Three (3) Important Facts, Five (5) Myths, and Ten (10) Potential Pitfalls to Remember

A joint talk with Craige Thompson
by Martin Schweiger

March 03, 2023

About the Talk

Since the 70ies of the last century, there have been efforts to create a uniform European patent that could replace all national patents.

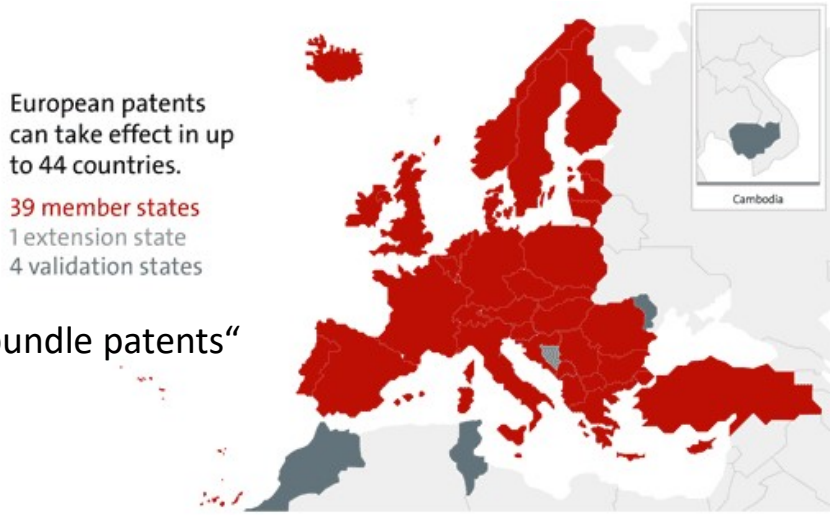
Now, only 50 years later, there is a “Unitary Patent Package” at reach, a combination of the Unitary Patent regulations and an Agreement on the Unified Patent Court (UPC).

That package created the “UPC Land”.

The UPC/UP system is said to start on June 1, 2023

About Martin Schweiger

- European, German & Singapore Patent Attorney
- in the patent business since 1993
- expert for patenting computer algorithms
- gearbox aficionado
- founder of Schweiger & Partners

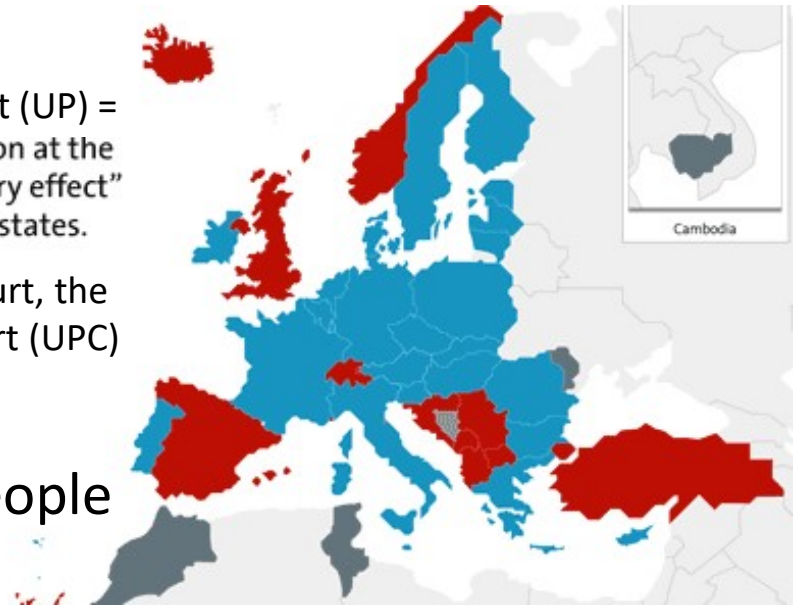


„bundle patents“

EP: 700 Mio People

Unitary Patent (UP) =
a single validation at the
EPO with “unitary effect”
will cover many states.

