

Europe's New Unitary Patent and Unified Patent Court – Impact on Patent Strategy, Litigation, and Licensing

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Boutique Touch
Global Reach



Soody Tronson, Managing Founder

Over 25 years of operational experience in technology, management, law, and advocacy, in start-up & fortune 100 companies, and non-profits

J.D., M.S. Industrial Chemistry

Licenses: California Bar, USPTO

California Lawyers Association: Member of the IP Executive Committee

**Palo Alto Area Bar Association, Board Member, Director
Startup Academy**

**Association for Women in Science (AWIS) Stem to Market
National Accelerator, Advisory Board Member**

AWIS Palo Alto Chapter, Member of Board of Directors

Northern California District Export Council: Member

LES Silicon Valley Chapter, Board Member and Former Chair

**City of Menlo Park, Commissioner & Chair, Finance & Audit
Committee**

California Arbitration Association: Founding Member

Defy Venture, Adviser, Pro Bono Partner

**The California Perinatal Equity Initiative (PEI), Santa Clara
County, Advisory Board Member**

Shoebox Ventures, General Counsel

**Silicon Valley Leadership Group, Member, Technology &
Innovation, Education, Health**

**General Counsel/VP of Intellectual Property, Avantec Vascular
IP Counsel at HellerEhrman, Townsend & Townsend, Hewlett-
Packard**

**Member of Technical Staff & Engineering Manager at Hewlett-
Packard Co., Schering-Plough Corp.**

IAM World Leading IP Strategist

**Co-Author, "Women Securing the Future with TIPPSS for IoT:
Trust, Identity, Privacy, Protection, Safety, Security for the
Internet of Things."**

Founder/CEO, Presque Medical

Co-Founder, HighNote Coffee

Founder/CEO, Salus Medical

Entrepreneur, Inventor, Investor

Founder/CMO: Golce e-commerce

Silicon Valley Business Journal, 100 Women of Influence

Lecturer, IP & Licensing: Stanford University

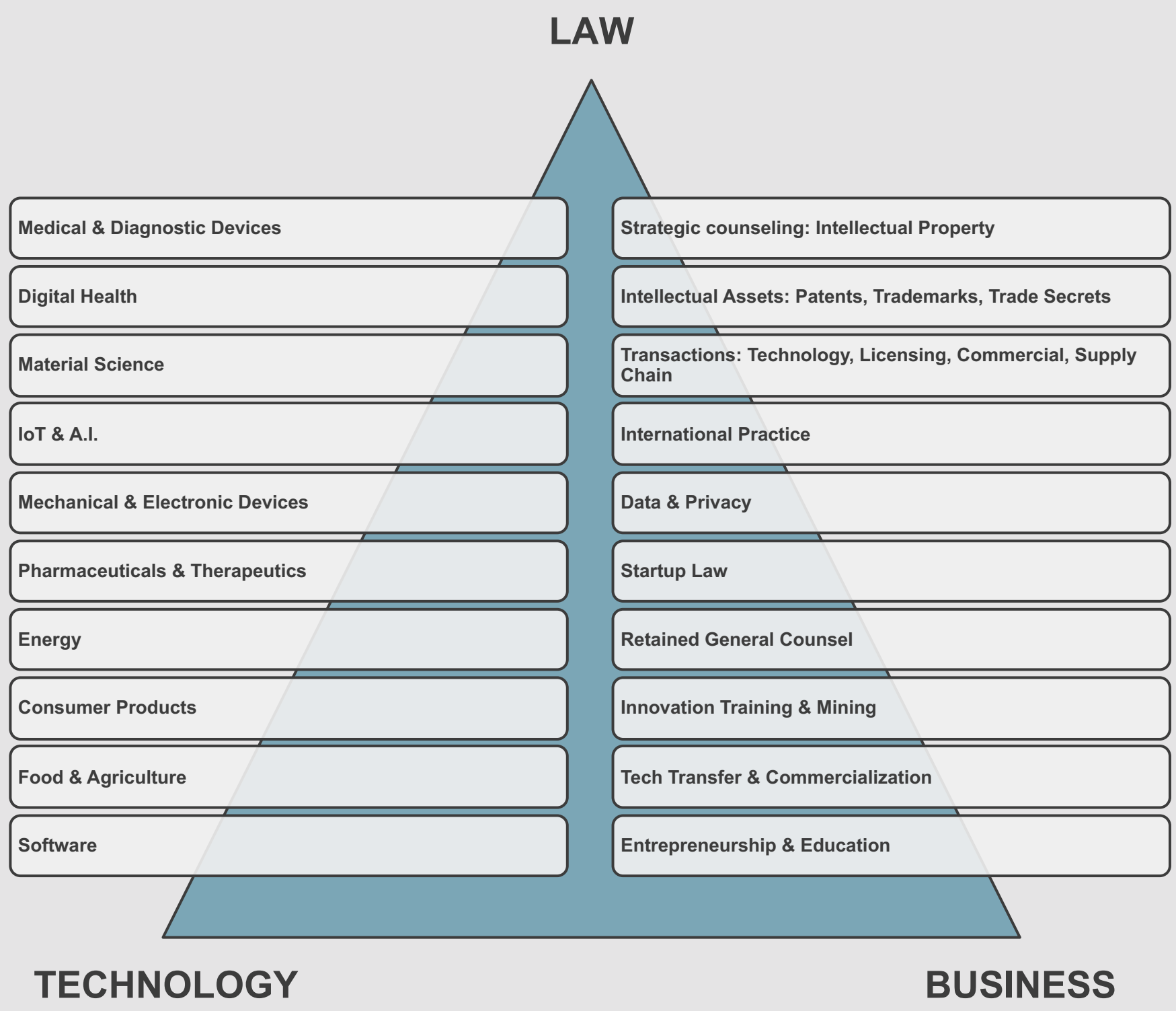
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We represent companies at all stages and work with founders, management, board, tech transfer offices, and in-house counsel to address challenges, create opportunities, and help move your organization forward.

We provide sound strategies from a lean perspective, utilizing our combined legal, technical, business, and operational experience, to be your trusted advisor and support you as you form and grow your ideas into successful businesses.

Our team is diverse, with breadth and depth of expertise in law, business, and technology, scaling based on your needs. Our team members have operational experience and have worked as members of technical staff and business managers in their careers.

**When it Comes to Law,
Operational Experience Matters**



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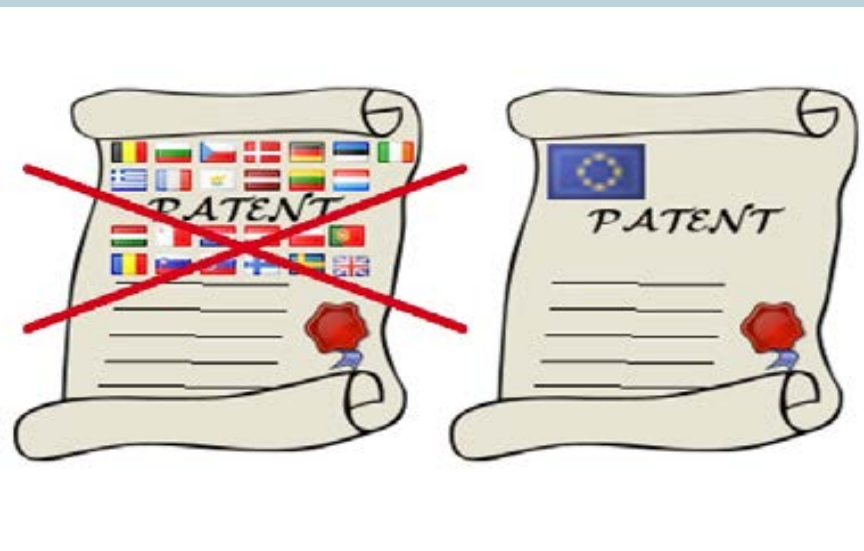


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EP → UP: Is it that simple?

