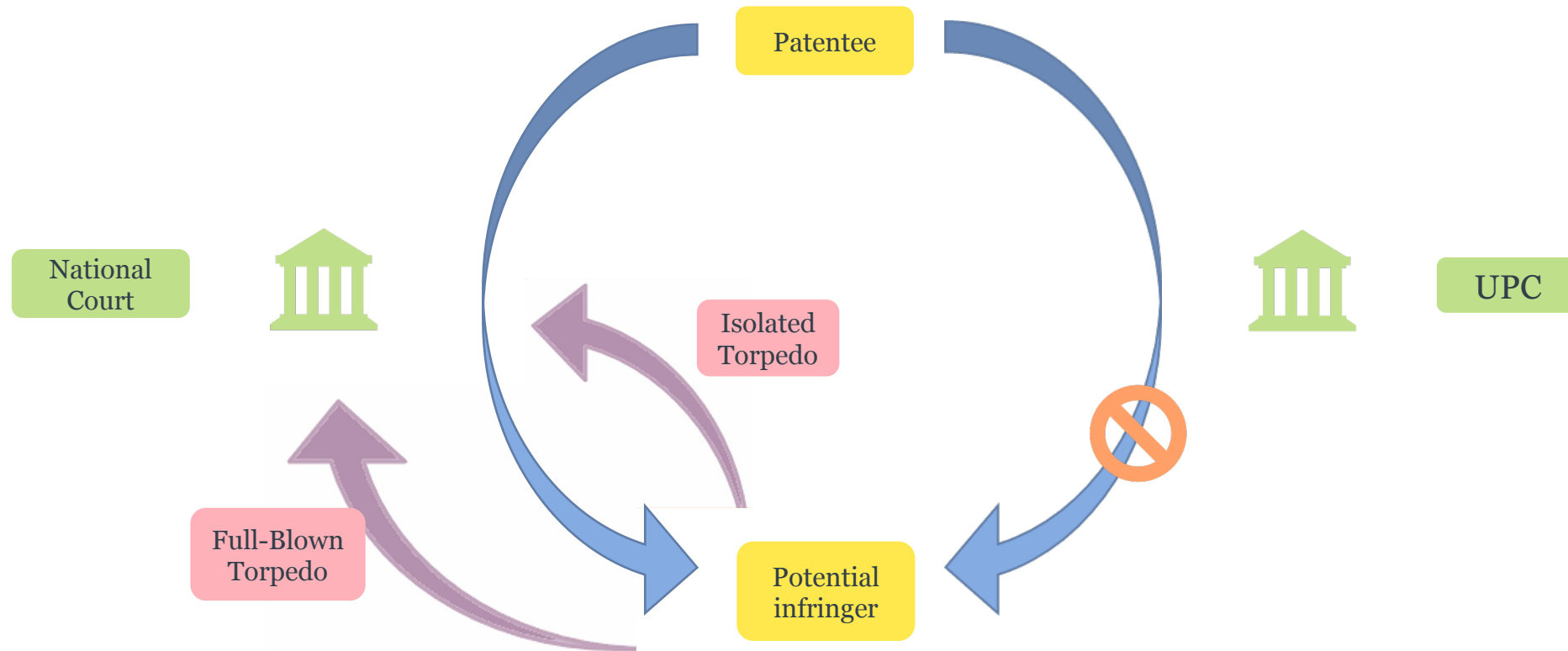
7

Tactics by infringers



Block or delay UPC action by filing a torpedo in a national court

- Where UPC and national courts have dual jurisdiction
- Apply for DNI in a national court
- If actions involves the *same parties* and *same cause of action*, the later seised court **must** stay
- If actions are so closely related that there is the risk of irreconcilable judgments, the later seised court **may** stay



9

Licensing in Europe



Licensing considerations