With one single court, the
Unified Patent Court (UPC)



UPC Land: 295 Mio People

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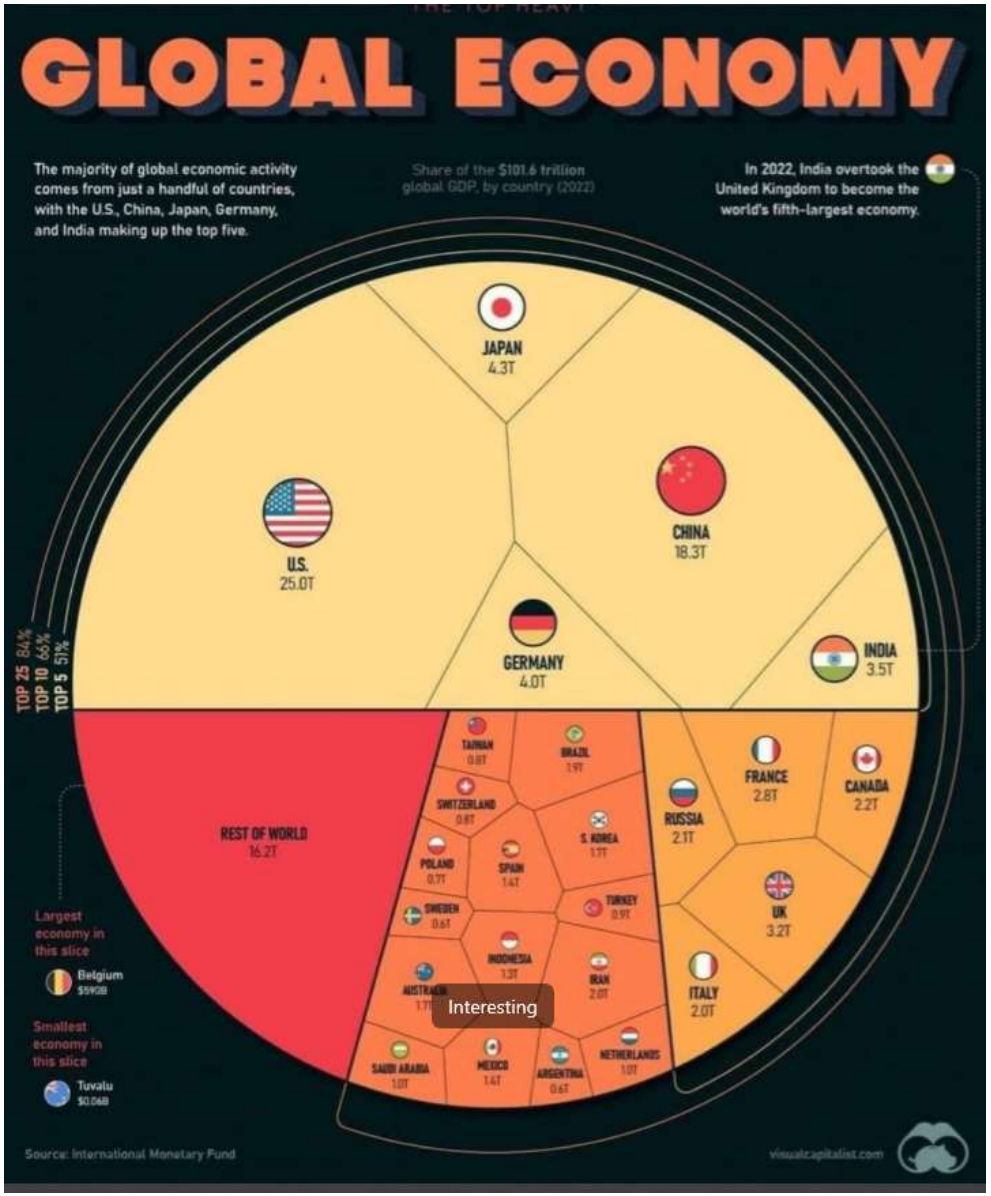

UPC land is the third largest economy in the World, after US and China, and UPC land is still growing:

Country Code	GDP in Trillion US$
US	21.4
CN	14.3
UP	13.4
JP	5.1
DE	3.8
IN	2.9
(UK	2.8)