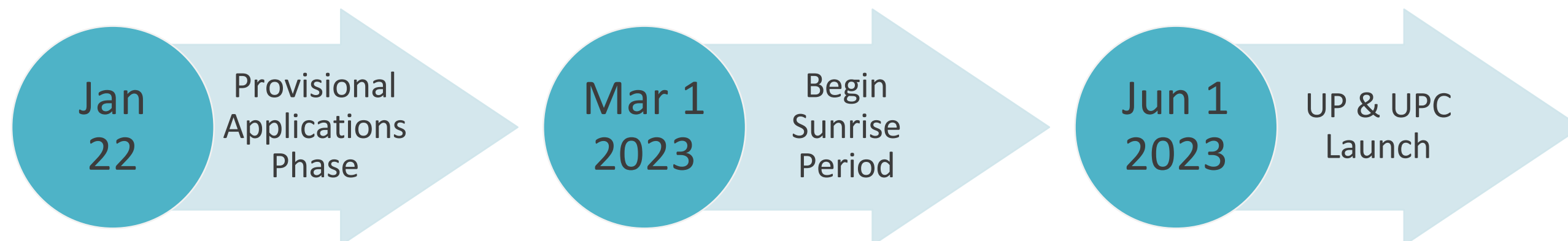
Current System

- Creates a "bundle" of national patents in **individual** countries.
- No central infringement proceedings.
- No central revocation proceedings after the EPO opposition period.
- Renewal fees payable in every validated state.

The EPO ≠ EU

New System

- Creates a single patent with “unitary” effect in **multiple EU** countries.
- The Unified Patent Court has **exclusive jurisdiction** over Unitary Patents and, by default, also has jurisdiction over all European Patents granted by the European Patent Office, including those that have already been granted.
- Unified Patent Court enables centralized infringement and validity proceedings.
- Single renewal fee payable for all participating countries.
- Unitary Patents can't be reduced so no savings on renewal fees in later years



Coverage of European Patents and those with Unitary Effect

EU 25 states participating in enhanced cooperation to bring about the Unitary Patent system.

Of the 25, EU 17 states in enhanced cooperation which already ratified the Agreements and will participate in the Unitary Patent when it starts.

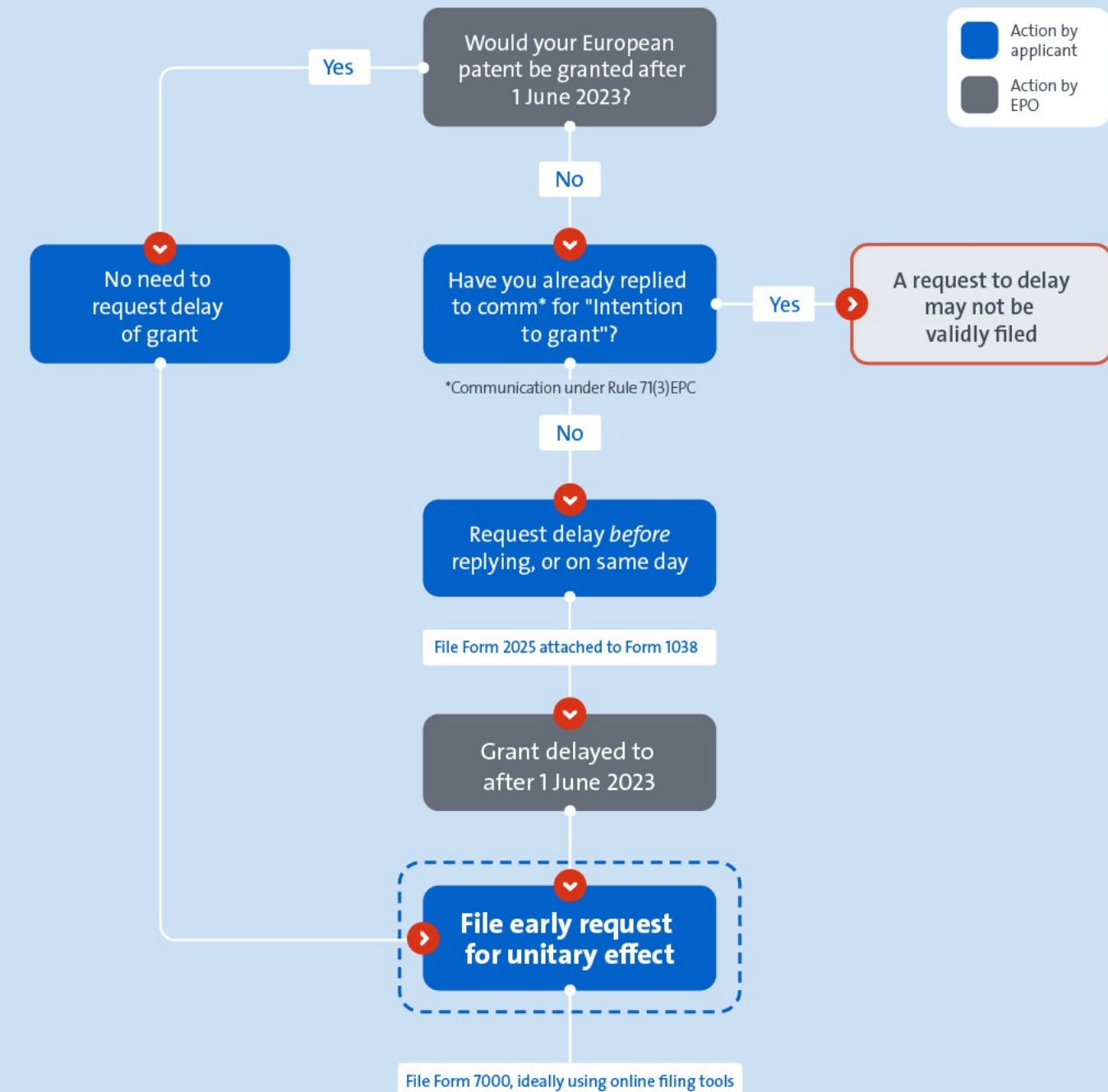
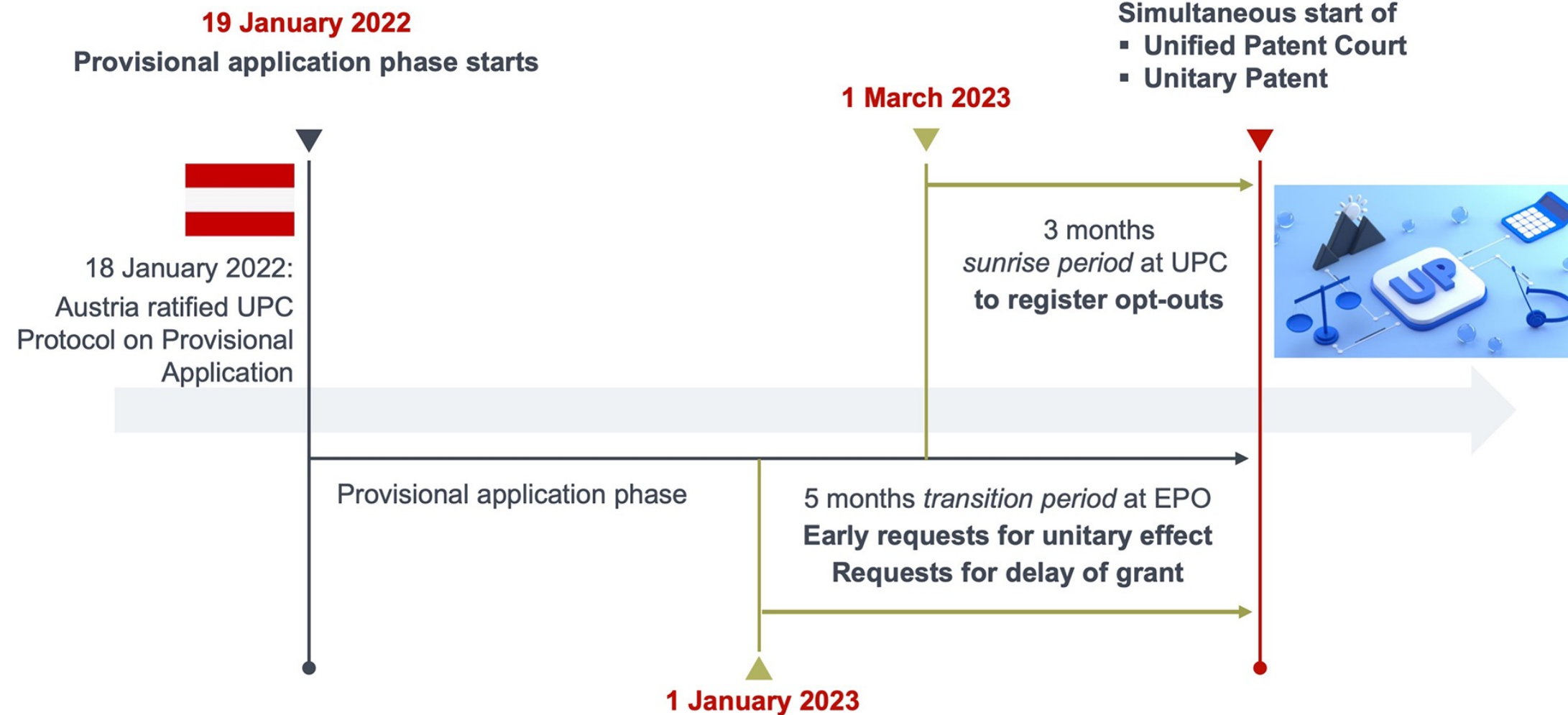
Other member states of the EPO

