Substantive law of Unitary Patents before the EU’s Unified Patent Court

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Establishment of the Unified Patent Court

- Unified Patent Court ("UPC") coming soon (2016?) - pending treaty ratification by participating EU countries
  - Established by UPC Agreement among participating EU countries via ‘enhanced cooperation’ mechanism
  - Will largely consolidate EU patent litigation (‘one-stop shop’)
  - UPC decisions will have wide effect (within all participating EU countries)

- UPC is linked to the EU’s establishment of the ‘unitary patent’
  - Unitary patents authorized by Regulation 1257/2012 [“Unitary Patent Regulation” or “UPR”] – valid in all EU countries except Spain and Italy
  - European Patent Office (EPO) grant process unaffected
    - Upon grant by EPO, patent holder may apply for ‘unitary effect’ throughout territories of participating EU countries
    - Unitary patent will substantially reduce fees and translation costs
A new form of EU substantive patent law

- New EU Unitary Patent will create (almost) uniform substantive patent law throughout most of EU territory

- Unitary Patent Regulation [“UPR”]
  - UPR Article 5(2) provides for uniform scope of rights in participating EU counties
  - UPR Article 7 identifies the appropriate ‘national law’ to govern each Unitary Patent ‘as an object of property’
    - According to the law of the participating EU country in which the applicant has principal place of business
    - Failing this, according to the law of the participating EU country in which the applicant has a place of business
    - Failing this, German law
  - UPR Article 5(3) indicates scope of protection (that is, the uniform rights shall be defined by that national law indicated by UPR Article 7

- A Unified Patent issued to a Chinese applicant with no place of business in a participating EU country will be governed by German law
UPC Agreement Article 24

- UPC Agreement Article 24(1) provides for cascade of sources of law to be applied by Unified Patent Court
  - EU law (including the UPR – which points to an appropriate national law)
  - Provisions of the UPC Agreement
  - 1973 European Patent Agreement (as amended)
  - ‘other’ international patent agreements (TRIPS, Paris Convention)
  - National law

- UPC Agreement Article 24(2) indicates which national law governs (“private international law rules”)
EU substantive patent law

- EU law enjoys primacy by UPC Agreement Article 20
  - UPC must apply EU law ‘in its entirety’
    - Includes UPR (which directs application of appropriate national law to Unitary Patents)
  - Matters of EU law are subject to CJEU oversight
- There is no general EU patent directive or regulation defining substantive patent rights
  - In the absence of EU patent legislation, competency over substantive patent law remains vested in EU countries
- Pockets of specialized EU patent law
  - Supplementary protection certificates for patented pharmaceuticals
  - Patentability of biotechnological inventions
UPC Agreement Provisions

- UPC Articles 25-30 set out substantive provisions for infringement purposes
  - Article 25 – rights to prevent direct uses of patented invention
  - Article 26 – rights to prevent indirect uses of patented invention
  - Article 27 – limitations of rights (e.g. experimental uses)
  - Article 28 – prior use rights
  - Article 29 – exhaustion of rights
  - Article 30 – effect of supplemental protection certificates

- UPC provisions escape CJEU oversight
- UPC substantive provisions lack specificity found in national patent law
1973 European Patent Convention

- UPC Agreement refers to the Convention as a source of law – presumably only the Convention text, not including invalidity decisions taken by European Patent Office Boards of Appeal.
- EPC provides little substantive coverage
  - EPC Article 64 defers determination of rights to national laws.
- ‘Extent of protection’ under EPC Article 69
  - Clarified by Protocol on the interpretation of Article 69
  - May or may not impose a doctrine of equivalents.
“Other” international patent agreements

- **TRIPS / WTO**
  - Incorporates and expands on substantive elements found in Paris Convention
  - Potential source for CJEU supervision of UPC substantive decisions
- Patent Cooperation Treaty
- Paris Convention