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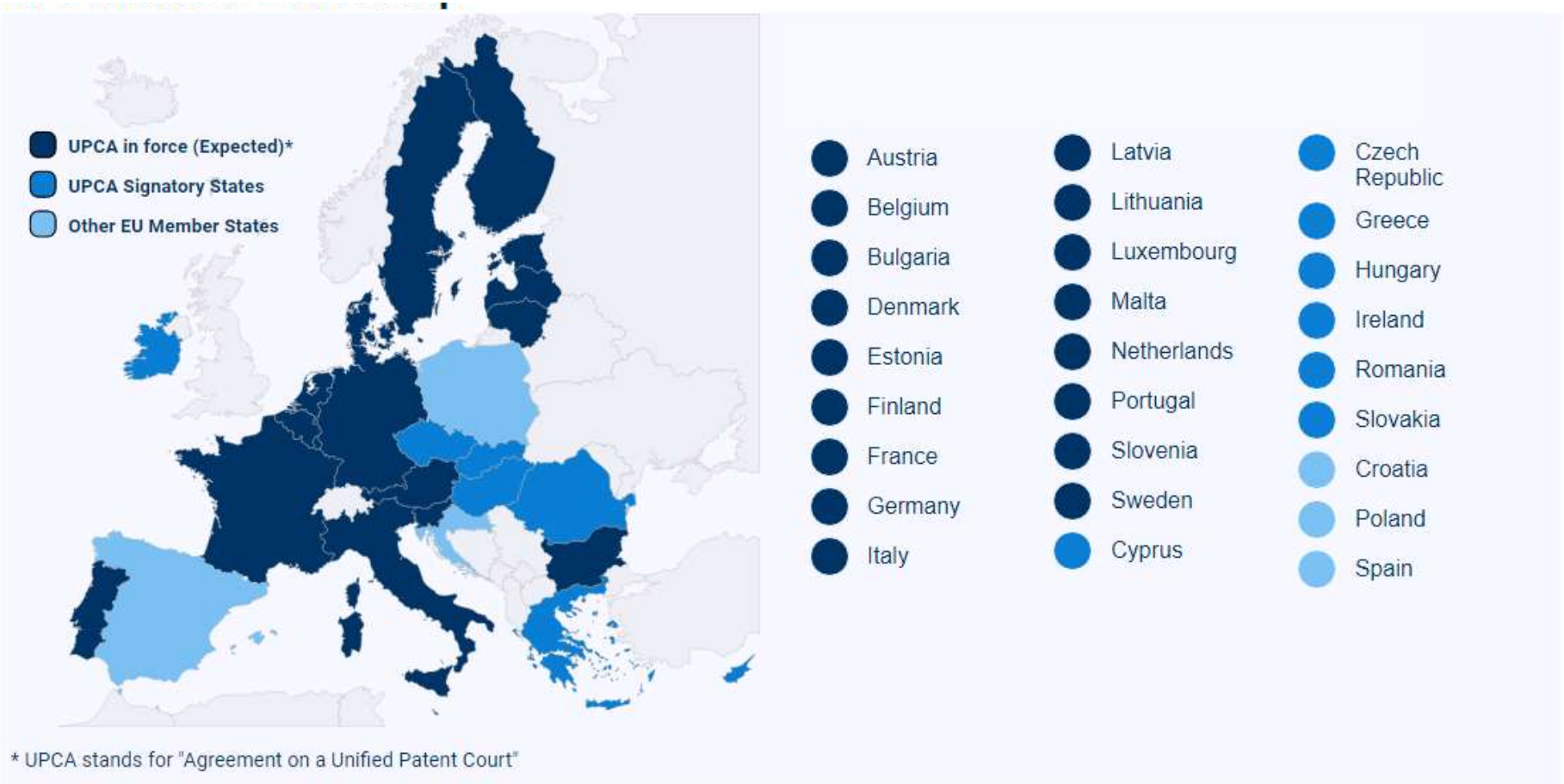
UPC Land States map



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Is the UK in the UPC?

- No. The UPC is only open to participation by EU member states. Participation further requires UPCA ratification.

  The UK was an EU member state and ratified the UPC agreement on April 26, 2018. However, at the time of leaving the EU in 2020 "Brexit", the UK also withdrew its UPCA ratification.

- Fun fact: Article 7 (2) UPCA still defines London as a section of UPC's Central Division. Milano (IT) is currently the most likely replacement candidate.