Non-European but EPO Validation and Extension States.

Members of Europe but neither EPO nor EU.



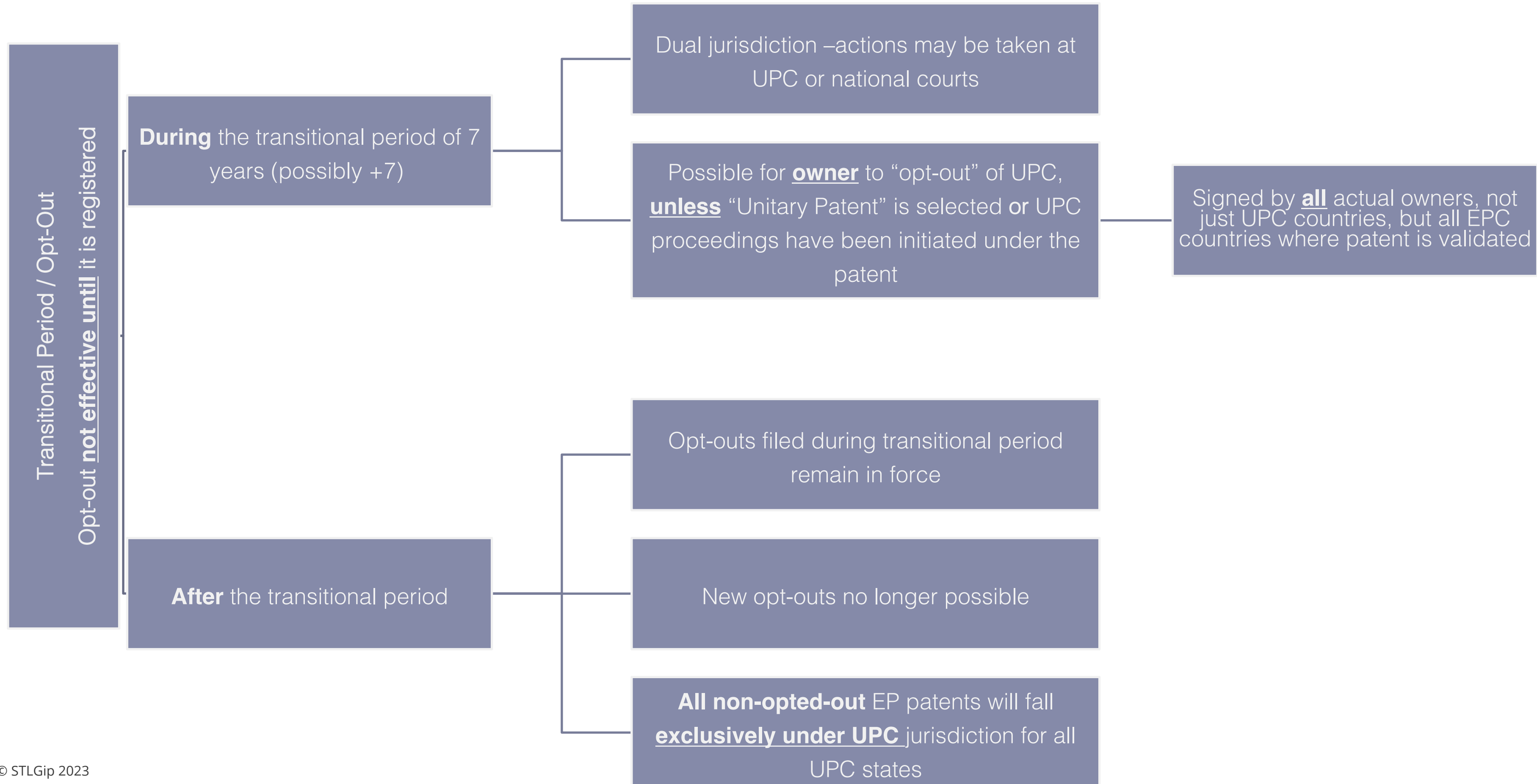
When will the new system start?