- Can the UK rejoin the UPC?

UK joining the UPC would be easy if:

1. UK (re)joins the EU
2. UK ratifies the UPC agreement (one more time).

European Filing Strategies

	2021				UPC	EP		UPC	EP		UPC	EP
Germany	4,223,116	0.18	0.18		1	1		1	1		1	1
United Kingdom	3,186,860	0.13	0.31		0	1		0	1		0	1
France	2,937,473	0.12	0.43		1	1		1	1		1	1
Italy	2,107,703	0.09	0.52		1	1		1	1		1	1
Russia	1,775,800	0.07	0.60					0	0		0	0
Spain	1,425,277	0.06	0.66					0	1		0	1
Netherlands	1,018,007	0.04	0.70								1	1
Turkey	815,272	0.03	0.73								0	1
Switzerland	812,867	0.03	0.77								0	1
Poland	674,048	0.03	0.80								0	1
Sweden	627,438	0.03	0.82								1	1
Belgium	599,879	0.03	0.85								1	1
Ireland	498,560	0.02	0.87								0	1
Norway	482,437				3	4		3	5		6	12
Austria	477,083											
Denmark	397,104											
Romania	284,088											
Czech Republic	282,341											
Finland	299,155											
Portugal	249,887											
Greece	216,241											
Ukraine	200,086											
Hungary	182,281											
Slovakia	114,871											
Bulgaria	80,271											
Luxembourg	86,711											
Belarus	68,219											
Croatia	67,838											
Lithuania	65,504											
Serbia	63,068											
Slovenia	61,526											
Latvia	38,873											
Estonia	36,263											
Iceland	25,459											
Georgia	18,700											
Bosnia and Herzegovina	22,572											
Albania	18,260											
Malta	17,190											
North Macedonia	13,879											
Moldova	13,679											
Kosovo	9,007											
Liechtenstein	6,114											
Monaco	8,596											
Montenegro	5,809											
Andorra	3,330											
San Marino	1,545											
	24,622,308	23,807,036										

46 countries

Total GDP larger than the US GDP

Not unified

Wars „ongoing“ or „just over“ in 4 countries (red color)

Zoom In: Where to File to Get 50% coverage

—	2021				UPC	EP		UPC	EP		UPC	EP
Germany	4,223,116	0.18	0.18		1	1		1	1		1	1
United Kingdom	3,186,860	0.13	0.31		0	1		0	1		0	1
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Austria	477,083											

UP alone: 53% coverage

EP (DE, UK, FR, IT): 52% coverage + translation in Italian

UP + EP(UK): 66% coverage and no translations

UP + EP(UK, CH, IE): 71% coverage and no translations

these options are all available on one and the same EPO form

Yes, you can have up to three (3) parallel patents in one and the same country, for an identical subject matter

Example Germany (DE)

- National DE Patent
- „Bundle“ EP/DE Patent OR Unitary Patent
- Utility Model („little/petty patent“)

In order to obtain a UP, file a conventional application for a European Patent. No separate or different application is required. The decision of whether or not to obtain a UP will be made at the time of grant of a European Patent.

No, you cannot add EU countries to your UP if they ratify after your UP is granted.

Sunrise Period Has Started on March 1, 2023

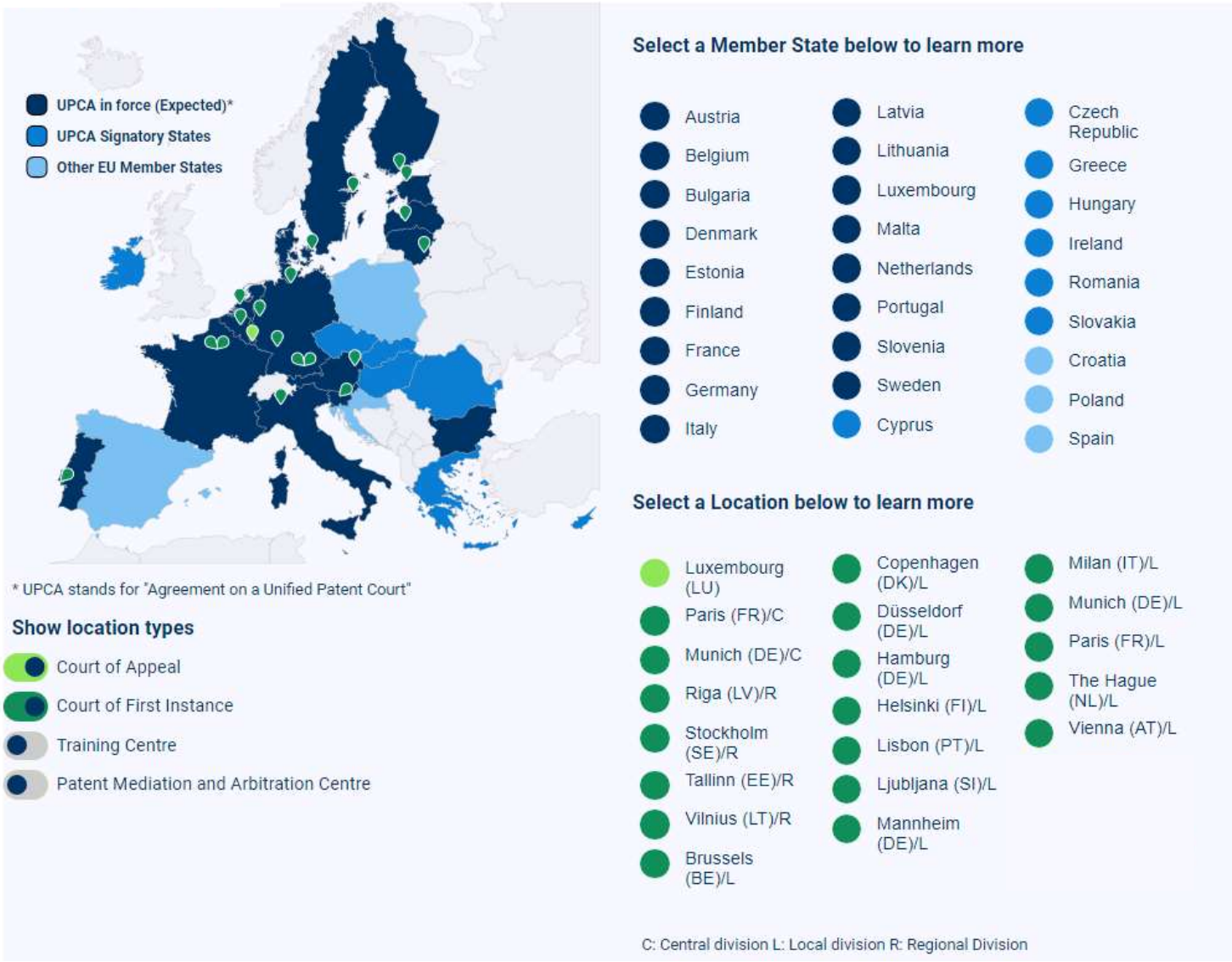
- Opt-out individually or in bulk the EPs of your choice (published or already granted)

Already possible since January 1, 2023:

- Request a delay in issuing the publication of the mention of grant of a European patent (Rule 71(3) EPC).
- Request early unitary effect

- English language proceedings available
- technically trained judges of German, Dutch, and Nordic origin
- Selection of court venue (Place of infringement or Central Division)

UPC Locations Map



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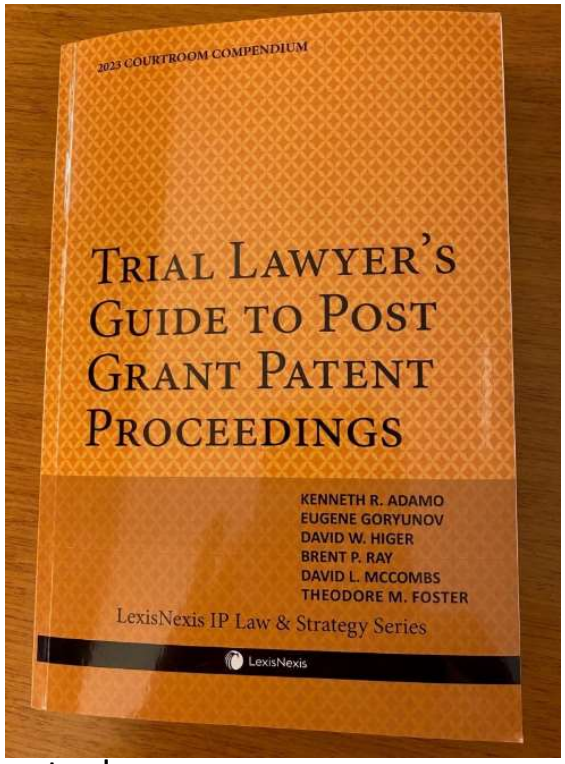
UPC provides Mixed “Common/Continental Law”-style litigation, combining infringement and invalidity, but avoiding lengthy trial days in court