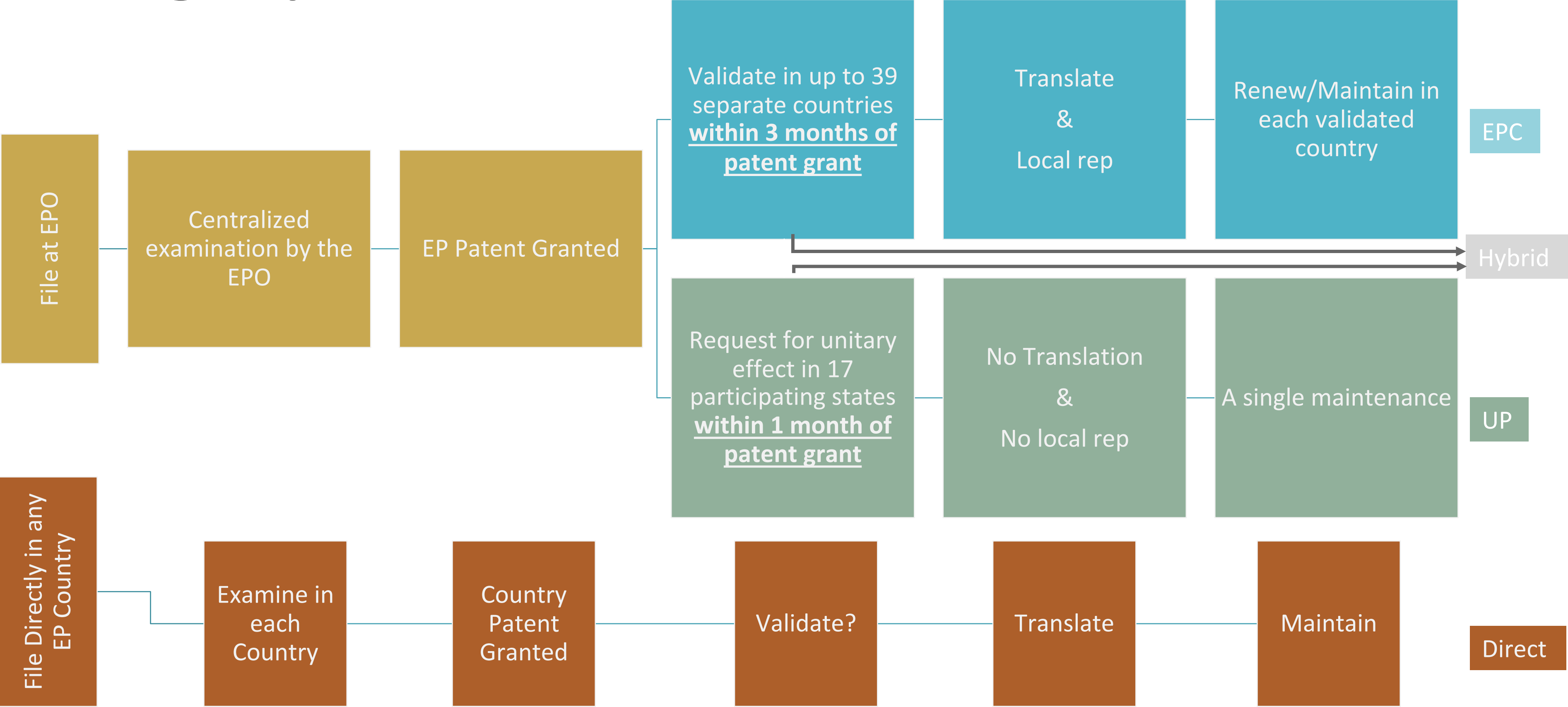
i Your European patent will have unitary effect in 17 EU countries. Validations in other countries can be made separately.

! If your European patent is already granted before 1 June 2023 it is not eligible to become a Unitary Patent.

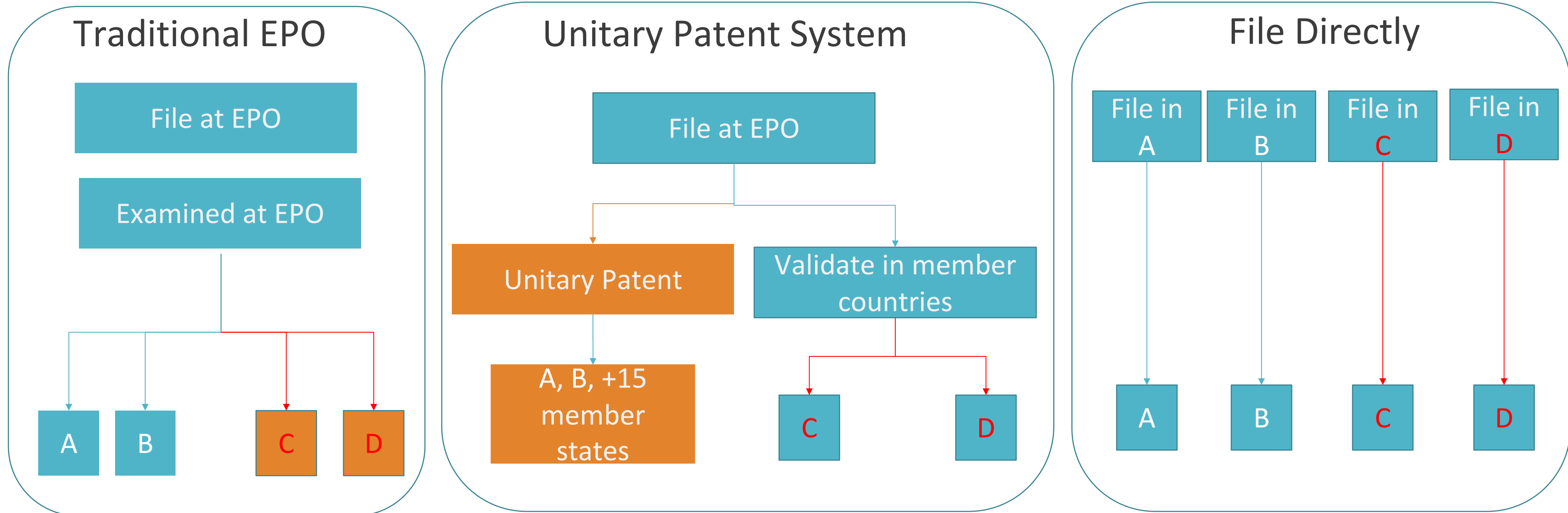
! A request for unitary effect will itself *not delay grant* if this is necessary, so request delay of grant separately.



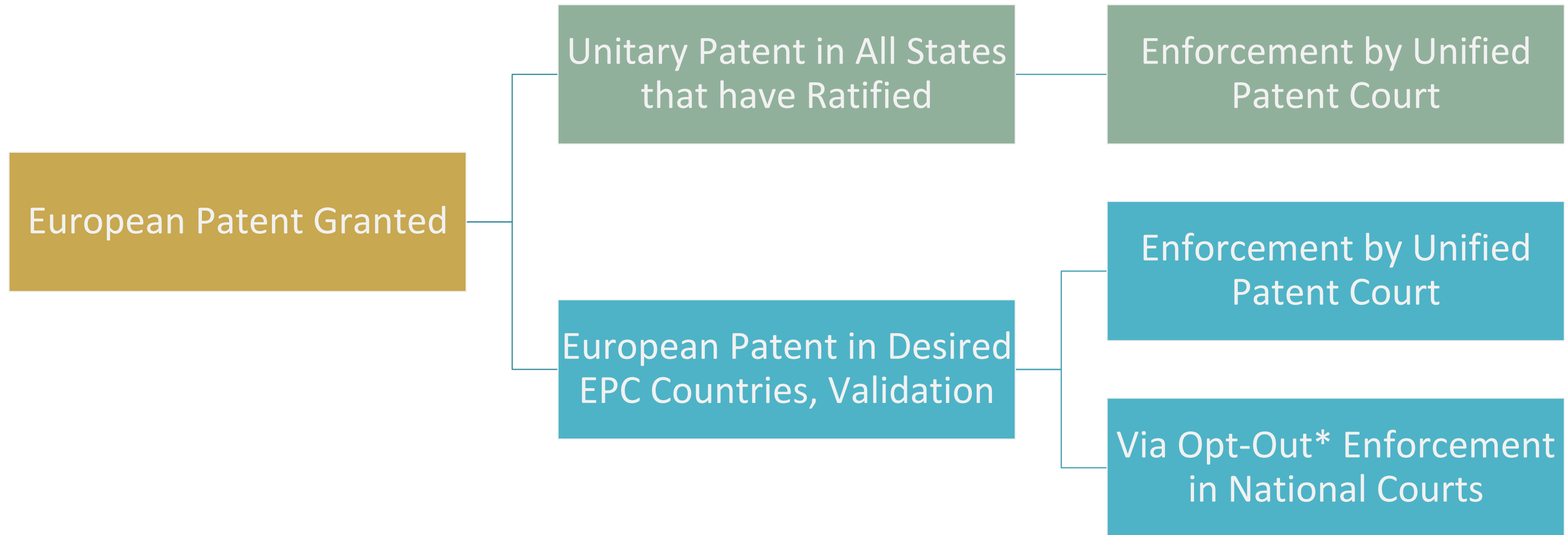
Filing Options



Filing Options e.g., Countries A, B (in UP) and C, D (not in UP) Exemplary Scenarios



Enforcement Options



* For a transitional period of at least 7 years.