„Netlist case“



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China has a bifurcated patent system but joint infringement and validity hearings have been held.

“In July 2021, in Guangdong Province (Foshan City), a joint hearing took place to determine patent validity and patent infringement. This was the first time such a joint hearing had been held in Guangdong Province. The joint hearing in a single venue took place on 14 July 2021: The Foshan Intellectual Property Protection Centre (FIPPC) had organised a joint on-line hearing of the Patent Re-examination Board (PRB) of the China National IP Administration (CNIPA) (responsible for determining patent validity), and the Guangzhou Intellectual Property Court (Guangzhou IP Court) (responsible for determining infringement) at a single sitting.”

Unified Patent Court: Three (3) Important Takeaways

All UPC decisions can be swiftly asserted in the entire UPC land, different from the EU.

UPC Interim/Preliminary Injunctions are immediately available, different from the US and China.

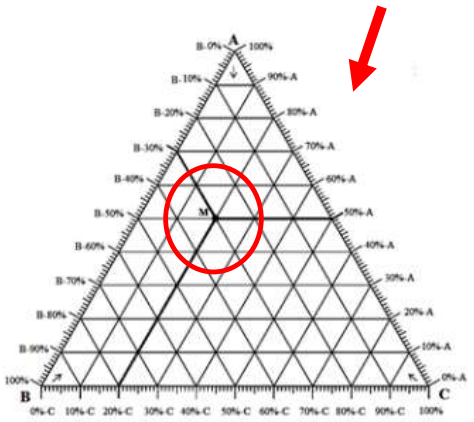
Get 5 times the bang for half the buck, as compared with the UK.

Unified material case law

- Novelty
- Inventiveness (inventiveness discussions only for elements that come with a technical advantage)
- Equivalence (standpoint: at the time of the earliest priority date)
- Priority (only for matters that have been disclosed as such)
- Added subject matter
- Lack of enablement
  (can you make it with what is described?)
- Sufficiency of disclosure
  (does it work at all?)
- Selection inventions

„copper“ is novel over „metal“.

But how about this?



Component	Weight% in mixtur (M)
A	50
B	30
C	20

UPC: prepare for Litigate-Grade Patents

- Convert US-style patent claims to EP standard, with the independent claims in two-part form and with multi-dependencies in the dependent claims
- provide a support section for the claims: definitions, advantages and technical effects for the claim elements of each claim
- the original US-style claims are kept in the specification so that they can later be used again, if wanted (*)
- provide consistent reference numerals throughout the specification even if different terms are used in the claims, plus a reference numerals list
- provide formal support for so-called “intermediate generalizations”
- provide an updated Prior Art section with appropriately worded object of the invention

(*) it is recommended that a parallel US patent application be filed, along with the new PCT Application, in order to avoid adverse consequences from the EP adaptations to the scope of protection of a later granted US patent

A litigation-grade UP/UPC EP is somewhat like the opposite of a litigation-grade US patent.

Conversion of US-Style to UP/EP-Style before filing

At the end of the priority year, file in parallel:

a) a US patent application

and

b) a PCT Application

in order to avoid adverse consequences from the EP adaptations to the scope of protection of a later granted US patent.

Let an EP attorney do that conversion. Just the conversion. Not more

Your US Attorney will still be filing the PCT application for you and represent you before WIPO.

That not only provides a smooth grant and a broad scope of protection in UPC land but also in EP, DE, UK, CN, JP, and SG.