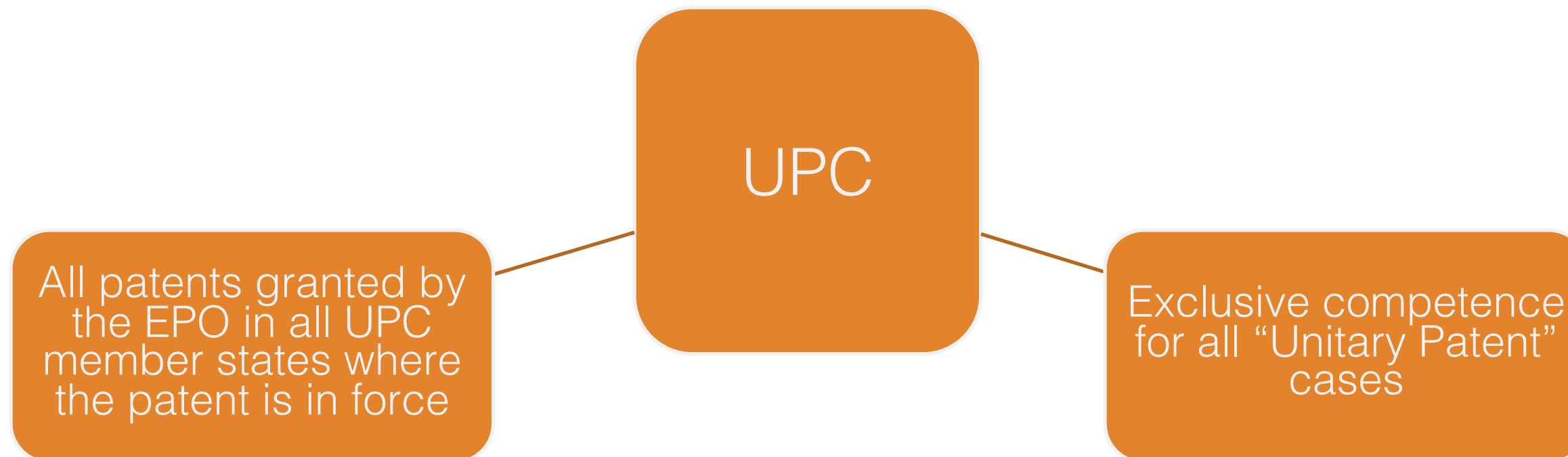
EPO Opposition vs. UPC Revocation

EPO Opposition	UPC Revocation Action
Up to 9 months after grant	Lifetime of patent
Revocation of entire EP patent (up to 44 states)	Revocation only in UPC states (currently 17)
Validity only	Counterclaim for infringement possible
Grounds: eligibility, novelty, inventive step, sufficiency, added matter Costs ~\$10-100k except complex	Grounds: same as opposition + entitlement, national prior rights Costs ~\$100k-1M



- Injunctions & other provisional and/or permanent measures along with appropriate damages with respect to all territories where the UP has effect
- Covers a large territory
- Maintenance of is less expensive
- Preliminary measures apply across whole territory of UPC
- Remedies apply across whole territory of UPC

- Risk of a central revocation attack
- Infringement Action in a single court with impact in all territories where the UP has effect
- National litigation not possible for UP
- Unitary Patents can't be reduced so no savings on renewal fees in later years



Scenario #1 – DE, FR, GB, IT

EPC

No validation costs in DE, FR, GB
Validation in Italy: ~ \$1.5
Maintenance for years 5-9: ~ \$3.5
TOTAL: ~ \$5K

17 Unitary States + translation to another official language: ~ \$1.5 USD
No validation costs in GB
Maintenance for years 5-9: ~ \$4K
TOTAL: ~ \$5.5K

COSTS

No validation costs in DE, FR, GB, CH
Validation in other c.: ~ \$8K
Maintenance for years 5-9: ~ \$9K
TOTAL: ~ \$17K

17 Unitary States + translation to another official language: ~ \$1.5
Validations in ES, PL: ~ \$3K
Maintenance for years 5-9: ~ \$5.3K
TOTAL: ~ \$8.3K

UP

Scenario #2 – DE, FR, *GB*, IT, CH, AT, NL, *ES*, SE, *PL*

To Remain or Opt Out?

Opt Out



Withdraw
Opt Out
(only once and as long as national proceedings have not been started)

Unified Patent Court
(central invalidity attack)