We have a 2-days turnaround time sprint service for this!
Price: USD 5,000

Forget Opt-Out, Unless You do Not Want Swift Litigation

- You can opt out and in any EP patent, as often as you like, during a transitional period of 7 years after the start of the UPC system
- All big players in the UPC Land industry will not Opt Out, except for pharmaceutical industry and similar
- Opting out does not make UPC lawsuits inadmissible
- Valid reason for Opt-out: Crappy patent. Crappy patents should not appear before the UPC, unless in bulk

Yes, there are patent filers who deliberately file crappy patents.

SPRINT Acceleration at EPO

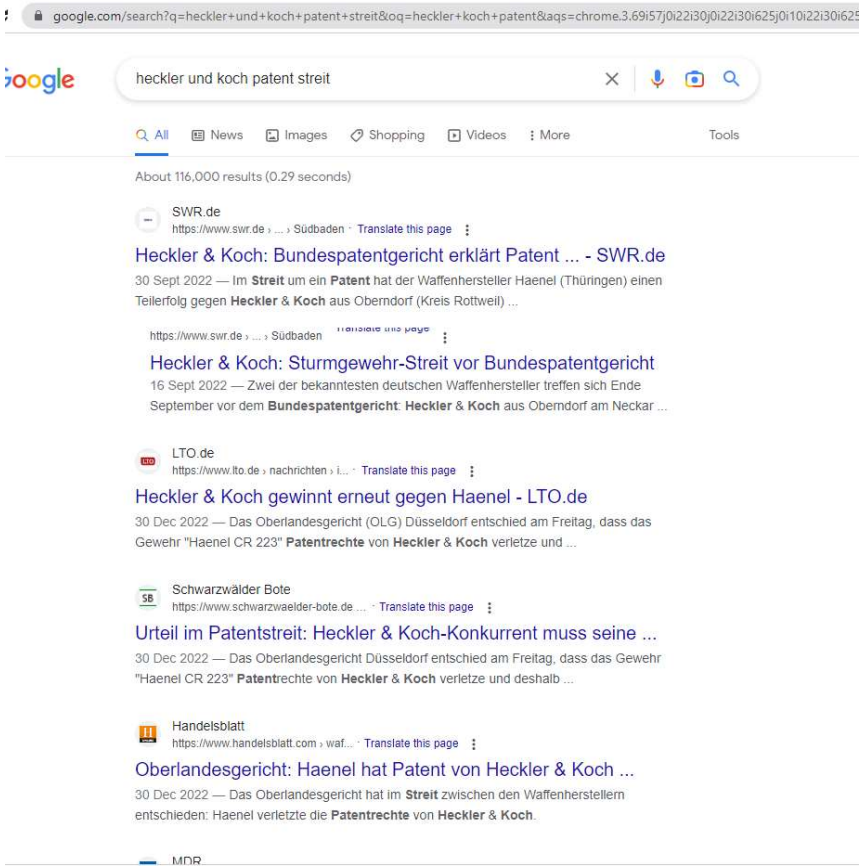
We have a **EPO Track One** Sprint service for this!
Price: US$ 5,000

Get a UP/EP within 1 year of entering regional phase at EPO:

To Opt Out or Knot to Opt Out? That is the tangled question.

An Example For A Good Reason To NOT Have The UPC Jurisdiction For Your Patent: Your Government Supply Contract Is Backed By A Patent

Google for
„Heckler & Koch Haenel Sturmgewehr“



Bayer AG (Aspirin, Baygon), Head of IP in a recent interview:

1) UP not attractive to pharma and biotech businesses unless there is a unitary Supplementary Protection Certificate (SPC)

2) Until a unitary SPC is in place, Bayer is NOT considering UPs for “crown jewel” patents

3) But in the meantime, Bayer will include its 'non-core' patents in the new UP system.

4) The UPC/UP regime makes it even more important to address patent quality concerns at the EPO: EPO has been for improving its efficiency over the past decade but EPO but has taken backwards steps with regard to patent quality: number of full revocations in Opposition-Appeal cases (~ US Inter Partes Review) has increased

Cliffs ahead: Why Opting Out Cheaply may not be the Practical Choice

An erroneous opt-out application will have no effect. In other words: it is NOT possible to correct errors after an action has been commenced before the UPC.

Required: full compliance with the R 5 RPUPC.

The information provided must be accurate. No checks will be made by the UPC Registry.

In the event of an error: possible to lodge corrections, but the opt-out will only take effect on the date of the correction.

Important: The UPC Will NOT Check By Itself Whether There Is Any Opt-Out Declared

- In a revocation action. the Onus is on the defendant before the UPC to raise an objection that a valid Opt-Out has earlier been done
- If there is no objection in time (1 month): default is „opt in“
- If objection was done by the wrong person: default is „opt in“
- If the “opt-out” was done in invalid way (in the name of the wrong proprietors, or not all proprietors have done the request, etc.): default is „opt in“

And there are many more surprises to come if you give us European Patent Attorneys enough time to become creative.

Default is: „opt in“.

My opinion: don‘t opt out but still do your due diligence about the patents in your portfolio.

Remember: Opt-out is for live EP patent applications and granted EP patents only

But NOT for:

- Not for Unitary Patents (UPs)
- Not for national patent applications
- Not for utility designs/petty patents

remark: and not for associated supplementary protection certificates (SPCs)

Tactics: Unitary Patent and the UPC, or not?

Conservative 2-Step Patent Strategy.

- Step 1: evaluate whether the respective patent or patent application is worth the effort at all.
- A patent that is not and will never be useful should be dumped as soon as identified to be so.
- This should be part of the annual house cleaning of each IP portfolio.
- Step 2: will it hurt you more if you lose your specific UP/EP patent for all UPC states in one single legal action, as compared with losing it state by state?

This is normal, for 99.9% of the cases:

Losing your specific EP patent for all UPC states in one single legal action would NOT hurt

and

you do not qualify for an associated supplementary protection certificate (SPC).

Result: you do not need to opt-out from the jurisdiction of the UPC.

Nothing needs to be done with your existing granted EP patents and your pending EP applications.

Steps for Opting Out (and you will need all of them)

You give us:

- a list of your EP patents and EP patent applications (Excel format)
- Optional: a list of your products, and of your inventors, together with the relevant EP patents and EP patent applications for these products

We do:

#1: Status Check of Each Patent in the official registers, plus optional: a reasoned decision to let it live or not, based on your optional information above

#2: Compiling and Sending a list of rights and entitled owners to the person providing instructions, along with declarations to be signed;

#3: chasing the person providing instructions for collecting formal agreements from all entitled owners;

#4: filing the opt-out application when all signatures are received.

#5: Update your personal IP Rights Online Database with the evidence for proof of filing (yes, you will need that one. If you don't have one, we give you ours for free)

Price for steps #1 to #5: EUR 386.00 flat (per patent or patent application)

To be billed separately:

- Preparing list of your EP patents (if you do not have that list ready)
- Update registers (European/national registers)

NOT Steps for Opting Out (and you better do ~~will need~~ all of them)

You give us:

- a list of your EP patents and EP patent applications (Excel format)
- Optional: a list of your products, and of your inventors, together with the relevant EP patents and EP patent applications for these products

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#5: Update your personal IP Rights Online Database with the evidence for proof of filing (yes, you will need that one. If you don't have one, we give you ours for free)

Price for steps #1 to #5: EUR 286.00 ~~EUR 386.00~~ flat (per patent or patent application)

To be billed separately:

- Preparing list of your EP patents (if you do not have that list ready)
- Update registers (European/national registers)

Or, if you do not want to opt-out at all: The cheapest and easiest is just do nothing. Leave it as it is.

Why would I still want to do „it“ properly?

The housecleaning can save you a lot of money in renewal fees (my guess is 50% of your total renewal fee expenditures).

You get a personal IP Rights Online Database that will help you to save money in the future, by:

- Making the annual housecleaning very efficient
- Providing your personal e-file for each IP right (patents, trademarks, design patents, invention disclosures, etc.)
- Making payment of future renewal fees very efficient

Rule of thumb: the „Opt-out or not“ exercise will save you so much money that the costs are paid for, even if you do not opt out in the end.

Smart Idea: Opt-Out Monitoring Of Your Competitors

The fact that some competitors choose to opt out only some of their patents rather than all reveals that they are of particular importance to them.

We can check this for you.