National courts of
participating countries

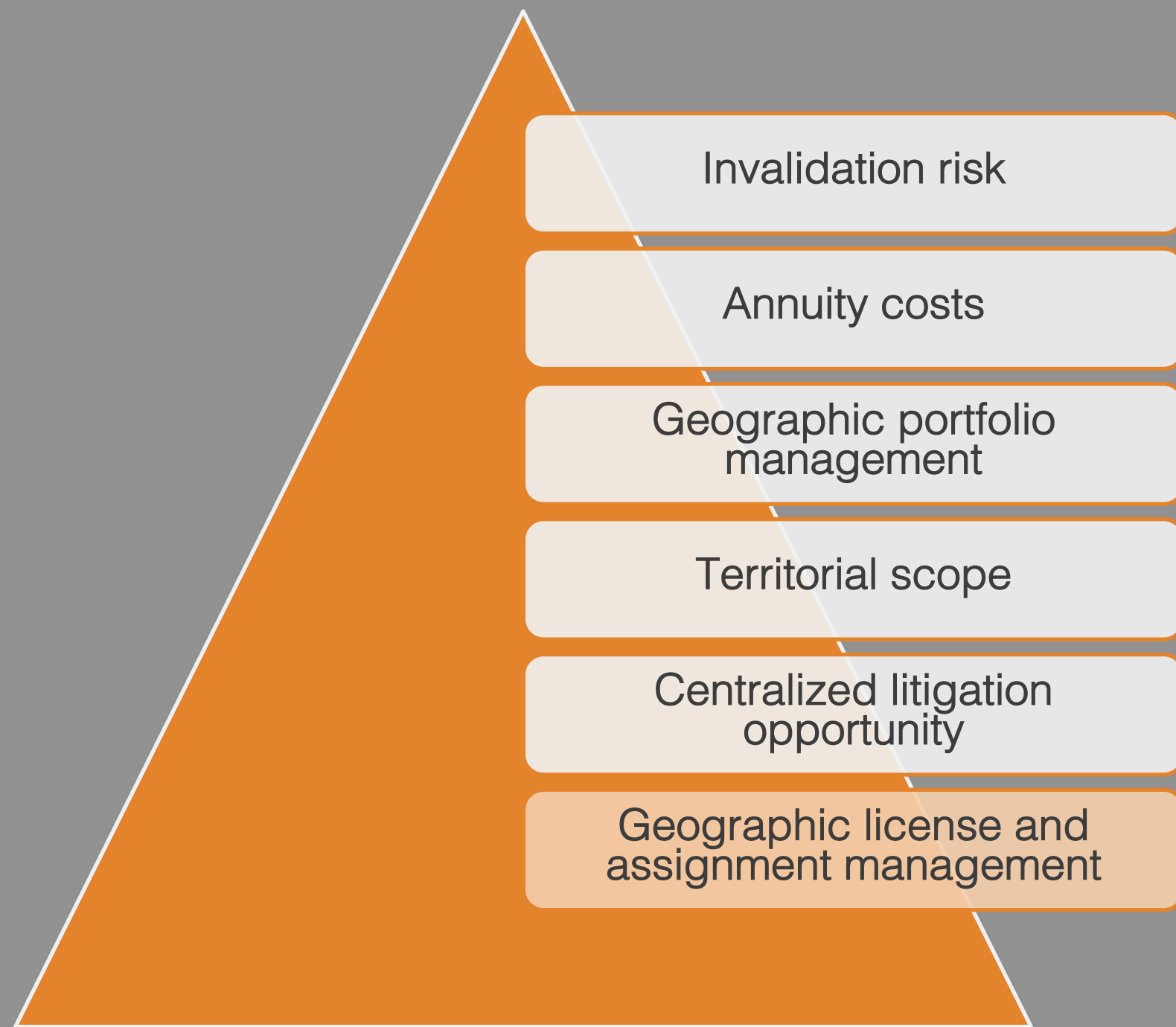
TO OPT OUT
OR
NOT OPT
OUT



YES

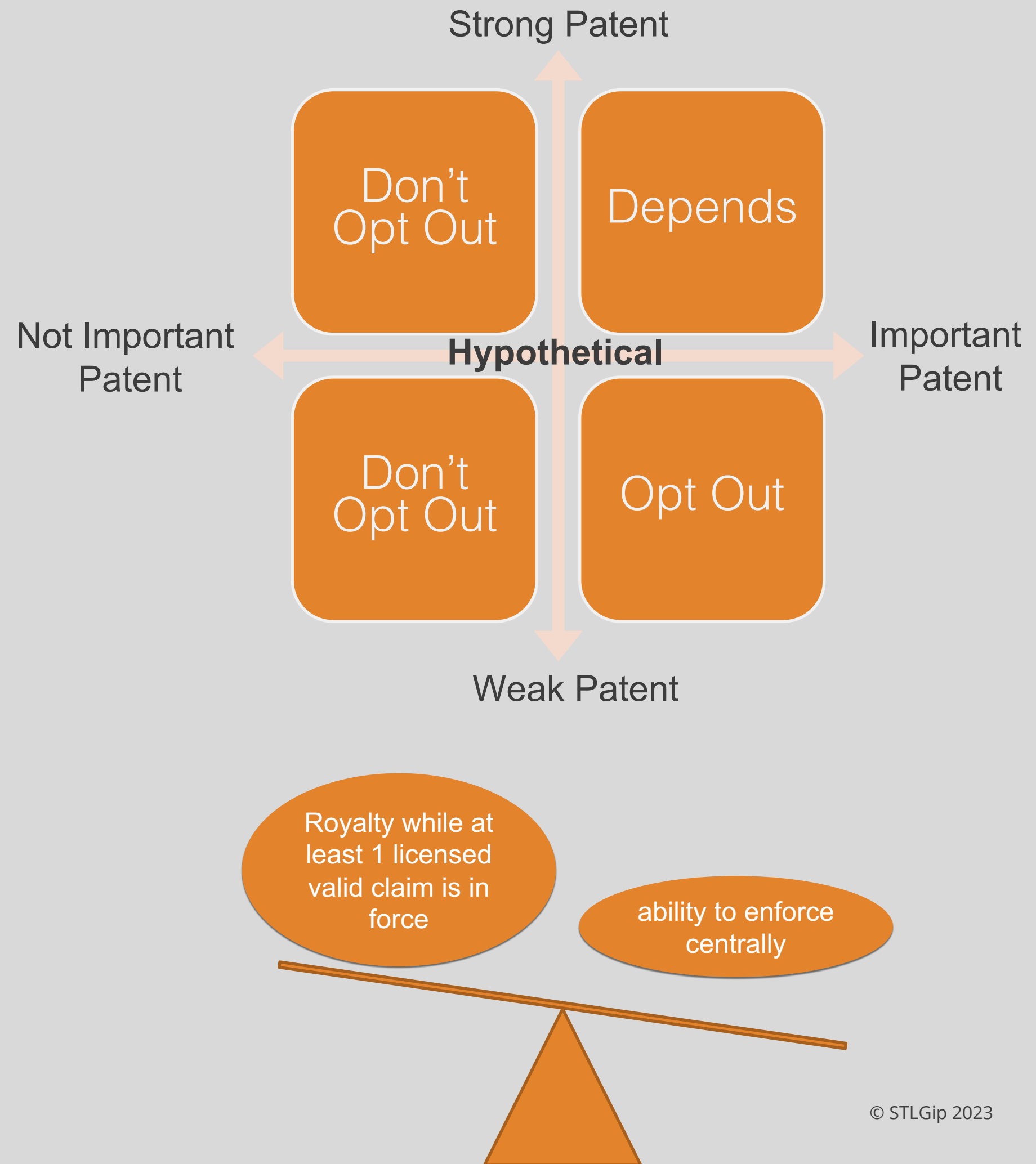
NO

Factors to Consider: UP v. EPC



Consider filing separate national applications in important States

For important cases, file at EPO and also directly in some national offices



Key Licensing Provisions

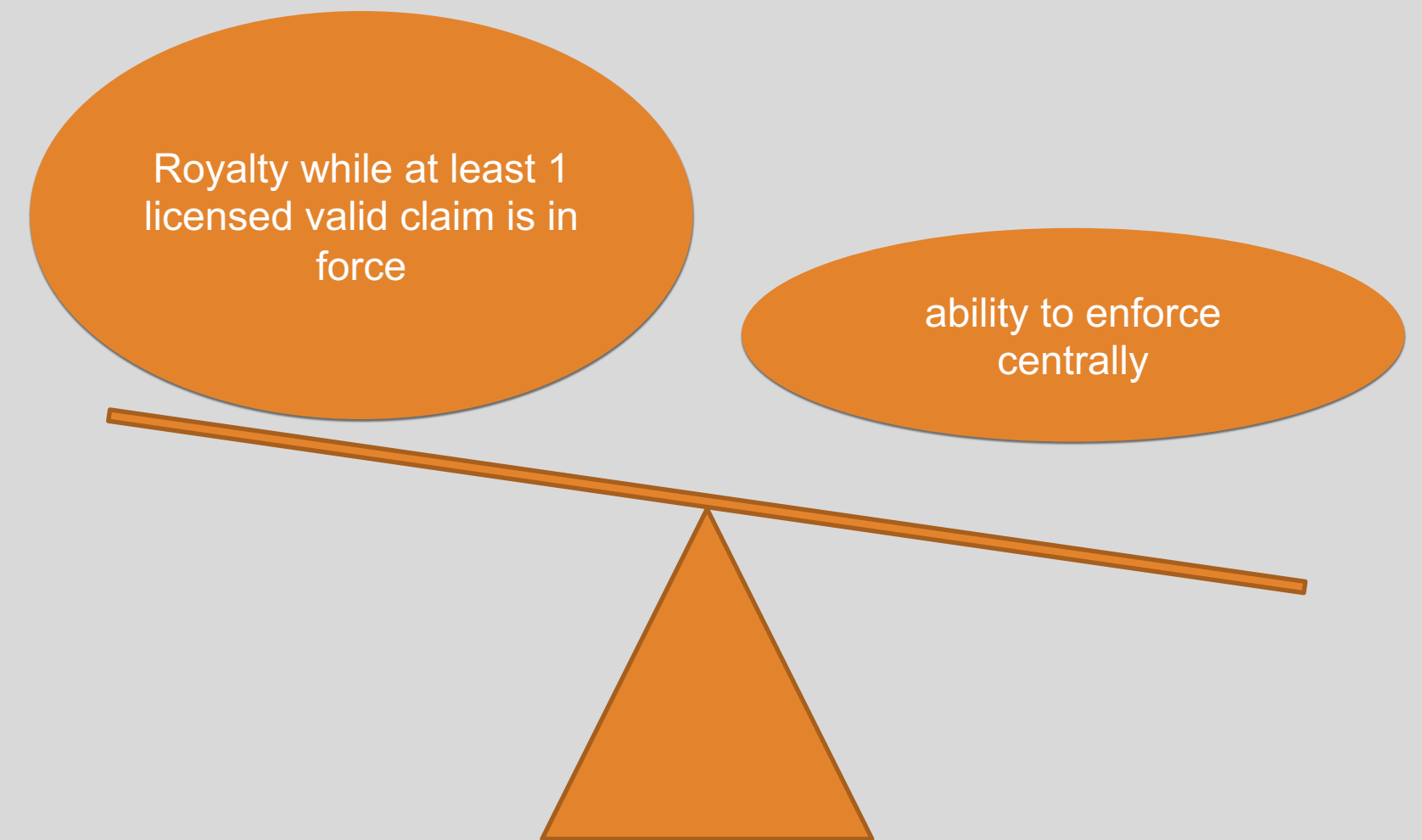


Opt In or Opt Out

If licenses have been granted, opt-out maybe preferred if a royalty must be paid while at least one licensed patent is in force.

Avoiding central revocation may be more valuable than the ability to enforce centrally.

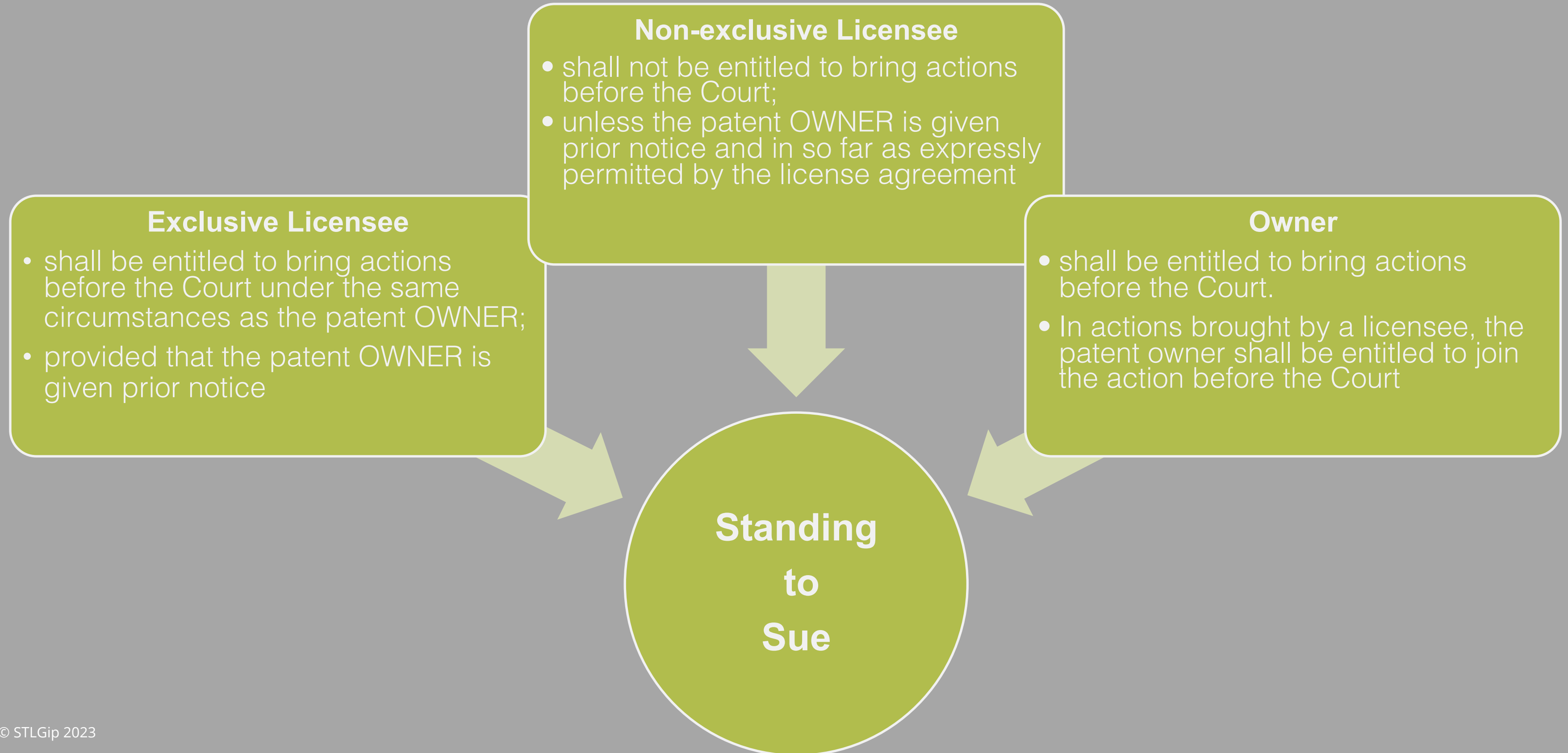
Once litigation before either the UPC or a national court has started, the forum is locked-in for the rest of the patent's life.



Only the OWNER(s) can opt out, not licensees (exclusive or otherwise)

Standing to Sue (Art. 47 UPCA)

Absent written agreement to the contrary ...



Assignment/License of UP

(7 REG. (EU) No 1257/2012)

Assignment

- While a conventional European Patent can be assigned in one or more member state, a UP can only be limited, transferred, revoked, or lapse, in respect of all participating Member States.

License

- UP can be licensed in whole or part of the territories of the participating Member States.

How to Treat Existing European Patent Applications

already filed

Convert the patent application upon grant into a Unitary Patent?

Remain a European patent?

Opt out from the jurisdiction of the UPC?

Do not opt out from the jurisdiction of the UPC?

An opt-out requires a joint application by all co-owners of all EPC states where the patent was granted

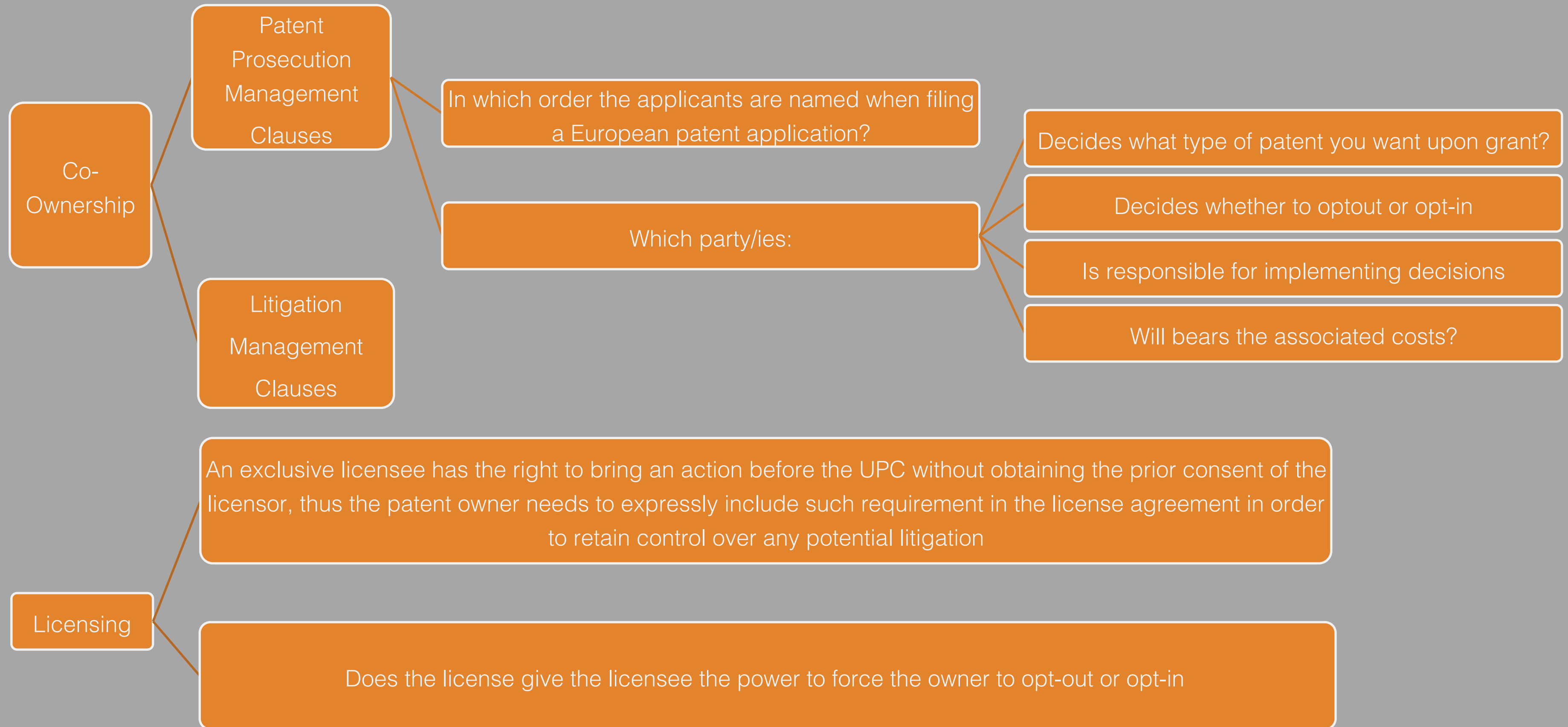
Opt-out not effective until it is registered

File all opt-out requests as early as possible, preferably before the end of the sunrise period

Does the license give the licensee the power to force the owner to opt-out/opt indecisions?

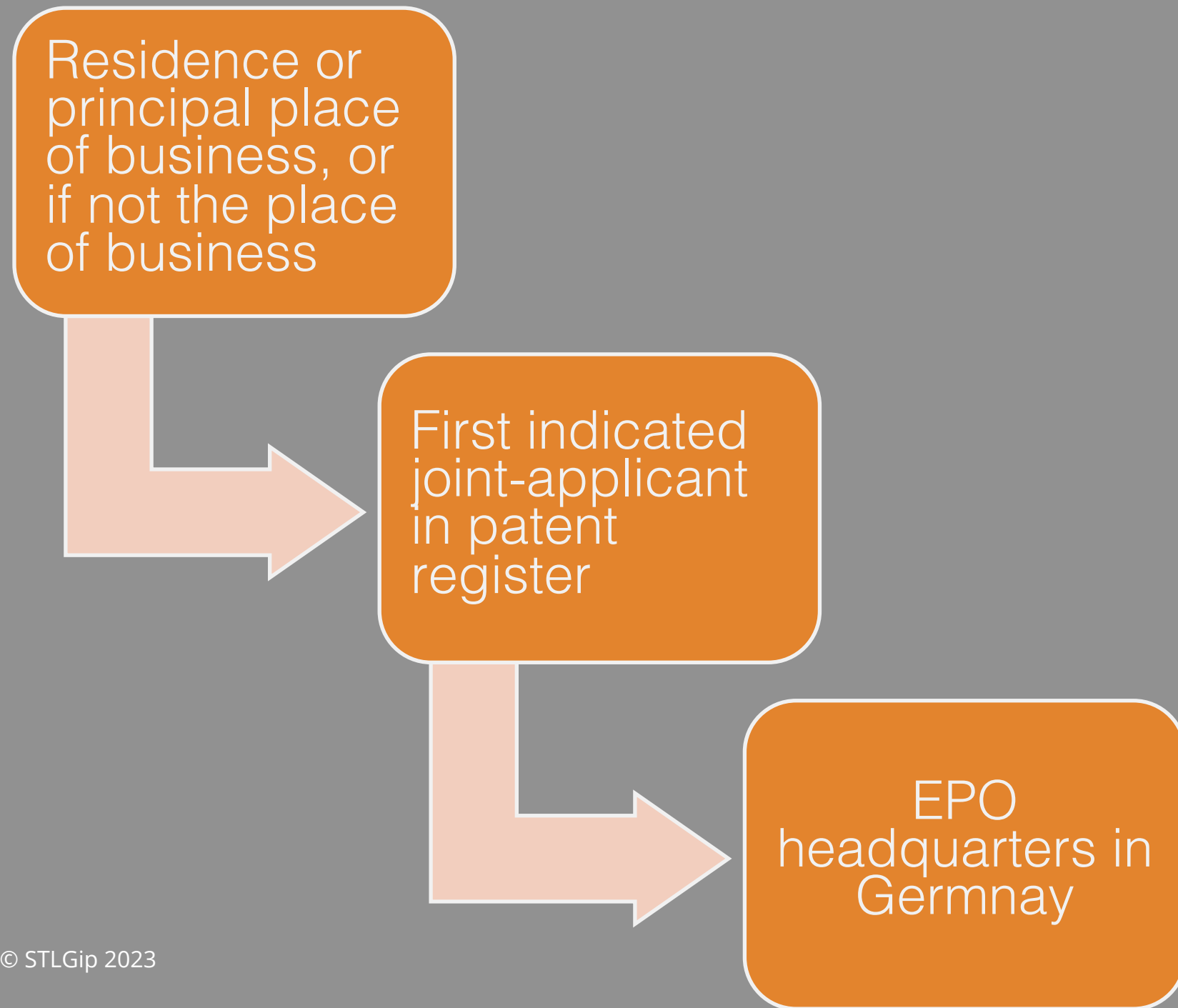
The order of the co-owners cannot be changed

How to Treat Future European Patent Applications





The Unitary Patent as an Object of Property (ART. 7 REGULATION (EU) No 1257/2012)



Order of co-applicants listed in patent applications.
will determine what laws are applicable to any
resulting Unitary Patent “as an item of property”



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